

**Argyll and Bute Council**  
**Comhairle Earra-Ghàidheal Agus Bhòid**

Customer Services  
Executive Director: Douglas Hendry



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22 November 2018

**NOTICE OF MEETING**

A meeting of **ARGYLL AND BUTE COUNCIL** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 29 NOVEMBER 2018** at **11:00 AM**, which you are requested to attend.

Douglas Hendry  
Executive Director - Customer Services

**BUSINESS**

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST (IF ANY)**

**3. MINUTES**

- (a) Argyll and Bute Council of 27 September 2018 (Pages 5 - 12)
- (b) Special Argyll and Bute Council 18 October 2018 (Pages 13 - 16)

**4. MINUTES OF COMMITTEES**

- \* (a) Policy and Resources Committee of 18 October 2018 (Pages 17 - 22)

The above minutes are submitted to the Council for approval of any recommendations on the items which the Committee does not have delegated powers. These items are marked with an \*.

**5. DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2018**

Presentation and report by Associate Director of Public Health, Sandra Cairney and Child Health Commissioner/Public Health Specialist, Sally Amor (Pages 23 - 108)

**6. CHIEF SOCIAL WORK OFFICER - ANNUAL REPORT 2017-18**

Report by Chief Social Work Officer, Health and Social Care (Pages 109 - 172)

**7. AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2017-2018**

Report by Chair of Audit and Scrutiny Committee (Pages 173 - 180)

**8. LEADER'S REPORT**

Report by Leader of the Council (Pages 181 - 198)

**9. POLICY LEADS REPORT**

Report by Policy Leads (Pages 199 - 222)

10. **AUDITED ACCOUNTS 2017-18 AND AUDIT SCOTLAND ANNUAL AUDIT REPORT 2017-18**  
Report by Head of Strategic Finance (Pages 223 - 274)
11. **STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2019/20 - 2023/24**  
Report by Executive Director of Development and Infrastructure Services (Pages 275 - 354)
12. **LOCAL GOVERNANCE REVIEW - DEMOCRACY MATTERS - RESPONSE TO CONSULTATION**  
Report by Chief Executive (Pages 355 - 368)
13. **DRAFT PROGRAMME OF MEETINGS 2019-2020**  
Report by Executive Director of Customer Services (Pages 369 - 372)
14. **HOW ARGYLL AND BUTE REMEMBERED**  
Brochure (to follow)  
Report by Executive Director of Customer Services (Pages 373 - 376)
15. **APPOINTMENT OF RECRUITMENT PANEL - POST OF HEAD OF ADULT SERVICES (HEALTH AND SOCIAL CARE PARTNERSHIP)**  
Report by Executive Director of Customer Services (Pages 377 - 380)
16. **YEAR 3 ARGYLL AND BUTE REFUGEE RESETTLEMENT PROGRAMME**  
Report by Executive Director of Customer Services (Pages 381 - 402)
17. **3G PITCHES AND PROPOSALS FOR ONGOING MAINTENANCE**  
Report by Executive Director of Development and Infrastructure Services (Pages 403 - 410)
- E1 18. **COLONSAY NEW BUILD COMPULSORY PURCHASE ORDER**  
Report by Executive Director of Development and Infrastructure Services (Pages 411 - 422)
- E1 19. **KINTYRE RECYCLING LIMITED**  
Report by Executive Director of Development and Infrastructure Services (to follow)

The Council will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an "E" on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

**E1 Paragraph 6** Information relating to the financial or business affairs of any particular person (other than the authority).

**Paragraph 9** Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

## **ARGYLL AND BUTE COUNCIL**

Contact: Sandra Campbell Tel: 01546 604401



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**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,  
KILMORY, LOCHGILPHEAD  
on THURSDAY, 27 SEPTEMBER 2018**

**Present:** Councillor Len Scoullar (Chair)

Councillor Jim Anderson	Councillor Ellen Morton
Councillor John Armour	Councillor Aileen Morton
Councillor Gordon Blair	Councillor Gary Mulvaney
Councillor Rory Colville	Councillor Iain Paterson
Councillor Robin Currie	Councillor Alastair Redman
Councillor Mary-Jean Devon	Councillor Alan Reid
Councillor Lorna Douglas	Councillor Elaine Robertson
Councillor Jim Findlay	Councillor Richard Trail
Councillor Audrey Forrest	Councillor Sandy Taylor
Councillor Kieron Green	Councillor Douglas Philand
Councillor Donald Kelly	Councillor Andrew Vennard
Councillor Donald MacMillan	Councillor Jean Moffat
Councillor Roderick McCuish	Councillor Jim Lynch
Councillor Yvonne McNeilly	Councillor Graham Hardie
Councillor Barbara Morgan	

**Attending:** Cleland Sneddon, Chief Executive  
Douglas Hendry, Executive Director of Customer Services  
Anne Paterson, Head of Education  
Louise Connor, Head of Education  
Pippa Milne, Executive Director of Development and Infrastructure  
Charles Reppke, Head of Governance and Law  
Kirsty Flanagan, Head of Strategic Finance  
Joanna MacDonald, Chief Officer, Health and Social Care Partnership  
Jane Fowler, Head of Improvement and HR  
Rona Gold, Community Planning Manager

The Provost expressed his sorrow at hearing of the passing of ex Councillor Alistair McKinlay from Campbeltown and asked the Council to record its condolences.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated from Councillors Freeman, Good, Horn, Kinniburgh, McGrigor and McKenzie.

**2. DECLARATIONS OF INTERESTS**

Councillor McCuish declared a non-financial interest in item 14 (43 Stevenson Street, Oban) due to his membership of the Bid4Oban Board. He took no part in the discussion of this item of business.

Councillor Robertson declared a non-financial interest in item 15 (Former Kerrera Primary School) due to her husband's former involvement in the Kerrera Development Trust.

**3. MINUTES**

(a) **Argyll and Bute Council of 28 June 2018**

The Minutes of the Argyll and Bute Council Meeting held on 28 June 2018 were approved as a correct record.

(b) **Special Argyll and Bute Council of 16 August 2018**

The Minutes of the Special Argyll and Bute Council Meeting held on 16 August 2018 were approved as a correct record.

**4. MINUTES OF COMMITTEES**

(a) **Policy and Resources Committee of 16 August 2018**

The Minute of the Policy and Resources Committee of 16 August 2018 was noted.

Arising under Item 8 (Information Management Strategy 2018-2021) the Council approved the Information Management (IM) Strategy for Argyll and Bute Council 2018 – 2021.

Arising under Item 10 (Film in Argyll and Bute – Facilitating the Use of Council Assets) the Council approved the proposed Film Location Charging Schedule to be reviewed annually as part of the budget process and noted the proposed Location Release Form.

(b) **Community Services Committee of 23 August 2018**

The Minute of the Community Services Committee of 23 August 2018 was noted.

(c) **Environment, Development and Infrastructure Committee of 6 September 2018**

The Minute of the Environment, Development and Infrastructure Committee of 6 September 2018 was noted.

Arising under Item 5 (Policy on Memorial Safety on Local Authority Cemeteries and Burial Grounds) the Council approved the Policy.

**5. LEADER'S REPORT**

The Council gave consideration to a report providing an update on the activities of the Leader of Argyll and Bute Council from 11 June to 14 September 2018, together with an update from the Policy Lead for Economic Development.

**Decision**

1. The Council noted the terms of the report.
2. Noted that the full Leaders report pack was available in the Leader's Office which included COSLA papers and briefings as referenced in the report.
3. Noted that any COSLA items heard in public session could be provided to Members electronically and any items taken in private session could be reviewed in the Leader's Office.

(Ref: Report by Leader of the Council dated 14 September 2018, submitted)

## **6. POLICY LEADS REPORT**

The Council gave consideration to a report providing an update on key areas of activity for each Policy Lead Councillor.

### **Decision**

The Council agreed to note and endorse the terms of the report.

(Ref: Report by Policy Leads dated 10 September 2018, submitted)

## **7. SUPPORTING COMMUNITIES FUND - PARTICIPATORY BUDGETING PILOT EVALUATION**

The Council considered a report which highlighted the key points from the evaluation of the completed pilot project with the Supporting Communities Fund and sought agreement on the future distribution of the Supporting Communities Fund.

### **Decision**

The Council noted the outcomes from this successful pilot project and agreed:

1. That for 2018/20 Participatory Budgeting will not be used as a method to allocate the Supporting Communities Fund for the reasons detailed in paragraph 4.7 related to disproportionate costs against grant funding available; and notes the work currently underway to consider a national platform which would be available to local authorities.
2. Improvements be made to the Supporting Communities Fund, taking on board feedback through the evaluation to increase awareness and transparency in the grants process as detailed in paragraph 4.8 of the report.
3. The Council shares the learning from the PB pilot with dedicated COSLA Office and COSLA Elected Member Groups looking at Community Choices and PB to inform best practice and national considerations for a PB platform.
4. Options for how the Council can meet the 1% requirement of budget distribution by 'Community Choices' by 2020/21, including where the use of PB may be appropriate, be brought to a future meeting of the Council.

(Ref: Report by Chief Executive dated 13 September 2018, submitted)

The Provost introduced Joanna Macdonald the new Chief Officer of the Health and Social Care Partnership to the Council meeting. Joanna advised that she was delighted to be back in Argyll and Bute and was looking forward to working with everyone.

## **8. LOCAL GOVERNANCE REVIEW COMMUNITY ENGAGEMENT UPDATE**

The Council considered a report which advised of the Programme for Government 2017-18 which set out the intention to "decentralise power to a more local level in Scotland and launch a comprehensive review of local governance ahead of a Local Democracy Bill later in this Parliament". The Scottish Government and COSLA jointly announced the Local

Governance Review consultation which was launched in May 2018 and closes on 14 December 2018.

### **Decision**

The Council:

1. Noted the summary reports from each of the eleven community engagement events undertaken by the Council during the summer of 2018 have been reported to relevant area committees for their information and consideration.
2. Considered the key themes drawn from the engagement events as outlined within the report which will be used to inform the Council's draft response to the Local Governance Review consultation; and
3. Noted that a draft response to the Local Governance Review will be presented to Council in November 2018 with a view to submit to the Scottish Governments before the deadline of 14 December 2018.

(Ref: Report by Chief Executive dated 3 September 2018, submitted)

## **9. CONSULTATION FOR BUDGET SETTING IN 2019/2020**

The Council considered a report which set out a proposed consultation on public priorities, for use in setting the Council's budget for 2019/20.

### **Decision**

The Council approved the consultation as set out in Appendix 1 to the report and noted that further information in respect the Council's budget-setting timeline will be included in the next budget outlook report, at the Policy and Resources Committee of 18 October 2018.

(Ref: Report by Executive Director of Customer Services dated 27 September 2018, submitted)

## **10. COUNCIL APPOINTMENTS**

The Council considered a report which updated the Council on vacancies which had arisen on the Councils Committee and other outside bodies / organisations. The Head of Governance and Law advised Members of a correction to the detail contained in the report.

### **Decision**

The Council:-

1. Noted the resignation of Councillor McNeilly from the Argyll Islands Strategic Group and appointed Councillor Redman to the Group.
2. Agreed the replacement of Councillor Alan Reid by an officer of the Council for the West of Scotland Loan Fund/Business Loans Scotland.
3. Agreed that as CHArts moves from being a Steering Board to being a Scottish

Charitable Incorporated Organisation (SCIO), Councillor Robin Currie continues as the Council appointee.

(Ref; Report by Executive Director of Customer Services dated 11 September 2018, submitted)

#### **11. AMENDMENT TO FEES AND CHARGES - BURIALS AND CREMATIONS**

The Council considered a report which advised that COSLA and the Scottish Government made a joint commitment to remove local authority fees for burial and cremation for children under 18 years old.

##### **Decision**

The Council agreed to the change to the Council's Fees and Charges schedule 2018/19 as outlined in the submitted report.

(Ref: Report by Executive Director of Development and Infrastructure dated 27 September 2018, submitted)

#### **12. CODE OF CONDUCT FOR COUNCILLORS AND GUIDANCE**

The Council noted a report which advised members of the actions that have been taken following the publication of an amended version of the Councillors' Code of Conduct, as agreed by the Scottish Parliament on 9 July 2018 and the revised guidance issued by the Standards Commission in light of the amendments.

(Ref: Report by Executive Director of Customer Services dated 15 August 2018, submitted)

#### **13. NOTICE OF MOTION UNDER STANDING ORDER 13**

Councillor Paterson, seconded by Councillor Douglas had given notice of the following motion:-

##### **Motion**

The Council notes that:

- a) the Council's wish to promote a thriving economy in Argyll and Bute and the importance of tourism and related amenities to that economy;
- b) the budget approved by the Council on 22nd February 2018 included;
  - i. a general increase in fees and charges at a general 3% above inflation; and
  - ii. an increase in car parking income
- c) the new car parking charges being introduced at Glen Loin 1 & 2 which increase the daily parking rate from £1 per day to £9 per day represent an increase of 800%;
- d) as a consequence, Glen Loin 1 & 2, become amongst the most expensive in Scotland, in stark contrast with the least expensive; Ben Nevis, Ben Lomond and the Cairngorms, at £4, £3 and £2 per day respectively, for car parks with associated facilities and amenities;
- e) these increases have given rise to considerable public objection, given voice in the "Petition Argyll and Bute Council against raising parking fees at Arrochar car parks by 800%" which at the time of writing stands at 3,903 signatories;

The Council agrees:

1. To amend the car parking charges at Glen Loin 1 & 2, to £1 per hour, for the first three hours;
2. To cap the day rate for Glen Loin 1 & 2 to £3 for any length of stay beyond 3 hours;
3. That officers are to assess the available information on car park use to inform a revised charging regime reflecting urban and rural local parking facilities and usage and bring a report to the December meeting of the P & R Committee.

### **Amendment**

The Council notes that:

1. The decision to amend parking charges across Argyll and Bute was unanimously agreed as part of the February 2018 Budget decision, which will deliver total additional income of £600,000 over the next 3 years; if this cannot be achieved then on average one Council job will need to be cut per £28.6k of income reduced;
2. 80% of Council funding comes direct from the Scottish Government; over the past five years funding to local authorities across Scotland has decreased by almost £750million;
3. As reported in May by the Scottish Parliament Information Centre, Argyll and Bute Council has had the largest drop in funding of any of mainland local authority, with funding down by 11.4%, compared to a Scottish-wide funding drop of 5.7%;
4. The Council's in-year financial position, as reported to the Policy and Resources Committee in August, is a £2.8million overspend in 2018/19;
5. As also reported to the Policy and Resources Committee in August, the mid-range estimate of further savings required by the Council over the next three years is £22million;
6. Difficult decisions have been made by this Council over a number of years now to maintain a balanced budget, as is legally required, including in February 2018 when the Council unanimously agreed to take the parking income option while also agreeing areas of protection or additional spending.

The Council agrees:

1. That the priorities agreed in the Budget in February 2018 still stand, namely:
  - a. Protection of Education and Social Care services
  - b. Investment in our Roads network
  - c. Agreement of a Rural Growth Deal for Argyll and Bute
  - d. Protecting local jobs
2. That dealing with individual decisions in a vacuum is inappropriate, especially when no effort is made to identify alternative savings, and no action should be taken at this time on the proposed motion.

Moved by Councillor Mulvaney, seconded by Councillor McCuish.

The requisite number of members required the vote to be taken by calling the roll and members voted accordingly:-

### **Motion**

Councillor Armour  
Councillor Blair  
Councillor Douglas  
Councillor Findlay  
Councillor Forrest  
Councillor Kelly  
Councillor Lynch  
Councillor Moffat

### **Amendment**

Councillor Anderson  
Councillor Colville  
Councillor Currie  
Councillor Devon  
Councillor Green  
Councillor Hardie  
Councillor MacMillan  
Councillor McCuish

Councillor Paterson  
Councillor Philand  
Councillor Taylor  
Councillor Trail

Councillor McNeilly  
Councillor Morgan  
Councillor A Morton  
Councillor E Morton  
Councillor Mulvaney  
Councillor Redman  
Councillor Reid  
Councillor Robertson  
Councillor Scoullar  
Councillor Vennard

**Decision**

There were 12 votes for the Motion and 18 for the Amendment and the Council resolved accordingly.

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for the following two items of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

**E1 14. 43 STEVENSON STREET, OBAN**

The Council considered a report which advised members of an approach from Bid4Oban to extend their lease of the shop premises at 43 Stevenson Street, Oban.

**Decision**

The Council agreed to the extension of lease in favour of BID4Oban on the basis of the annual rent as outlined in the submitted report.

(Ref: Report by Executive Director of Customer Services dated 10 August 2018, submitted)

**E1 15. FORMER KERRERA PRIMARY SCHOOL - PROPOSED SALE TO ISLE OF KERRERA DEVELOPMENT TRUST**

The Council considered a report which provided details of a request received by the Council from the Isle of Kerrera Development Trust to acquire the former Kerrera Primary School.

**Decision**

The Council agreed to a sale of the former Kerrera School to the Isle of Kerrera Development Trust on the basis outlined in the submitted report.

(Ref: Report by Executive Director of Customer Services dated 16 August 2018, submitted)

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**MINUTES of SPECIAL MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL  
CHAMBER, KILMORY, LOCHGILPHEAD  
on THURSDAY, 18 OCTOBER 2018**

**Present:** Councillor Len Scoullar (Chair)

Councillor John Armour	Councillor David Kinniburgh
Councillor Gordon Blair	Councillor Roderick McCuish
Councillor Rory Colville	Councillor Yvonne McNeilly
Councillor Robin Currie	Councillor Barbara Morgan
Councillor Mary-Jean Devon	Councillor Aileen Morton
Councillor Lorna Douglas	Councillor Gary Mulvaney
Councillor Jim Findlay	Councillor Alastair Redman
Councillor George Freeman	Councillor Alan Reid
Councillor Audrey Forrest	Councillor Elaine Robertson
Councillor Bobby Good	Councillor Richard Trail
Councillor Kieron Green	Councillor Sandy Taylor
Councillor Anne Horn	Councillor Douglas Philand
Councillor Donald Kelly	Councillor Jim Lynch
Councillor Donald MacMillan	Councillor Graham Archibald Hardie

**Attending:** Cleland Sneddon, Chief Executive  
Douglas Hendry, Executive Director of Customer Services  
Tricia O'Neill, Central Governance Manager  
Kirsty Flanagan, Head of Strategic Finance  
Joanna MacDonald, Chief Officer, Health and Social Care Partnership  
Fergus Murray, Head of Economic Development and Strategic Finance  
Jane Fowler, Head of Improvement and HR

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated by Councillors Anderson, McGrigor, McKenzie, Moffat, Paterson, E Morton and Vennard.

**2. NOTICE OF MOTION UNDER STANDING ORDER 14**

The Executive Director of Customer Services advised that in terms of Standing Order 14 the following Notice of Motion by Councillor A Morton, seconded by Councillor McCuish had been received for consideration as a matter of urgency at this meeting:-

The Council notes:

- a) The multiple landslips which closed the A83 at the Rest and Be Thankful as well as the Old Military Road diversion route on Tuesday 9<sup>th</sup> October, with both roads remaining closed into the following week.
- b) That during the time of the road closures there were issues with other transport routes to and within Argyll and Bute, including a road closure on the alternate A82/A85 route.
- c) That the closure of the A83 has an enormously damaging impact on residents, commuters, visitors and businesses within Argyll and Bute, resulting in unacceptably long detours and delays.

The Council further notes that a request had already been made for a meeting of the A83 Taskforce to be held ASAP, and welcomes that a meeting is now scheduled for November 15<sup>th</sup>.

The Council agrees that the failure of the most recent works to keep the road open through severe weather demands an urgent review of existing and future plans at the Rest and Be Thankful.

The Council requests that the Leader writes to the First Minister asking:

- 1) That in addition to the A83 Taskforce meeting, a further meeting is arranged for a delegation from A&B Council (Cllrs A Morton, G Mulvaney, S Taylor and D Philand as well as appropriate officers) to meet with the Cabinet Secretary for Transport and the Cabinet Secretary for Finance regarding this ongoing, crucial issue for Argyll and Bute.
- 2) That a full review is urgently undertaken of the options to provide a permanent solution for the A83 at the Rest and Be Thankful. Recognising the Council's request to Transport Scotland, from the start of 2013 onwards, that in addition to the current works (the Red Corridor identified in the Jacobs report) a permanent solution should also be progressed.
- 3) That the Scottish Government, without further delay, formally commits to identifying and funding a permanent solution to keep the A83, and Argyll and Bute, open for business.

The Provost ruled that the motion be considered as a matter of urgency by reason of the current situation which is of utmost importance to the whole of Argyll and Bute.

The Council agreed to consider the motion and this is dealt with at Item 6 of these minutes.

The Provost offered congratulations to the Camanachd Association, the governing body of the Scottish sport of shinty, on reaching their 125<sup>th</sup> anniversary. The association was first constituted in the Victoria Hall, Kingussie, on 10<sup>th</sup> October 1893.

On behalf of Argyll and Bute Council he wished the Camanachd Association well in its objectives of fostering, encouraging, promoting and developing this iconic team sport which has such a special place in Scottish community life. The Association continues to support our rural communities and expand interest in shinty in urban communities. It is building on its already strong links with the Gaelic language. He congratulated all the players, clubs, officials, volunteers, administrators, supporters and sponsors who continue to make the sport of shinty truly unique.

### **3. DECLARATIONS OF INTERESTS**

There were no declarations of interest intimated.

### **4. DELIVERING THE ARGYLL RURAL GROWTH DEAL**

#### **(a) Report by Executive Director of Development and Infrastructure Services**

The Council noted that the Policy and Resources Committee had referred consideration of this item which asked the Council to approve the proposed overarching vision, key growth sectors and project themes which form the basis of the Rural Growth Deal.

#### **Decision**

The Council:-

- a) Noted the advice received from the Scottish and UK Governments and the support demonstrated via the public consultation in relation to a Rural Growth Deal;
- b) Agreed the proposed overarching vision, key growth sectors and project themes which form the basis of the Rural Growth Deal;
- c) Approved the submission of a formal Rural Growth Deal proposition document by November 2018 to the Scottish and UK Governments to enable the process of formal negotiations to be progressed;
- d) Delegated authority to the Council's Chief Executive in consultation with the Leader, Depute Leader and Leader of the largest opposition group to progress negotiations with UK and Scottish Government officials following submission of the formal Rural Growth Deal proposition document;
- e) Noted that in reaching a Heads of Terms Agreement with the Scottish and UK Governments it is likely that certain projects included as part of the Rural Growth Deal proposition will be either amended, removed or new projects included as part of the negotiations.
- f) Confirmed that a further report in terms of programme governance will come to council in due course.

(Ref: Report by Executive Director of Development and Infrastructure Services dated 18 October 2018, submitted)

## **5. JOINT LOCAL BRITISH SIGN LANGUAGE PLAN FOR ARGYLL AND BUTE**

### **(a) Report by Executive Director of Customer Services**

The Council noted that the Policy and Resources Committee had referred consideration of this item which sought approval of the Joint Local BSL Plan for Argyll and Bute 2018-2024.

#### **Decision**

The Council:-

1. Agreed the proposals as outlined in the Joint Local BSL Plan for Argyll and Bute 2018 – 2024.
2. Agreed the recommendations forthcoming from the Policy and Resources Committee of 18<sup>th</sup> October in relation to approval of the Joint Local BSL Plan for Argyll and Bute 2018 – 2024.
3. approved adoption of the Joint Local BSL Plan for Argyll and Bute 2018 – 2024.

(Ref: Report by Executive Director of Customer Services dated 18 September 2018, submitted)

## **6. NOTICE OF MOTION UNDER STANDING ORDER 14**

In terms of Standing Order 14 the following Notice of Motion had been received for consideration as a matter of urgency at this meeting.

The Council notes:

- a) The multiple landslips which closed the A83 at the Rest and Be Thankful as well as the Old Military Road diversion route on Tuesday 9<sup>th</sup> October, with both roads remaining closed into the following week.
- b) That during the time of the road closures there were issues with other transport routes to and within Argyll and Bute, including a road closure on the alternate A82/A85 route.
- c) That the closure of the A83 has an enormously damaging impact on residents, commuters, visitors and businesses within Argyll and Bute, resulting in unacceptably long detours and delays.

The Council further notes that a request had already been made for a meeting of the A83 Taskforce to be held ASAP, and welcomes that a meeting is now scheduled for November 15<sup>th</sup>.

The Council agrees that the failure of the most recent works to keep the road open through severe weather demands an urgent review of existing and future plans at the Rest and Be Thankful.

The Council requests that the Leader writes to the First Minister asking:

- 1) That in addition to the A83 Taskforce meeting, a further meeting is arranged for a delegation from A&B Council (Cllrs A Morton, G Mulvaney, S Taylor and D Philand as well as appropriate officers) to meet with the Cabinet Secretary for Transport and the Cabinet Secretary for Finance regarding this ongoing, crucial issue for Argyll and Bute.
- 2) That a full review is urgently undertaken of the options to provide a permanent solution for the A83 at the Rest and Be Thankful. Recognising the Council's request to Transport Scotland, from the start of 2013 onwards, that in addition to the current works (the Red Corridor identified in the Jacobs report) a permanent solution should also be progressed.
- 3) That the Scottish Government, without further delay, formally commits to identifying and funding a permanent solution to keep the A83, and Argyll and Bute, open for business.

Moved by Councillor A Morton, seconded by Councillor McCuish.

### **Decision**

The Council unanimously agreed the terms of the Motion.

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL  
CHAMBER, KILMORY, LOCHGILPHEAD  
on THURSDAY, 18 OCTOBER 2018**

**Present:** Councillor Aileen Morton (Chair)

Councillor Rory Colville	Councillor Alan Reid
Councillor Robin Currie	Councillor Elaine Robertson
Councillor Kieron Green	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Sandy Taylor
Councillor Yvonne McNeilly	Councillor Richard Trail
Councillor Gary Mulvaney	Councillor Lorna Douglas
Councillor Douglas Philand	Councillor Audrey Forrest

**Also present:** Councillor Alastair Redman

**Attending:** Cleland Sneddon, Chief Executive  
Douglas Hendry, Executive Director of Customer Services  
Tricia O'Neill, Central Governance Manager  
Kirsty Flanagan, Head of Strategic Finance  
Fergus Murray, Head of Economic Development and Strategic Transport  
Jane Fowler, Head of Improvement and HR  
Anne MacColl-Smith, Procurement and Commissioning Manager

**1. APOLOGIES FOR ABSENCE**

Apologies for absence was received from Councillor Ellen Morton.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTES**

The Minutes of the meeting of the Policy and Resources Committee held on 16 August 2018 were approved as a correct record.

**4. FINANCIAL MONITORING REPORT - AUGUST 2018**

The Policy and Resources Committee gave consideration to a report which provided a summary of the financial monitoring reports as at the end of August 2018. Six detailed reports were summarised which included the Revenue Budget Monitoring Report as at 31 August 2018, the Monitoring of Service Package Policy Options as at 31 August 2018, the Monitoring of Financial Risks as at 31 August 2018, the Capital Plan Monitoring Report as at 31 August 2018, the Treasury Monitoring Report as at 31 August 2018 and the Reserves and Balances as at 31 August 2018.

**Decision**

The Policy and Resources Committee –

1. Noted the Revenue Budget Monitoring Report as at 31 August 2018.

2. Noted the comments in respect of the Health and Social Care Partnership position.
3. Approved that a transfer of £0.020m is made from the Council's budget provision for apprenticeship levy in 2018-19 and transferred to Live Argyll as part of the management fee and also agreed that this transfer is added to the base management fee for future years.
4. Noted the progress of the Service Package Policy Savings Options as at 31 August 2018.
5. Noted the current assessment of the Council's financial risks.
6. Noted the Capital Plan Monitoring Report as at 31 August 2018 and approved the proposed changes to the Capital Plan as detailed at Appendix 7 to the submitted report.
7. Noted the Treasury Monitoring Report as at 31 August 2018.
8. Noted the Reserves and Balances Report as at 31 August 2018.

(Reference: Report by Head of Strategic Finance dated 26 September 2018, submitted)

#### **5. BUDGET OUTLOOK 2019-20 TO 2021-22 UPDATE**

The Committee gave consideration to a report providing an update to the Budget Outlook 2019-20 to 2021-22 last reported to the Policy and Resources Committee on 16 August 2018. The budget outlook report had been prepared using three different scenarios - best case, worse case and mid-range.

##### **Decision**

The Policy and Resources Committee noted the current estimated budget outlook position for the period 2019-20 and 2021-22.

(Reference: Report by Head of Strategic Finance dated 5 October 2018, submitted)

#### **6. COUNCIL TAX ON EMPTY PROPERTIES**

The Committee gave consideration to a report which sought approval of an amendment to policy to allow officers to grant up to an additional 12 months 10% council tax discount to accounts where the Planning and Building Control process has taken a significant period of time and where there is clear evidence of building works having started.

##### **Decision**

The Policy and Resources Committee approved an amendment to the policy for charging double council tax on long term empty properties so that where major repairs are still underway which require planning permission and/or building warrant, and the property has recently been purchased by a new owner, the double charge is only applied after a 24 month period in particular circumstances where senior

management approve such measures and conclusive evidence is provided showing no unreasonable delays to works by the parties liable for Council Tax.

(Reference: Report by Executive Director – Customer Services dated 7 September 2018, submitted)

\* **7. PROCUREMENT STRATEGY 2019/20 AND SUSTAINABLE PROCUREMENT POLICY 2019/20 - DRAFT DOCUMENTS AND CONSULTATION**

The Committee gave consideration to a report which sought approval of a revised draft Procurement Strategy 2019/20 and Sustainable Procurement Policy 2019/20.

**Decision**

The Policy and Resources Committee –

1. Noted the key changes to the Procurement Strategy 2019/20 and Sustainable Procurement Policy 2019/20 and the outcome of the consultation.
2. Agreed to recommend to the Council approval of the revised draft Procurement Strategy 2019/20 and Sustainable Procurement Policy 2019/20.

(Reference: Report by Executive Director – Customer Services dated 4 October 2018, submitted)

**8. COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015 - PART 8 - COMMON GOOD PROPERTY**

In order to ensure compliance with the duties as set out within Part 8 of the Community Empowerment (Scotland) Act 2015 in respect of common good property, the Council are required to publish a common good register. The Committee gave consideration to a report which set out the proposed process and which sought approval to consult on the draft list detailed at appendix 1 to the submitted report.

**Decision**

The Policy and Resources Committee –

1. Agreed that officers take the necessary steps, in line with the statutory guidance, to consult on the draft common good property list as detailed at appendix 1 to the submitted report.
2. Noted the process that would be followed in the event that the Council seek to dispose of, or change the use of, common good property as set out in section 4.3 of the submitted report.

(Reference: Report by Executive Director – Customer Services dated 16 August 2018, submitted)

**9. COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015 - PART 9 - ALLOTMENTS**

Part 9 of the Community Empowerment (Scotland) Act 2015 places a number of duties on local authorities in respect of allotments. The Committee gave

consideration to a report which summarised the main elements in respect of the duties placed upon the authority and which provided details of the relevant service who would be responsible for ensuring compliance moving forward.

### **Decision**

The Policy and Resources Committee -

1. Noted the duties placed on local authorities arising from Part 9 of the Community Empowerment Act 2015 in respect of allotments.
2. Endorsed the steps which would be taken by the relevant Council service to ensure compliance.

(Reference: Report by Executive Director – Customer Services dated 18 September 2018, submitted)

## \* **10. JOINT LOCAL BRITISH SIGN LANGUAGE PLAN FOR ARGYLL AND BUTE**

The BSL (Scotland) Act 2015 requires public bodies in Scotland to publish a local plan every 6 years showing how they will promote and support BSL. The Committee gave consideration to a report which sought approval of the Joint Local BSL Plan for Argyll and Bute 2018 – 2024.

### **Decision**

The Policy and Resources Committee agreed to refer the recommendations to the Council Meeting.

(Reference: Report by Executive Director – Customer Services dated 18 September 2018, submitted)

## \* **11. DELIVERING THE ARGYLL RURAL GROWTH DEAL**

The Committee gave consideration to a report which provided details on the emerging Rural Growth Deal for Argyll and Bute and which provided a summary of the business and public consultation undertaken to date, the overarching vision, the key themes and growth sectors that the Council were aiming to support through the deal, and emerging projects which the Council intended would be included in the formal proposition to both the Scottish and UK governments.

### **Decision**

The Policy and Resources Committee referred recommendation to the Council Meeting.

(Reference: Report by Executive Director – Development and Infrastructure Services dated October 2018, submitted)

## **12. REVIEW OF HEALTH AND SOCIAL CARE INTEGRATION SCHEME - UPDATE**

A report which provided an update on the decisions made by the Council at their meeting on 22 February 2018 in respect of the review of the Health and Social Care Integration Scheme, was before the Committee for noting.



## **Decision**

The Policy and Resources Committee noted –

1. The lack of progress that had been made in respect of implementing the Council decision, made in February 2018, to pursue a review of the Integration Scheme thus far.
2. That arrangements would now be made for an initial meeting of the Short Life Working Group.
3. That a revised version of the timetable detailed at paragraph 4.2 of the submitted report would be agreed by the Short Life Working Group and reported back to Members.

(Reference: Report by Executive Director – Customer Services dated 10 October 2018, submitted)

### **13. COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015 - UPDATE - EXPRESSIONS OF INTEREST / ASSET TRANSFER REQUESTS/REPORTING REQUIREMENTS**

A report was before the Committee for noting which advised of current live expressions of interest which may become subject to a formal asset transfer request; community group proposals which had been dealt with outside the formal asset transfer process; the progress of the asset transfer request which had been submitted by Mull and Iona Community Trust in respect of Calgary Bay Site of Special Scientific Interest; current live ongoing or agreed participation requests received by the Council; and annual reporting requirements in respect of Asset Transfer requests and Participation Requests as set out in Section 95 and 32 of the Community Empowerment (Scotland) Act 2015 respectively.

## **Decision**

The Policy and Resources Committee noted the content of the report and the positive outcomes achieved.

(Reference: Report by Executive Director – Customer Services dated 18 October 2018, submitted)

### **14. POLICY AND RESOURCES COMMITTEE WORKPLAN - OCTOBER 2018**

The Policy and Resources Committee Work Plan as at October 2018 was before the Committee for noting.

## **Decision**

The Policy and Resources Committee noted the Work Plan as at October 2018.

(Reference: Policy and Resources Committee Work Plan as at October 2018, submitted)

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**ARGYLL AND BUTE COUNCIL**

**Council**

**Public Health and Health Policy NHS  
Highland**

**29 November 2018**

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**NHS Highland Director of Public Health Annual Report 2018  
Adverse Childhood Experiences, Resilience and Trauma Informed Care: A  
Public Health Approach to Understanding and Responding to Adversity**

---

**1.0 INTRODUCTION**

- 1.1 This paper serves as a cover for The Director of Public Health Annual Report on Adverse Childhood Experiences, Resilience and Trauma Informed Care: A Public Health Approach to Understanding and Responding to Adversity.

**2.0 RECOMMENDATIONS**

- 2.1 Argyll and Bute Council are asked to:
1. Note the importance of offsetting the effect of childhood adversity as detailed in the 2018 Director of Public Health Annual Report on Adverse Childhood Experiences.
  2. Support the principle of the Argyll and Bute Health and Social Care Partnership working as a trauma informed and trauma responsive health and social care service.

**3.0 DETAIL**

- 3.1 The report details how experience of adversity from birth to adolescence, in the absence of safe buffering relationships, shapes the health and wellbeing of babies, children, young people and adults across the life course and inter-generationally, with a corresponding influence on family and community wellbeing. The effects of adversity can be offset by supporting resilience and by a 'whole system approach' to the development of trauma informed and trauma responsive services.
- 3.2 From epidemiological studies we would expect eleven in every hundred adults across NHS Highland to have experienced more than four of the ten sentinel markers used in research studies of adverse childhood experiences. An individual who has experienced more than four of these events is at a higher risk of experiencing poorer health and wellbeing, specifically:

- 9.5 times more likely to have felt suicidal or self harmed
- 5.8 times more likely to develop problematic alcohol use
- 4.4 times more likely to have type 2 diabetes
- 3.7 times more likely to develop anxiety
- 3.2 times more likely to have coronary heart disease

- 3.3 The key messages from the report can be summarised as follows:
- 3.4 Adverse childhood experiences are common to many of us: they reflect key stressful events from before birth, to the age of 18. There should be no shame in having experienced adversity.
- 3.5 The impact of adverse childhood experiences can be offset by safe, secure responsive adult relationships that buffer the effects of stress/adversity and support the development of resilience, a key mechanism to make sense of, and recover from threat and fear.
- 3.6 'Chronic toxic stress' can have a lasting effect on physical and mental health and wellbeing from birth to the older years. These effects can be passed on to further generations, which can cause inter-generational harm.
- 3.7 The impact of adverse childhood experiences can be mitigated throughout the lifespan: there is always hope and opportunities for recovery in childhood, adolescence, into adulthood, and even in the latter years.
- 3.8 The human costs of adverse childhood experiences are considerable for individuals, families and communities, both in the moment and from inter-generational effects. Environmental and community adversity, combined with the experience of adversity at an individual level, has been described by the phrase a 'Pair of ACEs' as their effect is cumulative.
- 3.9 A public health approach to adverse childhood experiences seeks to influence the experience of adversity, with benefits for all. This includes working within services to intervene, and to respond where there is evidence of harm and the development of trauma-informed systems and services.
- 3.10 By taking a preventive approach to adversity in childhood we can reduce the costs to health, education, social care, police and justice services of responding to the impact and consequences of adverse childhood experiences.
- 3.11 Being trauma aware and trauma informed is 'everyone's business'.
- 3.12 In practice, to be trauma informed requires a cultural shift from 'What's wrong with you?' to 'What happened to you?' and to follow

through with 'How has this affected your life?' and 'Who is there for you?'

- 3.13 Routine enquiry is an approach to understanding and responding to an individual's experiences of adverse childhood experiences. It is a tool that can be built into practice with training, support and supervision.
- 3.14 Community Planning Partnerships have the potential to be a transformational mechanism, working through a strength-based approach, to understand and respond to adverse childhood experiences.
- 3.15 The GIRFEC Child's Plan and Wellbeing Indicators are an important example of a 'strengths based approach' for use with babies, children, young people and their families.
- 3.16 See also full appended report.

#### **4.0 CONCLUSION**

- 4.1 The Director of Public Health Annual Report on Adverse Childhood Experiences details the influence and impact of adversity for babies, children, young people, families, adults and communities across the life course and with intergenerational effects. This knowledge asks our systems and services to reflect on how the effects of adversity can be buffered and offset from birth to adolescence, how resilience can be supported in individuals, families and communities and how the development and implementation of trauma informed and trauma responsive approaches contribute to health and wellbeing and reduce the associated costs to individuals and services.

#### **5.0 IMPLICATIONS**

- 5.1 **Policy**  
The Report invites Argyll and Bute Council to consider Council policy and practice in light of the information detailed with regard over the impact of adversity across the life course with opportunities to respond to mitigate the effect by supporting resilience and the development of trauma informed and trauma responsive services.
- 5.2 **Financial**  
The Report has been assessed as being at least cost neutral, and potentially cost saving, in terms of reduced health service utilisation, improved staff well being, reduced sickness rates and improved recruitment and retention of staff.
- 5.3 **Legal**  
There are no legal implications identified in the report

- 5.4 **HR**  
The Report has been assessed as likely to have a positive rather than a negative impact on human resources.
- 5.5 **Equalities**  
The report is believed to address and reduce inequalities. Whilst it is hoped that this report is accessible to and considered informative by the community, stakeholders and more generally the wider public, it is not considered policy/service/practice/decision and therefore does not require a full Equality Impact Assessment. Any policies or practices which result from this report to prevent Adverse Childhood Experiences or mitigate their negative impacts would have to be screened again and consideration given to whether it would be appropriate to conduct a full Equality Impact Assessment.
- 5.6 **Risk**  
There are no identifiable risks identified at this point in time.
- 5.7 **Customer Service**  
The Report has been assessed as likely to have a positive rather than a negative impact on customer service.

Sally Amor Child Health Commissioner / Public Health Specialist NHS Highland  
15 November 2018

**For further information contact:** Sally Amor (e-mail: [sally.amor@nhs.net](mailto:sally.amor@nhs.net))

**APPENDICES**      Appendix 1

**The Annual Report of the Director of Public Health 2018**

Adverse Childhood Experiences, Resilience and Trauma Informed Care: A Public Health Approach to Understanding and Responding to Adversity

The Annual Report  
of the **Director of  
Public Health**



**2018**



**Adverse Childhood Experiences,  
Resilience and Trauma Informed  
Care: A Public Health Approach to  
Understanding and Responding to  
Adversity**





## Acknowledgements and list of contributors

I would like to thank the following colleagues for their contributions:

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\* Provided contributions for the report in addition to their role as a stakeholder

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## Foreword by Director of Public Health



This year's annual report focuses on our children and young people. The report provides growing evidence that our experience of support and of stress, particularly in the early years, has a key role in shaping our capacity to learn, grow, and respond in a resilient manner later in life.

This report deals with 'Adverse Childhood Experiences' and chronic exposure to 'toxic stress'. A key message in this report is that such experiences increase

the risk of later development of poor mental health, adverse behavioural responses, and increased risk of a range of physical illnesses, but that caring relationships can buffer these adverse effects and improve resilience.

The evidence provided in this report suggests that we can help each other in the face of the stresses and strains to which we can all be subject. By sharing each other's burdens and helping each other to bounce back from the knocks that life brings, we can create a society that is more connected and healthy. Many of us also have opportunities to use the evidence provided in this report to enhance the lives of babies, children and young people in our extended families, our community, and in our place of work.

We are also tasked with listening and responding to the expertise of those with lived experience of adversity. Grassroots expertise needs to underpin the shifts in culture and practice that are required to demonstrate what has been termed 'ACE Awareness' or an 'ACE-Aware Nation'. We have found a grassroots energy and interest that we are keen to facilitate and support.

I would encourage all of us to think about ways in which we can increasingly develop a 'trauma informed' approach to our work, particularly with children and vulnerable people across our communities. I am grateful for the fact that such an approach is well recognised in many schools and mental health services, but there is probably more that we can do to embed these lessons in the way that we all work.

Finally, I want to thank the team, led by Sally Amor, that have contributed to the development of this report, which is the culmination of a lot of analysis, discussion and collaborative working. I hope that you enjoy reading the report.

Professor Hugo van Woerden

Director of Public Health and Health Policy, NHS Highland  
Stiùriche na Slàinte Phoblach, Bòrd Slàinte na Gàidhealtachd

**"Fire can warm or consume, water can quench or drown, wind can caress or cut. And so it is with human relationships: we can both create and destroy, nurture and terrorize, traumatize and heal each other."**

Source: Perry D, Szalavitz<sup>1</sup>

## Introduction

The human brain is unique: given the right opportunities, it has the capacity to bring meaning, perspective, insight, compassion and empathy to people's lives. The socio-biological processes that underpin these capacities are the basis for good mental and physical health and wellbeing with the resulting benefits for families, communities and society at large. When these processes work to best effect, people are more likely to be able to make sense of their lives, be these positive or negative experiences. This sits at the heart of what will be explored in this report: how to make sense of adversity, to enable babies, children, young people, families, communities and wider society to flourish.

Humans grow and develop through a process of responding to, and making sense of threat and adversity and sometimes, violence. One way this is achieved is through the concept of resilience. While adversity can have a positive role to play in our development, it can become a risk and a threat to healthy growth and development when there is too much of it, for too long, in the absence of safety from buffering relationships. This can have a profound and enduring impact on the way brains develop from the earliest moments in life: shaping the foundations of our physical and mental health, and informing the way we respond to ourselves and others on a daily basis. The first '1001 days' (that is the first three years or so of life) are particularly important, laying a template that influences our health and wellbeing across the life course.

The growing awareness of the impact and implications of the way we respond physiologically to threat, adversity, stress and violence prompts a rethink of our understanding and response to adversity. The lens of adverse childhood experience prompts, even requires, new and different approaches to the way health and wellbeing is supported: How to build the capacity for resilience? How to make sense of and recover from threat and fear? It also raises questions over the way we design and deliver services through the developing practice of trauma informed care: an approach that asks: 'What happened to you?' rather than 'What's wrong with you?' to follow through with 'How has this affected your life?' and 'Who is there for you?'

This report considers early development, the preschool and school years, adolescence and transition into adulthood and later life. Consideration is given also to the inter-generational effects of adversity and the impact of trauma on how individuals and families are able, or not, to engage with services. The report goes on to explore how services can be improved with this understanding of trauma in mind and what benefits can be delivered by addressing the impact of childhood trauma and adverse childhood experiences for our population. Throughout the report, case studies explore the links between data, lived experience and service provision.

The role of systems and services and our individual practice is to prevent adversity where possible and when it occurs, to offset harmful effects, while at an individual level, supporting each of us to have the skills and capacity to understand and make sense of the experience of adversity when it occurs.

The team writing the report came to a considered view that we would not use the ACE acronym in the report. This is intended to support a culture and practice of awareness in relation to adversity in childhood as something that can shape us, but that does not define us: we are all more than an 'ACE score'.

## Director of Public Health key messages

1. Adverse childhood experiences are common to many of us: they reflect key stressful events from before birth, to the age of 18. There should be no shame in having experienced adversity.
2. The impact of adverse childhood experiences can be offset by safe, secure responsive adult relationships that buffer the effects of stress/adversity and support the development of resilience, a key mechanism to make sense of, and recover from threat and fear.
3. ‘Chronic toxic stress’ can have a lasting effect on physical and mental health and wellbeing from birth to the older years. These effects can be passed on to further generations, which can cause intergenerational harm.
4. The impact of adverse childhood experiences can be mitigated throughout the lifespan: there is always hope and opportunities for recovery in childhood, adolescence, into adulthood, and even in the latter years.
5. The human costs of adverse childhood experiences are considerable for individuals, families and communities, both in the moment and from intergenerational effects. Environmental and community adversity, along with experience of adversity at an individual level, has been described as a ‘Pair of ACEs’.
6. A public health approach to adverse childhood experiences seeks to describe the range and variety of adversity while reducing the experience of adversity for everyone, with benefits for all. This involves working within services to intervene, and to respond where there is evidence of harm. This involves the development of trauma-informed systems and services.
7. By taking a ‘preventive spend’ approach to adversity in childhood we can reduce the costs to health, education, social care, police and justice services of responding to the impact and consequences of adverse childhood experiences.
8. Being trauma aware and trauma informed is ‘everyone’s business’.
9. In practice, to be trauma informed requires a cultural shift from ‘What’s wrong with you?’ to ‘What happened to you?’ and to follow through with ‘How has this affected your life?’ and ‘Who is there for you?’
10. Routine enquiry is an approach to understanding and responding to an individual’s experiences of adverse childhood experiences. It is a tool that can be built into practice with training, support and supervision.
11. Community Planning has the potential to be a transformational mechanism, working through a strength based approach, with communities, to understand and respond to adverse childhood experiences.
12. The GIRFEC Child’s Plan and Wellbeing Indicators are an important example of a ‘strengths based approach’ for use with babies, children, young people and their families.



# Chapter One - Understanding the problem: the epidemiology of adverse childhood experiences



## What are adverse childhood experiences?

The term adverse childhood experiences (ACEs) is used to describe a wide range of stressful or traumatic experiences that babies, children and young people can be exposed to whilst growing up. The term was first introduced as part of the American Adverse Childhood Experiences Study<sup>2</sup>. This study found that as the number of adverse childhood experiences increased for an individual child, so did their risk of experiencing a range of physical and mental health conditions during the course of their lifetime.

Adverse childhood experiences range from experiences that directly harm a child (such as suffering physical, verbal or sexual abuse and physical or emotional neglect), to those that affect the environment in which a child grows up (including parental separation, domestic violence, mental illness, problematic alcohol or drug use, and a family member being in prison).

Over time, the terminology and language used when considering and discussing adverse childhood experiences has become complex and the subject of inter-disciplinary debate. As a result, a number of definitions have been proposed and presented. For example, adverse childhood experiences have been described as:

"intra-familial events or conditions causing chronic stress responses in the child's immediate environment. These include notions of maltreatment and deviation from societal norms"<sup>3</sup>.

It has also been recognised that:

"... adverse childhood experiences that harm children's developing brains so profoundly that the effects show up decades later; they cause much of chronic disease, most mental illness, addiction and are at the root of most violence"<sup>4</sup>.



**Figure 1.1** - Sentinel markers of adverse childhood experiences from the Adverse Childhood Experiences Study

**Source:** Felitti V et al<sup>2</sup>.

The ten sentinel markers of adversity (Figure 1.1) in the original American Adverse Childhood Experiences study were deliberately limited to direct harm and factors taking place within the home. These do not cover all the adversity experienced in childhood that might be expected to have a similar long-term impact on outcomes.

Other markers that have been proposed in relation to health include: bullying, bereavement and traumatic loss, peer rejection, experience of the care system, food scarcity and living in an unsafe environment<sup>5</sup>. These are shown in Figure 1.2.



**Figure 1.2:** Alternative markers of adverse childhood experiences

**Source:** Based on Smith M<sup>5</sup>

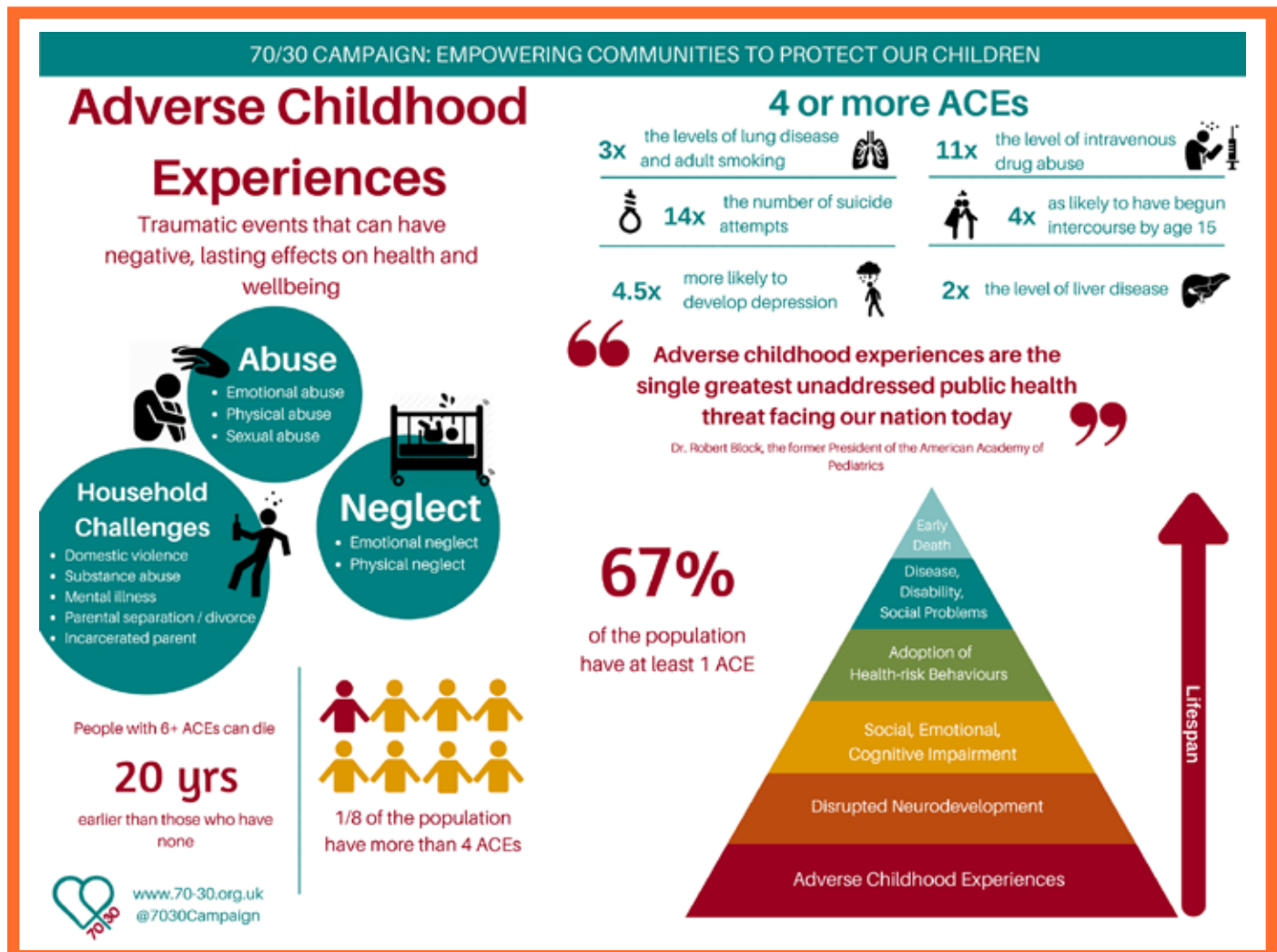
For the purpose of this annual report, the definition of adverse childhood experiences that has been used is: events that happen to a child in the absence of safety, which is traumatic for that child, causes toxic stress, can change their biology, and increase their risk of experiencing a wide range of physical and mental health conditions during their life course<sup>6</sup>.

Adverse experiences often cluster in children and young people's lives, and are associated with a range of poor educational, social, physical and mental health outcomes across the life course. A systematic review in 2017 concluded that focusing upon the effect of multiple adverse childhood experiences enables a better assessment of childhood adversity and its relationship with future health, than does examination of individual types of harm<sup>7</sup>.

A public health approach to adverse childhood experiences is important. It helps us understand the prevalence, the factors associated with their occurrence, and the potential long term impact on individual, family and community health and wellbeing. It helps us to understand how we can work to prevent them in the first instance, and to work across our services to offset their harmful consequences at all stages of life.



A conceptual framework for adverse childhood experiences across the life course is illustrated in the 70/30 Campaign infographic shown in Figure 1.3. 70/30 is a campaign led by the WAVE Trust that seeks to reduce toxic stress in children by 70% by 2030.



**Figure 1.3:** Conceptual framework of adverse childhood experiences  
**Source:** WAVE Trust, The 70/30 Campaign<sup>8</sup> See [www.70-30.org.uk](http://www.70-30.org.uk)

The model underpinning this diagram is that adverse childhood experiences disrupt neurodevelopment, leading to social, emotional and cognitive impairment, which increases the risk of the adoption of health risk behaviours and influences long term outcomes related to disease, disability, social integration and as much as twenty years lower life expectancy.

### Find out more

NHS Health Scotland website

[www.healthscotland.scot/population-groups/children/adverse-childhood-experiences](http://www.healthscotland.scot/population-groups/children/adverse-childhood-experiences)

WAVE Trust. The 70:30 Campaign website

[www.70-30.org.uk](http://www.70-30.org.uk)

Centres for Disease Control and Prevention website

[www.cdc.gov/violenceprevention/acestudy/index.html](http://www.cdc.gov/violenceprevention/acestudy/index.html)

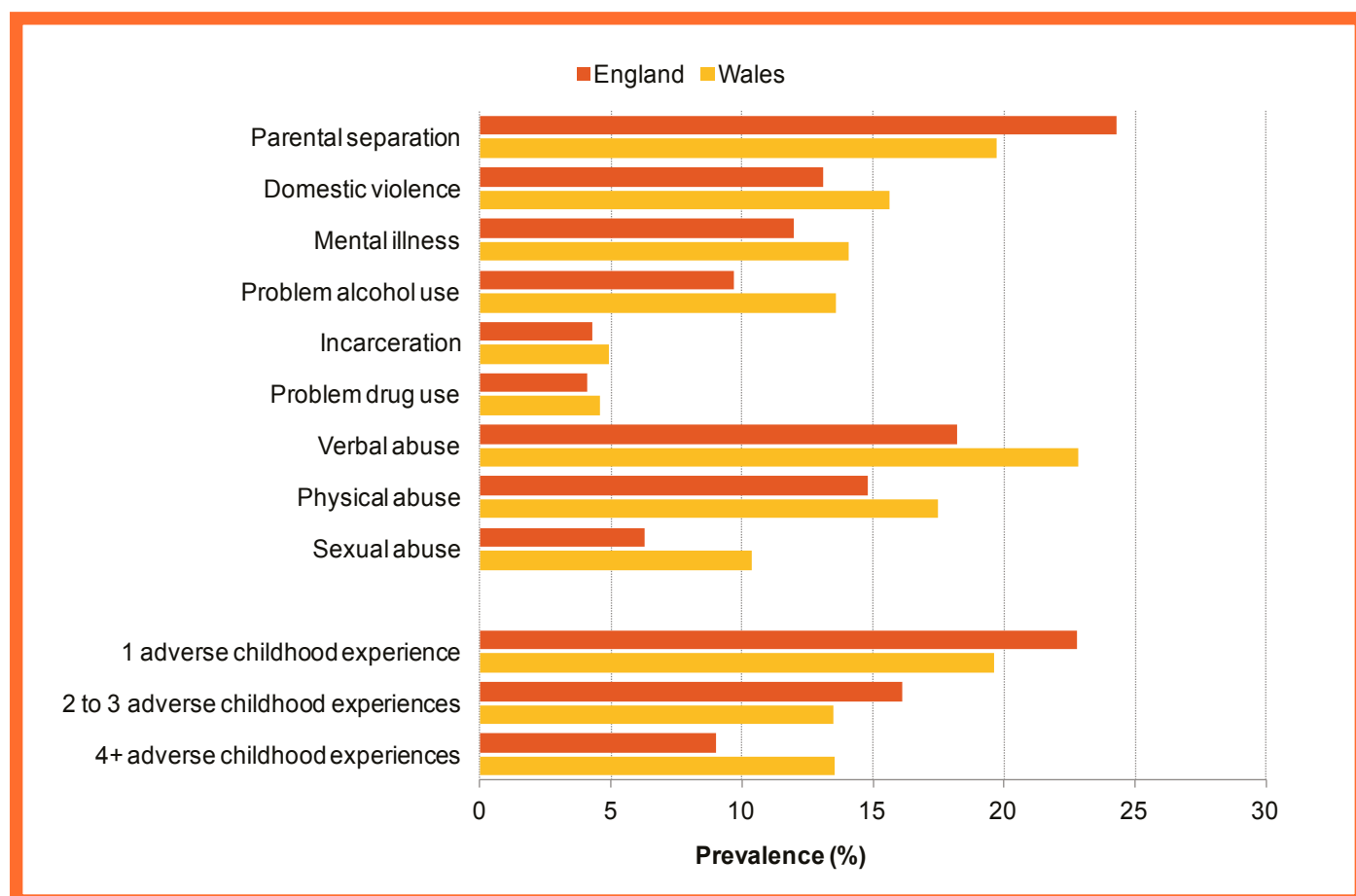
Public Health Wales website

[www.wales.nhs.uk/sitesplus/888/page/88504](http://www.wales.nhs.uk/sitesplus/888/page/88504)

## How common are adverse childhood experiences?

A number of epidemiological surveys have been undertaken both nationally and internationally to measure the prevalence of adverse childhood experiences. The first major study examining adverse childhood experiences involved over 17,000 adults enrolled with the Kaiser Permanente health plan in the United States<sup>2,9</sup>. This research used a standardised questionnaire to see if there was any link between the effect of multiple childhood experiences of trauma and abuse on the respondents health and wellbeing. The study reports upon the number of different types of adverse childhood experiences reported by participants, to assess cumulative childhood stress. This is reported as an 'Adverse Childhood Experience score', for example, experience of four or more different types of adversity. Although the study participants were mainly employed, middle class college graduates almost two-thirds (64%) reported experiencing one, and 12.5% reported multiple (4 or more) adverse childhood experiences.

The same questionnaire has been used to measure the prevalence of adverse childhood experiences in populations aged 18 to 69 years in England<sup>10</sup> and Wales<sup>11</sup> (Figure 1.4). The results of these two nationally representative population level surveys indicate childhood adversity is widespread, with 48% of adults in England and 47% of adults in Wales reporting experience of at least one type of adversity before the age of 18. Multiple (4 or more) adverse childhood experiences were reported by 9% of English and 13.5% of Welsh adults respectively. The prevalence of individual types of adversity show that childhood experience of parental separation, direct verbal and physical abuse, and household domestic violence were experienced by a substantial proportion of adults in both populations.

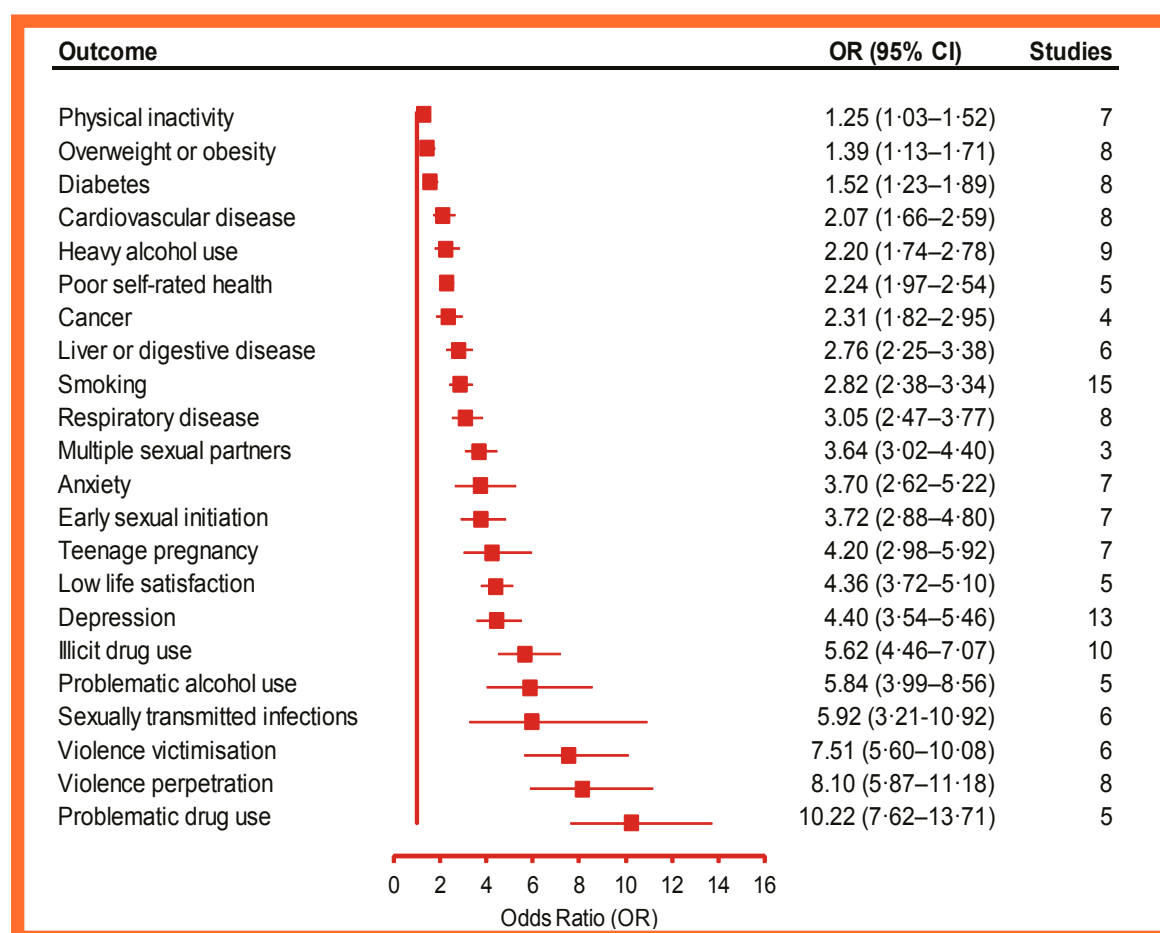


**Figure 1.4:** Prevalence of adverse childhood experiences from two studies based in the UK  
**Source:** Bellis M et al.<sup>10</sup> and Public Health Wales<sup>11</sup>

Figures based on average population adjusted prevalence in adults aged 18 to 69 years  
 a England study, n = 3,885, prevalence adjusted by age, gender, deprivation and ethnicity  
 b Wales study, n = 2,028, prevalence adjusted by age, gender and deprivation

These studies provide some information on the likely scale and relative frequency of the different types of adversity, though they may underestimate the actual experience of children for a number of reasons. This is because the surveys are based on self-reported recall of a person's childhood which may have been many years ago. People may choose not to disclose experience of childhood adversity, and the studies will not include people who have died at an early age. Research has also found that a prospective study of adverse childhood experiences may not identify individuals whose adverse experiences during childhood were not known or reported at the time<sup>12</sup>. The authors conclude that although prospective and retrospective reports of childhood adversity capture largely non-overlapping groups of individuals, both methods hold value in research designed to improve understanding of adverse childhood experiences.

The scale and influence of adverse childhood experiences is becoming clearer. A summary of a systematic review that demonstrates the strength of the relationship between adverse childhood experiences and various health and mental health outcomes is shown in Figure 1.5. In all studies, the reported risk was cumulative and showed a strong dose-response effect. This means that those experiencing higher numbers of adverse childhood experiences have poorer health outcomes. The strongest relationship has been shown to be between adverse childhood experiences and significant drug use, being involved in violent interactions, and suicide attempt.



**Figure 1.5:** Summary of studies reporting associations between multiple adverse childhood experiences and selected health outcomes

Source: Based on Hughes et al.<sup>7</sup>

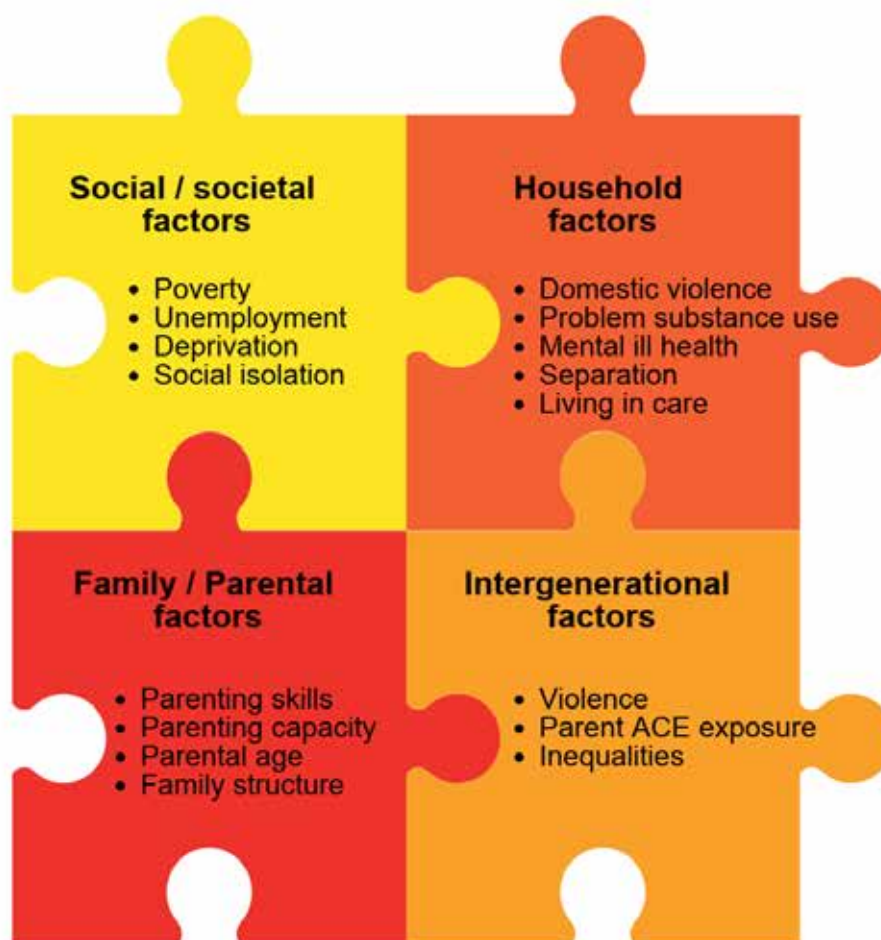
Data for suicide attempt OR 30.14 (95% CI 14.73 – 61.67) based on three studies (not shown)

Odds ratios compare cases with zero to multiple (four or more) adverse childhood experiences

## Risk factors for adverse childhood experiences

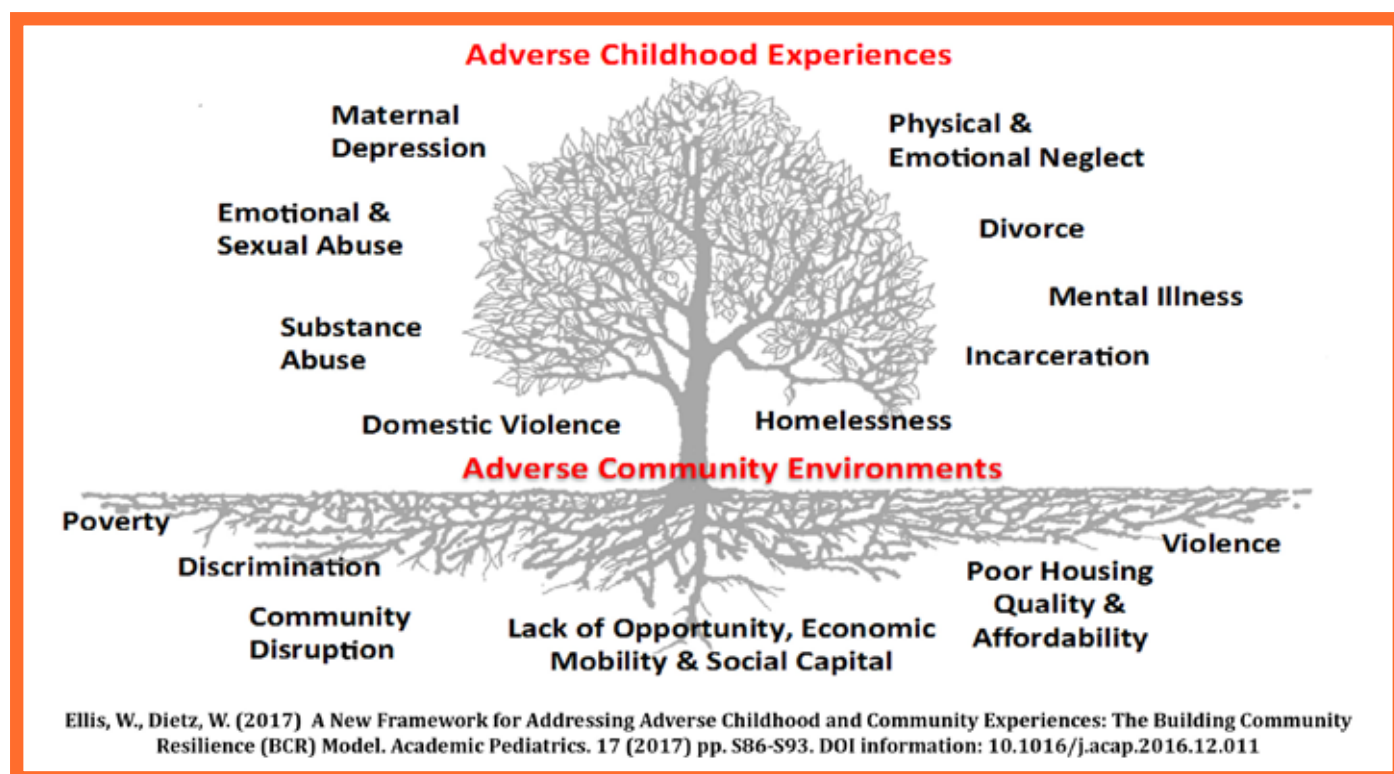
The risk factors associated with increased likelihood of experiencing abuse, trauma and stress in childhood are extremely varied. A report by the UCL Institute of Health Equity summarised a number of interacting risk factors for adverse childhood experiences as the social context in which families live, parenting and family structure, and household factors<sup>13</sup>.

It has been reported that these risk factors are often co-occurring and interlinked, and that it is usually the cumulative effects of a combination of factors, rather than a single issue that leads to a child's experience of adversity and stress. Some aspects of this relationship, together with the intergenerational risks associated with adverse childhood experiences, are illustrated in Figure 1.6.



**Figure 1.6:** Interlocking model of risk factors for adverse childhood experiences  
**Source:** Based on UCL Institute of Health Equity<sup>13</sup>

The environment in which families live can present additional risk factors that in combination, contribute to poorer outcomes from adverse childhood experiences. These have been proposed as adverse community experiences, which in combination with adverse childhood experiences, create what has been termed 'A Pair of ACEs', as detailed in Figure 1.7<sup>14</sup>.



**Figure 1.7:** The Pair of ACEs

**Source:** Redstone Global Center for Prevention and Wellness at George Washington University<sup>14</sup>.

The concept of the 'Pair of ACEs' demonstrates the relationship between adverse experiences at an individual child level and at a wider community/environmental level, within the context of a whole-system approach. These additional environmental stressors require greater levels of resilience by parents and related community support to buffer the effects of a greater likelihood of the accumulative adversity and the associated risk of toxic stress.

### Find out more

Adverse Childhood Experiences Connection website blog

[www.acesconnection.com/blog/using-data-to-spark-action-on-the-pair-of-aces](http://www.acesconnection.com/blog/using-data-to-spark-action-on-the-pair-of-aces)

Knowledge to Action Briefing

[http://strategiesca.org/wp-content/uploads/2017/06/Knowledge-to-Action-Brief-ThePairOfAces-BuildingCommunityResilience\\_11-2017.pdf](http://strategiesca.org/wp-content/uploads/2017/06/Knowledge-to-Action-Brief-ThePairOfAces-BuildingCommunityResilience_11-2017.pdf)

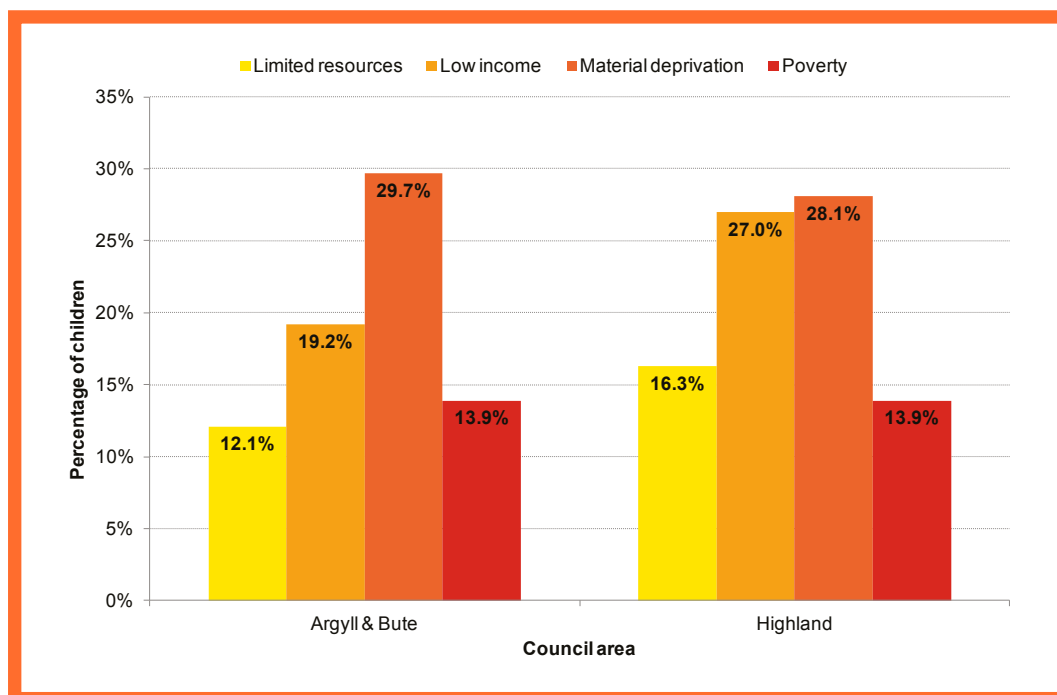
## Social and societal risk factors

The social context in which families live is a key risk factor for adverse childhood experiences. While it is clear that most children who live in poverty or socio-economic disadvantage are not subject to toxic stress, there is still a strong association between low family income, unemployment, social isolation and increased risk of adverse childhood experiences. Scottish research has found that 24% of mothers in the lowest income quintile had poor mental health in the first four years of their child's life compared to 6% of mothers in the highest income group<sup>15</sup>. There is also evidence that poverty is a major contributor to distress, relationship breakdown and conflict within families<sup>13</sup>.

Children are considered to be living in poverty if they live in households with less than 60% of median UK household income (before housing costs) or in receipt of Income Support or Income-Based Job Seekers Allowance. The latest child poverty estimates show that for every 20 children in Highland, three are living in poverty<sup>16</sup>. This equates to 8,200 children across NHS Highland (2,100 in Argyll & Bute and 6,100 in Highland) at increased risk of experiencing adversity through the social context in which they are growing up.

Statistics developed by the Scottish Government, albeit based on a small sample, also show that up to a third of children are living in circumstances of material deprivation<sup>17</sup>. A family lives in material deprivation when they cannot afford three or more items from a list of 22 key items, such as participating in family activities, day trips or having money for unexpected but necessary expenses (Figure 1.8).

The Child Poverty (Scotland) Act places a duty on local authorities and health boards to report annually on activity they are taking, and will take, to reduce child poverty. Priority groups for reducing child poverty include lone parents, disabled parents, mothers aged under 25 years, and families with three or more children or where the youngest child is aged under one<sup>18</sup>.



**Figure 1.8:** Indicators of child poverty in NHS Highland

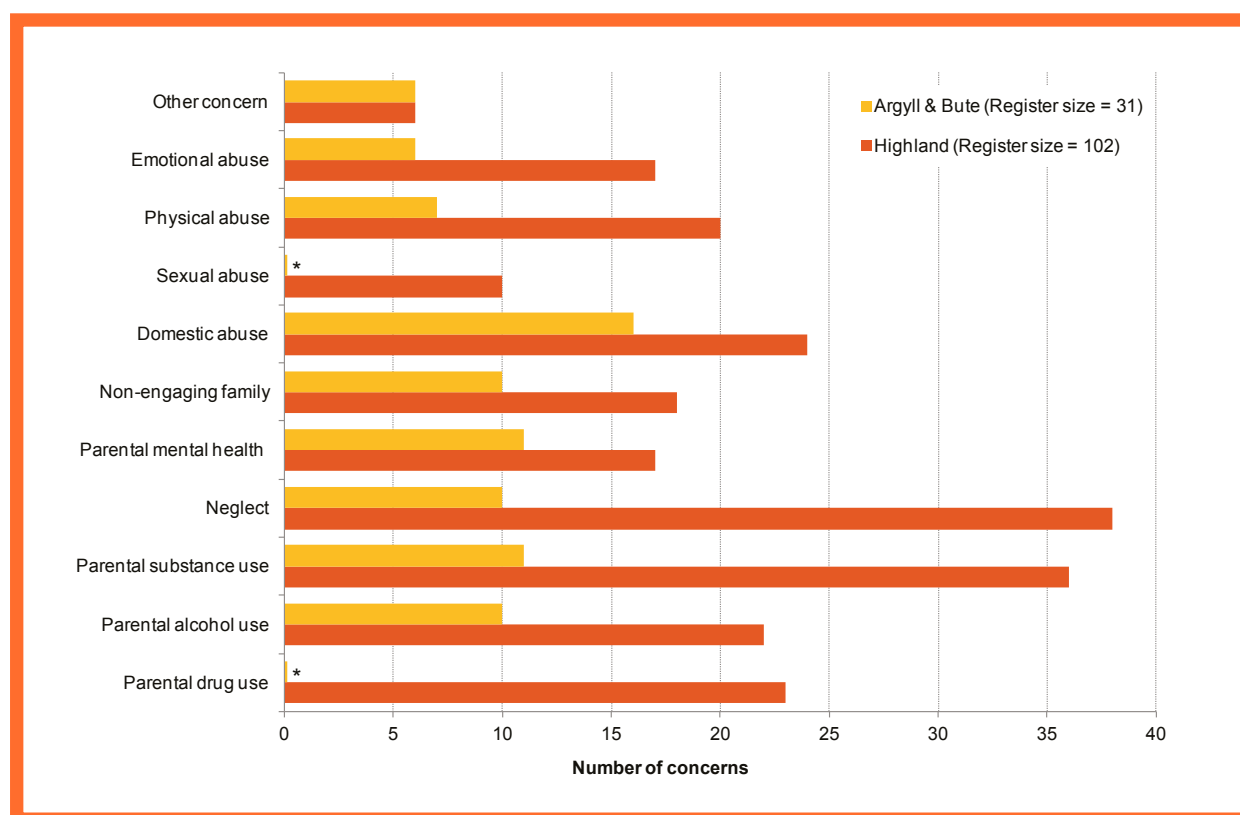
**Source:** Scottish Government<sup>17</sup>, HMRC<sup>16</sup>

- **Poverty:** living in families in receipt of Child Tax Credit (income <60% of median income), Income Support or Income-Based Job Seekers Allowance.
- **Material deprivation:** living in material deprivation (being unable to afford basic necessities).
- **Low income:** living on a low income (<70% of Scottish median incomes after housing costs).
- **Limited resources:** both living on a low income and living in material deprivation.



## Household risk factors

Household risk factors include domestic violence, parental divorce and separation, parental problem substance use and mental ill health. These have both direct negative impacts on children and young people, and act as a risk factor for child abuse or neglect. This is seen in NHS Highland, where the commonest categories of child protection concerns are related to parental substance use, neglect and domestic abuse (Figure 1.9)<sup>19</sup>.



**Figure 1.9:** Concerns identified at the case conferences of children who were on the child protection register at 31 July 2017, by local authority

**Source:** Children's Social Work Statistics<sup>19</sup>

\*small numbers suppressed to maintain confidentiality

Research also shows that children and young people in the care system, an already vulnerable population, are disproportionately exposed to household risk factors. One US study found that children in foster care were significantly more likely to be exposed to household problem alcohol and drug use (54% compared to 10%) and violence (31% compared to 8%) compared to other children<sup>20</sup>.

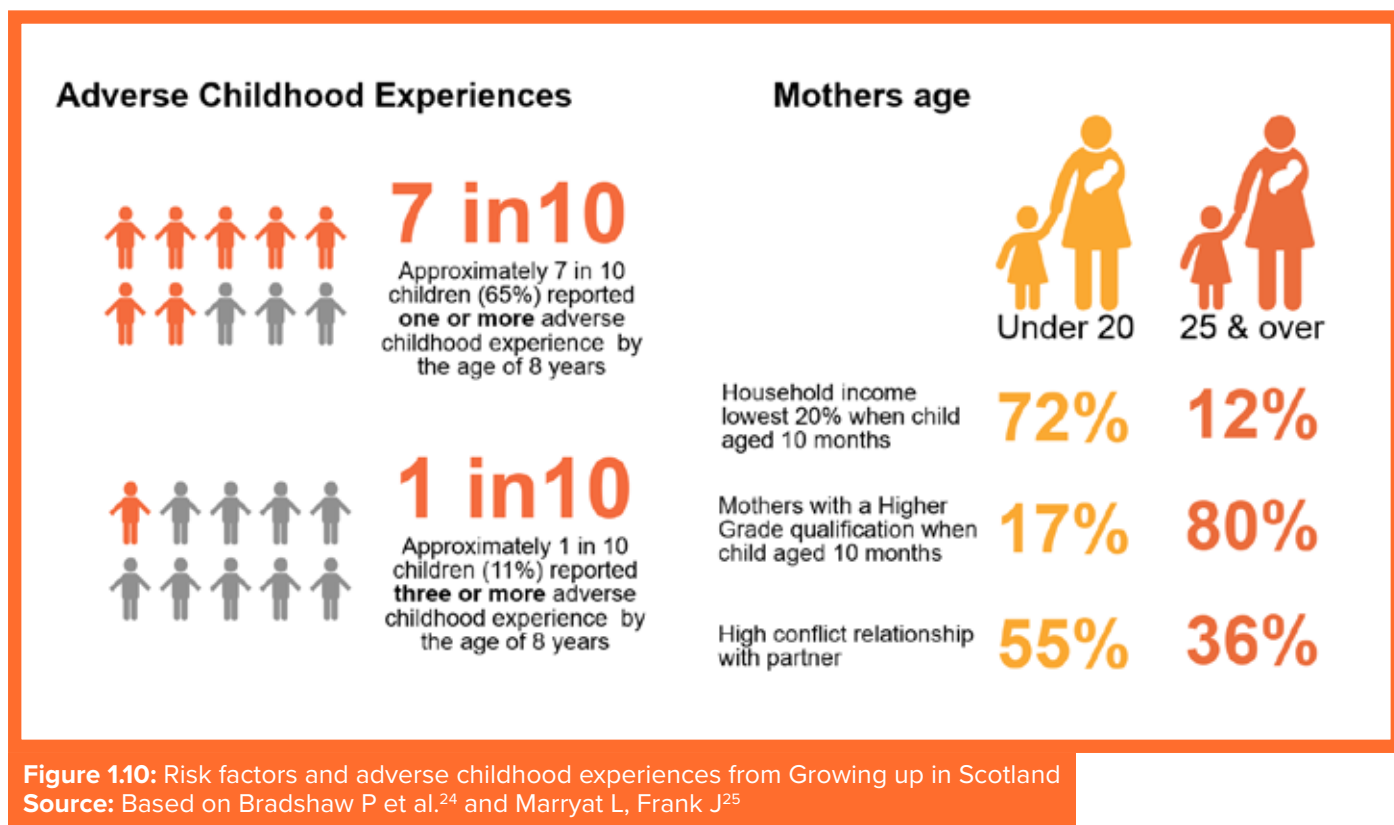
The latest data shows that over 220 children and young people in NHS Highland are referred to the Scottish Reporter on offence grounds each year<sup>21</sup>. These children and young people, who are involved in the criminal justice system, are at increased risk of experiencing adversity associated with loss and bereavement in their families. This includes bereavement of an immediate family member and losses due to parental separation, parental substance use and parental imprisonment. Scottish research has found that over two thirds of young people in custody had experienced traumatic bereavements and multiple losses by the age of twenty<sup>22</sup>.

Another population at risk of childhood adversity are young carers. A Scottish study found that young carers report poorer physical and mental health than their peers who were non-carers, and the nature of their caring role had adverse consequences for their resilience and capacity to cope with inter-related stressors such as poverty, mental-health issues and family separation<sup>23</sup>.

## Family and parental risk factors

Parental and family factors, such as a child having young parents, living in a lone parent household, or parents with poor parenting skills, have also been linked with increased risk of experiencing adverse outcomes. There is evidence that parenting factors are related to, and interact with, other risk factors such as poverty, parental mental ill health and problematic substance use<sup>13</sup>.

Growing Up in Scotland (GUS) is a longitudinal research project tracking the lives of over 10,000 Scottish children. The GUS study has demonstrated that mothers under the age of 20 tend to have a lower income, lower levels of educational attainment, poorer health behaviours and health outcomes, more unstable partner relationships and lower levels of engagement with formal parenting support<sup>24</sup> (Figure 1.10). Exploratory analyses from GUS show that by the age of eight, 11% of Scottish children have three or more adverse childhood experiences, and that having a mother aged under 20 years doubles this risk<sup>25</sup>.



## Intergenerational risk factors and the role of genes

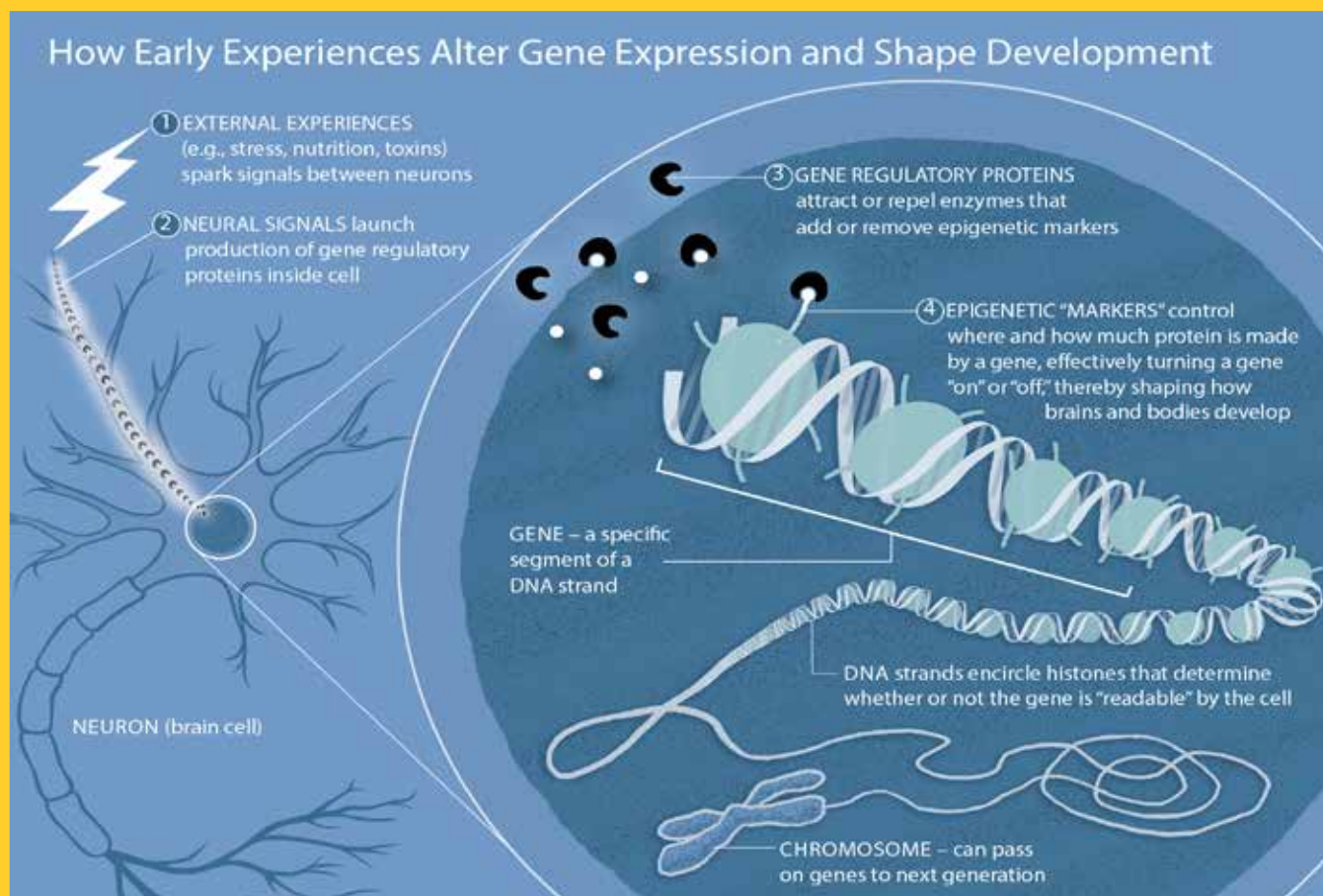
The intergenerational effects of adverse childhood experiences relate to those risk factors passed on through family generations. Children who experience adverse conditions are more likely to have a parent who has also experienced childhood adversity.

A Canadian study has found that mothers with multiple adverse childhood experiences are more at risk both pre-term and post-term birth. Their babies, for instance, are more likely to experience low birth weight, premature birth, and the mothers are at greater risk of developing postnatal depression. Their babies are also more likely to have poorer physical and emotional health at the age of 18 months than mothers with no adverse childhood experiences<sup>26</sup>. Recent studies conducted in the US have also found that mothers' exposure to adversity and stress is negatively associated with their child's physiological development<sup>27</sup> and poorer overall health status up to the age of 18<sup>26</sup>.



## The role of genes and epigenetic modification

Each person is made up of billions of cells, each containing genes that are unique to that person. The expression of genes can be turned off or on by certain environmental factors. Experiences that leave us satisfied, happy and content and experiences that cause us stress, such as malnutrition, can change the expression of genes in brain cells.



These experiences produce signals in our brain cells (neurons), which respond by producing signalling proteins. These proteins modify the way our genes are expressed, leading to changes in the brain, which can be temporary or permanent. The brain is especially responsive to experience and environment during early development. The interaction between genes and the environment causes 'epigenetic modification' that directly affects our development.

**Source:** Illustration by Betsy Hayes from National Scientific Council on the Developing Child<sup>28</sup>

The role of genes in the intergenerational transmission of childhood stress and trauma is illustrated in the box above. Changes in the way genes are expressed can be passed on to future generations, so that even though one person may not have directly experienced the stress and trauma that the previous generation of their family suffered, they may inherit genetic predisposition to ill health due to factors that affected their forebearers<sup>29</sup>. Long term consequences of this type of genetic change have been linked to heart disease, obesity<sup>30</sup>, and schizophrenia<sup>31</sup>. This pattern has been extensively studied in communities which have large groups of people who all experienced the same trauma, such as a famine.

When women are exposed to stress in their early pregnancy, their babies show the effects of this on their health in contrast to the babies of women who are not exposed to these experiences, and affected children go on to have significant health difficulties in comparison to their healthy siblings, such as those born to the same women before the famine<sup>32</sup>.

The impact of the Highland Clearances may have had a lasting impact on the Highland population similar to the intergenerational research outlined within the case study on the next page. We do not yet know or understand the impact on health and illness from these events on the health of the population of NHS Highland today, but it is possible to speculate that these events may have been traumatic enough to leave a legacy in the biology and psyche of communities across Highland and Argyll & Bute.

## Case study: The Highland Clearances

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On a background of the industrial and agricultural revolution of the late 18th and early 19th century, the Highland clearances have had a lasting significance for the people of Highlands. In the wake of the Jacobite uprisings, Highland dress, tartan and weapons were banned.

Clan leaders and landowners moved away to larger cities, and the land was sold or cleared for sheep farming. Some people were moved to resettle elsewhere, with the intention that people would become weavers, commercial fishermen and kelp workers.

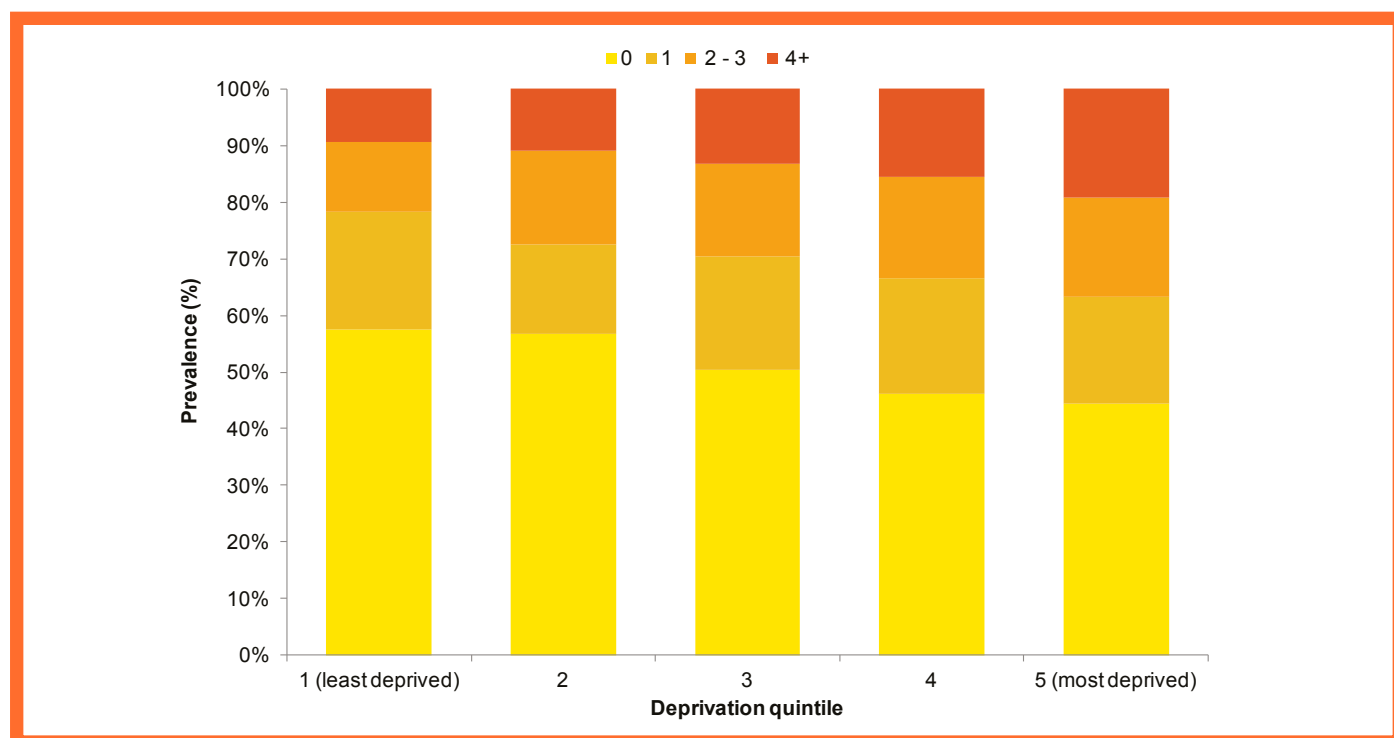
The result of the clearances was that thousands of people living in settled communities which had existed for hundreds of years across Highland, were forcibly removed, or emigrated overseas. As one commentator<sup>33</sup> put it, 'view the landscape today, and you will see a couple of stone-built houses for the shepherds. They too are now abandoned, and the glen stands empty.'

## Inequalities in adverse childhood experiences

A clear inequalities gradient for adverse childhood experiences exists. While adverse childhood experiences occur across the whole population, the majority of risk factors for adversity are clustered in areas of socio-economic deprivation<sup>13</sup>. For example, the GUS study has found that Scottish children living in a household in the lowest income band are more than six times as likely to have experienced multiple adverse experiences by the age of eight than those in the highest income band<sup>25</sup>.

An individual's response to stressful events may differ according to their position on the social gradient. A UK study reports that people living in more deprived circumstances may have worse outcomes due to an increased stress response and vulnerability to adversity<sup>3</sup>.

Similarly, studies on adults undertaken in England and Wales have both found a positive association between deprivation and the prevalence of childhood adversity. For example, the experience of four or more adverse childhood experiences is reported by 9.4% of Welsh adults in the least deprived quintile compared to 19.1% in the most deprived quintile (Figure 1.11)<sup>41</sup>.



**Figure 1.11:** Number of adverse childhood experiences by deprivation quintile in Wales  
**Source:** Based on Hughes et al.<sup>41</sup>

Translating population level measures of childhood adversity into individual risks, based on a person's socio-economic circumstances requires thought and care as it has the potential to stigmatise those living in areas of deprivation and perpetuate social injustice. Socio-economic factors are associated with a wide range of health outcomes and not just those linked to adverse childhood experiences.

The association between childhood adversity and increased risk of poor mental and physical health in later life is well recognised. The absence of protective and buffering relationships can result in an amplified dose-response effect, which is where the harm from adverse childhood experiences can occur. The implications of these relationships for health and social care services, as well as the police and justice systems, are considerable. There are costs for individuals, families and communities, and services are required to respond. Some commentators have observed these findings are a public health disaster "hidden in plain sight"<sup>34</sup>.

There should be no shame or stigma in having experienced adversity. If adversity is common, ensuring that individuals, families and communities have the skills and resources to create and support resilience is one of the key messages from this report.

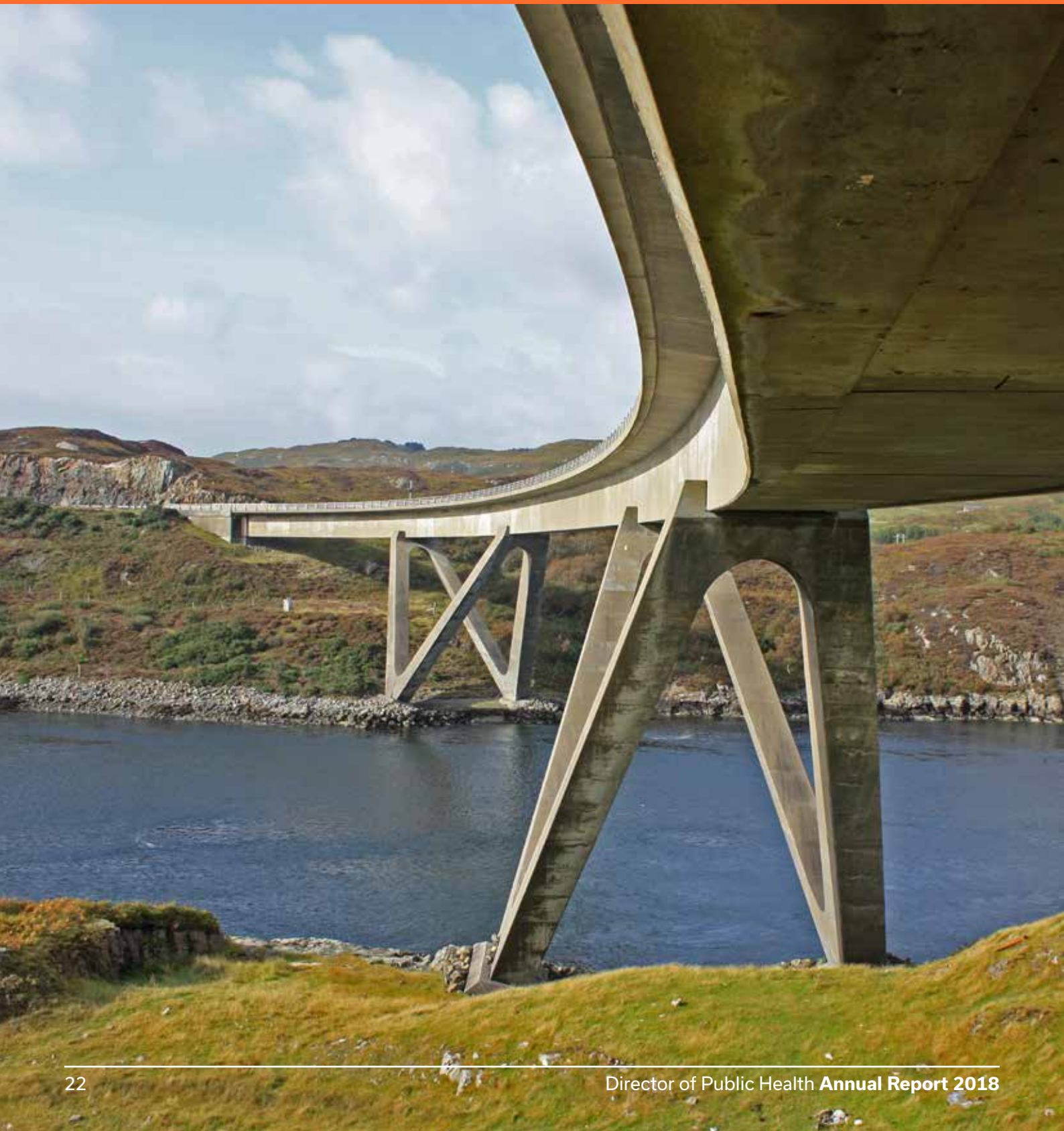
### Find out more

Hiding in Plain Sight commentary

<http://sceptical.scot/2017/11/hiding-plain-sight-exploring-scotlands-ill-health>



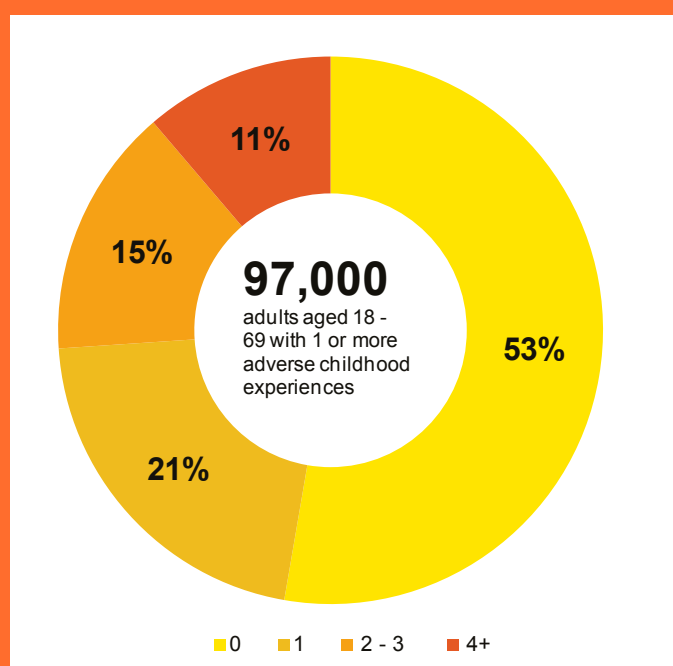
# Chapter Two - What does this mean for Highland?



## How common are adverse childhood experiences in Highland?

Insight into the occurrence of adverse childhood experiences in the Highland population is available from data collected in Highland at a mental health skills training event in August 2017<sup>35</sup>. Over 150 staff from NHS Highland and partner organisations came together for an interactive review of the widespread application of “Decider” skills which support people to manage their emotions and overall health more effectively<sup>36</sup>. Participants undertook a voluntary and anonymous survey of adverse childhood experiences. There were 112 responses, and the survey found that over two thirds (69%) of participants reported at least one adverse childhood experience, and 18% 4 or more. This compares to 47% and 11% from the England and Wales population surveys shown in Figure 1.4.

While we do not have Highland wide survey data, the studies conducted in England and Wales have found that almost half (47%) of the adult population aged 18 to 69 years have experienced at least one type of adversity and over 11% have experienced 4 or more. Assuming a similar prevalence across NHS Highland, this would equate to 97,000 people in our Board population who may have experienced adversity before the age of 18. Figure 2.1 details the estimated prevalence of adverse childhood experiences for the population served by NHS Highland.



**Figure 2.1:** Estimated prevalence of adverse childhood events in NHS Highland  
**Source:** Based on Bellis M et al.<sup>10</sup> and Public Health Wales<sup>11</sup>

Average age-specific rates in adults aged 18 to 69 years applied to council area mid-2016 population estimates<sup>37</sup>.

The estimated numbers of adults in Argyll and Bute and Highland are shown in Table 2.1.

**Table 2.1:** Estimated number of adults with adverse childhood experiences in NHS Highland

Area	Number of adverse childhood experiences			
	0	1	2 to 3	4+
Argyll & Bute	31,300	11,800	8,100	5,900
Highland	84,400	32,400	22,200	16,400
<b>NHS Highland</b>	<b>115,800</b>	<b>44,300</b>	<b>30,400</b>	<b>22,300</b>

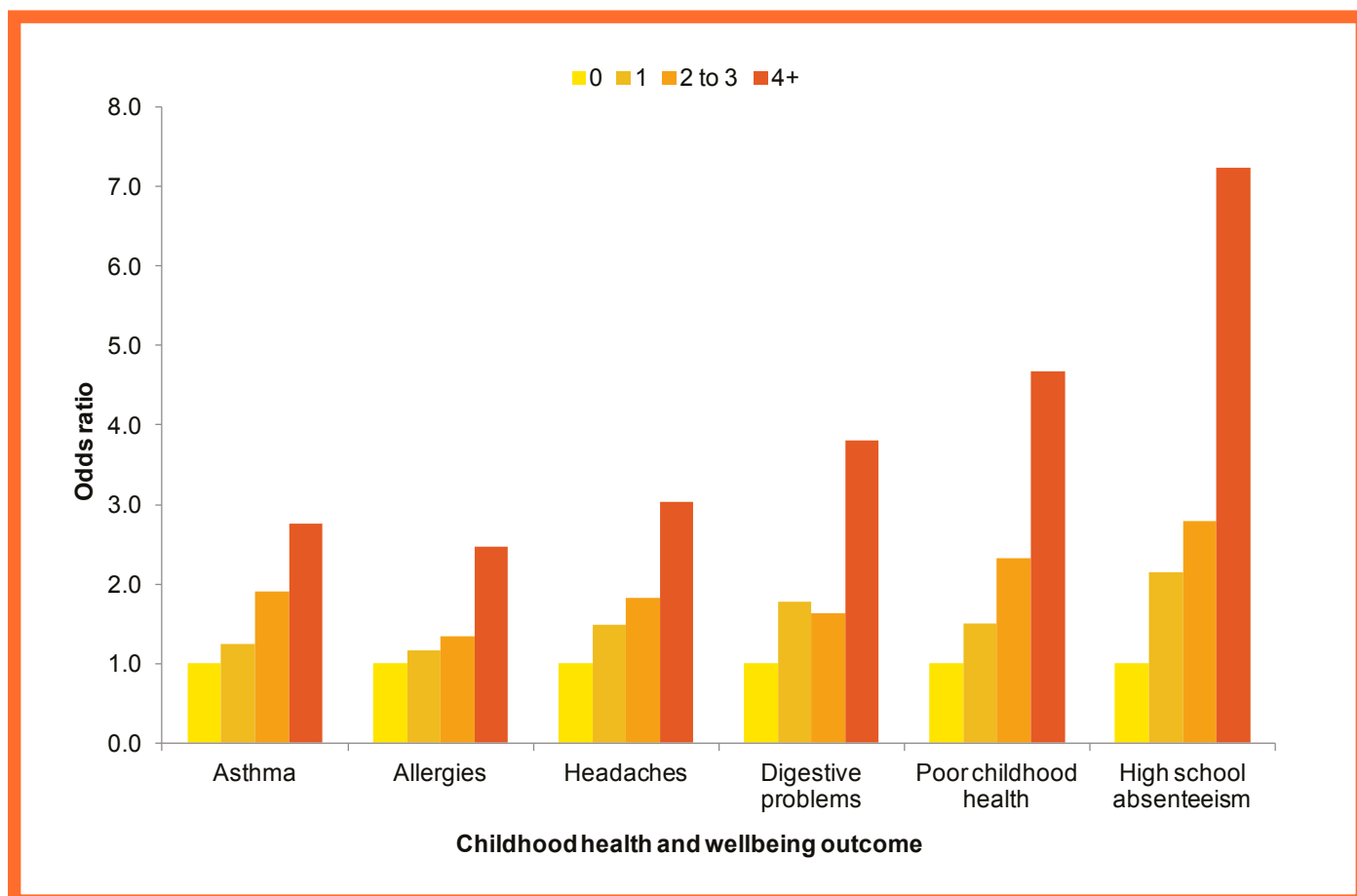
**Source:** Based on Bellis M et al.<sup>10</sup> and Public Health Wales<sup>11</sup>

Average age-specific rates in adults aged 18 to 69 years applied to council area mid-2016 population estimates<sup>37</sup>.  
 Rounded to the nearest 100.

## The influence of adverse childhood experiences on later childhood

There are clear associations between adverse childhood experiences, children's development and childhood health. Research conducted in the US in children aged 0 – 17 reported lower rates of school engagement and higher rates of chronic disease in children experiencing childhood stress and trauma<sup>38</sup>.

A retrospective study from Wales in adults aged 18 – 69 similarly identified associations between early adverse childhood experiences, school absenteeism and common childhood health problems including allergies, asthma, headaches and digestive problems (Figure 2.2)<sup>39</sup>. The research also identified elements in childhood that help protect children from these harmful outcomes. Resilience as a protective factor from adversity is explored later in this report.



**Figure 2.2:** Childhood health and wellbeing outcomes by number of adverse childhood experiences

**Source:** Based on Bellis M et al.<sup>39</sup>

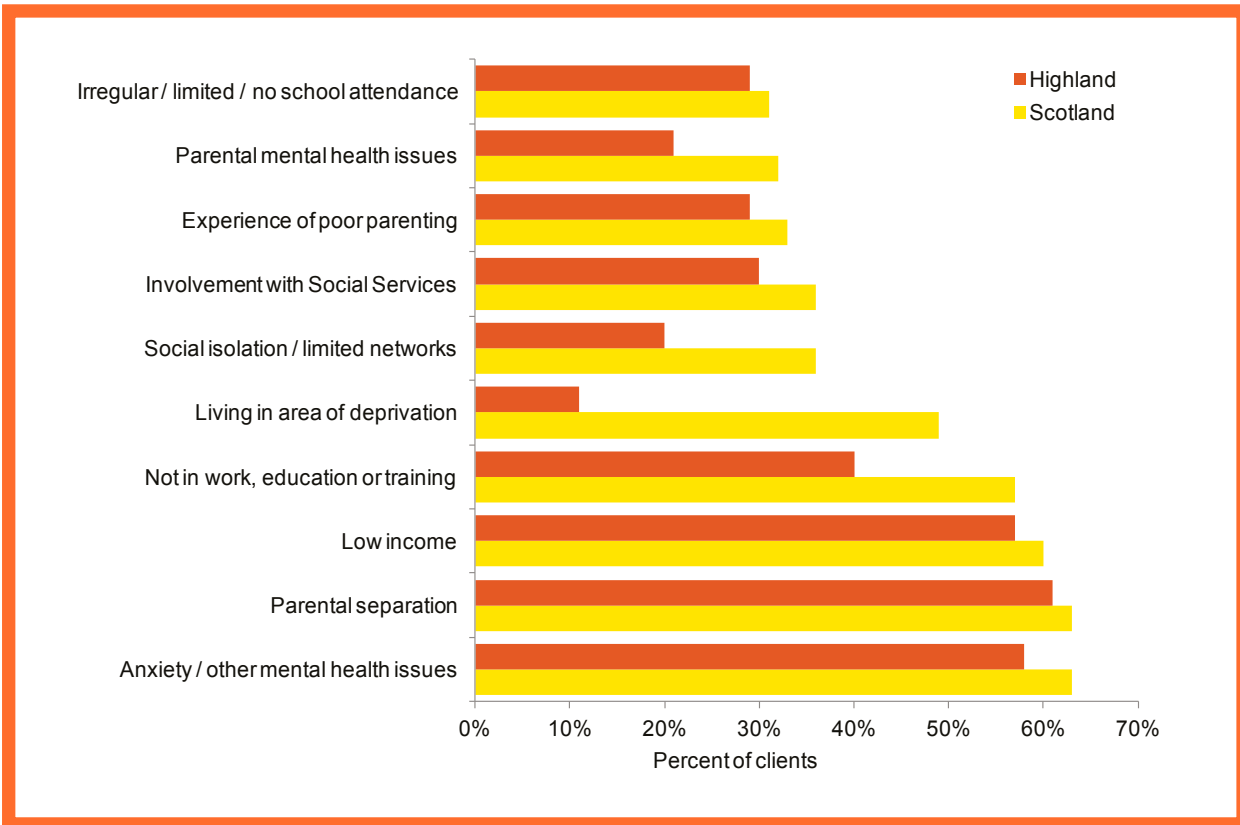
Odds ratios adjusted by age, gender, ethnicity, sample and deprivation quintile

Some data on the prevalence of adverse childhood experiences is available from a key vulnerable group in NHS Highland, those who are supported by the Family Nurse Partnership (FNP).

The FNP is a programme where a specially trained nurse visits the home of first-time teenage mothers from early pregnancy until their child is two years old. The FNP aims to impact upon a range of maternal and child outcomes by supporting young mothers develop their parenting skills and capabilities and to make positive choices for themselves and their children. Support for parents is a key way of intervening in early life, with research showing their effectiveness in improving health and other outcomes for parents and children<sup>40</sup>.

Data collected from mothers enrolled with the Family Nurse Partnership (FNP) in the Highland Council area is shown in Figure 2.3. There is a high frequency of anxiety and other mental health issues (58%), low income (57%), and mothers who are ‘not in work, education or training’ (40%). This group of young mothers also have considerable personal experience of parental separation (61%), poor parenting (29%) and parental mental health issues (21%).

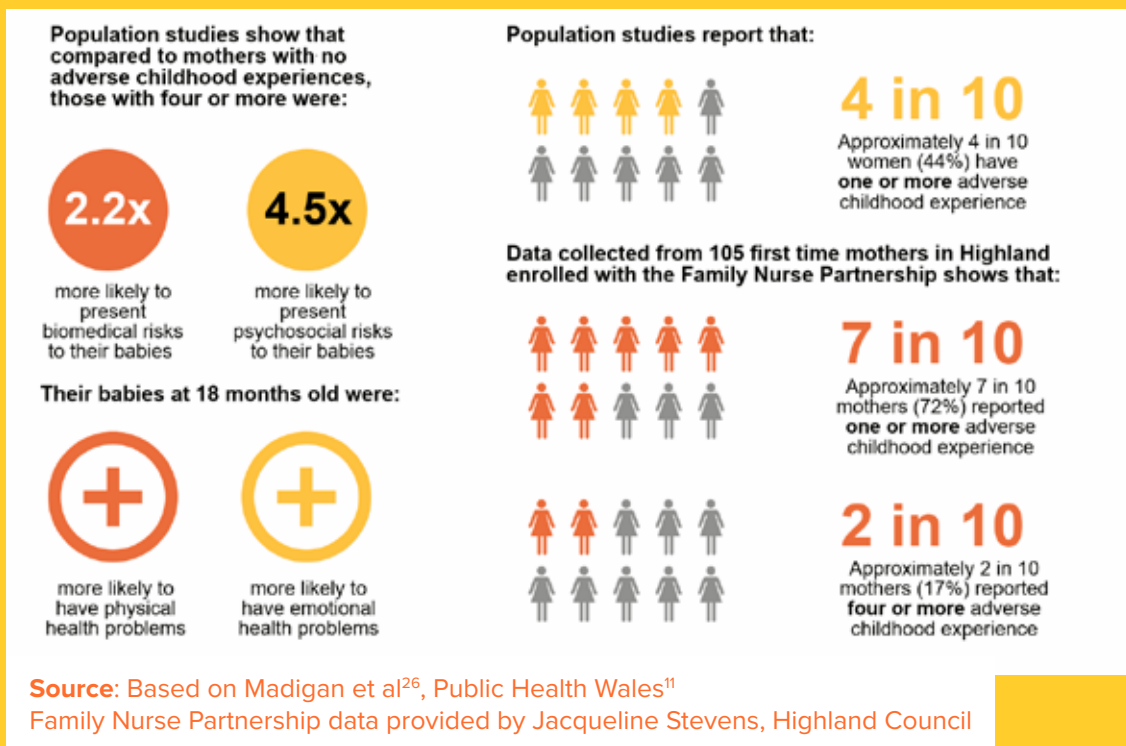
Exploratory analyses of responses from 105 mothers enrolled with the Highland Council’s FNP scheme indicated that 72% had one or more adverse childhood experience, and almost one fifth (17%) had 4 or more. This has significant implications for childhood health and the importance of the intergenerational effects of adverse childhood experiences explored in the previous section.



**Figure 2.3:** Client vulnerabilities found in the Family Nurse Partnership  
**Source:** Family Nurse Partnership data provided by Jacqueline Stevens, Highland Council

n = 105 mothers. Top 10 selected from overall Scotland vulnerabilities profile.

## Case Study: Family Nurse Partnership (FNP) strength based approach



The clinical approach underpinning FNP is strengths-based; nurses work alongside clients providing information and guidance about six specific domains relating to their pregnancy and parenthood. Through this, they support them in making positive decisions about their lives and the life of their baby. The six key domains are:

- Personal health
- the maternal role
- life course development
- family/friends
- environmental health
- health and human services.

For many clients, a therapeutic relationship with a family nurse brings not only the delivery of the programme, but consistency and a positive role model that they may not have experienced before. FNP helps to control demand on local services by encouraging clients to engage with other appropriate services, managing and reducing risks and, in cases where additional safeguarding support is necessary, ensuring that this is accessed quickly and effectively.

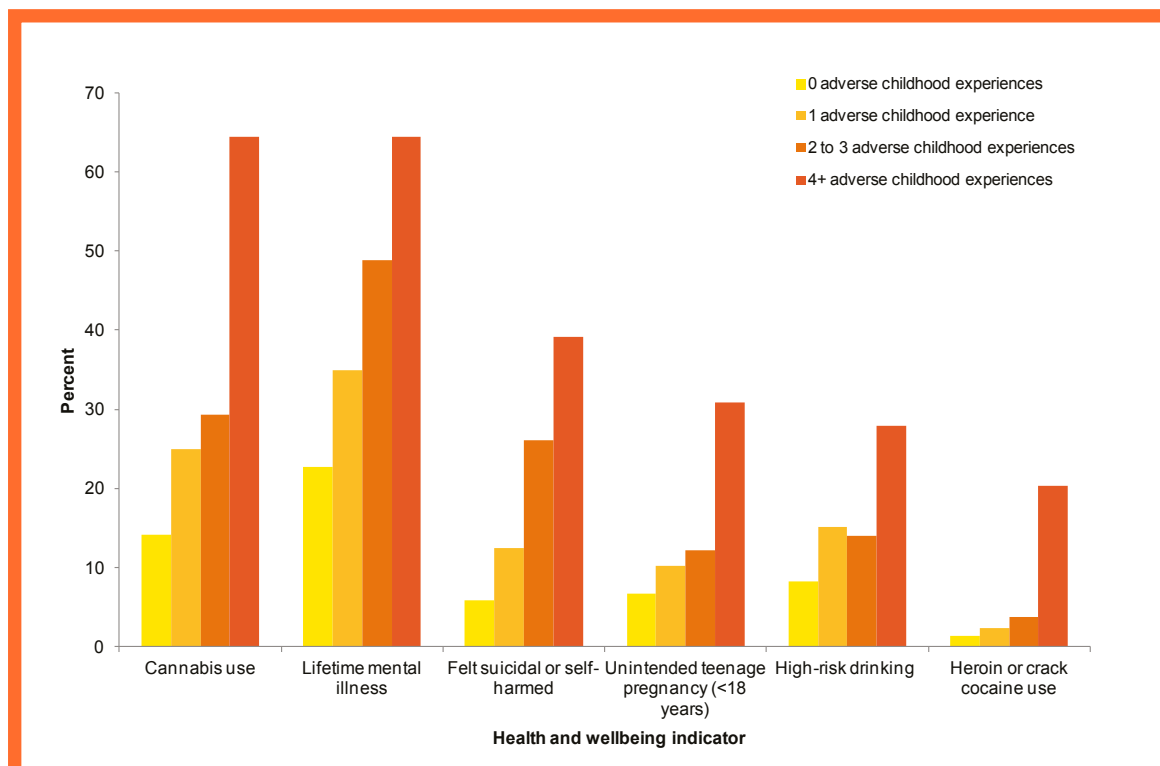
The FNP programme materials help to support clients' resilience and decision-making to ensure good outcomes for not only themselves but for their child.

All family nurses receive reflective, restorative supervision from the family nurse supervisor, meeting regularly for supervision sessions which provides time to reflect and analyse the work with clients and to make robust plans to ensure that the needs of the baby remain paramount. Supervision also supports family nurses to consider how their feelings might influence decision-making around clients, helping to avoid 'early evidence bias'.



## The influence of adverse childhood experiences on health and wellbeing

Research undertaken on the impact of adverse childhood experiences has a strong focus on associations with mental health problems and vulnerability to adopting health-harming behaviours such as problem substance use. Two UK studies<sup>11,41</sup> have shown strong relationships between adverse childhood experiences and early sexual behaviour, drug and alcohol use, mental health and reported suicidal behaviour or self harm (Figure 2.4). Evidence from Scotland has also found that people exposed to multiple adverse childhood experiences are significantly more likely to report repeated episodes of self-harm<sup>42</sup>.



**Figure 2.4:** Proportion of the Welsh population reporting health and wellbeing outcomes by the number of adverse childhood experiences

**Source:** Public Health Wales<sup>11</sup>, Hughes et al.<sup>41</sup>

Figure 2.5 shows the number of teenage pregnancies, people with problem drug use, probable suicides, and alcohol and drug related deaths reported for NHS Highland over a five year period. It is likely that adverse childhood experiences are reflected in these outcomes.



**Figure 2.5:** Number of health and wellbeing outcomes reported for NHS Highland over a 5 year period

**Source:** Information Services Division<sup>43,44</sup> and National Records of Scotland<sup>45,46,47</sup>

The impact of adversity in childhood can be seen in adults presenting with mental health difficulties. NHS Highland runs a Supporting Self Management service as part of its mental health service provision, based in Inverness. The service has been designed to deliver short, time-limited interventions for people with any mental health diagnosis. Individuals accessing the service are supported to develop life and self management skills such as activities of daily living, stress response and a range of “Decider” skills that help people cope with difficult situations<sup>36</sup>.

Data collected routinely from 385 adults attending this service between April 2017 and June 2018, identified that 87% reported one or more adverse childhood experiences and 48% reported four or more adverse childhood experiences, as shown in Figure 2.6.

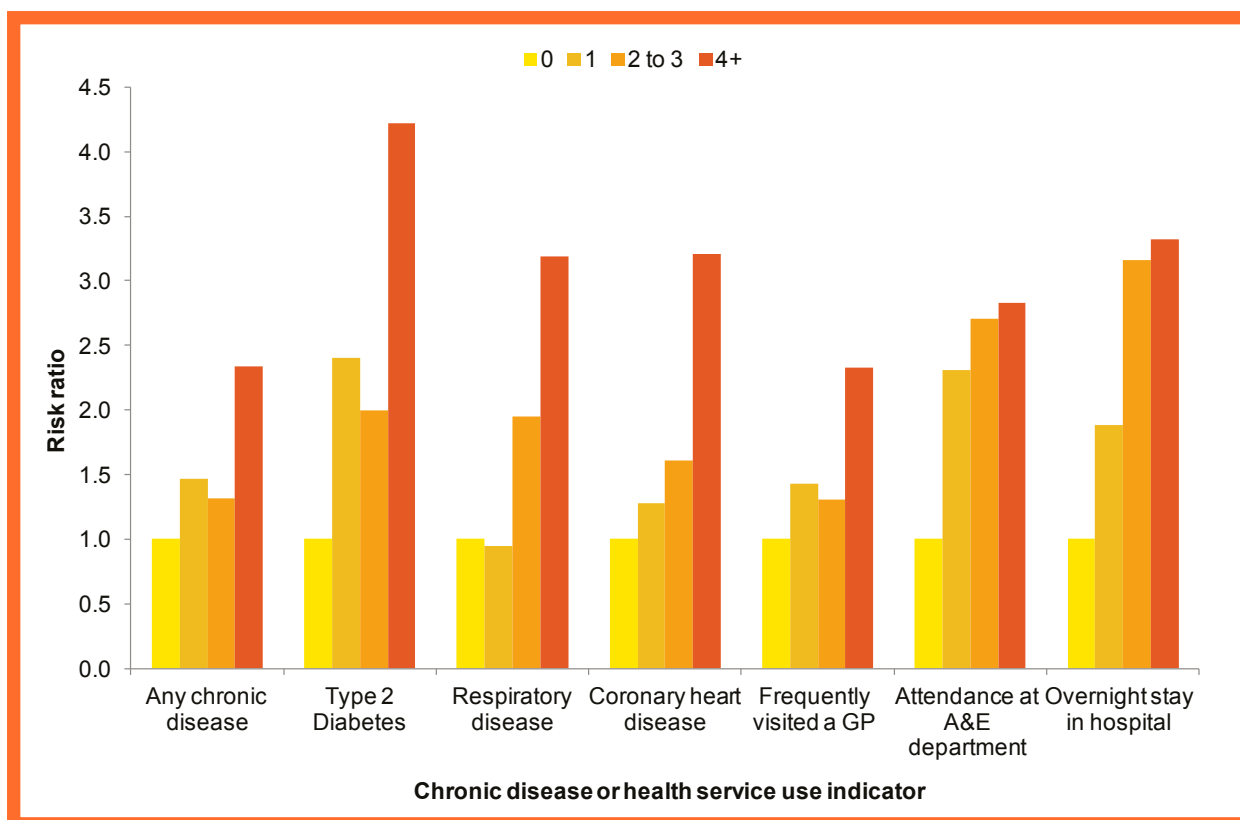


**Figure 2.6:** Mental health outcomes and the Supporting Self Management service  
**Source:** Based on Public Health Wales 2015<sup>11</sup>, Hughes et al. 2018<sup>41</sup>  
 Supporting Self Management data provided by Dr Timothy Agnew, NHS Highland

## The influence of adverse childhood experiences on chronic disease and premature mortality

Much research evidence on the impact of adverse childhood experiences has focused on associations with chronic disease and premature mortality across the life course. There is strong evidence that multiple adverse childhood experiences increase the risk of a range of chronic diseases, including cardiovascular disease, diabetes, cancer, liver disease, and respiratory diseases<sup>7</sup>. UK research also demonstrates that onset of disease occurs earlier in people exposed to multiple adverse childhood experiences, which contributes to an increased risk of premature mortality<sup>3</sup>.

Data from Public Health Wales has also highlighted associations with chronic disease and increased health service use, for example, GP consultations, A&E attendances and hospital stays<sup>48</sup>. Figure 2.7 shows that in the adult population in Wales, rates of type 2 diabetes, respiratory disease, coronary heart disease diagnosis and health service use were significantly higher for people with four or more adverse childhood experiences compared to those with none. For example, the risk of reporting a type 2 diabetes diagnosis is four times higher in those with multiple adverse childhood experiences compared to those with none.



**Figure 2.7:** Chronic disease diagnosis or health service use outcomes by number of adverse childhood experiences

Source: Based on Ashton K et al.<sup>48</sup>

**Risk ratios:** chronic disease (adjusted hazard ratio), service use (adjusted odds ratio)

A large population study in the US demonstrated that integrating adverse childhood experience enquiry into clinical practice resulted, in the first year, in a 35% reduction in GP consultations, an 11% reduction in emergency department attendances and a 3% reduction in hospital admissions<sup>49</sup>. Although more UK specific research is needed, there is clearly the potential to better understand how adversity informs the demand, use and uptake of health and social care services.

## The influence of adverse childhood experiences on crime and violence

Crime and violence has been shown to have a strong association with adverse childhood experiences. A study conducted in Wales found that people with multiple (four or more) types of adversity were 14 times more likely to have been a victim of violence and 15 times more likely to have committed violence over the last year compared to people with no reported adverse childhood experiences. The same study estimated that preventing childhood adversity could reduce levels of violent crime by up to 60%<sup>11</sup>.

The World Health Organisation has published a set of strategies to end violence against children. In their document 'Inspire'<sup>50</sup> they set out why ending such violence is so important:

'Violence against children has significant, lasting effects that threaten children's well-being and can persist into adulthood. Exposure to violence at an early age can impair brain development and lead to a host of immediate and lifelong physical and mental health consequences. The immediate and long-term public health impact and economic costs undermine investments in education, health and child well-being. Violence against children also erodes the productive capacity of future generations.'



Figure 2.8: Infographic of strategies to end violence against children  
 Source: Reprinted from: INSPIRE: Seven strategies for Ending Violence Against Children<sup>50</sup>

In NHS Highland, although trends in crime are generally decreasing, there have been over 4,000 incidents of non-sexual crimes of violence, 21,000 drug crimes and 23,000 incidents of domestic violence recorded by the police in the last 10 years (Figure 2.9). Incidents of domestic violence reported to the police have more than doubled over the time period. Although crime rates tend to be lower than those observed across other parts of Scotland, it is recognised that domestic violence is generally under-reported.

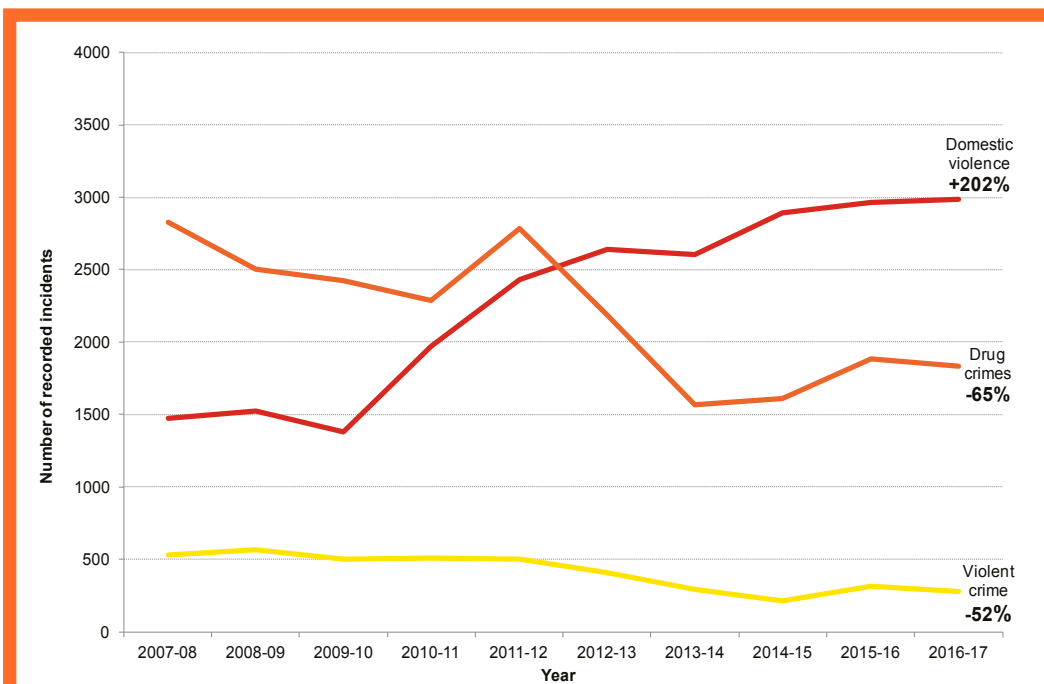


Figure 2.9: Incidence of non-sexual violent crime, domestic violence and drug crimes recorded by the police, NHS Highland, 2007-08 to 2016-17  
 Source: Recorded Crime in Scotland, 2016-17<sup>51</sup>

Violent crime includes homicide, attempted murder, serious assault, robbery, other violence.

## Case Study: The cost of crime

Crime and disorder comes with a high economic and social cost to society. Costs include those incurred in anticipation of crimes occurring (such as security expenditure and insurance administration costs), as a consequence of criminal events (such as property stolen and damaged, emotional and physical impacts and health services), and responding to crime and tackling criminals (costs to the criminal justice system). The cost of violent crime across NHS Highland between 2007/08 and 2016/17 is estimated to be £265 million. If a 60% reduction in violent crime associated with adverse childhood experiences was achievable, this would have saved £106 million to Highland society.

**Source:** Criminal Justice System costs applied to council area estimates of recorded crime<sup>51,52</sup>

Reducing adverse childhood experiences across our population is likely to have a positive economic and social impact. It is acknowledged that by promoting safe environments, access to education, supporting parent's to develop capabilities, and changing beliefs so we develop new norms of behaviour with a low tolerance for violence and situations that induce toxic stress, we can break the cycle of violence. This work needs to be underpinned by a commitment to a strong judicial framework, action to address poverty and a 'trauma informed approach' by public sector services.

### Find out more

Understanding childhood adversity, resilience and crime report

[www.gov.scot/publications/understanding-childhood-adversity-resilience-crime/](http://www.gov.scot/publications/understanding-childhood-adversity-resilience-crime/)

World Health Organisation INSPIRE: Seven strategies for Ending Violence Against Children

[http://www.who.int/violence\\_injury\\_prevention/violence/inspire/INSPIRE\\_infographic\\_EN.pdf](http://www.who.int/violence_injury_prevention/violence/inspire/INSPIRE_infographic_EN.pdf)

## Adverse childhood experiences and exclusion from school

Exclusion from school is seen as a risk factor for adverse outcomes in later life, through what has been termed 'the school to prison pipeline'. Exclusion from school has been identified as contributing to social isolation and poorer health outcomes in later life.

An Edinburgh University study in 2010<sup>53</sup> compared the outcomes of children who had been referred to the Children's Hearings System in Scotland by the age of 12, with a closely matched group of young people involved in equally serious levels of offending who had not been referred. Researchers found that those who had been referred were around five times more likely to end up in prison by the age of 24. These findings are unexpected, and require independent confirmation.

The study concluded that one of the keys to tackling Scotland's high imprisonment rates may be to tackle school exclusion. Professor Susan McVie, co-author of the study<sup>53</sup>, believes that:

'If we could find more imaginative ways of retaining the most challenging children in mainstream education, and ensuring that school is a positive experience for all Scotland's young people, this would be a major step forward.'

This needs to be undertaken in a way that does not impact negatively on other children in school, who have less challenging behaviours.

More recently, the Institute for Public Policy Research detailed the vulnerability of excluded pupils whose needs reflected a range of adverse experiences: child poverty, family problems including parental mental ill health, abuse and neglect, learning needs, mental ill health and poor educational progress<sup>54</sup>. They maintain that for too many of these young people, school exclusion leads directly to social exclusion and estimate that the cost of exclusion is around £370,000 per young person in lifetime education, benefits, healthcare and criminal justice costs.

Professor Harry Burns, the former Chief Medical Officer for Scotland, identified that for some particularly vulnerable pupils, exclusion can represent one more rejection and can compound a sense of not belonging and having no value, meaning or purpose<sup>80</sup>. Exclusion can compound the effects of adversity and have associated traumatic effects.

There may be equally poor outcomes for children and young people who are absent from school for periods of time and those who decline school. A recent study undertaken by Public Health Wales has reported a strong relationship between levels of school absence and adverse childhood experiences<sup>41</sup>. This research found that high school absenteeism, defined as over 20 days a year, was seven times higher in those reporting four or more adverse childhood experiences compared to those reporting none.

Each year approximately 600 children across NHS Highland are excluded from school, with the latest data for 2016/17 indicating that 120 pupils were excluded in Argyll and Bute and 480 pupils were excluded in the Highland Council area (Figure 2.10).

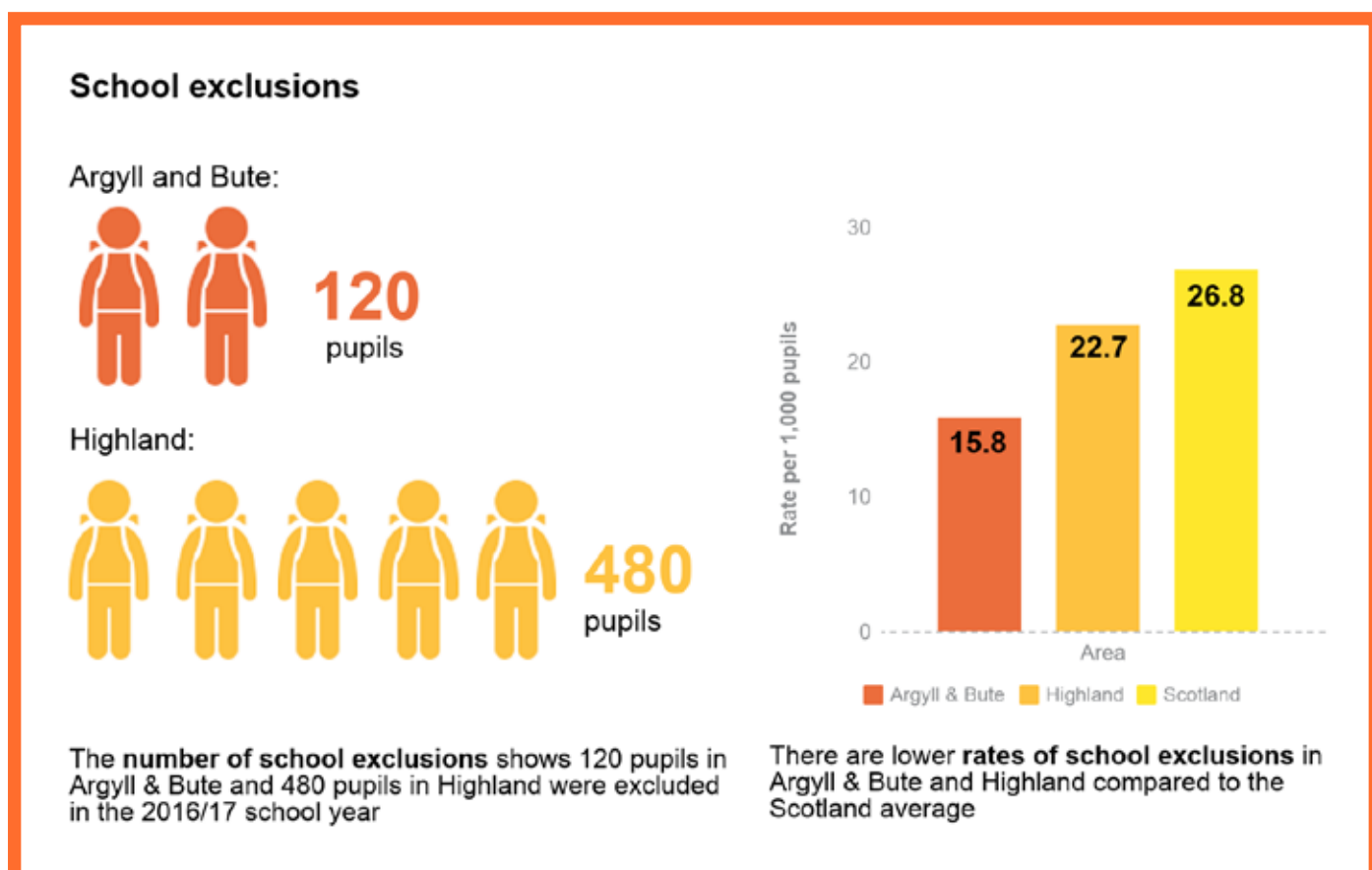


Figure 2.10: Number and rates of school exclusion, NHS Highland, 2016-17

Source: Scottish Government<sup>55</sup>

Number of exclusions rounded to nearest 10

## Adverse childhood experiences and care experienced children and young people

Care experienced children and young people are looked after in the care of their local authority. These children and young people are at considerable risk of toxic stress. For multiple reasons the decision has been reached that they cannot remain in the sole care of their parents. Some live at home, subject to specific conditions, and others are accommodated in residential or foster care or with extended family (known as kinship carers). Others may have been illegally trafficked or they have involvement with the youth justice system. They are some of the most vulnerable children and young people in our communities.

The Scottish Government publish numbers of care experienced children and young people annually (Table 2.2). The profile of those in care as at 31st July 2017, show that there were just over 660 children in care across the NHS Highland area, with 487 looked after by Highland Council and 175 by Argyll and Bute Council. Compared to Scotland as a whole, care experienced child and young people in NHS Highland are younger, with almost a quarter aged under 5 years. Other notable differences include a slightly higher proportion of children from minority ethnic groups for Highland Council (4% compared to 1% for Argyll and Bute and 3% nationally) and a higher proportion of children with additional support needs (22% for Argyll and Bute compared to 13% for Highland and 11% for Scotland). The majority of children are placed in community care (83% to 87%).

**Table 2.2:** Main characteristics of care experienced children and young people

	Argyll & Bute	Highland	Scotland
<b>Number of children</b>	175	487	14897
<b>% of 0-17 population</b>	1%	1%	1%
<b>% aged under 5 years</b>	25%	24%	19%
<b>% aged under 16 years</b>	15%	13%	12%
<b>% from minority ethnic groups</b>	1%	4%	3%
<b>% with additional support needs</b>	22%	13%	11%
<b>% in community care</b>	87%	83%	90%
<b>% in residential care</b>	13%	17%	10%

**Source:** Children's Social Work statistics 2016-17 additional tables<sup>19</sup>

Of all groups in society, care experienced children and young people are probably those most affected by adverse childhood experiences<sup>56</sup>. They are a group of babies, children and young people most likely to experience multiple adversity and least likely to experience the protective influence of a secure attachment. This is evidenced by the high rates of suicide, self harm, personality problems, poor educational achievement, substance misuse and offending behaviour among care experienced young people.

### Find out more

Making the Difference Breaking the Link Between School Exclusion and Social Exclusion  
[www.ippr.org/files/2017-10/making-the-difference-report-october-2017.pdf](http://www.ippr.org/files/2017-10/making-the-difference-report-october-2017.pdf)



# Chapter Three - Understanding and mitigating the impact of adverse childhood experiences





## Stress as a friend to stress as a poison

Learning to manage stress so that it does not harm us is part of normal healthy early development.

These skills are learnt through relationships that are nurturing and that buffer the effects of stress. This includes the capacity to self regulate our thoughts, feelings and body systems. This capacity is the basis for resilience.

**"[My children] being emotionally regulated is not only the best contribution I can make to their lives but it's the best contribution I can make to my community."**

Darren 'Loki' McGarvey, rapper and author of 'Poverty Safari'<sup>57</sup>.

The 70/30 infographic in Figure 3.1 details the relationship between the different types of stress and the impact of a lack of protective relationships in place to buffer the effects of stress<sup>58,59</sup>.

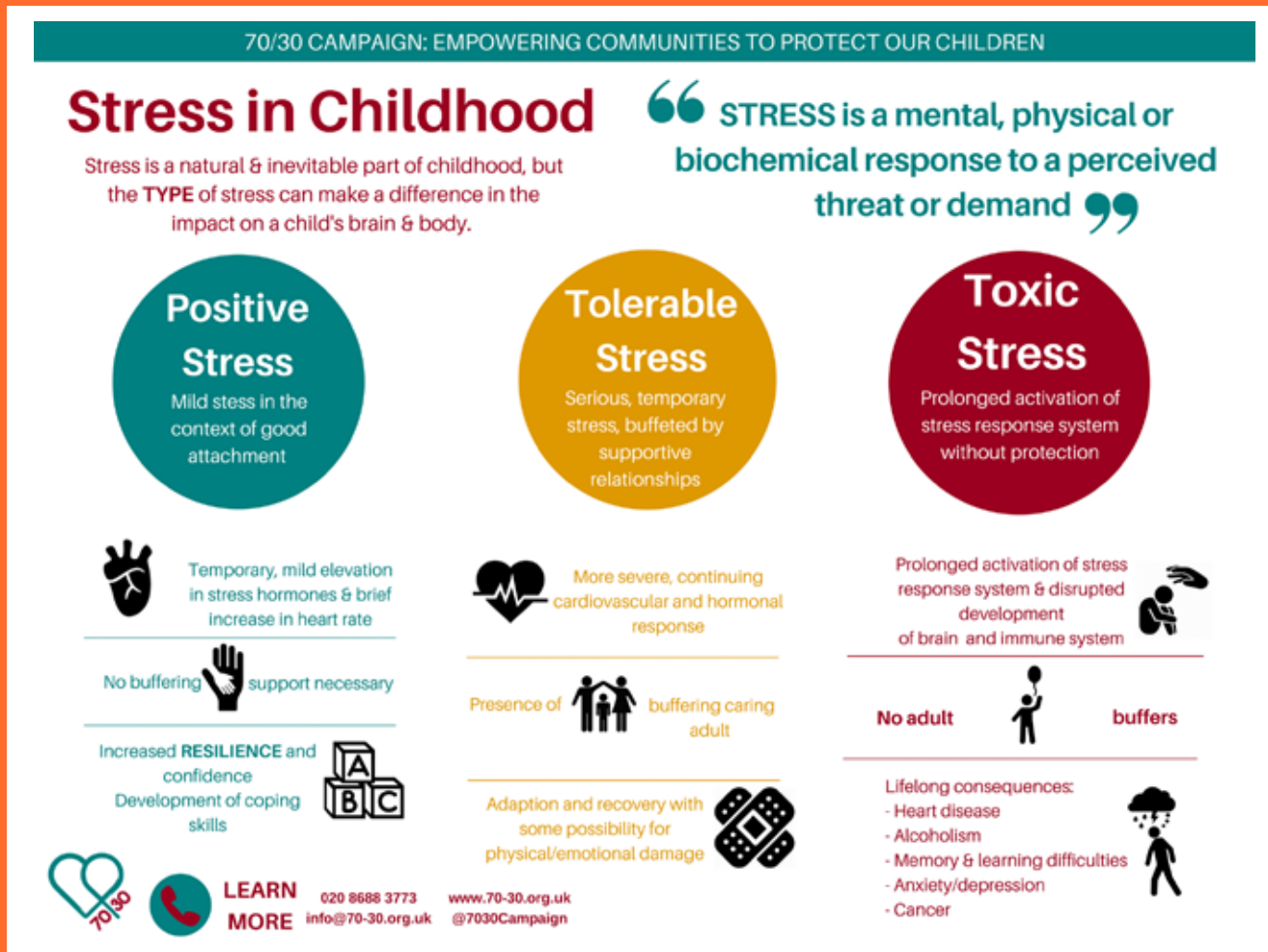


Figure 3.1: Stress in Childhood

Source: WAVE Trust, The 70/30 Campaign<sup>8</sup> See [www.70-30.org.uk](http://www.70-30.org.uk)

Examples of **positive stress** include feeling hungry or tired, being left for short periods and being with people other than the main caregiver, or brief episodes of discomfort. These experiences of positive stress, briefly trigger the body's stress response, then as children learn that their needs are met, and they can be comforted and soothed, they settle very quickly back to their contented state. When a child experiences deeper trauma, either emotional or physical, such as the death of a loved one, or a frightening injury, the body's stress response is activated for a longer period. Stress hormone levels rise, the heart rate rises and the child may be aware of every sound and movement in their environment. Supportive, loving relationships buffer a child against the worst of this and with this emotional support and care, a child can be helped to become resilient to stress. This level of stress is known as **tolerable stress**.

When a child experiences severe stress such as chronic abuse or neglect and they do not have the security of knowing that their needs will be met regularly or kindly, they experience toxic stress. If they live with a caregiver who cannot support normal interactions with their child, for example, because of mental health difficulties such as depression, or substance misuse, the child will reach out to their parent but is never certain that there will be an appropriate response.

A child living with these experiences is said to be enduring **chronic toxic stress**<sup>60</sup>. In this situation the child's stress response can become permanently activated, leading to high levels of stress hormones, including adrenaline and cortisol, circulating in the blood stream and a child chronically feeling in a state of 'fight, flight or freeze'.

## Dr Nadine Burke Harris

Dr Nadine Burke Harris, Centre for Wellness, San Francisco Bay, USA, is undertaking pioneering clinical studies to demonstrate the relationship between toxic stress and health & behaviour outcomes. This includes work in the following areas<sup>61,62</sup>:

- The impact of a dysregulated stress response during key developmental windows
- the importance of stress in relation to ageing, disease and risk of early death
- the use of relaxation, nutrition and exercise programs in conjunction with mental health support to reduce stress and improve health, sleep and concentration in school
- the use of screening tools with individual families to target support at those with significant experience of adversity.

Dr Burke Harris states that 'as the science evolves to identify the precise clinical manifestations of a toxic stress response in children, health care organizations can work toward integrating behavioural and mental health services and improve institutionalized practices that promote healing for individuals exposed to trauma'<sup>61</sup>.

Uncontrollable stress affects a person's ability to think, no matter what their age and changes the areas in the brain where behaviour and emotions are controlled, switching from the higher centres at the front of the brain to more basic brain circuits<sup>63</sup>. Over time the structure of the brain can become physically altered, if it is exposed to high levels of stress for prolonged periods<sup>64</sup>. The body responds to chronic toxic stress with hormonal changes as well as altered gene expression and levels of inflammation<sup>65</sup>.

Children living within chaotic homes show signs of raised blood pressure, poorer self regulation behaviours and obesity<sup>66</sup>. In the long term, the physical effects of chronic toxic stress include a greater likelihood of heart disease, liver disease, lung diseases and cancer. However, there is hope, fortunately our brain has some degree of plasticity, and hence has the potential to "bounce back" and move from a state of toxic stress to a state where the life-course of a child who has experienced adverse events during their childhood can be improved<sup>67</sup>. Indeed, having even one nurturing, stable, supportive relationship with an adult can help to reduce the effects caused by early toxic stress by buffering them from development disruption and helps to build both resilience and life skills for their future<sup>4,68,69</sup>.

### Find out more

Alberta Family Wellness Initiative 'Brains journey to resilience' video  
[www.albertafamilywellness.org/resources/video/brains-journey-to-resilience](http://www.albertafamilywellness.org/resources/video/brains-journey-to-resilience)

Elizabeth Blackburn | Ted 2017 - 'The science of cells that never get old' video  
[www.ted.com/talks/elizabeth\\_blackburn\\_the\\_science\\_of\\_cells\\_that\\_never\\_get\\_old](http://www.ted.com/talks/elizabeth_blackburn_the_science_of_cells_that_never_get_old)

## Resilience, an antidote to the harmful effects of toxic stress

Resilience is generally understood to be about the ability to cope, adapt positively to, and recover from adversity<sup>41</sup>. It can be defined as: *'normal development under difficult circumstances'*<sup>70</sup>. Similarly, the Glasgow Centre for Population Health publication, 'Resilience for Public Health'<sup>71</sup>, quotes Windle<sup>72</sup> who defines individual resilience as the *'successful adaptation to life's tasks in the face of social disadvantage or highly adverse conditions'*.

For individuals, resilience comes from an ability to biologically and psychologically adapt to stress, through the creation of brain pathways that integrate the different parts of the brain so we can make sense of life experiences so that life is good or at least tolerable. Resilience has to be learnt and acquired as a key skill for life. This happens primarily through relationships<sup>73</sup>. Safe nurturing relationships, particularly in the early years and into adolescence are the key to developing resilience at an individual level.

Resilience is one mechanism by which toxic stress can be transformed into tolerable stress. Creating, supporting and building resilience is our primary response to preventing poor outcomes from adverse childhood experiences while also addressing the impact of adverse childhood experiences across the life course. We best support resilience for children and young people by supporting and creating resilience in parents, families and across communities, as shown in the box below. As resilience is created at an individual level by healthy neural pathways, similar connections between individuals within families and at a community level foster healthy relationships and build strong connections between people<sup>68,74</sup>.

### Protective factors that support resilience

Protective factors are those factors within the child and his or her environment that buffer and shield from the negative effects of adverse circumstances. They have been found to exist at three different levels:

- Within the individual child (e.g. the child's disposition and temperamental attributes)
- within the child's family or care situation (e.g. secure attachments with close family or carer relationships)
- within the wider community (e.g. positive peer relationships and supportive communities).

**Source:** Based on Daniel B, Wassell S<sup>75</sup>

Relationships underpin the development of resilience. Key care givers: parents, siblings, wider family, teachers, social care staff, and friends, can either promote resilience or limit its development. Resilience is related to a number of other personal characteristics. The Australian Resilience Centre<sup>73</sup> take the view that:

"Although many use the term resilience interchangeably with perseverance, mental toughness or grit, they are not the same thing. They are, in fact, competencies within resilience and involve the individual reaching inwards. Individuals may develop these competencies through the process of resilience, as they navigate and negotiate with their available resources.

Confusing resilience with an inward looking 'toughness' can be problematic, as this implies that resilience is somehow done alone. This is particularly unhelpful when we are trying to encourage individuals to reach out and connect."

Resilience plays a pivotal role in balancing the impact of negative experiences with positive support<sup>76</sup> as demonstrated in Figure 3.2. These are dynamic interactive processes that can change over time and are worth the investment when we consider the costs involved by not taking action.

The essence of striving for stability within relationships through resilience is eloquently depicted in the Alberta Family Wellness 'Fulcrum of Resilience' model (Figure 3.2)<sup>77</sup>. This idea is further explored through the concept of the 'golden mean' as elaborated by Aristotle, who described the 'golden middle way', the midpoint between the extremes of excess and deficiency<sup>78</sup>. The authors propose this as the key to 'why finding the balance, or middle way, between support and challenge is vital to developing young people's resilience, confidence and well-being'.



**Figure 3.2:** The Resilience Fulcrum

**Source:** Alberta Family Wellness Initiative, Palix Foundation

See: [www.albertafamilywellness.org](http://www.albertafamilywellness.org)

## Case Study: A 'sense of coherence' as a route to resilience

Aaron Antonovsky, who building on the work of Hans Selye<sup>79</sup>, found that when two people were confronted by the same stressful situation, and one could respond to it successfully, but the other could not, their outcomes in terms of their health, were different<sup>80</sup>.

Antonovsky concluded that a healthy outcome depended on an individual's 'sense of coherence' which was the ability to make sense of, and manage the external environment. Essentially, unless an individual can view the world as being manageable and meaningful, they will experience a state of chronic stress. The former Scottish Chief Medical Officer, Harry Burns, argued that public policy should seek to enhance this sense of being able to control one's life. He puts forward the view that if policy makers persist in defining a population by its deficiencies and problems, then services will only ever be designed to fill gaps and fix issues, which leads to a further feeling of people as 'passive recipients of services, rather than active agents in their own lives.'

The key, then, is to pay attention to the emotional, psychological and spiritual resources that allow people to build relationships and establish social networks, so that people have opportunities to find what is meaningful to them, in a way that fosters optimism and control<sup>81</sup>. The understanding that follows is that this results in better health, and reduced societal inequalities. The attraction of a 'health assets' model is that it builds capacity for good health within populations instead of starting with a problem and designing policy to treat or prevent it.

**Source:** Burns H<sup>80,82</sup>

The use of the United Nations Convention on the Rights of the Child (UNCRC)<sup>83</sup> to support children's understanding of their human rights is shown in the film 'Resilience'. The film describes an established US education program called 'Miss Kendra'. Schools that had implemented this, which includes supporting the mental health of young children, reported improved wellbeing amongst their pupils<sup>84</sup>. Table 3.1 shows the link between Miss Kendra's list and the UNCRC.

**Table 3.1:** Adverse childhood experiences mapped to the UNCRC articles

Miss Kendra's List	United Nations Convention on the Rights of the Child
No child should be punched or kicked.	Article 19: You have the right to be protected from being hurt and mistreated, in body or mind.
No child should be left alone for a long time.	Article 27: You have the right to food, clothing, a safe place to live and to have your basic needs met. You should not be disadvantaged so that you can't do many of the things other kids can do.
No child should be hungry for a long time.	Article 6: You have the right to be alive.
No child should be bullied or told they are no good.	Article 28: You have the right to a good quality education. You should be encouraged to go to school to the highest level you can.
No child should be touched in their private parts.	Article 29: Your education should help you use and develop your talents and abilities. It should also help you learn to live peacefully, protect the environment and respect other people.
No child should be scared by violence at home or in school.	Article 34: You have the right to be free from sexual abuse.
No child should see other people hurt each other.	

**Source:** Based on UNCRC<sup>83</sup>

Programmes for babies, children and young people across NHS Highland provide opportunities, through cooperative group work, interactive play and games, for children to link the articles and the language of wellbeing, to better support their understanding, engagement and participation in these areas of their development. This is explained further in the case study below.

## Case study: 'Supporting Resilience' through 'My World of Wellbeing'

My World of Wellbeing is a programme that aims to encourage children to develop their emotional language and promotes an understanding of themselves and their social relationships, both within their families and their wider communities. Sessions support pupils to take ownership of their 'My World Triangle' based on the 'Wellbeing Wheel'.

The programme has been created to support school staff to deliver each of the sessions on a weekly basis over a full term, to create classroom displays with the pupils in the class and to support further learning through class discussion in between sessions. Although P6 is the recommended stage for programme delivery, it can be adapted and delivered to any age group, to suit local needs.

A recent evaluation of the initial pilots has shown some effectiveness of the programme in supporting the development of language associated with the wellbeing indicators<sup>85</sup>. The activities have supported a deeper understanding of these concepts and pupils have demonstrated their increased knowledge by engaging in further dialogue with their peers and adults alike following on from the programme itself.

**Source:** The Highland Council Care and Learning Service

Work undertaken in the Argyll and Bute Health and Social Care Partnership has been supporting staff resilience as they work with care experienced young people as explored on the next page.



## Supporting Resilience: Awareness for staff in Argyll and Bute children's houses

Staff within East Kings Street Children's House in Helensburgh had the opportunity to engage in a recent developmental workshop. The staff development day was led by Locality Manager, Paul Kyle who supported staff in a day of reflective practice, with adverse childhood experiences as the key theme of the day.

Staff were challenged to think about their own personal journey and the day included space for staff to think about what had led them to work with young people, what skills and knowledge they possessed, and how their experiences could have a positive impact on the resilience of those children that are in their care.

Workers were asked to think about the important things that had made a difference to them in their own developmental years: where did their resilience come from, how had this impacted on them as adults, and how could they use this knowledge in their day-to-day work?

Staff were exposed to training situations that enabled them to think about the kind of adverse events that have occurred in the lives of many of our care experienced children. What those experiences were, and what impact that may have had on their development. Staff also explored ways by which care experienced children might recover from adverse events and what factors might make a difference.

The training was well received by staff, who responded in a positive manner to this emotionally intense workshop. Staff agreed to take some of the learning from this session to their own team meetings.

The session has created wider interest and the same workshop will be delivered to the two other children's house staff in Dunoon and Oban in the coming months.

**Source:** Argyll and Bute Health and Social Care Partnership



**Figure 3.3:** Growing Resilient Communities  
**Source:** ACEs Connection

See [www.acesconnection.com](http://www.acesconnection.com)

The 'skill of connecting' is key to resilience within Communities, through the creation of stronger social connections<sup>68,86</sup>.

The infographic shown in Figure 3.3 demonstrates how we can grow stronger communities within the context of adverse childhood experiences, and the case study below illustrates how NHS Highland is working towards building connected and compassionate communities.

## Case Study: NHS Highland's Compassionate Communities

With some funding from the Life Changes Trust, NHS Highland and Dementia Friendly Communities Ltd have formed a partnership to develop 'Compassionate Communities'. This is a programme that aims to build personal and community resilience through developing a circle of support for some of the most vulnerable people in our communities.

Initially developed for people with dementia in Helmsdale, 'Compassionate Communities' uses the same approach of providing community led activities, services and support that meets local needs for anyone in a vulnerable situation<sup>87</sup>. It aims to ensure that communities have a significant say in what is important to them, and works to a set of principles that supports people to feel included, safe, valued, and respected, through developing a range of activities and services that will build a network of community support<sup>88</sup>.

The project recognises that while many communities across NHS Highland face similar challenges, no two communities are exactly the same. Using lessons learned from the Helmsdale circle of support, the initiative has been set up with the aim of developing community-led activity and services that will see a network of local support that is designed to ensure they are sustainable and meet local need.

Four communities have already come forward keen to get involved in this initiative and it is hoped that it can be rolled out to a further four communities over the next 12 to 18 months.

**Source:** NHS Highland Public Health Team

### Find out more

Nadine Burke Harris: 'The Deepest Well' and the Center for Youth Wellness

<https://centerforyouthwellness.org/the-deepest-well>

The Highland Council's Care and Learning 'Layers of Resilience' video

[www.youtube.com/watch?v=wLuSmryLOe0](http://www.youtube.com/watch?v=wLuSmryLOe0)

Resilience for Public Health Supporting Transformation in People and Communities Report

[www.qcph.co.uk/assets/0000/4198/Resilience\\_for\\_public\\_health\\_2014.pdf](http://www.qcph.co.uk/assets/0000/4198/Resilience_for_public_health_2014.pdf)

Understanding Resilience

<https://content.iriss.org.uk/understandingresilience/risk.html>

What is Resilience? Center on the Developing Child at Harvard University Video

[www.youtube.com/watch?v=cqO7YoMscU](http://www.youtube.com/watch?v=cqO7YoMscU)

Channel 4 interview with author of 'Poverty Safari'

[www.youtube.com/watch?v=9sxENe4cvGU](http://www.youtube.com/watch?v=9sxENe4cvGU)

Toxic Stress Derails Healthy Development. Center on the Developing Child at Harvard University Video

<https://www.youtube.com/watch?v=rVwFkcOZHJw>

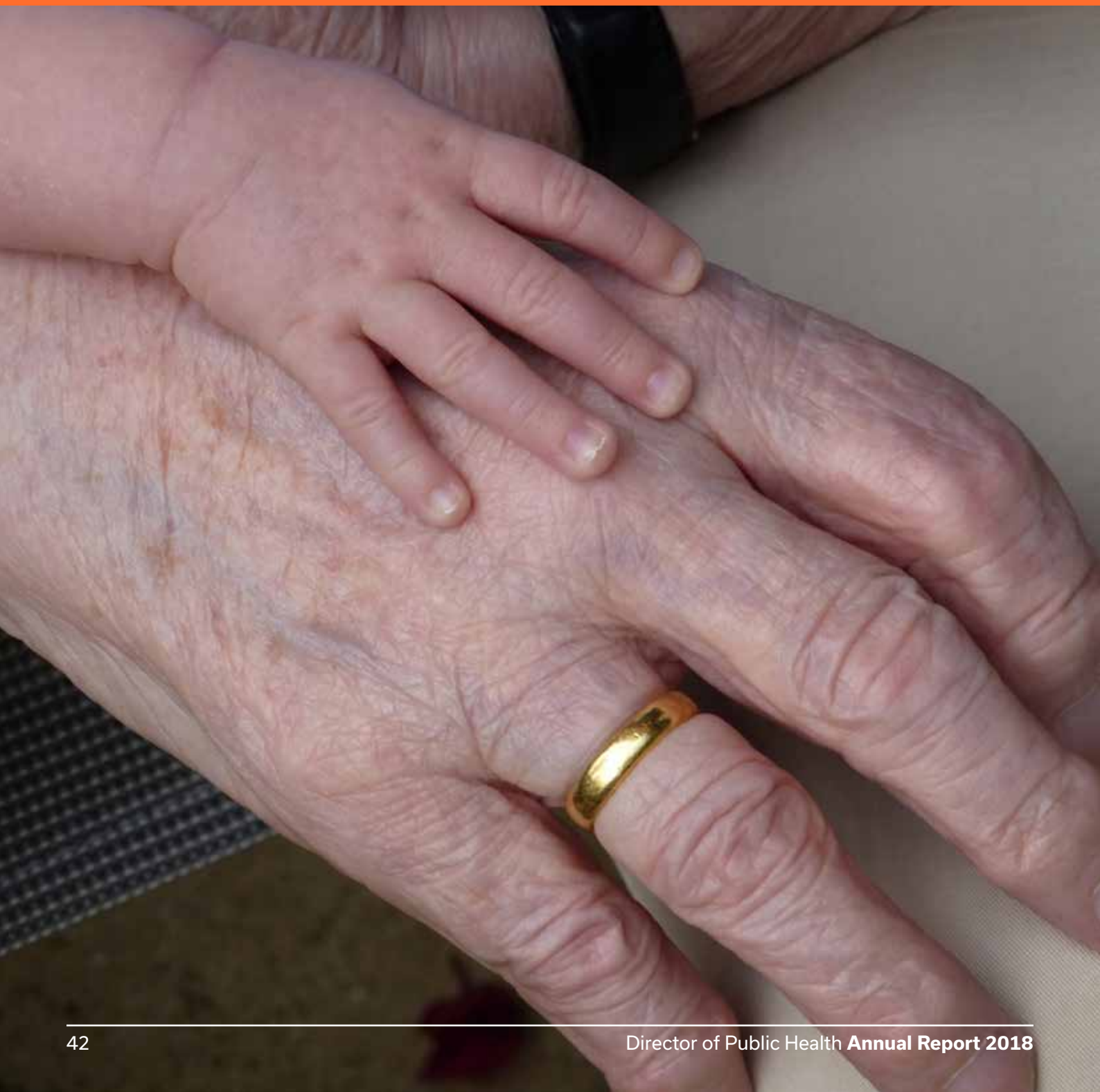
What causes wellness. Professor Harry Burns TED talk Video

<https://www.youtube.com/watch?v=yEh3JG74C6s>

Supporting Resilience. Glasgow Centre for Population Health Video

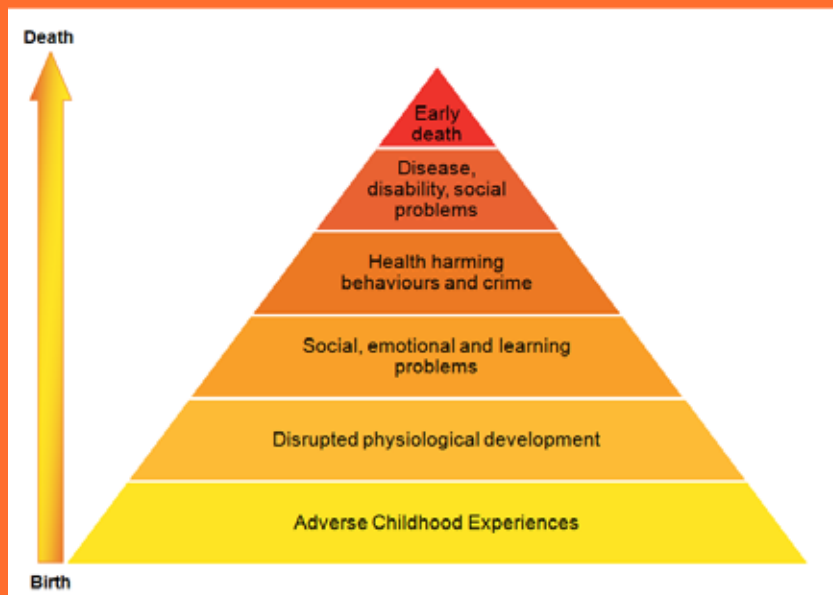
[www.youtube.com/watch?v=eHyv\\_LFXkVU](http://www.youtube.com/watch?v=eHyv_LFXkVU)

# Chapter Four - The life course: The impact of trauma and adversity throughout our lives





This chapter examines the effect of adverse childhood experiences on the life course, from before birth to old age<sup>89</sup>. A life course approach (Figure 4.1) is useful for examining how adversity affects populations cumulatively, and considering ways in which these effects can be buffered<sup>90</sup>.



**Figure 4.1:** Impact of adverse childhood experiences across the life course  
**Source:** Based on Felitti et al.<sup>2</sup>

## Before birth

The environment a developing foetus experiences can have a direct effect on an infant’s growth and birth weight, their health at birth and their developing brain<sup>91</sup>. Between birth and eighteen months connections in the brain are created at a rate of one million per second. A baby’s earliest experiences shape their brain development, and have a lifelong impact on that baby’s mental and emotional health<sup>28</sup>.

A study by Barlow et al. has shown that attachment between a mother and a baby begins during pregnancy<sup>92</sup>. A woman’s representations of her unborn baby are influenced by many factors including whether she has other young children in the household, whether or not her pregnancy was planned, whether or not she is experiencing domestic abuse, and her own personality traits. One of the most significant factors affecting a mother’s attachment is her own attachment status. Mothers who are securely attached themselves tend to have infants who are securely attached, while mothers who are insecurely attached tend to have infants who are insecurely attached at 12 months<sup>93</sup>.

A model developed by Barlow describes categories of relationship between a mother and her developing baby, as described in Table 4.1 below.

**Table 4.1:** Types of maternal relationships.

<b>Balanced</b>	Balanced mothers tell detailed stories about their experiences of pregnancy and describe both their positive and negative thoughts and feelings about their foetuses.
<b>Disengaged</b>	Disengaged mothers appear uninterested in the foetus and their relationship with the foetus. They have few thoughts about the babies’ future behaviours or characteristics and their stories tend to be quite short.
<b>Distorted</b>	Distorted mothers often view their foetus mainly as an extension of themselves or their partner, and express intrusive thoughts about their own childhood experiences.

**Source:** Based on Barlow J<sup>92</sup>

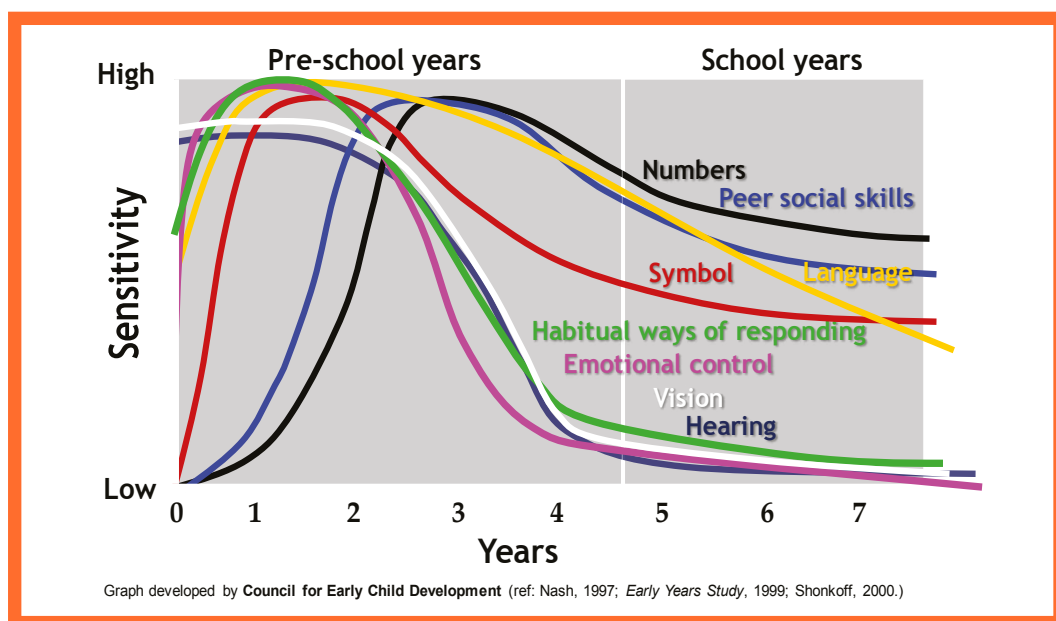
A study by Theran et al. of pregnancy using this model identified that 51% of women had 'balanced representations', 30% were classed as 'disengaged' and 19% were classed as having a relationship that was classed as 'distorted'<sup>94</sup>. These representations are strongly associated with attachment following the birth of the baby, with mothers whose representations that are classed as 'distorted' or 'disengaged' being more likely to have an insecurely attached infant<sup>92</sup>. This has longer term consequences for childhood development.

## The First 1001 Days

The most optimal environment to lead to good longer term health outcomes is one in which a mother's circumstances include the following<sup>95</sup>:

- Enjoying a well-balanced diet
- not experiencing stress or anxiety
- in a supportive relationship – and not experiencing domestic violence
- not smoking, consuming alcohol or misusing illegal substances
- not in poor physical, mental or emotional health
- not socio-economically disadvantaged
- at least 20 years old
- have a supportive birthing assistant at the birth itself.

When a baby's development falls behind during the first year of life, it is then much more likely to fall even further behind in subsequent years, than to catch up with those who have had a better start (Figure 4.2). Some children who experience severe early stress and consequent delayed development can recover by later rapid development. However, this can still leave a legacy of negative social interactions and difficulty in social situations such as school<sup>96</sup>. Therefore, early intervention to support families and prevent adversity in early childhood is vital in achieving the best outcomes for children<sup>97</sup>.



**Figure 4.2:** 'Sensitive periods' in early brain development across different skill sets  
**Source:** Illustration from Geddes R, Haw S, Frank J<sup>98</sup>

If we consider attachment to be the developing emotional relationship or bond between a parent and their baby, securely attached infants have significantly better outcomes across all areas of their development. In one study, the majority of children (55-65%) were securely attached to their parent, but up to 24% showed an insecure style of attachment, and around 15-19% show disorganised attachment<sup>92</sup>. If we consider a population of abused children, 80% display a disorganised attachment style<sup>92</sup>.

**"The truth is, you cannot love yourself unless you have been loved and are loved. The capacity to love cannot be built in isolation."**

Source: Perry D, Szalavitz<sup>1</sup>

### Find out more

How Brains are Built: The Core Story of Brain Development Alberta Family Wellness Initiative video

[www.youtube.com/watch?v=LmVWOe1ky8s](http://www.youtube.com/watch?v=LmVWOe1ky8s)

## Biology and physiology

Normal healthy child development is based on back and forth responses between an infant and their mother or main care giver. A healthy child with a loving and responsive parent will make a noise or look towards their parent and that person responds by copying the sound or facial expression, by smiling or by making noises and sounds that instinctively emphasise language patterns. During this process, a baby is building the neuronal pathways in their brain, whereby some pathways are reinforced and others are pruned. The process of healthy brain development and healthy child development starts well before birth. A baby is born with 100 billion of brain cells, or neurons and it is the connections between them that provide some of the foundations for learning and behaviour.

The growth of a child's brain is influenced by their genetic make-up as well as by their experiences. These experiences include their experience of their physical environment and relationships which in turn will affect which genes are expressed. A child who is wiring their brain with positive 'serve and return' interactions, and who experiences consistent caring responses from their parent, will form strong and integrated brain pathways.

**Figure 4.3:** Serve and return interaction between children and caregivers



Source: Illustration by Betsy Hayes from Center on the Developing Child at Harvard University<sup>99</sup>.

## School Years

The Scottish 'ACEs Hub', which is coordinated by NHS Health Scotland<sup>100</sup>, has published work on childhood adverse experiences in a school context. They argue that:

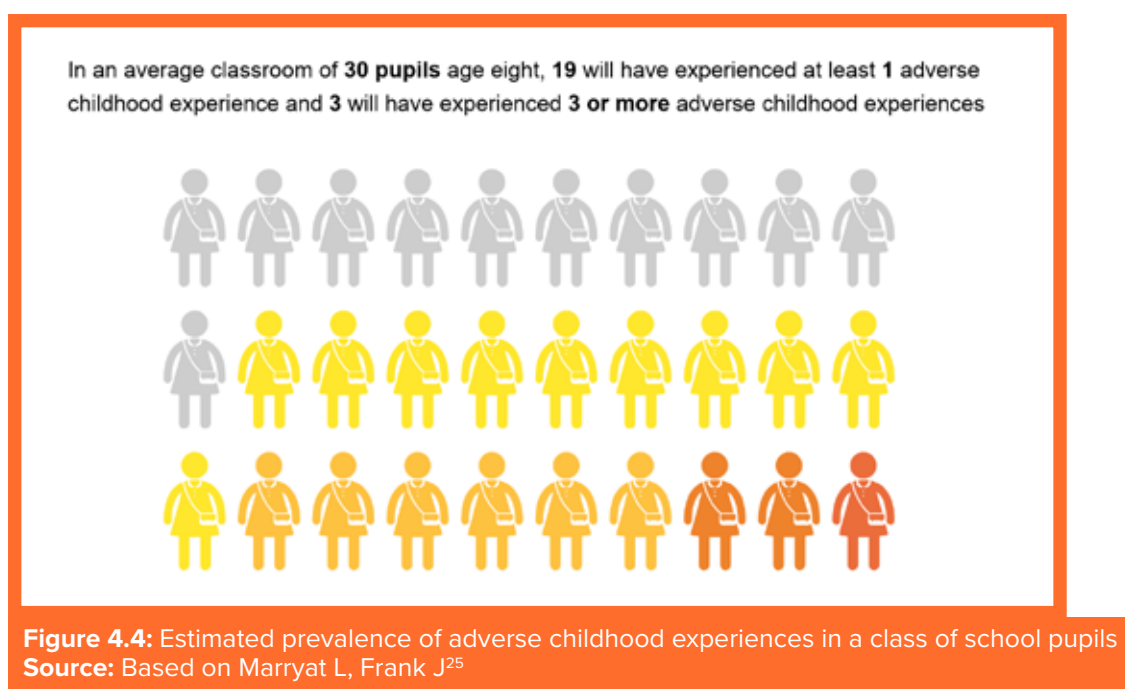
'tackling adverse childhood experiences will support educational attainment through improving the mental health and wellbeing of young people through schools' improved understanding of the behavioural outcomes of early adversity ... to be a supportive and inclusive environment for learning.<sup>101</sup>

A systematic review examining the impact of traumatic events on school-related outcomes, including cognitive functions and behavioural issues, showed that young people who have experienced trauma are at risk for impairments across various cognitive functions. These include: IQ; memory; attention and language/verbal ability; poorer academic performance and school-related behaviours such as discipline; dropout and attendance; and higher rates of behavioural problems and internalizing symptoms<sup>102</sup>. The experience of childhood trauma also has a potentially negative effect on how a person functions within the workplace<sup>103</sup>.

It has been argued that learning occurs best when a strong and healthy relationship is established between children and their teachers, suggesting that the quality of teacher-student relationships is the key to many aspects of managing a class<sup>104</sup>. A report for Scottish government concluded that more research is needed to properly determine the nature of how adverse childhood experiences impact on educational outcomes<sup>101</sup>.

Multiple factors mediate school outcomes including moving schools multiple times, less access to extracurricular activities, and educational expectations in the home. Children who have suffered abuse and those who are in care have impaired executive functioning, which includes the ability to think and plan ahead, to move between tasks, and to understand the link between actions and consequences<sup>105</sup>.

Children can experience shame and humiliation in the classroom that leads to a fear of school, and a child left feeling incapable. Perry suggests that learning is helped by a feeling of being in a safe and familiar situation, which fosters a sense of curiosity and the ability to learn in both adults and children<sup>106</sup>.



## Adolescence and transition to adulthood

Children who experience maltreatment, and in particular childhood sexual abuse (CSA), are more likely to experience further maltreatment as they get older. One prospective cohort study involved 70 female victims of childhood sexual abuse, who were followed for up for a number of years. In adolescence, the same young people were interviewed about the difficult events of their life, assessed for symptoms of post-traumatic stress disorder, and questioned in relation to their experience of other adversity such as physical harm, emotional harm and other adverse childhood experiences. The study found that victims of CSA were twice as likely to have been raped or sexually assaulted, and almost four times as likely to have inflicted subsequent self harm. They also reported significantly higher rates of physical re-victimisation (including domestic violence) and they subsequently experienced a greater number of significant lifetime traumas than comparative individuals in the cohort<sup>107</sup>.

This study also showed that many of the young women used dissociation as a means of coping with the distress that they experienced, and in this, they put themselves at greater risk for physical harm. The authors conclude that:

‘victims who adopt pathological dissociation as the primary defence strategy in adolescence or adulthood may be less able to engage in self-protection when physically threatened. Dissociation has been thought to be associated with suicide and self-injurious behaviours, and these results confirm this association.... Self-harm may not be a direct response to sexual abuse but to the dissociative experiences that result from efforts to cope with the abuse.’

This research highlights the importance of services that not only place a high value on providing trauma-informed responses<sup>108</sup>, but also on developing resources to allow children that have experienced significant adversity to be supported and to develop their resilience, so that they can be protected later in life, including during their adolescence and adulthood.

In a study examining stress responses in adolescents, young people who had been maltreated were more likely to show a ‘blunted’ cortisol profile than children who had not been maltreated. Cortisol is a stress hormone, released by the body at times of fear or distress. The signal to release cortisol comes from the brain, and when it moves through the body, it frees up energy that may be needed to fight or flee. A blunted profile suggests that these young people have a chronically active stress response.

This was also described as an ‘unemotional response’ in a study of young people who were habitually exposed to adversity<sup>109</sup>. In the young people studied, assessments were made at several time points during adolescence, to identify the pattern of the stress response, and the authors found that the process of developing this blunted response occurred over a number of years of accumulated stress. This was true even if any of the young people had a recent experience of adversity or trauma. This means that childhood adversity has a lasting effect on the ability of the body of a young person to respond appropriately to stressful events.

Starting higher education, or work, or getting married, are examples of the transitions young people make as they become adults. We all make many different transitions in various parts of our lives, and each has the potential to be stressful. For individuals who have experience of adversity and trauma, their ability to manage the stress of yet more change, and upheaval may be compromised, and so across the life course a cascade of events can influence later socio-economic status, health and behaviour<sup>90</sup>.

## Case Study: Sarah, a young mum with experience of multiple adversity

Sarah, who has experience of growing up in care, gives her account of the circumstances in her life that led to involvement with the criminal justice system and drug and alcohol services.

"When I was younger my mum was an alcoholic, but she was a functional alcoholic, so she went to work, and she did all the chores. Even though people might think that's outrageous, I think at least she was... still making sure we had a roof over our heads, that we were getting fed, she was never aggressive, she was never anything like that towards us."

Eventually her home situation deteriorated and she was removed into care. This was very challenging for her personally, and she describes feeling the injustice and powerlessness of being the person removed when she was not the cause of the difficulty.

"I was only an 8 year old child.... at the end of the day I shouldn't have been the one to get removed from my family home, removed from my school, removed from all my mates."

She describes how wanting to go back to her family motivated a great deal of her behaviour.

"I was drinking a lot in care... I was getting moved every few weeks, in different care homes because they couldn't handle me...I got put into foster placements, it just wasn't working. But my attitude was, 'oh, I'll just do what I can to get moved until they put me back home.'

Sarah explained that when she was sent to a residential school she was told clearly that she would be staying and that her workers would support her. She describes the effect of this on her.

"That was really good because it felt...there was actually a family, that actually wanted to help me, to see me succeed...and they weren't gonna give up on me."

She describes wanting someone to understand her behaviour but not feeling equipped to express her needs. "I would behave like that...because I was too scared to say anything to anybody, like in any profession, what was happening at home, being ...young... you do get quite frightened saying stuff like that...so that's why I would behave like that, hoping that somebody would click on, ...thinking why has she started behaving like that these past few years?"

She reflected that, in her experience, professional services targeted support at her behaviour.

"...the alcohol wasn't the problem, the alcohol was one of the problems that I was using for the problem. They need to think, ...they need to look more into it. They need to get more involved and get to know their client more ... get right down to the core of it."

When Sarah found out she was pregnant she was able to use this to make major changes in her life. She was able to access support and is raising her daughter. She reflected on her journey and her own pathway to being in a position where she can speak about her experiences, both as an adult and a child. "Open your mind and ... see actual people for their personalities ...learn to maybe learn a bit more before you judge people... and not to give up on kids either because they can't afford for anybody else to give up on them."

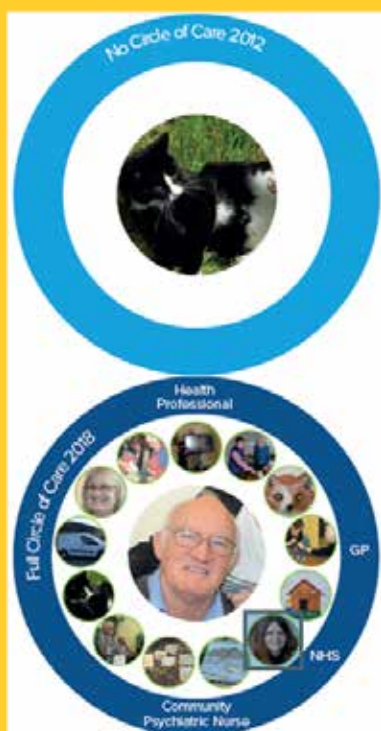
**Source:** With kind permission from the speaker and made available with the support of Highland C.H.A.M.P.S board. (Name changed to protect identity).



## Older Years

The impact of adverse childhood experiences can occur throughout people's lives. One study that sampled a range of people, many of whom were aged over 65 years, found that a history of multiple adverse childhood experiences had the greatest impact on those people with a low sense of community and a high level of stressful events in their current life. Those people with a strong sense of community and relatively few adult life stresses had mental health outcomes similar to people with a history of few adverse childhood experiences<sup>90</sup>. The importance of community to older people's health and wellbeing is recognised in NHS Highland through work to develop compassionate communities. This is illustrated in the case study of the Helmsdale circle of care.

### Case Study: Helmsdale circle of care



In an effort to address the difficulties faced by older people in rural communities, a focus was placed on building community support networks in Sutherland.

A number of initiatives were developed including 'bridge over troubled waters.' This is a tailored short term service to provide help at times of acute need. For example, a carer broke her hand and support was provided within 24 hours, meaning that her husband with dementia did not have to go into respite nursing care while her hand healed. The work centres around a hub, which operates three days per week, supporting older people who may be lonely, frail, isolated, or experiencing mild cognitive impairment, including early dementia. Other services include the use of technology via interactive screens, provision of hot meals, art classes, and a Men's Shed.

**Source:** Circle of Care. Illustration of support services before the community initiative and after. With thanks to Ann Pascoe and Sarah Kerr for use of their images.

**Retrieved from:** <https://dementiafriendlycommunities.files.wordpress.com/2016/06/dfc-how-rural-dfc-supports-dementia-families-poster.pdf>

The Institute at Northwestern University, Chicago has developed an Asset Based Community Development (ABCD) approach. This approach focuses on the positive: 'on the assets and strengths present in a community, mobilising these assets, passions and skills, community driven and based on relationship and skill sharing<sup>110</sup>.'

Cormac Russell of Nurture Development, argues that, '...their focus is not on building a bridge between older vulnerable people and the centre of their services but on building a bridge between older people and the centre of community life<sup>111</sup>, an approach we can usefully emulate.

A Scottish study found that an 'assets based approach' reduced medication use and had fewer visits to the GP<sup>112</sup>. These encouraging findings require further replication but provide some key emerging evidence.

#### Find out more

Cormac Russel. Sustainable community development: from what's wrong to what's strong video

[www.youtube.com/watch?v=a5xR4QB1ADw](http://www.youtube.com/watch?v=a5xR4QB1ADw)

Cormac Russel. Sustainable community development: from what's wrong to what's strong tour summary

[www.nurturedevelopment.org/wp-content/uploads/2017/09/AmericaTour2018.pdf](http://www.nurturedevelopment.org/wp-content/uploads/2017/09/AmericaTour2018.pdf)



# Chapter Five - Trauma-informed systems, care and services





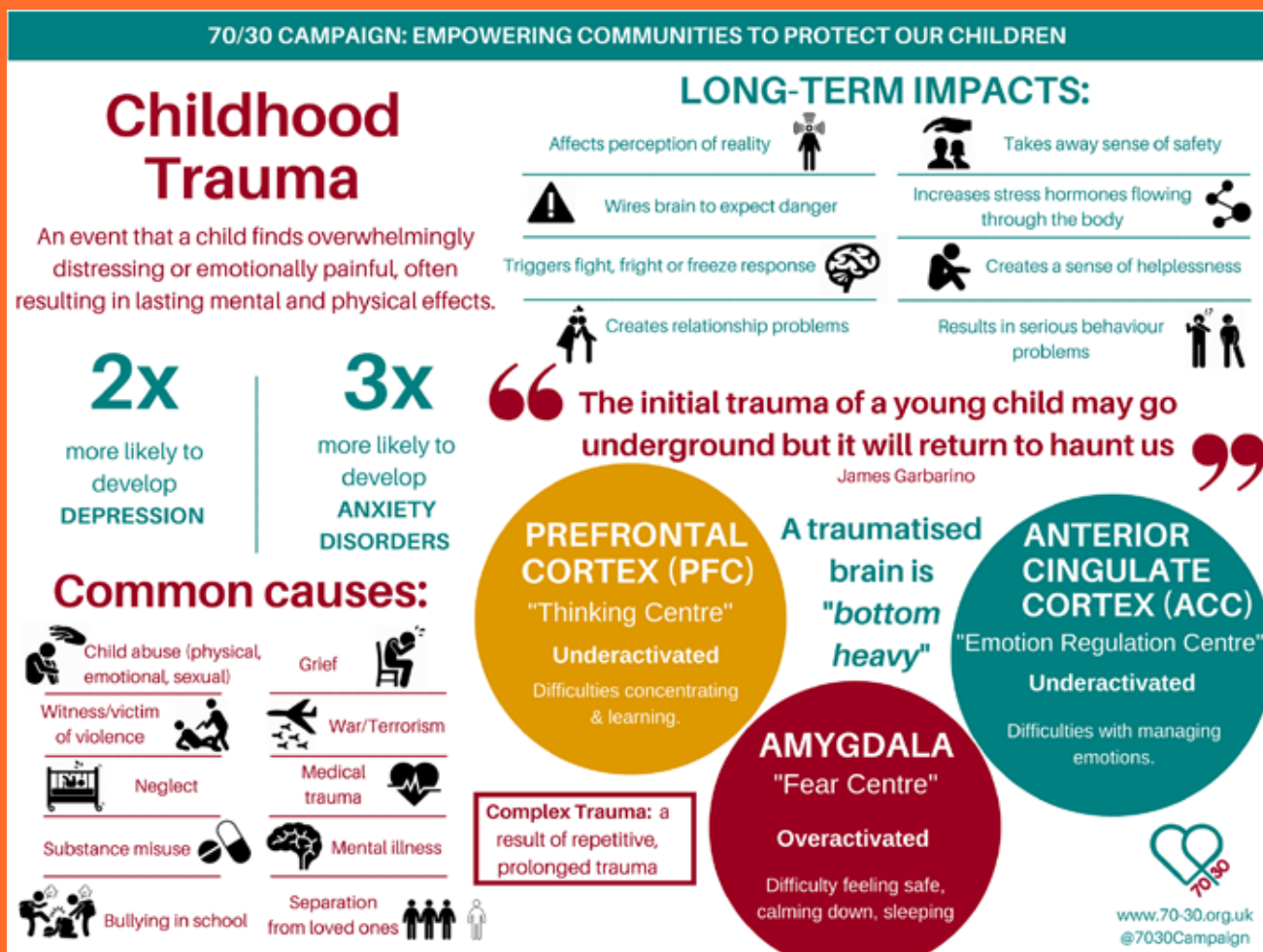
# Trauma

As explored in this report, adversity in childhood and adolescence, in the absence of safety and resilience, becomes traumatic and injurious to health and wellbeing across the life course.

A conceptual framework for ‘childhood trauma’ is shown in Figure 5.1, an infographic developed as part of the 70/30 Campaign, which links common causes to effects on different parts of the brain.

**“Trauma and adverse childhood experiences can be caused by any events (chronic or sudden) where children aren’t able to have attuned adults around them to help cope with fear, overwhelm, distress, uncertainty: that’s possible in schools, nurseries, hospitals, foster care and communities, as well as families.”**

Source: Zeedyk S<sup>13</sup>



**Figure 5.1:** Childhood Trauma  
Source: WAVE Trust, The 70/30 Campaign<sup>8</sup> See [www.70-30.org.uk](http://www.70-30.org.uk)

Trauma is a term used in many different ways depending on context: it can involve either or both a physical injury or a deeply distressing experience<sup>14</sup>. A definition of ‘trauma’ from the US Substance Abuse and Mental Health Services Administration (SAMHSA) is, ‘an event, a series of events or a set of circumstances that is experienced by an individual as physically or emotionally harmful or life threatening<sup>15</sup>.

Similarly, the World Health Organisation use the following definition: ‘a stressful event or situation (either short or long lasting) of exceptional or catastrophic nature, which is likely to cause pervasive distress in almost every one<sup>16</sup>.

Terr has developed a model of Type 1 and Type 2 trauma, as outlined in Table 5.1 below. A further explanation of Type 2 trauma is detailed in the box titled ‘Trauma and recovery’, and shows how trauma and recovery are linked in a therapeutic context.

**Table 5.1: Childhood traumas: an outline and overview**

Type 1 Trauma	Type 2 Trauma
Sudden and unexpected events, which are experienced as isolated incidents such as a road traffic accident, rape or terrorist attack. This can happen in childhood or adulthood.	Traumatic events which are repeated, interpersonal and often (although not always) occur in childhood. These include all forms of childhood abuse, which is chronic and cumulative such as child sexual abuse, childhood physical abuse,... and neglect.

**Source:** Based on Terr L<sup>117</sup>

## Trauma and recovery

Judith Herman, a psychiatrist at Harvard Medical School, advises that recovery from complex, Type 2 trauma can only take place within the context of healing relationships.

She further simplifies and summarises the three stages of recovery as follows:

- Relational safety
- Remembrance and mourning
- Reconnection with ordinary life

These are not linear or straightforward processes. Herman maintains that ‘in the course of a successful recovery, it should be possible to recognise a gradual shift from unpredictable danger to reliable safety, from dissociated trauma to acknowledged memory, and from stigmatised isolation to restored social connection.’

**Source:** Herman J<sup>118</sup>

This report has already detailed how chronic toxic stress during childhood, in the absence of safe buffering relationships, can lead to long term impacts in all areas of a person’s life and on their relationships with their family and community. Education Scotland detail that ‘Trauma in childhood can lead to reduced educational attainment, mental and physical health problems and difficulties in adult relationships.... Children who have experienced abuse and trauma will perform more poorly at school than their peers. A child living with fear and helplessness from experiences outside school cannot focus or learn to the same standard as other children<sup>119</sup>.

There is a tension in the published literature as to whether the impact of trauma is located in the individual, or whether the environment and the circumstances of someone’s life are the source of difficulty. Based on a system-led approach, workers need to understand how to work with people to support them in managing the effects on them of these experiences<sup>120</sup>.

There is a risk that professionals are seen as placing the ‘pathology of trauma within the individual - often an individual who has been deeply betrayed - instead of within the person(s) or environment(s) responsible for the betrayal<sup>121</sup>. Gomez et al argue that ‘a nonpathologising model of trauma takes the stance that the abnormality is generally in the situation rather than the person. When the trauma is relational, it is the nature of the act that is unhealthy and not the individual who has experienced the act.’

A nonpathologising model of therapy as a response to trauma takes the approach that ‘the person is greater than his or her problems and makes room for compassion through acknowledging the role of outside variables, such as relationships and environments, in the initial harm and the subsequent process of healing from the trauma’<sup>115</sup>.

## Trauma-informed systems

**“Being trauma-informed is much more than just a ‘simple’ word or term. It is multi-layered and a whole system approach. It should apply to every sphere of an organisation and be fully embedded into the different levels of a system. This includes integrating trauma-related aspects, knowledge and concept into things such as training, recruitment, induction, policies, procedures, mission statements, language used, having experts of experience, the environment, team meetings, supervision, reflective practice, leadership style, and so much more!”**

Source: Treisman K<sup>122</sup>



Figure 5.2: Trauma-informed and trauma-responsive systems

Source: See [www.safehandsthinkingminds.co.uk/trauma-informed-trauma-responsive-organisations-systems](http://www.safehandsthinkingminds.co.uk/trauma-informed-trauma-responsive-organisations-systems)

A range of models support the implementation of a trauma-informed approach to care<sup>123</sup>. As an example, the WAVE trust advocates the use of a strengths-based framework for trauma-informed care based on 5 key principles of: safety, trust, choice, collaboration and empowerment. Similarly, US research looking at a range of trauma informed care identified the following key principles<sup>124</sup>:

- Trauma awareness (includes staff training, consultation and supervision)
- Safety (trauma informed care works towards building emotional and physical safety for both people using the service and those providing the service)
- Control (choice and personal control alongside predictable environments, often involves consulting with people using services in the service design)
- Strengths-based approach (services support people to identify their own strengths and develop their skills)

The following case study gives an example of a trauma-informed systems approach to working with families in Glasgow to make the best possible decisions for parents and children.

## Case study: The New Orleans Intervention Model, Scotland Pilot

This model of working with families was first used in the US, and is now being piloted with Glasgow's Infant Family Team and in South London with support and oversight from the NSPCC. The National Institute of Health Research is funding the University of Glasgow to assess the difference it makes to children and families.

The programme is being tested to see if it helps social work and legal teams working with children in foster care to make the right decisions for children, and specifically to understand if they should return home to their birth families. Through the use of a series of assessments and by providing significant support to foster carers, the program workers are helped to reach a final decision, either for the children to return to their birth families, or adoption for those whose birth parents cannot show significant change and ability to strengthen their care giving relationship with their child.

In the longer term the team are looking to find out if this model can be used as follows:

- to improve parents' capacity to care for their children
- to improve children's mental health outcomes whether they enter care or return home
- to contribute significantly to the evidence necessary to take a child into care where it is in the child's best interests
- to reduce subsequent incidents of maltreatment of children and their siblings

**Source:** Minnis et al.<sup>125</sup> and Zeanah C et al.<sup>126</sup>

There is evidence of effect from using these approaches, with the identification of significant benefits.

Many people who have experienced adversity and trauma will have sufficient resilience to recover with little or no need of additional services. The culture, practice and environments that we live, study, play and work in can have an influential effect on supporting and sustaining such resilience. There are many opportunities to create change in the day-to-day: from the welcome and atmosphere in outpatient departments, in clinical areas and wards to police stations and schools. Staff awareness raising and support through training can bring a different perspective to understand, interpret and respond to distress and anger from the public, colleagues, toddlers, and young people.

Language focused on distress rather than anger and violent or challenging behaviour creates different opportunities for all involved. At a very practical level, there are daily opportunities to 'start where you are and do what you can'<sup>127</sup>.

Where there has been more complex or enduring experience of trauma, recovery may benefit from more specialist help from specialist trauma therapists and trauma-specific services. Trauma-specific services are those that provide evidence-based interventions to people with mental health difficulties linked to trauma.

Systemic family therapy, for example, can have a role to play in supporting and understanding the impact and effect of trauma in the life of a family<sup>128</sup>. An example of this is outlined in the following case study:

## Case Study: Phoenix Child and Adolescent Mental Health Service (CAMHS)

The Phoenix CAMHS team offers highly skilled and specialist interventions for children, young people and their families. A high percentage of children and young people present with a history of individual and/or family trauma that impacts upon their wellbeing. Taking a holistic and systemic approach in the assessment and treatment of the mental health problems presented is key. In the formulation of the presenting difficulties, the impact of trauma on the children and families is considered and further treatment for the trauma is available and offered if required.

This treatment could involve individual work with the child or young person, but often a family systemic approach is taken to ensure that the parents are included and seen as part of the solution to help their child with the problems that are presented. An example of this is families being invited to the Systemic Family therapy clinic to work together on alleviating the pressures within the family system.

Using systemic approaches in the wider system is often helpful and the CAMHS team regularly supports the network around the child or young person to gain better understanding of the existing problems of the child and their family. For example, if a school team has a better understanding of the impact of the trauma experienced by the child and the family they are in a better place to support the experience of the child in their education by adapting their approach to the behaviours that might be seen in class.

**Source:** Dr Wendy van Riet, Service Manager/Lead Consultant Clinical psychologist, CAMHS

SAMHSA identify that component parts of a trauma-informed system of care will be trauma-specific services which provide evidence-based interventions for people who have mental health difficulties that are linked to trauma<sup>129</sup>.

### Find out more

Good relationships are the key to healing trauma | Karen Treisman | TEDxWarwickSalon video  
[www.youtube.com/watch?v=PTsPdMqVwBq](http://www.youtube.com/watch?v=PTsPdMqVwBq)

Jaz Ampaw-Far The Power of Every Day Heroes video  
[www.youtube.com/watch?v=q3xoZXS5yc](http://www.youtube.com/watch?v=q3xoZXS5yc)

NHS Education for Scotland. Opening Doors: Trauma Informed Practice for the Workforce. video  
<https://vimeo.com/274703693>



## Trauma-informed services

Research suggests that a prerequisite to delivering trauma-informed services is leadership and commitment from the top of the organisation 'to integrate knowledge about violence and abuse into the service delivery practices of the organisation'<sup>118</sup>. This is more than a branding or a form of words. The principles apply within and across systems and services. To have full effect, becoming trauma-aware and evidencing trauma-informed services will require:

- A system-wide approach, involving system leaders, service managers and all front line staff
- High level and cross organisational leadership
- Dedicated resource, to ensure the full effect and impact across an organisation

SAMHSA have undertaken an extensive literature review on trauma, traumatic stress, trauma-informed care, and trauma-related interventions that demonstrates an emerging evidence and knowledge base of trauma-informed care<sup>130</sup>. They found that integrated approaches to the therapeutic management of trauma led to improved outcomes for service users.

Another systematic review by Torchalla et al. reports that 'integrated treatments can reduce both Post Traumatic Stress Disorder (PTSD) symptoms and substance abuse, and across the reviewed studies, the data suggested that such treatments were associated with relatively large reductions in symptoms'<sup>131</sup>. Other services that have evaluated integrated approaches to managing effects of trauma and mental health disorders have found that 'participants... showed significant improvements in terms of suicidal ideation, anxiety, shame, guilt, depression, and social adjustment, and they demonstrated no increase in self-injurious thoughts and behaviours'<sup>132</sup>.

Trauma-informed services appear to have better outcomes than 'treatment as usual' for many symptoms in mental health and substance misuse services, alongside decreased use of crisis-based services. One study found that for children specifically, trauma-informed care led to a more positive self-identity, increased ability to build healthy relationships and improved safety. The study found that for people experiencing homelessness, trauma-informed care led to increased residential stability. Furthermore the study found that trauma-informed services for care were cost-effective and that they are well received by the people using those services<sup>130</sup>.

To be trauma-informed, people working in services need to have a real-time understanding of adversity, emotional distress and trauma and the impact on health, wellbeing and day-to-day tasks and activities. The following trauma-informed services examples detail the childhood trauma of adults accessing health services and the supportive approaches used.

### Case study: Multiple adversity as a child

Wendy is a young woman in her early thirties with a history of trauma and childhood adversity. Both of her parents used drugs and alcohol problematically and following their separation, she was taken into care. Wendy developed a personal history of problematic alcohol and drug use following the death of one of her parents from a drugs overdose. Around this time she started to have problems with managing her anger and became known to the local criminal justice system.

Wendy has experience of domestic violence and sexual abuse by several partners. A child protection order resulted in both her children being looked after by foster carers. She is currently pregnant by her latest partner, who has just received a six-month custodial sentence. Wendy is now involved with an intensive, trauma-informed, support programme. This has enabled her to access safe and supportive accommodation, mentoring and recovery support.

**Source:** Highland Alcohol and Drugs Partnership. (Name and circumstances changed to protect confidentiality).

## Case study: Weight and health

Mandy lives with her partner and is getting married this year. She has been trying to get pregnant for four years. She works as a full-time carer in a Care Home. Mandy experienced an acrimonious parental separation as a child and began to put on weight. She was sexually abused as a teenager, she put on more weight, developed bulimia, and self harmed.

Mandy has a high body mass index, back problems and some arthritis. She feels she has 'tried everything' and would like bariatric surgery. She has spent five years dieting, both losing and gaining weight. She has stopped smoking, although this also led to further weight gain.

Mandy has experienced size discrimination for many years, and this continues on a daily basis. Some of this stigma has become internalised so that she views herself and others of a similar size as 'lazy, lacking self-discipline, and of little value as a person'.

Mandy's GP referred her to the specialist weight management service and she is now working with a team that have helped her to acknowledge her life experiences and recognise the impact that all of these things will have on her weight, through both physiology and psychology.

Mandy herself has identified that her main goal is to address her emotional eating. Identifying both emotional and physical drives give a route into naming emotions and considering appropriate responses that will 'soothe' these emotions. In addition, recognising physical drivers and responding appropriately has helped Mandy to eat more regularly, maintain stable blood sugars and become more emotionally and physically resilient.

The team working with Mandy continue to return to the concepts of acceptance and compassion. Acknowledging that Mandy needs to be kind to herself, gives her permission to prioritise her own needs and in doing this, she is in better health and is better able to look after others.

**Source:** North Highland Specialist Weight Management Service (Name and circumstances changed to protect confidentiality).

The development of such trauma-informed services reflects an increased understanding of both the widespread impact of adversity and trauma for individuals and the accessibility of services. The NHS Education for Scotland (NES) National Trauma Training Framework<sup>108</sup> emphasises that those who would most benefit from support and services are least likely to access or maintain contact with them. There can be difficulties in establishing trust across a range of services, difficulties with procedures that require touch, not feeling understood by services, difficulty in attending services, and frequent disengagement.

In key areas such as mental health, drug and alcohol services and some veterans groups (from armed conflict services), this has led to further stigmatisation. As people who might best benefit from services struggle to engage, or readily opt out of services as traditionally delivered, and such individuals may be labelled as 'difficult to engage', 'hard to reach' or 'non-compliant'. Trauma-informed approaches offer a different lens to explain both health-harming behaviours and the difficulties people with trauma can have in accessing services and support.

## Supporting the workforce working with trauma

Within Highland, there are a range of services that recognise the importance of giving staff an understanding of trauma to deliver a more trauma-responsive service. Examples of these are shown below.

### Trauma-informed services: What happened to you?

#### Highland Sexual Health

Highland Sexual Health (HSH) is an integrated specialist service comprising of Genitourinary Medicine, HIV and Sexual and Reproductive Health. HSH aspires to be a trauma-informed service with routine enquiry of gender-based violence for all patients (regardless of gender).

All clinicians at HSH have had mandatory gender-based violence (GBV), Child and Adult protection training, and some of the doctors are trained in Sexual Offences examination and psychosexual therapy.

**Source:** Dr Hame Lata, Consultant, Sexual & Reproductive Health. NHS Lead Clinician, Sexual Health & BBV Strategy. NHS Operational Lead for Violence against Women

Across Scotland work is on going to develop services and systems that take a trauma-informed and trauma-responsive approach. In May 2017, the Scottish Government commissioned NHS Education Scotland to produce 'Transforming Psychological Trauma: A Skills and Knowledge Framework for The Scottish Workforce'<sup>108</sup>. This framework has been developed to support not just the NHS workforce but also the wider Scottish workforce to understand what trauma is, and to recognise and respond to the individual needs of people with adverse childhood experiences and adult experiences of trauma.

### Case study: Violence Against Women Partnership training ethos

Understanding the impact of adverse experiences on the lives of women, men and children is a key aspect of the work undertaken through the Violence Against Women (VAW) Partnership in Highland.

The VAW Partnership works to promote trauma-informed practice, to recognise the natural ability of the majority of people to recover well from negative experiences (including abuse) and to understand when and how some people might need additional support. Recognising that the impact of sexual violence, domestic abuse, and many other forms of violence can be long-term is essential in providing appropriate, sensitive services that meet the health and care needs of our population.

A multi-agency training programme has been offered through the Partnership in North Highland for over 10 years. Much of this training focuses on improving practice in asking about abuse, assessing risk to individuals and co-producing safety plans with both adults and children affected. Specific training is offered on children's experiences of domestic abuse, the impact of rape and other forms of sexual violence and trauma (from a gender based violence perspective).

**Source:** Gillian Gunn, Violence Against Women Development & Training Manager, Highland Violence Against Women Partnership



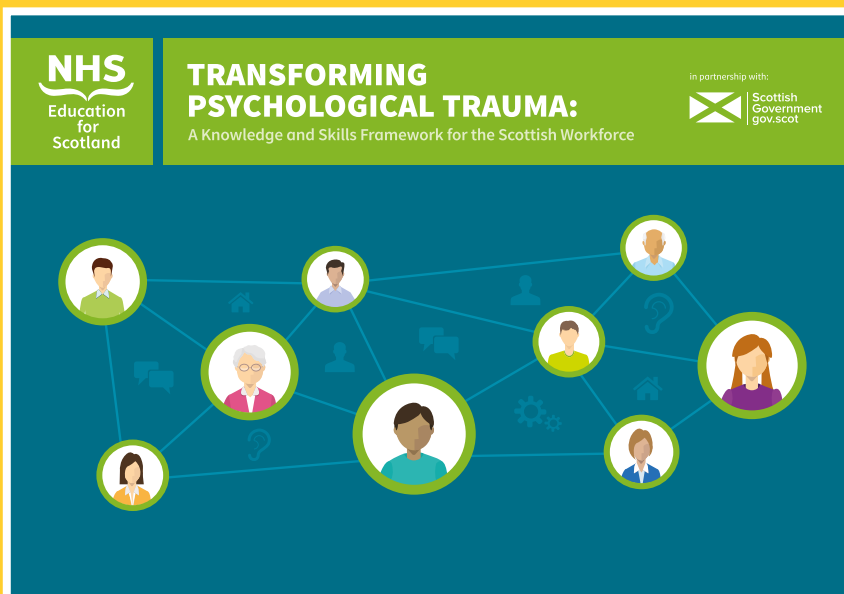
# NHS Education for Scotland Framework for Transforming Psychological Trauma

The framework splits the workforce into four main levels. It articulates the different knowledge and skills which workers require to respond effectively to people affected by trauma in the context of their job role and service remit:

- Trauma-informed details the knowledge and skills for the whole workforce
- trauma-skilled details the knowledge and skills for those workers who are regularly coming into contact with people affected by trauma, where trauma may not be known about, and in contexts where trauma-informed adjustments to practice can be helpful
- trauma-enhanced details the knowledge and skills for workers who have a role in directly providing services for people affected by trauma and who provide specific support, care and interventions
- trauma-specialist details the knowledge and skills for workers who have a role in providing specialist interventions for people affected by trauma who have complex difficulties.

“The key intended outcome of the workforce skills and training is that people affected by trauma feel safe and protected from harm; that they are feeling emotionally safe to make sense of the trauma, and have a future focus on what they want to achieve.”

**Source:** NHS Education for Scotland<sup>108</sup>



Given the examples and descriptions detailed above, research highlights the need for staff to be supported as they deliver a service that is trauma-informed. In the absence of this, service providers risk staff emotional exhaustion and re-traumatising both the people using the service and traumatising the staff delivering the service<sup>133</sup>. The use of peer support and supervision have both been found to reduce burnout and secondary traumatisation of staff, along with a supportive workplace<sup>134, 135</sup>.

Other research has shown that staff feel supported and experience less stress if they have adequate resources<sup>136</sup>, and opportunities to manage their own stress including being taught time management skills<sup>137</sup>, given cognitive behavioural techniques for distressing thoughts<sup>138</sup> and relaxation or meditation to reduce stress<sup>139</sup>.

The Education Scotland Paper ‘Nurture, Adverse Childhood Experiences and Trauma informed practice’, explores the joins between nurture, adverse childhood experiences, trauma and Getting It Right For Every Child (GIRFEC) approaches<sup>119</sup>. The approach is being developed by schools across the Highland and Argyll & Bute Council areas.

The difference that trauma-informed approaches can make are captured in an overview of trauma-informed/nurturing schools shown below.

**“Teachers are key figures in a child’s life and can provide very important relationships for children and young people. Positive relationships, such as those between a teacher-pupil can help repair some of the impaired ways of thinking, (such as the expectations and beliefs that a person develops about themselves, others and the relationships they have).”**

Source: Schore A<sup>140</sup>

## What do trauma-informed/nurturing schools look like?

Keyes<sup>141</sup> suggests that healing and growth can be simultaneous processes. With the right awareness and support in place, schools can make a powerful difference to the lives of students affected by adversity and trauma.

An overview of trauma-informed and nurturing schools from the Improving Life Chances Group of the Youth Justice Improvement Board suggest the following common themes:

- Building relationships with children and young people, recognising that this takes time and that there will be changes with age and stage of development
- looking beyond the child’s behaviour to their needs, seeking to understand the distress often experienced by our children on a daily basis
- practitioners adopting a holistic approach when working with children, young people and their families, one which recognises the central importance of relationships and a child-centred, trauma-informed, rights-based approach
- focusing on developing solutions and resilience, building on strengths and being prepared to pre-empt and address potential difficulties
- taking a whole-family approach, with all those involved feeling valued and receiving appropriate individual, as well as joint, support. The support can be as broad as the issues being experienced by the family, such as combinations of: individual and group parenting support; information-giving; practical and emotional support; crisis support; and helping families to feel able to ask for help without judgement
- recognising that some children and young people find it very difficult to engage with traditional school provision and ways of working, and so providing a flexible and supportive learning environment within which options are tailored to the individual young person and their needs
- empowering children and young people and enabling them to develop agency: showing rather than telling; role modelling rather than ‘doing for’; with children and young people as active participants, while also providing advocacy for child and family when required
- supporting teaching staff to understand the needs of young people they are working with, provide emotional support and be the type of teacher young people tell us is important to them.

Source: Youth Justice Improvement Board<sup>142</sup>

Schools are looking to develop partnerships with parents to raise awareness of adverse childhood experiences as detailed in the example below.

## Supporting Resilience: The journey towards awareness of adverse childhood experiences in Mid Argyll

Over the Academic year 2017-18, schools, early years settings and the central education team in Mid-Argyll have worked together to raise awareness around the impact of adverse childhood experiences amongst practitioners, parents and carers by arranging screenings of the 'Resilience' documentary.

The film had been shown at the Argyll and Bute Early Years Conference in early November 2017 and the Joint Head Teacher meeting in late November. Several Head Teachers and Early Years Leads then organised screenings in their own settings; The Central Education Team had purchased a license for screenings of the film and this made it possible for the screenings to be free of charge. A decision was then made by the Mid-Argyll cluster Head Teachers to arrange screenings of the film in different locations in Mid Argyll for parents, carers and other partners.

Audience numbers were extremely encouraging and the discussions that followed showed that there is a clear interest in exploring local approaches to raising awareness further and developing interventions to support those who have experienced adversity in childhood.

**Source:** Lena Carter, Head of Teaching and Learning (Secondary), Lochgilphead

### Find out more

Lenabellina -Musings and ramblings about life, education and wellbeing.

<https://lenabellina.wordpress.com/2017/10/29/on-a-saturday-youre-mad/>

Glow Scotland - Burnside Primary School

<https://blogs.glowscotland.org.uk/an/burnsideprimaryschool/>

Tacking the Attainment Gap by Preventing and Responding to Adverse Childhood Experiences

[www.healthscotland.scot/publications/tackling-the-attainment-gap-by-preventing-and-responding-to-adverse-childhood-experiences](http://www.healthscotland.scot/publications/tackling-the-attainment-gap-by-preventing-and-responding-to-adverse-childhood-experiences)

Education Scotland. Nurture, Adverse Childhood Experiences and Trauma informed practice

<https://education.gov.scot/improvement/Documents/inc83-making-the-links-nurture-ACES-and-trauma.pdf>

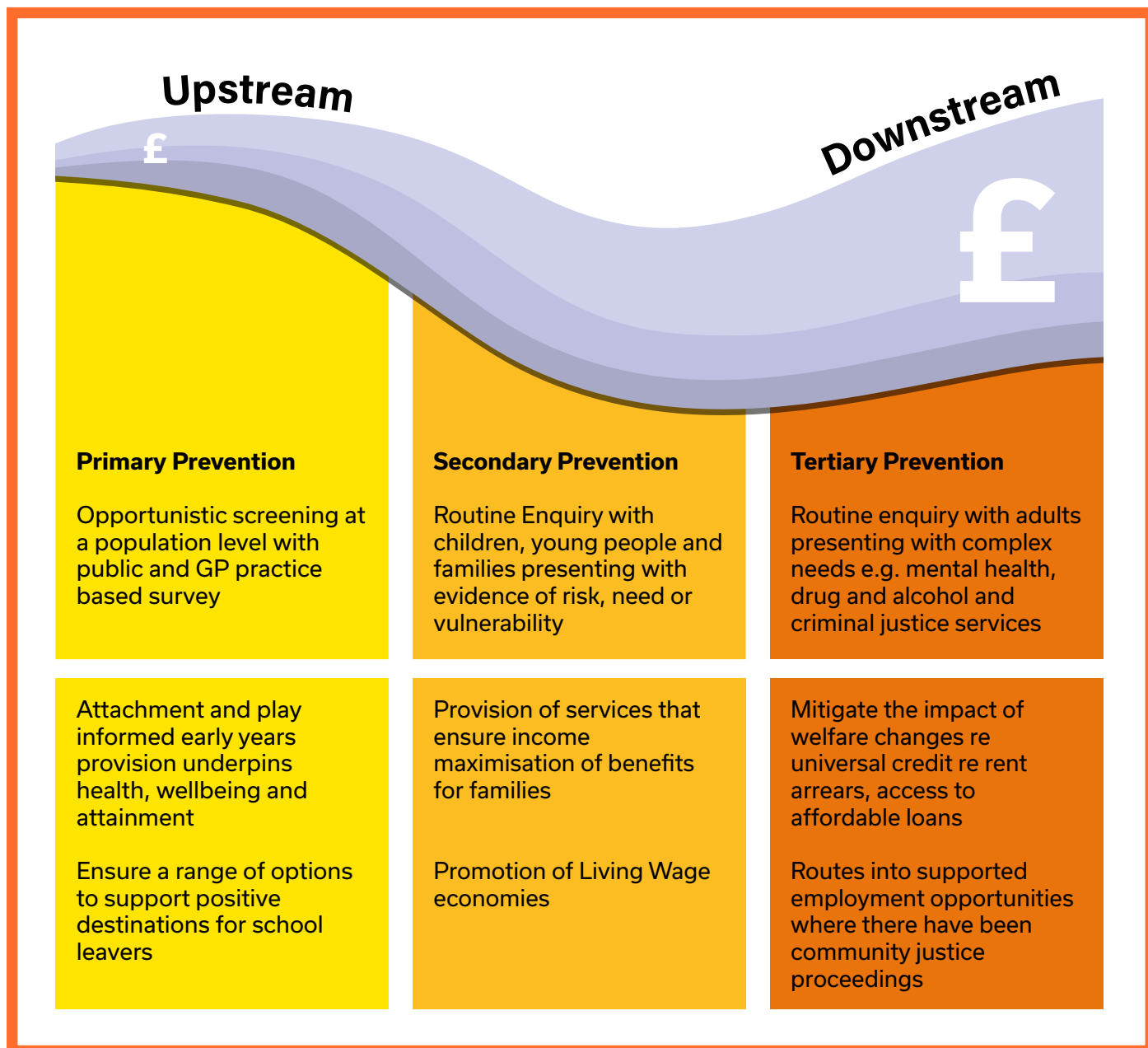
Youth Justice Improvement Board. Educational exclusion and inclusion - Common themes from the Improving Life Chances Group

<https://education.gov.scot/improvement/documents/inc56-education-exclusion-and-inclusion.pdf>

## Routine enquiry for adverse childhood experiences

Earlier chapters in this report have detailed the nature and extent of adversity in the lives of babies, children, young people, families and communities. The impact of adversity and trauma across the life course, with related consideration of the individual and societal cost, prompts a response for both individual and societal benefit. The challenge lies in how best to capture and use information about adversity and trauma in ways that are ethical, proportionate and that do no harm.

A public health perspective to understanding preventative approaches to adversity across the population is shown in Figure 5.3.



**Figure 5.3:** Stages of prevention for adverse childhood experiences

Primary prevention of adversity to reduce the likelihood of it becoming traumatic is currently informed by population surveys based upon the original study by Felitti et al.<sup>2</sup> There has been much debate in Scotland over the use, merits and ethics of scoring adverse childhood experiences for individuals. The Adverse Childhood Experiences study questionnaire<sup>2</sup> is best suited to researcher supported epidemiological studies. It is not primarily designed for routine use in classrooms or clinics.

There are legitimate concerns over asking children directly about their experience of adversity, and the impact this might have on them. This may leave them vulnerable to home situations where disclosure of harm might result in adult distress being directed towards them. There are expressed concerns from teachers over what, when and how to explore with a student what might be causing them concern outside school. Furthermore, teachers are becoming more aware of the challenges faced by their students. Trauma-informed approaches have a role in supporting teachers and reduce the risk of them becoming overwhelmed and experiencing vicarious/secondary trauma.

There has been some early work in England to explore the acceptability of screening people attending GP surgeries<sup>143</sup>. NHS Health Scotland and National Education Scotland are also exploring a Scottish pilot study with GPs in Edinburgh and Glasgow. Screening is a particular approach used in healthcare where individuals who are not presenting with a known health problem are invited to participate in a test, for instance the adverse childhood experience questionnaire, to see if they are at risk of poor health outcomes. Key to the development of screening programmes are consideration of ethics, risk, assurance of positive outcomes from intervening, outcomes from interventions that bring sufficient benefit after having identified a problem, and an underlying premise to 'do no harm'.

There are an increasing range of services across the UK that have recognised the importance of asking people about their experiences, so that a more trusting and honest relationship can be built, allowing people to access the help they need to begin to recover<sup>144</sup>.

## Getting It Right for Every Child

Getting It Right for Every Child (GIRFEC) is the national approach in Scotland to improve outcomes and support the wellbeing of our children and young people by offering the right help at the right time from the right people. It supports children and their parent(s) to work in partnership with the services that can help them.

The eight wellbeing indicators identify the key areas where attention might be focused for a baby, child, young person as safe, healthy, active, nurtured, achieving, respected, responsible and included.

The GIRFEC practice model and the wellbeing indicators present opportunities to explore adversity in a child/young person's life with the adults and practitioners in their lives. With thought and care, it can be an empowering framework to work within a strength based approach with babies, children, young people and their families to collate and understand the influence and impact of adversity in a child or young person's life and their presenting difficulties.

Opportunities for secondary prevention occur before the impact of adversity becomes long standing. These chances exist when we explore adversity in the lives of babies, children and young people who are looking for support and services with evidence of some kind of risk, need, or vulnerability. Routine enquiry methods detailed below present opportunities to explore adversity and its influence on day-to-day life, and consider how its impact can be reduced to limit harm and lay a base for recovery.

To date, routine enquiry has focused primarily on adult service users. There is some exploration of its use with adolescents and younger children, where there has been appropriate support for practice with consideration of confidentiality, safeguarding and parental involvement but this has not yet been published<sup>145</sup>.

Routine enquiry is fundamentally about inviting someone seeking help to disclose their experience of adverse childhood experiences in order to enhance a shared understanding of a person's difficulties or current challenges in the context of their past or current experiences. It has been argued by some authorities that,

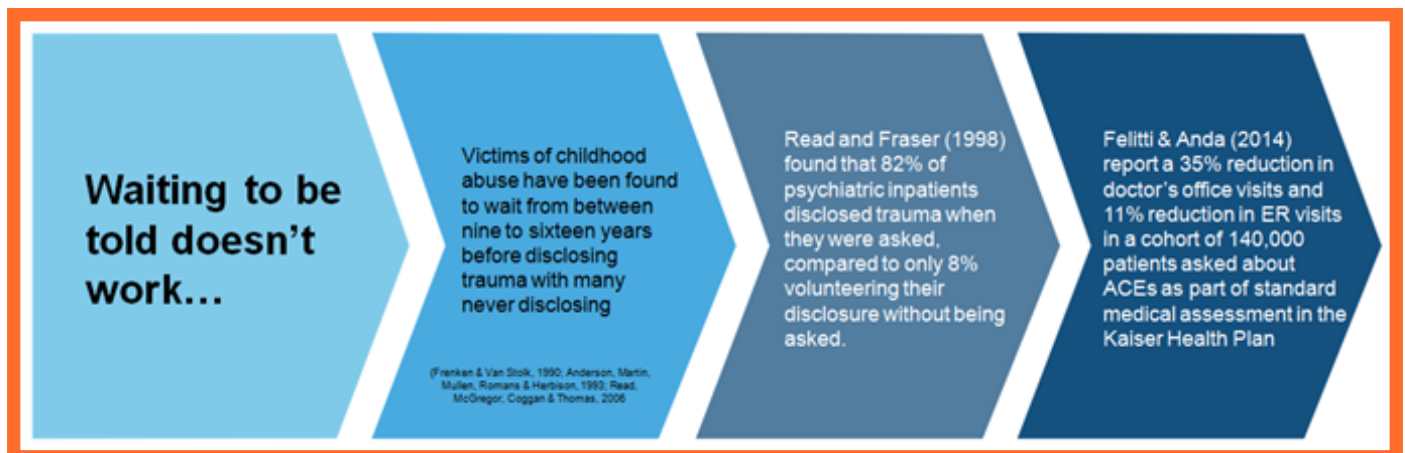
**"Routine enquiry is one component of a trauma-informed care approach and aims to identify and respond to those affected by adversity and trauma."**

Source: Ferguson S, Doherty S<sup>146</sup>

'To not think of their relevance, to not know about, or to not ask about adverse childhood experiences is to miss an opportunity to support and to help'<sup>4</sup>.

As highlighted by Read and Fraser, one cannot rely on clinical intuition or professional judgement to decide when or if to assess adversity and/or trauma<sup>147</sup>. Further research in this area is needed before strong conclusions can be drawn.

Routine enquiry can provide scope for tertiary prevention, where the impact of adversity is visible in the lives of adults, for instance, those accessing mental health, drug and alcohol and or criminal justice services. This presents further opportunities to understand and further reduce the harmful impact of adversity and trauma for individuals, their families and communities. Larkin<sup>148</sup> summarises some evidence that supports the case for routine enquiry in Figure 5.4.



**Figure 5.4:** Exploring the case for routine enquiry into adverse childhood experiences

Source: Larkin W<sup>148</sup>

## The REACH Model

A model comprising five elements known as Routine Enquiry into Adversity in Childhood (REACH) involves adults in key services being routinely asked during an assessment about traumatic/adverse experiences in their childhood. An evaluation of implementing the approach into practice found that for organisations that have implemented this method for a number of years, there was no significant increase in referrals to psychological therapies and instead staff are better able to support those people they are already working with<sup>149</sup>.

The evaluation also found that without this, people do not readily make disclosures and the authors suggest that 'making ACE enquiry routine for all service users means those affected will be more likely to disclose and are then more likely to receive the most appropriate care and treatment to move forward on the road to recovery.'

A study of REACH in primary care found that adult general practice patients with adverse childhood experiences had a higher prevalence of both physical and mental health problems. The study concluded that this highlights a clear need to respond to wider determinants and examine a more trauma-informed approach in this setting.<sup>142</sup>



The Public Health Institute at Liverpool John Moores University also reports that consideration of the support and training needs of services (and their staff) in implementing REACH is crucial to its success<sup>150</sup>. An overview of the REACH Model implementation process is provided in Figure 5.5.



**Figure 5.5:** The Routine Enquiry into Adversity in Childhood (REACH) Model  
**Source:** Larkin W<sup>148</sup>

### Find out more

REACH Model video web-link

[www.warrenlarkinassociates.co.uk/resources/videos/](http://www.warrenlarkinassociates.co.uk/resources/videos/)

Warren Larkin Associates REACH Evidence Summary

[www.warrenlarkinassociates.co.uk/resources/reach-evaluation-papers-and-conference-presentations/reach-evidence-summary/](http://www.warrenlarkinassociates.co.uk/resources/reach-evaluation-papers-and-conference-presentations/reach-evidence-summary/)

# Chapter Six - Future directions





This report details a compelling case for better understanding and responding to adversity in childhood to reduce the long shadow of adversity that can stretch throughout lives and across generations.

The influence and reach needed is ambitious and wide ranging. It requires a whole system shift in awareness and practice from statutory services: health, education, social care, police and justice system to the voluntary/third sector providers as well as with children, young people, families and communities.

Community Planning mechanisms in Argyll and Bute and Highland are well placed to lead on this with opportunities for the Highland Health and Social Care Partnership and the Argyll and Bute Health and Social Care Partnership to take a lead on trauma-informed and trauma-responsive health and social care services.

## Community Planning

Community planning brings together five statutory bodies – health, local government, fire services, police, and enterprise agencies such as the Highlands and Islands Enterprise. The Scottish Government state that, “Community Planning is about how public bodies work together, and with local communities, to design and deliver better services that make a real difference to people’s lives”

**Source:** Scottish Government<sup>151</sup>

This change should support a grounded awareness that adversity might shape us, but need not define us. We can ‘reduce the dose’ of toxic stress in the lives of people of all ages including children and young people, and provide context for adults and older people to understand their experiences of adversity and trauma, and how this has impacted and influenced their lives.

Such shifts focus on the strengths of individuals and communities with experience of adversity, rather than their vulnerability. These approaches bring hope, foster resilience, and develop and embed the principles of trauma-informed and trauma-responsive approaches across services and practice.

In the development of this report it became clear that the real power to offset and address the long reaching influence of adverse childhood experiences, by reducing adversity, supporting resilience and the development of trauma-informed and responsive approaches, lies within the lives of babies, children, young people, parents, families and communities.

Lanyard et al.<sup>152</sup> report that the most powerful predictor of adult life satisfaction is the child’s emotional life followed by a child’s conduct. For adults, family income accounts for 0.5% of the variance of life satisfaction. The research concludes that physical and mental health are the most important factors underpinning life satisfaction into adulthood. As this report details, mediating the effects of adversity has a key role to play in the day-to-day for individuals and communities and in ensuring health and happiness across generations, while reducing the associated costs of adversity on health, education, social care and police/justice systems.

With an understanding of the importance of resilience there are many opportunities to create a sense of safety at an individual level, and in our services, to free individuals, families and communities up to build on their strengths and assets. With a move from ‘What’s wrong with you?’ to ‘What happened to you?’ and a shift to trauma-informed and trauma-responsive cultures and practice, opportunities are created to secure better outcomes for individuals and communities with savings to be achieved for the public and private sector.

The following upstream/downstream graphic details the next steps that might flow from the information detailed in this report. The Public Health Directorate are keen to advise and work with key stakeholders to effect change and to address the burden and costs of adversity, 'hidden in plain sight' for the babies, children, young people, families, adults, elders and communities across NHS Highland.

## 1. Primary Prevention/intervention

- 1.1. Build awareness amongst Community Planning partners of the influence of environmental and structural influences (poverty, housing, employment, crime) that compound the effects of adversity in childhood and adolescence
- 1.2. Develop a community of interest among children, young people, families and communities by:
  - Working to develop approaches to understanding adversity and supporting resilience, for example, through matching the UNCRC with adverse childhood experiences
  - Working with early years, school and youth based services to raise awareness of the impact of adversity in the lives of the babies, children, young people and families they work with
- 1.3. Develop communities of interest to support grass roots awareness of adversity across Highland and Argyll and Bute by:
  - Hosting of adverse childhood experiences awareness raising/screening of Resilience and follow up discussion panels with community involvement
  - Engaging with local Community Planning Partnerships in the Highland and Argyll and Bute Partnerships
  - Building on our work to develop and grow compassionate communities which are tolerant, supportive and understanding

## 2. Secondary Prevention/intervention

- 2.1. Support work with Community Planning partners to respond to the associated effects, impacts and costs across the life course in different services and settings by:
  - System, service and team awareness raising
  - Development and implementation of trauma-informed/responsive policy and practice
  - Assessment of skills and training needs across systems, services and teams
- 2.2. Create and support trauma-informed practitioner communities across Highland and Argyll and Bute. This will involve:
  - Developing a shared ethos and language around adversity and how trauma-informed approaches can support resilience with individuals of all ages, families and communities
  - Ensuring that services are supported to develop skills, confidence and competences in asking about adversity in the lives of families and adults through the use of routine enquiry approaches as detailed in this report
  - Developing a strengths based understanding of how to respond to trauma with services that can engage and work with children, young people, families and communities

## 3. Tertiary Prevention/intervention

- 3.1. Develop a community of interest and trauma-informed vision and values across Public Protection Committees in Argyll and Bute and Highland including:
  - Child Protection
  - Adult Care and Protection
  - Alcohol and Drugs Partnership
  - Violence Against Women Partnership
  - Community Justice Partnership

Upstream

Downstream

## Appendix: Raising awareness and the understanding of the impact and influence of adverse childhood experiences

Through the year of writing this report and through awareness raising events, 'buy in' from senior leaders and front line practitioners has involved engagement from Chief Executives, Directors and Members of the Scottish Parliament, along with organisations leading change across Scotland. The Glasgow-based Violence Reduction Unit, NHS Education Scotland and NHS Health Scotland, Connected Baby, Reattach Parent and Children First, all contributed to the discussion and influenced the development of this report.

At a local level, we have built relationships and worked with the Argyll and Bute and Highland Health and Social Care Partnerships. We have worked with paediatric, child and adolescent mental health and adult services (mental health, drug and alcohol service), our integrated children and young people planning partners in health, education, social care, child protection, police, the Reporter and the third sector, as well as youth and community learning and development.

The primary route to start the discussion has been through screenings of the film 'Resilience, the Biology of Stress and the Science of Hope'. This documentary details the origins of the original Kaiser Permanente study on adverse childhood experiences; how pioneers in the United States are seeking to raise awareness and shift practice while exploring and prompting new approaches to prevention work and interventions. The first Highland screening was held in Inverness in June 2017.

Work with teams has also involved the Wales animation of adverse childhood experiences, the NHS Health Scotland animation on adverse childhood experiences and more recently, the NHS Education animation on trauma informed approaches.

Engagement with front line services has included:

- maternity services
- early years providers
- health visitors
- school nurses; teachers
- youth and community workers
- Specialist Child and Adolescent Mental Health workers in Out Patient and Primary Mental Health Worker teams
- Allied Health Professionals
- Teachers
- Educational Psychologists
- Social Workers
- Primary Care teams
- Family Teams
- Addiction Teams
- Police
- Women's Aid services

The range of 'Resilience' film screening related activity is summarised below and in Figure 7.1.

- The Highland Child Protection Committee has supported a series of training sessions across the Highland Partnership.
- Colleagues in Care and Learning, Highland Council have engaged with over 500 staff in screenings of Resilience with developmental sessions looking at how the science of adversity influences the way we deliver Highland Practice Model. These have been held in:

- Inverness
- Kingussie
- Grantown
- Culloden
- Dingwall
- Golspie
- Tain
- Wick
- Thurso
- Portree
- Fort William
- Ullapool
- Gairloch
- and Fortrose.

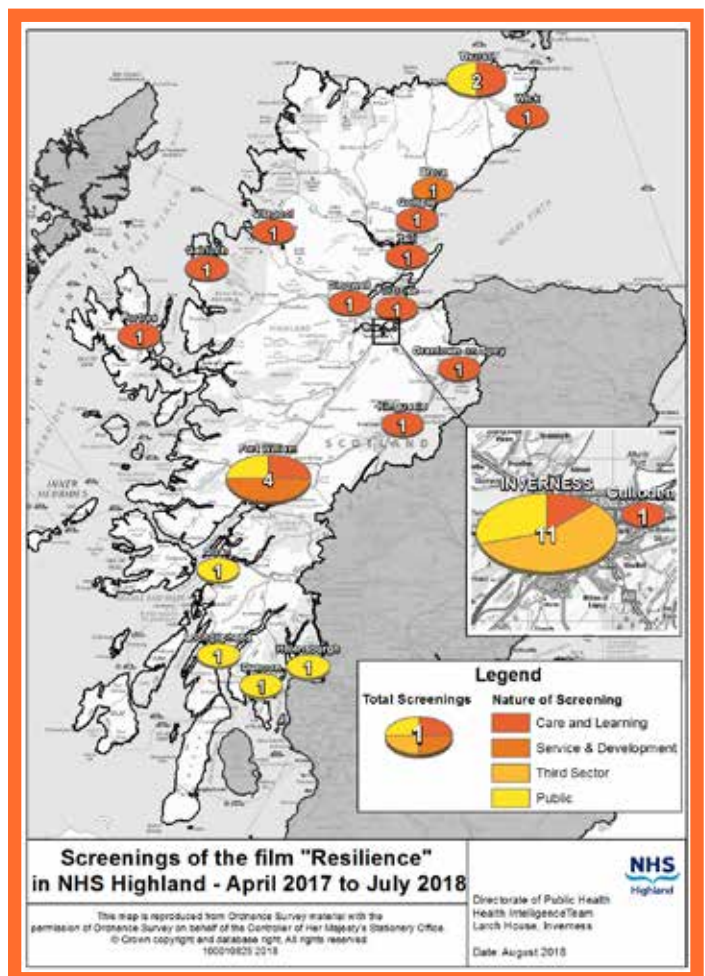


Figure 7.1: Screenings of "Resilience" in NHS Highland

- Education colleagues in Argyll and Bute have run school/parent screenings in Lochgilphead.
- Team based screenings of Resilience in the Highland Partnership have been run with Child and Adolescent Mental Health Services, Allied Health Professionals, Youth Action Teams, Nurseries and Community Paediatrics.
- Community of practice based screenings with support from Connected Baby, ReAttach Parent and 70:30 Ambassadors have been hosted in Inverness, Thurso, Fort William, Dunoon, Helensburgh and Oban.
- Wider screenings have been supported through the Highland Third Sector Interface, Children First and the Care and Learning Alliance and Who Cares Scotland.
- Developmental sessions have been run with High Life Highland and Youth Highland in Inverness, Brora and Fort William. These informed the wordle summaries in Figures 7.2 and 7.3 as to what participants understood by adversity and resilience.
- Highland Third Sector Interface (HTSI) and Community Justice Partnership with MSP Gail Ross hosted with the Violence Reduction Unit.

Outputs from some of the sessions are captured in the Wordles in Figure 7.2: What do we understand by adverse childhood experiences' and 7.3 What do we understand resilience to involve?



Figure 7.2: Adverse childhood experience wordle



Figure 7.3: Resilience wordle

Highland have been pleased to be part of the growing movement to create an 'ACE-Aware Nation'.



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Notes

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**ARGYLL AND BUTE COUNCIL****COUNCIL****HEALTH & SOCIAL CARE  
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**CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2017/18**

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**1.0 INTRODUCTION**

- 1.1 The 2017/18 Chief Social Work Officer Report provides an overview of social work activity undertaken across Argyll and Bute during the year. It outlines the statutory functions of the social work services, demonstrating the levels of activities and how the service is working to improve outcomes for the most vulnerable. The report details the spend across all social work services, the priorities and the challenges.

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Council considers the contents of the Chief Social Work Officer Annual Report before formal submission to Scottish Government.

**3.0 DETAIL**

- 3.1 Each local authority in Scotland has a Chief Social Work Officer (CSWO) and each CSWO is required to produce an annual report of local activity. The production of the annual CSWO report is covered by Scottish Government guidance, *Role of the CSWO: Principles, Requirements and Guidance* (revised version issued in 2016). This report covers the delivery of social work services within Argyll and Bute and is intended to support the governance and accountability of the Social Work service.
- 3.2 The Social Work (Scotland) Act 1968 requires local authorities to appoint a single Chief Social Work Officer (CSWO) for the purposes of listed social work functions. The Public Bodies (Joint Working) (Scotland) Act 2014 made provision for the CSWO to undertake this role for all delegated Social Work services within the integration scheme. One of the key duties of the CSWO is to ensure the provision of appropriate professional advice to the Argyll and Bute Integration Joint Board (IJB), Argyll and Bute Council and NHS Highland.
- 3.3 The Argyll and Bute Social Work service is comprised of Adult Care, Children and Families and Criminal Justice Social Work. The Social Work service sits within the Argyll and Bute Health and Social Care Partnership

(HSCP) which is set out in the integration scheme under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The integration scheme transferred all the Argyll and Bute Council's Social Work services to the Argyll and Bute HSCP on the 1<sup>st</sup> April 2016.

- 3.4 The theme of this year's report is change and how the Social Work service has steered its way through the multiple challenges it has faced. Key to the direction of the Social Work service are our core principles which have informed our journey.

These core principles include:

- Involving service users / carers and the wider public in the development of quality care services
- ensuring safe and effective services through appropriate staff support and training
- striving for continuous improvement with effective policies and processes in place
- ensuring accountability and management of risk

- 3.5 These principles run through the report and help evidence that the Argyll and Bute Social Work service continues to meet the needs and expectations of the communities it serves.

#### **4.0 CONCLUSION**

- 4.1 Social Work service staff, including the staff working for our commissioned services should be proud of the provision of support, care and protection they have provided to our vulnerable children, young people and adults throughout this past year. As the report has highlighted we are working in challenging times with many challenges still ahead. The increasing demand for services combined with rising public expectations in a context of continued financial constraint will be difficult. The focus will continue to be on ensuring we maintain high standards of service delivery whilst reviewing and redesigning the way we work to make the best use of all the available resources so we can continue to support, care for and protect those in greatest need.

#### **5.0 IMPLICATIONS**

- 5.1 Policy - None

- 5.2 Financial - None



5.3 Legal - None

5.4 HR - None

5.5 Fairer Scotland Duty:

5.5.1	Equalities - protected characteristics	None
5.5.2	Socio-economic Duty	None
5.5.3	Islands	None

5.6 Risk - None

5.7 Customer Service - None

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## **APPENDICES**

Appendix 1 – CSWO Annual Report

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**Argyll and Bute  
Health and Social Care Partnership  
Chief Social Work Officer  
Annual Report  
2017/18**



**Alex Taylor**

**Chief Social Work Officer**

**September 2018**

## Foreword

Welcome to the annual Chief Social Work Officer report for the year 2017/18.

Each local authority in Scotland has a Chief Social Work Officer (CSWO) and each CSWO is required to produce an annual report of local activity. The production of the annual CSWO report is covered by Scottish Government guidance, *Role of the CSWO: Principles, Requirements and Guidance* (revised version issued in 2016). This report covers the delivery of social work services within Argyll and Bute and is intended to support the governance and accountability of the Social Work service.

The Argyll and Bute Social Work service is comprised of Adult Care, Children and Families and Criminal Justice Social Work. The Social Work service sits within the Argyll and Bute Health and Social Care Partnership (HSCP) which is set out in the integration scheme under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The integration scheme transferred all the Argyll and Bute Council's Social Work services to the Argyll and Bute HSCP on the 1<sup>st</sup> April 2016.

The theme of this year's report is change and how the Social Work service has steered its way through the multiple challenges it has faced. Key to the direction of the Social Work service are our core principles which have informed our journey.

These core principles include:

- involving service users / carers and the wider public in the development of quality care services
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These principles run through this report and help evidence that the Argyll and Bute Social Work service continues to meet the needs and expectations of the communities it serves.

Alex Taylor  
Chief Social Work Officer  
September 2018

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## 1. Summary Reflections

It is likely that at some point in our lives either we, a member of our family or a close friend will receive support, care or protection from the Social Work service. My starting point is these are essential public services which we should all cherish, support and when necessary hold to account.

Each day the Argyll and Bute Social Work service delivers support, care and protection to some of our most vulnerable people. These services are wide ranging and include services delivered directly through the HSCP and services which have been commissioned from independent and private providers. The work of the Social Work service is complex and conducted out of sight of the public often being poorly understood and on occasion misrepresented. This report affords me the opportunity to shed some light on the role of the Social Work service and its challenges.

The British Association of Social Work's vision clearly articulates the purpose of the Social Work service:

*"Social Work is a practice based profession and an academic discipline that promotes social change. Principles of social justice, human rights, collective responsibility and respect for diversities are central to Social Work."*

The vision stresses the unique contribution the Social Work service makes to people's lives and to our communities. It is one of the few services delivered on a 24 hours a day, 7 days a week, 52 weeks a year basis. For example, the Adult Service either directly delivers or arranges essential support that allows many vulnerable people to remain in their own homes when the alternative would be institutional care. The fact is this is not always low cost and may entail risk and this is where the assessment and risk management skills of the Social Work service come to the fore.





In supporting, caring for and protecting vulnerable groups it is important to acknowledge that much of the work that the Social Work service undertakes is in partnership with other occupational and professional groups. The effectiveness of the Social Work service lies in its capacity to work effectively within partnerships and where necessary to lead partners in supporting, caring and protecting vulnerable groups. This is illustrated by the work of the Children and Families Service which is the lead agency for Child Protection and Looked After Children and for which our staff have expertise in child and family assessment, risk and care management.

Likewise, the Criminal Justice Social Work Service works closely with Police Scotland, the Scottish Courts and Tribunals Service and the Scottish Prison Service amongst other partners. Where appropriate the service diverts vulnerable groups from custodial to community disposals to enable the underlying causes of the offending behaviours to be addressed and to minimise the risk of future offending. To do this the Criminal Justice Social Work Service has a suite of assessment and risk management tools which enable staff to effectively manage high risk offenders and so protect our community from future harm.

This is a time of considerable change across all the public services including Social Work services. The budgetary challenges have escalated this past year as the demands and expectations placed upon Social Work services have continued to grow. In response the Social Work service has initiated a number of service reviews which aim to combine service improvement with the best use of all the available resources. The redesign of Social Work services has begun and will involve change at all levels within the Social Work service. These are without doubt times of significant change and the importance of communicating and engaging with our staff, our partners and our communities cannot be over stated.



The Social Work service plans strategically to ensure the right services are delivered to the right people at their point of need both efficiently and effectively. Key to this is a well-trained and supported Social Work service workforce who are located across the authority and equipped to perform their duties. The recruitment and retention of staff is becoming increasingly difficult and is now one of our biggest challenges. In Argyll and Bute our workforce planning is addressing this through a “grow your own” programme and in working closely with local colleges and training consortia. Once employed staff receive regular supervision, performance review and development (PRD) combined with training and development opportunities.

The formation of the Argyll and Bute HSCP has brought an opportunity for Health and Social Work services to jointly consider the Highland Quality Approach (HQA) and Performance Improvement Model (PIM) in support of an outcomes-focussed approach to service development and delivery. HQA applies improvement methodology to support change, reduce duplication and implement LEAN working. Likewise, the PIM model continues to be used by the Care Inspectorate to evaluate how effective Social Work services are in delivering improved outcomes for adults, children and families.

The integration of health and social care services within Argyll and Bute and the alignment of the corresponding organisational and governance structures remains work in progress and an ongoing challenge. The challenge is all the greater when the HSCP continues to operate two separate systems for human resources, finance and IT. Over the past year the Integration Joint Board (IJB) through the instrument of the Clinical and Care Governance Committee has made progress in extending its oversight to include Adult Care, Children and Families and Criminal Justice.

In conclusion, if the Argyll and Bute Social Work service has a unique selling point it is the sheer dedication, skilfulness and creativity of our staff and it is to their credit that we have continued to deliver improvement throughout this period of change.



## 2. Service Challenges, Developments & Improvements

### Adult Care

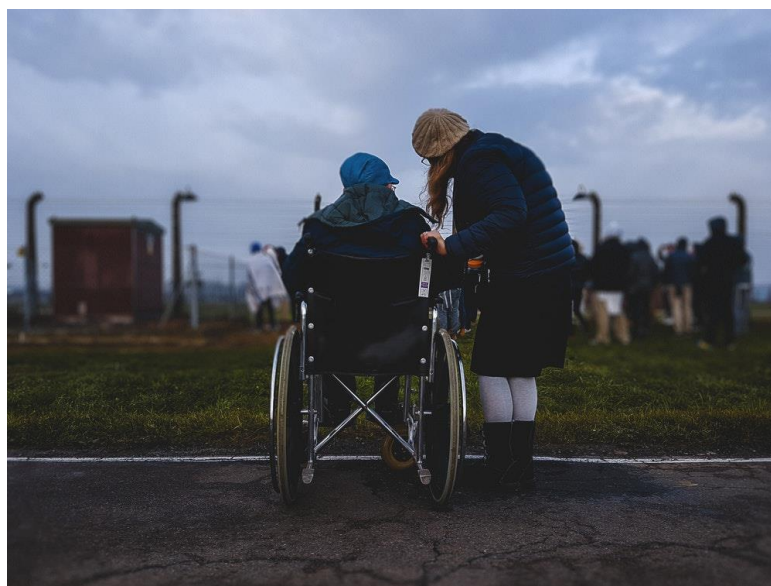
#### An overview

Similar to other Health and Social Care Partnerships, Argyll & Bute faces pressures of demographic change and financial constraints, resulting in pressure on services throughout the health and social care system. Effects of these pressures include demand on services, readmission to hospital, delayed discharge, and extended stays.

Specific recruitment and delivery challenges are present, largely because of Argyll & Bute's geography. These relate particularly to the delivery of care at home, one consequence being that services originally intended to provide short term input are providing longer term care which reduces their capacity.

Work across the partnership to date to address these challenges has focussed on the development of neighbourhood-based delivery models. Considerations of these models has identified opportunities around the development of a re-ablement focussed Health and Care Support Worker role. Possible challenges in relation to maintaining professional identity and addressing support and supervision requirements for individual staff members have been identified.

Our work has benefitted from pilot activity both locally and elsewhere. NHS Scotland is operating a pilot of the Buurtzorg principles (a self-managing and joined up neighbourhood model) with NHS Highland. Similarly process improvement work in Mid-Argyll has tested some of the approaches needed to introduce a single point for access to services.



Argyll & Bute have explored workforce planning tools, including the six-step model for workforce change, and the use of system dynamics approaches for the development and monitoring of workforce change plans. However, these tools require a shared sense of direction before their benefits can be maximised.

The partnership's strategic plan makes clear that improvements with service delivery will be locally owned, planned and delivered. The changes proposed are intended to assist services to become more accessible, flexible, and responsive to clients' needs and to drive a cultural shift towards managing teams in a more integrated way. In the short term the localities have expressed an immediate need to develop multi-disciplinary Community Teams and 'Single Point of Access' to the services they offer. This should better integrate services from the point of view of the customer, while ensuring sufficient flexibility is available to meet the needs of individual agencies.

The consequences of work to date are proposals for conceptually simple changes to the way services are presently organised and operated.

These can be summarised to be:

- Single point of access to Health and Social Care Partnership Community Services operating unique to each locality, by means of a single phone number replacing routes managed by individual disciplines (but not replacing existing referral / direct pathways from GP's for example)
- Integrated working, via frequent multi-disciplinary discussion and review to ensure cases are managed in coordinated ways under the care of an appropriate lead professional
- Greater focus on the opportunities for independence from service delivery, supported by improved links to third sector support provision and the offer of rapid response and re-ablement approaches.
- Introduction of a consolidated route by which to obtain services, minimising duplication of administrative activity and ensuring that people are supported to get to the right service at the right time.
- Improved collaborative working to ensure the needs of people requiring a multi-disciplinary approach are met in a coordinated way.
- Identifying and addressing bottlenecks to ensure that Rapid Response and Re-ablement Provision offer people the best chance of recovery and independence

The effective delivery of change will require continued focus, resilience and a robust strategy delivered through careful planning and sensitive implementation to achieve improved outcomes for service users, within the context of local and national policy objectives and legislation.

## Care at Home

Whilst we have been active in re-designing older people's services we will need to continue to do so in order to prepare for the pressures of demographic change and the continued public expectation for improvement in Adult Care services and care at home. Our ability to recruit staff into home care services in particular presents a significant challenge for the Health and Social Care Partnership, and those providers we commission from.

Given some of the challenges described above, Argyll and Bute recently invested in ten Just Checking Daily Living Systems, which provide evidence of a person's abilities by combining both movement and activity monitoring. This initiative has already realised a reduction in care hours and freeing up home care support capacity to assist with delayed discharge pressures from hospital. It is anticipated if the project is rolled out to all areas in Argyll and Bute that additional resource savings could be generated across all areas.

The features of Just Checking allow the system to:

- Inform assessment at home
- Determine and evidence the most appropriate support/outcome
- Provide evidence of progress during re-ablement
- Help people live more independently
- Reduce hospital admissions
- Evidence the most appropriate technology required
- Reassure family
- Reduced number of bed days for hospital discharge



## **Care Homes**

The provision of the Care Homes, whether it is in-house or in partnership with independent providers and/or Housing Associations requires ongoing assessment and engagement. Nationally we know that recruitment and retention of staff in care homes is a significant challenge. Also, it is recognised that the number of older people is set to rise significantly in the coming years; with the steepest rises being in the over 75 year age group. 10.7% of the current population is aged 75 and over. Increasing demand for adapted properties as more older people are enabled to stay at home is likely to require longer-term sustainable solutions for high level needs (24-hour care). Within the Argyll and Bute Partnership we also recognise the need to ensure the quality of the service being provided in care homes is kept under review, especially in view of the reduced capacity of care homes locally. Given the challenges the Partnership has developed specific meetings across Argyll and Bute to help assess and review the quality of care being delivered across our care homes. Our challenges are providing suitable housing and sustainable 24 hour care and care at home due to our workforce difficulties. A health and social care housing needs assessment has been completed to support the application of a Care and Nursing Home Modelling Tool to better assess and project future need and the development of a new model of care.

## **Delayed Discharge**

Delayed discharges remain a key challenge across the partnership. This is due primarily to the availability of care at home or care home placement, however issues around Adults with Incapacity also has an impact on the delays.

All localities are working towards an integrated community team approach to manage this by implementing the Argyll and Bute Community Standards for every team. These include, single point of access, multi-disciplinary triage, lead professional, re-ablement, community medication support, anticipatory approaches with a focus on avoiding unnecessary admissions, generic workforce skill set, advanced nursing workforce within the teams and a self-management approach to care and assessment.

All inpatient units in Argyll and Bute implement the 6 essential actions of unscheduled care to ensure a timely patient pathway through the service. This ensures a strong community pull through of all inpatients. This essentially focuses on safe, person centred, effective care delivered to every patient, every time without unnecessary waits, delays and duplication.



## Adult Protection

Adult Support and Protection (ASP) remains a key priority and under integration Argyll and Bute HSCP has improved the continuity of care and outcomes for service users, as there is a greater sharing of knowledge and experience in this area. Already there is evidence that professionals are working in a more joined up way, exchanging information which they individually hold to protect those who are most vulnerable. There is also evidence that we are reaching more people by delivering training to front line services including third sector agencies, who have responded well to the increased knowledge they have gained. In the past we have focused on raising awareness of financial harm and this emphasis as well as wider issues of harm continue to be heightened and explored as part of quarterly quality assurance group meetings which in turn helps to ensure ASP standards are maintained within care homes across Argyll and Bute.

The Adult Support and Protection Committee has developed and is implementing an overarching strategic plan which provides a framework for consistency in promoting and delivering the adult protection agenda across Argyll and Bute. Key priorities are further supported through local ASP operational groups led by local area managers which focus on delivery outcomes and standards ranging from staff induction/training; referral discussions/decision making; use of chronologies; recording of risk assessments; self-evaluation and involvement of advocacy. Strategic oversight sits with the Chief Officer Group for Public Protection (COG PP) which has adopted an expanded and more joined up approach to public protection generally.



## Self-Directed Support

Self-Directed Support (SDS) aims to give people full opportunity to take control of their support and their lives. It is for people of all ages, who after assessment with the HSCP, are eligible for social care and support. SDS is delivered in line with Scottish Government legislation to ensure everyone, including people who require social care are:

- Respected
- Treated with fairness
- Able as possible, to enjoy the same Freedoms as everyone else
- Able confident that their Safety is a priority
- Able to live with as much Independence as possible

SDS gives people a choice of 4 options for how much control they wish to take over how their support is organised, delivered and managed:

- **Option One** the supported person (or a relative) take the money as a direct payment and use it to employ 'personal assistants,' a support organisation or for equipment and services that helps them meet their needs and outcomes.
- **Option Two** either the HSCP or another appropriate organisation holds the money but the supported person (or their relative) is in charge of how it is spent in line with their support plan.
- **Option Three** the HSCP manages the money and support for the person.
- **Option Four** A mixture of the other three options

In Argyll and Bute it is often a challenge to deliver the full range of choices for everyone because, for example, there are not care providing services in all communities. This means that we have to work together to find the best possible solution for people to meet their social care needs and outcomes.

The HSCP has worked closely with third sector services to enable people to realise the full potential of SDS. As part of our collaborative approach, we have a responsibility to tell people about independent support, information and advice services specifically for SDS and we have partnered with the third sector in Argyll and Bute in 2017-2018 Community Contacts (a Carr Gomm Project).

The support offered has included:

- Raising awareness of SDS in communities
- Assisting people to make decisions about their SDS options
- Supporting people to speak up for themselves when they have concerns about their assessment or SDS
- Ensuring the human rights based values and principles are realised

- Supporting people to develop ‘personal outcomes’ (goals for important things in life) and to share these as part of their SDS assessment and ongoing plans.
- Supporting people to manage a direct payment; to develop plans for how they wish to use their payment (in line with agreements with the HSCP), to recruit and employ personal assistants for social care’ and to look after the money.
- Working with the HSCP to ensure our SDS information resources are easy to read and access.

## **Mental Health**

Within Scotland it is recognised that mental health and wellbeing is a significant challenge and that good mental health is important and required to support the population of Scotland (Scottish Government Health Directorates, 2018). In response to this challenge the Scottish Government launched the ten year Mental Health Strategy and vision for Scotland in 2017. Moving forward the strategy supports a stronger emphasis on prevention, earlier intervention and improved partnership working.

Locally, Argyll and Bute HSCP Community Mental Health Teams have been evolving consistently with national drivers. For instance, across each locality practitioners are embedded within each adult team, this includes nursing, psychological therapy, occupational therapy, medical and social work staff. With the exception of Helensburgh and Lomond where mental health care is provided under service level agreement with NHS Greater Glasgow and Clyde. This has resulted in more patients being cared for within the community and the localities of Argyll and Bute HSCP. It is noted that the balance of care has shifted towards supporting more people to live in their community.



Since the enhancement of the Community Mental Health Teams and the establishment of psychological therapies provision within the teams, there has been the ability to offer over 10,000 hours of psychological therapy. It is noted that a large majority of the referrals to the CMHS relate to mild/moderate mental ill health (anxiety/depression). During 2017 it was evident that there is an increase in the demand for mental health care within the localities, the Community Hospitals and Mental Health Teams. There are eight times more patients cared for within the Community than admitted to In-patient services in Argyll and Bute. Practice varies within each locality of Argyll and Bute HSCP in respect of referral criteria, prescribing practices, pathways and delivery of care, use of care programme approach, workforce, training and development, assessment and recording of care within care records. However, within Argyll and Bute HSCP the Strategic Plan (2016-2019) the key emphasis is to continue to build on the need for mental health services to:

Meet the increased demand for the provision of support for mental health

*“clients within community settings; ensure we have a range of appropriate accommodation options for mental health service users, with different levels of severity and degrees of difficulty, and varying care and support needs”.*

Argyll and Bute HSCP Strategic Plan (2016-2019)

### **Autism**

Argyll and Bute Health and Social Care Partnership recognise the importance of supporting people living in Argyll and Bute with autism and associated life skill disorders. The Argyll and Bute Strategy for Autism was launched in February 2017 in conjunction with local and national partners. The Autism Implementation Plan has focussed on the four national outcomes which have set the direction of travel for the next five years.

More recently the Argyll and Bute Autism Strategy Group has been tasked to review the delivery and progress of the Implementation Plan. One area of progress has been the adult diagnostic and signposting service, for which a new Autism practitioner post is currently being advertised. This post will work alongside the existing co-ordinator and consultant psychiatrists. It is anticipated this post will maximise the availability of appointments and ensure diagnosis and signposting is at an optimum across Argyll and Bute.

Work is also in train with regard to the repatriation of individuals who are currently placed outwith Argyll and Bute. This is not without its challenges as it brings with it the requirement for additional specialist resources and provision, however, we remain committed to exploring and developing services to meet these identified needs. To this end we are working with housing and third sector partners including Scottish Autism and Cornerstone to support this work. An example of this is the development of an Autism Toolbox which is being used in schools and our ongoing work with Cornerstone on a 10-bed resource in Garelochhead. Work is also underway with Scottish Autism to develop a resource in Helensburgh.

## Carers

The Carers (Scotland) Act 2016 came into force on 1<sup>st</sup> April 2018 introducing new rights for unpaid carers and new delegated duties which have been transferred from Argyll and Bute Council and NHS Highland to the Health and Social Care Partnership. The new Act formalises the need for unpaid carers to be recognised and supported in continuing in their caring role as long as they wish to do so and to have a life alongside their caring role. The Act is in many ways an acknowledgement of the substantial amount of support unpaid carers provided throughout Scotland.

In the past a carer was identified as someone who provided a substantial amount of care. With the implementation of the Act a carer is now defined as someone who provides care no matter how much or little they provide. To receive support from statutory services (e.g. replacement care or direct support to maintain a life alongside their caring role) a carer must meet the eligibility criteria as set by the HSCP. This differs from the eligibility criteria set by the Department of Work and Pensions (DWP). All carers who reside in Argyll and Bute will be able to access some form of support no matter if they meet eligibility criteria or not. Access to services such as information and advice from local councils and local carer support services/Carers Centres. Carers may also be offered support such as breaks from caring via a variety of resources. Significantly, health staff are now required to identify carers and take account of their views in making decisions relating to hospital discharge in relation to the cared for person. A five year Carers Strategy is presently being jointly prepared with our partners.



## **Alcohol and Drug Partnership (ADP)**

Within Argyll and Bute the Alcohol and Drug Partnership works in partnership to prevent and support recovery from the harmful use of alcohol and drugs. Specifically, Argyll and Bute Addiction Team (ABAT) comprising Social Workers, Nurses and a Psychiatrist provides specialist addiction services from bases in Dunoon, Rothesay, Helensburgh, Oban (outreach to Mull and Tiree), Lochgilphead and Campbeltown (outreach to Islay).

Services include Assessment, Recovery Planning, Harm Reduction, Sexual Health Information, Blood Borne Virus Information and Testing, Opioid Replacement Therapy and Naloxone Training and Supply. Referral is via another professional e.g. GP, Social Worker etc. In addition, ADDACTION is delivering services across Argyll and Bute to those with a substance use issue, this is a commissioned service from the Alcohol and Drug Partnership. ADDACTION similarly offers one to one, group work, peer support, harm reduction advice, needle exchange service, DTTO (Drug Treatment and Testing Orders for the courts) and advice/support to relatives and family members.

## **Children & Families**

### **Getting it Right for Every Child**

The Children and Young People's (Scotland) Act 2014 is one of the most significant pieces of children's legislation in recent years. The 2014 Act offers us the opportunity to further transform and consolidate our services through the application of the National Practice Model (GIRFEC). The model assists us in better supporting our children, our young people and their families through the identification of problems at an early stage rather than waiting until a situation reaches crisis point.

The Getting it Right for Every Child (GIRFEC) approach is about putting the best interests of children and young people at the heart of services and ensuring everyone works together so that each child has the best possible start in life. This approach incorporates the Named Person and Lead Professional roles and the Child's planning process, all of which are fully embedded across Argyll and Bute. Strong leadership across partner agencies has and will continue to ensure the success of GIRFEC. As in all matters, success requires a well-trained and confident staff group which our service improvement work will further develop.

The Children and Young People's Service Plan 2017 - 20 has had its first Annual Review (2018) and highlights overall we have made good progress in achieving a number of outcomes. The plan is being delivered through our multi-agency locality arrangements and will require ongoing close monitoring and support from the Performance and Quality Assurance (PQA) group. Following the Supreme Court ruling, the role of the Named Person is now subject to the passage of The Children and Young People (Information Sharing) (Scotland) Bill which will



clarify the sharing of information. The implementation of the General Data Protection Regulations (GDPR) in April 2018 has further clouded the issue of information sharing between professionals. In response to this the Chief Officer Group for Public Protection issued a letter to all staff across the public protection agencies clarifying the position. It is, however, clear we will need to ensure our staff are appropriately trained and supported to continue to work to the National Practice Model.

### **Corporate Parenting**

The Argyll and Bute Corporate Parenting Board is the instrument through which our Corporate Parents work together to improve outcomes for our Looked After Children and Young People. Corporate Parenting and the current duties of Corporate Parents can be traced back to the publications Extraordinary Lives (2006), We Can and Must Do Better (2007), These are our Bairns (2008) and more recently the Children and Young People (Scotland) Act 2014. Corporate Parents now have a legal duty to work together to combat the stigma and redress the numerous disadvantages our care experienced children and young people face in life. In Argyll and Bute we aim to do this by bringing our key improvement priorities together within our Corporate Parenting Plan.

Central to this are:

- Engagement and Participation
- Supporting Vulnerable Children and their Families
- Health and Wellbeing
- Attainment and Achievement
- Housing and Accommodation
- Youth and Criminal Justice
- Permanence
- Leadership



The Corporate Parenting Board has made good progress across all our priority areas this year. Central to the work of the Corporate Parenting Board is the engagement and participation of our care experienced children and young people. To assist us in improving these arrangements we have been accepted by the Life Changes Trust (LCT) and are now completing our first year of a three year programme. The Argyll and Bute Corporate Parents have adopted the "Family Firm" approach to recruitment and two LCT Participation Assistants will be recruited under the Modern Apprenticeship scheme from within our cohort of care experienced young people.

### **Looked After Children**

Whilst all of our Children's Houses are presently graded 5 (Very Good) we will continue to strive for improvement and excellence. Likewise, whilst our Adoption and Fostering services are also graded 5 (with one 4) there remains room for improvement in our support to adopters and our engagement with our children and young people. Much progress has also been made and remains to be made with regard to securing our children's futures once they are Looked After and Accommodated (LAAC). Over the past year we have worked closely with the Centre for Excellence for Looked After Children in Scotland (CELCIS) and have joined the Permanence and Care Excellence (PACE) programme which we are piloting in the Helensburgh and Lomond Locality. The programme uses data analysis to examine the care pathway and applies improvement methodology to streamline and refine the journey to permanence and thereby improve individual outcomes. The staff training and development provided by PACE has been excellent and has greatly improved our understanding of the pathway. As a result our staff feel better equipped and more confident to pursue permanence when it is indicated.

### **Through and Aftercare**

The Children and Young People (Scotland) Act 2014 has provided an ambition and a framework with which we can continue to drive improvement. The Through and Aftercare service is delivered through a single team that is dispersed across Argyll and Bute. In response to the 2014 Act the team is now led by a social work Practice Lead who is supported by 2 Social Workers and a small team of Through and Aftercare workers. Argyll and Bute has adopted the Scottish Care Leavers Covenant which supports the implementation of Part 10 the 2014 Act. This means supporting the 'aftercare' (advice, guidance and assistance) of care leavers in transitioning into adulthood. The Covenant will also support our Corporate Parents in delivering the changes needed to bring improvement and consistency to the care of our young people. It offers clear guidance (Agenda for Change Model) on how to meet the needs of young people who are often disadvantaged as a result of their care experiences.

This entitlement to support is now well understood in Argyll and Bute and opportunities are available for all our care experienced children and young people requiring such support up to their 26th birthday. Outcomes for our care experienced young people are improving and this is illustrated by 100% of our care leavers now being offered appropriate housing at the point of transition.

### **Child Protection**

The past year (2017/ 18) has been challenging for the Child Protection Committee (CPC) which has seen the embedding of the Health and Social Care Partnership. This has been supported within Children's Services through the use of the GIRFEC National Practice Model which has facilitated the integration of operational services. Improvements in early help have been achieved through the organisational re-alignment of services within the HSCP. For example, wherever possible social work and health staff are being co-located. During this period there have been significant staff and management changes across partner agencies which has been reflected in the membership of the Chief Officer Group for Public Protection (COG PP) the CPC. Throughout the year the CPC has continued to focus on its core functions and we have had a number of notable successes in embedding improvements in our identification and initial response to children at risk. We have also strengthened our focus on improving planning for children at risk and in our use of chronologies. However, we still need to improve the outcomes for our vulnerable children, particularly those affected by neglect and parental mental health. We have focused on developing social work practice through our child protection training and development strategy, improving the quality of our risk assessment and planning for children at risk and in developing our confidence in the use of the national risk assessment toolkit, the neglect toolkit and in embedding a stronger and more consistent approach to supporting those who self-harm or who are at risk of suicide.



## **Criminal Justice Social Work**

During 2017/18 Community Justice Scotland (CJS) was launched by the Scottish Government along with a National Strategy for Community Justice, a National Outcomes Performance and Improvement framework and more recently a new Justice Strategy (Justice in Scotland). The aim of CJS is to bring partner agencies together using the Community Planning Partnership framework to deliver innovation and partnership working to manage crime and its impact on society. Criminal Justice Social Work (CJSW) has contributed to the Community Justice Outcome Improvement Plan 2018/19 along with other partners and will be involved in delivering these outcomes.

The CJSW service is no longer delivered within a partnership with East and West Dunbartonshire Councils but some joint working continues via Service Level Agreements. Due to the dissolution of the Partnership, CJSW services in Argyll and Bute are undergoing a period of change in terms of staff structure and service delivery. The redesign of the CJSW service will be ongoing throughout 2018 and will ensure services are developed to meet current and future requirements. The CJSW service's core functions are to provide statutory supervision to offenders via Community Payback Orders (CPO) and assist community reintegration and rehabilitation via post release supervision, assessment reports to Court and Parole Boards and participate in the Multi Agency Public Protection Arrangements (MAPPA). The service works with other agencies, both within the HSCP and beyond, including Police Scotland, the Scottish Prison Service, NHS Highland and Greater Glasgow and Clyde and a range of third sector providers.

Within Argyll and Bute there is a disproportionately high number of Multi Agency Public Protection Arrangements (MAPPA) cases being managed by the CJSW Service and partner agencies. In March 2018, 13 out of the 50 high risk cases nationally were being managed within our services. This poses a challenge for both CJSW and our key statutory partners, housing and Police Scotland due to the resource intensive nature of this work. The reasons for this are complex and are likely to be due to a number of factors. One factor is the absence of nationally accredited treatment programmes suitable for use in our dispersed and rural communities where group work programmes are not practical. We are currently training our CJSW staff in the delivery of the Moving Forward Making Changes (MFMC) programme which will address this.

CJSW service are a key partner in Argyll and Bute's Violence Against Women Partnership. The service plays a small but vital role in managing and reducing the risks that perpetrators of domestic abuse pose to our communities. Key developments are ongoing in relation to this work central to which is the appointment of a Multi-Agency Risk Assessment Conference (MARAC) co-ordinator who will work across Argyll and Bute and West Dunbartonshire to safeguard victims of domestic abuse and oversee the implementation of an accredited perpetrator intervention programme which will be available to the Courts at the point of sentence as a requirement of a Community Payback Order. These and other developmental initiatives form part of the CJSW service redesign which will also take cognisance of the extension of the presumption against short sentences and the Management of Offenders (Scotland) Bill which will ensure our CJSW service has the appropriate staffing levels, skills and knowledge to deliver out statutory functions.



### **Unpaid Work**

The Community Payback Order (CPO) requirement for unpaid work continues to be offered by CJSW and services have been developed to meet the needs of offenders within the available resources. Consultation and agreement with local communities and organisations continues with good publicity, projects and placements being realised. An example of the contribution that Unpaid Work can make to our communities can be illustrated by the Blairmore projects. In this instance the work undertaken contributed to Blairmore being awarded a Gold standard from Beautiful Scotland and the winner of the Coastal Village category. A number of service users have continued to be involved with the projects once they have completed their unpaid work, with some having gained employment as a result. The work they have been involved in includes gardening, cooking, and retail shop work, computing, archiving and recycling.

### 3. Partnership Working, Governance and Accountability

#### The Role of the Chief Social Work Officer

The Social Work (Scotland) Act 1968 (the 1968 Act) requires local authorities to appoint a single Chief Social Work Officer (CSWO) for the purposes of listed social work functions. The Public Bodies (joint Working) (Scotland) Act 2014 made provision for the CSWO to undertake this role for all delegated Social Work services within the integration scheme. One of the key duties of the CSWO is to ensure the provision of appropriate professional advice to the Argyll and Bute Integration Joint Board (IJB), the Argyll and Bute Council and NHS Highland.

*“The CSWO should assist local authorities and their partners in understanding the complexities and cross-cutting nature of social work service delivery - including in relation to particular issues such as corporate parenting, child protection, adult protection and the management of high risk offenders - and also the key role social work plays in contributing to the achievement of a wide range of national and local outcomes. The CSWO also has a contribution to make in supporting overall performance improvement and management of corporate risk. “*

The Role of the Chief Social Work Officer. Scottish Government May 2016.

There are clear lines of accountability between the CSWO to the Chief Officer of the HSCP and the Chief Executive of the Council. The view of the CSWO is sought on policy and strategic developments as well as complex operational issues. To support this there are regular scheduled meetings between the CSWO, the Chief Officer of the HSCP and the Chief Executive of the Council. The CSWO has a statutory role as the professional advisor and non-voting member of the IJB and also sits on the Clinical and Care Governance Committee which has widened its governance role and is refining its processes to more effectively assure itself with regard to the range of social care activity. The CSWO is also a member of the Chief Officer Group for Public Protection (COG PP) and is the MAPPA lead. The CSWO is also a member of the Child Protection and Adult Protection Committees.

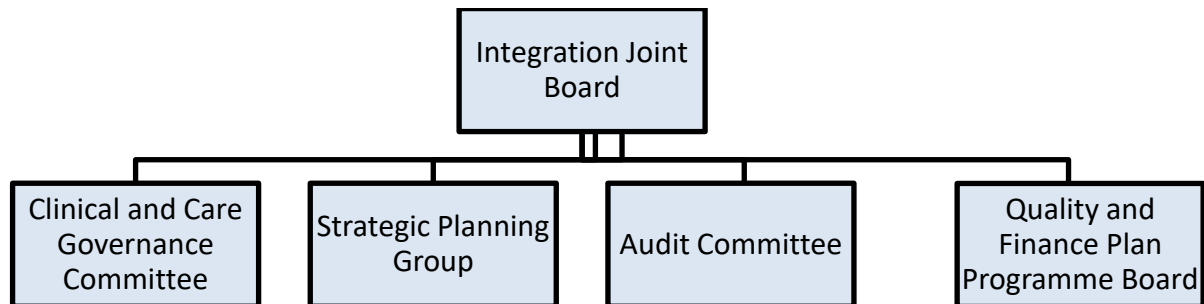
The CSWO attends the Social Work Scotland Chief Social Work Officers Group and heads a professional leadership group within Argyll and Bute which addresses policy and strategic developments as well as issues of professional practice. The CSWO conducts annual meetings across all four localities with Social Work service staff to share developments in professional practice and discuss any professional issues raised by staff. The CSWO has a high and personal profile within the Social Work service and can be readily approached by staff for advice and support on professional matters as and when the need arises.

The CSWO is also the Head of Children and Families and Criminal Justice and manages Child Health (including CAMHS) and Maternity Services as part of an integrated remit. When the CSWO is absent or on leave the CSWO role is delegated to a competent third tier manager and this arrangement has worked well and has served to introduce less senior social work managers to the role of the CSWO as part of their professional development.



## Argyll and Bute Health and Social Care Partnership Governance Structure

The Argyll and Bute HSCP operates the following formal governance arrangements as illustrated in the flow chart below:



### Integration Joint Board:

- Responsible for the governance, planning and resourcing of services, has full power to decide how to use resources and deliver delegated services to improve quality and people's outcomes
- Work alongside NHS Highland, Argyll and Bute Council and community planning partnership to deliver health and social care services

### Clinical and Care Governance Committee:

- Provide assurance to the IJB that systems, processes and procedures are in place to ensure delivery of safe and effective person-centred health and social care services.
- Support services to continuously improve the quality and safety of care, identify areas for performance improvement and to provide assurance for professional standards of care.

### Strategic Planning Group:

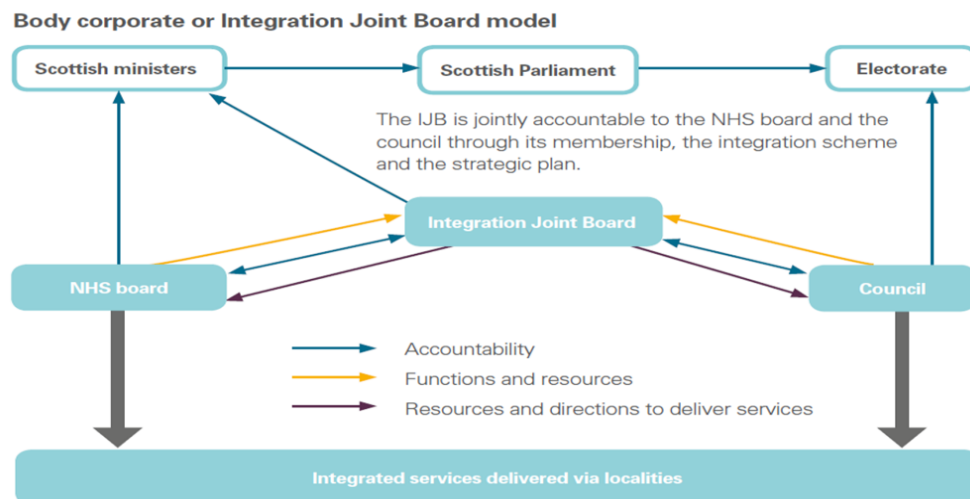
- Support the IJB in preparing, consulting and publishing a Strategic Plan for integrated Health and Social Care services.
- Review progress of the Strategic Plan delivery through the Annual Performance Report and locality planning processes
- Provides leadership and supports the development and of Locality Planning Groups

**Audit Committee:**

- Ensure sound governance arrangements are in place for the IJB and ensuring the efficient and effective performance of the HSCP in order to deliver on outcomes
- Provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance processes

**Quality and Finance Plan Programme Board:**

- Oversee the programme of work to plan to deliver financial balance including delivery of the service changes in the Quality and Finance Plan, develop and oversee financial recovery plans and develop an approach to future planning for future service change proposals.

**Chief Officer Group for Public Protection**

The Chief Officer Group for Public Protection (COG PP) is chaired by the Chief Executive of Argyll and Bute Council. The membership includes the CSWO, the Chief Officer of the HSCP, the HSCP Heads of Service, the Police Scotland Divisional Commander as well as the Argyll and Bute public protections leads. Over the past year COG PP have led the closer integration of the work of the Child Protection Committee with the Adult Protection Committee. Having completed a self-evaluation exercise COG PP later draw up a Public Protection Strategy and has begun to align the Multi Agency Public Protection Arrangements (MAPPA), Violence Against Woman Partnership (VAW), Community Justice and the Alcohol and Drugs Partnership (ADP) to effect a more joined up approach to public protection.

## **Community Planning Partnership**

The Argyll and Bute Community Planning Partnership (CPP) is designed to provide strong multi-agency leadership in order to deliver the best possible outcomes for the people of Argyll and Bute. The Partnership is supported to deliver outcomes through six outcome delivery groups which take forward the key strategic priorities of the partnership.

The Outcome Delivery Groups are given direction, challenge and support from the Community Planning Partnership Management Committee which provides the key link between strategy and delivery of local outcomes for our communities. Four Area Community Planning Groups consider local issues of relevance to the outcome of the Partnership and feedback on these to both the Outcome Delivery Groups and the Management Committee through regular agenda items at each. The CPP has a Full Partnership Board which meets annually and considers overall progress and direction. The CPP board is led by the Leader of Argyll and Bute Council.

The Argyll and Bute Children's Strategic Group reports to the Community Planning Management Group as part of these governance arrangements. The Children's Strategic Group has produced the Children's Service Plan (2017 20) which it presently reviews on an annual basis. The Children's Strategic Group also provides oversight and governance for Corporate Parenting, child protection and Getting Right for Every Child (GIRFEC).



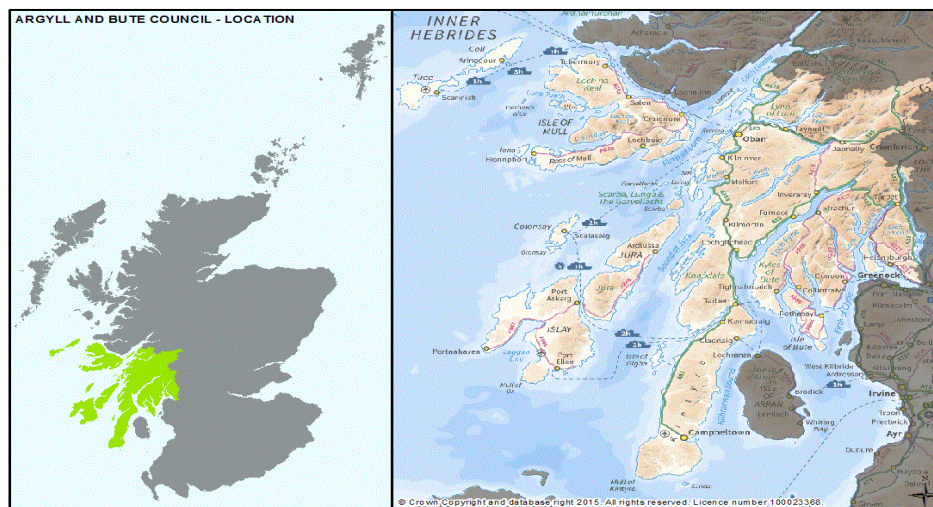
## 4. Social Work Services Delivery Landscape

### An Overview

Argyll and Bute is the second largest local authority by area in Scotland, after Highland. The authority covers a land area of 690,947 hectares having the third sparsest population (averaging just 13 persons per square kilometre) of Scotland's 32 local authorities (Census 2011).

The landscape is characterised by long sea and freshwater lochs, peninsulas and islands. The physical geography of the area adds considerably to the journey times between settlements and communities. The limited road network makes the area vulnerable to disruption, and diversions tend to be long. Island communities are vulnerable to ferry disruptions, particularly in the winter months.

Argyll and Bute has 23 inhabited islands, more than any other Scottish local authority. These are: Bute; Coll; Colonsay; Danna; Easdale; Eilean da Mheinn; Erraid; Gigha; Gometra; Inchtavannach; Innischonan; Iona; Islay; Jura; Kerrera; Lismore; Luing; Mull; Oronsay; Seil; Shuna (Luing); Tiree; Ulva (Census 2011).



### Population

Argyll and Bute has a total population of 86,810 (NRS 2017 MYE). The population profile for Helensburgh and Lomond is younger than for the other three Administrative Areas. Nonetheless, the population of Helensburgh and Lomond, in common with populations across the rest of Argyll and Bute, is ageing.

The population projections for Argyll and Bute indicate a gradual and sustained reduction in the number of children and young people aged 0-16 and our working age population. The projections indicate an increasing population of older people over the period from 2016 to 2041.

### 2016- Based Principle Population Projections for 2016-2041

Age cohort	Base year 2016	NRS 2016-based population projections						%change within cohort (2014-2039)
		2016	2020	2025	2030	2035	2041	
0-15	13,238	13,238	12,989	12,528	11,910	11,475	11,073	-16.4
16-24	8,746	8,746	7,507	6,618	6,613	6,285	5,981	-31.6
25-44	17,443	17,443	17,417	17,384	16,542	15,610	14,464	-17.0
45-64	26,147	26,147	25,615	23,776	21,509	20,046	19,978	-23.6
45-74	38,368	38,368	38,013	36,095	34,916	33,656	32,141	-16.2
75+	9,335	9,335	10,199	11,870	12,776	13,826	15,548	66.6
<b>Total population</b>	<b>87,130</b>	<b>87,130</b>	<b>86,125</b>	<b>84,495</b>	<b>82,757</b>	<b>80,852</b>	<b>78,907</b>	<b>-9.4</b>

(Sources: NRS 2016-based principal population projections for 2016-2041)

The NRS 2016-based projections highlight the demographic challenge facing Argyll and Bute. If current trends continue, absolute numbers and proportions of older people will increase as numbers and proportions of people in younger age cohorts will fall.

### Economy

Argyll and Bute's economy is predominantly service-based. Argyll and Bute has relatively high levels of employment in accommodation and food services and low levels of employment in manufacturing and finance. The proportion of employee jobs within the public sector is higher in Argyll and Bute than the national average.

Out-of-Work Benefits claimant rates in Argyll and Bute are below the Scottish average although, because of the high levels of seasonal employment in the area, rates vary according to time of year.

The Faslane Naval Base is the largest single site employer in Scotland. The MOD directly employs some 4,660 people in Argyll and Bute (3,240 military personnel and 1,420 civilians) (MOD, Quarterly location statistics: 1 October 2017). The age profile of the military personnel lowers the average age of the population in Helensburgh and Lomond, and produces a noticeable bulge in younger working-age male cohorts in the area.

## **Deprivation**

The SIMD 2016, produced by the Scottish Government, identifies small-area concentrations of multiple deprivation across Scotland. The SIMD is produced at datazone level, with datazones being ranked from 1 (most deprived) to 6,976 (least deprived).

According to SIMD 2016, the most recent version of the index, 11 datazones within Argyll and Bute were in the 20% most overall deprived datazones in Scotland.

These eleven datazones are located in Argyll and Bute's main towns:

- Three in Helensburgh
- Two each in Rothesay and Campbeltown
- Three in Dunoon
- One in Oban.

Patterns of deprivation vary by deprivation domain. A particular contrast can be seen between levels of access deprivation, which affects most of rural Argyll and Bute and levels of deprivation across other SIMD domains, which show higher levels of deprivation in the towns.

## **Integration of Health and Social Care Services.**

Argyll Bute HSCP has set out an ambition to implement "Locality Planned, Owned and Delivered" arrangements which will:

- Understand health and care needs of our communities
- Bring together partners to plan within a strategic framework to meet needs and achieve national outcomes
- Organise and deliver services in local areas which are integrated of high quality, safe, appropriate, sustainable and continually improving.
- Operate within budgets, complying with care, workforce, and audit standards
- Manage performance ensuring this is informed by service user and public involvement and feedback
- Be the local focus for service delivery and support to the population or communities within the area concerned.



To support these local arrangements early work has been undertaken in defining localities across Argyll and Bute, based on the 2011 data-zones with a correction for Colonsay. The eight localities are identified as:

HSCP locality	Areas covered
Bute	Isle of Bute
Cowal	Lochgoilhead, Strachur, Tighnabruaich, Dunoon
Helensburgh and Lomond	Helensburgh, Kilcreggan, Garelochhead, Arrochar
Mid-Argyll	Tarbert, Lochgilphead, Ardfern, Inveraray,
Kintyre	Southend, Campbeltown, Muasdale, Carradale (including Gigha)
Islay and Jura	Isles of Islay & Jura
Oban, Lorn	Easdale to Oban, to Port Appin to Dalmally, Lismore and Kerrera
Mull, Iona, Coll, Tiree and Colonsay	The Isles of Mull, Iona, Coll, Tiree and Colonsay

Throughout 2017/18 the Locality Planning Groups have been meeting to identify local priorities within the context of the Health and Social Care Partnership's 3 year Strategic Plan, with the aim of setting locality plans.

## 5. Resources & Finance

### An Overview

There is a history of strong financial management within the Social Work service and the CSWO participates in the budget planning for the Health and Social Care Partnership (HSCP) as do all the Heads of Service. It should be noted the Social Work Service is needs-led and there will always be potential for volatility in the budget.

The Integration Joint Board (IJB) approved a balanced budget for 2017-18 and a Quality and Finance Plan was approved outlining the service changes required to deliver the £8.7m of savings necessary to deliver financial balance.

There were significant financial challenges during the year due to increasing demand for social care services, and the scale and the pace of service change required to deliver the financial savings. Throughout the financial year there was a projected overspend position and as a consequence a financial Recovery Plan was put into place which included restrictions on non-essential spend and vacancy management to ensure services could be delivered from within the delegated budget during 2017-18.

The Quality and Finance Plan for 2017-18 included service changes required to deliver £8.7m of savings in-year, at the year-end £4.2m of these savings were delivered on a recurring basis, with a shortfall of £4.5m. The majority of the savings not delivered were highlighted as being high risk at the start of the year and require to remain on the plan to be delivered in 2018-19. The progress with delivering savings highlights the significant challenge facing the HSCP in delivering further savings in future years.

### Budget and Expenditure

<b>Adult Services</b>	<b>2014/2015 (£000s)</b>	<b>2015/2016 (£000s)</b>	<b>2016/2017 (£000s)</b>	<b>2017/18 (£000s)</b>
Net Expenditure	42,963	43,857	47,071	54,948
<b>Children &amp; Families and Criminal Justice Services</b>				
Net Expenditure	11,891	13,359	12,911	12,953

Between 2016/17 and 2017/18, after adjusting for the impact of a change in the accounting treatment of £4.943m of resource release income, the net expenditure on Adult Services increased by 6.23%.

Between 2016/17 and 2017/18 the net expenditure on Children and Families services increased by 0.33%.

Overall spend on net Social Work services in Argyll and Bute as a proportion of net Council Services spend was 27%

In terms of Health and Social Care Partnership, overall spend on net Social Work services in Argyll and Bute as a proportion of all HSCP spend was 26%.

### Adult Care

Adult Care directly provides or commissions support, protection and care for vulnerable adults and adult with a range of disabilities whether it is associated with mental health, learning disability, sensory impairment or old age.

**Adult Care Service Net Expenditure:**

Home care:	£13.250m
Council care homes for older people:	£4.359m
Commissioning care homes for older people:	£9.403m
Supported living for learning disability:	£8.392m
Commissioning care homes for learning disability:	£3.647m
Assessment and care management (Older People):	£3.006m

**HEMOCARE - ACTUAL GROSS EXPENDITURE PER YEAR**

Sector	2013-14 (£000s)	2014-15 (£000s)	2015-16 (£000s)	2016-17 (£000s)	2017-18 (£000s)
Internal Homocare	2,612	2,943	3,191	3,216	3,151
External Homocare	8,620	8,971	9,387	9,572	10,412
<b>Total</b>	<b>11,232</b>	<b>11,914</b>	<b>12,578</b>	<b>12,788</b>	<b>13,563</b>

**COMMISSIONING OF CARE HOME BEDS - ACTUAL EXPENDITURE BY CLIENT GROUP PER YEAR**

Client Group	2013-14 (£000s)	2014-15 (£000s)	2015-16 (£000s)	2016-17 (£000s)	2017-18 (£000s)
Older People	7,154	7,596	7,701	8,994	9,403
Physical Disability	104	96	42	70	96
Learning Disability	1,808	1,869	1,947	2,103	3,647
Mental Health	155	37	40	82	280
Addictions	20	24	12	17	13
<b>Grand Total</b>	<b>9,241</b>	<b>9,622</b>	<b>9,748</b>	<b>11,266</b>	<b>13,439</b>

## Children and Families & Criminal Justice

Children and Families service directly provide or commission support, care and protection for vulnerable children, young people and their families.

The financial impact of Children and Young People (Scotland) Act 2014 has seen a significant increase in funding in order to deliver the statutory duties within the Act. In October 2015 parity for kinship carer and foster carers was introduced so kinship carers receive the same financial allowance as foster carers (foster carers also receive an additional fee element to reflect their training and skills). The Scottish Government and the HSCP financial support for kinship carers will initially meet service demand, however, future demand is projected to outstrip allocated resources. The financial impact of Parts 10 and 11 of the 2014 Act will put pressure on the whole system to provide support to Looked after Children up to their 26<sup>th</sup> birthday. With increased costs of internal and external placements the amount allocated to the HSCP is unlikely to meet the increasing costs over next 2 years.

### Children & Families Service Expenditure:

In 2016/17, the net revenue expenditure for Children and Families was £14m. The most significant costs during 2016-17 were as follows:

Assessment and Care Management:	£2.778m
Family Placement (includes fostering and adoption):	£2.056m
HSCP Care Homes:	£1.551m
External Residential Placements:	£1.201m
Children with a Disability:	£0.211m

### Criminal Justice

The Argyll and Bute Criminal Justice Service is dispersed across Argyll and Bute to provide reports to the local courts and manage the community disposals. A significant and growing area of activity is the assessment and management of high risk offenders. We have observed an upward trend in the number of high risk offenders with complex needs which has made finding suitable accommodation more difficult. Criminal Justice finance is centrally funded by Scottish Government and is ring fenced. The finance formula is based on workload and takes no consideration of rurality. Following the implementation of the Community Justice (Scotland) Act 2016 the Community Justice Partnership of which Argyll and Bute was a member has been dissolved. Whilst there remains close working between the former partner agencies the budgets have been realigned to reflect this.

One immediate consequence of this has been that the Helensburgh and Lomond locality which was previously managed by West Dunbartonshire has transferred to Argyll and Bute.

**Criminal Justice Service Expenditure:**

Employee Expenses:	£0.848m
Premises Related Expenditure:	£0.030m
Supplies & Services:	£0.027m
Third Party Payments:	£0.044m
Transport Related Expenditure:	£0.062m
<b>Total Expenditure:</b>	<b>£1.011m</b>

## 6. Service Quality and Performance

### Adult Care Performance

#### Care at Home

Argyll and Bute Social Work services continue to support an increasing number of older people to live at home, reporting year on year increases in the number of people aged 65+ directly receiving homecare. The proportion of care at home provision in terms of Personal Care remains significantly high.

The number of service users awaiting a Homecare service has reduced from 13 last year to 6 reflecting steps taken to address issues with care provision in certain areas within Argyll and Bute.

The overall trend with regards to those in receipt of homecare the data notes a 7% increase in the number of people receiving homecare from 2015/16 to 2017/18. The trend trajectory for the data notes a year on year increasing trend equating to more people each year being supported to live at home.

Homecare Data	2015/16	2016/17	2017/18
Number of people aged 65+ receiving homecare	1,019	1,069	1,090

### Residential Care

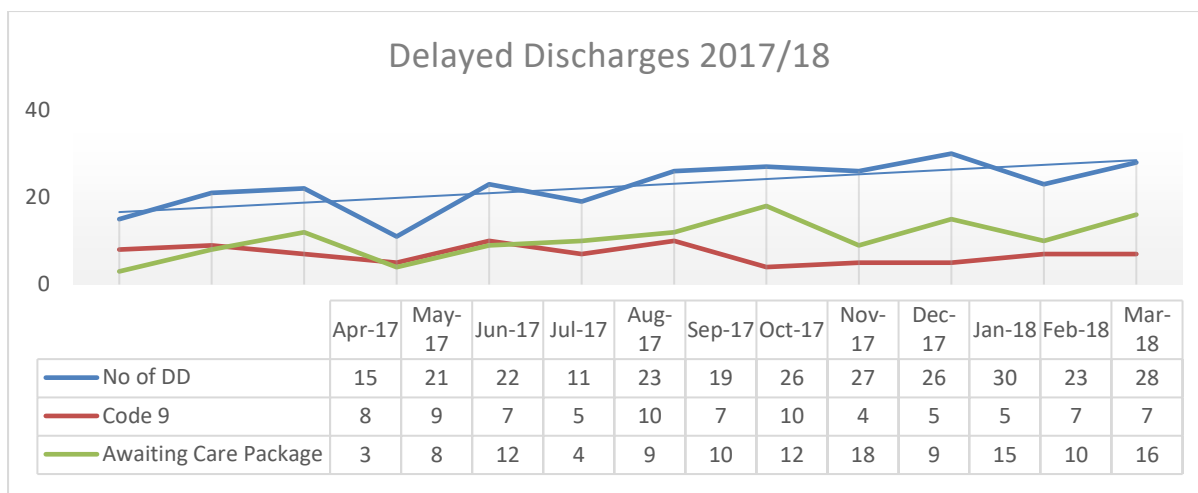
In conjunction with supporting more people to live at home, Social Work services have focussed on managing a reduction in the number of people across the age groups, admitted to care homes. Over the last year the overall number of admissions has decreased slightly from a total of 609 in 2016/17 to 595 in 2017/18, reflecting consistent levels of demand for older people's services in Argyll and Bute. The relatively flat trend across this data is suggestive that current strategies to support more people to remain in their own homes (increasing homecare trends) may be statistically impacting on the levels of care home admissions.

Care Homes	2015-16			2016-17			2017/18		
Number of Permanent / Long Stay Residents Supported in Care Homes	18-64	65+	Total	18-64	65+	Total	18-64	65+	Total
<b>Total</b>	<b>45</b>	<b>521</b>	<b>566</b>	<b>57</b>	<b>552</b>	<b>609</b>	<b>50</b>	<b>545</b>	<b>595</b>

### Delayed Discharges

Sustaining a high level of performance in Delayed Discharge has been challenging. During this period the number and dependency levels of those service users coming through the system continues to increase and recruitment into home care and key NHS community posts has become increasingly problematic.





Argyll and Bute Adult Care Services monitors the total number of delayed discharge clients within hospitals from Argyll and Bute Area who are medically fit for discharge including Complex Needs Codes 9, 9/51X and 9/71X. Complex Needs are categorised as: - Code 9 - Exemption Code 9/51X - AWI cases (Adult with Incapacity) Code 9/71X - Interim placement out with local area is unreasonable. National measure for 17/18 was exceptions over 72 hours. Across FY 2017/18 Argyll and Bute performed 17th out of the 32 Local Authorities.

### Adult Protection

The Adult Support and Protection (Scotland) Act 2007 (The Act) seeks to protect and benefit adults at risk of being harmed. The Act requires public bodies to work together to support and protect adults who are unable to safeguard themselves, their property and their rights. It provides a range of measures which they can use. The public bodies are required to work together to take steps to decide whether someone is an adult at risk of harm, balancing the need to intervene with an adult's right to live as independently as possible. Adult Protection Committees set the strategic direction for multi-agency working at the local level in accordance with the Act.

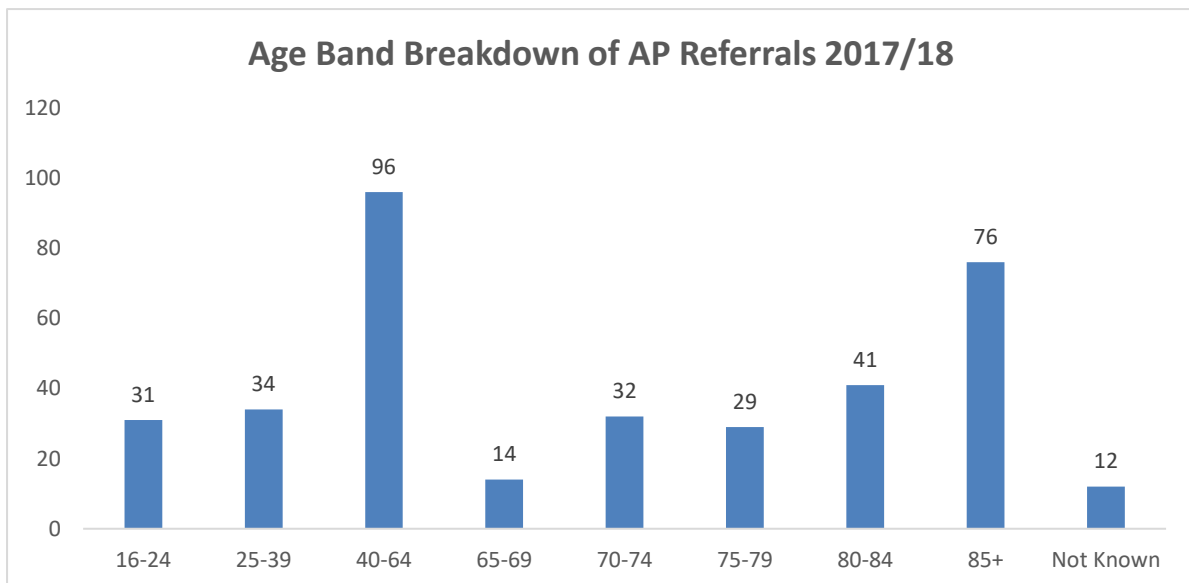
Across 2017/18 there were 365 Adult Protection referrals, with 35% from Police. 82% of referrals were dealt with through other supporting processes, and 9.3% leading to further Adult Protection activity. There were 34 investigations during 17/18, however no Protection Orders were granted during this reporting year.

**Adult Protection Referrals**

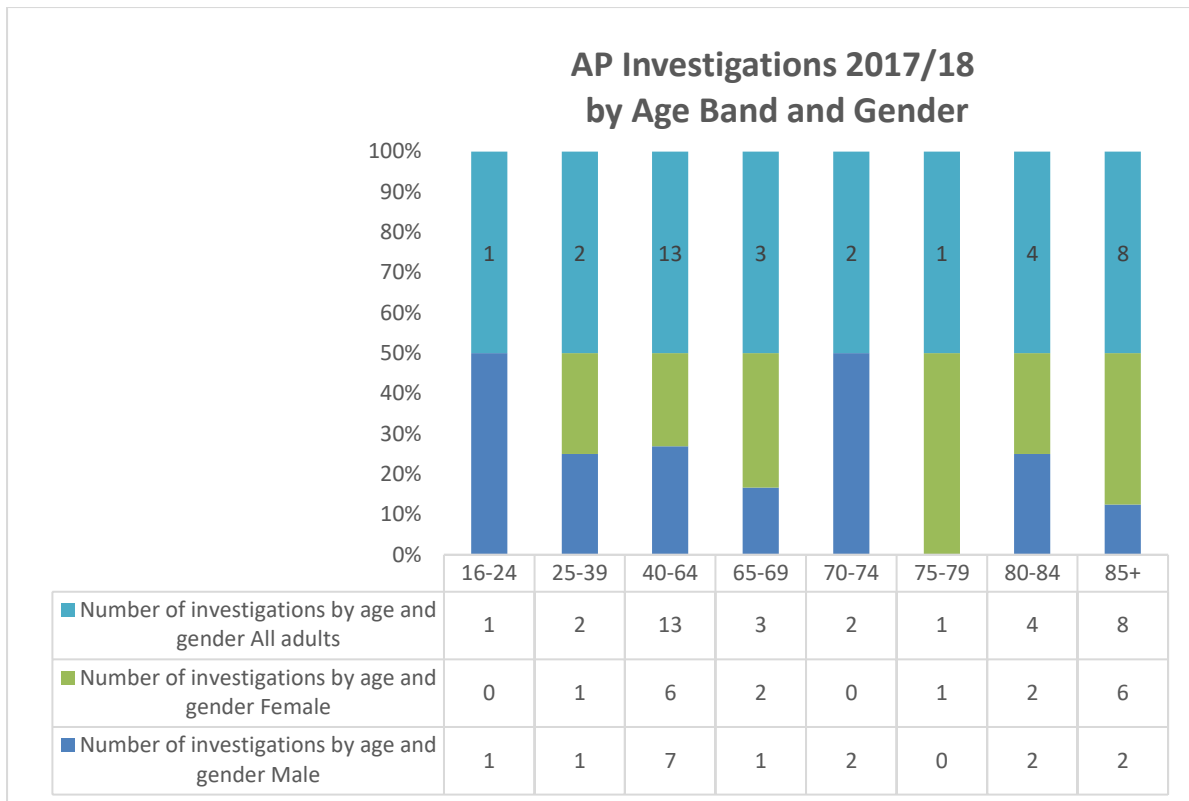
Summary of volume and range of adult protection activity, as below.

The data below notes that from the overall number of referrals received (365) the conversion rate to Investigations is (9%), conversion to Initial Case Conference is (5%) and to Review Case Conferences is (4%).

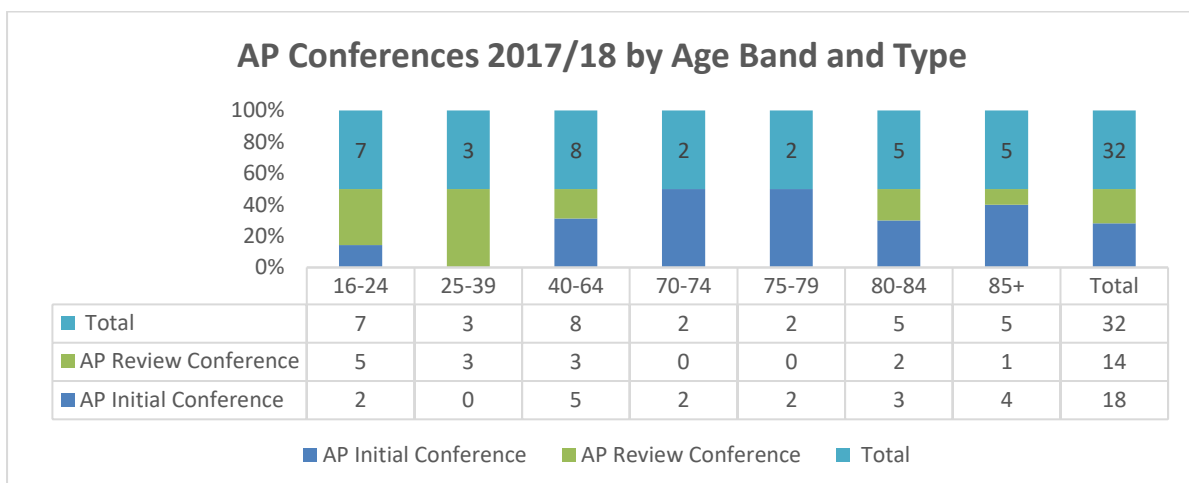
Year 2017 – 2018	Number
Referrals	365
Investigations	34
Initial Case Conferences	18
Review Case Conferences	14



Analysis of the top three age groups for referrals notes statistically that the age group 46-64 remain the highest group of referrals received (96) against 85+ (76) and 80-84 (41). The lowest referral age groups were noted within both the 65-69 (14) and not known (12).



Analysis of the data with regards to investigation by age and gender notes the number of males within the 40-64 age groups (7 males) form the highest referral group, with females forming the next highest statistical group in both the 40-64 (6 females) and 85+ (6 females ). The lowest number of investigation by gender and age are noted in the 16-24 age groups (1 male) and (1 female) in the 75-79 age groups.



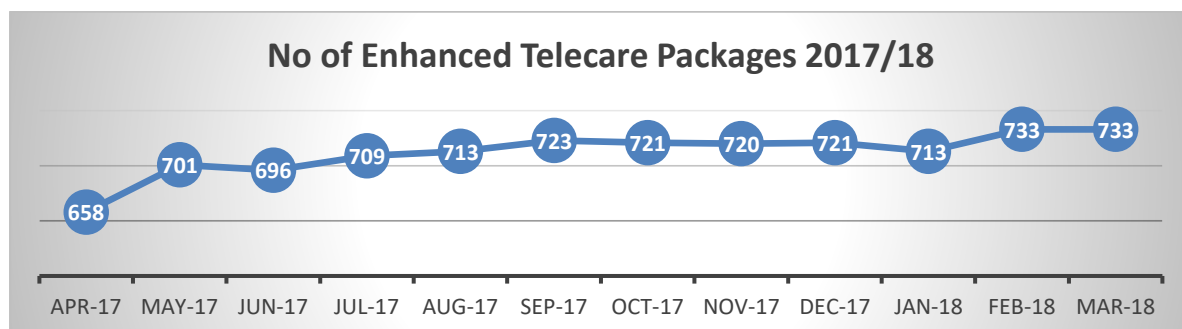
With regards to Adult Protection Conferences the data notes the highest overall conference rate is within the 40-64 age group (8) which in turn represents 25 % of the total number of conferences.

**Self-directed Support**

Self-Directed Support enables people to be in control of and direct how, when, in what way and by whom, they are supported. During 2017/18 there were 3668 adult service users known to have been supported by a social worker, of which 2134 were assessed for SDS. The numbers supported to select Option1 (direct payment) rose to 159, an increase of 6% over the reporting year.

**Telecare**

The number of enhanced telecare packages within Argyll and Bute continued to rise across 2017/18, with reported increase of 11.4%. Enhanced Telecare packages offer a range of sensors; alerts and reminders that play a key role in enabling people remain safely in their own homes and communities. Some packages can be remotely monitored via web-based technology, reassuring relatives or alerting professional carers to specific needs e.g. wandering.



**Mental Health**

Mental Health Officers (MHOs) are appointed by the Chief Social Work Officer / Local Authority to carry out a statutory role with people with a mental disorder. MHO’s undertake statutory assessments, prepare applications, reports and care plans in relation to individuals who may be subject to compulsory care and treatment in the hospital or in the community. MHOs present reports and evidence to the Mental Health Tribunal of Scotland and/or Courts and work within a range of legislative frameworks relating to mental health, adults with incapacity and criminal justice.

Purpose of team, size location 2017/18 has shown a sustained increase in the number of MH Service Users being supported in the Community, increasing from 273 in April 2017 to 322 as at March 2018, reflecting 97.8% of mental health patients supported in a community setting. This can be attributed mainly to the early co-location and integration of the mental health and community care teams which has been a positive model of collaborative working with Argyll and Bute.

Rates of Detention for period April 2017 to March 2018 under the Mental Health (Care and Treatment) (Scotland) Act 2003

<b>Category of Detention:</b>	<b>Numbers:</b>
Number of Emergency Detention Certificates	34
Number of Short Term Detention Certificates	48
Number of Compulsory Treatment Orders (new applications)	9

NB: Helensburgh & Lomond recorded separately due to current SLA with GGC.

### **Adults With Incapacity**

<b>2017 - 2018</b>	<b>Numbers</b>
Existing Guardianship Total (Private and Local Authority)	147
Local Authority Existing Guardianships	19

## Adult Services – Inspection Reports for 2017/1

Internal Care Home Providers				
Care Homes	Care & Support	Staffing	Management & Leadership	Environment
Struan Lodge	5	5	5	5
Thomson Court	4	5	5	5
Eadar Glinn	5	6	6	4
Tigh a Rhuda	4	4	3	4
Ardfenaig	3	5	3	4
Gortanvogie	3	3	3	3
External Care Home Providers				
Care Homes	Care & Support	Staffing	Management & Leadership	Environment
Inverreck	4	4	4	4
Argyle Care Centre	4	4	3	3
Ardnahein	3	3	3	3
Kinytre Care Centre	3	3	4	3
Lochside Care Hone	4	4	4	3
Ashgrove	3	4	4	4
Lynn of Lorn	3	3	3	3
Morar Lodge Nursing Home	5	5	5	5
Palm Court	3	3	3	3
North Argyll House	5	5	5	5
Ardenlee	5	4	5	4
Northwood House	4	5	4	4



<b>Internal Home Care &amp; Day Centre Providers</b>				
<b>Care Homes</b>	<b>Care &amp; Support</b>	<b>Staffing</b>	<b>Management &amp; Leadership</b>	<b>Environment</b>
Mid Argyll , Jura, Islay, and Kintyre Homecare	3	4	3	NA
Mull & Iona, Tiree and Colonsay Homecare	3	4	1	NA
Lynnside Day Centre	5	5	4	5
Struan Lodge Day Care	4	5	4	5
Thomson Court Day Care	5	5	4	4
Mid Argyll Day Care	3	4	4	3
Greenwood	4	4	4	NA
ASIST	3	4	3	4
Community Resource Team	5	4	3	NA
Lochgilphead Resource centre	6	4	5	4
Lorne Resource Centre	4	4	3	4
Woodlands Centre	5	5	5	4
<b>External Home Care &amp; Day Centre Providers</b>				
<b>Care Homes</b>	<b>Care &amp; Support</b>	<b>Staffing</b>	<b>Management &amp; Leadership</b>	<b>Environment</b>
Allied Health Care ( Helensburgh & Cowal)	5	5	5	NA
Allied (Isle of Bute)	5	5	4	NA
Argyll Homecare	5	5	4	NA
Care+ (Oban)	4	4	4	NA
Careplus	5	5	5	NA
Carers Direct	4	4	4	NA
Carewatch	5	5	5	NA
Carr Gomm Argyll & Bute	5	5	5	NA
Oasis Day Centre	6	6	5	6
Cowal Care Services	5	5	5	NA
Crossroads (Cowal & Bute)	5	5	4	NA
Joans Carers	4	4	4	NA
Mears Homecare	4	4	4	NA
Mears Care Ltd	4	4	3	NA
Premier Healthcare	5	5	4	NA
Quality Care	5	5	4	NA
Crossroads North Argyll	5	5	4	NA

Scotnursing	5	5	4	NA
Clyde Carers	5	3	3	NA
Highland Home Care	4	4	4	NA
Blue Triangle Oban Housing	3	4	3	NA
HELP Project	6	6	6	NA
Affinity Trust	4	4	4	NA
Enable Scotland ( Dunoon)	5	4	4	NA
Enable Scotland ( Helensburgh)	6	5	6	NA
Enable Scotland ( Lorn & Isles)	5	6	5	NA
Enable Scotland ( Helensburgh Day Services)	5	5	5	NA
Enable Scotland ( Mid Argyll & Kintyre)	4	4	4	NA
Key Community	4	4	4	NA
Mariner Homecare	5	5	5	NA
South Peak	4	4	4	4
Addaction Scotland Recovery Service	5	5	5	NA
Maxie Richards Foundation	5	5	5	NA

## Case Studies

### Use of Re-ablement

In this example an elderly person had been discharged home from hospital following gall bladder inflammation. The Extended Community Care Team (ECCT) provided morning personal care support and external Care Provider afternoon support and tuck-in visit. The ECCT and carers provided intensive re-ablement encouraging exercises and practice with transfers. Equipment was also provided on discharge. Following a timeous 4 weekly joint review the package was ceased as re-ablement goals were met.

### Use of Carer Support

In this example an elderly person was living at home with her son who is her primary carer. Without his support she would require care home placement. The son has a learning disability and is his mother's main carer. Following a review of the elderly persons care and the completion of a carer's assessment the son was referred to Crossroads for carer support and respite which allowed him to attend a weekly walking group which greatly supported him in his carer role. The Case Manager continues to maintain oversight of the arrangement through regular contact and is able to provide reassurance and advice when needed.

### **Use of New Technology**

The Mid-Argyll, Kintyre and Islay Integrated Occupational Therapy Service is one of the first in the UK to use a new technology service to bring benefits to its clients and to increase efficiencies. The Occupational Therapy team has used Just Checking's new Daily Living System to provide unbiased evidence of progress during re-ablement, to create efficiencies for practitioners and help to ensure that individuals get the right level and type of support.

For one elderly woman, the Daily Living System provided the evidence needed to adjust her care package to better suit her needs. On being discharged from hospital she was originally supported through four care visits a day, including a lunch-time visit. However, she disliked the frequency of visits, did not often eat the lunch made for her, and did not want to make her own lunch when the carers were there. She told the team that she no longer wanted the lunch-time visit and would prefer to make her own lunch when she wanted it.

The occupational therapy team were not confident that she would be motivated to prepare her own meals and drinks, but were able to agree to her request to remove the lunch-time visit by installing the Daily Living System which helped to inform the overall assessment and reassurance that the package of care could be adjusted, accordingly.

In another instance the HSCP had been supporting two young women both of whom experienced learning disabilities in a shared tenancy for a considerable number of years. One of the young women also had a significant visual impairment. In consultation with the parents and guardians, the two service users, the Social Worker, the provider and our Tech team we reached a decision to progress with a review of the sleepovers which had been in place for a number of years. Despite high levels of anxiety and trepidation from the families with regards the possibility of increased risk it was agreed that we would install Just Checking which would allow all parties to monitor nocturnal sleep patterns and need for support.

After a six week period all the parties were able to review the data and it was concluded that the sleep pattern and need for support and intervention was not required and could be safely removed. The sleepovers were removed and additional Tech installed to provide additional levels of security. The two young woman are very proud of the independence which they have achieved. This is a positive example of partnership work between the individuals, families involved and the use of technology which allows for measured and appropriate decision making to be made in a safe and robust manner with sound evidence that promotes independence and enables those in receipt of support to be more independent and less dependent on staff.

## Children & Families Performance

### An Overview

The number of Looked After Children reports a fall of 5.4% during 2017/18, with Kinship placements falling concurrently during the same period. Latest national publication (March 2017) reported Argyll and Bute ranked 14<sup>th</sup> of the 32 Scottish local authorities for the rate per 1000 of Children aged 0-15 who are LAC (1.2), against the reported Scotland rate of (1.4).

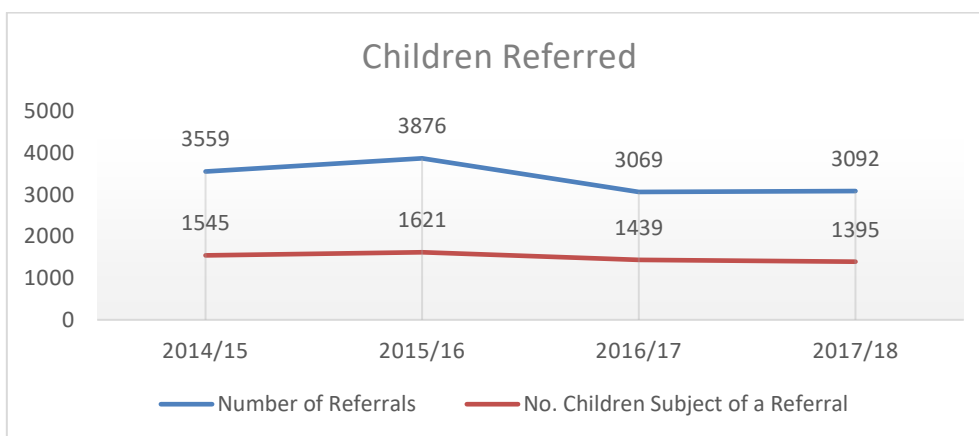
The balance of care for children and young people who are looked after in either a community or family setting notes a slight decrease during 2017/18 from 94.0% to 84.0%, against the latest reported Scotland Rate of 89.8%.

Child Protection registrations, whilst increasing, remain low at 31 with a numeric increase of 3 (8.8%) reported across 2017/18.

Description	2014/15	2015/16	2016/17	2017/18
N.of referrals	3559	3876	3069	3092
No. of Children Subject of a Referral	1545	1621	1439	1395
Looked After Children	183	178	185	175
Looked After Accommodated Children	134	124	135	117
Child Protection Investigation	132	173	207	191
Child Protection Registrations	23	27	34	31
No. Foster Care Placements	57	49	50	46
No. Kinship Placements	44	45	56	48
No. Throughcare Clients	40	59	68	91
No Ex-care Leavers with a Pathway Plan	37	37	43	39

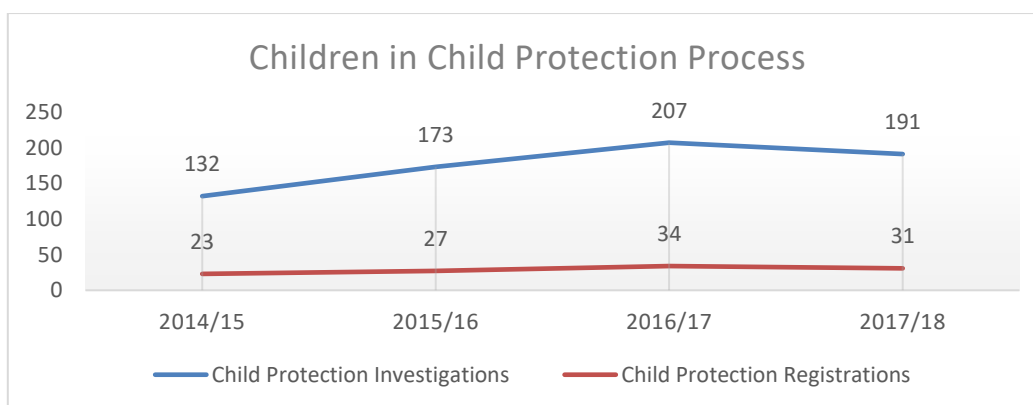
**Number of Children Referred**

The reported number of total referrals to Children and Families is consistent with 2016/17, increasing by 1% from 3069 to 3092. The number of children subject of a referral also remained consistent, reporting a slight decrease of 3%, from 1439 to 1395 (11.2%) over the same period. This has been achieved through the introduction of a streamlined 'Single Point of Contact' referral processes and early filtering under the Early & Effective Intervention (EEI) arrangements. Children and Families continue to work with the majority of children and their families on a voluntary basis.



**Child Protection**

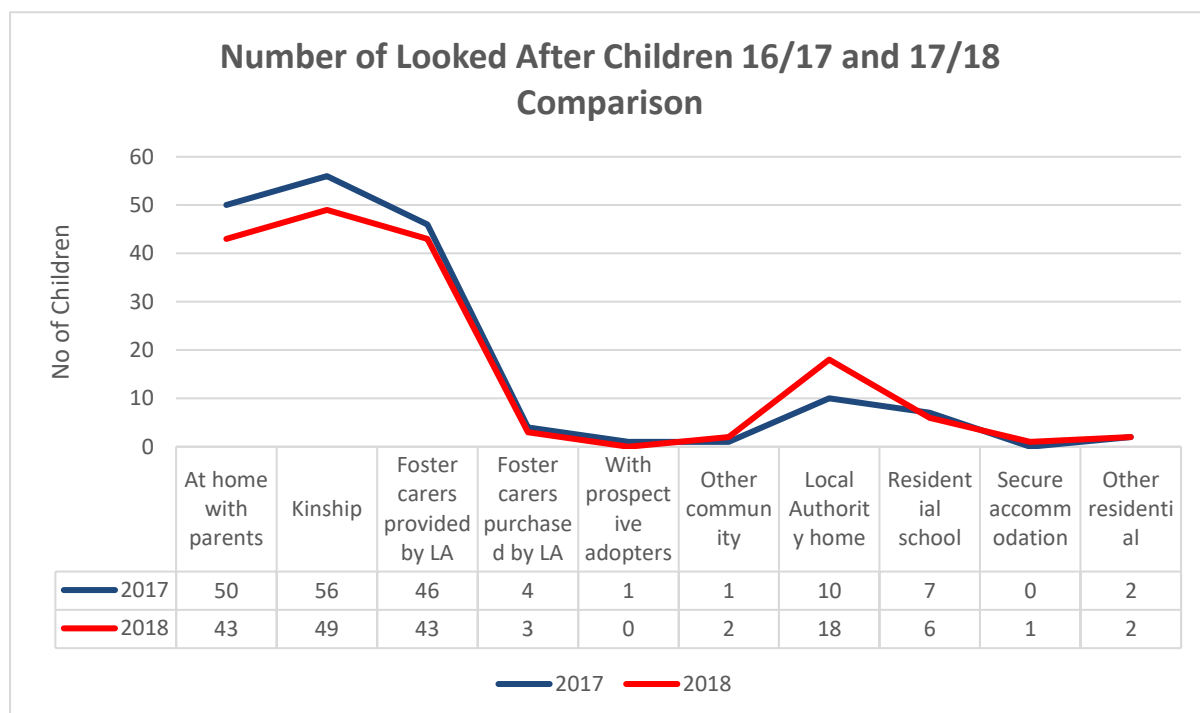
The number of Child Protection Investigations has decreased by 7.7% (16) in 2017/18 from 207 to 191. While there was slight decrease reported in 2014/15, the figures have remained relatively static over the past 4 year period. Child Protection Registrations (CPR) remain low at 31, and have decreased in line with decreasing investigation rates across reporting year.



**Looked After Children**

The overall performance trend notes an overall 6% reduction in accommodated Looked After Children for 2018 as compared with 2017. The number of children supported at home with parents from (50) in 2017 to (43) in 2018, alongside this the number of children in receipt of Kinship reduced from (56) for 2017 to (49) in 2018 and the number of children in HSCP Homes increased for (19) in 2017 to (18) for 2018. The number of children in Foster Care Purchased by the HSCP reduced from (4) in 2017 to (3) in 2018.

**Children & Families Inspection Reports**



The latest inspection grading's for Children and Families services registered with the Care Inspectorate are as below.

**Children and Families - Quality Theme Care Inspectorate Grades (1-6)**

Care Inspectorate Number	Name	Care & Support	Environment	Staffing	Management & Leadership
CS2005091229	Achievement Bute	5	N/A	5	4
CS2012307560	Cornerstone	5	N/A	5	5
CS2006129195	Scottish Autism – Oban autism Resources	5	N/A	4	5
CS2010249688	Ardlui Respite House – Sense Scotland	5	4	4	4
CS2003000426	Helensburgh Children's Unit (Argyll and Bute Council)	5	5	5	5
CS2003000461	Shellach View (Argyll and Bute Council)	5	5	5	5
CS2003000451	Dunclutha Residential Home (Argyll and Bute Council)	5	5	5	5
CS2006115758	Dunoon School Hostel (Argyll and Bute Council)	4	5	4	3
Cs2006130205	Glencruitten Hostel (Argyll and Bute Council)	3	5	3	3
CS2004082322	Argyll and Bute Adoption Service	4	N/A	5	5
CS2004082341	Argyll and Bute Fostering Service	5	N/A	5	5
CS2004079237	Kintyre Community Support Network	4	N/A	4	3



## **Participation and Engagement**

Participation and engagement remains our key priority and a major driver for service improvement and change. In partnership with the Life Changes Trust and Who Carers Scotland the Argyll and Bute Corporate parenting Board has appointed a Participation Officer and is in the process of appointing two care experienced modern apprentices as Assistant Participation Officers. Having established a Champions SUPPORT Board our aim is to develop on a co-productive basis a participation framework with which to assist our children and young people in engaging with their corporate parents in the evaluation and redesign of services.

The fostering service organises training and development events for our foster carers which also provides an opportunity for us to undertake consultation and engagement exercises. Child care is arranged for the children and young people (a crèche for the under 5s and outdoor Stramash activities for the older children) to maximise attendance. The events occur twice yearly being always very well attended and well evaluated. Whilst these events are open to adopters and kinship carers more targeted arrangements are needed with regard to consultation and engagement.

Arrangements are in place to secure parental engagement within the children protection and looked after children arrangements. The Care Assessment and Reviewing Officers routinely meet with parents before conferences and reviews to explain the process and ensure parents are prepared and supported to participate in the meetings. One area for improvement is in the use and return of questionnaires regarding parental experience of the service. Similarly parents often chose not to participate in follow-up interviews.

Children 1<sup>st</sup> and Who Cares Scotland are advocacy services commissioned by Argyll and Bute HSCP to advocate for support our children and young people within the child protection or looked after processes. All children and young people within this process are offered support and advocacy. In addition our Care Assessment and Reviewing Officers, who chair these meetings, ensure children and young people's views are fed into assessments and care planning using different tools. Often Viewpoint, an electronic questionnaire, is used or for older young people the Care Assessment and Reviewing Officer will meet prior to the meeting.

## **Case Examples**

The type of work undertaken by Children & Families and Criminal Justice Social Work is best illustrated through case examples. Two case examples have been included in this section of the report to do this.

## **Adoption**

The following case example serves to illustrate the work of the Adoption and Fostering Team and their approach to permanence. In this case Child H is the fourth child of a sibling group born to the same mother. She also shares the same father as two of her siblings. As all three older children had previously been placed for Adoption, and the parents had not evidenced any change to their lifestyle, it was anticipated that an assessment of their capacity to parent this child would highlight the same problems as previously. Child H was made subject of a Child Protection Order at birth, and on discharge from hospital, went to local foster carers. Prospective adopters were identified who were willing to have the child placed with them on a fostering basis initially, whilst the child's plan was being fully assessed and progressed to permanence. This involves risk, as the child's ultimate plan may not be for Adoption, or to remain with them, but it also offers an excellent opportunity for the adopters and their birth children to have the child join their family at the earliest opportunity, and in this case, child H was placed with the adopting family aged 4 days.

Assessments were carried out, including a sibling assessment and parenting assessments, and ultimately, an Adoption Order was made 17 months later. Prior to this, the family was involved in the progression of the child's plan, attending LAAC reviews and Children's Hearings and the male carer met with the birth parents. All of this experience enabled them to be fully involved in the child's journey, and to have valuable information to share with her about her experiences when she is older. Also, Child H did not have to deal with transitioning from one carer to another, and all the resultant loss and difficulty that a child can experience through having to move placements.

The key aims for a child where their birth parents cannot parent them, is to provide stability, security and a loving, nurturing alternative family for them as soon as possible. Minimizing delay and disruption as well as multiple placements is always a priority, and this example shows how this can work out well for the child, to their short and long term benefit.

## **Criminal Justice**

The following case example demonstrates the work of the CJSW with service users to assist them to gain an understanding of the underlying reasons for their offending behaviour and seeks to provide them with opportunities to address these. In this case by attending an external resource with the overall aim of rehabilitation and moving forward towards a life free from crime.

Mr B, a 57 year old man was convicted of careless driving, whilst under the influence of alcohol and also failing to provide details to the police. Mr B was sentenced to a 1 year Community Payback Order with supervision requirement. Mr B had been in the army for a considerable part of his life, joining when he was 16 and leaving aged 43. On leaving the army, Mr B had worked as a HGV Driver until he was convicted of these offences.

Mr B found life outwith the army difficult to adjust to and had for many years self- medicated with binge drinking to cope with the loss of identity and camaraderie that army life provided him with. Mr B had problems sustaining long term relationships and was at the time the order was imposed seeking a divorce for the third time. Due to this criminal conviction Mr B also lost his HGV licence and this impacted on his capacity to earn a living.

Mr B was encouraged to view his Community Payback Order as an opportunity to invest in himself and he was encouraged to attend COMBAT STRESS - The Veterans Mental Health Charity based in Ayrshire to help him address his drinking, PTSD Symptoms and anger management issues that can be associated with this. He was supported to attend for two separate residential courses to address the outlined areas of work and these were considered to be successful in Mr B regaining control of his life and gave him the skills to manage his alcohol use and conflict resolution.

Mr B also attended regular supervision appointments with his Criminal Justice Social Worker and he accepted full responsibility for his offending and the public safety issues inherent in driving offences.

As Mr B had complied fully with his Community Payback Order, had addressed all aspects of his offending behaviour, and was managing the underlying causes of this i.e. his own mental health and alcohol use and had the offer of employment abroad through his army contacts, an application was made to the Court for an early discharge of his CPO. The Court recognised the progress that Mr B had made in his life and granted the early discharge.

### **Integrated Joint Board & National Health and Wellbeing Outcomes**

The national health and wellbeing outcomes provide a strategic framework for the planning and delivery of health and social care services. These suites of outcomes, together, focus on improving the experiences and quality of services for people using those services, carers and their families. These outcomes focus on improving how services are provided, as well as, the difference that integrated health and social care services should make, for individuals.

Currently there are 9 key National Health and Wellbeing Outcomes (NHWBO) and 23 sub-indicators which form the basis of the reporting requirement for the HSCP.

The IJB receives a summary of the scorecard at each meeting highlighting the HSCPs performance against the NHWBO performance on the pyramid reporting system. The scorecard above illustrates its performance as at the end of March 2018. Of the 102 scorecard success measures 65 are currently reported as being on target.

## 7. Delivery of Statutory Functions

### **An Overview**

Much of the activity of the Social Work service is laid down by statute and externally regulated. The CSWO is responsible for a number of specific decisions and oversight of the Social Work services statutory functions particularly in relation to the legal rights, wellbeing and the safe care of vulnerable individuals and the wider protection of the public. Whilst some of these duties are delegated the CSWO remains the accountable officer. The key legislation is identified at the end of this chapter for which the HSCP is responsible under the integration scheme.

### **Child Protection.**

The protection of children is one of the core duties of the HSCP and forms a significant part of the work of our local Children and Families social work teams. The HSCP has specific duties in relation to children and young people placed on the Child Protection Register. The protection of children is undertaken on a partnership basis and is overseen by the Children Protection Committee (CPC) which reports to Children's Strategic Group and the Chief Officer Group Public Protection (COG PP).

### **Looked After Children (LAC).**

These duties relate to the provision of early intervention to avoid where possible the need for admission to care through to the provision of appropriate accommodation and subsequent Through and Aftercare services as well as Continuing Care. The Corporate Parenting Board forms part of the governance for LAC and reports to the Children's Strategic Group.

### **Children's Hearings and Statutory Orders.**

These duties require that where appropriate referrals are made to the Reporter and reports prepared for a Children's Hearing and when an order is made the conditions are complied with. This includes the arrangements for the "urgent" transfer of children and young people subject to a Compulsory Supervision Order.

### **Adoption and Fostering.**

These are registered services in which the key decisions are progressed through the Approval and Matching Panel to the Agency Decision Maker (ADM). In Argyll and Bute the ADM is also the CSWO. The Approval and Matching Panel is independently chaired by an experienced social work professional.

**Secure Accommodation.**

The emergency admission of a child or young person to secure care is very strictly regulated and must be authorised by the CSWO in conjunction with the Head of the Secure Establishment. Under these regulations the child or young person's case must be presented to a Children's Hearing within 72 hours. Thereafter the CSWO remains sighted on the child or young person to ensure they continue to meet secure criteria.

**Adult Support and Protection.**

As with children the protection of vulnerable adults is delivered on partnership basis through the Adult Protection Committee which reports to the COG PP.

**Management of High Risk Offenders.**

The CSWO is the MAPPA lead for the HSCP and chairs MAPPA Level 3 risk management meetings. Level 3 offenders are assessed to represent a very high risk to the public and are subject to robust risk assessment and risk management arrangements.

**Mental Health Statutory Provisions.**

The Social Work service has a legal duty to provide a mental health service which employs specially trained social workers known as Mental Health Officers (MHO) to exercise statutory powers in relation to people who have severe mental health problems and represent a risk to either themselves or others.

**Adults with Incapacity and Welfare Guardianship.**

Many of these legal provisions are administered by a social worker whilst others are required by law to be administered by an MHO. Where a court has determined an adult to be with "incapacity" and made subject to a Welfare Guardianship Order the named guardian is the CSWO.

**Statutes:**

**Adult Care Services** provide statutory functions subject to the following legislation:

Social Work (Scotland) Act 1968

National Health Service and Community Care Act 1990

Adults with Incapacity (Scotland) Act 2000

Adult Support and Protection (Scotland) Act 2007

Mental Health (Care & Treatment) (Scotland) Act 2003

Public Reform (Scotland) Act 2010

Equality Act 2010

Social Care (Self-directed Support) (Scotland) Act 2013

Public Bodies (Joint Working) (Scotland) Act 2014

Carers (Scotland) Act 2016

**Children & Families** provide statutory functions subject to the following legislation:

Children and Young Person (Scotland) act 1937

Social Work (Scotland) Act 1968

Children (Scotland) Act 1995

Regulation of Care (Scotland) Act 2001

Protection of Children (Scotland) Act 2003

Adoption and Children (Scotland) Act 2007

Public Reform (Scotland) Act 2010

Equality Act 2010

Children's Hearing (Scotland) Act 2011

Children and Young Person (Scotland) Act 2014

Public Bodies (Joint Working) (Scotland) Act 2014

Carers (Scotland) Act 2016

**Criminal Justice Services** provide statutory functions subject to the following legislation:

Social Work (Scotland) Act 1968, S.27

Criminal Procedure (Scotland) Act 1995

Criminal Justice and Licensing (Scotland) Act 2010

Management of Offenders (Scotland) Act 2005

In addition there is key sex offender legislation:

The Sex Offenders Act (1997)

Protection of Children and Prevention of Sexual Offences (Scotland) Act 2005

Sexual offences (Scotland) Act 2009

Community Justice (Scotland) 2016



## 8. Workforce - Planning & Development

### Social Work Training Board

The Social Work Training Board is chaired by the CSWO and responsible for leading and coordinating the development and implementation of a learning and development strategy informed by Social Work principles and values, which develops professional, safe practice resulting in a competent and confident workforce.

Specific objectives include:

- To identify and agree learning and development priorities for workforce development
- To support and inform HR and OD staff
- To disseminate training information to staff within respective services
- To lead and co-ordinate learning and development within the service
- To deliver relationships and shared learning and development initiatives with other statutory and voluntary agencies in Argyll and Bute
- To approve Further Education Studies – Course Request Forms
- To co-ordinate practice learning.

The board is made up of representatives from social work, health, HR and OD staff and meets every 2 months.

### Registration with SSSC

Employees are responsible for registering with the SSSC once their register is open, if they can only register with conditions we ensure they are provide with the correct SVQ to enable full registration. The Argyll and Bute Council Training Centre has received excellent verification reports from the SQA. The Table below highlights the SVQ Courses undertaken across the Social Work staff group in Argyll and Bute and the employees who have completed in the period April 2017 – March 2018

SVQ - Adult Care	No. Completed 2017/18
SVQ2 Social Services and Healthcare	4
SVQ3 Social Services and Healthcare	0
SVQ4 Social Services and Healthcare	2
SVQ4 Leadership and Management for Care Services	1
SVQ Medication Unit	0

LandD9DI (Assessor Award)	0
CPD Units at Level 4	1

SVQ – Children & Families	No. Completed 2017/18
SVQ3 Social Services (Children and Young People)	5
SVQ4 Social Services (Children and Young People)	2

## Leadership

Managers are being nominated via their Heads of Service to undertake the Argyll and Bute Manager Programme. The Management Development Programme is a comprehensive training course made up of 16 core modules which incorporate a variety of learning methods split into 10 tutor based courses and 6 e-learning courses. The programme has been designed to reflect our core competencies and is targeted at people with a line management responsibility. It is designed to be flexible by combining face-to-face delivery and e-learning with other learning methods and it is anticipated that it should take 18 to 24 months to complete. During 2017/18, 2 employees within Adult Care and 4 within Children and Families have completed the Argyll and Bute Manager programme. In March 2017 we changed the programme, and this is now delivered as 2 separate programmes, Preparing to Manage and Managing Teams.

## Preparing to Manage

The comprehensive Management Development titles Preparing to Manage Programme is made up of an induction plus 15 core modules which incorporate a variety of learning methods:

- 1 tutor based course
- 14 e-learning courses

The programme has been designed to reflect our core competencies and is targeted at people preparing for line management responsibility or newly appointed line managers. It is designed to be flexible by combining face-to-face delivery and e-learning with other learning methods and it is anticipated that it will take 18 to 24 months to complete. Employees must undertake all of the modules and also complete a short reflective essay demonstrating how Preparing to Manage has improved their effectiveness and/or how they have applied their learning in the workplace.

## Managing Teams

The Management Development Programme includes a Managing Teams Programme which is made up of an induction module plus 18 core modules which incorporate a variety of learning methods:

- 4 tutor based courses
- 14 e-learning courses

The programme has been designed to reflect our core competencies and is targeted at people with a line management responsibility. It is designed to be flexible by combining face-to-face delivery and e-learning with other learning methods and it is anticipated that it will take 18 to 24 months to complete. Employees must undertake all of the modules and also complete a short reflective essay demonstrating how Managing Teams has improved their effectiveness as a manager. We currently have 2 employees within Adult Care undertaking the Preparing to Manage Programme. We also have 3 employees in Adult Care and 2 within Children and Families undertaking the Managing Teams programme.

## Professional Qualifications

Employees are invited to apply for professional qualifications as agreed by the Social Work Training Board on an annual basis. The undernoted qualifications were funded in 2017/2018:

Qualification	Number of employees funded
K101/DD102 Open University Foundation Courses	8 employees
OU BA (Hons) Social Work (Scotland)	2 employees
Post Graduate Certificate in Child Welfare and Protection	2 employees
Professional Development Award in Practice Learning	2 employees
MHO Award	1 employee

## Growing Our Own - OU BA (Hons) Social Work (Scotland)

Within Argyll and Bute there is difficulty recruiting social workers, it is for this reason that a “growing our own” scheme was developed. Each year the council sponsor two applicants to undertake the degree in social work. The “growing our own” scheme is an opportunity for Argyll and Bute to support talented individuals to undertake their social work qualification.

Successful applicants are sponsored through Stages 2, 3 and 4 with a requirement to work for this authority for a further two years. The course includes two 100 day compulsory social work placements which require staff to be absent from their present post during this time. One of the placements is external to Argyll and Bute. Employees are supported by our own practice teachers during their in-house placement. We currently have 3 employees at stage 2, 2 employees at stage 3 and 2 employees at stage 4 of the Social Work Degree. We have just selected another 2 employees to commence stage 2, bringing the total of 7 employees in the programme with the Open University.

### **Placements**

Learning Network West provide us with students to place. We also offer 10/20 day observational placements and in addition, we hold an annual Learning Awards Ceremony where people who are undertaking any major training are presented with their certificate to highlight their achievement. With regard to Mental Health Officer (MHO) training HSCP puts through a minimum of one qualified Social Workers per annum onto the Mental Health Officer course which is an essential element of the HSCPs continuing to meet its statutory obligations.

### **E-Learning**

LEON (Learning Electronically and On-line) is our e-learning system through which employees can access a wide range of online courses. It is available to all employees giving to access these courses at a time which is convenient and from any computer with internet access. The Talent Management team are working towards providing a variety of easily accessible courses when needed which will give employees the information, knowledge and skills required to do their job. Employees are able to complete courses which have been sourced to support employees in all roles within the organisation or that have been custom-built by the team around our policies and procedures. Our online courses complement our tutor-led training courses, helping employees to gain new knowledge and refresh on specific topic areas. In addition Learn-In Bytes provides the ability to test your knowledge through the use of short assessments

### **Training**

All learning and development requests are based on need as evidenced by job specific competency requirements, organisational core competency requirements or team/service/departmental or organisational priorities.

## **9. Conclusion**

Social Work service staff, including the staff working for our commissioned services should be proud of the provision of support, care and protection they have provided to our vulnerable children, young people and adults throughout this past year. As the report has highlighted we are working in challenging times with many challenges still ahead. The increasing demand for services combined with rising public expectations in a context of continued financial constraint will be difficult. The focus will continue to be on ensuring we maintain high standards of service delivery whilst reviewing and redesigning the way we work to make the best use of all the available resources so we can continue to support, care for and protect those in greatest need.

**Alex Taylor**  
**Chief Social Work Officer**  
**September 2018**

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## **AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2017/18**

### **Introduction by the Chair of Audit and Scrutiny Committee**

This report provides an overview of the Audit and Scrutiny Committee's (the Committee) activity during the financial year 2017/18 and a summary of key developments since the commencement of 2018/19.

I am pleased to report that the Committee continued to focus its efforts on effectively discharging its functions and responsibilities in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance of 2004 entitled "Audit and Scrutiny Committee principles in local authorities in Scotland: a guidance note".

The Committee met quarterly throughout the financial year with the meetings attended by appropriate representatives of the Council including the Head of Strategic Finance and the Chief Internal Auditor (CIA). Audit Scotland also attend as do other Council Officers as and when requested including the Head of Improvement and HR and the Chief Executive at the June 2018 committee.

In 2017/18, the following Councillors served on the Committee at various points during the year; Jim Findlay, George Freeman, Sir Jamie McGrigor, Julie McKenzie, Alan Reid, Sandy Taylor and Andrew Vennard. In 2018/19 we also welcomed Richard Trail to the Committee.

In respect of the Chair and Vice Chair posts I continued in the role of Chair with Sheila Hill as Vice Chair until she retired in late 2017. I would like to record my appreciation to Sheila for the invaluable assistance she provided to myself as Chair and the wider Committee during her time as Vice Chair. Sandy Taylor has replaced Sheila as Vice Chair bringing to the Committee a wealth of valuable and relevant experience gathered during his time formerly as a council officer and more latterly as an elected member including being a sitting member of the previous Performance & Scrutiny Committee.

In October 2017 we appointed Laurence Slavin as the Council's new CIA replacing Kevin Anderson who has left to take up the post of General Manager at Live Argyll. I'd like to record my appreciation to Kevin for all his good work as the CIA and am pleased to say that the internal audit team continues to develop with Laurence introducing a number of new processes and procedures to further strengthen the team. One welcome development has been the attendance of members of Laurence's team at Committee meetings.

In looking forward to 2018/19 and beyond, there is great uncertainty facing the Council. In particular the UK's withdrawal from the European Union, which has unclear implications for the Council, and all Scotland's public bodies. The Committee would be looking for engagement with scrutiny partners, including the Accounts Commission, to help tackle the risks associated with this uncertainty in a collaborative and Scotland wide basis.

In addition the current pace of public sector reform and on-going integration of Health and Social Care within an overall context of reductions in public spending mean the importance of an effective Committee remains critical. Along with my fellow members I look forward to meeting the challenges ahead, building on a strong audit platform and further developing the Scrutiny element of the committee whilst continuing to add value to the Council's governance framework.

Martin Caldwell - Chairperson

Sandy Taylor - Vice Chairperson



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## **1. Terms of Reference**

- 1.1 The Committee's terms of reference are to promote good internal control, financial and risk management, governance and performance management. This provides reasonable assurance of effective and efficient operation, and compliance with laws and regulations, including the Council's Financial and Security Regulations, Contract Standing Orders and accounting codes of practice.
- 1.2 In addition the Committee, in carrying out its scrutiny function, will take a discursive, collegiate and non-political approach to carry out methodological consideration of a wide range of evidence and perspectives, with the aim of providing viable and well-evidenced solutions to support service delivery and policy development.

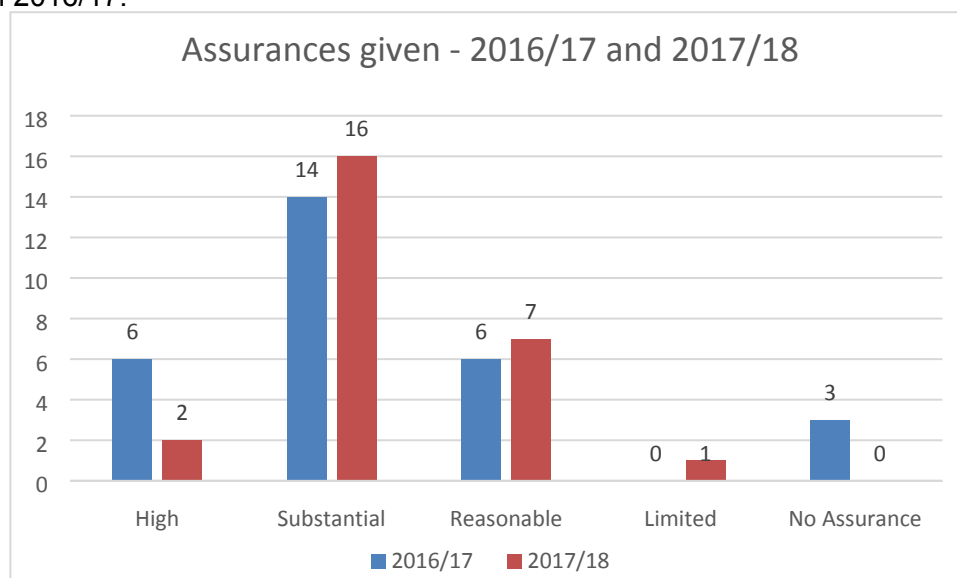
## **2. Audit and Scrutiny Committee's Effectiveness and Impact**

- 2.1 The Committee's role is to ensure that the Council's internal control framework and governance arrangements are operating effectively. In order to fulfil this role a range of reports are provided to the Committee during the year. I am satisfied that the frequency, content and detail of reports provided to the Committee allow myself and fellow members to adequately undertake the requirements of our terms of reference.
- 2.2 The Committee has the right to request updates after reviewing submitted reports. This approach affords the Committee the opportunity to ask key questions directly and receive assurances. In addition, the Committee can routinely challenge management when agreed audit action plan implementation dates are missed although it should be noted that internal audit have a robust follow up process with updates reported to the Committee as a standard agenda item. Informal protocols are also in place whereby Management can be requested to attend committee where assurance level provided is limited or below. This has proved very useful in developing positive relationships with management whilst ensuring independence is maintained. Management's co-operation and engagement is very much appreciated.
- 2.3 In March 2017 both Audit Scotland and Internal Audit presented their annual audit plans setting out their respective approaches to the 2017/18 audit of the Council, reflecting their statutory duties and risk based approach. The audit plans were considered by the Committee and accepted.
- 2.4 Since his appointment in October 2017 the CIA has introduced a number of changes and developed appropriate governance to further strengthen effectiveness. In particular:
- introduced new working practices, reporting templates and a revised internal audit charter and manual
  - introduced quarterly internal audit development days to ensure the team continues to develop the necessary skills and knowledge to carry out their role effectively
  - audit reports are presented to the Committee in their entirety, replacing the previous process to remove recommendations classified as 'low' priority
  - audit reports are presented to the SMT
  - revised the approach to continuous monitoring to provide annual assurance over approximately 175 controls covering fifteen council processes
  - introduced a new Scrutiny Framework and Scrutiny Manual to provide governance over the roll out of scrutiny during 2018/19.

## **3. Assurances**

## Internal Audit Assurance

- 3.1 Internal Audit is a key source of assurance for both members and management on the effectiveness of the control environment. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance. The Committee is pleased to note the Internal Audit team has completed the agreed 2017/18 internal audit plan within the agreed timescale. Reports are deemed to be accurate, objective, concise, constructive, complete and timely. In my opinion clear assurance judgements are provided, underpinned by an appropriate evidence base and, where appropriate, include sound management advice and guidance. We will continue to monitor internal audit performance, progress and resources to ensure they are able to meet these requirements.
- 3.2 Internal Audit were subject to an external assessment in 2018 to assess whether they are complying fully with the Public Sector Internal Audit Standards (PSIAS). The review concluded that internal audit demonstrated overall compliance with the standards and demonstrated many areas of strong practice. It also highlighted four recommendations for potential improvement which the CIA has confirmed are being progressed. This assessment provides the Committee with a valuable independent endorsement of the quality and effectiveness of the work being delivered by the internal audit team.
- 3.3 The Committee has received regular reports and information from the CIA including:
- risk based internal audit annual plan
  - regular progress reports
  - annual report, in line with PSIAS, which provided the CIA's independent annual opinion on the effectiveness of the Council's risk management, internal control and governance processes
- 3.4 The chart below shows an analysis of assurance opinions provided by internal audit in 2016/17 and 2017/18. It can be seen that, whilst the number of audits classified as providing a high level of assurance has reduced in 2017/18 this is balanced by the fact that no audits were classified as providing 'no assurance' in comparison to three in 2016/17.



- 3.5 The Committee has a clear role in relation to oversight of the internal audit function; specifically in relation to overseeing its independence, objectivity,

performance and professionalism. I am pleased to advise, as Chair of the Committee, that I am satisfied that internal audit is effective and activity is undertaken in accordance with relevant standards. This view is supported by the external assessment referenced at paragraph 3.2 and commentary in Audit Scotland's 2017/18 annual audit report which confirms that internal audit operates in accordance with PSIAS and has sound documentation standards and reporting procedures.

### **External Audit Assurance**

- 3.6 External Audit is an essential part of the process of accountability and assurance for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management. Working closely with Internal Audit, the external audit programme ensures that statutory responsibilities are delivered, without the duplication of audit work. The Council's external auditors are Audit Scotland.
- 3.7 Assurance was received from Audit Scotland that, for 2017/18, the Council's financial statements presented a true and fair view in and were properly prepared.
- 3.8 External Audit is required to report by exception on a number of areas in relation to their audit, namely accounting records, statement of governance and control, availability of information and explanation and failure to achieve a prescribed financial objective. External Audit reported no exceptions in respect of these matters for 2017/18. External Audit did highlight some issues encountered due to the absence of key finance officers during the audit of the Council's financial statements. Assurances have been provided that this is being addressed through the ongoing restructure of the Strategic Finance service.

### **Risk Management**

- 3.9 It is the role of the Committee to gain assurance on the adequacy of the Council's risk management arrangements. In March 2018 the Head of Strategic Finance presented her Risk Management Overview to the Committee which confirmed that the CIA had identified areas where these arrangements could be strengthened and that the Council had taken, and were continuing to take, actions to address these areas. Key improvements that have been implemented are:
- a revised risk management manual has been approved by the Policy and Resources Committee
  - revised risk registers have been adopted for the strategic risk register and operational risk registers
  - risks, where practical, are aligned to service plan challenges
  - key actions, with timescales, for risks to be 'treated' are documented
  - all red risks identified in operational risk registers are escalated to the SMT for consideration
- 3.10 I am pleased to report that Audit Scotland, in their 2017/18 annual audit report, have confirmed that *'the changes effected represent an enhancement to the Council's risk management process'*.
- 3.11 In June 2018 the Chief Executive also submitted a report to the Committee on the strategic risk register and, more generally, on the Council's risk management arrangements.

### **Governance & Internal Control**

3.12 In accordance with the CIPFA/SOLACE guidance note for Scottish Local Authorities, issued in May 2009, the completed Local Code of Governance 2016/17, together with an action plan was presented and reviewed at the June 2017 Committee meeting. The draft Statement of Governance & Internal Control was also reviewed and noted for inclusion in the Annual Accounts, subject to the completion of Audit Scotland's audit of the draft 2017/18 financial statements.

3.13 The draft Statement of Governance & Internal Control is informed by the:

- work of officers within the Council;
- work and conclusions of internal and external audit
- statements of governance or internal control provided by external bodies
- external review and inspection reports
- recommendations from the Audit and Scrutiny Committee .

#### **4. Independence**

4.1 To assist in preserving the Committee's independence measures are in place including:

- the appointment of an independent chair
- observation of the Internal Audit Charter which specifies the independence of the CIA and the wider audit team
- the non-political approach of the committee
- the active involvement of the external auditors
- clear terms of reference aligned to CIPFA's Role of the Audit Committee Guidance

#### **5. Training and Development**

5.1 As part of its ongoing development the Committee held a development day in November 2017. In the morning the members heard from the newly appointed CIA, the Committee Vice Chair and Audit Scotland on the roles of internal and external audit, risk management, and the characteristics of an effective audit committee. In the afternoon we focused on the committee's new role as a scrutiny function with the CIA providing a scrutiny overview presentation followed by an open discussion on the future scrutiny role of the committee.

5.2 In August 2018, as part of the ongoing development of scrutiny, and in advance of the commencement of the first scrutiny review in the 2018/19 scrutiny plan, committee members, internal audit and other relevant officers attended a two day scrutiny training session held in the Helensburgh Civic Centre.

#### **6. Looking Forward**

6.1 The Committee is beginning to roll out the Council's revised approach to scrutiny supported by the scrutiny framework, including a prioritisation process, and scrutiny manual approved by the Committee in March 2018 and June 2018 respectively. Two topics have been selected for scrutiny in 2018/19 based on applying the prioritisation process to potential topics suggested by elected members and senior officers.

6.2 After the 2018/19 Scrutiny Plan is completed the Committee will take the opportunity to reflect upon the process adopted and seek feedback from officers and elected members to identify lessons learned which would lead to improvements in future scrutiny work and inform the 2019/10 Scrutiny Plan.

6.3 This focus on continuous improvement is equally applicable to the audit element of

the Committee and we will continue to work with the CIA and, where appropriate, our colleagues in Audit Scotland, to identify opportunities to further develop the skillset and expertise of both the Committee and the internal audit department to facilitate effective challenge and scrutiny.

6.4 More widely the Council face a period of great uncertainty due to the potential implications of the UK's withdrawal from the European Union. This gives rise to a need to consider our current understanding of the potential risks and implications to the Council in the event that the UK exits the EU in March 2019 without any transition arrangements or certainty about future arrangements (i.e. a 'No Deal' exit). Areas for consideration may include:

- workforce
- loss of EU funding
- access to markets and suppliers
- public procurement
- impact on interest rates and inflation levels.

6.5 The UK Government has committed to releasing a series of advisory notes to businesses and public bodies on a wide range of topics about actions to be taken to mitigate the risks arising from a 'No Deal'. These are to be made available between late August and the end of September 2018. Where appropriate, these guidance notes will need to be considered in detail to identify what, if any, actions may be required.

6.6 In the medium to longer term the Committee and the wider Council need to reflect on the extent to which there is sufficient intelligence and information to consider the longer term macro-economic impacts of Brexit on council funding and demand on services. This needs to be considered within the context of how much of this is 'unknown' and with consideration to the extent that it is within the Council's power to do anything constructive to mitigate the potential impacts.

## **7. Conclusion**

7.1 Based on the reports received and reviewed by the Committee it is the opinion of the Committee that an overall substantial assurance opinion can be placed upon the adequacy and effectiveness of the Council's internal control system in 2017/18. I am satisfied that active monitoring and follow up of recommendations is in place in respect of agreed management action. This follow up process is further enhanced by the continuous monitoring programme carried out by internal audit which provides ongoing assurance over the Council's core transactional based systems.

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**ARGYLL AND BUTE COUNCIL****COUNCIL**

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**29<sup>th</sup> November 2018**

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**LEADER'S REPORT**

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**1. INTRODUCTION**

- 1.1 This report gives colleagues an update on my activities as Leader of Argyll and Bute Council from 15<sup>th</sup> September to 15<sup>th</sup> November. It also includes an update in relation to my Policy Lead portfolio, Economic Development.

**2. RECOMMENDATIONS**

- 2.1 Members are asked to consider the report,
- 2.2 Members are asked to note that the full Leader's Report Pack is available in the Leader's office. This includes COSLA and other papers and briefings as referenced in the report. Any items discussed in public can be provided to members electronically; the papers for items taken in private session can be reviewed in the Leader's office.

**3. ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP – Development Day, 19<sup>th</sup> September 2018**

- 3.1 Mid September saw the members of Argyll and Bute Community Planning Partnership Management Committee travel to Inveraray for their annual informal Development Day.

After partnership Chair Hazel Hendren of Police Scotland set the scene, partners had a discussion on CPP values before welcoming the Improvement Service for the day's substantive session – Self Assessment Findings and Improvement Plan.

As always working together, partners explored our strengths, our priorities, what we need to do to plan for improvement and the areas which need more work and focus, facilitated by the Improvement Service. This type of session is always helpful in the way that it provides the right kind of space for

discussion – positive and encouraging but never afraid to challenge and to focus on areas of weakness. In these challenging times working together wherever possible is increasingly important and that is why it is important to take opportunities like this to explore how we can strengthen and find new ways of joint working.

#### **4. MEETING WITH MICHAEL MATHESON, CABINET SECRETARY FOR TRANSPORT, INFRASTRUCTURE & CONNECTIVITY – 20<sup>th</sup> September 2018**

- 4.1** Following the Scottish Government’s Cabinet reshuffle earlier this year, Michael Matheson took over the Transport portfolio from Humza Yousaf, with his ministerial brief also now including Infrastructure and Connectivity.

Members will recall that I had been in correspondence with Mr Yousaf over a period of some months and had secured his agreement to move forward with a transport infrastructure working group, to look strategically at all of the travel and transport issues which have an impact on Argyll and Bute’s future success.

I was keen to meet with Mr Matheson to discuss how this commitment could be progressed, as well as to discuss our Rural Growth Deal, for which he will be the ministerial lead. It was helpful to secure an early meeting with him in Edinburgh on 20<sup>th</sup> September, along with Pippa Milne, our Executive Director for Development and Infrastructure.

This was a short but positive session which gave us an opportunity to highlight the importance of our Deal and outline the timescale we are working to. In common with other political engagement meetings linked to the Deal, our proposals were received positively and their potential acknowledged for transformation of Argyll and Bute’s economic success. Since that meeting, of course, the Rural Growth Deal has been considered by council and this will be covered in more depth later in this report.

In relation to the transport infrastructure working group, Mr Matheson indicated that while his predecessor had been in a position to attend meetings, he would not be able to do so – however he did offer any support that was needed in terms of bringing all the relevant agencies together and getting the group up and running.

The first meeting was arranged for Monday 19<sup>th</sup> November in Arrochar with a range of transport bodies invited to attend.

The proposed agenda included agreeing the areas of focus for the group, including:

- Solutions for lifeline trunk routes

- Improved rail links, services and infrastructure
- Enhanced air/other links to the central belt
- Active travel opportunities
- Various ferry-related matters
- Future transport priorities

The group will also be looking at key objectives like inclusive economic growth, contribution to the national agenda, resilience, the needs of particular demographics (e.g. tourists, young people and more) and transport corridors (island connectivity, internal routes and central links).

I believe that by bringing together all the key players in Argyll and Bute's travel and transport scene we stand the best possible chance of securing effective and successful solutions – we need to take that holistic, strategic approach and work together rather than in isolation.

## **5. HIGHLANDS AND ISLANDS LEADERS GROUP, 27<sup>th</sup> September 2018**

- 5.1** I joined Leaders from the other Highlands and islands local authorities for the latest in our series of regular group meetings in Edinburgh on 27<sup>th</sup> September.

Argyll and Bute Council officers made a significant contribution to the HILG business, providing input for the 'Brexit and Regional Policy' report and preparing in full two reports on waste strategy and derogations and the National Transport Strategy Review.

The full agenda list is as follows:

- Brexit and a Regional Policy for the Highlands and Islands
- Structural Funds update
- Ministerial correspondence
- Convention of the Highlands and Islands, October
- Waste Strategy and Derogations – impact on rural and island areas
- National Transport Strategy Review
- COSLA Briefing Paper – Transient Visitor Tax
- Affordable Housing Programme overview
- Fuel Poverty

We also agreed to write to Lord Duncan, Under Secretary of State for Scotland, inviting him to a future HILG meeting to discuss Brexit and regional issues relating to the Shared Prosperity Fund, agriculture, crofting, land management inward migration, access to markets and fisheries. The group is awaiting a response at the time of writing.

## **6. COSLA LEADERS, 28<sup>th</sup> September 2018**

**6.1** Along with the Chief Executive, I attended the September COSLA Leaders session in Edinburgh where the following matters were discussed in private session:

- COSLA Leaders Priorities Update June to September 2018
- Spending Review
- Pay Negotiations
- Programme for Government
- Distribution
- Barclay Implementation: consultation on Non Domestic Rates (NDR) Reform
- Partnership working
- Children and Young People's Mental Health

All reports and associated briefings can be reviewed in the Leader's Report Pack.

## **7. DEPOPULATION IN WESTERN SCOTTISH LOCAL AUTHORITY AREAS – third session with Leaders, 28<sup>th</sup> September 2018**

**7.1** The Leaders of the eight western Scottish local authorities affected by depopulation got together for a third session at the conclusion of COSLA Leaders on 28<sup>th</sup> September.

We agreed to send a joint letter – signed by all eight council Leaders – to Derek MacKay, Cabinet Secretary for Finance and the Constitution, and Aileen Campbell, Cabinet Secretary for Communities and Local Government, highlighting our shared concerns at a developing trend of east-west inequality based on projected population expansion statistics.

We outlined in our letter the various impacts arising from projected population changes and which risk undermining the sustainability of our communities, as well as the ability of the western Scottish region to deliver inclusive economic growth. These include:

- Barriers to business sustainability, investment and growth due to scarcity of labour and skills
- Risks to specific key sectors like agriculture, aquaculture, tourism and food and drink
- Threats to public services resulting from reduced funding due to declining population – creating a vicious cycle from which we cannot escape

- Inability to recruit in essential areas like health and social care and education
- Loss of spending power in communities, impacting local business
- Viability of higher/further education and training offer
- Housing issues – including poorly maintained/abandoned private sector and high void rates in social sector

We made it clear that we acknowledge the substantial investment in hand or planned across Scotland through the Growth Deals programme, but that this approach alone will not address the scale of challenge facing the west coast area. We have asked to meet urgently with the two Cabinet Secretaries to explore a partnership approach to tackling west coast population growth.

The letter was sent on 29<sup>th</sup> October and was signed by the Leaders of Inverclyde, Western Isles, North, South and East Ayrshire, Dumfries and Galloway and West Dunbartonshire councils, alongside ourselves.

At the time of writing we have not received a substantial response but I will keep members updated on our progress.

## **8. INTEGRATION JOINT BOARD – BOARD MEETING, 26<sup>TH</sup> SEPTEMBER AND SELF EVALUATION AND FURTHER DEVELOPMENT OF IMPROVEMENT PLAN, 4<sup>th</sup> October 2018**

**8.1** The Argyll and Bute HSCP Integration Joint Board met on Wednesday 26<sup>th</sup> September – the first meeting for the Partnership’s new Chief Officer, Joanna MacDonald. The following issues were considered:

- Visible Change Improvement Plan update
- 1<sup>st</sup> Year Review of Children and Young People’s Service Plan
- Audited Annual Accounts and Budget Monitoring Report
- Staff Performance Review Process
- NHS Highland Tobacco Strategy
- Argyll and Bute Alcohol and Drugs Partnership Report
- Chief Officer’s Report
- British Sign Language Strategy 2018 to 2024

**8.2** A further step in our Integrated Joint Board/HSCP improvement journey was taken on 4<sup>th</sup> October at a self-evaluation and development session led by the Improvement Service.

Everyone involved with health and social care integrated services in Argyll and Bute is committed to driving forward improvement and transformation,

despite the significant challenges to overcome. This board development session was a useful tool and resource for us to use in that ongoing work. Having the space, time and opportunity to really focus on vital areas for improvement – working together in small groups before coming together as a team to explore findings and plan for improvement – helps the board work better and in turn strengthens that drive for improvement in service delivery.

## **9. ARGYLL AND BUTE'S RURAL GROWTH DEAL – Special Council, 18<sup>th</sup> October 2018**

- 9.1** Members unanimously agreed a report outlining our overarching vision, key growth sectors and project themes which form the basis of Argyll and Bute's Rural Growth Deal, considered at a special council meeting on 18<sup>th</sup> October, following referral by the Policy and Resources Committee.



*Gathered together at Kilmory to back Argyll and Bute's Rural Growth Deal*

The Deal proposals are based on three key drivers:

- **Connecting:** our niche business sectors with national and international business markets; our local economic successes with national strategic priorities
- **Attracting:** additional skills, training and learning opportunities; new residents, visitors and businesses
- **Growing:** doing more of what works; making more of our natural and built resources

At the time of writing our officers were finalising the formal submission document which will go to both the Scottish and UK Governments.

Members will recall that local people and communities have overwhelmingly backed the Rural Growth Deal vision and themes during the public consultation earlier this year. Along with that public backing, and our own unanimous agreement, sits incredibly positive and valuable support from our parliamentarians.



*With MSPs Jackie Baillie, Donald Cameron and Michael Russell at the Scottish Parliament in October – backing Argyll and Bute’s Rural Growth Deal*

We have engaged with them primarily through the Argyll and Bute Parliamentary Forum (sessions covered in earlier Leader’s Reports) and in informal discussions, and they have received our proposals very positively from the outset, telling us that we are doing the right things in the right way to secure the best possible outcomes for Argyll and Bute.

It remains vital to maintain momentum and keep on publicly backing Argyll and Bute’s Rural Growth Deal, which can be hugely transformational for the communities we represent. Over the coming months, as we work through the process, I hope that we as a council and as individuals join our fellow elected representatives, local businesses and local people in taking every opportunity to tell the story of our Deal and highlight just how important it is to Argyll and Bute’s future success.



## 10. A83 REST AND BE THANKFUL

- 10.1** The special council meeting on 18<sup>th</sup> October took place shortly after an extended period of closure for the A83 Rest and Be Thankful, following a series of landslides in severe weather.

As a council we responded in unity to the disquiet expressed by our communities, taking advantage of the special council meeting to submit and unanimously agree an urgent motion on the matter.

I subsequently wrote to the First Minister, Nicola Sturgeon, on 18<sup>th</sup> October, asking for a meeting with Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, and Derek MacKay, Cabinet Secretary for Finance and the Constitution, for myself, the Depute Leader, Cllr Sandy Taylor and Cllr Dougie Philand, as a matter of urgency.

We have also called for an urgent review of the options to provide a permanent solution for the A83 Rest and be Thankful and have asked for the Scottish Government's commitment to identifying and funding this solution in order to keep the A83 and Argyll and Bute fully open for business.

In response to our letter, Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, also offered to meet privately with our delegation after the A83 Taskforce meeting arranged for 15<sup>th</sup> November in Inveraray.

This taskforce meeting brought together the political, private and public sectors with community representatives and saw Mr Matheson making a commitment to identify a permanent solution that will bring to an end disruption on the A83 Rest and Be Thankful, in addition to the current mitigation measures.

We have made clear our position that the A83 Rest and Be Thankful is a vital trunk road which opens up access to most of Argyll and that is why it is so important that Transport Scotland and the Scottish Government identify and fund the right solution.

As with the Rural Growth Deal, it's encouraging that once again we are all able to work together so positively and unite to take action on the issues which are of the most importance to the local people we all represent.

## **11. CONVENTION OF THE HIGHLANDS AND ISLANDS (COHI), ELGIN – 22<sup>ND</sup> October 2018**

**11.1** Moray Council were the hosts for the Autumn COHI session on 22<sup>nd</sup> October. This provides an opportunity for senior members and officers from all the Highlands and islands local authorities to come together and meet with Scottish ministers, focusing on the issues which are particular to our region with its very diverse mix of urban, rural, remote and island communities.

As you would expect in the current times, the agenda for this session featured European issues and the impact on the Highlands and islands region of the UK's exit from the European Union.

Ministerial topic updates on the agenda were:

- Potential future strategic economic opportunities within the wider Highlands and Islands region – Fergus Ewing, Cabinet Secretary for the Rural Economy
- COHI post 2020 – skills, workforce planning, Enterprise and Skills Review and Strategic Plan – John Swinney, Deputy First Minister
- COHI post 2020 – talent attraction – Fergus Ewing
- Developing a post-Brexit Regional Policy for the Highlands and Islands – Kate Forbes, Minister for Public Finance and Digital Economy
- Maximising benefits from digital infrastructure/investment, including UK Government and Ofcom delivery – Paul Wheelhouse, Minister for Energy, Connectivity and the Islands, and Kate Forbes
- COHI Outcomes – John Swinney

Reports on the Scottish National Investment Bank and a post 2020 Highlands and Islands Update paper also featured.

Shortly after COHI, I wrote to Huw Saunders, Network Infrastructure Director for Ofcom Scotland, offering to host Ofcom's annual Connected Nations report launch in Argyll and Bute. Ofcom are due to come to the Environment, Development and Infrastructure Committee's December meeting when we will no doubt have further discussions.

## **12. ISLANDS TRANSPORT FORUM, 25<sup>th</sup> October 2018**

**12.1** There are a variety of different forums and groups, at a national level, where islands issues are in focus. With the Scottish Cabinet reshuffle earlier this year, and a new Islands Minister and Cabinet Secretary, discussions are ongoing about how to make the best and most effective use of these groups. One such is the Islands Transport Forum, which held its fifth meeting on 25<sup>th</sup> October. I attended by teleconference along with our Head of Roads and Amenity Services, Jim Smith.

The agenda topics were:

- National Transport Strategy Review
- Brexit issues
- Update on Northern Isles Ferry Tendering
- Update on Ferry Service Investment Planning
- Update on review of Air Discount Scheme for renewal in 2019
- Update on Regional Air Services Scoping Study
- Decentralisation of key transport posts and management to islands
- Skye Air Service
- Northern Isles Internal Ferry Service Funding and Delivery
- Islands Passport

There are a number of these topics which are of particular interest in the Argyll and Bute context, including the funding and delivery of internal ferry services, the subject of correspondence in recent months with both Mr Yousaf and now Mr Wheelhouse.

Decentralisation of key posts to island communities is also of significant interest to us and there is to be a further teleconference in December with Paul Wheelhouse, Minister for Islands, to focus on this area.

## **13. COSLA LEADERS, 26<sup>th</sup> October 2018**

**13.1** Agenda items at the October Leaders session were:

- Spending review
- Pay negotiations
- Brexit Preparedness: Impact Assessment of Local Government Workforce
- Universal Support

In public session:

- #GenerationEqual pledge
- Distribution of homelessness funding

**14. HEALTH AND SOCIAL CARE PARTNERSHIP SENIOR MEMBERS/OFFICERS GROUP (SMOG) – 31<sup>st</sup> October 2018**

**14.1** The Health and Social Care Partnership Chief Officer has established a Senior Members/Officers Group (SMOG) to provide further opportunities for discussion as the partnership progresses its Visible Changes Improvement Plan in particular. The first session took place on 31<sup>st</sup> October and, while this inaugural meeting focused on the group's terms of reference and the way forward, I am sure that this will be a very useful and positive contribution to the health and social care integration agenda.

The group has agreed to meet on a quarterly basis and dates are in diaries for the coming year. I will be happy to report back to members in future Leader's Reports.

**15. COSLA GENDER EQUALITY CONFERENCE, EDINBURGH – 2<sup>nd</sup> November 2018**

**15.1** COSLA President, Cllr Alison Evison, hosted the Gender Equality Conference in November as part of COSLA's commitment to progressing equality and diversity. This participative event was designed to celebrate, in particular, the contribution made by women to local government. Its aim is to develop action plans, informed by conference discussion and feedback, on ways of tackling barriers to participation in politics.

The conference coincided with a COSLA EE Board meeting (see later in this report) which meant I could not participate in all conference sessions. However, it was a very positive and constructive day – I am looking forward to hearing more about the outcomes and actions from the session and will be happy to share these with colleagues as soon as I can.

**16. WORLD WAR 1 CENTENARY COMMEMORATIONS**

**16.1** On Sunday 4<sup>th</sup> November, along with the Provost, the Lord Lieutenant of Dunbartonshire and other local members, I attended the Victoria Cross Paving Stone unveiling ceremony at Drumfork House in Helensburgh.

This ceremony was the final of four held across Argyll and Bute during the four-year WW1 centenary period. It marked the bravery of acting Major George Findlay, who was awarded the Victoria Cross in 1918 for his actions under heavy fire at the Sambre-Oise Canal, Catillon.

Members of the Findlay family had travelled from all over the UK to attend the ceremony and see the stone unveiled at Drumfork House, where Mr Findlay lived latterly.

**16.2** The national Scotland Commemorative Service for the Centenary of the First Armistice was held in Glasgow Cathedral on Sunday 11<sup>th</sup> November and I was invited to attend, along with the Chief Executive. It was an honour to represent Argyll and Bute at this very moving national event attended by over 1,000 people including serving and former military personnel, families of those lost at war, the Princess Royal and the First Minister of Scotland. This poignant service was organised by WW100 Scotland and included contributions from the National Youth Choir of Scotland, among others, with music ranging from hymns to popular songs of the 1914-18 period. Young people played a key part in the service, ensuring that the legacy of remembrance will continue for future generations and beyond this centenary period.

**17. JOINT LEADERSHIP MEETING – NHS HIGHLAND, ARGYLL AND BUTE HSCP – 6<sup>th</sup> November 2018**

**17.1** The third Joint Leadership session was held on 6<sup>th</sup> November, bringing together senior management and leadership from NHS Highland, the council and the Health and Social Care Partnership. These meetings are about strengthening our partnership and finding ways we can work more closely together to drive forward improvement in the integrated health and social care services which matter so much to our organisations and to our communities. While our initial sessions have been very much about setting that direction of travel, at this third meeting we have agreed a sharper focus as we put our 2019 programme in place. These meetings will continue on at least a quarterly basis and will be particularly useful as both the council and the HSCP enter their budget-setting processes.

**18. INTRODUCTORY MEETING WITH SCOTTISH WATER, 7<sup>th</sup> November 2018**

**18.1** Scottish Water has embarked on an informal engagement programme with local authority leaders across Scotland, and I was happy to welcome their Corporate Affairs team to Helensburgh on 7<sup>th</sup> November.

While this introductory meeting was fairly short and high level, we managed to cover a lot of ground in a positive and constructive way, including:

- How Scottish Water could support our Rural Growth Deal
- Connections and development issues
- Challenges of managing surface and storm water
- Improving compliance with SEPA's consent conditions
- Some localised issues – e.g. flooding flash points

We are still corresponding about some matters and it may be that a follow-up session will be helpful.

**19. YEAR OF YOUNG PEOPLE – THE BIG CONVERSATION, Helensburgh, 7<sup>th</sup> November 2018**

**19.1** Argyll and Bute's signature Year of Young People 2018 event took place in Helensburgh on 7<sup>th</sup> November. Entitled The Big Conversation, it put a panel of public sector and youth representatives through their paces with questions from the audience of over 70 young people from all over Argyll and Bute. In the spotlight alongside me were Pippa Milne, our Executive Director for Development and Infrastructure, Education Head of Service Anne Paterson, Joanna MacDonald, HSCP Chief Officer, Argyll and Bute MSYPs and representatives from the Community Planning Partnership.

Issues of interest for young people on the day were extremely wide-ranging – from ways of finding more activities for young people locally to pressing for action on single use plastics. It was a very challenging but most enjoyable session – it's so encouraging to see Argyll and Bute's young people taking an interest in local life and national issues alike. I hope they found the day as interesting and constructive as I did.

**20. EARLY YEARS CONFERENCE, DUNOON – 8<sup>th</sup> November 2018**

**20.1** Along with Cllr Kieron Green, I attended the Early Years Conference in Dunoon on 8<sup>th</sup> November. The programme featured speakers and workshops from the Scottish Social Services Council, the Care Inspectorate, Education Scotland and our own Education team – and I was privileged to be asked to open the conference, speaking on leadership.

Conference sessions included exploration of how children can lead learning and the impact of 'lollipop' or 'lightbulb' moments in terms of developing leadership at all levels. There was also a focus on developing natural strengths and working on weaknesses, recognising different styles of leadership and how – most importantly – our council can harness all of that to deliver the best possible outcomes for our young people at the earliest opportunity.

As well as a learning opportunity this was also a chance to thank our Early Years staff for the invaluable work they do across Argyll and Bute – like all of our frontline delivery teams they really do make a difference to community life.

## 21. CHIEF OFFICERS/SENIOR OFFICERS (COSO) EVENT – 9<sup>th</sup> November 2018

21.1 On Friday 9<sup>th</sup> November it was back to Dunoon's Queen's Hall again for the final COSO session of 2018.

This session focused on digital – inviting us all, through the different workshops on offer, to consider just how 'digital' we really are and how much digital we really do. These were challenging and thought provoking sessions which will feed back into the council's ongoing transformation work and digital improvement agenda – I think that some of us who thought we really were quite tech-savvy have been given real food for thought!

It was a pleasure to welcome Colin Boag MBE who gave an update on the work of the Mount Stuart Trust.

This was the third different event I have attended in the Queen's Hall since it reopened after a major refurbishment – it really is a fantastic venue and space which lends itself to a wide range of functions and purposes. From listening to officers during the day, many of whom were also seeing it for the first time after its revamp, it's clear that it's making a real impression and impact locally, bringing exciting new facilities to the Dunoon and wider Cowal community. If you haven't seen it yet I would encourage you to visit when you can.

## 22. POLICY LEAD FOR ECONOMIC DEVELOPMENT UPDATE

22.1 **Argyll and Bute Renewable Alliance, 18<sup>th</sup> September:** The latest ABRA meeting was held in Inveraray on 18<sup>th</sup> September and we were delighted to welcome representatives from Scottish and Southern Energy Networks, Local Energy Scotland, Scottish Power Renewables, Crown Estate Scotland and Marine Scotland, who each contributed to the day's programme.

Discussion topics and sessions were:

- RIIO-T2 and Wider Project Update, SSEN Transmission
- Grid Update, SSE
- Local Energy Planning – COBEN – Local Energy Scotland
- Update on Leasing Rounds and Sectoral Marine Plan – Crown Estate Scotland and Marine Scotland
- Economic Benefit, Onshore Wind – Scottish Power Renewables
- Renewable Energy Action Plan update – Argyll and Bute Council



- 22.2 Argyll and the Isles Strategic Tourism Partnership, 25<sup>th</sup> September:** It is no surprise that Argyll and Bute's Rural Growth Deal featured heavily in the September AISTP meeting.

As well as the Deal and its tourism elements, we also discussed a number of issues including the new Heart and Soul promotion campaign (promoting Glasgow and Argyll as ideal locations for a dual-destination, city-country break), the Rural Growth Deal, and proposals for a Tourism Development Framework

We heard that there has been a slight drop in visitor numbers for the January to June 2018 period (476,673 compared to 486,196 last year, a - 2.0% change). The summer months May, June and July, however, saw increases on previous years.

- 22.3 Transport Scotland Bus and Active Travel Summit, Edinburgh, 24<sup>th</sup> October:** Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, was the keynote speaker at this transport summit in Edinburgh on 24<sup>th</sup> October. The session offered an opportunity to hear about the latest developments in these areas from a wide range of partners and experts.

Another feature was discussion of the Active Travel Taskforce report, published in June this year. This report is the product of the taskforce established by Mr Matheson's predecessor, Humza Yousaf, in 2016, to explore ways to improve delivery of ambitious and inclusive walking and cycling projects across Scotland – in turn supporting good health and wellbeing and strengthening sense of place.

The Taskforce identified 18 recommendations and some of these areas were covered at a high level during the summit. There are links with the priorities that the council agreed in September 2017 so, while the focus of this particular summit related more to urban matters, the issue generally is of interest to us and we will be watching the progress of the Taskforce recommendations and any national guidance which ensues.

- 22.4 HIE Board Members Lunch, Oban, 31<sup>st</sup> October:** Highlands and Islands Enterprise Board visited Oban on 31<sup>st</sup> October and extended an invitation to key stakeholders and partners, including the council, to an informal 'meet the board' lunch in the town centre.

This informal session was productive and helpful – HIE are a key partner and can play a significant role as we progress our Rural Growth Deal. We had an opportunity to introduce our Deal and its vision and themes to board members who may not otherwise have had an opportunity to hear about it. Following this lunch I have also written to Professor Lorne Crerar,

Chair of HIE, to provide him with the very latest position on our Deal and to request a meeting with him and HIE's Chief Executive to explore in more depth how they can work with us over these next crucial months.

**22.5 COSLA Environment and Economy Board, 2<sup>nd</sup> November:** Although this coincided with COSLA's Gender Equality Conference (see main Leader's Report entry) I was able to participate in some elements of the COSLA EE Board meeting. The Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson, was in attendance for a discussion relating to transport. Agenda items were:

- Planning Bill – verbal update
- Scottish Crown Estate Bill
- Transport Bill/workplace parking levy
- Scottish Publicly Owned Energy Company
- Consultation on the Scottish National Investment Bank
- Enterprise and Skills Strategic Board Plan

**22.6 Economic Development – Key Sectors Update:**

Tourism: Overall, Argyll and Bute has seen strong growth in tourism numbers, particularly amongst foreign visitors. The new Heart and Soul campaign, linking Glasgow and Argyll tourism marketing groups and promoting the two areas as twin, complementary destinations, is also under way. A series of ten short videos have been produced to promote Argyll, and these are linked to the Glasgow City Deal and the ambition to increase visitor numbers by one million over the next decade. We are also exploring ways in which we can work with the three Ayrshire councils to link active travel routes in these areas with routes in Argyll and Bute.

The new Machrie Hotel in Islay is now open for business and there is good progress on the construction of a new Premier Inn in Oban, which will augment the town's accommodation offer.

Dunoon Project: A £50k feasibility study is under way to determine a business case for this project.

Aquaculture: European funding of £130K has been awarded for feasibility exploration work on delivery of a sustainable seaweed industry in Argyll and Bute. We are working in partnership with the Scottish Association for Marine Science (SAMS) on this.

The funding for the seawater pipeline feasibility study has all been secured and the contract successfully let to Royal Haskoning, an engineering, design and project management consultancy.

Scottish Sea Farms' total investment in its Barcaldine facility is now approaching £48m – a real sign of confidence in Argyll and Bute and a boost for the local economy and jobs market. To assist recruitment, consideration is being given to building up to ten new affordable homes in the vicinity of the site.

Dairy: Work continues with Kintyre Farmers to look at the future of the Campbeltown creamery, currently on the market. There is a potential buyer on the horizon, but government assistance is likely to be required in order to overcome a number of challenges and support the purchase.

External Funding: We were successful at stage one of the Regeneration Capital Grant Fund (RCGF) for four projects in Argyll and Bute:

- Expansion of Kilmory Industrial Estate
- Kintyre Recycling Limited new facility
- Contribution to Kilmartin Museum
- Contribution to expansion of Lochgilphead swimming pool

Following further discussions with Lochgilphead Swimming Pool and Kintyre Recycling Limited it was decided not to proceed to stage 2 at this time. Stage 2 bids for Kilmartin Museum and Kilmory Industrial Estate have been submitted with a result expected in January 2019.

The RCGF is a very important funding area for Argyll and Bute, and we have had considerable success with it in the past. The Scottish Government is currently reviewing the fund's future and we feel its retention is vital for Argyll and Bute.

Three officer bids to the Rural Tourism Infrastructure Fund have been approved:

- Fionnphort & Craignure Car Park Improvements - £106,005.
- Tiree Car Parks - £130,866
- Bruichladdich path - £300,000

Alongside this, Loch Lomond and the Trossachs National Park Authority secured £260,000 for two projects – improvements to relieve visitor pressure at Luss, and redirecting toilet stop traffic to Tarbet and Inveruglas, plus improvements to the Luss toilets.

We have also secured a successful tender, within budget, for the refurbishment of the Inveraray arches and the contract has been successfully let with a start scheduled for January.

Officers are currently scoping out two potential Conservation Area Regeneration Scheme (CARS) funding bids, one for Helensburgh and one for Lochgilphead.

PSO Retendering for Oban Airport: This is under way with a public consultation on what services islands require in terms of flights. The contract will be renewed from May next year and careful consideration will need to be given to services in terms of budget challenges. A report will come to members in due course.

## **23. CONCLUSION**

**23.1** This report highlights my recent activities as Leader of Argyll and Bute Council, together with a brief update on my Policy Lead portfolio. I hope that this update is helpful for members and will be happy to provide more information wherever possible.

## **24. IMPLICATIONS**

**24.1 Policy - None**

**24.2 Financial – None**

**24.3 Legal – None**

**24.4 HR – None**

**24.5 Equalities – None**

**24.6 Risk – None**

**24.7 Customer Service – None**

**Councillor Aileen Morton  
Leader, Argyll and Bute Council and Policy Lead for Economic Development  
15<sup>th</sup> November 2018**

**For further information or to access the Leader's Report Pack please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email [aileen.mcnicol@argyll-bute.gov.uk](mailto:aileen.mcnicol@argyll-bute.gov.uk)**

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**ARGYLL AND BUTE COUNCIL****COUNCIL**

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**29<sup>th</sup> November 2018**

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**POLICY LEADS REPORT**

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**1. INTRODUCTION**

- 1.1 This report provides members with an update on key areas of activity for each Policy Lead Councillor. This aims to provide updates from all Policy Leads at each council meeting so that all members are informed, up-to-date and able to engage with current issues. The last update was provided to the council at its meeting on 27<sup>th</sup> September; this report covers the period from that date until 15<sup>th</sup> November.

Please note that the Economic Development portfolio sits with the council Leader and is included in the Leader's Report.

**2. RECOMMENDATIONS**

- 2.1 Members are asked to consider the report.

**3. POLICY LEAD FOR STRATEGIC FINANCE AND CAPITAL REGENERATION PROJECTS – Councillor Gary Mulvaney**

- 3.1 **Introduction:** This report provides members with an update on my activities as, Depute Leader, Policy Lead for Strategic Finance and Capital Regeneration during September, October and November. I have held regular meetings and discussions with a range of officers across the policy briefs.
- 3.2 **Strategic Finance:** Next year's budget is the principal focus for strategic finance. Mid-range forecasts indicate a shortfall of £7.8m in 2019/20, and while the council has already taken steps to address this, and building in assumptions around council tax/fees and charges increases which will be subject to council approval in February, there remains a need to find further savings of £3.7m in 2019/20.

It is notable that there are still outstanding pay negotiations for teacher and other local government workers that may have a substantial impact on our finances if they are not fully funded by the Scottish Government. The Scottish Government's budget is set for 12th December and with a near £1billion extra being made available to Scotland after the UK Government's autumn statement, it is hoped that local government services will be valued and benefit accordingly.

### **3.3 Capital Regeneration:**

Helensburgh Waterfront Development: At the date of writing, the PPSL are due to consider on November 19th the planning application for this flagship Argyll and Bute project. Following the outcome of the planning application decision, an update will come to the Area Committee. I also recently met with the skateboarders association about their aspirations for an enhanced long term facility at the waterfront.

Dunoon Queen's Hall: This project has revitalised the Queen's Hall, giving people exciting gathering places both inside and outside the building; provided a purpose built fitness and training suite; provided a new home for the public library; co-located the offices of Skills Development Scotland; provided a completely refurbished main auditorium including retractable seating, new lighting and audio visual facilities; provided a children's soft play area for children from early years up to age ten; provided a new cafeteria and catering facilities capable of servicing the various uses envisaged for the building; provided a new road layout, public realm with paving, and soft landscaping to revitalise and enhance access to Dunoon town centre; and delivered a major building refurbishment as opposed to new build project; and enhanced the public realm around the area of Dunoon's War Memorial.

The project achieved practical completion on 4th July 2018 and is now six months through the 12 months defects rectification period. It has an approved project budget of £12m and the anticipated final account is £12.51m, which is a projected overspend of £510,000 against budget. A report is being prepared for the Policy and Resources committee identifying the key cost variances.

Rothesay Pavilion: This is a complex project and as previously reported the main contractor CBC has been on site since 29th November 2017 with a completion date of 31<sup>st</sup> July 2019. At the time of writing the percentage of programme passed on the original contract duration of 87 weeks is 49% (43 weeks). There are cost pressures to keep contract provisional sums below estimated values, but these are being monitored and actively managed to minimise the overall risk to the council. The project's anticipated final cost remains within the approved budget. A detailed progress report is being prepared for the Bute and Cowal Area Committee.

A strong partnership approach has been forged between the Pavilion's Project Manager, Jonathan Miles and the Charity's Artistic Director (AD)/Chief Executive Officer (CEO) role shared by Jackie Shearer and Julie L Tait, who took up the post on 3<sup>rd</sup> September 2018. This has not only assisted to ensure that the HLF Heritage activity plans are progressed but that substantive progress has been made towards securing the capital fundraising that the charity agreed to contribute. Of the £400,000 target, the charity have been successful in securing £327,000 of this target.

- 3.4 Depute Leader Update:** I continue to meet regularly with the Leader, the Chief Executive and other officers in terms of this role, covering a wide range of subjects.

As part of a council deputation, I along with the Leader and other members met the Cabinet Secretary, Michael Matheson to press the case for a long term solution for the A83 Rest and Be Thankful. The Leader, Cllr Douglas and I also met to review the final Rural Growth Deal paper for submission to both UK and Scottish governments.

#### 4. POLICY LEAD FOR CORPORATE SERVICES – Councillor Rory Colville

- 4.1 Introduction:** I continue to meet with the Executive Director of Customer Services and Heads of Service every six weeks to discuss matters relating to my Policy Lead remit.
- 4.2 Kintyre Food Bank:** Donations for food banks across Argyll and Bute continue to be collected and distributed from Kilmory/Manse Brae, Lochgilphead. Pictured below is the latest delivery of supplies to Kintyre Food Bank.





Plans are currently being put in place to encourage an increase in donations in the run up to Christmas, at what can be a difficult time for many families. More details on this will follow in due course.

If you have any spare tins, cereal, pasta, rice etc or essential non-food items such toiletries, we would be very grateful to receive your donations at the collection point in Kilmory reception.

#### **4.3 Improvement and HR:**

Learning Awards: The annual Learning Awards ceremony for employees who have achieved a professional, academic or vocational qualification linked to their role was held on Thursday 25th October 2018.

The ceremony was held in the Council Chambers, Kilmory and recognises employees who have gained a qualification supported by the council. The 68 employees receiving awards have shown great commitment and dedication to gain these qualifications. The council is proud to have such a fantastic workforce that is trained, qualified and experienced. These employees represent the best of that and are playing a huge part in helping the council deliver quality services for the people of Argyll and Bute. There were a wide range of qualifications represented – but what's clear across the board is that employees have the skills, abilities and confidence the council needs, and that our residents need.

#### **4.4 Customer and Support Services:**

Customer Outreach Programme Progress 2018: In order to increase customer engagement and reduce avoidable contacts, a project was approved by the Transformation Board to create digital outreach services using the media of email and SMS. The council holds the telephone and email contact details of many thousands of customers and in compliance with GDPR an exercise was carried out to ask their permission to use their details to contact them on specific topics as follows:-

To be informed of...

- Service disruptions
- Significant changes to services
- Council related events in their area

To be invited to take part in...

- Customer satisfaction surveys
- Consultations

Since issuing emails to customers inviting their response to the exercise, we have had a great response and now have almost 6,000 people signed up to get automatic notifications from the council on some or all of the

above. This enables us to provide proactive communications to customers on the subjects they want to hear about and that matter to them.

Local Tax Collections: Council Tax collections for 2018/19 as at end September 2018 are 57.33%, down 0.24% on the previous year at this time. The majority of this (0.18%) is due to slower collections from our Sheriff Officers. Collections via attachment of benefit orders is also down, and Water Direct monies are now starting to come in slowly, following some initial issues which have now been resolved.

Collections for 2017/18 are now 96.32% and this is up by 0.20% on the previous year at this time.

Scottish Welfare Fund: The programme funding for 2018/19 is £438,720 – an increase of 4.4%. As at the end of September, we had spent £205,578 on applications received which was 90% of the profiled amount. There were 17 claims received but not yet processed. We are continuing to support high priority cases only, with the intention of being able to support at least this level for the full financial year. The September spend was unexpectedly low with half the volume of crisis grant applications as in August. This may have been due to individuals receiving advances under the new Universal Credit Full Service which went live on 19<sup>th</sup> September 2018.

Discretionary Housing Payments (DHPs) and Benefits Cap: The final tranche of funding (the 20% holdback from 2017/18) was received in September 2018. The confirmed funding for 2018/19 is now £642,220. The Strategic Management Team has agreed to support the same priority cases in 2018/19 as we have done throughout 2017/18. At the end of September we have spent or committed £608,776 and processed 1226 applications for DHP and made 1084 awards. There were a total of 19 applications outstanding or requiring further information at the end of September. Full year commitments have been made for all known under-occupancy cases.

Benefits processing: We have taken on average 5.59 days to process all benefits changes, which is within our performance target of 6 days. In contrast, for new claims processing we took an average of 21.54 days for the year to date at end September, which is slightly short of our 21 day target. This is improving and have been on target during the last 3 months. Our year to date accuracy statistics have remained excellent at 97.5% which is well above our target of 94%.

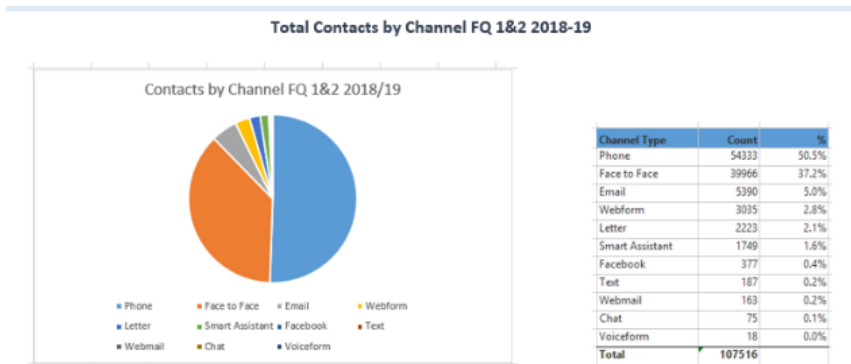
Procurement, Commissioning and Creditors: For the year to date to end of September we have paid 97.27% of creditors invoices within 30 days which is well above our target of 95.0%.

Although our percentage of SMEs winning contracts for the quarter was below our 75% target at 67.1%, some 73.1% of the total business by value was won by local businesses which is excellent.

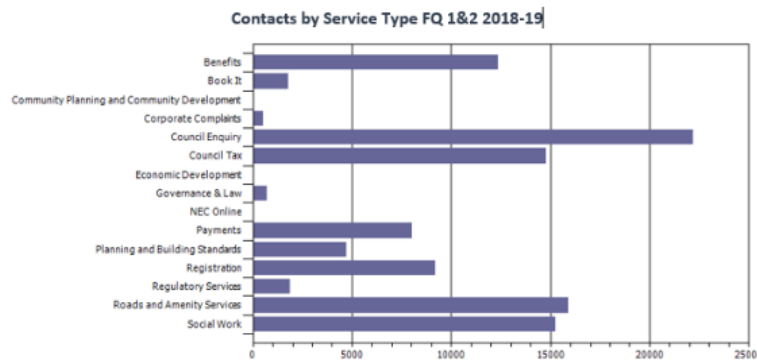
Customer Service Centre: The call abandon rate as at September was 4.4%, which is a continued improvement and below the target of 6%. Average call times for the quarter are 3.53 minutes, which is just fractionally above the target of 3.50 minutes. This is due to Water Direct calls which are new and taking longer to deal with. The 'resolved at first point of contact' rate was 92.5% for the quarter against a target of 91%. The voice automated call routing success rate for quarter is now back above target at 79.2% following some adjustments.

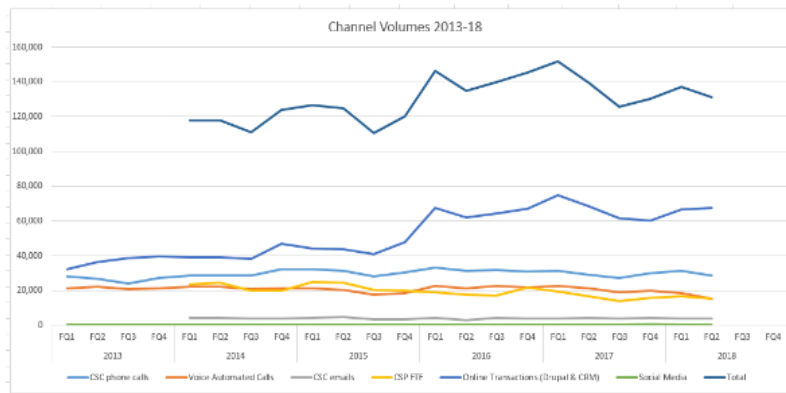
We went live with the updated call processing software at the end of August without any hitches to the service. The new call screening software for social work staff is working well and allowed us to direct over 200 calls directly to the designated officer – this is a primary cause of the reduced call abandon rate.

Detailed in the graphs below is a summary of the type and level of contacts we have had from customers during period April to September 2018, as well as some trend analysis. They illustrate that telephone and face-to-face are the two most common methods of contacting the Council and that Council enquiries, Roads and Amenity Services, and Social Work make up the top three service areas customers are most likely to contact us about.



Types of contact





Trends

**Registration:** We have just received the final results of the external examination of our 2017 registrations. The accuracy rate achieved is 98.06%, just below our 98.2% target. Of the 55 minor errors, we had already picked up and corrected 24 of them but these still count as errors. We now know not to finalise the FER record until after we have done our internal checking and this will ensure that these don't count in future.

**ICT:** The average time to fix IT faults for the month of September was 2.4 hours, well below our target of 5 hours.

We have been approached by Boston Networks about the possibility of installing Internet of Things gateways on council buildings and are exploring this with them. They have recently been awarded a contract from Scottish Enterprise to roll out 500 gateways across Scotland and are keen to work with us as we are a rural authority. We are already using sensors for Technology Enables Care and there are many other potential applications. Such gateways would enable us to carry out proof of concepts for very modest cost levels so this is a very exciting opportunity.

**Non Domestic Rates Consultations:** A response was recently prepared and submitted to an informal consultation on the proposal to produce standardised bills. We felt that the proposed format was unclear and are hoping that it will be amended. There will be costs associated with implementing these changes but our supplier is unable to estimate these until the format is finalised.

**Universal Credit Full Service (UCFS):** The launch of UCFS took place as planned on 19 September for our area. A large number of awareness training sessions have been delivered to our registered social landlords, advice agencies, our own welfare rights and benefits staff, and elected Member. Attendance on the whole was good and the sessions were well received, however a further session was arranged for private sector landlords at end October as their initial training date was poorly attended.

As at end September there were 48 new UC cases in our area, but we had not received any Housing Benefit stop notifications.

Scottish Social Security Agency: The Social Security Policy Division has been in touch to engage with us on Funeral Expense Assistance and we have provided them with contacts for housing benefit research and Registration as our registrars have much experience in engaging with those recently bereaved. This initial engagement was planned to take place in October, with further planning sessions due to take place in December with members of the public, which Community Planning will assist with. In addition, the new Scottish Social Security local delivery lead has agreed to attend the Welfare Reform Working Group scheduled for 6 December 2018.

## **5. POLICY LEAD FOR HEALTH AND SOCIAL CARE – Councillor Kieron Green**

- 5.1 Policy Lead Activities:** Since writing my last report I have been at meetings of the Argyll and Bute Integration Joint Board (IJB) on 26th September, along with the IJB Audit Committee on 11th September, Quality and Finance Board on 18th September and 24th October, Strategic Planning Group on 25th October and Clinical and Care Governance Committee on 29th October.

The COSLA Health and Social Care Board met on 19th October with the new Cabinet Secretary for Health and Sport, Jeanne Freeman addressing the board and answering questions. Themes covered by her included finance, shifting the balance of care to the community and integrated working. Other agenda items included the Programme for Government 2018-19 and the Children and Young People's Mental Health Task Force. The meeting concluded with a presentation by ENABLE Scotland encouraging members to 'Be The Change' in our communities by tackling bullying and discrimination of people who have a learning disability.

Following this I also attended the ENABLE Scotland Conference in Glasgow on 9th November, including workshops on joint working with Glasgow Caledonian University to train the learning disability workforce for the future, and a partnership with MacMillan to improve the accessibility of all aspects of healthcare to people with learning disabilities.

Further meetings of the IJB Chair's and Vice Chair's Executive and Network have taken place on 20th September and 26th October. These have involved senior officials within the Scottish Government and have focussed on finance and the use of directions by Integration Joint Boards.

As part of the Joint Inspection of Children's Services I attended a focus group for members of the Corporate Parenting Board on 24th October. This

included officers from across the service, and was one of dozens of such focus groups. These in turn were but one way the inspectors were looking at how we are delivering services and the impact these have on vulnerable children. I would like to take this opportunity to thank everyone who has worked hard to prepare for all aspects of the inspection.

The process of improving communication between members and officers continues and there was the initial meeting of the Senior Members-Officers Group on 31st October. There was also another Joint Meeting between Argyll and Bute Council, NHS Highland, and the Health and Social Care Partnership (HSCP) on 6th November with a progress update on the Integration Scheme Review part of the agenda.

- 5.2 Children and Families:** A Foster Carer Development Day was held on 29<sup>th</sup> September which was well attended. Amongst the activities undertaken that day was a Care Inspectorate focus group with our carers and a presentation by the Fostering Network.

The Joint Inspection of Children's Services continued on the week beginning 22nd October. This was the second on-site week of the inspection team and involved the completion of 55 focus groups. During the course of the week individual interviews were also undertaken with the Chief Officers from across the children's partnership.

An unannounced inspection of the quality of care and support, and management and leadership in the Helensburgh Children's House took place on 14th September, resulting in the maintenance of the very good grades for these areas.

The Children's Programme Board are leading the delivery of the Children and Families element of the HSCP Quality and Finance Plan. The emphasis remains on service improvement and the use of all the available resources to best effect. Central to this is early intervention and prevention. The Programme Board are currently overseeing a number of discreet but related service reviews encompassing "Core and Cluster", Early and Effective Intervention (EEI), Care Assessment and Reviewing Service (CARO), Adoption and Fostering Services, Emergency Social Work Service (ESWS), Child and Adolescent Mental Health Services (CAMHS) and Criminal, Youth and Community Justice. Further service reviews are planned culminating in the review of the Children and Families staffing and management structure in the New Year.

- 5.3 Adult Services:** A short life working group has been established to consider the demand and capacity issues within homecare. While linked to a national project, it is anticipated that this will support equity of services across Argyll and Bute.

Eadar Glinn care home has ongoing staff vacancies with a recruitment drive under way. This is impacting on discharges to care homes in the locality, although the Lynn of Lorn care home is now accepting admissions again under their new criteria.

Agency nurse use remains high within the Lorn and Islands Hospital with a review of the situation in progress. Meanwhile the hospital laboratory recently received a very positive report following a Medicine and Healthcare products Regulatory Agency (MHRA) Inspection.

Recruitment to the Clinical Lead post on Mull resulted in no suitable applicants and it is therefore being re-advertised. Filling of a vacant Local Area Manager post on Islay is on hold pending the result of the review of Locality Manager/Local Area Manager structures. Permanent recruitment to the one currently vacant Head of Adult Services post remains ongoing. Events were held to commemorate the 50th anniversary of Tigh a Rudha care home on Tìree in November and the 25th anniversary of Campbeltown Hospital on 31st October.

Following the success of the outreach dialysis unit in Campbeltown it is now planned to provide a new outreach dialysis unit in the Victoria Hospital on Bute. Considerable work will be required within the hospital to adapt existing facilities while ensuring that current services are maintained. Plans for recruitment for a specialist nurse and training for existing staff have begun.

Cornerstone are advancing plans for a new development in Garelochhead for people with disabilities and other support needs. The Waterfront service will have two separate service delivery models with five individual tenancies and five placements in a shared tenancy/HMO. These represent an opportunity to consolidate a number of placements in the area, release resources from external placements and mitigate against some of our younger adults having to leave Argyll and Bute in the future.

Under the overarching Learning Disability and Autism Steering Group a number of Short Life Working Groups (SLWGs) are continuing to meet. Developments include:

- Learning Disability Strategy which has been shared internally for initial comments prior to a detailed evaluation. An implementation plan addressing strategic themes will then be formed in conjunction with the SLWG.
- Autism Strategy, where feedback is informing a review with support from Autism Network Scotland, which will focus on core principles.
- Client Reviews, which will be prioritised looking at repatriation, ordinary residence, sleepovers, Significant Care Packages, and over-provision.



- Workforce Review, with initial feedback informed by workforce capacity and demand suggesting an integrated Learning Disability and Autism Service. This would be across the HSCP with Team Leads incorporating matrix management.
- Service Review, consisting of an evaluation framework to ensure transparency and accountability of the process, with data collation and analysis underway.
- Transitions Management, based on predictive demand forecast data which is being sought to develop proactive approaches for individuals moving from Children's to Adult Services.

Similarly a strategic group looking at Mental Health and Dementia has also been established. SLWGs have been identified to advance work in Inpatient Services, Dementia services including development of a local dementia strategy, Community Mental Health Services review and outcomes, Psychological Therapies, and Care Reviews.

**5.4 Strategic Planning and Performance:** The West of Scotland Regional Health and Social Care delivery plan discussion document has now been issued for comment and feedback across IJBs, Health Boards and councils. An Argyll and Bute stakeholder engagement event will take place on 23rd November in Lochgilphead, with the IJB considering the draft response on 27<sup>th</sup> November. Following consideration of this feedback an updated plan will be submitted to Health Boards and IJBs in January and February 2019, with the final approval then made by the Cabinet Secretary for Health and Sport.

The current Strategic Plan for how the HSCP will transform and deliver its services runs from April 2016 to March 2019, with the plan for April 2019 to March 2022 now being developed. Over the last three months feedback has been sought from local residents, service user and carer representatives, partners, and staff on eight specific service change areas – Children's Services, Care Homes and Housing, Learning Disability Services, Community Models of Care, Primary Care Services, Hospital Services and Corporate Services. Over the coming months the final plan will be produced and consulted on, with final approval by the IJB due in March 2019.

The HSCP has undertaken a review of the arrangements and structure for locality planning. The preferred option following a stakeholder engagement workshop in September was a reduction in the number of locality planning groups from nine to four. Benefits will include reduced bureaucracy, consistency of approach, alignment with community planning structures, and a clearer focus on delivery of strategic objectives. Following agreement by the Strategic Planning Group this is now being presented to the IJB for approval.

A single information system and shared care record has been identified by front line staff as key to developing a person centred approach and single health and care team. Since the last report in March 2018 progress on this has been slower than expected, primarily due to differing cyber security standards in the NHS and council. There is also a need to upgrade network infrastructure and for prioritisation of NHS Highland IT funding of “portal software” to allow secure viewing of records across different systems.

The critical importance of this work has been flagged within the HSCP strategic risk register, as it is restricting co-location plans and integrated working. This compromises the delivery of cost improvements and productivity gains across services. A revised schedule of requirements and timescales has been developed, with some areas now completed.

- 5.5 Finance:** Latest projections based on month 7 figures are for a year end overspend of £4.1m, of which £2.1m is in Social Care and £2m in Health Services. While this amount is fluctuating on a month to month basis, as yet there is no clear downward trend that would be needed to deliver services within the available finances this year.

The IJB has asked that discretionary spend within the HSCP be minimised, and all staff have now been instructed to; curtail expenditure to essential items, critically review locum and agency requests, improve stock and stationary control measures, reduce printing and postage costs, consider energy efficiency, reduce travel costs, and ensure near patient testing is used in efficient and appropriate ways.

While there is a focus on controlling spend during the current financial year, ideas for further savings are also being sought from the workforce, and development of the Quality and Finance Plan for 2019-20 onwards continues. There is also recognition that if potential savings are identified that these should be brought forward at the earliest opportunity and not necessary linked to the cycle of delivery in a specific financial year.

## **6. POLICY LEAD FOR ROADS AND AMENITY SERVICES – Councillor Roddy McCuish**

- 6.1 Introduction:** This report provides members with an update on my activities as Policy Lead for Road and Amenity Services to date. I maintain regular contact and meet with a range of officers across the policy briefs and, as always, their continued assistance and support is much appreciated.
- 6.2 Marine Works and Progress Update:** The STAG for Craignure is underway with public consultation being carried out to inform the study. The STAG will report on the likely works needed at Craignure to support this key ferry route. The existing pier is approximately 60 years old and is unable to

accommodate some of the larger vessels in the existing fleet. Furthermore, with the introduction of RET vehicular traffic has increased significantly and the forecasts suggest that the increase will continue. Carrying out the STAG now is a proactive move by Argyll and Bute Council to ensure that sound planning is in place for the future needs of this important route.

Works are underway at Rothesay, Bute to carryout major repairs to the berthing face of the pier and to fill in a significant void below the pier. Basically the thrusting action from berthing vessels has washed out material within and behind the pier wall. A wave screen is being constructed to provide an impenetrable barrier capable of withstanding the forces from vessels and the water they displace. To the rear of this screen a grouting operation will be carried out to fill the void. We are working closely with Calmac to communicate any changes to service during these essential works.

**6.3 Waste Strategy:** Officers continue to develop the council's Waste Strategy ahead of the changes in legislation in 2021. The team provided a very informative presentation to Members in September which helped explain this very complex area of the service. Officers are also working on a presentation for a member's development day, date to be confirmed but expected early in the New Year.

**6.4 Northern Roads Collaboration Forum:** The most recent meeting of the Northern Roads Collaboration Joint Committee was hosted by Argyll and Bute Council in Kilmory on 26<sup>th</sup> October. Collaborative work continues to be progressed by the group in areas such as marine and procurement. Argyll and Bute are leading on a piece of collaborative work considering the role of the designated person across all the NRCF member authorities.

**6.5 Winter and Severe Weather Response:** As temperatures noticeably plummet our winter maintenance teams are out treating our road network. The public are reminded to drive extra cautiously during long cold spells as road temperatures are often much lower than the air temperature and can cause challenging driving conditions.

During October our operations team were busy dealing with flooding in the Lochavullin area of Oban. This was due in part to high tidal conditions compounded by onshore winds which slowed the release of water from the Black Lynn Burn, the tidal action of sea water coming into the burn, high levels of surface water flowing into the burn from the surrounding area during very heavy rainfall and the Lochavullin area being particularly low-lying. Officers are considering flood mitigation measures for this vulnerable area.

**6.6 Roads Reconstruction Programme:** The majority of the council's 2018/19 roads reconstruction programme is complete or nearing completion. There

has been further focus on surface dressing to maximise the surface area treated. This not only seals the carriageway surface but also improves the surface friction making a safer surface for motorists. Surface dressing seals hair line cracks which in turn prevents the ingress of water which is one of the biggest causes of the pot hole. Surface dressing helps to ensure we have a greater proportion of right first time planned repairs and a reduction in reactive unplanned works.

- 6.7 A83 Rest and Be Thankful:** On Tuesday 9th October, a large landslide occurred on the A83 Rest and Be Thankful following a period of prolonged heavy rain. This was followed by further landslips and a total of approx. 3,000 tonnes of material is estimated to have fallen down the hillside. Within this material there were three large boulders, the largest weighing 75 tonnes, identified as a safety risk and both the A83 and the Old Military Road were closed. BEAR's teams worked hard to clear the debris and make safe the large boulders. On Monday 15 October the Old Military Road was able to be opened for public use and the A83 opened soon after on Thursday 18 October. I would like to record my thanks for the hard work of the teams involved.

The Council Leader will be meeting with the Cabinet Secretary for Transport, Infrastructure and Connectivity to discuss future options for bringing a permanent solution to the Rest and Be Thankful.

## **7. POLICY LEAD FOR COMMUNITIES, HOUSING, GAELIC AND ISLANDS – Councillor Robin Currie**

- 7.1 Introduction:** This is my report as Policy Lead for Community, Housing, Islands and Gaelic and covers the period from the last Council meeting in September to 29<sup>th</sup> November 2018 and aims to highlight developments within my portfolio.
- 7.2 COSLA:** COSLA meetings I have attended over the last two months include the Community Well Being Board, the COSLA Police Scrutiny Committee, and I also represented COSLA at the Crofting Stakeholders Forum. I will also be going to the Scottish Government/COSLA event on Housing Beyond 2021. Public papers from those meetings can be viewed by members if they so wish.
- 7.3 Housing:**  
Affordable Housing delivered on Islay: 20 new affordable houses were opened in Bowmore on 4<sup>th</sup> October. ACHA is the landlord and the Council contributed £240, 000 in Strategic Housing Fund to the project. There continues to be a high level of housing need and demand on Islay and the Council is working pro-actively with both ACHA and West Highland Housing Association to deliver affordable housing solutions on the island.

Castle Wood, Helensburgh: I recently met with some of our housing staff in Helensburgh and also had a site visit with ACHA staff to the new development at Castle Wood, Helensburgh. This development of 38 units is absolutely superb and of high standard.

Rapid Rehousing Transition Plan: The Rapid Rehousing Transition Plan is due on for submission on 31<sup>st</sup> December 2018 and officers are working on the Council's proposals. The plan will focus on three main aspects of work;

1. Prevention
2. Less time spent in temporary tenancies
3. Sustaining permanent tenancies

All this is underpinned by a robust support model delivered in partnership between housing, mental health and addiction services.

The Scottish Government is calling for a five-year transition plan to reduce homelessness and where people do become homeless that they are rehousing in permanent accommodation as quickly as possible.

The proposal drafted to date has a large workload in the initial years of transition, followed by consolidation and in the final year (2023-2024) a reduction of the transition resources and redesign of the homeless service to embed the principles of rapid rehousing. The resourcing of the plan from the Scottish Government will be critical to its success. The proposals being presented will cost an approximate additional £2.5m over the five years of transition.

The timescale for submission is very tight and a final version of the plan is a few weeks away yet but any member who wishes to view the draft plan and discuss any aspect of the proposal should contact Bill Halliday who will be more than happy to provide and discuss.

Home Energy Efficiency Programme (HEEP) Area Based Scheme: Due to the popularity of the council's HEEP: ABS insulation programme, Argyll and Bute Council Housing Services approached the Scottish Government to identify any additional funding opportunities for the programme. As a result, an additional £159,807 of funding has been allocated to the programme; and any additional Scottish Government funding opportunities will be explored as and when they become available to assist with the programme. This therefore means that the revised budget for the council's HEEPS: ABS 2018/19 programme is £1,835,737.00.

Empty Homes Officer of the Year Nomination: Kelly Ferns, Empty Homes Officer with Housing Services, has been nominated as Outstanding Individual at the Scottish Empty Homes Champions of the Year awards. One of her projects has also been nominated in the Best Before and After

Photography category. The awards ceremony will take place in Stirling on Monday 26<sup>th</sup> November and I will be attending that event to support our officer and show the council's appreciation in the valued work that she and others do in this field.

- 7.4 Community Planning and Community Development:** The Community Planning Partnership's Management Committee had its annual Development Day on 19 September. The Improvement Service led workshops following a self-assessment process which highlighted real strengths in leadership, community engagement and participation and governance. The findings of the Improvement Service's action-learning workshops were also presented at a conference in Glasgow which highlighted best practice in local community planning through having community members in key roles such as the Chair/Vice Chair – a practice we have had in Argyll and Bute for a couple of years now.

Participation requests – the request by Inspiralba to improve the equipment in Jock's Playpark has been approved by Development and Infrastructure and the community group will now move forward with spending their grant on equipment improvements and repairs. Council officers participated in an interview with Glasgow Caledonian University who have been commissioned to look at the impact and usefulness of Participation Requests.

Some highlights from Community Development's work with communities across the council are:

- We have been supporting and promoting the work of Bute Community Cycling Club and their plan for cycle repair hubs around the island and a Cycle Hub drop in to offer general advice on cycling to the community and visitors.
- Blairmore Village Trust did really well at the Beautiful Scotland awards and won a Gold. They also received a trophy for the winners in the Coastal Village Category. They were quick to praise the help they received from Council Departments. They sent an email thanking the Community Development Team, Roads, Amenities and Community Justice Team for all their support.
- The Scottish Government are planning a Democracy Matters Event in Oban in December and Community Development have been meeting with groups that support harder to engage people such as elderly, young people, carers and homeless people in advance of this to explain what the consultation is. The introduction has been well received and we are hoping for a good diverse turnout on the day.
- Tralee Beach Community Right to Buy – a public meeting was held on 19<sup>th</sup> October and a steering group has been formed. The group is looking to meet over the next two weeks and progress forming a

SCIO or company to submit a formal expression of interest in the Community Right to Buy the beach.

- There was a well-attended launch of the 66days health promotion event in Lochgilphead and 80 people attended to explore ways to improve their health, with market stalls and taster sessions on offer.
- Kintyre Link Club were very pleased at the turnout to their planning day and the support they got from Health partners and elected members and we will be supporting the Club on their plan for funding to support sustainability of the group.
- Loch Long Jetty Association (LLJA) is celebrating after being awarded an £84,000 grant from the Garfield Weston Foundation. The funding will help the charity provide a pontoon and visitor moorings for the use of Arrochar residents and visitors. The Helensburgh and Lomond Community Development Officer has been working with the group over the last 6 months to develop a business plan and complete funding applications. Congratulations to the committee for their hard work and dedication in securing this vital funding.
- The Welcome In are hosting a volunteer information event on the 8<sup>th</sup> November at the Helensburgh Parish Church. The Council's Community Development team has closely supported the group to develop required policies and create an induction pack for volunteers.

**7.5 Gaelic:** The Royal National Mod in Dunoon was a great success and I was very proud to officially open the event. As a Mod venue, Dunoon offered some excellent and well-equipped venues thanks to the newly refurbished Queen's Hall, two relatively new schools and a restored Burgh Hall. The festival is estimated to have generated in the region of £2m for the local economy, hence the reason why the competition to host the Mod is becoming ever stiffer. I'm very grateful to everyone involved in running this year's Mod, especially the local organising committee and all the volunteers and sponsors.

Arrangements are now underway for the second Argyll Gaelic Gathering in Oban on 2<sup>nd</sup> March 2019. I'm delighted to say that the Depute First Minister has accepted our invitation to be the Key Note Speaker. More details of the event will feature in my next Policy Lead Report.

**7.6 Islands:** On 4<sup>th</sup> October I deputised for the leader of the Council at the Islands Strategic Group which was held at the Scottish Parliament and chaired by the Minister for Energy, Connectivity and the Islands, Paul Wheelhouse. This was the first time the group had met since July 2017. Matters discussed included the Islands Act, the National Islands Plan and a review of the work of the Islands Strategic Group. I also raised the recent problems associated with Calmac ferries and the urgent need for the

Scottish Government to order replacement vessels. A full report of this meeting will be given to the Argyll Islands Strategic Group when it meets on 30<sup>th</sup> November.

- 7.7 Money Skills Advice (MSA) Project:** Members will recall that council officers and provider organisations have been seeking a substantial change to the payment model and administrative arrangements around the MSA project to make it financially viable to deliver. The Big Lottery Fund (BLF) have confirmed that the Managing Authority has agreed our change request for the project. The next stage will be the change request between us and BLF – their project manager is hopeful that this will be signed in November. Once this is achieved, council officers will confirm which providers are still engaged on the programme, make the required changes to the payment model and administrative procedures, and relaunch the project through appropriate promotions. The agreement should also mean the potential for a retrospective claim to be made by provider organisations and for a payment to be made once verified.

## **8. POLICY LEAD FOR EDUCATION – Councillor Yvonne McNeilly**

- 8.1 School Visits:** I have been visiting a number of our schools around the area over the past several weeks. My first trip was to Tarbert Academy, before following the road to Clachan Primary School where we were treated to a lovely school lunch, and then headed for Campbeltown.
- Tarbert Academy is overseen by Head Teacher Neil McKnight who has been in post since 2013. This is a fairly small secondary school however it achieves well and the community support the school which has been useful to widen the curriculum for example, some of the seniors had access to boat building.
  - Clachan Primary School is run by Head Teacher Lucy Blake who has been in post since 2014, and undertook the Into Headship Qualification and Argyll and Bute Education Leader Programme. This is a fairly small school and is very community orientated – the school is very “eco work” having achieved two green flags.
  - Campbeltown Grammar School is run by Head Teacher David Fyfe who took on the role in April this year. The newly built school is a stunning building to walk around. The Concert Wind Band has held the British Championship twice and the Kintyre Schools Pipe Band, based in the school, currently holds the Cowal, Scottish, British, European and World championship at novice juvenile grade

Next on the list was a visit to the MAKI and Oban areas visiting Inveraray and Dalmally Primary Schools, Lochnell Primary and Barcaldine Primary.



- Inveraray has an outdoor learning environment at the heart of their work and is strongly rooted in the community. Dalmally is also strongly rooted in the community and the two schools work closely together having joint training and bringing together the children for learning events.
- Lochnell Primary has been run for 17 years by Head Teacher Shirley Matheson. The school is very popular and works well with cluster schools.

Barcaldine Primary is led by Head Teacher Julie Watson who has been in post for 4 years and was one of the very first group of students trained in Argyll when we had a partnership with Strathclyde.

- 8.2 Free Sanitary Products for Schools:** There has been a consultation with primary and secondary schools to gain the thinking of pupils as to how the distribution of products is going to be managed within the Scottish Government's principles. All schools have received a financial allocation for both products and storage.

Further information can be found on the Young Scot website at <https://young.scot/access-to-sanitary-products/>

- 8.3 Schools Photo Competition – Promoting our pupils and Argyll and Bute:** The council's Communication Team, along with members of staff across the Council, have increased the profile of the Council's social media, and we are now the most followed council Instagram in Scotland. As part of the council's drive to attract more people to live, work and invest in Argyll and Bute, the theme of the competition was simply **#abplace2b** – meaning pupils are encouraged to take photos of scenery, places, wildlife or whatever else they think shows our area at its best

Pictures of Argyll and Bute help to showcase the area to people in Scotland and the UK, and even further afield. It's wonderful to see new pictures every day, and we would love to see pictures taken by our pupils also getting recognition. Young people often have a unique take on the world around them and I'm sure we will get some excellent entries for this competition. The most important thing, though, is to have fun and to get out and about and enjoy Argyll and Bute during the school break. The competition closed on 26<sup>th</sup> October and judging the entries was a very tough job. However, first prize was awarded to Tarbert Academy's Choe Twynham for her beautiful picture of a rainbow over Tarbert, shown below.



If you are not already following the council's Instagram page, below is the link to the page which I would encourage you to take the opportunity to look at the fantastic photos taken across our beautiful area by our very talented young people. <https://www.instagram.com/argyllandbute/?hl=en>

- 8.4 New Autumn/Winter School Lunch Menu:** Pupils from across Argyll and Bute have an active role in creating their school lunch menus and young people from Lochgilphead Primary were only too happy to show off the delicious food on offer when I visited the school in late September. The primary school menu is revised twice a year and is designed in consultation with the children through pupil focus groups. This helps to ensure that they have a say in the menu choices and get an understanding of the importance of having a balanced diet. Teaching staff, catering staff, NHS dieticians and parents also contribute.

It was an absolute pleasure to visit the school canteen at Lochgilphead Joint Campus and see first-hand the delicious lunches on offer to our young people. The staff are extremely hardworking and do a tremendous job, and the children all behaved remarkably. They are a credit to the school.

- 8.5 Scottish Learning Festival:** Education Scotland have written to the council to thank Port Ellen Primary and Parklands Primary who both took part in this year's Scottish Learning Festival. This year's theme focused on collaborating for improvement and was attended by more than 4,500 delegates. The significant contributions from the practitioners at these schools helped to enrich the programme and stimulate debate and discussion amongst the audience who attended from many sectors of the education community. Education Scotland have thanked both schools for their "excellent preparation, willingness and enthusiasm" to deliver the sessions so effectively – well done to both schools.

**8.6 Oban High School teams up with Norwegian school:** Oban High has teamed up with a secondary school from Norway to look at what can be learned from the sharing of best practice across education systems for pupils aged 16 years and over. The school's head teacher, Peter Bain, has also been selected to lead an international project on behalf of The Scottish College for Educational Leadership (SCEL). Mailand videregående skole in Norway was carrying out an evaluation of the opportunities available in Scottish schools for young people seeking work or further education, and got in touch with Oban High School to see if they could form a professional exchange programme, focusing specifically on post-16 education. The Executive Director, Councillor Kieron Green and I joined staff on 30<sup>th</sup> October at Oban High School where we met the staff from the Norwegian school.

It's very encouraging when Argyll and Bute's innovation and hard work is recognised by others – especially by professional peers as in this case. Our visitors from Norway responded very positively to all they saw at Oban High School and I'm sure that this will be yet another example of international links and working relationships between Argyll and Bute's schools and Education Service and their counterparts in other countries.

Something that particularly impressed me was the example set by our four young student leaders for the visit. Caitlyn, Katie, Maria and Darrell have an important role at Oban High School – to support other and younger pupils with any issues which could impact on a positive learning experience. The dedication that each of them showed was incredible – they showed real team work and they are clearly very committed to ensuring that they support their fellow students as much as possible. They are a true credit to Oban High School and its teaching team.

Staff from the Norwegian school visited Oban last October (2017) and, following a highly successful and positive trip, a project plan was established. At the same time, Gillian Hamilton, Strategic Director at Education Scotland, which recently welcomed the Scottish College for Educational Leadership (SCEL), learned of this collaboration and asked Mr Bain to select a team of head teachers from across Scotland, and take a delegation to Norway to carry out a wider piece of work based on the SCEL learning themes. Peter Bain's aims are about sharing good practice with a focus on improvement and building capacity, from the perspective of strategy and learning and teaching.

This is a truly excellent opportunity for us to showcase some of the great work that's being done in Argyll and Bute. Argyll and Bute is above the national average for the number of young people aged between 16 and 19 who are currently in employment, education or training – putting us in the top 8 of Scotland's 32 local authority areas. This new partnership with

Norway will allow us to promote Argyll and Bute as a great place to live work and learn, but it will also enable us to exchange ideas and continue to grow to ensure our young people are given every opportunity to move on to positive destinations.

- 8.7 Positive destinations, successful pathways:** I welcome recent figures which show that the number of young people in the area who are on the path to sustainable employment is well above the national average. Participation measure figures, released by Skills Development Scotland, show that 94.2% of young people in Argyll and Bute aged between 16 and 19 are currently in employment, education or training – the national average being 91.8%. This means Argyll and Bute is in the top 8 of 32 local authority areas.

This report shows the great efforts that have been made to help our young people make positive progress and access appropriate pathways into work. Together with our partners at Skills Development Scotland and Job Centre, we have been working hard to promote enterprise and entrepreneurship, and to help our young people raise their ambitions so that they can develop and succeed. The council has also developed its own award-winning modern apprenticeship scheme. We are committed to ensuring that our young people are equipped to secure and sustain positive destinations and achieve success in life, and we want them to be fully aware of the opportunities that are out there.

- 8.8 Recruitment:** Recruitment is an issue across the board in terms of Education and this issue was discussed at a Summit on Sustaining Education held in Inverness on 14<sup>th</sup> September. Argyll and Bute Council has been working in partnership with the Universities of Dundee and the Highlands and Islands to agree a programme, which will see secondary student teachers based in local schools over an 18 month period.

Recruitment of Head Teacher posts have included promotional material from Parent Councils. Joint headships have been established where appropriate. Two Argyll and Bute delegates attended a recruitment fayre in Belfast to attract post graduates students planning on entering teaching as probationers to Scotland and identifying Argyll and Bute as where they would like to undertake their placement.

We are also focusing on 'growing our own' and recruiting teachers to subjects that have national shortages. Subjects currently being offered are primary, chemistry, computing, home economics, maths and physics – all of which are experiencing a shortage of qualified teachers across Scotland. This has been achieved by a partnership with UHI.

**9. POLICY LEAD FOR PLANNING AND REGULATORY SERVICES – Councillor David Kinniburgh**

- 9.1 Planning (Scotland) Bill:** The Planning (Scotland) Bill is currently at Stage 2 of the Parliamentary process and the Local Government and Communities Committee as the lead committee have now completed seven rounds of considering amendments to the Bill. It is expected that the Bill will move to Stage 3 of the process in early 2019.
- 9.2 Local Development Plan 2 (LDP2):** Planning officers continue to work on the policy writing, mapping, Strategic Environmental Impact Assessment, Habitat Regulation Assessment and Action Programme for LDP2 and it is anticipated that the draft plan will be ready for consideration by members in the New Year before going out to public consultation.
- 9.3 Simplified Planning Zones:** Argyll and Bute Council were one of two councils who were successful in a bid to take part in a pilot project regarding Simplified Planning Zones in 2016 and two sites were identified to take forward, one in Salen and one in Lochgilphead. Initial grant funding for the project was £29,425 and recently a further grant of £16,225 for promotion of the Lochgilphead site was realised through the Self Build Challenge Fund.
- 9.4 Planning Convenors Meeting:** On 5th and 6th November I attended a planning convenors meeting in Edinburgh organised by the Chief Planner at the Scottish Government, John McNairney. Topics discussed on the day included an update on the Planning (Scotland) Bill, Building to Rent, Elected Member Training, planning sites for gypsy travellers and betting/pay day lending shops. There was also a Ministerial Address by Kevin Stewart MSP, Minister for Local Government, Housing and Planning, followed by a question and answer session with most questions centred around the Planning Bill.
- 9.5 A-Boards Enforcement:** Town centre surveys have been completed in Dunoon, Oban and Helensburgh and officers are currently consulting with ABC Roads and Transport Scotland on unauthorised A-Boards to complete an initial assessment of planning enforcement liabilities and opportunities for resolution and it is anticipated that a report will be presented to the Planning, Protective Services and Licensing Committee in December with their findings and recommendations for further actions.
- 9.6 Planning:** Planning fee income to the end of September 2018 provided a surplus of £132k from the forecast budget following the submission of a number high value applications for the financial year to date.

**9.7 Training and Development:** The Planning, Protective Services and Licensing Committee continue to receive training through 'bite sized' sessions normally held prior to the monthly committee meetings. Recent topics have included Local Review Bodies, Simplified Planning Zones and a visit/walk around Inveraray CARS. The training sessions are open to all councillors.

**9.8 Building Standards:** Building Standards income remains above budget primarily as a result of ongoing commercialisation providing verifier services to City of Edinburgh Council, Scottish Borders and Babcocks who are using their services on a weekly basis. The team's performance on vetting Building Warrant applications remains above their charter promise and their customer satisfaction rating remains constant at 100%.

Building Standards were the first service within the council to be accredited for Customer Service Excellence and they have successfully passed a number of audits in recent years to retain the award. They are due to be audited for their CSE award on 6th December.

## **10. CONCLUSION**

**10.1** This report provides members with an update on each of the Policy Lead portfolios. Policy Lead Councillors will be happy to discuss any particular issues with colleagues as required.

## **11. IMPLICATIONS**

**11.1 Policy - None**

**11.2 Financial – None**

**11.3 Legal – None**

**11.4 HR – None**

**11.5 Equalities – None**

**11.6 Risk – None**

**11.7 Customer Service – None**

**Argyll and Bute Council – Policy Lead Councillors Report – 15<sup>th</sup> November 2018**

**For further information please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email**

**[aileen.mcnicol@argyll-bute.gov.uk](mailto:aileen.mcnicol@argyll-bute.gov.uk)**

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**ARGYLL AND BUTE COUNCIL****COUNCIL****STRATEGIC FINANCE****29 NOVEMBER 2018**

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**AUDITED ACCOUNTS 2017-18**

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**1. EXECUTIVE SUMMARY**

- 1.1 Audit Scotland have now completed their audit of the Council's Accounts for the year to 31 March and also the Charitable Trusts administered by the Council and have issued audit certificates containing no qualifications. They were able to conclude that the Accounts present a true and fair view of the financial position as at 31 March 2018.
- 1.2 The Council's Accounts and the Charitable Trust Accounts incorporating the audit certificates are on the Council's website on the following links:
- [Council Accounts](#)  
[Charitable Trusts](#)
- 1.3 The Accounts were completed and submitted by the statutory date of 30 June 2018. The audit has been completed within the timescale of 30 September 2018, set by Audit Scotland. The Audit and Scrutiny Committee, at its meeting on 25 September 2018, approved the Accounts for issue.
- 1.4 The main adjustments to the accounts, in addition to some presentational adjustments, are noted below and summarised within Appendix 1:
- An adjustment was required to the accounts as a result of the pension scheme actuary providing an updated valuation of the Council's share of the Strathclyde Pension Fund assets.
  - Live Argyll was consolidated as an associate in the draft accounts, however, Live Argyll is a wholly owned subsidiary of the Council and this has been reflected in the audited accounts.
  - There were adjustments to the reclassification of assets.
  - There was a small adjustment of £0.031m in respect of NDR income in respect of the Lorn Arc TIF that should have been transferred to the General Fund.
- 1.5 The only adjustment that had an effect on the General Fund balance was the NDR TIF. This reduced the deficit on the Provision of Services by £0.031m which increased the General Fund Balance by the same amount.
- 1.6 The audit identified an error where it was agreed not to amend the accounts as it was considered not material. This was in relation to short-term debtors being overstated by £0.09m, with a corresponding understatement of expenditure in the Comprehensive Income and Expenditure Statement.
- 1.7 Audit Scotland have issued the 2017-18 Annual Audit Report to Members and the

Controller of Audit and this is attached as Appendix 2. The External Auditors Annual Report is positive. The report contains a number of key messages in respect of:

- The Audit of the 2017-18 Annual Accounts
  - Unqualified audit opinion on the Council's and charitable trusts financial statements.
- Financial Management
  - Financial management is effective with a budget process focussed on the Council's priorities.
- Financial Sustainability
  - The Council and its groups financial position is sustainable in the medium to long term although rising demand, increasing costs of service and reductions to central funding will continue to place a strain on the Council's capacity to deliver services at current levels.
  - The Council has a medium to long-term financial strategy which is aligned to the Council's priorities and demonstrates how the Council will address future budget challenges.
- Governance and Transparency
  - The Council has appropriate governance and accountability arrangements in place that support the scrutiny of its decisions.
  - The Council conducts its business in an increasingly open and transparent manner.
- Best Value
  - The Council has been effective in promoting community engagement across most areas of its activities. It has also successfully implemented its statutory obligations relating to the Community Empowerment Act 2015.
  - There are challenges in partnership working between the Council, NHS Highland and Argyll and Bute Integration Joint Board who aim to revisit the risk sharing arrangements outlined in the integration scheme. Effective partnership working will be essential for providing integrated services within the available funding.

1.8 Appendix 1 of the Annual Report outlines the action plan agreed with officers to address issues identified during the audit. The actions are in relation to:

- Review of Assets Under Construction
- Valuation of Common Good Assets
- Valuation of Heritage Assets
- Enhancements to Financial Strategy
- Holiday Pay Accrual.

## **2. RECOMMENDATIONS**

2.1 The Council is recommended to:

- a) Note that unqualified certificates have been issued for both the Council Accounts and the Charitable Trusts and these are now included within the Accounts on the Council's website.



b) Consider Audit Scotland's Annual Audit Report for 2017-18.

### **3. CONCLUSION**

3.1 This report advises members on the conclusion of the audit of the Accounts. The External Auditor's certificate is unqualified. The audit was completed within the required timescales. Minimal adjustments were made to the accounts during the audit process.

### **4. IMPLICATIONS**

4.1	Policy –	None.
4.2	Financial -	None
4.3	Legal -	None.
4.4	HR -	None.
4.5	Equalities -	None.
4.6	Risk -	None.
4.7	Customer Service -	None.

**Kirsty Flanagan**  
**Head of Strategic Finance**  
**31 October 2018**

**Councillor Gary Mulvaney, Policy Lead for Strategic Finance and Capital  
Regeneration Projects**

Appendices:

Appendix 1 – Summary of Main Changes to Financial Statements Arising from Audit

Appendix 2 – 2017/18 Annual Audit Report

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**APPENDIX 1 – SUMMARY OF MAIN CHANGES TO FINANCIAL STATEMENTS ARISING FROM AUDIT**

<b>Section of Financial Statements Changes</b>	<b>Audited Accounts £000s</b>	<b>Unaudited Accounts £000s</b>	<b>Change £000s</b>	<b>Comments / Explanation</b>
<b>Comprehensive Income &amp; Expenditure Account (Pages 52-53 of audited accounts)</b>				
Non-Domestic Rates TIF	(223)	(192)	31	Correction to NDR income in respect of TIF
(Surplus) / Deficit on Provision of Services	15,410	15,441	31	Net effect of above
<b>Balance Sheet (Pages 54-55 of audited accounts)</b>				
<i>Impact on Assets and Liabilities:</i>				
Total Property, Plant and Equipment	603,503	604,346	(843)	Net effect of moving assets from/to Assets Under Construction to complete
Short Term Debtors	20,686	20,655	31	Correction to NDR debtor in respect of TIF
Assets Held for Sale	3,061	2,118	943	Re-categorising of an asset
Other Short Term Liabilities	(4,420)	(4,407)	(13)	Correction to Finance Lease Repayments
Other Long Term Liabilities	(124,961)	(124,974)	13	Correction to Finance Lease Repayments
Other Long Term Liabilities (Pensions)	(56,442)	(68,251)	11,809	Change to Pension Liability Valuation as per revised Actuarial Report
<i>Impact on Council Reserves:</i>				
Unusable Reserves	240,962	229,053	11,909	Net effect of above
Usable Reserves	56,183	56,152	31	Net effect of above
<b>Statement of Movement in Reserves (Pages 56-57 of audited accounts)</b>				
(Surplus) / Deficit on Provision of Services	15,410	15,441	31	Additional NDR Income in respect of TIF
(Surplus)/Deficit on revaluation of Long Term Assets	(52,880)	(52,780)	100	Re-categorising of assets
Other Post Employment	(108,111)	(96,302)	11,809	Change to Pension Liability Valuation as per revised

Benefits				Actuarial Report
Balance on General Fund Carried Forward	50,342	50,311	31	Net effect of above
Revaluation Reserve	108,820	108,720	100	Net effect of above
Pensions Reserve	(56,442)	(68,251)	11,809	Net effect of above

# Argyll and Bute Council

2017/18 Annual Audit Report



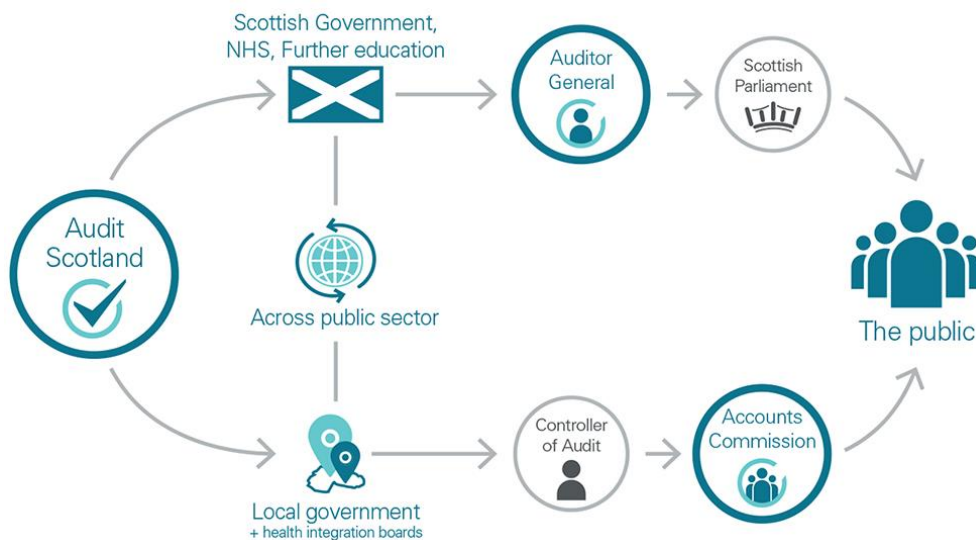
 AUDIT SCOTLAND

Prepared for the Members of Argyll and Bute Council and the Controller of Audit  
25 September 2018

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Key messages

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## 2017/18 annual accounts

- 1** In our opinion, Argyll and Bute Council and its group financial statements give a true and fair view and were properly prepared.
- 2** The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with proper accounting practices.
- 3** The financial statements of the eight section 106 charities administered by the Council are free from material misstatement.

## Financial management

- 4** Financial management is effective with a budget process focussed on the Council's priorities.
- 5** Our testing of the design and operation of the financial controls over significant risk points confirmed that controls relating to financial systems and procedures are designed appropriately and operating effectively.

## Financial sustainability

- 6** The Council and its group financial position is sustainable in the medium to long term although rising demand, increasing costs of services and reductions to central funding will continue to place a strain on the Council's capacity to deliver services at the current levels.
- 7** The Council has a medium to long-term financial strategy which is aligned to the Council's priorities and demonstrates how the Council will address future budget challenges but could be further enhanced. The Council has made savings over the past few years but the size of the projected future funding gap means it will be difficult to make the required savings in future years.

## Governance and transparency

- 8** The Council has appropriate governance and accountability arrangements in place that support the scrutiny of its decisions.
- 9** The Council conducts its business in an increasingly open and transparent manner. The public can attend meetings of the Council and its standing committees with minutes of these meetings and supporting papers readily available on the Council's website.



## Best Value

- 10** The Council has been effective in promoting community engagement across most areas of its activities. It has also successfully implemented its statutory obligations relating to the Community Empowerment Act 2015.
- 11** There are challenges in partnership working between the Council, NHS Highland and Argyll and Bute Integration Joint Board who aim to revisit the risk sharing arrangements outlined in the integration scheme. Effective partnership working will be essential for providing integrated services within the available funding.

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# Introduction

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1. This report summarises the findings arising from the 2017/18 audit of Argyll and Bute Council and its group (the Council).
2. The scope of the audit was set out in our annual audit plan presented to the 20 March 2018 meeting of the Audit and Scrutiny Committee. This report comprises the findings from:
  - our audit of the Council and its group 2017/18 annual accounts and the financial statements of the eight section 106 charities administered by the Council including the issue of independent auditor's reports setting out our opinions
  - a review of the Council's key financial systems
  - audit work covering the Council's arrangements for securing Best Value relating to community engagement and elements of partnership and collaborative working
  - our consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

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## Exhibit 1

### Audit dimensions



Source: *Code of Audit Practice 2016*

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3. The Council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

4. The Council is also responsible for compliance with legislation and for putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.
5. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice (2016) and supplementary guidance, and International Standards on Auditing in the UK.
6. As public sector auditors we give independent opinions on the annual accounts. We also review and provide conclusions on the effectiveness of the Council's performance management arrangements, suitability and effectiveness of corporate governance arrangements, and financial position and arrangements for securing financial sustainability. We also report on the Council's best value arrangements and in doing this we aim to support improvement and accountability.
7. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016.
8. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.
9. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.
10. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2017/18 audit fee of £255,454, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

### **Adding value through the audit**

11. Our aim is to add value to Argyll and Bute Council by providing insight into, and offering foresight on financial sustainability, risk and performance by identifying areas of improvement and recommending and encouraging good practice. In so doing, we aim to help the council promote improved standards of governance, better management and decision making and more effective use of resources.
12. This report is addressed to both the Council and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
13. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

# Part 1

## Audit of 2017/18 annual accounts



### Main judgements

**In our opinion, Argyll and Bute Council and its group financial statements give a true and fair view and were properly prepared.**

**The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with proper accounting practices.**

**The financial statements of the eight section 106 charities administered by the Council are free from material misstatement.**

### Audit opinions on the annual accounts

**14.** The annual accounts for the Council and its group for the year ended 31 March 2018 were approved by the Audit and Scrutiny Committee on 25 September 2018. We reported, within our independent auditor's report that, in our opinion:

- the financial statements give a true and fair view and were properly prepared
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the guidance.

**15.** We have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, the information and explanations we received, or the achievement of prescribed financial objectives.

The Council and its group annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

### Audit opinions on section 106 charities

**16.** Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charities legislation, a separate independent auditor's report is required for the financial statements of each registered charity where members of Argyll and Bute Council are sole trustees, irrespective of the size of the charity.

**17.** We received the charities' annual reports and financial statements in line with the agreed timetable and after completing our audit we reported in our independent auditor's reports that, in our opinion: the financial statements of all eight charities give a true and fair view, or properly present, the section 106 charities' financial position and are properly prepared in accordance with charities legislation.

**18.** The trustees' annual reports of the eight charities are consistent with the financial statements and prepared in accordance with proper accounting practices.

**19.** Over a number of years, we have reported that there had been little or no expenditure incurred by the Council's eight charitable trusts and the Council had

committed to consider whether its dormant trusts were meeting their objectives and whether they should be wound up.

**20.** The majority of the trusts were still dormant during 2017/18. While Council continued to consider reducing their number during the year, it made no further progress with their consolidation. We have been advised that this was due to the prohibitive costs of any further consolidation and to the nature of the remaining charitable trusts. However, the Council should continue to work with the Office of the Scottish Charity Regulator (OSCR) to reach agreement on transferring, where possible, the remaining trust balances to other charitable organisations who may be better placed to meet the purposes for which the charitable trusts were established.

### **Submission of the Council and its group annual accounts for audit**

**21.** We received the unaudited annual accounts on 29 June 2018, in line with the audit timetable set out in our 2017/18 annual audit plan.

**22.** The working papers provided with the unaudited accounts were of a reasonable standard, although some of the expected working papers were not initially provided. Due to the absence of some key finance officers during the audit process, there were significant problems in obtaining certain working papers, documentation and evidence required to conclude on audit testing. This was the most significant factor contributing to the high volume of issues outstanding towards the end of the audit process. Additionally, staff turnover during the audit resulted in shifting responsibilities among key client staff and this also impacted on the clearance of issues as the audit progressed.

### **Whole of Government Accounts**

**23.** The Council submitted a consolidation pack for the whole of government accounts audit in July 2018, in line with the deadline.

### **Risk of material misstatement**

**24.** [Appendix 2](#) provides a description of those assessed risks of material misstatement that were identified during the planning process which had the greatest effect on the overall audit strategy, the allocation of resources to the audit and directing the efforts of the audit team and the wider audit dimension risks identified.

### **Materiality**

**25.** Misstatements are material if they could reasonably be expected to influence the economic decisions of users based on the financial statements. The assessment of what is material is a matter of professional judgement and involves considering both the amount and nature of the misstatement. It is affected by our perception of the financial information needs of users of the financial statements.

**26.** Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). With regards to the annual accounts, we assess the materiality of uncorrected misstatements both individually and collectively.

**27.** On receipt of the annual accounts we reviewed our planning materiality calculations and made minor changes to the materiality levels we reported in our annual audit plan. This had no impact on our audit approach.

## Exhibit 2

### Materiality values

Materiality level	Amount
Overall materiality	£4.07 million
Performance materiality	£2.44 million
Reporting threshold	£41 thousand

Source: Audit Scotland, Annual Audit Plan 2017/18

### How we evaluate misstatements

**28.** It is our responsibility to request that all misstatements in excess of the reporting threshold are corrected although the final decision on this lies with those charged with governance taking into account advice from senior officers and materiality. There were five individual misstatements or errors which exceeded our reporting threshold. These are described in paragraphs below.

**29.** Through our testing of receivables balances, we found that short-term debtors were overstated by £0.09 million, with a corresponding understatement of expenditure in the CIES. Management do not propose to adjust for this item as it is not considered material in the context of the financial statements. We agree that this amount is not material.

**30.** An adjustment was required in the accounts as a result of the pension scheme actuary providing an updated valuation of the Council's share of Strathclyde Pension Fund assets. The timing of actuarial reports means that actuaries produce their IAS 19 reports using estimated data for the final part of the year. Asset returns estimated by the actuary for the final part of the year were significantly lower than actual returns. This is a national issue affecting all organisations which participate in the Local Government Pension Scheme.

**31.** The Council has obtained a revised report from the actuary on their share of pension assets and liabilities, based on the updated estimate for the whole pension fund. As a result, the Council's pension assets increased from £656 million to £667.8 million and the net pension liability in the balance sheet decreased from £68.2 to £56.4 million, with a matching increase in unusable reserves. Management has amended the council and group accounts to reflect a more up to date estimate of pension fund assets. Further details on this matter are included in [Exhibit 3](#).

**32.** Live Argyll, the Council's new libraries and leisure trust, was consolidated in the draft accounts as an associate. However, Live Argyll is the Council's wholly owned subsidiary and should therefore be consolidated as such in the group accounts. Management has made an appropriate adjustment in the accounts. Further information on this and Live Argyll is included in [Exhibit 3](#) and paragraphs 43 and 44. For Live Argyll's first full year of operation in 2018/19, the Council should review the reporting arrangements and group boundary to establish, for example, whether the inclusion of a group cash flow statement would be appropriate.

**33.** On review of assets under construction, we concluded that £3.4 million of assets listed as under construction required to be listed as assets in use. In addition, £1.5 million of other land and buildings should have been classified as assets under construction to reflect the refurbishment of part of Dunoon Primary School. Management has amended the accounts and these adjustments had no

net effect on the outturn for the year or the general fund balance. Further information is included in [Exhibit 3](#).

**34.** After reviewing the revaluations carried out in year we concluded that one asset, valued at £0.10 million, had not been included within the annual accounts or the asset register. Management has amended the asset register and the accounts to include this property.

**35.** Both the council tax income account and the non-domestic rates income account required presentational adjustments to correct for misallocations within the draft accounts. These amendments had no broader impact on the Council's financial statements.

### Significant findings from the audit in accordance with ISA 260

**36.** International Standard on Auditing 260 (UK) requires us to communicate significant findings from the audit to those charged with governance. These are summarised in [Exhibit 3](#). Where a finding has resulted in a recommendation to management, a cross reference to the Action Plan in [Appendix 1](#) has been included.

**37.** The findings include our views about significant qualitative aspects of the Council's accounting practices including:





- Accounting policies
- Accounting estimates and judgements
- Significant financial statements disclosures
- Timing of transactions and the period in which they are recorded
- The impact on the financial statements of any uncertainties
- The effect of any unusual transactions on the financial statements
- Misstatements in the annual accounts
- Disagreement over any accounting treatment or financial statements disclosure

## Exhibit 3

### Significant findings from the audit of the financial statements

Finding	Resolution
<p><b>1. Defined Benefit Scheme- Asset Values</b></p> <p>The council accounts for its share of Strathclyde Pension Fund in accordance with International Accounting Standard 19 Employee Benefits (IAS19). This relies on valuations of pension fund assets and liabilities by the actuary.</p> <p>The timing of actuarial reports means that actuaries produce their IAS19 reports using estimated data for the final part of the year. Asset returns estimated by the actuary for the final part of the year were significantly lower than actual returns. This resulted in pension fund assets, reported in the Council's balance sheet, being understated by £11.8m.</p>	<p>We drew this issue to the attention of management and they agreed to instruct its actuary to update their report to reflect asset returns as at 31 March 2018. The revised report confirmed a material reduction in the net pension liability, amending this from £68.2 million to £56.4 million (a reduction of £11.8 million). There is a corresponding increase in the surplus on post-employment benefits on the CIES. This adjustment also impacted presentation on the MIRS and the defined benefit pension note.</p> <p>We are content that the revised amounts and disclosures in the accounts reflect the updated actuarial report.</p> <p>This adjustment does not impact on the outturn for the year or the general fund balance.</p>



Finding	Resolution
<p><b>2. Holiday Pay Accrual</b></p> <p>As reported in our 2016/17 annual audit report, the percentage used to incorporate Other Staff into the calculation of the holiday pay accrual was based on a sample taken in 2010/11.</p> <p>There is a risk that over time the relevance and validity of the sample data will reduce resulting in a misstatement of the amount accrued.</p>	<p>Management agreed to update the sample data used in the calculation of the holiday pay accrual for 2018/19.</p> <p> <a href="#">Recommendation b/f 1 (refer appendix 1, action plan)</a></p>
<p><b>3. Assets Under Construction</b></p> <p>70 assets under construction with a total value of £6.5 million were included in the accounts with the same value as in the 2016/17 and 2015/16 annual accounts. This indicated that asset values and classifications were not appropriately reflected in the accounts.</p>	<p>Management performed a review of assets under construction with the value over £0.25 million. As a result, multiple assets with a total value of £3.4 million in the asset register, were re-classified as in use and transferred to the appropriate operational asset categories. Management agreed to amend its procedures to ensure that assets, when put in to operation, are reflected on the fixed asset register as being in use.</p> <p>Management also agreed to revalue these assets in 18/19 to ensure that asset values and future depreciation charges are based on appropriate values and estimated useful lives of the relevant assets.</p> <p>Additionally, management should extend the review of the assets under construction to all assets currently valued under £0.250 million to ensure all items are appropriately classified and treated in the accounts.</p> <p> <a href="#">Recommendation 1 (refer appendix 1, action plan)</a></p>
<p><b>4. Common Good Assets</b></p> <p>Oban swimming pool with a net book value of £3.5 million was included appropriately in the Council's group accounts but was incorrectly omitted from the Council's asset register. Two other common good fixed assets have been included in the accounts with a net book value of £0.2 million, based on an incorrect treatment of these assets on the asset register. The last valuation movement on these assets from 2013 had not been appropriately reflected on the asset register.</p>	<p>Management agreed to undertake a valuation of common good assets during 2018/19. These should be included in the asset register and accurate asset values and depreciation charges should be included in the annual accounts from 2018/19 onwards.</p> <p> <a href="#">Recommendation 2 (refer appendix 1, action plan)</a></p>
<p><b>5. Heritage Assets</b></p> <p>As reported in prior years, the Council owns museum exhibits which are not included within heritage assets as no detailed inventory exists. The Council agreed to consider cataloguing the assets at the Campbeltown Museum and the Argyll Collection in 2015/16 and in 2016/17 but this exercise has not yet been completed.</p>	<p>Management obtained a listing of all assets but these have yet to be valued. Management now aims to complete this review during 2018/19.</p> <p> <a href="#">Recommendation 3 (refer appendix 1, action plan)</a></p>



Finding	Resolution
<p><b>6. Live Argyll</b></p> <p>Live Argyll was initially included in the accounts as an associate. However, Live Argyll is the Council's wholly owned subsidiary and therefore its assets and liabilities should have been included within the group balance sheet.</p>	<p>Management agreed to include Live Argyll in the consolidated accounts as a wholly owned subsidiary. This adjustment did not have an impact on the group balance sheet position.</p>

Source: Audit of 2017/18 accounts

## Good practice in financial reporting

**38.** Some aspects of the annual report and accounts reflect good practice as set out in the Audit Scotland Good Practice Note '[Improving the quality of local authority accounts – expenditure and funding analysis](#)'. But there is scope for the Council to consider making the management commentary and governance statement more succinct.

## Follow up of prior year recommendations

**39.** We have followed up actions previously reported and assessed progress with implementation; these are reported in [Appendix 1](#) and identified by the prefix b/f (brought forward).

**40.** In total, four agreed actions were raised in 2016/17. Of these, three were fully implemented and one has yet to be actioned.

**41.** Overall, the Council has made good progress in implementing these actions. In particular we note that the Council has prepared a long-term financial strategy and an overarching workforce plan. For the action not yet implemented, a revised response and timescale has been agreed with management as set out in [Appendix 1](#).

## Integration Joint Board

**42.** For the second year the Council included its share of the financial transactions of Argyll and Bute Integration Joint Board (the IJB) within its group financial statements. We confirmed that the Council has processes in place for agreeing its transactions and year-end balances with the IJB. In addition, we liaised with the auditor of the IJB to obtain assurances on the accuracy and completeness of the IJB figures included in the accounts. In turn, we provided assurances to the IJB auditor that the transactions included within the council's system for services commissioned by the IJB were correctly accounted for. This assurance was supported by targeted substantive testing. Further information on the IJB is included in [parts 3, 4 and 5](#) of this report.

## Live Argyll – new libraries and leisure trust

**43.** The first six months of the leisure and libraries service is included within the Council's comprehensive income and expenditure in the 2017/18 annual accounts. From 1 October 2017 Live Argyll was established as a charitable company, limited by guarantee, with the purpose of running leisure and libraries services. Thereafter, the Council paid a management fee to this new charitable trust, to run these services. In total, the Council paid £1.8 million to Live Argyll during its first six months of operation (between 1 October 2017 and 31 March 2018). The 2018/19 expenditure budget for Live Argyll is approximately £6 million of which £3.6 million is expected to be provided by the Council as a management fee.

**44.** We reviewed the year-end exercise performed by the Council at the start of the operation of Live Argyll. This exercise aimed to ensure the accurate allocation of balances from Council service areas to Live Argyll, and to establish the correct management fee to be paid to Live Argyll. We concluded that balances had been transferred appropriately and the management fee was appropriately calculated.

### **Other findings**

**45.** Our audit identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

### **Objections**

**46.** The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The Council complied with the regulations, and there were no objections to the accounts.

# Part 2

## Financial management



### Main judgements

**Financial management is effective with a budget process focussed on the Council's priorities.**

**Our testing of the design and operation of the financial controls over significant risk points confirmed that controls relating to financial systems and procedures are designed appropriately and operating effectively.**

### Financial performance in 2017/18

**47.** In February 2017, the Council approved a balanced budget of £235.9 million for 2017/18. The balanced budget position was arrived at following an additional allocation of one-off transitional funding of £2.14 million to Argyll and Bute Health and Social Care Partnership or Integration Joint Board (IJB) to support transformational change and mitigate its projected budget gap. The budget was aligned to the Council's main priorities outlined in the corporate plan.

**48.** The Council has a good track record of delivering services within budget in recent years. The final outturn for 2017/18 was an overall underspend of £2.6 million against the original budget. The most significant areas of underspend were:

- departmental underspend of £0.96 million
- other central/non-departmental costs underspend of £0.88 million, and
- an underspend of £0.73 million in relation to funding and over-recovery of council tax income.

**49.** Also included within the overall net underspend is a £1.16 million social work overspend relating to the IJB services provided by the Council. As stipulated in the IJB's integration scheme, the council was required to provide additional funding for this part of the IJB's 2017/18 overspend. The IJB is expected to pay it back through reductions in future funding and has agreed with the Council to spread these over the three years to 2020/21. As recovery relates to amendments to future years' funding contributions, no debtor is recognised on the Council's balance sheet and no corresponding creditor in the IJB's accounts. The Council and the IJB agreed to a funding reduction of £0.10 million in 2018/19 and £0.30 million in 2019/20, with the balance of £0.76 million to be recovered in 2020/21.

**50.** Whilst the Council has recorded an overall underspend, there are significant variations in how different services have performed. Larger under and overspends are summarised in [Exhibit 4](#).

**Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively**

**Exhibit 4**

## Summary of significant under / overspends against budget

Area	Under/over spend (£m)	Reason for variance
<b>Underspends</b>		
Customer Services	£1.306	Deliberate decisions not to fill vacant posts, and insurance and utility cost savings on Non-Profit Distributing Organisation (NPDO) contracts.
Loans Charges	£0.500	Planned special repayments of loan principal deferred.
Pension Costs	£0.369	Superannuation and pension costs lower than anticipated.
<b>Overspends</b>		
Community Services	£0.331	Increased demand for additional support needs and placements in residential schools.
Social Work Services	£1.155	Increased service costs and demand pressures, with slippage in the IJB savings plans.

Source: Argyll and Bute Council 2017/18 Annual Accounts

**Efficiency savings**

**51.** With reduced funding from government and increased demand for financial services, efficiency savings are an important means of bridging the gap between funding received and spending commitments.

**52.** The Council is required to complete and publish an Annual Efficiency Statement summarising efficiencies achieved for each financial year, detailing the main efficiency savings delivered. The Annual Efficiency Statement for 2017/18 was submitted to COSLA by the mid-August deadline, and can be found on the Council's website. The Policy and Resources Committee routinely receives budget monitoring reports, which include separate reports on progress against savings plans.

**53.** For 2017/18, the Scottish Government's efficiency savings target for every public body was 3 per cent of funding. Excluding non-domestic rates income, the Council received £162.98 million in Scottish Government funding for 2017/18, giving a 3 per cent efficiency target of £4.88 million. The Council exceeded this target by achieving total efficiency savings of £6.48 million (4.14 per cent). Some £4 million of these savings were in procurement. In particular, the Council sought to use contracts more effectively and also carried out their own procurement exercises.

**54.** As part of the budget setting process in February 2016, the council agreed a total of 125 Service Choices savings options to be delivered over the three years from 2016/17 to 2018/19. 116 of these have already been delivered, so overall the delivery of this programme to date has been successful. In February 2018, the Council agreed 28 Service Package Policy Options. These savings are recurring in

nature and have already been removed from departmental budgets. As per the report to the Policy and Resources Committee on 16 August 2018, twelve were delivered, ten were on track for delivery and six have yet to be implemented.

### Capital plan 2016/17 to 2019/20

**55.** Capital expenditure in 2017/18 was £31.09 million against a budget for the year of £38.54 million, resulting in an underspend of £7.44 million (19.3 per cent). This slippage relates principally to the Council's CHORD (Campbeltown, Helensburgh, Oban, Rothesay, Dunoon) development projects, street lighting LED replacement, Development and Infrastructure Services - Roads and Amenities and Dunoon Conservation Area Regeneration Scheme (CARS) grants.

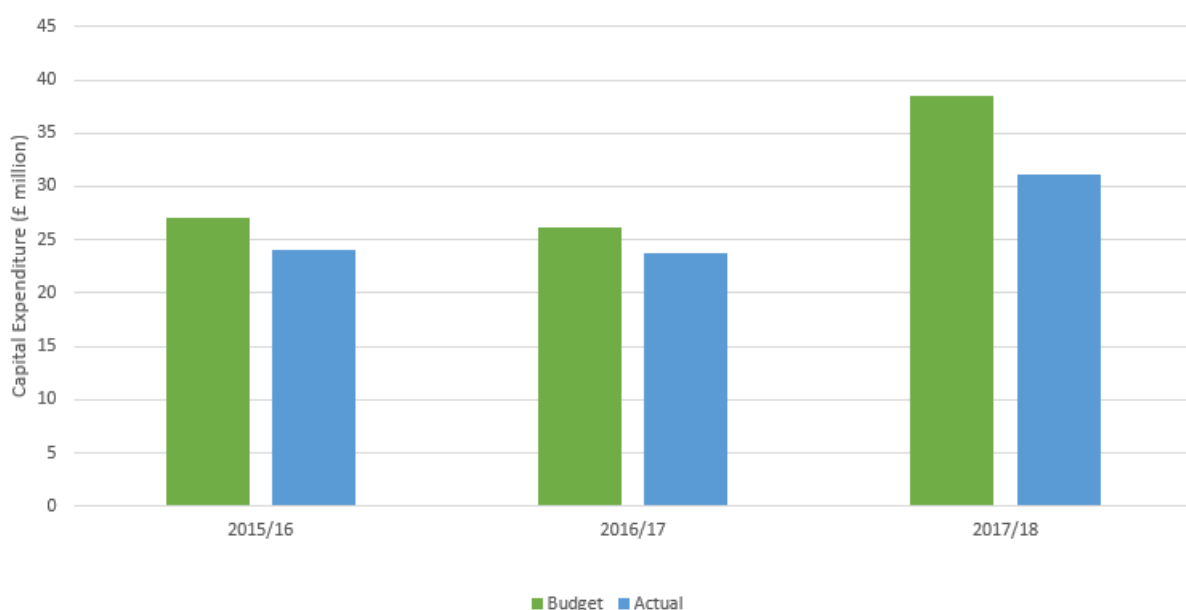
**56.** The Council's capital plan is funded from various sources including capital grants from the Scottish Government and other bodies, capital receipts, contributions from reserves and the revenue budget, borrowing funded by the loans charges budget and funding from the Scottish Futures Trust. In 2017/18, the Council received £5.767 million from the sale of its assets against a budget of £6.34 million (91 per cent). The Council projects a shortfall of £2.67 million in actual capital receipts across the capital programme and this has been reflected within 2018/19 budget.

**57.** The August 2018 capital monitoring report shows that, from a total of 194 projects within the capital programme, 35 (18 per cent) are not on track. However, management consider all of these to be recoverable with no special recovery actions considered necessary. Forecast total project cost on the total capital plan is £219.65 million, compared to a total budget for all projects of £219.15 million, giving an expected overspend for the overall capital plan of £0.5 million (0.2 per cent).

**58.** The Council has experienced slippage in its capital programme over a number of years as outlined in [Exhibit 5](#).

## Exhibit 5

### Capital slippage compared to budget



59. Regular monitoring reports to the Policy and Resources Committee track project delivery and forecast outturn for the financial year and cumulatively for the duration of the current capital plan. The slippage in the last three financial years is set out in [Exhibit 5](#), with a significant increase in the difference between the budgeted and actual capital expenditure shown for 2017/18. There is a risk that continued slippage on the general fund capital programme or re-profiling of capital expenditure into future years could impact on service delivery in future. This is therefore an area that the Council should keep under review.

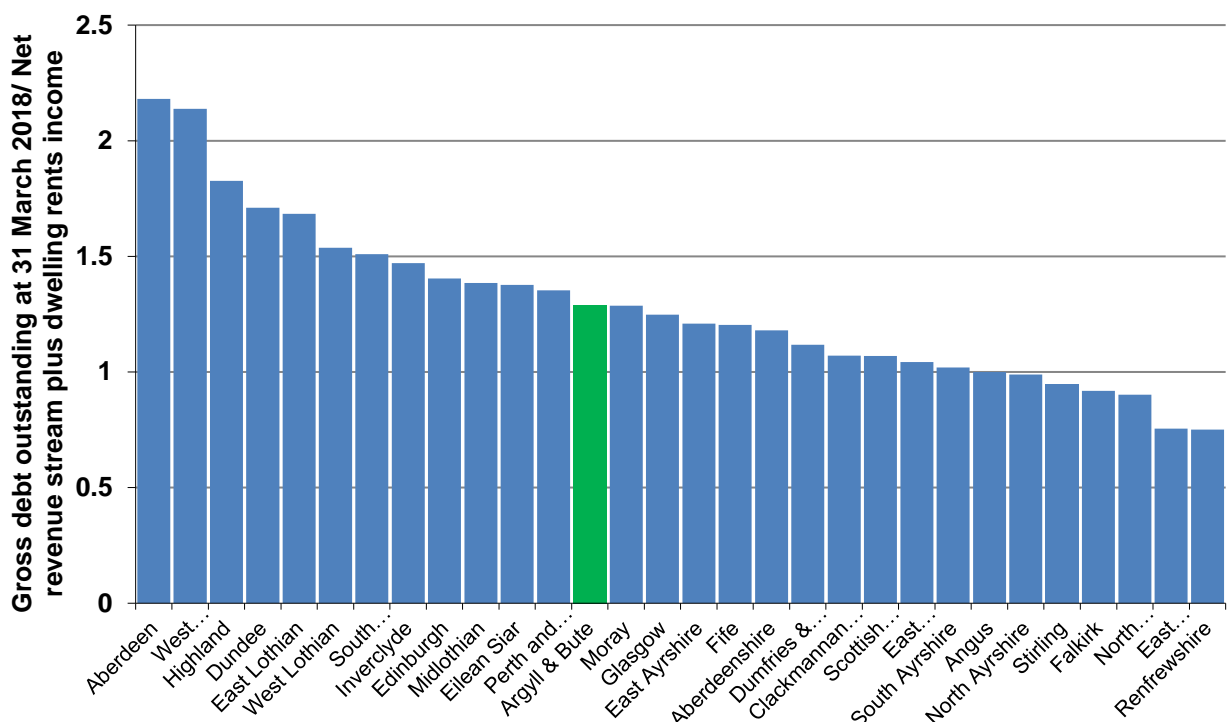
## Borrowing in 2017/18

60. The Council's external borrowing as at 31st March 2018 was £180.91 million, an increase of £8.67 million on the previous year. The increase was a result of new borrowing from the Public Works Loans Board (PWL) of £20 million, offset by £8.9 million of loan repayments to PWLB and a managed reduction in temporary borrowing of £3.1 million per [Exhibit 6](#).

61. Total external debt (which includes the Council's long-term liabilities) was within the authorised limit and operational boundary set by the treasury management strategy. When compared to other Scottish councils in [Exhibit 6](#), the current borrowing position appears sustainable. The Council continues to consider the affordability of future borrowing.

## Exhibit 6

### Borrowing (including PPP/PFI) as a proportion of income



Source: Audit Scotland database (note: net revenue stream consists of council tax income, general government grant income, NDR income and dwelling rents income)

## Budgetary process

62. Audit Scotland's Local Government in Scotland: Financial overview 2016/17 (November 2017) highlighted that the need for budgets and forecasts to reflect actual spending becomes increasingly important for Councils with decreasing (or

low levels) of usable reserves to rely on. We noted that the Council's budget and savings plan is aligned to the Council's priorities as set out in its Corporate Plan.

**63.** We reviewed the budgetary control system and concluded that the Council's budget monitoring arrangements were effective. We confirmed that there was satisfactory communication of accurate and timely information on financial performance to members through the regular financial monitoring reports to Policy and Resources Committee (PRC). From our review of these reports we concluded that they provided a good overall picture of the budget position at service level. The reports forecast outturn for the financial year and include good explanations for significant variances against budget. They also provide the underlying reasons for changes required to the initial budget.

**64.** We also confirmed that there were appropriate arrangements in place to identify funding gaps through the regularly updated Budgetary Outlook Reports presented to the PRC. This included savings plans required to address the identified funding gaps for the three years from 2018/19 to 2020/21.

**65.** In addition, we reviewed monitoring of capital projects and confirmed that regular updates were provided to the PRC at key stages of individual projects as well as cumulatively for the duration of the capital plan. Reports demonstrated the rationale for investment decisions and funding methods. Members were able to question officers on any issues arising.

**66.** We concluded that, overall, budget monitoring arrangements support effective scrutiny of the Council's finances.

## Systems of internal control

**67.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the Council has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**68.** Our findings were included in the management report, presented to the Audit and Scrutiny Committee on 19 June 2018. We concluded that the key controls were operating effectively. Area where existing controls could be improved were included in an action plan which we will follow up as part of our 2018/19 audit. We did not identify any significant control weaknesses which could affect the Council's ability to record, process, summarise and report financial and other relevant data and thus result in a material misstatement in the financial statements.

## Financial capacity

**69.** The Section 95 officer is the head of service with responsibility for strategic finance, is a member of the strategic management team and has direct access to the chief executive and Council members. We concluded that the Section 95 officer has appropriate status within the Council.

**70.** The strategic finance team provides key financial support across the Council and is responsible for producing annual accounts. The team has decreased in size in recent years and since the end of 2017 some key staff have been on sick leave, including during the latter stages of the 2017/18 audit of annual accounts. This has had an adverse impact on the workload of other finance team members and on response times to audit queries. Furthermore, the existing finance staff have been required to take on additional workload as a result of having to operate separate financial records for Live Argyll within the Council's systems.

**71.** We note that management has recently concluded a review of the strategic finance function and this is expected to result in a re-structuring of the function. Management expect this to provide increased resilience across the finance team.

As part of our 2018/19 audit, we will assess whether the changes are effective in addressing these pressures on Finance resources.

**72.** It is important that members receive adequate training on how the Council works and how it is financed if they are to exercise their scrutiny responsibilities effectively. We noted in our 2016/17 report that the May 2017 elections resulted in a significant number of new members being elected. Soon after taking office, new and returning members received induction training which included material on how the Council works and how it is financed. We reviewed the training provided to new and returning members and concluded that it had been appropriately designed and should aid them in exercising their scrutiny responsibilities effectively. An on-going programme of online and conventionally delivered financial training is also provided to members. As an example, members were provided with a treasury management training in May 2018.



# Part 3

## Financial sustainability



### Main judgements

**The Council's and its group's financial position is sustainable in the medium term although rising demand, increasing costs of services and reductions to central funding will continue to place a strain on the Council's capacity to deliver services at the current levels.**

**The Council has a long-term financial strategy which is aligned to the Council's priorities and demonstrates how it will address future budget challenges but it could be further enhanced.**

**The Council has made savings over the past few years but the size of the future funding gap means it will be difficult to make the required savings in future years.**

### Financial planning

**73.** It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the Council's strategies. Although elected members only approve the budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on the Council.

**74.** Where future funding patterns are not known, councils can plan for a range of scenarios so they are prepared for different levels of funding and income. The Council's medium-term revenue budget outlook reporting had previously included best and worst-case scenarios, but during 2017/18 this has been enhanced to present financial forecasts under best case, worst case and mid-range scenarios. In our view, in the present uncertain financial environment, this approach provides an effective method of dealing with that uncertainty.

**75.** We were pleased to note that in October 2017 the Council approved a medium to long-term financial strategy 2018/19 to 2027/28, which was aligned with the Council's priorities. We reviewed this strategy against the requirements set out in [Scotland's public finances – a follow-up audit: Progress in meeting the challenges](#) (June 2014).

**76.** We confirmed that the strategy included forecasts for revenue, capital and treasury management and details of plans to mitigate future budget gaps. The underlying principles previously agreed by the Council provide a flexible framework within which the Council can react to changing financial challenges. Assumptions used in making financial projections are based on best estimates as at September 2017, and scenario planning was utilised to reflect the expected impact of changes in those assumptions.

**77.** The Council should consider enhancing its long term financial strategy when this is next reviewed. In particular, it should consider providing detailed financial

Financial sustainability looks forward to the medium and long term to consider whether the board is planning effectively to continue to deliver its services or the way in which they should be delivered

plans for up to five years, providing details of changes in assets, liabilities and reserves over time and including an analysis of levels of service demand.

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#### Recommendation 4

**The Council should consider producing detailed financial plans, extending to five years from the current three years. The medium to long-term financial strategy could also be enhanced by including details of changes in assets, liabilities and reserves over time, and an analysis of levels of service demand.**

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#### Funding position

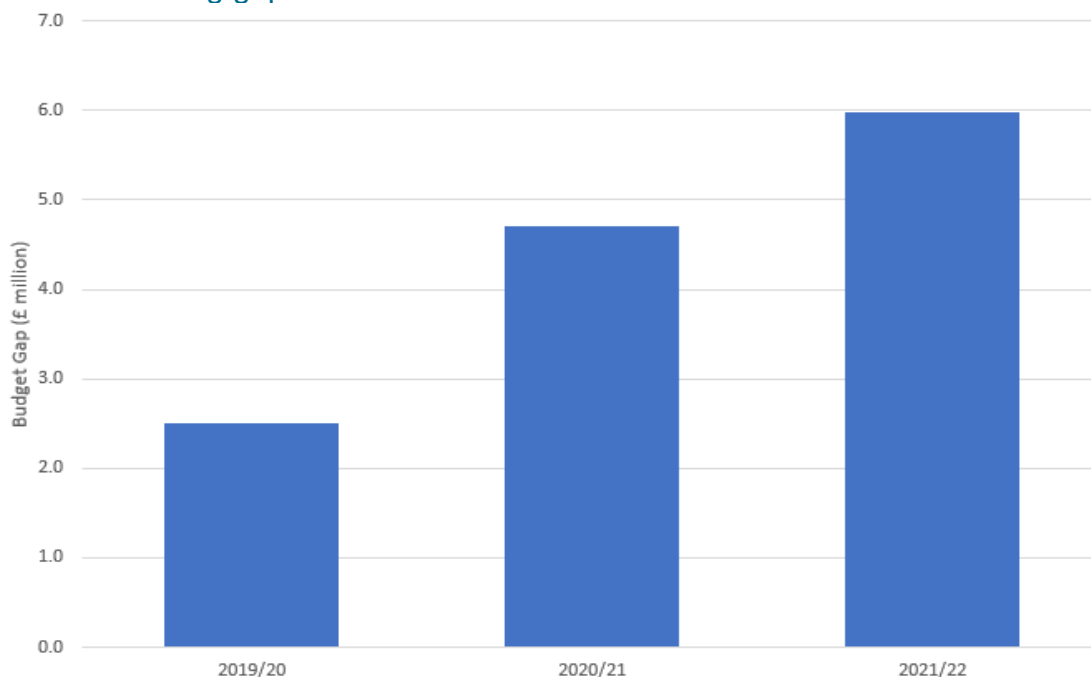
**78.** The Council is facing a number of challenges in maintaining a sustainable financial position in future. These include rising demand for services, increasing costs of services and reductions in local government funding.

**79.** The Council approved a balanced budget for 2018/19 at its meeting held on 22 February 2018. This was a “consensus budget” across the Chamber, and was set at £236.30 million, projecting a surplus of £2.41 million to be utilised in reducing a forecast capital funding shortfall. However, a funding gap of £4.12 million was identified for 2019/20 rising to £10.37 million by 2020/21. As at August 2018, the Council forecast a lower funding gap of £2.51 million for 2019/20 but this is expected to rise to a cumulative funding gap £13.19 million by 2021/22 based on its mid-range scenario as illustrated in [Exhibit 7](#).

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#### Exhibit 7

##### Identified funding gaps 2019/20 – 2021/22



Source: Argyll and Bute Council Policy and Resources Committee

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**80.** There is a risk that savings plans and financial recovery plans at the IJB are not achieved. At present, the IJB has a projected total overspend against budget of £4.4 million in 2018/19, though only part of this relates to council services. The IJB has indicated in its high level financial projection that if funding for services is not increased there will be a cumulative budget gap in the IJB of £24.2 million by

2021/22. The risk to the Council is that it will be required to fund its share of the overspends, with this adversely impacting its general reserves or adding to the Council's funding gap should the Council choose to increase the IJB's budget allocation.

**81.** The Council's plans to bridge these gaps will be dependent on the Transformation Board progressing the programme of proposals for transformational change in areas such as fleet management, procurement and property management. The Council is also carrying out a comprehensive review of services to inform future budget decisions.

## New Financial Powers

**82.** Proposals have been made for changes to the Scottish Budget process, with these likely to be introduced for the 2019/20 budget. The Council has taken cognisance of the Fiscal Framework and funding arrangements within which the Scottish Government now operates. Given the uncertainty over the economic and financial outlook expressed by the Scottish Government, no alterations were judged to be necessary to the Council's estimates within their Budget Outlook. Management will closely monitor economic and financial forecasts and update their figures if the funding position becomes any more certain.

**83.** Overall, we concluded that, in common with other local authorities, the Council is facing a challenging situation in the short term. Rising costs, ending of the public sector pay cap combined with small increases in funding and dependency on efficiency savings will make it difficult to achieve financial balance.

**84.** The medium to longer term financial position is difficult to predict given the uncertainty around EU withdrawal and New Financial Powers and future funding settlements. The Council needs to consider and plan for these events using more sophisticated scenario planning or modelling.

## Savings plans

**85.** In arriving at its balanced budget position, the Council included savings of £4.3 million for 2018/19. It also identified £1.6 million of operational savings and £6.0 million of policy savings over the following three years as part of its plans to maintain financial balance.

**86.** The Council established a Transformation Board in 2017 to take forward significant future savings requirements and oversee all transformational options available to the Council. This Board is chaired by the Executive Director of Customer Services, senior managers across the Council are members and there is appropriate Trade Union representation.

**87.** The short to medium-term focus of this Board is to challenge services to deliver front line service savings via four operating principles: business cost reduction, income maximisation, service redesign and self-funding. A minimum target for savings has been set, taking into account the savings already delivered through the previous Service Choices initiative. The Board's overriding direction to officers is that these particular savings options should be transformational in nature. This represents phase 1 of the planned approach and the options brought forward to date are the first stages of an on-going programme. The Board remains charged with increasing the pace and scale of transformation. We continue to monitor developments in this area during 2018/19.

## Reserves

**88.** One of the key measures of the financial health of a council is the level of reserves held. The level of usable reserves held by the Council decreased from £58.45 million in 2016/17 to £56.15 million in 2017/18 and is now at its lowest since 2013/14. This is illustrated in [Exhibit 8](#).

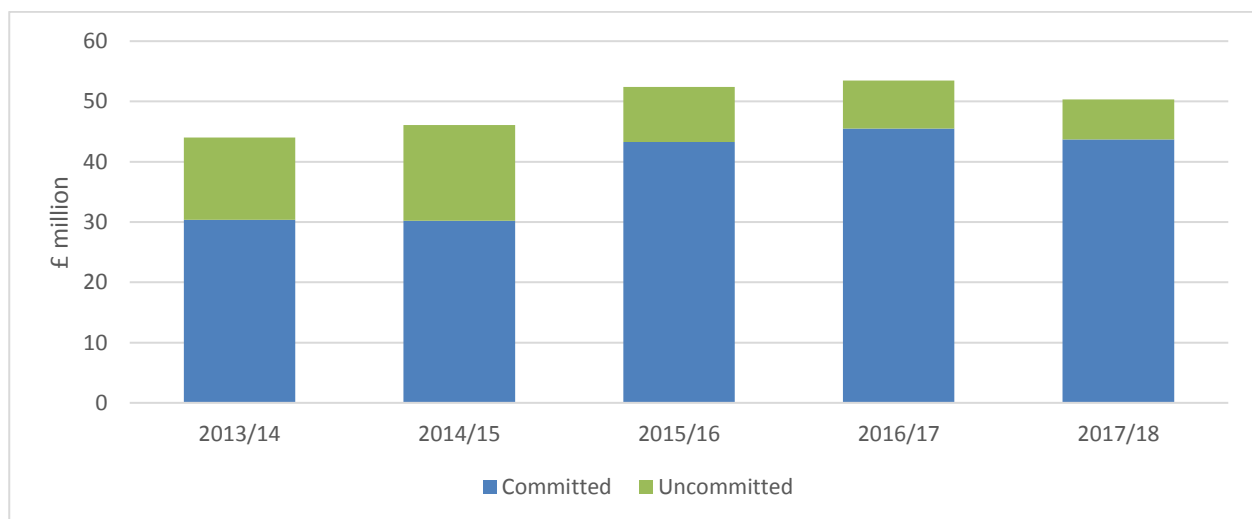
**89.** The general fund is the largest reserve. This reserve is used to fund the delivery of services. It provides a contingency fund to meet unexpected expenditure and a working balance to help cushion the impact of uneven cash flows.

**90.** The Council reviews the level of its uncommitted reserves when setting the budget each year. The Council's reserves strategy specifies that there should be a contingency balance of 2 per cent of its expenditure budget. For 2018/19 this equates to £4.73 million. As at 31 March 2018, the Council had £6.59 million in uncommitted reserves. £4.73 million of this was marked as contingency, leaving £1.90 million of unallocated general fund balance. 2017/18 reserves balances were in line with the approved strategy, however the IJB social work overspend adversely impacted the general fund balance by £1.16 million. As mentioned in paragraph 80, any significant future IJB overspends could reduce the Council's uncommitted reserves further, meaning the Council could be at risk of breaching its reserves policy.

**91.** [Exhibit 8](#) provides an analysis of the general fund over the last five years, split between committed and uncommitted reserves. It shows a notable reduction in the relative proportion of the uncommitted balance. While the Council has a good track record of delivering services within budget, there is a risk that the Council may breach its reserves policy and use up its contingency reserves in future years, particularly if the IJB continues to overspend significantly against its budget.

## Exhibit 8

### Analysis of general fund over last five years



Source: Argyll and Bute Unaudited 2017/18 Accounts

## Workforce planning

**92.** Audit Scotland's [Local government in Scotland – challenges and performance 2018](#) (April 2018) report highlighted the need to plan and manage reductions to councils' workforces. Failing to do this can affect the skills mix and ability of the organisation to deliver, manage and scrutinise services effectively. Reducing staff numbers has been one of the main ways councils have reduced their spending and, in some councils, this is set to continue. Given the changes in workforce to date and the expected new demands on councils, robust workforce planning is essential to ensure councils have the right people, who have the right training and skills, to deliver their priorities. However, not all councils have organisation-wide workforce plans and the quality of these varies.

**93.** The report advises councils to have effective systems in place for managing their workforce and monitoring staffing levels, and that information should be aligned to other long-term plans such as financial plans.

**94.** The Council approved an overarching Strategic Workforce Plan 2018-2022 on 26 April 2018. The Plan develops themes from its People Strategy 2016-2020 and highlights eight key outcomes including that the Council's workforce reflects the future needs of the Council's services. The plan aligns directly to relevant parts of the Local Outcome Improvement Plan and the Corporate Plan 2018-22 and is intended to support the transformation agenda which underpins the medium to long term financial strategy.

**95.** The plan is a high-level document which commits management to develop service specific workforce plans by September 2018. Once these more detailed plans are developed, they should, alongside the strategic workforce plan, enable the Council to develop its future workforce to meet the recognised challenges and transformation agenda. We will monitor progress in this area as part of our 2018/19 audit work.

### Ending of public sector pay cap

**96.** The current Budget Outlook 2019-20 to 2021-22 notes that the public sector pay commitment does not directly apply to local government but that Trade Unions would expect pay settlements to be similar to any public sector pay award. It also notes the COSLA position that any further increases to local government pay would be unaffordable unless backed by increased Scottish Government funding. In view of the continued uncertainty over future pay awards, the Council has decided to assume a pay award between 1.5% and 2.5% (mid range 2%) for 2019-20 to 2021-22. We consider this approach to be reasonable given the information currently available.

### Rural Growth Deal

**97.** Argyll and Bute Council is currently in discussions with the Scottish and UK Governments to agree a Rural Growth Deal. This is similar in principle to the City Deal initiatives in other local authority areas of Scotland. The aim of the initiative is to deliver innovative and inclusive economic growth for the Argyll and Bute area.

**98.** A draft vision and key themes have been developed, with some examples of transformational projects. Key growth sectors and project themes have been identified which focus on the region's main economic strengths and the critical infrastructure, skills and education required for growth.

**99.** A public consultation has been carried out between June and August 2018 to explain the need for the Rural Growth Deal, and to gauge public support and the views of communities. The Council continues to work in partnership with key public, private and third sector stakeholders via a Rural Growth Deal Steering Board, established to improve collaboration and help inform the content of the future Rural Growth Deal. We will monitor progress during 2018/19.

### EU withdrawal

**100.** There remains significant uncertainty about the detailed implications of EU withdrawal (i.e. Brexit). It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce - the extent to which changes to migration and trade policies are likely to affect the availability of skilled and unskilled labour.

- Funding – the extent to which potential changes to funding flows are likely to affect the finances of the organisation and the activity that such funding supports.
- Regulation – the extent to which potential changes to regulation across a broad range of areas overseen at an EU level are likely to affect the activities of the organisation.

**101.** The Council has a European & External Policy Team which provides analysis and briefing material for elected members and senior management, including Brexit where required. During 2017/18, an Industry and Regional Development Sounding Board has been established with Brexit one of the key items of its business. This group is chaired by the leader of the Council and includes another three elected members from the administration and two members of the opposition. Appropriate senior management staff also attend the meetings. Work in this area is therefore in progress, however, the potential implications are as yet to be reflected in financial plans.

# Part 4

## Governance and transparency



### Main Judgements

**The Council has appropriate governance and accountability arrangements in place that support the scrutiny of decisions made by the Council.**

**The Council conducts its business in an increasingly open and transparent manner. The public can attend meetings of the Council and its standing committees with minutes of these meetings and supporting papers readily available on the Council's website.**

### Governance arrangements

**102.** The Council's committee structure appears appropriate to its business. Committee meetings are generally well attended although there is scope for further improving attendance of the Audit and Scrutiny Committee (ASC) with an average elected members' attendance of 62 per cent since it was created in June 2017. However, we have been advised that some of the reduced attendance is due to a long-term sickness absence. Despite the initial intention to reduce the frequency of the four area committee meetings, there have been no substantive changes in the number of area committee meetings in 2017/18. Each area committee is scheduled to meet four times during 2018/19.

**103.** We attended all ASC meetings and some Council meetings during 2017/18. The papers provided by officers are of a good standard and provide members with a good overview of the issues being covered, together with more detailed information as appropriate. This supports discussion and scrutiny at the Council and committee meetings.

**104.** The Council operates a Local Code of Corporate Governance which is subject to annual review by the Council's Governance Group, chaired by the Executive Director of Customer Services as Monitoring Officer, and approval by the ASC. The group also prepares an annual action plan to record areas where work is on-going or further work needs to be done to improve governance arrangements.

**105.** The council offers a wide range of training to elected members including online members' hub with training materials for those members who cannot attend organised training events. On review of the register of training courses run for elected members during 2017/18, we noted that, while more elected members attended training courses than in previous years, there was still a mixed level of attendance. We would recommend that members continue to be encouraged to attend training that is relevant to their role.

**106.** Based on our observations and audit work, our overall conclusion is that Argyll and Bute Council's governance arrangements are effective and support the scrutiny of decisions made by the Council.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.



## Audit and Scrutiny Committee

**107.** The Council combined the functions of audit and scrutiny in the new Audit and Scrutiny Committee (ASC) from June 2017. The ASC subsequently updated its Terms of Reference which were included in the Council's updated constitution. In March 2018, it approved a new scrutiny framework, describing a three-stage prioritisation process for identifying topics for scrutiny. The Chief Internal Auditor also developed a more detailed scrutiny manual to help deliver scrutiny reviews.

**108.** In June 2018, the ASC approved the annual scrutiny plan for 2018/19. The plan identifies Money Skills Argyll and Road Resurfacing as areas for scrutiny in 2018/19. Additional staff resource is available within the internal audit budget to help deliver scrutiny work and the Chief Internal Auditor is currently considering how to make best use of this resource. Once all component elements for the ASC's scrutiny role were in place, the ASC members and officers were provided with a two-day scrutiny training at the end of August 2018.

**109.** We assessed the adequacy of the ASC's scrutiny arrangements and examined the new scrutiny framework. In our view, the three-stage prioritisation process included within the scrutiny framework provides an objective and transparent methodology for exercising scrutiny over the Council's policies and performance. We concluded that the component elements for the ASC's scrutiny role are appropriate and are likely to facilitate effective scrutiny. We will assess the effectiveness of the ASC's scrutiny function once fully operational.

## Risk management

**110.** On review of the Council's risk management processes for 2017/18, we concluded that risk management is sufficiently embedded across the organisation. Strategic and operational risks are allocated to designated risk owners, who are responsible for monitoring changes in existing risks and for identifying new risks. Update reports are reviewed by the Strategic Management Team and considered by Policy and Resources and Audit and Scrutiny Committees.

**111.** Internal Audit identified inconsistencies in the management of operational risk registers such as in carrying out reviews and updates and confusion over roles and responsibilities. As a result, the Chief Internal Auditor reviewed the processes for reviewing and updating strategic and operational risk registers in early 2018 and proposed changes which were agreed by the Strategic Management Team (SMT). The Council's risk management manual has been revised to formalise the changes and provide guidance to officers.

**112.** The revised manual confirms that governance of risk management is the responsibility of the SMT and Departmental Management Teams (DMT). Going forward, the strategic risk register is to be updated bi-annually by the SMT, and the operational risk registers quarterly by DMTs.

**113.** The changes effected represent an enhancement to the Council's risk management process. Internal audit is planning to carry out a review of its operation during 2018/19.

## Transparency

**114.** Transparency means that the general public have access to understandable, relevant and timely information about how the Council is taking decisions and how it is using resources such as money, people and assets.

**115.** There is evidence which demonstrates the Council's commitment to transparency. Members of the public can attend meetings of the full Council and other committees. Minutes of these meetings and supporting papers are readily available on the Council's website. Following a recent bench-marking exercise with other similar councils, the number of items taken in private have been reduced.



Most items on the full Council and committee agendas are now covered in open sessions with the Strategic Management Team monitoring the numbers of excluded items on a quarterly basis.

**116.** The Council's website allows the public to access a wide range of information including the register of members' interests, current consultations and surveys and how to make a complaint. In addition, the Council encourages the public to get involved with its work and welcomes suggestions on how services might be delivered more effectively and efficiently through its "Have your say" part of the website. The website is easy to navigate with a high level of transparency and openness.

**117.** Overall, we concluded that the Council conducts its business in an increasingly open and transparent manner.

### Live Argyll - new libraries and leisure trust

**118.** In November 2016, the Council decided to transfer leisure and libraries services to a charitable trust to provide a new, more efficient and commercially focused approach to delivering these services across Argyll and Bute. Live Argyll became operational in October 2017 and is responsible for libraries, leisure facilities, Active Schools, archives, museum, sport development, halls, community centres and community lets.

**119.** Live Argyll is a wholly owned subsidiary of the Council and is set up as a charitable company limited by guarantee. There is a services agreement between Live Argyll and the Council which includes the service specifications to be delivered by the charitable trust. The trust has access to support and administration services provided by the Council through a range of service level agreements.

**120.** Internal audit's review of Live Argyll's governance arrangements, reported in August 2018, provided substantial assurance that Live Argyll's internal control, governance and the management of risk was sound. It also made some recommendations including that Live Argyll should make its board meeting agendas, reports and minutes available to the public on its website.

**121.** We will keep this area under review in 2018/19 and will report as appropriate.

### Internal audit

**122.** The Council's internal audit function is carried out in-house. Each year we consider whether we can rely on internal audit work to avoid duplication of effort. When we plan to place reliance on internal audit work we carry out an assessment of the internal audit function to ensure that it is sufficient in terms of documentations standards, reporting procedures and quality, and is performed in accordance with Public Sector Internal Audit Standards (PSIAS).

**123.** Internal audit had an external quality assessment in 2018 as required every five years by PSIAS requirements. This review was carried out by the Fife, Tayside and Forth Valley internal audit consortium in summer 2018, with the draft report issued to the Council's Chief Internal Auditor in August 2018. The results of this review will be considered by the Strategic Management Team in September 2018.

**124.** We reviewed the Council's internal audit arrangements in accordance International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit. Our review concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place. While we did not place reliance on their work regarding our audit of the Council's financial statements, we considered the following internal audit's work as part of our wider dimension work and this gave us additional assurances over the wider control environment at the Council:

- Continuous monitoring programme – arrangements for prevention and detection of fraud, anti-fraud strategy, serious organised crime and budgeting
- ICT – service level agreements and systems development
- Governance – records management plan, gifts and hospitality
- Performance management – performance reporting and accuracy of LGBF submissions
- Financial management – VAT compliance and earmarked reserves
- Live Argyll governance.

### **Management commentary, annual governance statement and remuneration report**

**125.** The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 requires councils to prepare and publish, along with their financial statements, an annual governance statement, management commentary and a remuneration report that are consistent with the disclosures made in the financial statements. The management commentary should be fair, balanced and understandable and clearly address the longer-term financial sustainability of the body.

**126.** Based on our knowledge and work performed, we concluded that the management commentary, annual governance statement and remuneration report are consistent with the financial statements.

### **National Fraud Initiative**

**127.** The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

**128.** We reviewed the Council's NFI activity in February 2018 and the results are summarised in [Exhibit 9](#). The NFI secure website listed a total of 7,672 data matches with 1,092 of these classed as 'recommended' matches (high risk) for investigation. The Council followed up 864 (79 per cent) of the recommended matches and 1,677 matches in total. Of these, only a small number of housing benefit frauds were identified with a total value of £4,200 with the Council initiating a normal recovery action. In light of the Council's use of additional, alternative matching methods, this represents a reasonable coverage of the recommended matches.

## Exhibit 9

### NFI activity



7,672

Matches



1,092

Recommended for  
investigation



1,677

Completed/closed  
investigations

Source: NFI secure website: [www.nfi.gov.uk](http://www.nfi.gov.uk)

**129.** We concluded that the Council was proactive in investigating matches. This included reducing the number of investigations where the Council employed other data matching processes. The 2016/17 NFI exercise was well planned, adequately resourced and monitored, and appropriately reported to the Audit and Scrutiny Committee. We identified an area of good practice in the Council's use of an outsourced independent matching service twice yearly to identify council tax discount fraud.

### Standards of conduct for prevention and detection of fraud and error

**130.** The Council has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, anti-fraud strategy and codes of conduct for elected members and officers. We assessed these to ensure that they were appropriate, readily available to staff and regularly reviewed to ensure they remained relevant and current.

**131.** We concluded that the Council has appropriate arrangements in place for the prevention and detection of bribery and corruption. We are not aware of any specific issues we would require to bring to your attention.

### Public Services Network (PSN)

**132.** To provide the performance, resilience and security required by the public sector, the PSN is unified by an agreed set of standards which all users, suppliers and customers must comply with. These standards and conditions are administered by the Cabinet Office's Digital Service. PSN compliance guarantees a common approach to information assurance, technical inter-operability, service management and governance. The Cabinet Office issued the Council with renewed PSN accreditation on 27 February 2018 confirming that the Council's infrastructure was sufficiently secure to connect to the PSN until 27 February 2019.

### Cyber security

**133.** In November 2017, the Scottish Government issued a [Public Sector Action Plan on Cyber Resilience](#) which requires all public sector bodies to carry out a review to ensure their cyber security arrangements are appropriate.

**134.** The Council is actively engaged in the Scottish Government's cyber resilience action plan and is strengthening its cyber resilience arrangements. It created a new Security and Compliance Officer role, developed a Threat Register and completed its Cyber Essentials pre-assessment by the required date (31 March 2018). This resulted in a detailed action plan identifying actions required for strengthening cyber resilience arrangements. The implementation of the action plan resulted in the Council achieving the Cyber Essentials accreditation in May 2018.

## General Data Protection Regulation

**135.** The new General Data Protection Regulation (GDPR) came into force on 25 May 2018. This replaced the UK Data Protection Act 1998 (DPA). As a Regulation, all EU member states must implement it in the same way. GDPR sets out further requirements than the DPA and introduces new and significantly changed data protection concepts.

**136.** GDPR introduces a wide range of new rights for individuals in respect of their personal data. These include the right to be forgotten, the right to object to certain processing activities and to decisions taken by automated processes. Failure to comply with new GDPR data handling arrangements could result in the Council incurring significant fines.

**137.** In autumn 2017, the Council established a GDPR project team and approved a detailed project plan for GDPR implementation. Quarterly updates on progressing the implementation plan have been provided to the SMT and annual reports on GDPR compliance will be provided to the Council and the ASC from June 2019.

**138.** In August 2018, the Policy and Resources Committee approved the Council's new Information Management (IM) Strategy 2018-21 which includes the approach to ensuring GDPR compliance. The Governance and Risk Manager has been appointed as a Data Protection Officer and mandatory GDPR training for all staff has been rolled out. This includes an online training module, a staff guidance note and other forms of training.

**139.** We concluded that, although the Council has not yet achieved full compliance with GDPR, it has made good progress in updating its information governance procedures to ensure compliance with GDPR. However, the Council's management and the Data Protection Officer should continue to monitor the initial uptake and on-going delivery of data protection training to all staff.

## Correspondence referred to the auditor by Audit Scotland

**140.** We received correspondence covering issues related to Argyll and Bute Alcohol and Drugs Partnership (ADP) which is an NHS-led partnership. The Council's internal auditors are currently producing a report on the arrangements for procurement, performance monitoring and governance relating to ADP and are expected to present its findings to the Audit and Scrutiny Committee before the end of this calendar year. We will review internal audit's methodology and findings, perform further work if required and report during our 2018/19 audit as appropriate.

## Local scrutiny plan

**141.** The 2018/19 Local Scrutiny Plan (LSP) prepared by the Local Area Network (LAN) of scrutiny partners for the Council was submitted on 29 March 2018. Other than Education Scotland's follow-up of its 2017 and 2018 reports on the Council's education services, the LAN did not identify any new scrutiny risks in the year which would require specific scrutiny work during 2018/19. The Council will be subject to a range of nationally driven scrutiny activity as set out in the LSP.

**142.** The latest Education Scotland report, published on 31 July 2018, noted that the Council made positive and continued progress since the original inspection in September 2016. This included strengthening its arrangements to drive improvement in the quality of its educational provision, building on its early progress across a number of key aspects of the leadership of the education service and increasing its efforts to improve relationships and communication with stakeholders.

# Part 5

## Best Value



### Main judgements

**The Council has been effective in promoting community engagement across most areas of its activities, so that consideration of the community impact has become an integral part of service planning and policy making.**

**The Council has successfully implemented its statutory obligations relating to the Community Empowerment Act 2015.**

**There are challenges in partnership working between the Council, NHS Highland and Argyll and Bute Integration Joint Board who aim to revisit the risk sharing arrangements outlined in the integration scheme. Effective partnership working will be essential for providing integrated services within the funding available.**

### Best value

**143.** Best value is assessed over the five-year audit appointment as part of the annual audit work. A Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five-year period. The BVAR report for Argyll and Bute Council is planned for year four in the five-year programme.

**144.** The Best value audit work carried out this year focussed on the Council's arrangements for community empowerment, community engagement and elements of partnership working, particularly in relation to Argyll and Bute Integration Joint Board (IJB). The findings of this work are reported below. The effectiveness of the Council's best value arrangements in other areas will be assessed and reported throughout our audit appointment.

**Value for money is concerned with using resources effectively and continually improving services.**

### Community empowerment

**145.** The Community Empowerment Act 2015 gave local communities new powers to take control of and manage community assets. The Council has put in place measures to prepare for and implement all relevant elements of the Community Empowerment (Scotland) Act 2015. Procedures have been developed to ensure consistency across the council in its approach to community empowerment and enable effective, timely decisions to be made.

**146.** The Council's website contains information regarding the Community Empowerment (Scotland) Act 2015. This resource provides an overview of the various elements of the Act and contain links to further information/support regarding each of these, including links to the information pages of some of the Council's Community Planning Partners.

**147.** Elements of the Act which impact on Argyll and Bute Council are noted below, together with our assessment of the current position:

- **Community Planning:** Communities are appropriately engaged with community planning through Area Community Planning Groups, particularly in relation to the production of locality plans. The Council carried out a consultation with communities to identify key priorities for the plans. This work was completed in October 2017 and Locality Action Plans have been agreed for the four Council geographical areas.
- **Participation Requests:** The Council has developed processes and guidance in line with that proposed by the Scottish Government, and a dedicated website has been set up which contains links to the relevant documentation and contact details within the Council to obtain support in submitting a participation request. The required annual report has also been produced. The Council has met its obligations regarding implementation of this element of the legislation for 2017/18.
- **Asset Transfer Requests:** Dedicated asset transfer website has been set up which contains links to relevant documentation and the land and asset register, together with contact details within the Council for support in developing a request. The Council's Social Enterprise Team participated in a number of events to advise on the process. They form the single point of contact for transfer request submissions and provide support to any community group making a request. The required annual report has been produced and, as at June 2018, there were 14 live expressions of interest relating to potential asset transfer requests. The Council has met its obligations regarding implementation of this element of the legislation for 2017/18.
- **Common Good Property:** The Council carried out a review of common good property in order to produce a definitive listing in advance of statutory guidance being published. This guidance was published at the end July 2018 and officers are currently in process of preparing a report for the October PRC meeting setting out how this element will be taken forward. This includes the establishment of a common good register for consultation.
- **Non-Domestic Rates:** The Act provides for a new power which allows local authorities to create and fund their own localised business rate relief schemes to better reflect local needs and support communities. To date no new areas of relief to be funded by the Council are being considered, therefore the Council has not yet utilised the new powers brought about by the Act.
- **Community Choices Budgeting:** We have concluded that the Council made good progress in this area. Residents of Argyll and Bute were given the opportunity to have their say on how money in their area is spent by voting on the Council's Supporting Communities Fund. Local groups and organisations posted their project ideas on a website created specifically for the fund, in particular how they could use potential funding of up to £2,500 per project to benefit the local community. In April 2018, residents were given the opportunity to vote for which projects they would like to see funded. This method of allocating community funding will now be fully evaluated.

**148.** The Council has been proactive in its approach to preparing for the implementation of its community empowerment obligations. The elements of the Act which are currently in force have been implemented, other than the new powers relating to non-domestic rates. The Council continues its work to ensure that it will be able to comply with the other parts as and when they come into force.

## Community engagement

**149.** Three of the eight priorities in the Corporate Plan 2018-2022 are concerned with communities. Corporate outcomes can be linked to business outcomes, which



are in turn built into annual service plans, where the impact of service changes on communities are identified where appropriate.

**150.** The Council engages with communities through a range of methods including its Community Development Team, Community Councils, voluntary and community groups, road shows and other events. There is a dedicated Community Development section on the Council website, providing clear guidance to individuals and groups on how to access the Council's community support.

**151.** The Community Development Team provides a range of support for community groups and for the Argyll and Bute Community Planning Partnership. A stated priority for the team is to work in partnership with other agencies to support groups who work with vulnerable individuals and communities.

**152.** The Council utilises consultation processes wherever possible to ensure community input to decision making and service design and delivery. The Council's main consultation exercise is the annual consultation on the budget where residents are invited to provide comment and suggestions on the budget and service options going into each financial year. Responses are collated and analysed, with their impact on the Council's decisions reported publicly.

**153.** The Council uses residents' feedback to improve and identify areas for review. Overall, we concluded that the Council has promoted community engagement across a range of activities, and that consideration of the community impact feeds through to its service planning and policy making.

### **Integration of health and social care – partnership working**

**154.** The Scottish Government's 2020 vision places greater emphasis on enabling people to stay in their homes, or another homely setting, where possible, sharing their lives with their family and friends and doing the things that give life meaning and value. The integration of health and social care is a mechanism to achieve this.

**155.** The Argyll and Bute Health and Social Care Partnership (HSCP) is provided in partnership with NHS Highland and became fully operational on 1 April 2016. The Council has good arrangements in place to identify all financial transactions that relate to the HSCP. There are also proper arrangements to provide officers with appropriate financial information to enable the Integration Joint Board (IJB), the HSCP's governing board, to monitor its financial budget.

**156.** However, there are challenges in the partnership working between the three partner bodies. As at the end of August 2018, the IJB has yet to agree its 2018/19 budget. The budget report, presented to the IJB on 1 August 2018, shows that Argyll and Bute Council and NHS Highland offered a total funding of £265 million for 2018/19. The IJB forecasts its expenditure exceeding the offered funding by £1.6 million and it indicated that it will only accept funding offers once it has clarified whether these are sufficient for the delivery of delegated services. If additional funding offers are not possible, then the IJB will need to achieve an additional £1.6 million of savings. Until the budget is agreed and funding is approved, there is uncertainty around any impact on the IJB's provision of services.

**157.** In February 2018, the Council initiated a review of the IJB's integration scheme. This review will aim to revisit the risk sharing arrangements and the responsibilities of partner bodies regarding the funding of IJB overspends. Effective working relationships between the Council and NHS Highland will be vital in agreeing an integration scheme satisfactory to all parties. Going forward, the three partners need to recognise that there is finite funding for health and social care services and that effective partnership working will be essential for providing integrated services within the available funding.

## Following the public pound

**158.** Local authorities have a statutory responsibility to comply with the Accounts Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

**159.** As noted elsewhere, from October 2017, Argyll and Bute Council transferred leisure and library services to an independent charitable trust, Live Argyll. The Council is represented on its Board of Trustees by three elected members and provides accounting, payroll and governance services to the new organisation under various service level agreements. In addition, in payment for the provision of services previously under Council control, the trust receives a management fee of c£3.5m per annum from the Council. The trust falls into the category of organisations described as arm's length external organisations, or ALEOs, and the responsibility for following the public pound applies fully to the Council's financial transactions with Live Argyll.

**160.** During 2017/18 Audit Scotland carried out a performance audit of Scottish councils' use of ALEOs. Findings from this work are included in the '*Council's Use of Arm's Length Organisations*' report and this is available on our website [here](#). The aim of the report was to support councils by identifying good practice and lessons learned and give assurance to the public over this means of service delivery.

**161.** In August 2018, the Council's internal auditors reported that a substantial level of assurance could be taken over governance arrangements within the new ALEO. In addition, the ALEOs significant reliance on the Council's financial and payroll systems means that currently the Council's internal financial controls are applied to Live Argyll transactions. In 2018/19 we will keep under review the financial transactions and accounting arrangements in place between the Council and Live Argyll, as these relate to the statutory responsibility for following the public pound.

## Performance management

**162.** The current Performance and Improvement Framework (PIF) was approved by the Council and introduced from April 2017. From 2017/18, the Council monitored its performance against 32 business outcomes compared to the previous 63 service outcomes. This has provided a framework more closely linked with corporate objectives, and more user friendly for management and elected members.

**163.** Service plans have been revised from one-year to three-year plans, which are integrated with the performance management system to provide service scorecards. The performance scorecards highlight key successes, challenges and improvement actions, and are reported quarterly to Policy and Resources Committee.

**164.** We concluded that the Council's framework for performance reporting is of a high standard and the developments made have improved elected members ability to exercise scrutiny. The PIF is currently being further enhanced through the development of a suite of 21 business outcomes, considered to be more appropriate by management. These will align to the Argyll and Bute Outcome Improvement Plan and the Corporate Plan once implemented in 2019/20.

## Overview of performance targets

**165.** The Council participates in the [Local Government Benchmarking Framework](#) (LGBF). The framework aims to bring together a wide range of information about how all Scottish Councils perform in delivering better services to local communities, including the cost of services and how satisfied citizens are with them.

**166.** The most recent [National Benchmarking Overview Report 2016/17](#) by the Improvement Service was published in February 2018 and covered the 2016/17



reporting period. A report presented to the Audit and Scrutiny Committee in June 2018 included information on the Council's performance compared to Scottish averages for 77 indicators. Of these, 35 (45%) were better than average, 10 (13%) were the same or very slightly worse and 32 (42%) were worse than average.

**167.** Areas performing well included the cost of children looked after in residential based services, percentage of procurement spent on local small or medium sized enterprises, cost of museum visits, cost of maintenance per kilometre of roads and cost of planning applications.

**168.** Areas performing poorly included cost per library visit, waste disposal costs, percentage of unemployed persons assisted into work through council programmes and proportion of operational buildings suitable for current use.

**169.** The Audit and Scrutiny Committee agreed to relevant reports being presented to a members' seminar to raise awareness, and to strategic committees for agreement of the necessary performance improvements.

### Statutory performance indicators (SPIs)

**170.** The Accounts Commission places great emphasis on councils' responsibility for public performance reporting. The Commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

**171.** For 2017/18 two SPIs were prescribed:

- SPI 1: covering a range of information relating to areas of performance such as improving local public services, improving local outcomes, engaging with communities and achieving best value
- SPI 2: relates to the reporting of performance information as required by the Local Government Benchmarking Framework.

**172.** We reviewed the Council's arrangements for collecting, recording and publishing SPI data in 2017/18. Overall, we concluded that these arrangements were satisfactory.

### National performance audit reports

**173.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2017/18, Audit Scotland published a number of reports which are of direct interest to the Council. These are outlined in [Appendix 3](#).

**174.** The Council's internal audit section reviews Audit Scotland's and other national reports and passes them to the appropriate senior officer for consideration and action where appropriate. A quarterly report is provided to Audit and Scrutiny Committee which provides details of those national reports, which senior officers receive the reports, details of key reports' recommendations and the senior management response. This process is effective, particularly as the Chief Internal Auditor follows up the cases with no suitable response.

# Appendix 1

## Action plan 2017/18

### 2017/18 recommendations for improvement

No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Review of Assets Under Construction</b></p> <p>70 assets under construction, of cumulative value of £6.498 million in the fixed asset register, had no movement in value over the year. On review of all assets under construction with the value of over £0.25 million, management established that a number of these assets, valued in the fixed asset register at £3.4 million were operational.</p> <p><b>Risk</b></p> <p>The asset value and classification may not be appropriately reflected in the accounts.</p>	<p>Management should undertake a revaluation of assets moved from assets under construction into the operational assets. This is to ensure that they are accurately reflected in the accounts and appropriate depreciation is charged going forward.</p> <p>Furthermore, management should extend the review of the assets under construction to all assets currently valued under £0.250 million to ensure all items are appropriately classified and treated in the accounts.</p> <p><a href="#">Exhibit 3</a></p>	<p>A review of all assets under construction will be carried out during 2018-19 and for those identified as complete and impairment review or revaluation will be carried out.</p> <p>Anne MacDougall, Finance Manager.</p> <p>31 March 2019</p>
2	<p><b>Common Good Assets</b></p> <p>Oban swimming pool with a net book value of £3.5 million was included appropriately in the Council's group accounts but was incorrectly omitted from the Council's asset register.</p> <p>Two other common good fixed assets have been included in the accounts with a net book value of £0.2 million, based on an incorrect treatment of these assets on the asset register. The last valuation of these assets was undertaken in 2013, although the valuation movement had not been appropriately reflected on the asset register.</p> <p><b>Risk</b></p>	<p>A valuation of common good assets should be undertaken in 2018/19 and these should be appropriately reflected in the asset register and in the annual accounts.</p> <p><a href="#">Exhibit 3</a></p>	<p>Valuation will be undertaken during 2018-19.</p> <p>Anne MacDougall, Finance Manager.</p> <p>31 March 2019</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>There is a risk that common good asset values are not supported by appropriate accounting records and are misstated within the group accounts and the value of misstatement cannot be estimated.</p>		
3	<p><b>Heritage Assets</b></p> <p>Heritage assets in Campbeltown Museum and the Argyll Collection have not been valued and included within the council's accounts.</p> <p><b>Risk</b></p> <p>There is a risk that heritage asset are misstated in the accounts and the value of the misstatement cannot be estimated.</p>	<p>Heritage assets should be valued and reflected in the accounts from 2018/19.</p> <p><a href="#">Exhibit 3</a></p>	<p>Will liaise with Live Argyll to ensure a valuation is undertaken during 2018-19.</p> <p>Anne MacDougall, Finance Manager.</p> <p>31 March 2019</p>
4	<p><b>Financial Planning</b></p> <p>We were pleased to note that the Council prepared a medium to long-term financial strategy which includes forecasts for revenue, capital and treasury management, and details of plans to mitigate future budget gaps. Scenario planning was also utilised. However, the strategy could also include changes in assets, liabilities and reserves over time, and an analysis of levels of service demand. Additionally, the supporting detailed financial plans could be prepared for three rather than five years.</p> <p><b>Risk</b></p> <p>There is a risk that the current medium to long-term financial strategy and the supporting financial plans do not provide elected members with a full picture of potential financial challenges in the future years.</p>	<p>The Council should consider producing detailed financial plans, extending to five years from the current three years. The medium to long-term strategy could be enhanced by including details of changes in assets, liabilities and reserves over time, and an analysis of levels of service demand.</p>	<p>Will give consideration to enhancing the medium to longer term financial strategy as part of its next review,</p> <p>Kirsty Flanagan, Head of Strategic Finance</p> <p>31 March 2019</p>
Follow up of prior year recommendations			
b/f 1	<p><b>Holiday pay accrual</b></p> <p>The percentage used to incorporate Other Staff into the calculation was based on a</p>	<p>Sample data used to calculate the accrual for holiday pay should be</p>	<p>Sample data will be updated as part of the 2018-19 accounts preparation.</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>sample of employees from 2010/11.</p> <p>There is a risk that over time the relevance and validity of the sample data will reduce resulting in misstatement of the amount accrued.</p>	<p>reviewed regularly to confirm its continued suitability.</p> <p><b>Update</b></p> <p>The sample data used in the calculation remains unchanged from the 2010/11.</p>	<p>Anne MacDougall, Finance Manager.</p> <p>31 March 2019</p>

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that auditors consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates and evaluation of the impact of any variability in key assumptions.</p> <p>Focused testing of accruals and prepayments.</p> <p>Substantive testing of transactions after the year end to confirm income and expenditure is accounted for in the correct period.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p>	<p>No unusual or inappropriate transactions were identified as part of detailed testing of journal entries.</p> <p>A review of accounting estimates did not show any instance of bias.</p> <p>No significant issues were noted in our testing of accruals and prepayments.</p> <p>Income and expenditure was accounted for in correct financial year.</p> <p>No significant transactions outside the normal course of Council business were identified.</p> <p>Overall, there was no evidence of management override of controls at the Council.</p>
<p><b>2 Risk of fraud over income</b></p> <p>Argyll and Bute Council receives a significant amount of income in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud that requires an audit response.</p>	<p>Testing of controls over receivables.</p> <p>Reliance on internal audit's continuous monitoring of income controls.</p> <p>Review of arrangements to prevent and detect fraud.</p> <p>Analytical procedures on income streams.</p> <p>Detailed testing of income transactions, including cut-off testing, focusing on the areas of greatest risk.</p>	<p>Key controls over receivables were operating effectively.</p> <p>Internal audit has not raised any risks of fraud in relation to income controls.</p> <p>The Council's fraud arrangements were found to be satisfactory.</p> <p>We found no issues during our detailed testing of income.</p>
<p><b>3 Risk of fraud over expenditure</b></p>	<p>Walk-through of controls over payables.</p>	<p>Key controls over payables were operating as intended.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>Most public sector bodies are net expenditure bodies, therefore the risk of fraud is more likely to occur over expenditure, due to the variety and extent of expenditure in delivering services. Specific fraud risks relevant to public sector audit include welfare benefits, grants and other claims made by individuals and organisations on the public purse.</p>	<p>Reliance on internal audit's continuous monitoring of expenditure controls.</p> <p>Review of arrangements to prevent and detect fraud.</p> <p>Analytical procedures on expenditure transactions.</p> <p>Detailed testing of expenditure transactions, including cut off testing, focusing on the areas of greatest risk.</p>	<p>Internal audit has not raised any risks of fraud in relation to expenditure controls.</p> <p>Review of the Council's fraud arrangements were found to be satisfactory.</p> <p>We found no issues during our detailed testing of expenditure transactions.</p>
<p><b>4 Estimations and Judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of the following material account areas:</p> <ul style="list-style-type: none"> <li>• non current assets (including heritage assets)</li> <li>• provisions (including equal pay claims)</li> <li>• pension liabilities.</li> </ul> <p>This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Completion of "review of the work of an expert" for the professional valuers and actuaries.</p> <p>Review of accounting estimates and disclosures.</p> <p>Additional assurances obtained from legal and HR officers in relation to provisions.</p> <p>Focused substantive testing of non-current assets, provisions and pension liabilities including data submitted by the council to actuaries.</p>	<p>We did not find any issues with the reliability of these experts.</p> <p>We agreed samples of accruals and provisions to appropriate back up evidence.</p> <p>Pension disclosures, and the net pension liability, required amendment to reflect the updated valuation of pension assets by scheme actuaries.</p> <p>We concluded that estimations and judgements included in the accounts are supported by appropriate audit evidence.</p>
<p><b>5 Libraries and Leisure Trust</b></p> <p>On 1 October 2017, most of the council's museum, library and sports centre operations were transferred to Live Argyll, an arms-length trust. This means that it will have an initial part year with costs between 1 April and 30 September 2017 being accounted for through the council's community &amp; culture services and costs between 1 October 2017 and 31 March 2018 being treated as a global management fee payable to the new trust. There is a risk that cumulative transactions and balances as at the handover date may not be correctly accounted for.</p> <p>Also, with the accounting period end only two months way, the new Trust has still to confirm the appointment of external auditors.</p>	<p>Review of the council's mini year-end exercise including accounting cut-off at the transfer date, and income/assets/liabilities transferred.</p> <p>Obtain component auditor controls assurances and financial statement confirmations for group financial statements audit purposes.</p>	<p>We reviewed the year-end exercise performed by the Council at the start of the operation of Live Argyll. We concluded that balances had been transferred appropriately and the management fee was appropriately calculated.</p> <p>Auditor assurances have been requested, however have not been received from the component auditor. This has been noted as outstanding evidence in the ISA 260.</p>

Audit risk	Assurance procedure	Results and conclusions
<p><b>6 New housing benefits system</b></p> <p>The council has implemented a new housing benefit system from February 2018 and has transferred existing housing benefit data from the current Northgate system to the new Civica system. The new system will be used to prepare the housing benefit subsidy claim for 2017/18.</p> <p>As with all new systems there is a risk that there are errors in the data transfer and the initial financial information produced. As this information feeds into the financial statements and the housing benefit subsidy claim, this results in a financial statements risk.</p>	<p>Review of project management methodology and of implementation plan.</p> <p>Review of the reconciliations between the closing Northgate and opening Civica systems.</p>	<p>The project management methodology and the implementation plan was satisfactory.</p> <p>Our IT audit specialist reviewed the reconciliations between the Northgate and Civica systems and found that the transfer of data had been carried out successfully. No significant issues were noted.</p>

### Risks identified from the auditor's wider responsibility under the Code of Audit Practice

<p><b>7 Financial sustainability</b></p> <p>Councils are continuing to face significant financial challenges with pressures on funding and increasing demand for services, creating the need to fundamentally and sustainably reconfigure service provision.</p> <p>As at 22 February 2018, the mid-range scenario of the council's three year Budget Outlook from 2018/19 to 2020/21 estimates a budget gap of £4.1 million for 2019/20, rising to £10.4 million in 2020/21, with a balanced budget position forecast for 2018/19.</p> <p>This represents a financial sustainability risk for the council as the level of necessary budget savings may adversely affect the level and quality of service provision. The council has recognised this risk as part of its risk management process.</p>	<p>Review of the council's annual budget setting arrangements.</p> <p>Assessment of the council's medium to long term financial strategy.</p> <p>On-going review of budget monitoring reports and other reports to members on financial position.</p> <p>On-going review of the council's financial position and delivery of planned savings.</p>	<p>Budget setting arrangements were appropriate.</p> <p>The council's medium to long term financial planning was assessed. We found that the council had appropriately planned for the range of scenarios but the strategy could be further enhanced.</p> <p>Budget monitoring reporting to members and budget managers was of a high standard and enabled corrective action to be taken timeously should overspends develop during the year.</p> <p>Savings plans to date have been delivered successfully and plans for future savings are in development.</p> <p>Financial sustainability risks facing the council are being appropriately managed.</p>
<p><b>8 Financial sustainability</b></p> <p>The developing financial position of the Argyll and Bute Integration Joint Board (IJB) may impact upon that of the</p>	<p>On-going review of IJB financial performance and delivery of savings.</p>	<p>The IJB overspent in year, which required the council to fund an additional £1.155 million in service expenditure. This impacted on the general fund</p>



Audit risk	Assurance procedure	Results and conclusions
<p>council going forward. Latest forecast overspend for the IJB is £2.915m and the share of this apportioned to Argyll and Bute Council is £1.915m.</p> <p>Indications are that future IJB overspends will increase, despite savings plans being developed.</p>		<p>reserves, and means the council has a reduced level of unallocated reserves available.</p> <p>There is still a risk to financial sustainability due to IJB overspends.</p>
<p><b>9 Workforce planning</b></p> <p>Following from our 2016/17 annual audit report recommendation, the council is developing its strategic workforce plan which is a key element in the development of the council's medium to long term financial strategy and its service redesign plans. However, the plan is yet to be finalised for approval by the full council.</p> <p>Until the strategic workforce plan is finalised, the risk remains that the council may be unable to deliver its corporate strategy and service redesign plans due to any emerging skills and capacity gaps.</p>	<p>Assessment of the strategic workforce plan once approved.</p>	<p>The strategic workforce plan 2018-2022, was approved by the Council on April 2018. We have concluded that this plan along with the underlying service workforce plans, should enable the Council to develop its future workforce to meet the Transformation Agenda. We will monitor progress in this area as part of our 2018/19 audit work.</p>
<p><b>10 Governance and transparency</b></p> <p>In May 2017, the council formed a new Audit and Scrutiny Committee (ASC) by merging its previous Audit and Performance Review and Scrutiny Committees. The working arrangements and dynamics of all new committees will take some time to settle. Also the Terms of Reference (ToR) for its scrutiny function are still in development.</p> <p>Until this is finalised and the scrutiny function commences, there is a risk that the combined committee is not operating effectively.</p>	<p>Attendance by external audit at all meetings of the ASC, to observe and monitor the level of scrutiny and overall effectiveness of the new combined committee.</p>	<p>Through attendance of the ASC, and review of the new ToRs and the scrutiny framework, we concluded that the arrangements in place are likely to facilitate effective scrutiny. We will continue to assess the effectiveness of the ASC's scrutiny function throughout 2018/19.</p>



# Appendix 3

## Summary of national performance reports 2017/18



		2017/18 Reports	
		Apr	
		May	
Common Agricultural Policy Futures programme: further update		Jun	Scotland's colleges 2017
		Jul	NHS workforce planning
Self-directed support: 2017 progress report		Aug	
Equal pay in Scottish councils		Sept	
Transport Scotland's ferry services		Oct	NHS in Scotland 2017
Local government in Scotland: Financial overview 2016/17		Nov	
		Dec	
		Jan	
Early learning and childcare		Feb	
Managing the implementation of the Scotland Acts		Mar	

### Local government relevant reports

[Principles for a digital future](#) – May 2017

[Self-directed support: 2017 progress report](#) – August 2017

[Equal pay in Scottish councils](#) – September 2017

[Local government in Scotland: Financial overview 2016/17](#) – November 2017

# Argyll and Bute Council

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**ARGYLL AND BUTE COUNCIL**
**COUNCIL****DEVELOPMENT AND  
INFRASTRUCTURE SERVICES****29 NOVEMBER 2018**


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**STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2019/20 – 2023/24**


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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Argyll and Bute Strategic Housing Investment Plan (SHIP) aims to deliver over 800 new affordable homes across the local authority area with a Council Strategic Housing Fund contribution of over £9 million.
- 1.2 The Scottish Government issued revised guidance in August 2018 to assist local authorities in the preparation of their annual SHIPs; which will cover the period 2019/20 - 2023/24, and were required to be submitted by 26<sup>th</sup> October 2018. Local authorities are permitted to submit a draft SHIP at the submission date, subject to confirming the anticipated date of Committee approval and submission of a final approved version as soon as possible thereafter. This paper summarises the proposals for the revised SHIP, in line with statutory requirements and the latest guidance.
- 1.3 In June 2018, the Scottish Government also issued formal confirmation of long term Resource Planning Assumptions (RPAs) for local authorities in support of their Affordable Housing Supply Programme. The available funding for Argyll and Bute over the next three years has increased substantially and provides certainty and clarity for forward planning:

<b>Argyll &amp; Bute</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>3 Year Total</b>
<b>RPA</b>	<b>£16.182</b>	<b>£17.140m</b>	<b>£18.286m</b>	<b>£51.608m</b>

- 1.4 In 2017/18, the SHIP delivered 75 new affordable homes. This SHIP identifies potential for around 91 units this year and over 800 additional homes to be completed or approved in subsequent years.
- 1.4.1 As well as addressing unmet local need and contributing to national targets, the proposed programme will: generate additional investment in the local economy, supporting additional jobs including new apprenticeships in the construction sector and associated labour market; it will stimulate community regeneration and sustainability; it will help to attract and retain residents and employees for local businesses; it will encourage movement within, and more effective operation of, the local housing system; it will also contribute to improving general health and well-being; and more pragmatically the new homes will also generate additional Council tax revenue.

## **1.5 RECOMMENDATION**

It is recommended that the Council:

- I. Approve the SHIP proposals summarised in this report which were submitted to the Scottish Government in October 2018 subject to Council approval; and
- II. Commit to maximising the use of the Strategic Housing Fund to support the SHIP programme.

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ARGYLL AND BUTE COUNCIL

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DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

29 NOVEMBER 2018

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**STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2019/20 – 2023/24**

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**2.0 INTRODUCTION**

- 2.1 The Argyll and Bute Strategic Housing Investment Plan (SHIP) aims to deliver over 800 new affordable homes across the local authority area with a Council Strategic Housing Fund contribution of over £9 million.
- 2.2 This paper seeks council approval of the revised Strategic Housing Investment Plan 2019/20 – 2023/24 which was submitted in draft form to the Scottish Government in October 2018. The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes set out in the Local Housing Strategy.
- 2.3 The SHIP remains a continuous, iterative process: individual projects are subject to a variety of factors which can lead to slippage or revision; and the overall programme requires constant monitoring. Formal updates are now required on an annual basis.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Council:
- I. Approve the SHIP proposals summarised in this report which were submitted to the Scottish Government in October 2018 subject to Council approval; and
  - II. Commit to maximising the use of the Strategic Housing Fund to support the SHIP programme

**4.0 DETAIL**

- 4.1 From 2017, the Scottish Government and COSLA/ALACHO agreed that SHIPs would revert to being submitted on an annual basis. In August 2018 revised

guidance was issued to assist local authorities prepare their SHIPs, which were submitted in draft form by 26<sup>th</sup> October 2018, and will cover the period 2019/20–2023/24.

- 4.2 The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures to meet identified need in the area. SHIPs are directly informed by the LHS and its policies and are developed in consultation with key stakeholders. Therefore, the SHIP is operational and not a policy document.
- 4.3 The core purpose of the SHIP remains to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes contained in the LHS. The plan reinforces the council as the strategic housing authority; the importance of the outcomes and targets set out in the LHS; and informs Scottish Government investment decisions.
- 4.4 The SHIP should therefore
- Set out investment priorities for affordable housing
  - Demonstrate how these will be delivered
  - Identify the resources required to deliver these priorities
  - Enable the involvement of key partners

The content of the SHIP also includes the following;

- That the priorities listed are consistent with the Local Housing Strategy (LHS) and any subsequent updates;
- A summary of the methodology used to prioritise projects;
- That beyond securing funding, any other development constraints will have been resolved by the estimated site start date;
- The level of consultation undertaken with RSLs and other stakeholders in developing the SHIP;
- That the projects will maximise the opportunities for energy efficiency and reduction of fuel poverty.

#### 4.5 Key Aspects of Revised SHIP Guidance

Building on previous guidance, the Scottish Government's new guidance includes an enhanced emphasis on the delivery of wheelchair accessible housing and in support of action 62 of the Fairer Scotland for Disabled People Action Plan, the guidance requires additional material from local authorities in the form of a position statement covering the following broad areas.

- What the current evidence base tells you about the requirement for wheelchair accessible housing, and any plans the authority has to develop this work further.
- The approach, if any, the authority have set in the Local Housing Strategy/ Local Development Plan to wheelchair accessible housing including any target/ quota that the local authority currently has in place.

The revised guidance also introduces specific linkages between the SHIP process and the new duty on local authorities to produce Rapid Rehousing Transition Plans, essentially ensuring that the delivery of the SHIP will have direct impact on homelessness in the local authority area.

#### 4.6 Resource Planning Assumptions (RPAs).

The Scottish Government has allocated RPAs to local authorities for the three years to end-March 2021. These confirm substantial increases on previous assumptions for this authority:

<b>Argyll &amp; Bute</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
<b>RPA</b>	<b>£16.182m</b>	<b>£17.140m</b>	<b>£18.286m</b>	<b>£51.608m</b>

Source: Scottish Government Letter of Confirmation, June 2018

An approximate calculation (based on the average Affordable Housing Supply Programme 3 person unit benchmark of £82k for social rent in rural Argyll) would suggest that this level of investment could deliver around 630 new affordable homes in the period from 2018/19 to 2020/21. Investment for the final three years of the SHIP programme, 2021/22, 2022/23, and 2023/24 will be confirmed in due course (for planning purposes the SHIP Guidance indicates that local authorities should use their 2020/21 RPA as the basis for funding for the final three years of this SHIP period, on the understanding that there is currently no guarantee of funding beyond 2021). It should be noted that this is potential investment for Argyll and Bute, dependent on actual need and deliverability of suitable projects; and while obviously very welcome, this level of funding will also present real challenges for the council and its partners. This would be subject to sufficient complementary funding being available from the council and RSLs themselves to support the programme; and the capacity of the constrained local construction industry to gear up to such an enhanced level of productivity.

- 4.7 Additional funding is required to complement the Scottish Government investment, and in Argyll and Bute this includes a significant contribution from the Council's Strategic Housing Fund (SHF) as well as housing association investment drawn from private sector borrowing. The council's SHF is primarily based on the revenue raised from reduced tax discounts on holiday and second homes. The SHIP sets out plans to fully utilise the SHF over 5 years to support the affordable housing development programme, including empty homes grants and loans. The projected income to the SHF over the next 3 years is approximately £1.9m per annum. In April 2016 the Council halved the level of grant provision for RSLs from £25k to £12k per unit, to reflect the equivalent increase in Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this is indeed the most appropriate and cost effective level of grant aid to support the SHIP programme. An indicative estimate of around £8.9m would be required to support in full the Scottish Government investment outlined in the three year RPAs above; and over £10m would be required in order to support all the projects outlined in this SHIP (see Tables 2.1 and 2.2 below).

#### 4.8 Consultation and Collaboration

The preparation of the SHIP is intended to be viewed as a corporate activity with close working relationships fostered across housing, planning, economic development and other internal departments. It is also crucial that the SHIP process is based on collaboration between the Council, RSLs, communities, developers, the Scottish Government and other stakeholders such as the Health and Social Care Partnership; and that the SHIP document should provide a detailed narrative about how consultation and collaboration has been undertaken with all stakeholders. In Argyll and Bute, while the Council remains the strategic authority with overall responsibility for the plan, local RSLs and developers are engaged formally and informally throughout the process, and do lead on delivering most of the individual projects. Regular review meetings are held with SHIP officers from the Council, RSLs, and the Scottish Government, and all proposals and decisions are considered by the overarching, multi-agency Strategic Housing Forum. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and individual residents are routinely engaged and consulted. In recent years, a number of local community councils and development trusts have pro-actively engaged in the SHIP process, undertaking localised HNDAs, with Council support, to feed into the process and contributing to discussions on the project proposals. In 2018, additional engagement has been promoted across the local business sector and a network of employers and other interested parties has been established for future consultation.

- 4.9 A primary focus for the new SHIP has been engagement with the Health and Social Care Partnership (HSCP) to ensure adequate specialist provision is included in the new build programme. The HSCP's 3 year strategic plan incorporates a housing contribution statement outlining the essential role housing plays in supporting and maintaining independence, health and well-being of residents. The HSCP has now agreed with the council a programme of work to refresh the service needs assessment and further strengthen operational planning and delivery by the end of March 2019. This work will inform a review and if necessary a realignment of the current council target of 10% baseline of new developments to cater for residents with special needs e.g. the elderly, families, disabled.

#### 4.10 Housing Infrastructure Fund (HIF)

The Scottish Government has introduced an infrastructure fund to support housing development through dedicated loans and grants. This five year programme will run at least to 31<sup>st</sup> March 2021 and will prioritise sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works. The council secured a £1.9 million HIF grant to address the costs of upgrade works at Kirk Road/Lorn Road. This work is underway and is essential for the delivery of the ongoing housing development at Dunbeg, which remains a high strategic priority for the council and its partners. It is the single largest housing development project within the Council's area and the annual targets will not be met if the work does not proceed within the



Government funding timescales.

#### 4.11 Other Affordable Housing Provided Without AHSP Assistance

SHIPs should contain details of all proposed affordable housing projects within the local authority area including those which will be provided without AHSP support. This could include off the shelf purchases, buybacks of ex-council/RSL stock, projects where councils have exclusively used their own resources, pension funds or other sources of funding, including Scottish Government non-AHSP funds to develop housing. The Council will continue to explore these and all other appropriate options to increase the supply of affordable housing.

#### 4.12 Current Progress: Outputs 2016/2017-2017/18

The revised LHS was launched in 2016 and set out a cumulative five year target of at least 550 new affordable homes by 2021. This averages at 110 units per annum, however, it is acknowledged that the rate of delivery would be subject to constant fluctuation year on year. The Year One target (2016/17) was successfully exceeded with 154 units delivered. The 2017/18 output is detailed in the table below and brings the total for the first 2 years of the LHS to 229, i.e. over the cumulative two-year target of 220.

**Table 1: SHIP New Build Homes by HMA, Completed 2017/18**

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Luss	5	7%
Mid Argyll	Lochgilphead Phase 5 Minard Phase 1	18	24%
Islay, Jura & Colonsay	Port Ellen	18	24%
Coll & Tiree	Arinagour, Coll	2	3%
Lorn	Glenshellach, Oban Connel Phase 3 Benderloch Phase 2	32	43%
<b>Total</b>		<b>75</b>	<b>100.0%</b>

#### 4.13 The Revised SHIP Programme

The current year, 2018/19, is covered by a Strategic Local Programme Agreement while the new SHIP is intended to commence from 2019/20. The following tables summarise all proposals at the time of writing, including those projects which were completed in the first quarters of this year and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed within the timescale. However there is also scope for additional proposals to be brought forward or included in earlier years.

**Table 2.1: SHIP Projects – expected to complete in 2018/19**

Project Address	Developer	Tenure*	Units
Bowmore Phase 3, Islay	ACHA	SR	20
North Connel, Lorn	ACHA	SR	1
Succoth, Helensburgh & Lomond	Dunbritton	SR	26
Minard Phase 2, Mid Argyll	Fyne Homes	SR	4
Queen's(formerly Spence) Court, Dunoon	Fyne Homes	SR	16
Lochgilphead Phase 4	Fyne homes	SR	16
Albany Street, Oban	Link	SR	8
Argyll & Bute Total			91

(\*SR = social rent)

**Table 2.2: SHIP Projects – Potential Completions 2019/20 – 2020/21**

Project address	Developer	Units	Anticipated Completion
Jutland Court, Helensburgh	ACHA	32	2019/20
Connel (Phase 4; incl. 1 whch unit)	ACHA	2	2019/20
Inveraray (Phase 2)	ACHA	10	2020/21
Keills, Islay	ACHA	4	2020/21
Garelochhead (Passivhaus model)	ACHA	10	2019/20
Tarbert	ACHA	4	2019/20
Glenshellach (Phase 11 &12)	ACHA	42	2019/20
18 <sup>th</sup> Tee, Helensburgh	Dunbritton	16	2019/20
Golf Club site, Helensburgh	Dunbritton	60	2021/22
Tighnabraich (Portavadie project)	Fyne Homes	20	2019/20
Cairndow	Fyne Homes	6	2020/21
Lochgilphead	Fyne Homes	12	2020/21
Helensburgh (Sawmill Site)	LINK	25	2020/21
Lonan Drive, Oban	LINK	46	2020/21
Dunbeg (Phase 3)	LINK	300	2020/21
Rosneath	LINK	40	2020/21
Ganavan	LINK	50	2020/21
Lochdon, Mull	WHHA	14	2019/20
Jura	WHHA	10	2020/21
Tobermory (Phase 3)	WHHA	12	2019/20
Colonsay	WHHA	5	2020/21
Barcaldine	WHHA	10	2019/20
Salen, Mull	WHHA	8	2020/21
Imereval, Port Ellen (Phase 2)	WHHA	8	2019/20
Kilmartin	ACHA	4	2020/21
North Connel	ACHA	12	2020/21
Bowmore (Phase 4)	ACHA	22	2020/21
Cairnbaan	ACHA	5	2020/21
Coll	ACHA	1	2019/20

Southend	ACHA	1	2019/20
<b>Argyll and Bute Total</b>		<b>791</b>	

**Table 2.3: Additional Potential Projects under consideration**

Project address	Developer	Units
Glencruitten, Oban Phase 1	ACHA	25
Glencruitten, Oban Phase 2	ACHA	25
Castle Wood (Jutland) Court, Helensburgh	ACHA	18
Succoth (Phase 2-subject to need)	DHA	tbc
Cardross	DHA	25
Tighnabruaich (Portavadie, Phase 2 – if need)	Fyne Homes	10
Port Charlotte	WHHA	8
Port Appin	WHHA	6

4.14 Alternative sites are also being considered either to replace or enhance some of the sites listed in above tables, such as council-owned sites at Blairvadach and Rhu. A private site at the Jeanie Deans Unit, Helensburgh is also under consideration. The Council continues to support community developments out with the core AHSP funding programme. A review of assets and the available landbank will also inform Council policy on the potential for providing serviced plots for sale for affordable housing development; and the outcome of a self-build/custom-build pilot in Highland Council has now been rolled out across Scotland. The Council is also actively piloting a project to designate simplified planning zones (SPZs) in Mid Argyll and Mull for the provision of self-build sites. In addition, the council provides support for communities considering the use of the Government's Rural and Island Housing Funds and other resources to deliver affordable housing outwith the core AHSP development programme.

#### 4.15 Impact Assessments

In preparing the SHIP, as in all aspects of housing policy and planning, the Council has taken account of the housing needs of all the communities we serve, and continues to address equalities issues and adhere to principles of diversity and inclusion. In addition to the robust baseline evidence of specialist accommodation and support needs across the range of equalities client groups contained in the HNDA, the council is proactively pursuing engagement with the Health and Social Care Partnership to inform the SHIP programme. An overarching equality impact assessment has been completed for the LHS and this will inform our assessment of the impact of the SHIP, and how the strategic aims are embodied in the housing priorities of the programme. Housing Services will also consider requirements for Health Inequalities Impact Assessments, Child Rights and Wellbeing Impact Assessments or other potential policy implications. However, as the responsible authority for the purposes of the relevant 2005 Act, the Council has determined that a Strategic Environmental Assessment (SEA) is not required for the LHS or SHIP.

## 5.0 CONCLUSION

- 5.1 The Scottish Government will review the SHIP in line with the process agreed jointly with COSLA. Their appraisal will therefore take account of the following: the extent to which the SHIP delivers LHS Outcomes; the extent to which it is feasible to deliver; the local authority's contribution to the delivery of the programme, both in terms of its facilitation role and in terms of maximisation of resources; evidence that the Council is supporting the efficient delivery of the SHIP; evidence of stakeholders' involvement in developing the SHIP and in the implementation of proposals; and the extent to which it takes account of equality issues. In March 2018, the Scottish Government provided positive feedback on the previous SHIP, submitted last year, and their comments have also continued to inform this latest version of the SHIP moving forward.

## 6.0 IMPLICATIONS

- 6.1 **Policy:** Proposals are consistent with current Council policy, including the revised policy in respect of the use of Strategic Housing Fund monies. The SHIP supports the Local Housing Strategy vision and outcomes which are directly aligned with the overarching objectives of the Single Outcome Agreement, in particular SOA Outcome 2 – we have infrastructure that supports sustainable growth.
- 6.2 **Financial:** The proposals are based on the Resource Planning Assumptions provided by the Scottish Government; the Strategic Housing Fund and RSL private finance. There will be an ongoing requirement to retain and target SHF resources to support the proposed programme.
- 6.3 **Legal:** The submission of the SHIP will meet our statutory duties, and following its approval, Strategic Local Programme Agreements will be concluded between the Council and Scottish Government.
- 6.4 **HR:** None
- 6.5 **Equalities(Fairer Scotland Duty):** The proposals are consistent with aims and objectives set out in the local housing strategy, which is subject to an EQIA.

- 6.6 **Risk:** Risk assessment is an integral part of each development and will be considered as the programme moves forward. The SHIP is required to show how risk will be managed. Failure to deliver a robust SHIP could result in loss of substantial government investment for the local authority area. Alternatively, however, failure to forward plan judiciously and to programme development in line with identified needs could result in over supply; generating imbalances in the local housing market, and creating risks for RSLs and the management of their existing stock, with consequent adverse effects on local neighbourhoods and communities.
- 6.7 **Customer Service:** The proposals will deliver increased access to a range of suitable, affordable housing options.

**Pippa Milne, Executive Director Development and Infrastructure**

**Cllr Robin Currie, Policy Lead Communities, Housing, Islands and Gaelic**

November 2018

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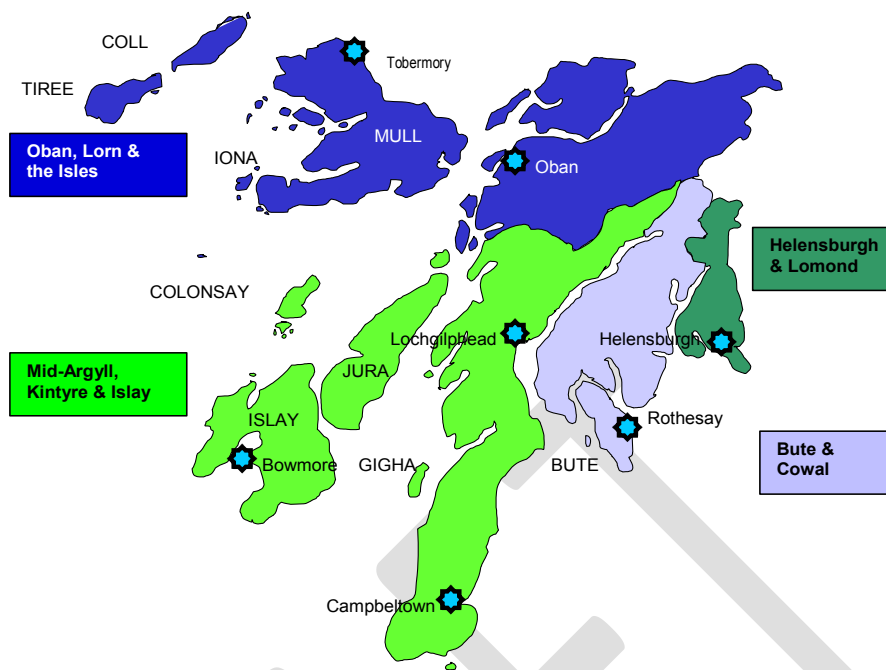
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# ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN 2019/20 - 2023/24



***“Delivering a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”***



The focus of the Strategic Housing Investment Plan (SHIP) is affordable housing provision via new build, replacement, rehabilitation or re-modelling.

**“Affordable housing”** in this context refers to accommodation made available at a cost below full market value to meet an identified need and includes:

- Social rented housing;
- Subsidised low cost housing for sale (discounted, shared ownership or shared equity);
- Low cost housing without subsidy (entry level housing for sale); and
- Mid-market rental housing provided by social landlords.”

[Guidance on the Preparation of Strategic Housing Investment Plans,](#)  
Scottish Government, July 2016

**AFFORDABILITY** – as a basic rule of thumb, an affordable house price is reckoned to be no more than 4.0 times the annual income of the household; and in terms of renting a property, the affordable benchmark is often considered to be around 25% of the household’s income.

## 1) INTRODUCTION

Argyll and Bute Council remains committed to working closely with the Scottish Government, local housing associations, and other key partners to increase the effective supply of affordable homes across the local authority area so that everyone can access a good quality home that is affordable and that meets their needs.

The Strategic Housing Investment Plan (SHIP) is a key local authority document which identifies priority housing projects to support the delivery of both local and national strategic housing targets; as well as the supply of housing across other tenures as appropriate.

The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures, to meet identified need in the area. The SHIP is directly informed by the strategy and its associated policies.

This plan is an operational document and the core purpose is to set out the strategic investment priorities for affordable housing and other tenures over a 5 year period, to achieve the priorities and outcomes set out in the LHS. It reinforces the Council's role as the strategic housing authority; and informs Scottish Government housing investment decisions. It also underpins the preparation of Strategic Local Programme Agreements (SLPAs).

This SHIP has been developed in consultation with key stakeholders; and following agreement of the strategic local programme in August 2018 with the Scottish Government and individual, partner RSLs. The outline draft plan was approved by the Strategic Housing Forum on 12<sup>th</sup> September 2018 and will be set before Council Members in November 2018.



## Content of the SHIP

The SHIP comprises two key elements:

- a) This narrative document setting out the context to the plan and including:
- LHS Priorities and Outcomes
  - Project Prioritization Framework
  - Resourcing the Programme and the Council's Contribution, including the use of Council Tax on Second and Empty Homes
  - Developer Contributions
  - Specialist Provision, in particular supporting the delivery of wheelchair accessible housing
  - Deliverability and Mitigating Development Constraints
  - Consultation and Stakeholder Engagement
  - Impact on Fuel Poverty and Energy Efficiency
  - Impact Assessments including Equalities and Health Inequalities,
  - The Current and Projected Programmes
- b) An electronic annex listing affordable housing projects identified as priorities for funding over the five year period, including projects seeking support from:-
- The Affordable Housing Supply Programme (AHSP)
  - The Housing Infrastructure Fund – grant and loan (HIF)
  - Sources other than the Scottish Government's AHSP funding

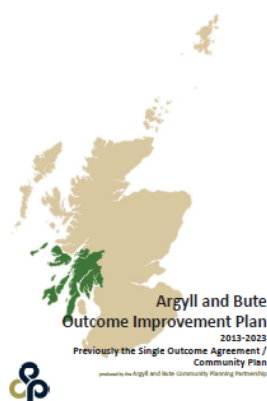
In summary, the SHIP

- Sets out investment priorities for housing of all tenures for which Scottish Government funding is sought;
- Demonstrates how these will be realistically delivered over the plan period;
- Identifies the resources required to deliver these priorities; and
- Enables the involvement of stakeholders and other key partners.

In preparing this SHIP, the council has considered the range of mechanisms available including those from the Scottish Government; the council's own resources; and other sources; and has also rolled forward and updated material from the previous SHIP (November 2017).

## 2) THE STRATEGIC FRAMEWORK

### □ Local Outcome Improvement Plan (LOIP)



The Argyll and Bute Outcome Improvement Plan 2013-2023 (previously the Single Outcome Agreement / Community Plan) sets out the Community Planning Partnership's (CPP) vision for achieving long term outcomes for communities in Argyll and Bute. As the overarching strategic document for local partners, including the council, it provides the high level context for a wide range of strategies, plans and policies, including both the Local Housing Strategy and the SHIP.

*The overall objective of the plan for the 10 years to 2023 is –*

*Argyll and Bute's economic success is built on a growing population.*

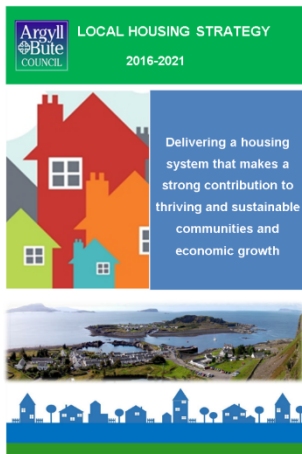
This objective is underpinned by 6 long term outcomes:-

#### **In Argyll and Bute:**

- 1. The economy is diverse and thriving.**
- 2. We have infrastructure that supports sustainable growth.**
- 3. Education, skills and training maximises opportunities for all.**
- 4. Children and young people have the best possible start.**
- 5. People live active, healthier and independent lives.**
- 6. People live in safer and stronger communities**

While the housing sector has a role to play in achieving all of these outcomes, the provision of affordable new build housing, particularly the delivery of the SHIP, is primarily located within Outcome 2, in relation to infrastructure that supports sustainable growth.

□ **Local Housing Strategy (LHS)**



The Council continues to ensure that the investment programme and priorities set out in the SHIP are consistent with the LHS and its annual updates; and that these remain firmly based upon a “robust and credible” assessment of housing need and demand (HNDA). Existing strategic priorities and outcomes continue to be ratified and supported by partners and stakeholders via the Argyll and Bute Strategic Housing Forum.

The current LHS was implemented in 2016, and covers the five year planning period to 2020/21. It sets out the core vision:

**“To deliver a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”**

Supporting this vision are four high level priorities:

- 1) **To facilitate access to sufficient, suitable and affordable housing across all tenures**
- 2) **To promote individual housing options to meet housing need**
- 3) **To enable people to live independently in their own homes**
- 4) **To regenerate communities through improving the quality, condition and energy efficiency of housing**

The SHIP will play a key role in achieving the vision and all of these high level priorities, as well as delivering the Housing Supply Targets (HSTs):

Argyll & Bute	Annual	5 Year Total	10 Year total
<b>Total HST</b>	<b>240 - 300</b>	<b>1,200 -1,500</b>	<b>2,400 - 3,000</b>
Affordable Housing	110-130	550-650	1,100-1,300
Private Market Housing	130-170	650-850	1,300-1,700

In summary, the SHIP will aim to deliver:

- *At least 550 new affordable homes over five years;*
- *At least 80% of which should be for social rent; and*
- *10% should comprise some form of “specialist provision” (e.g. wheelchair accessible, supported, amenity or sheltered)*

In addition, the SHIP will entail:

- An effective land bank of sites in areas of housing need; and
- An Affordable Housing Policy which maximizes the impact of private developer contributions.

### 3) PRIORITISING THE PROGRAMME

The SHIP sets out a clear and transparent framework for the prioritisation of projects to be delivered over the next five years. In prioritising the programme, the Council has sought to maintain an appropriate balance of housing provision across Argyll & Bute that reflects the affordable housing shortfalls identified in the five year HNDA, published in 2016, (and any subsequent local Housing Market Area or Community needs assessments) and contributes towards the outcomes detailed in the LHS & the Argyll and Bute Outcome Improvement Plan.

Council Housing Services reviewed the existing prioritization framework in August 2017, and found that this remains an appropriate and proportionate approach, subject to minor adjustments. As previously, within each HMA, investment is mainly targeted at communities exhibiting the greatest affordable housing pressures. These priorities continue to recognize the importance of investing in small rural communities as well as larger urban areas. The communities have been identified by consideration of:

- the relative and absolute pressure on the existing affordable housing;
- the ability to meet need in the wider housing market area; and
- recent investment patterns; as well as
- deliverability (site ownership, infrastructure or planning constraints, etc)

Given that localised “hotspots” or pressured areas may still be masked within the wider geographic HMAs, a further refinement of the evaluation process is also required at the localised settlement (or letting area) level, to reflect the complex rural and island geography of Argyll and Bute. Therefore, the Council continues to employ the following key indicators:-

Criteria	Indicator/Evidence
Identified need	HNDA & local updates – total shortfall in affordable housing.
Pressure ratios	CHR - waiting list applicants per available let on annual basis.
Homeless Pressure	HL1 statistics - total applicants per HMA & relative time to close cases; number/duration of temporary accommodation cases; RSL performance re housing homeless cases.
Social stock levels	Proportion of existing RSL stock to total number of dwellings on Council Tax Register.
Wider Strategic Fit	Links to, & synergies with, Local Development Plans (including support of the Council’s Key Rural Settlements as well as identified fragile areas); economic development plans or regeneration initiatives; or other wider community benefits.
Specialist Provision	HNDA/CHR/Health & Social Work caseload – total shortfall for special needs accommodation & evidence from waiting lists or bespoke research.
Risk/Deliverability	Satisfies key development criteria (site ownership; planning consent; resourced; infrastructure constraints; contractor capacity). Early liaison with Planning will be critical.
Affordability (of proposed rent)	Compared to Scottish Govt. benchmarks & other RSL rents; as % of LHA; and as % of local household incomes.

**Prioritisation by Housing Need** - In terms of distribution by Housing Market Area (HMA), the main need by far is evidenced in Oban & Lorn, the only HMA exhibiting continued growth. Topographically and geographically, options are constrained in Oban itself, therefore, Dunbeg is the primary development priority for the Council.

Strategically, Helensburgh & Lomond is also a high priority in terms of need and potential growth opportunities. Mid Argyll could benefit from further developments albeit this continues to be closely monitored to avoid creating imbalances in the existing system; and Cowal, as the HMA most at risk of severe population decline, could be regenerated with judicious development, operating in tandem with improvements in employment opportunities and transport infrastructure, albeit again caution will be required to ensure new build developments in this area do not have any unforeseen, adverse impacts on the existing housing system.

Small-scale developments could also have a significant and positive impact on the Atlantic Islands. However, Bute and Kintyre are relatively well balanced in terms of current supply and demand (annual RSL lets are more than sufficient to address waiting list demand, and there are a number of long-term voids in these areas, with key landlords considering strategic stock rationalisation and/or demolition) and therefore any new build in these two HMAs should focus on unsubsidised, private market accommodation.

**Prioritisation by Tenure** - The LHS proposes that a majority of the programme should be for social rent (at least 80% of completions), however, alternative tenures such as mid-market rent, shared equity or other low cost home ownership options, will be considered on a site-by-site basis in line with local market conditions and needs, and actively encouraged where appropriate.

**Prioritisation by Size** – The SHIP will continue to promote the delivery of smaller properties (1 and 2 bedrooms) where feasible, in line with the HNDA and the continuing evidence of the HOMEArgyll common housing register. In 2018, for example, 81.3% of the active waiting list applicants required 1 or 2 bedroom accommodation; while 14.2% required three beds and only 4.4% required 4 or more bedded properties. Nevertheless, the requirement for larger, family-sized accommodation will continue to be monitored and addressed as appropriate.

**Prioritisation by Particular Needs** – Given the impact of the ageing population, and the particular needs of other sectors of the population including the physically disabled and those with learning disabilities or mental health issues, as outlined in the HNDA, and as reinforced in the findings of the joint Health, Care and Housing Needs Assessment produced in 2018 by the council and the HSCP, the LHS specifies a *minimum* target of 10% of new build should be purpose designed as specialist provision to suit households with medium to high level particular needs. This includes provision of wheelchair and extra care accommodation, and, particularly, medium dependency, amenity housing. As far as possible, all general needs new builds are designed to the lifetime, Housing for Varying Needs Standards, to maximise the accessibility for residents whose circumstances and needs will change over time. In addition, the extent and nature of the future ageing population, for instance, will necessitate strategic investment in the development and delivery of housing-based care, support and aids and adaptations. To this

end, the Council has developed a more cohesive partnership with the Integrated Health & Social Care body to ensure that the SHIP process is fully aligned with the health and social care integration agenda and other relevant plans such as the “Keys to Life” strategy for persons with learning disabilities, the Integrated Children’s Services Plan, the refreshed national housing strategy for Older Persons published in August 2018, “Age, Home and Community: the next phase”; and the Fairer Scotland for Disabled People strategy published by the Scottish Government in 2016; among others.

The finer detail of the programme will be arrived at through specification of suitable type and size of accommodation for individual developments, taking into account the needs of actual households on the waiting list and, where appropriate and as far as possible, in consultation with local community stakeholders.

**Rural Proofing**<sup>1</sup> – the Council’s Housing Service will continue to apply a policy of rural-proofing housing plans and strategies to ensure the more remote and isolated areas, or those designated as “fragile”, are not disadvantaged or adversely affected by investment and development decisions. Critical to this aim, is joint working with local planners to support the development and sustainability of designated key rural settlements across Argyll and Bute as well as supporting the aims of the Loch Lomond & Trossachs National Park. As well as the ratio of waiting list applicants to available RSL lets and other indicators outlined above, key factors influencing the prioritisation of rural developments include: the ratio of social housing to second homes; proportionate historic losses through Right to Buy; the percentage of social housing to total dwelling stock; and the ratio of local earnings to average or lower quartile house prices and private rents. While existing, evidenced need remains the primary concern, consideration will also be given to rural areas of potential economic development and/or population growth in liaison with Economic Development colleagues and the local business sector. In this context, the potential impact of the proposed Rural Growth Deal (RGD) for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda. Housing opportunities being pursued via the RGD include innovative construction methods, such as off-site, modular homes for example.

The rural/urban housing differential is acknowledged nationally, in the structure of the Scottish Government’s benchmark framework for grant funding, whereby Argyll and Bute receives a rural uplift to address the additional costs involved in remote rural and island development. Ultimately, final preference will be influenced by project costings, therefore the proposed programme can only be indicative at this stage.

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<sup>1</sup> Rurality is defined in the Scottish Government Urban Rural Classification, see: <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>. In addition, one definition of fragility is outlined in the report: Review of Fragile Areas and Employment Action Areas in the Highlands and Islands, HIE, November 2014.

#### 4) DELIVERING THE PROGRAMME: MITIGATING RISKS AND RESOLVING DEVELOPMENT CONSTRAINTS

It is important to identify, assess and respond to any risks or potential constraints that might impact on the overall programme or individual projects; and that effective measures are taken to mitigate these as far and as early as possible. The SHIP aims to provide assurance that, if funding is secured, any other constraints will be resolved by the time of estimated site start of the relevant project. The main risks or constraints that tend to apply to the SHIP programme include:

- Development and Infrastructure constraints
- Financial Assumptions
- Planning issues
- Legal procedural constraints; and
- Effective land supply

In addition, an ongoing, critical factor in the context of this authority is the capacity of the local construction sector and the constrained market for competitive tendering.

The council and its partners are working to minimize these risks and mitigate constraints as far as possible, for example:-

**Development Constraints** (such as infrastructure issues: roads, utilities, ground condition problems/ abnormal costs) - The core SHIP programme aims to focus on sites that are not subject to significant development constraints such as contaminated brownfield sites, un-zoned greenbelt areas, or those with restricted infrastructure capacity in terms of access roads or water supply. However, in a small number of cases within certain highly pressured areas with evidence of a substantial shortfall in affordable housing, or areas of wider strategic importance, it may be necessary to consider such sites in the absence of more practicable or easily-progressed sites. Apart from the site constraint itself there may be costs associated with carrying out remedial works, preliminary feasibility studies, or mitigating the potential impact on areas of archaeological significance or on historic buildings and this places a further constraint on site development. Mitigation may be aided by ensuring site investigation is carried out at early stages; and seeking to ensure land values reflect any remediation costs. In terms of infrastructure constraints, such as Scottish Water connections/ capacity/ access, early discussions with the Utilities companies will be initiated to address potential issues and achieve possible synergies in investment programmes. Where possible, abnormal costs should be deducted from the land purchase price and unforeseen costs may be met through the Scottish Government's Housing Infrastructure Fund; the council's Strategic Housing Fund, developer contributions, or other sources such as potential Rural Growth Deal funding subject to a successful bid to government.

The Housing Infrastructure Fund (HIF) in particular has already proven to be a significant factor in supporting housing development in this authority through loans or grants for sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works; and can help facilitate the unlocking of these sites for the delivery of housing. The council successfully prioritised the further development of Dunbeg, for instance, as a key site for delivery of housing utilising this



fund, and was awarded £1.9m in 2017, in line with the eligibility criteria and guidance set out by the Scottish Government.

**Effective Land Supply** - The historic RSL land bank and available council owned sites have now been depleted and it may be that in the future land assembly will prove a significant challenge. Nevertheless, through collaborative efforts with planning colleagues, the council and National Park are confident that a “generous” supply of land for affordable housing continues to be sustained. The council continues to audit housing allocations in the current Local Development Plan to ensure a more robust and rigorous approach to effective site provision, with ineffective allocations being removed from the plan. Partners continue to carefully consider the timing and possible phasing of developments to make realistic assumptions on when affordable housing will proceed. We aim to ensure that a sufficient supply of sites remains identified in the system to accommodate unforeseen slippage in the timing of projects coming forward; and to maximise the benefits of increased or additional funding. The council’s combined Planning, Housing and Regulatory Services’ annual Planning Performance Framework, 2017/18 recorded the following National Headline Indicators (NHIs):-

<b>Effective Housing Land Supply</b>	<b>2017/18</b>	<b>2016/17</b>
Established housing land supply	5471 units	5865 units
5-year effective housing land supply	3808 units	3908 units
5-year effective land supply total capacity	4419 units	n/a
5-year housing supply target	3725 units	3725 units
5-year effective housing land supply	5.1 years	5.2 years
Housing approvals	539 units	866 units
Housing completions over the last 5 years	1088 units	1149 units

Occasionally, proposed projects are subject to complex or protracted negotiations with private owners and their agents which can impact on the timing and ultimately on their deliverability. Therefore effective liaison with the Scottish Government to prioritise projects and progress site acquisitions to enable projects to be pulled forward if required, is essential. In addition, the impact of both the Council and National Park Affordable Housing Policies continues to prove invaluable; and there is an obvious need to sustain practical negotiations with landowners, Estates, private developers and others. Some RSL partners have however raised concerns that in the current climate the application of the Council’s Affordable Housing Policy will make site development less attractive and sites are only likely to be developed where there is a pressure to secure a return in the short term. To facilitate private development, therefore, the Council’s current policy exempts certain low pressure areas in accordance with the current HNDA (e.g. Bute, Kintyre) from the 25% affordable quota. However, in general, in the medium to long term, the private ownership of many sites in Argyll and Bute means that the Affordable Housing Policy will continue to have a definite role in securing a sufficient supply of affordable housing through developer contributions. Strategic engagement with local communities and agencies such as Highlands & Islands Enterprise to assess potential use of Strategic Land Fund, where appropriate, may provide benefits; and additional mechanisms may also be available via recent initiatives such as the Rural or Island Housing Funds and new Community Empowerment legislation. The council is also exploring the current legislation around Compulsory Purchase Orders (CPOs) and will consider the potential benefits of pursuing these on a case by case basis, where circumstances are proving



unreasonably intransigent.

**Planning issues** - Early discussions will continue to be prioritised with planning services (both Council & National Park) regarding road layouts/ car parking requirements, school catchment areas, and other possible issues. All of the development sites included in the SHIP programme should be effective given that they will, in most cases, require to be already zoned for housing development in the relevant local development plans. Many of the sites identified are of relatively small capacity. The costs associated with progressing smaller sites in the more remote rural areas are likely to be higher if developed as standalone projects. However it is envisaged that where practical through partnership working with private developers on adjacent sites the risk of such sites not being developed on cost grounds will be reduced.

More rigorous build quality standards, and “greener” standard requirements, can lead to conflicting pressures in terms of resources required per unit. RSLs and their partners continue to highlight concerns in balancing cost and quality considerations, especially given the rising cost of securing private finance in recent years.

Local RSLs are also currently committed to exploring effective measures for maximising procurement efficiencies through volume, but also continuity of work and standardisation of specifications and products as far as possible.

RSLs face increased risk in delivering and selling shared equity units or mid-market rent schemes, in the current economic climate. The Council has been required to provide extended loan facilities to counter this particular problem in the past. In the future, provision for tenures other than social rent will require detailed business plans and must reflect robust and credible assessment of local needs before approval.

## 5) PARTNERSHIP WORKING AND CONSULTATION

As outlined in previous SHIPs, the preparation of this plan, as well as the planning and delivery of individual projects, remains a continuous, iterative corporate activity; based on close working relationships between the Council's combined Planning, Housing and Regulatory services, along with Economic Development and Strategic Transport, Development & Infrastructure Services; as well as the ad hoc involvement of other departments such as Property Development/Estates when appropriate. The SHIP process in Argyll and Bute particularly reflects a strong collaborative approach with Registered Social Landlords (RSLs, or housing associations), the Scottish Government, communities, developers and other stakeholders.

Key partners include:

- The Scottish Government: More Homes Scotland Division
- Argyll & Bute Council
- Argyll & Bute Health & Social Care Partnership
- Argyll Community Housing Association
- Fyne Homes Housing Association
- Dunbritton Housing Association
- West Highland Housing Association
- Link Group Ltd
- Bield Housing Association
- Trust Housing Association
- HMNB Clyde/ MOD
- Loch Lomond & Trossachs National Park

At the very local level, on a site by site basis, RSLs and Council officials continue to liaise closely with private developers, local land owners, local community groups and development trusts, and a range of other stakeholders to negotiate, facilitate, enable and deliver viable projects within the context of the LHS and the framework of the SHIP. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and residents are routinely consulted.

**The Argyll & Bute Strategic Housing Forum**, comprising a wide range of key partners from the Community Planning Partnership, constitutes the overarching body with ultimate responsibility for overseeing the implementation and monitoring of the LHS and the SHIP; and is chaired by an elected Member with the policy remit for Communities, Housing, Islands and Gaelic. The Strategic Housing Forum is also responsible for making appropriate recommendations to Council Members and for lobbying the Scottish Government in respect of housing issues in Argyll and Bute.

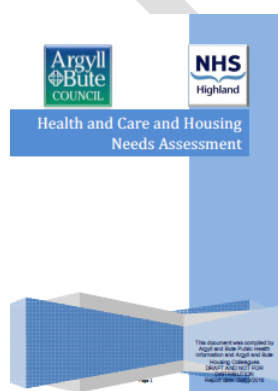
**The SHIP Officers Development Group** - In addition to regular programming meetings between the Council, the Scottish Government and individual RSLs, a dedicated SHIP Officers Group has been reinstated by the Council which brings all these parties together on a quarterly basis to address and progress operational development matters which are then reported to the overarching Strategic Housing

Forum.

**Wider Stakeholders, Local Business, and Economic Development** - Other stakeholders and strategic partners, such as Scottish Water, will be engaged on an ad hoc basis as appropriate. Increasingly, given the overarching strategic imperatives, economic development and regeneration partners are also emerging as key associates in the SHIP and LHS process. This has led, for instance, to an ad hoc working group (facilitated by Housing, Economic Development and HIE) co-ordinating a dedicated event in August 2018 for local employers and representatives of the business sector to engage with housing providers, and explore innovative delivery mechanisms and opportunities such as the Rural Growth Deal. The event also provided networking opportunities for local community representatives as well as RSLs (which of course constitute local, community-based and focused organisations and charitable associations in their own right). In total, over 50 organisations, agencies, services and individuals attended the event, and the intention is to retain this network as one thematic interest group for future consultation and engagement.

**Community Engagement** - In addition to the above, the council has recently reviewed and updated its approach to localised housing need and demand assessment; building on a number of years' experience with community councils, development trusts, local study groups, green belt groups, tenants and residents' associations, and various other local bodies across mainland Argyll and throughout the islands. The result is a detailed information pack which is intended to provide a resource for local communities and third party support agencies to carry out surveys, stakeholder engagement, and data analysis, with the support of council staff, in order to assemble the crucial, "high quality, fit for purpose" evidence base required to secure public funding and help to deliver practical housing solutions. The council has already engaged with local representatives on Mull, and community councils in North Lorn, for instance, to implement the new toolkit; and this will now be made available both proactively and on demand.

### Health and Social Care Partners



As a priority, the Council continues to foster closer engagement with the Health & Social Care Partnership (HSCP) at all levels (from senior management group to locality planning groups) and at the earliest possible stages in the process. The HSCP's three year Strategic Plan incorporates a Housing Contribution Statement (HCS) outlining the essential role housing plays in supporting and maintaining independence, health and well-being of all residents.

In 2018, a joint Health, Care and Housing Needs Assessment was published jointly by the HSCP and Council Housing Staff, setting out extensive data and analysis across a range of client groups and types of specialist provision. The final report also set out an agreed action plan for future joint collaboration, based on a set of recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session in June 2018. This will now form the basis of the revised HCS which will be incorporated into the HSCP's next 3-year Strategic Commissioning Plan due to be launched in 2019.

In summary, the agreed strategic framework for Housing, Health and Social Care is based on a shared vision and five key aims, as outlined below:

Our vision for housing and health and social care in Argyll and Bute is that:

**“People in Argyll and Bute with health and social care needs have access to housing options that maximise their health, wellbeing and independence”**

To achieve this, people need to be enabled, through their contacts with services and provision of information, to live at home, or in a homely setting, as independently as possible and to be well connected to their communities. The agreed action plan is presented under five key aims:

1. There is appropriate and sufficient housing available in each local area to meet the needs of people living there.
2. People are aware of the availability of different housing options to enable them to make appropriate choices, and are supported to do this if necessary due to learning disability or physical and mental health conditions.
3. Health and Social Care, Housing Association and Argyll and Bute Council Housing officers are able to work effectively together to promote early housing options appraisal and early intervention and adaptations as required.
4. Waiting lists for RSL properties (and in particular specialist provision) are managed as efficiently and effectively as possible to maximise availability of existing properties.
5. Planning for housing and housing services is based on robust data and information.

**HMNB Clyde / MOD engagement** - As reported in previous SHIPs, a Strategic Delivery and Development Framework (SDDF) has been established between the Council and HMNB Clyde to achieve maximum benefit for the Base and the wider community. This dedicated working group continues to explore the potential accommodation needs arising from the development of the naval base as the Royal Navy's UK Submarine Centre of Specialization; and the consequent economic impact this is likely to have in the local area. The SHIP is therefore required to take full account of the associated emerging accommodation needs in the Helensburgh and Lomond area; and to this end a comprehensive housing market study of the area was commissioned in 2018 which involved further extensive consultation and stakeholder engagement.

## 6) RESOURCING THE PROGRAMME & THE COUNCIL'S CONTRIBUTION

There are three primary funding sources for the SHIP:

- a) Scottish Government Grant (the Affordable Housing Supply Programme – AHSP)
- b) Council grant or long-term loan (the Argyll & Bute Strategic Housing Fund – SHF; which may be supplemented from Council central reserves)
- c) Registered Social Landlord (RSL) Private Finance Borrowing

The majority of developments will require a complex package of funding from at least all of these sources (additional investment from other sources may also be required – some of these are outlined below).

### a) Scottish Government Resource Planning Assumptions (RPAs)

For 2017/18, the AHSP allocation for Argyll and Bute amounted to £11.6m. In April 2018 the Scottish Government confirmed the RPAs to local authorities for the three years from 2018/19 to end-March 2021. This involved further increases on previous assumptions and will support longer term planning for the affordable housing supply.

Argyll & Bute	2018/19	2019/20	2020/21	Total
Annual RPA	£16.182m	£17.140m	£18.286m	£51.608

**Source: Scottish Government Letter of Confirmation, April 2018**

In addition, the revised SHIP Guidance, published in August 2018, advises that in line with the Scottish Government's 50,000 affordable homes target, local authorities are expected to over-programme for the first two years of the SHIP period (to March 2021) to ensure delivery should slippage occur. The recommendation is that a minimum slippage factor of 25% be applied on an annual basis to the AHSP for these two years.

This would give a potential working figure for these years of: £21.425m in 2019/20 and £22.858m in 2020/21. The revised guidance also suggests that, for planning purposes, local authorities should use their 2020/21 RPA as the basis for funding for the final three years of this SHIP period i.e. £18.286m. However, this is a provisional assumption and it must be acknowledged that there is no guarantee or certainty around AHSP funding beyond 2021.

Working with RSLs and the Scottish Government's local More Homes Scotland team, the council estimates current requirements from the AHSP to deliver the proposed programme in full would be in line with this level of investment, as summarised in the following table.

An approximate calculation (based on the average AHSP 3-person unit benchmark of £72k for social rent in rural Argyll) would suggest that the baseline level of investment for the first three years of the SHIP period (i.e. £53.712m, without the 25% over programming factor) could deliver almost 750 new affordable homes in the period from 2019/20 to 2021/22.

It should be noted that this is potential investment only, dependent on actual need and deliverability of suitable projects; and while the council and its partners clearly welcome this level of funding, it will present real challenges. This would be subject, for example, to sufficient complementary funding being available from the council and RSLs themselves to support the programme; and is also dependent on the capacity of the constrained local construction industry.

#### b) The Council's Contribution – The Strategic Housing Fund

Resourcing the SHIP programme also requires a significant contribution from the Council's Strategic Housing Fund (SHF). This Fund is primarily based on the revenue raised from reduced tax discounts on empty and second homes: where local authorities have used discretionary powers and reduced the empty and second homes tax discounts, the additional revenue *must* be used to support affordable housing provision in their areas. In addition, since 2013 local authorities have had flexibility to remove the discount entirely and to apply a levy of up to 100% on long-term empty properties. These revenues are not ring-fenced although their use to bring long-term empty properties back into use, or to support affordable housing provision, is encouraged by the Scottish Government.

Since 2007, the SHF in Argyll and Bute has been used for the following eligible expenditure:

- Expenditure incurred in relation to assets formally held on the Housing Revenue Account;
- Expenditure relating to the acquisition of sites for the landbank;
- Expenditure related to the delivery of the Empty Homes Initiative;
- Payments to enhance infrastructure where this is restricting the development of affordable housing; and
- Payments to registered social landlords (RSLs) to partially fund proposed projects to deliver homes in accordance with the local housing strategy

The balance of this Fund as of 31 March 2018 was £8.763m; of which £2.008m was already committed and £6.755m was available to fund the SHIP programme. It is anticipated that the SHF will continue to accrue annual revenue in the order of £1.9m over the SHIP planning period.

The SHIP sets out plans to fully utilize this balance over 5 years to support the affordable housing development programme, including empty homes grants and loans. Since April 2016 the Council has provided grant funding of £12k per unit, to supplement Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this remains the most appropriate and cost effective level of grant aid to support the SHIP programme. Around **£2.189m** was invested from this source by the Council to support the SHIP in the financial year 2017/18; while in total over **£2.285m** was allocated to support the 9 projects and 75 new affordable homes completed that year (with funding being drawn down over two or more years).

The council will review the Strategic Housing Fund policy in 2018/19 and thereafter a comprehensive policy review will be carried out by 2021 with a view to ensuring that this

resource continues to complement Scottish Government priorities for Housing Beyond 2021.

An indicative estimate of around £9m would be required to support in full the Scottish Government investment outlined in the three year RPAs above; and around £9.5m would be required in order to support all core projects outlined in this SHIP (and circa £11m if the additional, notional projects were included).

HMA	Total Project Costs	SHF Required	SHF as % of Total Costs
Coll & Tiree	£249,154.00	£12,000	5%
Cowal	£3,680,697.19	£240,000	7%
Helensburgh & Lomond	£25,663,785.00	£2,196,000	9%
Islay, Jura & Colonsay	£9,099,352.86	£564,000	6%
Lorn & Inner Isles	£88,905,942.06	£5,544,000	6%
Mid Argyll	£6,993,595.00	£480,000	7%
Mull & Iona	£6,470,328.13	£408,000	6%
<b>Argyll &amp; Bute Totals</b>	<b>£141,062,854.08</b>	<b>£9,444,000</b>	<b>7%</b>

NB. These figures are purely indicative and provisional at time of writing.

In addition, the Council has also used its financial reserves on occasion to advance long term loans to support RSL projects and this commitment is subject to ongoing review.

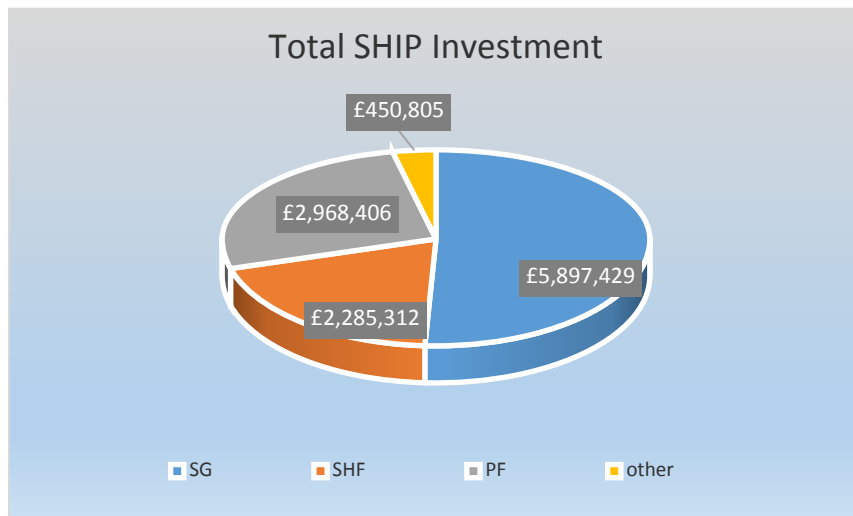
### c) RSL's Private Finance Borrowing

Banks and other lenders in the private sector also remain vitally important partners in the delivery of affordable housing, and RSLs are required to demonstrate that sufficient borrowing capacity or reserves exist to ensure delivery of the proposed development programme. Following a period of restrictive lending, with greater scrutiny of projects, higher lending rates and the requirement for additional security from existing stock, which often resulted in RSLs being forced to use their own reserves rather than borrow under such conditions; RSLs are now reporting positive improvements in their potential to access private finance; and at a national level the sector continues to explore innovative funding models. Private finance in support of the 9 SHIP projects completed in 2017/18, totaled almost **£3m**, approximately 26% of the total investment for those projects.

Additional investment in support of the SHIP programme includes, inter alia, Scottish Water grant; sales revenue on New Supply Shared Equity (NSSE) schemes; and other partner contributions, such as local Estates. In 2017/18, at least £450,805 was invested from these additional sources.



**Figure 1: Breakdown of SHIP investment for all projects completed in 2017/18**

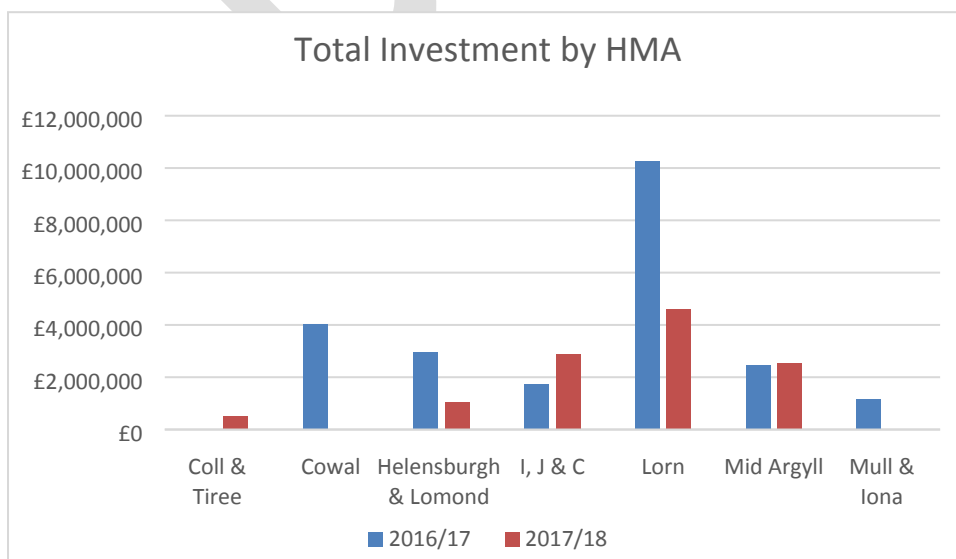


KEY: SG = Scottish Government Affordable Housing Supply Programme; SHF= Council Strategic Housing Fund; PF = RSL/Private Finance; "Other" includes Scottish Water contribution, Estates investment etc.

Total investment from all sources for all SHIP projects completed in 2017/18 (as opposed to the actual spend within the year) amounted to £11.6m. In terms of RSL projects, the breakdown by landlord/developer was:

- ACHA - £3,375,679 (29%)
  - Fyne Homes - £2,536,767 (22%)
  - Link - £1,045,000 (9%)
  - West Highland - £4,643,904 (40%)
- (NB. Dunbritton had no completions within this year).

**Figure 2: Annual Investment for Completed Projects by HMA, 2016/17 & 2017/18**





### **Housing Infrastructure Fund (HIF)**

This is a five-year Scottish Government programme, running to at least March 2021, which supports housing development through loans (£40m in total) and grants (£10m in total) with priority given to sites which are of strategic importance and cannot proceed or have stalled due to infrastructure requirements. Grant is available to local authorities and RSLs for works which are a) outwith the curtilage of the affordable housing site and/or b) of scale and will open up larger sites for housing development. Loans are available for viable non-public sector led sites to support infrastructure delivery.

The Council's main priority for HIF funding is the Dunbeg development in Lorn, being delivered by the Link Group. A bid for funding from the grant scheme in November 2017 was successful, and Argyll and Bute has secured one of the largest grant allocations of any local authority in Scotland to date, £1,937,078 from the national pot of £10m, to undertake upgrade works for Kirk Road, Dunbeg, to enable the delivery of 300 affordable homes to proceed.



Kirk Road, Dunbeg: Upgrade Works under construction – via HIF investment.

### **Rural and Islands Housing Funds**

The Scottish Government has also established a £25 million Rural Housing Fund and a £5 million Islands Housing Fund which run until 2021. Both funds aim to increase the supply of affordable housing of all tenures in rural Scotland and contribute to the national 50,000 affordable homes target. The Islands Housing Fund provides £5 million ring-fenced for islands housing projects and comprises two parts:

1. a main fund that offers capital support (grants and loans) for direct provision of new affordable housing, and refurbishment of existing empty properties
2. a small fund that contributes to feasibility studies

Both funds are open to a wide range of applicants including: community organizations; development trusts; private landowners; private developers; and traditional housing providers; however applications from individuals will not be accepted. Eligible projects must have a specific site or properties identified; be in an eligible rural area – levels 4, 5, and 6 of the six-fold urban/rural classification, which includes the majority of Argyll and Bute.

Islands Housing Fund applications must be located on a Scottish Island; demonstrate evidence of housing pressure in the location identified; have the

support of the relevant local authority; be prepared to undertake appropriate community engagement; be able to provide long term affordable housing.

Applicants can apply for either the Rural Housing Fund or the Islands Housing Fund, not both.

In 2018, local community-led bids from groups based on Mull, such as the Mull & Iona Community Trust (MICT) and the North West Mull Community Woodland Company, were among the first to access this national funding and are currently proposing feasibility studies into the delivery of small scale developments on island sites, with support from the council and third party agencies such as Rural Housing Scotland and the Highlands Small Communities Housing Trust.

### **Other Initiatives**

The council and strategic partners are also currently awaiting further guidance on other potential funding sources, such as the Scottish Government's new Building Scotland Fund and the roll out of the national Self-Build Loan Fund of £4m which was announced in September 2018, following a pilot exercise in Highland local authority. These initiatives could provide additional investment which will support the delivery of the SHIP and/or alternative affordable housing provision in the future.

We will also continue to explore and, where appropriate, promote non-AHSP financing models such as Build-to-Rent, Low-cost Initiative for First Time Buyers (LIFT), Help to Buy (Scotland) and Open Market Shared Equity (OMSE), outwith the remit of the SHIP.

### **Developer Contributions**

Argyll and Bute falls within the purview of two planning authorities: while the council covers most of the mainland and islands, Loch Lomond & Trossachs National Park is the planning authority for parts of Cowal and Lomond. Both authorities have set out formal Affordable Housing Policies in their respective Local Development Plans. These policies outline mechanisms and options to secure developer contributions, where there is a demonstrated need for affordable housing.

The council's current policy was adopted in supplementary guidance to the LDP in March 2016, and requires that outwith specified housing allocations and Potential Development Areas (PDAs) new private developments proposing 8 or more homes should deliver a minimum of 25% affordable housing units. There are exemptions in HMAs such as Bute and Kintyre, where the HNDA identified limited or nil requirement. The Cowal HMA was also subject to a two year exemption which ended in 2017. Exemptions are designed to avoid inhibiting the delivery of private development in areas where there is no evidence of pressing need for additional affordable provision in the short to medium term.

Developer contributions can be delivered by a variety of means including social rented housing, mid-market rented housing, payment of commuted sums and also the building of houses/apartments designed to meet the needs of first time buyers (provided these are available at affordable levels as defined by the council's HNDA and within the lower quartile of the relevant housing market). The sequential

mechanisms for securing Affordable Housing via the policy are applied in the following order: on-site provision; off-site provision; commuted payment; discounted low cost sale; affordability by design without subsidy.

To date, no commuted sums have been received and the preferred approach has been to engage with an RSL to deliver the affordable quota on site.

The National Park policy follows a generally similar approach, with a requirement for 25%, 33% or 50% affordable provision on sites of 4 or more units depending on the location. Sites of up to 3 units in accessible rural areas may also have a policy requirement under certain circumstances. A formal policy for calculating commuted sums has been established but again, to date, little or no payments have been received.

DRAFT

## **7) SPECIALIST PROVISION, WHEELCHAIR ACCESSIBLE HOUSING, & EQUALITIES ISSUES**

The SHIP aims to address the housing needs of all the communities we serve, and continues to reflect a positive approach to equalities issues in line with the policies of the council and its partners, and the principles of diversity and inclusion in accordance with the Equality Act 2010. The current HNDA provides robust evidence of accommodation and support needs across the range of protected equalities characteristics, and these have been translated into the SHIP priorities. In addition, the joint Argyll and Bute Health, Care & Housing Needs Assessment, completed in 2018, provides further evidence of the requirements for wheelchair accommodation, supported housing, and other forms of specialist provision.

An overarching equality impact assessment was completed for the LHS in 2016 and this continues to inform our assessment of the impact of the SHIP, and how the strategic aims are embodied in the housing priorities of the programme.

All SHIP projects, seeking public subsidy from the Council or Scottish Government, are required to meet basic design and building standards (of the Housing for Varying Needs Standard as a minimum) and should incorporate adequate provision to meet any additional identified particular needs. Prioritisation of projects will give due weight to those which incorporate elements of design or additional specifications for specialist forms of housing where the local profile of need and demand indicates such a requirement. The committed and planned programmes include provision for elderly and disabled residents and through the close partnership working with Health & Social Work, including Occupational Therapists, the SHIP will continue to ensure the strategic aims of the LHS in this respect are carried forward. In particular, a jointly funded post of dedicated Housing OT has been established and will be operational from October 2018, to co-ordinate and promote these needs through the SHIP group. In practice, this commitment to equalities principles will ensure:

- building all new affordable housing to HfVN Standards;
- implementing design solutions which help to meet the needs of disabled and infirm households;
- assessing and seeking to resolve the needs and aspirations of households with community care needs in partnership;
- developing communities with a good mix of households;
- allocating housing via HOME Argyll and national RSL partners who have strong commitments to equal opportunities; and
- providing affordable housing in rural areas which enables young and old people to remain within their communities.

Housing for Varying Needs (HfVNs) is a Design Guide published in two volumes (Parts 1 and 2). While not mandatory, the standards outlined in the guide have been used as the basis for standards for housing developments seeking grant funding support. The standards are intended to ensure that the housing is accessible, adaptable for different needs and over its lifetime represents good value for money. They are based on the principle that the design of a property should not hinder a person's ability to live as independently as possible and should recognize the needs of people as they age,

become less able or whose mobility, dexterity, cognitive function, hearing or sight is impaired. The idea of designing all housing to accommodate the needs of less able people is known as “barrier free” design and this is reflected in the core guidance of the design guide. But the guide also recognizes that barrier free design in itself is not a substitute for homes designed specifically for people with particular needs so it identifies additional features that should be included to address these needs.

An indicative review of the Common Housing Register in 2018 suggests that around 5% of applicants could benefit from some form of specialist provision; and of these 106 applicants included wheelchair accessible accommodation as an option; although only 27 of these applicants did not also select some other form of accommodation, including general needs/ mainstream housing. Around 40% of the applicants requesting wheelchair provision are aged between 20 and 54, and 60% are over 55. In the wider population as a whole, the Health, Care & Housing Needs Assessment (2018) identified the following key points:-

- Around 350 wheelchairs are issued each year to people in Argyll & Bute
- The majority of wheelchairs issued are manual chairs
- Over 1300 people in Argyll and Bute have wheelchairs on issue
- 55% of people with wheelchairs are aged 75+
- Up to 280 people a year may be new wheelchair users
- There could be 240 additional people needing wheelchairs by 2027
- The most common reason for a wheelchair is cerebrovascular disease (stroke) but the main reasons for wheelchair vary by age with Cerebral palsy being the most common reason in people under 25.

Correlating the data sources may suggest that a majority of wheelchair users are satisfactorily housed or do not aspire to social rented properties. However, some wheelchair users who could benefit from suitable, specialist provision in the social rented sector may not apply due to lack of awareness or misperceptions regarding the suitability and availability of stock. This has been identified as a key area for further research and analysis, to be carried out jointly by information officers within the HSCP and the council’s strategy team, and co-ordinated by the new Housing OT post.

On that basis, while in situ solutions such as aids and adaptations or support services will have a crucial role to play, nevertheless, the SHIP will continue to require a target of 10% of the new build programme to be built to the fully wheelchair accessible standard or equivalent. RSL partners have accepted this policy in principle, and are also exploring with HSCP partners requirements for extra care provision and replacement models for existing care homes which may no longer be deemed fit for purpose. Where possible, the council will strive to incorporate such needs within the SHIP programme as it rolls forward.

## 8) ENERGY EFFICIENCY & FUEL POVERTY

Promoting energy efficiency and tackling fuel poverty remain strategic priorities for the LHS and key commitments for the council; and maximizing opportunities for sustainability in development remains a key principle underpinning the SHIP. As with all public bodies, this Council is also required to meet its statutory duties arising from the Climate Change (Scotland) Act 2009, and the LHS and SHIP have been developed to ensure that the provision of new affordable housing complies with the Act.

The Council requires affordable housing developments, as far as possible, to have a low environmental impact and to contribute to the LHS objectives of addressing fuel poverty and to ensure at least minimum standards of sustainability as required under Scottish Building Standards Agency regulations. This remains a key assessment criterion for any project seeking public subsidy from the Scottish Government or the Council.

There are significant challenges in delivering higher quality, energy efficient developments in an authority such as Argyll & Bute - for instance, a significant proportion of the area's rural properties are not connected to the gas grid and many rely on costly oil heating – all of which impact on costs and on the ability to achieve sustainability targets. Nevertheless, local RSL partners continue to embrace sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy, as far as possible within the current financial climate. It is expected that all SHIP partners will continue to follow these principles to the best of their abilities despite the resourcing constraints under which they are currently operating. In particular, all new build RSL stock will be required to address the national Energy Efficiency Standard for Social Housing (EESH).

***Developers will be encouraged to deliver the “Greener Standard” as default in all new developments.***

### **Sustainable Design**

The SHIP and LHS are closely aligned with the Local Development Plan processes and the Council and its partners will explore sustainable design principles, not only to address climate change and provide energy efficient homes, but also to contribute to the creation of safe, sustainable communities which have a real sense of identity and place. In order to achieve a sense of community in new developments (whilst also delivering low environmental impact housing) we will work with partners to ensure a range of factors are considered; and when developing new areas sustainability principles will also be central to the design process.



## 9) HOMELESSNESS & RAPID REHOUSING TRANSITION PLANS

Scottish Ministers have made an ongoing commitment to end homelessness in Scotland and consequently set up a national Homelessness and Rough Sleeping Action Group (HARSAG) to bring forward recommendations to address this. One key proposal was that each local authority should develop a Rapid Rehousing Transition Plan (RRTP) by December 2018, covering a five-year period, or longer if required, to enable the implementation of this new approach.

Local Rapid Rehousing Transition Plans should be reflected in the LHS and also be fully integrated into Health & Social Care Partnership strategic plans. They should be included in the Housing Contribution Statement to ensure they are part of the planning framework. The revised SHIP guidance issued in August 2018 also states that local authorities should be aware that RRTPs will be addressed in future SHIPs.

In the report “Scotland’s transition to rapid rehousing”, produced by the Indigo Group on behalf of the Scottish Government’s HARSAG in June 2018, two specific recommendations were made in relation to the SHIP:

- Rapid Rehousing Transition Plans could be seen as an integral part of the SHIPs, and should be annually reviewed as part of the SHIP process
- The Scottish Government and Scottish Housing Regulator should improve data collection from local authorities or housing associations on completions and lettings relative to housing need.

With this in mind, Argyll and Bute Council will liaise with RSL partners and other key stakeholders to develop the RRTP by the end of 2018; and will aim to ensure that homelessness remains a critical factor in the SHIP process. This includes: homelessness as one criterion for assessing need, prioritising projects, and awarding grants from the Strategic Housing Fund. SHIP projects will be expected to contribute directly or indirectly to alleviating homelessness across Argyll and Bute (for example, as a result of direct allocations or via consequential lets to existing properties freed up on transfer of occupants to new build properties). The performance of developing landlords in respect of the proportion of allocations to homeless households and time taken to rehouse these clients will be material considerations in SHIP programming decisions and resource allocation.

## 10) UPDATE FROM THE 2017 SHIP

### Current Progress: Outputs 2017/18

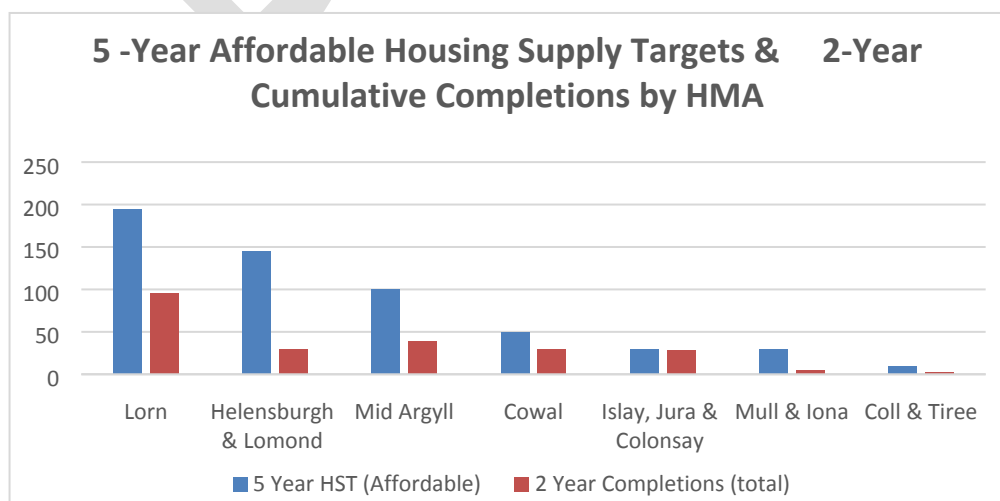
Building on the 154 units completed in 2016/17, a further 75 new homes were delivered via the SHIP in 2017/18. This brings the two-year cumulative total to 229 which is in line with the current LHS target for at least 224 new affordable homes to be completed by the end of year two of the 5-year planning period.

**TABLE 1: SHIP New Build Homes by HMA & Project, 2017/18**

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Luss	5	7%
Mid Argyll	Lochgilphead Phase 5	12	24%
	Minard Phase 1	6	
Islay, Jura & Colonsay	Port Ellen	18	24%
Coll & Tiree	Arinagour, Coll	2	3%
Lorn	Glenshellach, Oban	8(+2)	43%
	Connel Phase 3	10	
	Benderloch Phase 2	12	
<b>Total</b>		<b>75</b>	<b>100.0%</b>

Three of the four local RSLs contributed to the total programme, along with the national Link Group. ACHA delivered 22 of the new builds; Fyne Homes delivered 18; Link provided 5 homes; and West Highland Housing Association completed 30.

Reviewing overall progress at the end of Year 2 of the current 5-Year LHS, the SHIP programme is on schedule to meet the Housing Supply Targets for Argyll and Bute as a whole (with 229 new build homes, i.e. over 40% of the total target with three years remaining to deliver the balance); and also making positive progress at individual HMA level, although there is a need now to progress the planned projects particularly in Helensburgh & Lomond and some of the islands.





## 11) THE REVISED PROGRAMME

The current year, 2018/19, is covered by a Strategic Local Programme Agreement (SLPA) between the council, the Scottish Government, and the developing RSLs; while this new SHIP will commence from 2019/20. The programme is subject to ongoing change as either barriers to progress or windfall opportunities arise. Consequently, the following tables simply summarise all proposals at the time of writing (September 2018), including those projects which were expected to complete in 2018/19 and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed, or complete, within the timescale. However there is also scope for additional proposals to be brought forward or included in the programme. **Further details of the programme and individual projects are outlined in the electronic reports recorded on the Scottish Government's Housing and Regeneration Programme (HARP) system.**

**TABLE 2: SHIP Projects – expected to complete in 2018/19**

Project Address	Developer	Tenure*	Units
Bowmore Phase 3, Islay	ACHA	SR	20
North Connel, Lorn	ACHA	SR	1
Succoth, Helensburgh & Lomond	Dunbritton	SR	26
Minard Phase 2, Mid Argyll	Fyne Homes	SR	4
Queen's(formerly Spence) Court, Dunoon	Fyne Homes	SR	16
Lochgilphead Phase 4	Fyne homes	SR	16
Albany Street, Oban	Link	SR	8
Argyll & Bute Total			91

(\*SR = social rent)

(NB. Partial phases of ACHA's developments at Glenshellach, Oban and Castle Wood (formerly Jutland) Court, Helensburgh may also be delivered within this year, which could provide a further 22 units to the above total.)

ACHA's site at Bowmore, Islay



DHA's site layout for Succoth



**TABLE 3: SHIP Core Programme - Potential Completions by 2021**

Project address	Developer	Tenure	Units	Anticipated Completion
Jutland Court, Helensburgh	ACHA	SR	32	2019/20
Connel (Phase 4; incl. 1 whch unit)	ACHA	SR	2	2019/20
Inveraray (Phase 2)	ACHA	SR	10	2020/21
Keills, Islay	ACHA	SR	4	2020/21
Garelochhead (Passivhaus model)	ACHA	SR	10	2019/20
Tarbert	ACHA	SR	4	2019/20
Glenshellach (Phase 11 &12)	ACHA	SR	42	2019/20
Bowmore (Phase 4)	ACHA	SR	22	2020/21
Coll	ACHA	SR	1	2019/20
Cairnbaan	ACHA	SR	5	2020/21
North Connel	ACHA	SR	12	2020/21
Kilmartin	ACHA	SR	4	2020/21
Southend	ACHA	SR	1	2019/20
18 <sup>th</sup> Tee, Helensburgh	DHA	SR	16	2019/20
Golf Club site, Helensburgh	DHA	SR	60	2021/22
Tighnabruaich (Portavadie project)	FH	SR	20	2019/20
Cairndow	FH	SR	6	2020/21
Lochgilphead Phase 6	FH	SR	12	2020/21
Helensburgh (Sawmill Site)	LINK	Mixed	25	2020/21
Lonan Drive, Oban	LINK	Mixed	46	2020/21
Dunbeg (Phase 3)	LINK	Mixed	300	2020/21
Rosneath	LINK	Mixed	40	2020/21
Ganavan	Link	Mixed	50	2020/21
Lochdon, Mull	WHHA	Mixed	14	2019/20
Jura	WHHA	SR	10	2020/21
Tobermory (Phase 3)	WHHA	Mixed	12	2019/20
Colonsay	WHHA	SR	5	2020/21
Barcaldine	WHHA	SR	10	2019/20
Salen, Mull	WHHA	Mixed	8	2020/21
Imereval, Port Ellen (Phase 2)	WHHA	Mixed	8	2019/20
<b>Argyll &amp; Bute Total</b>			<b>791</b>	

<sup>1</sup> NB. Timescales are indicative and subject to change; and will be monitored on a regular basis. Partial phases of Jutland Court (eg 16 units) and Glenshellach (eg 6 units) may be completed in 2018/19. Some other projects could also revise their final number of units.

If this programme is successfully delivered within the planning period, it could provide over 790 new affordable homes across Argyll and Bute. Around 26% of these would be in rural mainland, island and/or fragile communities; 38% in the key strategic settlement of Dunbeg; and 36% would be delivered within or around the main towns (Oban, Helensburgh, Dunoon and Lochgilphead).

There is an expectation that the majority of these units will be built to allow for future adaptation to meet changing needs over time; and in addition approximately 10% (at least 78 units, if above programme is delivered in full) should be purpose-designed to medium or high dependency standards. However, the council is currently also in discussions with the HSCP to review and explore potential models for the re-provisioning or replacement of existing care homes no longer fit for purpose. This could include “close” cluster specialist accommodation and/or more dispersed cluster units to address the needs of facilities such as Eadar Glinn in Lorn, Ardfenaig in Mid Argyll, and Struan Lodge in Cowal. In principle, the council would be supportive of the inclusion of these projects in the SHIP, in full or in part depending on detailed and realistic proposals coming forward, with a view to delivery by 2021 if feasible.

In addition to this core programme, a number of other potential proposals are being developed for further consideration in later years of the SHIP, subject to robust assessments of need and demand, site assembly or acquisition, and available funding. Some of these projects therefore remain notional at this stage or are subject to development constraints that require to be addressed/ mitigated before they can proceed. These are noted in the following table (developers and projected units are therefore purely indicative at this stage).

**TABLE 4: Additional Potential Projects for consideration in later years**

Project address	Developer	Units
Glencruitten, Oban Phase1	ACHA	25
Glencruitten, Oban Phase 2	ACHA	25
Castle Wood (Jutland) Court, Helensburgh	ACHA	18
Succoth (Phase 2-subject to need)	DHA	tbc
Cardross	DHA	25
Tighnabruaich (Portavadie, Phase 2 – if need)	Fyne Homes	10
Port Charlotte	WHHA	8
Port Appin	WHHA	6

Alternative sites are also being considered either to replace or enhance some of the RSL projects listed in above tables, such as the council-owned sites at Blairvadach, Rhu and Jeanie Deans Unit, Helensburgh; landbanked sites in areas such as Bunessan, Mull; and/or sites at Strachur, Inveraray, Lochgair, Achnamara, and Tayvallich. The Council has also been supporting community developments outwith the core AHSP funding programme: communities for instance have secured funding to carry out a feasibility study for additional potential units at Ulva Ferry and Dervaig on Mull, amongst others. An ongoing review of corporate assets and the available landbank will also inform Council policy on the potential for providing serviced plots for sale for affordable housing development; and the outcome of the self-build/custom-build pilot in Highland Council has also been closely monitored and any useful learning points will be considered for future action. The Council is also actively piloting a project to designate simplified planning zones (SPZs) in Mid Argyll and on Mull for the provision of self-build sites or alternative affordable provision. In addition, where appropriate the council provides support for communities considering the use of the Scottish Government’s Rural or Island Housing Funds, and other resources to deliver affordable housing outwith the core AHSP development programme.

## 12) MONITORING AND REVIEW

The SHIP will be appraised on an annual basis by the Scottish Government and affordable housing outcomes are monitored regularly by the Council's Housing Management Team; local authority Members via the corporate Pyramid performance management system; the overarching Community Planning Partnership via the LOIP framework; and partners on the Strategic Housing Forum; as well as the boards and committees of the individual SHIP partners.

In addition, as appropriate, wider stakeholder involvement will be sought via consultation with local communities, private developers and relevant particular interest groups. All pertinent feedback will help to inform the ongoing development and regular revisions of the SHIP.

## 13) IMPACT ASSESSMENTS

### Health Impact Assessment

In addition to the formal LHS Equality Impact Assessment referred to in Section 7 above, which encompasses this SHIP, the council also carried out a Health Impact Assessment in 2017 for Housing Services, this plan and the LHS in accordance with national good practice, and as a further step towards fostering closer linkages between Housing, Health and Social Care. We will continue to monitor and assess the impact of the SHIP and the LHS in terms of equalities and human rights, health inequalities, child rights and wellbeing, and in line with the principles of the Fairer Scotland Duty. Any relevant findings from such assessments will be reflected in the SHIP and future updates of the LHS and other associated plans, policies and strategies.

### Strategic Environmental Assessment (SEA)

As the "Responsible Authority" under the terms of the Environmental (Scotland) Act 2005, the Council has previously determined that the LHS (and by association its ancillary component, the SHIP) does not require a full SEA. The primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. The SHIP is an investment plan which sits underneath the LHS and sets out how the LHS objectives can be delivered. As such it is primarily an operational, working document and it will therefore not change the policy directions set out in the LHS and Development Plans.

## 14) CONCLUSION

The Argyll and Bute Strategic Housing Investment Plan for 2019/20 to 2023/24 sets out an ambitious but realistic programme for the delivery of over 790 new affordable homes; of which the majority would be built to lifetime standards, allowing for future adaptation to meet changing needs over time; and around 10% will be purpose-designed to higher standards for specialist needs. The programme reflects a strong commitment to the economic growth agenda for Argyll and Bute; and around 26% of the proposed developments will also directly support the sustainability of fragile rural and island communities.

A number of additional or potential projects have also been identified for consideration in later years and some of these may be brought forward as the programme is reviewed on an annual basis. This level of programming in the early years substantially exceeds the LHS targets of 550-650 new affordable homes over the five year period; nevertheless there is still further scope for development particularly in later years, subject to identification of robust need and demand; and the council and its partners are committed to maximizing available resources where possible, and will continue actively to explore opportunities for growth in the programme.

Total investment of **£51.608m** has already been allocated by the Scottish Government, for the first three years of the programme; while the Council is contributing around **£9m** from its Strategic Housing Fund (comprising outstanding commitments of £2.008m and a balance of £6.755m) plus anticipated additional SHF revenue of around £1.9m per annum over the life of this SHIP. This will help to secure the necessary additional funding from RSLs and private finance and will ensure that the SHIP has a wider economic impact within Argyll and Bute over the next five years.

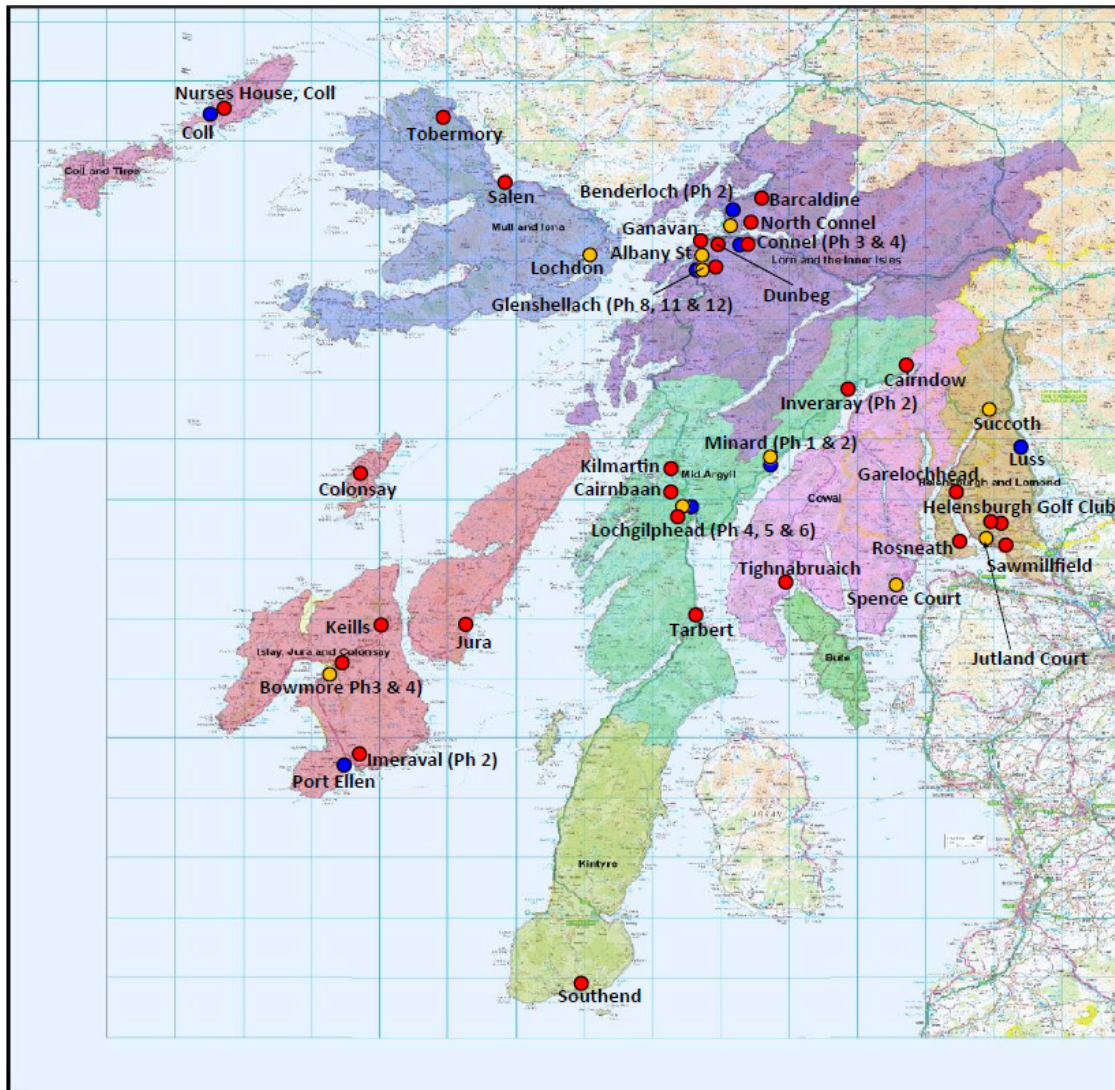
This SHIP clearly and directly aligns with the LHS and LOIP outcomes; sets out a core programme which is feasible to deliver; highlights the contribution of the council, developers and other partners; evidences the support and facilitation role of the local authority; outlines the extensive stakeholder engagement underpinning the planning and delivery of the programme; and explicitly reflects the central importance of equality issues for all partners.

The development of the SHIP is necessarily an ongoing, iterative process and this Plan must be viewed as an interim work in progress. In the current climate it is also important that strategic planning retains a degree of flexibility to allow for adjustments and revision as circumstances continue to evolve. Nevertheless, the Council believes this plan provides clear direction for future priority developments and sets out a robust framework for the delivery of affordable housing across Argyll and Bute.



ANNEX ONE

**SHIP DEVELOPMENTS ACROSS ARGYLL & BUTE:**  
**Completed Projects, Onsite Projects, & Projects in the Core Programme.**



- 2017/18 Completed Projects
- 2018/19 Projects Under Construction
- Proposed SHIP Projects 2019/24

2019/20 – 2023/24

THIS DOCUMENT AND SUPPORTING TABLES  
ARE AVAILABLE ON THE COUNCIL WEBSITE AT:

<https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

This document can also be made available in other formats on request.

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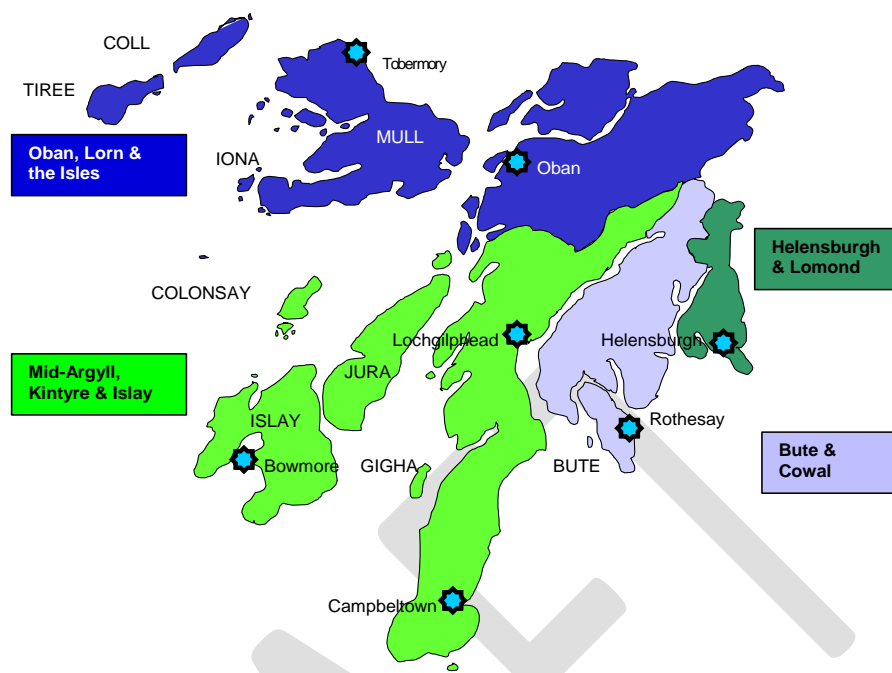
# ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN 2019/20 - 2023/24

***Draft October 2018***



***“Delivering a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”***





The focus of the Strategic Housing Investment Plan (SHIP) is affordable housing provision via new build, replacement, rehabilitation or re-modelling.

**“Affordable housing”** in this context refers to accommodation made available at a cost below full market value to meet an identified need and includes:

- Social rented housing;
- Subsidised low cost housing for sale (discounted, shared ownership or shared equity);
- Low cost housing without subsidy (entry level housing for sale);
- Private rented accommodation available at lower cost than market rents; and
- Mid-market rental housing provided by social or private landlords.

The term **“intermediate affordable housing”** is used to cover all types of affordable housing which are not social rented.

[Guidance on the Preparation of Strategic Housing Investment Plans, Scottish Government, July 2016](#)

**AFFORDABILITY** – as a basic rule of thumb, an affordable house price is reckoned to be no more than 4.0 times the annual income of the household; and in terms of renting a property, the affordable benchmark is often considered to be around 25% of the household’s income.

## 1) INTRODUCTION

Argyll and Bute Council remains committed to working closely with the Scottish Government, local housing associations, and other key partners to increase the effective supply of affordable homes across the local authority area so that everyone can access a good quality home that is affordable and that meets their needs.

The Strategic Housing Investment Plan (SHIP) is a key local authority document which identifies priority housing projects to support the delivery of both local and national strategic housing targets; as well as the supply of housing across other tenures as appropriate.

The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures, to meet identified need in the area. The SHIP is directly informed by the strategy and its associated policies.

This plan is an operational document and the core purpose is to set out the strategic investment priorities for affordable housing and other tenures over a 5 year period, to achieve the priorities and outcomes set out in the LHS. It reinforces the Council's role as the strategic housing authority; and informs Scottish Government housing investment decisions. It also underpins the preparation of Strategic Local Programme Agreements (SLPAs).

This SHIP has been developed in consultation with key stakeholders; and following agreement of the strategic local programme in August 2018 with the Scottish Government and individual, partner RSLs. The outline draft plan was approved by the Strategic Housing Forum on 12<sup>th</sup> September 2018 and will be set before Council Members in November 2018.

## Content of the SHIP

The SHIP comprises two key elements:

- a) This narrative document setting out the context to the plan and including:
  - LHS Priorities and Outcomes
  - Project Prioritization Framework
  - Resourcing the Programme and the Council's Contribution, including the use of Council Tax on Second and Empty Homes
  - Developer Contributions
  - Specialist Provision, in particular supporting the delivery of wheelchair accessible housing
  - Deliverability and Mitigating Development Constraints
  - Consultation and Stakeholder Engagement
  - Impact on Fuel Poverty and Energy Efficiency
  - Impact Assessments including Equalities and Health Inequalities,
  - The Current and Projected Programmes
- b) An electronic annex listing affordable housing projects identified as priorities for funding over the five year period, including projects seeking support from:-
  - The Affordable Housing Supply Programme (AHSP)
  - The Housing Infrastructure Fund – grant and loan (HIF)
  - Sources other than the Scottish Government's AHSP funding

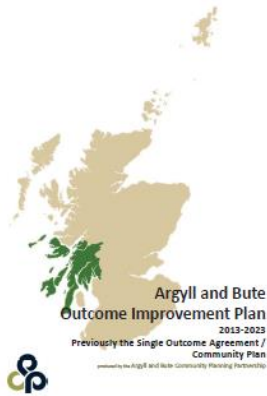
In summary, the SHIP

- Sets out investment priorities for housing of all tenures for which Scottish Government funding is sought;
- Demonstrates how these will be realistically delivered over the plan period;
- Identifies the resources required to deliver these priorities; and
- Enables the involvement of stakeholders and other key partners.

In preparing this SHIP, the council has considered the range of mechanisms available including those from the Scottish Government; the council's own resources; and other sources; and has also rolled forward and updated material from the previous SHIP (November 2017).

## 2) THE STRATEGIC FRAMEWORK

### □ Local Outcome Improvement Plan (LOIP)



The Argyll and Bute Outcome Improvement Plan 2013-2023 (previously the Single Outcome Agreement / Community Plan) sets out the Community Planning Partnership's (CPP) vision for achieving long term outcomes for communities in Argyll and Bute. As the overarching strategic document for local partners, including the council, it provides the high level context for a wide range of strategies, plans and policies, including both the Local Housing Strategy and the SHIP.

*The overall objective of the plan for the 10 years to 2023 is –*

***Argyll and Bute's economic success is built on a growing population.***

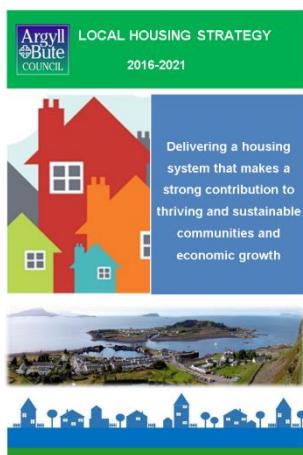
This objective is underpinned by 6 long term outcomes:-

#### **In Argyll and Bute:**

- 1. The economy is diverse and thriving.**
- 2. We have infrastructure that supports sustainable growth.**
- 3. Education, skills and training maximises opportunities for all.**
- 4. Children and young people have the best possible start.**
- 5. People live active, healthier and independent lives.**
- 6. People live in safer and stronger communities**

While the housing sector has a role to play in achieving all of these outcomes, the provision of affordable new build housing, particularly the delivery of the SHIP, is primarily located within Outcome 2, in relation to infrastructure that supports sustainable growth.

□ **Local Housing Strategy (LHS)**



The Council continues to ensure that the investment programme and priorities set out in the SHIP are consistent with the LHS and its annual updates; and that these remain firmly based upon a “robust and credible” assessment of housing need and demand (HNDA). Existing strategic priorities and outcomes continue to be ratified and supported by partners and stakeholders via the Argyll and Bute Strategic Housing Forum.

The current LHS was implemented in 2016, and covers the five year planning period to 2020/21. It sets out the core vision:

**“To deliver a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”**

Supporting this vision are four high level priorities:

- 1) **To facilitate access to sufficient, suitable and affordable housing across all tenures**
- 2) **To promote individual housing options to meet housing need**
- 3) **To enable people to live independently in their own homes**
- 4) **To regenerate communities through improving the quality, condition and energy efficiency of housing**

The SHIP will play a key role in achieving the vision and all of these high level priorities, as well as delivering the Housing Supply Targets (HSTs):

<b>Argyll &amp; Bute</b>	<b>Annual</b>	<b>5 Year Total</b>	<b>10 Year total</b>
<b>Total HST</b>	<b>240 - 300</b>	<b>1,200 -1,500</b>	<b>2,400 - 3,000</b>
Affordable Housing	110-130	550-650	1,100-1,300
Private Market Housing	130-170	650-850	1,300-1,700

In summary, the SHIP will aim to deliver:

- *At least* 550 new affordable homes over five years;
- At least 80% of which should be for social rent; and
- 10% should comprise some form of “specialist provision” (e.g. wheelchair accessible, supported, amenity or sheltered)

In addition, the SHIP will entail:

- An effective land bank of sites in areas of housing need; and
- An Affordable Housing Policy which maximizes the impact of private developer contributions.

### 3) PRIORITISING THE PROGRAMME

The SHIP sets out a clear and transparent framework for the prioritisation of projects to be delivered over the next five years. In prioritising the programme, the Council has sought to maintain an appropriate balance of housing provision across Argyll & Bute that reflects the affordable housing shortfalls identified in the five year HNDA, published in 2016, (and any subsequent local Housing Market Area or Community needs assessments) and contributes towards the outcomes detailed in the LHS & the Argyll and Bute Outcome Improvement Plan.

Council Housing Services reviewed the existing prioritization framework in August 2017, and found that this remains an appropriate and proportionate approach, subject to minor adjustments. As previously, within each HMA, investment is mainly targeted at communities exhibiting the greatest affordable housing pressures. These priorities continue to recognize the importance of investing in small rural communities as well as larger urban areas. The communities have been identified by consideration of:

- the relative and absolute pressure on the existing affordable housing;
- the ability to meet need in the wider housing market area; and
- recent investment patterns; as well as
- deliverability (site ownership, infrastructure or planning constraints, etc)

Given that localised “hotspots” or pressured areas may still be masked within the wider geographic HMAs, a further refinement of the evaluation process is also required at the localised settlement (or letting area) level, to reflect the complex rural and island geography of Argyll and Bute. Therefore, the Council continues to employ the following key indicators:-

Criteria	Indicator/Evidence
Identified need	HNDA & local updates – total shortfall in affordable housing.
Pressure ratios	CHR - waiting list applicants per available let on annual basis.
Homeless Pressure	HL1 statistics - total applicants per HMA & relative time to close cases; number/duration of temporary accommodation cases; RSL performance re housing homeless cases.
Social stock levels	Proportion of existing RSL stock to total number of dwellings on Council Tax Register.
Wider Strategic Fit	Links to, & synergies with, Local Development Plans (including support of the Council’s Key Rural Settlements as well as identified fragile areas); economic development plans or regeneration initiatives; or other wider community benefits.
Specialist Provision	HNDA/CHR/Health & Social Work caseload – total shortfall for special needs accommodation & evidence from waiting lists or bespoke research.
Risk/Deliverability	Satisfies key development criteria (site ownership; planning consent; resourced; infrastructure constraints; contractor capacity). Early liaison with Planning will be critical.
Affordability (of proposed rent)	Compared to Scottish Govt. benchmarks & other RSL rents; as % of LHA; and as % of local household incomes.



**Prioritisation by Housing Need** - In terms of distribution by Housing Market Area (HMA), the main need by far is evidenced in Oban & Lorn, the only HMA exhibiting continued growth. Topographically and geographically, options are constrained in Oban itself, therefore, Dunbeg is the primary development priority for the Council.

Strategically, Helensburgh & Lomond is also a high priority in terms of need and potential growth opportunities. Mid Argyll could benefit from further developments albeit this continues to be closely monitored to avoid creating imbalances in the existing system; and Cowal, as the HMA most at risk of severe population decline, could be regenerated with judicious development, operating in tandem with improvements in employment opportunities and transport infrastructure, albeit again caution will be required to ensure new build developments in this area do not have any unforeseen, adverse impacts on the existing housing system.

Small-scale developments could also have a significant and positive impact on the Atlantic Islands. However, Bute and Kintyre are relatively well balanced in terms of current supply and demand (annual RSL lets are more than sufficient to address waiting list demand, and there are a number of long-term voids in these areas, with key landlords considering strategic stock rationalisation and/or demolition) and therefore any new build in these two HMAs should focus on unsubsidised, private market accommodation.

**Prioritisation by Tenure** - The LHS proposes that a majority of the programme should be for social rent (at least 80% of completions), however, alternative tenures such as mid-market rent, shared equity or other low cost home ownership options, will be considered on a site-by-site basis in line with local market conditions and needs, and actively encouraged where appropriate.

**Prioritisation by Size** – The SHIP will continue to promote the delivery of smaller properties (1 and 2 bedrooms) where feasible, in line with the HNDA and the continuing evidence of the HOMEArgyll common housing register. In 2018, for example, 81.3% of the active waiting list applicants required 1 or 2 bedroom accommodation; while 14.2% required three beds and only 4.4% required 4 or more bedded properties. Nevertheless, the requirement for larger, family-sized accommodation will continue to be monitored and addressed as appropriate.

**Prioritisation by Particular Needs** – Given the impact of the ageing population, and the particular needs of other sectors of the population including the physically disabled and those with learning disabilities or mental health issues, as outlined in the HNDA, and as reinforced in the findings of the joint Health, Care and Housing Needs Assessment produced in 2018 by the council and the HSCP, the LHS specifies a *minimum* target of 10% of new build should be purpose designed as specialist provision to suit households with medium to high level particular needs. This includes provision of wheelchair and extra care accommodation, and, particularly,



medium dependency, amenity housing. As far as possible, all general needs new builds are designed to the lifetime, Housing for Varying Needs Standards, to maximise the accessibility for residents whose circumstances and needs will change over time. In addition, the extent and nature of the future ageing population, for instance, will necessitate strategic investment in the development and delivery of housing-based care, support and aids and adaptations. To this end, the Council has developed a more cohesive partnership with the Integrated Health & Social Care body to ensure that the SHIP process is fully aligned with the health and social care integration agenda and other relevant plans such as the “Keys to Life” strategy for persons with learning disabilities, the Integrated Children’s Services Plan, the refreshed national housing strategy for Older Persons published in August 2018, “Age, Home and Community: the next phase”; and the Fairer Scotland for Disabled People strategy published by the Scottish Government in 2016; among others.

The finer detail of the programme will be arrived at through specification of suitable type and size of accommodation for individual developments, taking into account the needs of actual households on the waiting list and, where appropriate and as far as possible, in consultation with local community stakeholders.

**Rural Proofing**<sup>1</sup> – the Council’s Housing Service will continue to apply a policy of rural-proofing housing plans and strategies to ensure the more remote and isolated areas, or those designated as “fragile”, are not disadvantaged or adversely affected by investment and development decisions. Critical to this aim, is joint working with local planners to support the development and sustainability of designated key rural settlements across Argyll and Bute as well as supporting the aims of the Loch Lomond & Trossachs National Park. As well as the ratio of waiting list applicants to available RSL lets and other indicators outlined above, key factors influencing the prioritisation of rural developments include: the ratio of social housing to second homes; proportionate historic losses through Right to Buy; the percentage of social housing to total dwelling stock; and the ratio of local earnings to average or lower quartile house prices and private rents. While existing, evidenced need remains the primary concern, consideration will also be given to rural areas of potential economic development and/or population growth in liaison with Economic Development colleagues and the local business sector. In this context, the potential impact of the proposed Rural Growth Deal (RGD) for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda. Housing opportunities being pursued via the RGD include innovative construction methods, such as off-site, modular homes for example.

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<sup>1</sup> Rurality is defined in the Scottish Government Urban Rural Classification, see: <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>. In addition, one definition of fragility is outlined in the report: Review of Fragile Areas and Employment Action Areas in the Highlands and Islands, HIE, November 2014.

The rural/urban housing differential is acknowledged nationally, in the structure of the Scottish Government's benchmark framework for grant funding, whereby Argyll and Bute receives a rural uplift to address the additional costs involved in remote rural and island development. Ultimately, final preference will be influenced by project costings, therefore the proposed programme can only be indicative at this stage.

#### 4) DELIVERING THE PROGRAMME: MITIGATING RISKS AND RESOLVING DEVELOPMENT CONTSRAINTS

It is important to identify, assess and respond to any risks or potential constraints that might impact on the overall programme or individual projects; and that effective measures are taken to mitigate these as far and as early as possible. The SHIP aims to provide assurance that, if funding is secured, any other constraints will be resolved by the time of estimated site start of the relevant project. The main risks or constraints that tend to apply to the SHIP programme include:

- Development and Infrastructure constraints
- Financial Assumptions
- Planning issues
- Legal procedural constraints; and
- Effective land supply

In addition, an ongoing, critical factor in the context of this authority is the capacity of the local construction sector and the constrained market for competitive tendering.

The council and its partners are working to minimize these risks and mitigate constraints as far as possible, for example:-

**Development Constraints** (such as infrastructure issues: roads, utilities, ground condition problems/ abnormal costs) - The core SHIP programme aims to focus on sites that are not subject to significant development constraints such as contaminated brownfield sites, un-zoned greenbelt areas, or those with restricted infrastructure capacity in terms of access roads or water supply. However, in a small number of cases within certain highly pressured areas with evidence of a substantial shortfall in affordable housing, or areas of wider strategic importance, it may be necessary to consider such sites in the absence of more practicable or easily-progressed sites. Apart from the site constraint itself there may be costs associated with carrying out remedial works, preliminary feasibility studies, or mitigating the potential impact on areas of archaeological significance or on historic buildings and this places a further constraint on site development. Mitigation may be aided by ensuring site investigation is carried out at early stages; and seeking to ensure land values reflect any remediation costs. In terms of infrastructure constraints, such as

Scottish Water connections/ capacity/ access, early discussions with the Utilities companies will be initiated to address potential issues and achieve possible synergies in investment programmes. Where possible, abnormal costs should be deducted from the land purchase price and unforeseen costs may be met through the Scottish Government's Housing Infrastructure Fund; the council's Strategic Housing Fund, developer contributions, or other sources such as potential Rural Growth Deal funding subject to a successful bid to government.

The Housing Infrastructure Fund (HIF) in particular has already proven to be a significant factor in supporting housing development in this authority through loans or grants for sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works; and can help facilitate the unlocking of these sites for the delivery of housing. The council successfully prioritised the further development of Dunbeg, for instance, as a key site for delivery of housing utilising this fund, and was awarded £1.9m in 2017, in line with the eligibility criteria and guidance set out by the Scottish Government.

**Effective Land Supply** - The historic RSL land bank and available council owned sites have now been depleted and it may be that in the future land assembly will prove a significant challenge. Nevertheless, through collaborative efforts with planning colleagues, the council and National Park are confident that a "generous" supply of land for affordable housing continues to be sustained. The council continues to audit housing allocations in the current Local Development Plan to ensure a more robust and rigorous approach to effective site provision, with ineffective allocations being removed from the plan. Partners continue to carefully consider the timing and possible phasing of developments to make realistic assumptions on when affordable housing will proceed. We aim to ensure that a sufficient supply of sites remains identified in the system to accommodate unforeseen slippage in the timing of projects coming forward; and to maximise the benefits of increased or additional funding. The council's combined Planning, Housing and Regulatory Services' annual Planning Performance Framework, 2017/18 recorded the following National Headline Indicators (NHIs):-

<b>Effective Housing Land Supply</b>	<b>2017/18</b>	<b>2016/17</b>
Established housing land supply	5471 units	5865 units
5-year effective housing land supply	3808 units	3908 units
5-year effective land supply total capacity	4419 units	n/a
5-year housing supply target	3725 units	3725 units
5-year effective housing land supply	5.1 years	5.2 years
Housing approvals	539 units	866 units
Housing completions over the last 5 years	1088 units	1149 units

Occasionally, proposed projects are subject to complex or protracted negotiations with private owners and their agents which can impact on the timing and ultimately on their deliverability. Therefore effective liaison with the Scottish Government to prioritise projects and progress site acquisitions to enable projects to be pulled forward if required, is essential. In addition, the impact of both the Council and National Park Affordable Housing Policies continues to

prove invaluable; and there is an obvious need to sustain practical negotiations with landowners, Estates, private developers and others. Some RSL partners have however raised concerns that in the current climate the application of the Council's Affordable Housing Policy will make site development less attractive and sites are only likely to be developed where there is a pressure to secure a return in the short term. To facilitate private development, therefore, the Council's current policy exempts certain low pressure areas in accordance with the current HNDA (e.g. Bute, Kintyre) from the 25% affordable quota. However, in general, in the medium to long term, the private ownership of many sites in Argyll and Bute means that the Affordable Housing Policy will continue to have a definite role in securing a sufficient supply of affordable housing through developer contributions. Strategic engagement with local communities and agencies such as Highlands & Islands Enterprise to assess potential use of Strategic Land Fund, where appropriate, may provide benefits; and additional mechanisms may also be available via recent initiatives such as the Rural or Island Housing Funds and new Community Empowerment legislation. The council is also exploring the current legislation around Compulsory Purchase Orders (CPOs) and will consider the potential benefits of pursuing these on a case by case basis, where circumstances are proving unreasonably intransigent.

**Planning issues** - Early discussions will continue to be prioritised with planning services (both Council & National Park) regarding road layouts/ car parking requirements, school catchment areas, and other possible issues. All of the development sites included in the SHIP programme should be effective given that they will, in most cases, require to be already zoned for housing development in the relevant local development plans. Many of the sites identified are of relatively small capacity. The costs associated with progressing smaller sites in the more remote rural areas are likely to be higher if developed as standalone projects. However it is envisaged that where practical through partnership working with private developers on adjacent sites the risk of such sites not being developed on cost grounds will be reduced.

More rigorous build quality standards, and "greener" standard requirements, can lead to conflicting pressures in terms of resources required per unit. RSLs and their partners continue to highlight concerns in balancing cost and quality considerations, especially given the rising cost of securing private finance in recent years.

Local RSLs are also currently committed to exploring effective measures for maximising procurement efficiencies through volume, but also continuity of work and standardisation of specifications and products as far as possible.

RSLs face increased risk in delivering and selling shared equity units or mid-market rent schemes, in the current economic climate. The Council has been required to provide extended loan facilities to counter this particular problem in the past. In the future, provision for tenures other than social rent will require detailed business plans and must reflect robust and credible assessment of local needs before approval.

## 5) PARTNERSHIP WORKING AND CONSULTATION

As outlined in previous SHIPs, the preparation of this plan, as well as the planning and delivery of individual projects, remains a continuous, iterative corporate activity; based on close working relationships between the Council's combined Planning, Housing and Regulatory services, along with Economic Development and Strategic Transport, Development & Infrastructure Services; as well as the ad hoc involvement of other departments such as Property Development/Estates when appropriate. The SHIP process in Argyll and Bute particularly reflects a strong collaborative approach with Registered Social Landlords (RSLs, or housing associations), the Scottish Government, communities, developers and other stakeholders.

Key partners include:

- The Scottish Government: More Homes Scotland Division
- Argyll & Bute Council
- Argyll & Bute Health & Social Care Partnership
- Argyll Community Housing Association
- Fyne Homes Housing Association
- Dunbritton Housing Association
- West Highland Housing Association
- Link Group Ltd
- Bield Housing Association
- Trust Housing Association
- HMNB Clyde/ MOD
- Loch Lomond & Trossachs National Park

At the very local level, on a site by site basis, RSLs and Council officials continue to liaise closely with private developers, local land owners, local community groups and development trusts, and a range of other stakeholders to negotiate, facilitate, enable and deliver viable projects within the context of the LHS and the framework of the SHIP. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and residents are routinely consulted.

**The Argyll & Bute Strategic Housing Forum**, comprising a wide range of key partners from the Community Planning Partnership, constitutes the overarching body with ultimate responsibility for overseeing the implementation and monitoring of the LHS and the SHIP; and is chaired by an elected Member with the policy remit for Communities, Housing, Islands and Gaelic. The Strategic Housing Forum is also responsible for making appropriate recommendations to Council Members and for lobbying the Scottish Government in respect of housing issues in Argyll and Bute.

**The SHIP Officers Development Group** - In addition to regular programming meetings between the Council, the Scottish Government and individual RSLs, a



dedicated SHIP Officers Group has been reinstated by the Council which brings all these parties together on a quarterly basis to address and progress operational development matters which are then reported to the overarching Strategic Housing Forum.

**Wider Stakeholders, Local Business, and Economic Development** - Other stakeholders and strategic partners, such as Scottish Water, will be engaged on an ad hoc basis as appropriate. Increasingly, given the overarching strategic imperatives, economic development and regeneration partners are also emerging as key associates in the SHIP and LHS process. This has led, for instance, to an ad hoc working group (facilitated by Housing, Economic Development and HIE) co-ordinating a dedicated event in August 2018 for local employers and representatives of the business sector to engage with housing providers, and explore innovative delivery mechanisms and opportunities such as the Rural Growth Deal. The event also provided networking opportunities for local community representatives as well as RSLs (which of course constitute local, community-based and focused organisations and charitable associations in their own right). In total, over 50 organisations, agencies, services and individuals attended the event, and the intention is to retain this network as one thematic interest group for future consultation and engagement.

**Community Engagement** - In addition to the above, the council has recently reviewed and updated its approach to localised housing need and demand assessment; building on a number of years' experience with community councils, development trusts, local study groups, green belt groups, tenants and residents' associations, and various other local bodies across mainland Argyll and throughout the islands. The result is a detailed information pack which is intended to provide a resource for local communities and third party support agencies to carry out surveys, stakeholder engagement, and data analysis, with the support of council staff, in order to assemble the crucial, "high quality, fit for purpose" evidence base required to secure public funding and help to deliver practical housing solutions. The council has already engaged with local representatives on Mull, and community councils in North Lorn, for instance, to implement the new toolkit; and this will now be made available both proactively and on demand.

### Health and Social Care Partners



As a priority, the Council continues to foster closer engagement with the Health & Social Care Partnership (HSCP) at all levels (from senior management group to locality planning groups) and at the earliest possible stages in the process. The HSCP's three year Strategic Plan incorporates a Housing Contribution Statement (HCS) outlining the essential role housing plays in supporting and maintaining independence, health and well-being of all residents.

In 2018, a joint Health, Care and Housing Needs Assessment was published jointly by the HSCP and Council Housing Staff, setting out extensive data and

analysis across a range of client groups and types of specialist provision. The final report also set out an agreed action plan for future joint collaboration, based on a set of recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session in June 2018. This will now form the basis of the revised HCS which will be incorporated into the HSCP's next 3-year Strategic Commissioning Plan due to be launched in 2019.

In summary, the agreed strategic framework for Housing, Health and Social Care is based on a shared vision and five key aims, as outlined below:

Our vision for housing and health and social care in Argyll and Bute is that:

**“People in Argyll and Bute with health and social care needs have access to housing options that maximise their health, wellbeing and independence”**

To achieve this, people need to be enabled, through their contacts with services and provision of information, to live at home, or in a homely setting, as independently as possible and to be well connected to their communities. The agreed action plan is presented under five key aims:

1. There is appropriate and sufficient housing available in each local area to meet the needs of people living there.
2. People are aware of the availability of different housing options to enable them to make appropriate choices, and are supported to do this if necessary due to learning disability or physical and mental health conditions.
3. Health and Social Care, Housing Association and Argyll and Bute Council Housing officers are able to work effectively together to promote early housing options appraisal and early intervention and adaptations as required.
4. Waiting lists for RSL properties (and in particular specialist provision) are managed as efficiently and effectively as possible to maximise availability of existing properties.
5. Planning for housing and housing services is based on robust data and information.

**HMNB Clyde / MOD engagement** - As reported in previous SHIPs, a Strategic Delivery and Development Framework (SDDF) has been established between the Council and HMNB Clyde to achieve maximum benefit for the Base and the wider community. This dedicated working group continues to explore the potential accommodation needs arising from the development of the naval base as the Royal Navy's UK Submarine Centre of Specialization; and the consequent economic impact this is likely to have in the local area. The SHIP is therefore required to take full account of the associated emerging accommodation needs in the Helensburgh and Lomond area; and to this end a comprehensive housing market study of the area was commissioned in 2018 which involved further extensive consultation and stakeholder engagement.

## 6) RESOURCING THE PROGRAMME & THE COUNCIL'S CONTRIBUTION

There are three primary funding sources for the SHIP:

- a) Scottish Government Grant (the Affordable Housing Supply Programme – AHSP)
- b) Council grant or long-term loan (the Argyll & Bute Strategic Housing Fund – SHF; which may be supplemented from Council central reserves)
- c) Registered Social Landlord (RSL) Private Finance Borrowing

The majority of developments will require a complex package of funding from at least all of these sources (additional investment from other sources may also be required – some of these are outlined below).

### a) Scottish Government Resource Planning Assumptions (RPAs)

For 2017/18, the AHSP allocation for Argyll and Bute amounted to £11.6m. In April 2018 the Scottish Government confirmed the RPAs to local authorities for the three years from 2018/19 to end-March 2021. This involved further increases on previous assumptions and will support longer term planning for the affordable housing supply.

Argyll & Bute	2018/19	2019/20	2020/21	Total
Annual RPA	£16.182m	£17.140m	£18.286m	£51.608

Source: Scottish Government Letter of Confirmation, April 2018

In addition, the revised SHIP Guidance, published in August 2018, advises that in line with the Scottish Government's 50,000 affordable homes target, local authorities are expected to over-programme for the first two years of the SHIP period (to March 2021) to ensure delivery should slippage occur. The recommendation is that a minimum slippage factor of 25% be applied on an annual basis to the AHSP for these two years.

This would give a potential working figure for these years of: £21.425m in 2019/20 and £22.858m in 2020/21. The revised guidance also suggests that, for planning purposes, local authorities should use their 2020/21 RPA as the basis for funding for the final three years of this SHIP period i.e. £18.286m. However, this is a provisional assumption and it must be acknowledged that there is no guarantee or certainty around AHSP funding beyond 2021.

Working with RSLs and the Scottish Government's local More Homes Scotland team, the council estimates current requirements from the AHSP to deliver the proposed programme in full would be in line with this level of investment, as summarised in the following table.

An approximate calculation (based on the average AHSP 3-person unit benchmark of £72k for social rent in rural Argyll) would suggest that the baseline level of



investment for the first three years of the SHIP period (i.e. £53.712m, without the 25% over programming factor) could deliver almost 750 new affordable homes in the period from 2019/20 to 2021/22.

It should be noted that this is potential investment only, dependent on actual need and deliverability of suitable projects; and while the council and its partners clearly welcome this level of funding, it will present real challenges. This would be subject, for example, to sufficient complementary funding being available from the council and RSLs themselves to support the programme; and is also dependent on the capacity of the constrained local construction industry.

#### b) The Council's Contribution – The Strategic Housing Fund

Resourcing the SHIP programme also requires a significant contribution from the Council's Strategic Housing Fund (SHF). This Fund is primarily based on the revenue raised from reduced tax discounts on empty and second homes: where local authorities have used discretionary powers and reduced the empty and second homes tax discounts, the additional revenue **must** be used to support affordable housing provision in their areas. In addition, since 2013 local authorities have had flexibility to remove the discount entirely and to apply a levy of up to 100% on long-term empty properties. These revenues are not ring-fenced although their use to bring long-term empty properties back into use, or to support affordable housing provision, is encouraged by the Scottish Government.

Since 2007, the SHF in Argyll and Bute has been used for the following eligible expenditure:

- Expenditure incurred in relation to assets formally held on the Housing Revenue Account;
- Expenditure relating to the acquisition of sites for the landbank;
- Expenditure related to the delivery of the Empty Homes Initiative;
- Payments to enhance infrastructure where this is restricting the development of affordable housing; and
- Payments to registered social landlords (RSLs) to partially fund proposed projects to deliver homes in accordance with the local housing strategy

The balance of this Fund as of 31 March 2018 was £8.763m; of which £2.008m was already committed and £6.755m was available to fund the SHIP programme. It is anticipated that the SHF will continue to accrue annual revenue in the order of £1.9m over the SHIP planning period.

The SHIP sets out plans to fully utilize this balance over 5 years to support the affordable housing development programme, including empty homes grants and loans. Since April 2016 the Council has provided grant funding of £12k per unit, to supplement Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this remains the most appropriate and cost effective level of grant aid to support the SHIP programme. Around **£2.189m** was invested from this source by the Council to support the SHIP in the financial year 2017/18; while in total over **£2.285m** was allocated to support the 9

projects and 75 new affordable homes completed that year (with funding being drawn down over two or more years).

The council will review the Strategic Housing Fund policy in 2018/19 and thereafter a comprehensive policy review will be carried out by 2021 with a view to ensuring that this resource continues to complement Scottish Government priorities for Housing Beyond 2021.

An indicative estimate of around £9m would be required to support in full the Scottish Government investment outlined in the three year RPAs above; and around £9.5m would be required in order to support all core projects outlined in this SHIP (and circa £11m if the additional, notional projects were included).

HMA	Total Project Costs	SHF Required	SHF as % of Total Costs
Coll & Tiree	£249,154	£12,000	5%
Cowal	£3,680,697.19	£240,000	7%
Helensburgh & Lomond	£25,663,785	£2,196,000	9%
Islay, Jura & Colonsay	£9,099,352.86	£564,000	6%
Lorn & Inner Isles	£88,905,942.6	£5,544,000	6%
Mid Argyll	£6,993,595	£480,000	7%
Mull & Iona	£6,470,328.13	£408,000	6%
Argyll & Bute Totals	£141,062,854.8	£9,444,000	7%

NB. These figures are purely indicative and provisional at time of writing.

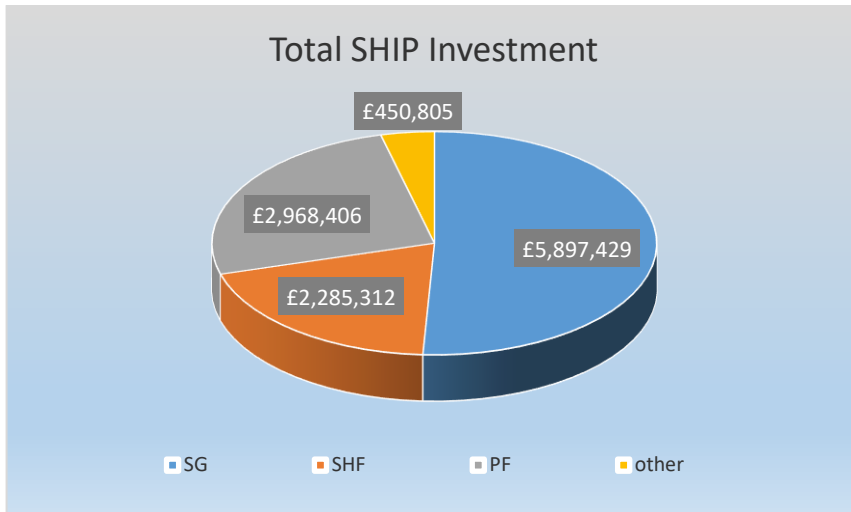
In addition, the Council has also used its financial reserves on occasion to advance long term loans to support RSL projects and this commitment is subject to ongoing review.

### c) RSL's Private Finance Borrowing

Banks and other lenders in the private sector also remain vitally important partners in the delivery of affordable housing, and RSLs are required to demonstrate that sufficient borrowing capacity or reserves exist to ensure delivery of the proposed development programme. Following a period of restrictive lending, with greater scrutiny of projects, higher lending rates and the requirement for additional security from existing stock, which often resulted in RSLs being forced to use their own reserves rather than borrow under such conditions; RSLs are now reporting positive improvements in their potential to access private finance; and at a national level the sector continues to explore innovative funding models. Private finance in support of the 9 SHIP projects completed in 2017/18, totaled almost **£3m**, approximately 26% of the total investment for those projects.

Additional investment in support of the SHIP programme includes, inter alia, Scottish Water grant; sales revenue on New Supply Shared Equity (NSSE) schemes; and other partner contributions, such as local Estates. In 2017/18, at least £450,805 was invested from these additional sources.

**Figure 1: Breakdown of SHIP investment for all projects completed in 2017/18**

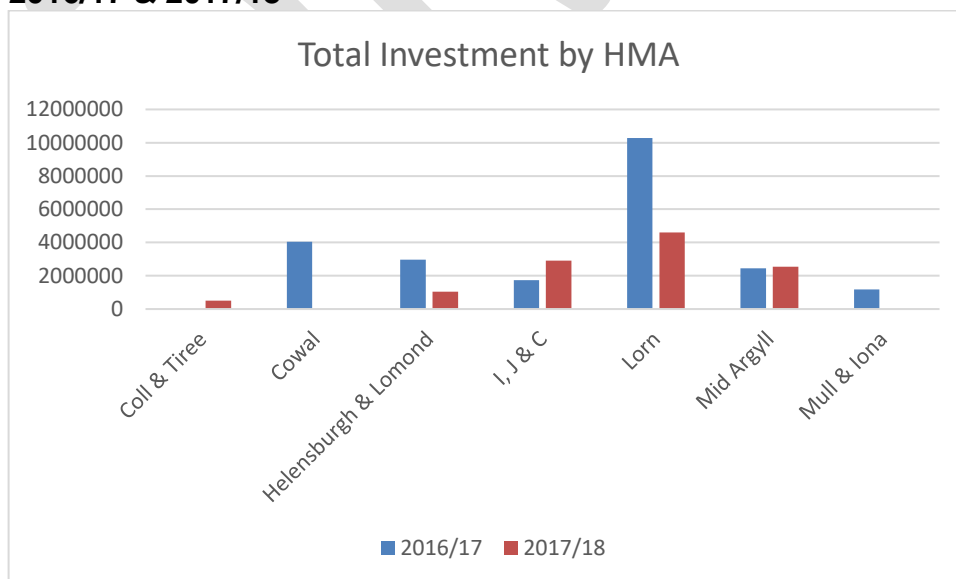


KEY: SG = Scottish Government Affordable Housing Supply Programme; SHF= Council Strategic Housing Fund; PF = RSL/Private Finance; "Other" includes Scottish Water contribution, Estates investment etc.

Total investment from all sources for all SHIP projects completed in 2017/18 (as opposed to the actual spend within the year) amounted to £11.6m. In terms of RSL projects, the breakdown by landlord/developer was:

- ACHA - £3,375,679 (29%)
  - Fyne Homes - £2,536,767 (22%)
  - Link - £1,045,000 (9%)
  - West Highland - £4,643,904 (40%)
- (NB. Dunbritton had no completions within this year).

**Figure 2: Annual Investment for Completed Projects by HMA, 2016/17 & 2017/18**



### **Housing Infrastructure Fund (HIF)**

This is a five-year Scottish Government programme, running to at least March 2021, which supports housing development through loans (£40m in total) and grants (£10m in total) with priority given to sites which are of strategic importance and cannot proceed or have stalled due to infrastructure requirements. Grant is available to local authorities and RSLs for works which are a) outwith the curtilage of the affordable housing site and/or b) of scale and will open up larger sites for housing development. Loans are available for viable non-public sector led sites to support infrastructure delivery.

The Council's main priority for HIF funding is the Dunbeg development in Lorn, being delivered by the Link Group. A bid for funding from the grant scheme in November 2017 was successful, and Argyll and Bute has secured one of the largest grant allocations of any local authority in Scotland to date, £1,937,078 from the national pot of £10m, to undertake upgrade works for Kirk Road, Dunbeg, to enable the delivery of 300 affordable homes to proceed.



Kirk Road, Dunbeg: Upgrade Works under construction – via HIF investment.

### **Rural and Islands Housing Funds**

The Scottish Government has also established a £25 million Rural Housing Fund and a £5 million Islands Housing Fund which run until 2021. Both funds aim to increase the supply of affordable housing of all tenures in rural Scotland and contribute to the national 50,000 affordable homes target. The Islands Housing Fund provides £5 million ring-fenced for islands housing projects and comprises two parts:

1. a main fund that offers capital support (grants and loans) for direct provision of new affordable housing, and refurbishment of existing empty properties
2. a small fund that contributes to feasibility studies

Both funds are open to a wide range of applicants including: community organizations; development trusts; private landowners; private developers; and traditional housing providers; however applications from individuals will not be accepted. Eligible projects must have a specific site or properties identified; be in an eligible rural area – levels 4, 5, and 6 of the six-fold urban/rural classification, which includes the majority of Argyll and Bute.

Islands Housing Fund applications must be located on a Scottish Island; demonstrate evidence of housing pressure in the location identified; have the support of the relevant local authority; be prepared to undertake appropriate community engagement; be able to provide long term affordable housing.

Applicants can apply for either the Rural Housing Fund or the Islands Housing Fund, not both.

In 2018, local community-led bids from groups based on Mull, such as the Mull & Iona Community Trust (MICT) and the North West Mull Community Woodland Company, were among the first to access this national funding and are currently proposing feasibility studies into the delivery of small scale developments on island sites, with support from the council and third party agencies such as Rural Housing Scotland and the Highlands Small Communities Housing Trust.

### **Other Initiatives**

The council and strategic partners are also currently awaiting further guidance on other potential funding sources, such as the Scottish Government's new Building Scotland Fund and the roll out of the national Self-Build Loan Fund of £4m which was announced in September 2018, following a pilot exercise in Highland local authority. These initiatives could provide additional investment which will support the delivery of the SHIP and/or alternative affordable housing provision in the future.

We will also continue to explore and, where appropriate, promote non-AHSP financing models such as Build-to-Rent, Low-cost Initiative for First Time Buyers (LIFT), Help to Buy (Scotland) and Open Market Shared Equity (OMSE), outwith the remit of the SHIP.

### **Developer Contributions**

Argyll and Bute falls within the purview of two planning authorities: while the council covers most of the mainland and islands, Loch Lomond & Trossachs National Park is the planning authority for parts of Cowal and Lomond. Both authorities have set out formal Affordable Housing Policies in their respective Local Development Plans. These policies outline mechanisms and options to secure developer contributions, where there is a demonstrated need for affordable housing.

The council's current policy was adopted in supplementary guidance to the LDP in March 2016, and requires that outwith specified housing allocations and Potential Development Areas (PDAs) new private developments proposing 8 or more homes should deliver a minimum of 25% affordable housing units. There are exemptions in HMAs such as Bute and Kintyre, where the HNDA identified limited or nil requirement. The Cowal HMA was also subject to a two year exemption which ended in 2017. Exemptions are designed to avoid inhibiting the delivery of private development in areas where there is no evidence of pressing need for additional affordable provision in the short to medium term.

Developer contributions can be delivered by a variety of means including social rented housing, mid-market rented housing, payment of commuted sums and also the building of houses/apartments designed to meet the needs of first time buyers (provided these are available at affordable levels as defined by the council's HNDA and within the lower quartile of the relevant housing market). The sequential mechanisms for securing Affordable Housing via the policy are applied in the following order: on-site provision; off-site provision; commuted payment; discounted low cost sale; affordability by design without subsidy. To date, no commuted sums have been received and the preferred approach has been to engage with an RSL to deliver the affordable quota on site.

The National Park policy follows a generally similar approach, with a requirement for 25%, 33% or 50% affordable provision on sites of 4 or more units depending on the location. Sites of up to 3 units in accessible rural areas may also have a policy requirement under certain circumstances. A formal policy for calculating commuted sums has been established but again, to date, little or no payments have been received.

DRAFT

## **7) SPECIALIST PROVISION, WHEELCHAIR ACCESSIBLE HOUSING, & EQUALITIES ISSUES**

The SHIP aims to address the housing needs of all the communities we serve, and continues to reflect a positive approach to equalities issues in line with the policies of the council and its partners, and the principles of diversity and inclusion in accordance with the Equality Act 2010. The current HNDA provides robust evidence of accommodation and support needs across the range of protected equalities characteristics, and these have been translated into the SHIP priorities. In addition, the joint Argyll and Bute Health, Care & Housing Needs Assessment, completed in 2018, provides further evidence of the requirements for wheelchair accommodation, supported housing, and other forms of specialist provision.

An overarching equality impact assessment was completed for the LHS in 2016 and this continues to inform our assessment of the impact of the SHIP, and how the strategic aims are embodied in the housing priorities of the programme.

All SHIP projects, seeking public subsidy from the Council or Scottish Government, are required to meet basic design and building standards (of the Housing for Varying Needs Standard as a minimum) and should incorporate adequate provision to meet any additional identified particular needs. Prioritisation of projects will give due weight to those which incorporate elements of design or additional specifications for specialist forms of housing where the local profile of need and demand indicates such a requirement. The committed and planned programmes include provision for elderly and disabled residents and through the close partnership working with Health & Social Work, including Occupational Therapists, the SHIP will continue to ensure the strategic aims of the LHS in this respect are carried forward. In particular, a jointly funded post of dedicated Housing OT has been established and will be operational from October 2018, to co-ordinate and promote these needs through the SHIP group. In practice, this commitment to equalities principles will ensure:

- building all new affordable housing to HfVN Standards;
- implementing design solutions which help to meet the needs of disabled and infirm households;
- assessing and seeking to resolve the needs and aspirations of households with community care needs in partnership;
- developing communities with a good mix of households;
- allocating housing via HOME Argyll and national RSL partners who have strong commitments to equal opportunities; and
- providing affordable housing in rural areas which enables young and old people to remain within their communities.

Housing for Varying Needs (HfVNs) is a Design Guide published in two volumes (Parts 1 and 2). While not mandatory, the standards outlined in the guide have been used as the basis for standards for housing developments seeking grant funding support. The standards are intended to ensure that the housing is



accessible, adaptable for different needs and over its lifetime represents good value for money. They are based on the principle that the design of a property should not hinder a person's ability to live as independently as possible and should recognize the needs of people as they age, become less able or whose mobility, dexterity, cognitive function, hearing or sight is impaired. The idea of designing all housing to accommodate the needs of less able people is known as "barrier free" design and this is reflected in the core guidance of the design guide. But the guide also recognizes that barrier free design in itself is not a substitute for homes designed specifically for people with particular needs so it identifies additional features that should be included to address these needs.

An indicative review of the Common Housing Register in 2018 suggests that around 5% of applicants could benefit from some form of specialist provision; and of these 106 applicants included wheelchair accessible accommodation as an option; although only 27 of these applicants did not also select some other form of accommodation, including general needs/ mainstream housing. Around 40% of the applicants requesting wheelchair provision are aged between 20 and 54, and 60% are over 55. In the wider population as a whole, the Health, Care & Housing Needs Assessment (2018) identified the following key points:-

- Around 350 wheelchairs are issued each year to people in Argyll & Bute
- The majority of wheelchairs issued are manual chairs
- Over 1300 people in Argyll and Bute have wheelchairs on issue
- 55% of people with wheelchairs are aged 75+
- Up to 280 people a year may be new wheelchair users
- There could be 240 additional people needing wheelchairs by 2027
- The most common reason for a wheelchair is cerebrovascular disease (stroke) but the main reasons for wheelchair vary by age with Cerebral palsy being the most common reason in people under 25.

Correlating the data sources may suggest that a majority of wheelchair users are satisfactorily housed or do not aspire to social rented properties. However, some wheelchair users who could benefit from suitable, specialist provision in the social rented sector may not apply due to lack of awareness or misperceptions regarding the suitability and availability of stock. This has been identified as a key area for further research and analysis, to be carried out jointly by information officers within the HSCP and the council's strategy team, and co-ordinated by the new Housing OT post.

On that basis, while in situ solutions such as aids and adaptations or support services will have a crucial role to play, nevertheless, the SHIP will continue to require a target of 10% of the new build programme to be built to the fully wheelchair accessible standard or equivalent. RSL partners have accepted this policy in principle, and are also exploring with HSCP partners requirements for extra care provision and replacement models for existing care homes which may no longer be deemed fit for purpose. Where possible, the council will strive to incorporate such needs within the SHIP programme as it rolls forward.



## 8) ENERGY EFFICIENCY & FUEL POVERTY

Promoting energy efficiency and tackling fuel poverty remain strategic priorities for the LHS and key commitments for the council; and maximizing opportunities for sustainability in development remains a key principle underpinning the SHIP. As with all public bodies, this Council is also required to meet its statutory duties arising from the Climate Change (Scotland) Act 2009, and the LHS and SHIP have been developed to ensure that the provision of new affordable housing complies with the Act.

The Council requires affordable housing developments, as far as possible, to have a low environmental impact and to contribute to the LHS objectives of addressing fuel poverty and to ensure at least minimum standards of sustainability as required under Scottish Building Standards Agency regulations. This remains a key assessment criterion for any project seeking public subsidy from the Scottish Government or the Council.

There are significant challenges in delivering higher quality, energy efficient developments in an authority such as Argyll & Bute - for instance, a significant proportion of the area's rural properties are not connected to the gas grid and many rely on costly oil heating – all of which impact on costs and on the ability to achieve sustainability targets. Nevertheless, local RSL partners continue to embrace sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy, as far as possible within the current financial climate. It is expected that all SHIP partners will continue to follow these principles to the best of their abilities despite the resourcing constraints under which they are currently operating. In particular, all new build RSL stock will be required to address the national Energy Efficiency Standard for Social Housing (EESH).

***Developers will be encouraged to deliver the “Greener Standard” as default in all new developments.***

### **Sustainable Design**

The SHIP and LHS are closely aligned with the Local Development Plan processes and the Council and its partners will explore sustainable design principles, not only to address climate change and provide energy efficient homes, but also to contribute to the creation of safe, sustainable communities which have a real sense of identity and place. In order to achieve a sense of community in new developments (whilst also delivering low environmental impact housing) we will work with partners to ensure a range of factors are considered; and when developing new areas sustainability principles will also be central to the design process.

## 9) HOMELESSNESS & RAPID REHOUSING TRANSITION PLANS

Scottish Ministers have made an ongoing commitment to end homelessness in Scotland and consequently set up a national Homelessness and Rough Sleeping Action Group (HARSAG) to bring forward recommendations to address this. One key proposal was that each local authority should develop a Rapid Rehousing Transition Plan (RRTP) by December 2018, covering a five-year period, or longer if required, to enable the implementation of this new approach.

Local Rapid Rehousing Transition Plans should be reflected in the LHS and also be fully integrated into Health & Social Care Partnership strategic plans. They should be included in the Housing Contribution Statement to ensure they are part of the planning framework. The revised SHIP guidance issued in August 2018 also states that local authorities should be aware that RRTPs will be addressed in future SHIPs.

In the report “Scotland’s transition to rapid rehousing”, produced by the Indigo Group on behalf of the Scottish Government’s HARSAG in June 2018, two specific recommendations were made in relation to the SHIP:

- Rapid Rehousing Transition Plans could be seen as an integral part of the SHIPs, and should be annually reviewed as part of the SHIP process
- The Scottish Government and Scottish Housing Regulator should improve data collection from local authorities or housing associations on completions and lettings relative to housing need.

With this in mind, Argyll and Bute Council will liaise with RSL partners and other key stakeholders to develop the RRTP by the end of 2018; and will aim to ensure that homelessness remains a critical factor in the SHIP process. This includes: homelessness as one criterion for assessing need, prioritising projects, and awarding grants from the Strategic Housing Fund. SHIP projects will be expected to contribute directly or indirectly to alleviating homelessness across Argyll and Bute (for example, as a result of direct allocations or via consequential lets to existing properties freed up on transfer of occupants to new build properties). The performance of developing landlords in respect of the proportion of allocations to homeless households and time taken to rehouse these clients will be material considerations in SHIP programming decisions and resource allocation.

## 10) UPDATE FROM THE 2017 SHIP

### Current Progress: Outputs 2017/18

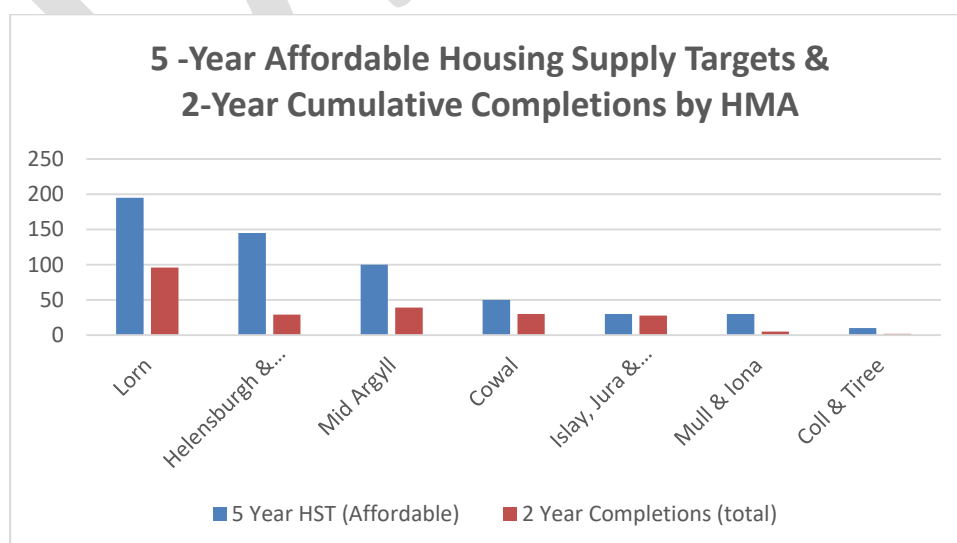
Building on the 154 units completed in 2016/17, a further 75 new homes were delivered via the SHIP in 2017/18. This brings the two-year cumulative total to 229 which is in line with the current LHS target for at least 224 new affordable homes to be completed by the end of year two of the 5-year planning period.

**TABLE 1: SHIP New Build Homes by HMA & Project, 2017/18**

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Luss	5	7%
Mid Argyll	Lochgilphead Phase 5	12	24%
	Minard Phase 1	6	
Islay, Jura & Colonsay	Port Ellen	18	24%
Coll & Tiree	Arinagour, Coll	2	3%
Lorn	Glenshellach, Oban	8(+2)	43%
	Connel Phase 3	10	
	Benderloch Phase 2	12	
<b>Total</b>		<b>75</b>	<b>100.0%</b>

Three of the four local RSLs contributed to the total programme, along with the national Link Group. ACHA delivered 22 of the new builds; Fyne Homes delivered 18; Link provided 5 homes; and West Highland Housing Association completed 30.

Reviewing overall progress at the end of Year 2 of the current 5-Year LHS, the SHIP programme is on schedule to meet the Housing Supply Targets for Argyll and Bute as a whole (with 229 new build homes, i.e. over 40% of the total target with three years remaining to deliver the balance); and also making positive progress at individual HMA level, although there is a need now to progress the planned projects particularly in Helensburgh & Lomond and some of the islands.



## 11) THE REVISED PROGRAMME

The current year, 2018/19, is covered by a Strategic Local Programme Agreement (SLPA) between the council, the Scottish Government, and the developing RSLs; while this new SHIP will commence from 2019/20. The programme is subject to ongoing change as either barriers to progress or windfall opportunities arise. Consequently, the following tables simply summarise all proposals at the time of writing (September 2018), including those projects which were expected to complete in 2018/19 and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed, or complete, within the timescale. However there is also scope for additional proposals to be brought forward or included in the programme. **Further details of the programme and individual projects are outlined in the electronic reports recorded on the Scottish Government's Housing and Regeneration Programme (HARP) system.**

**TABLE 2: SHIP Projects – expected to complete in 2018/19**

Project Address	Developer	Tenure*	Units
Bowmore Phase 3, Islay	ACHA	SR	20
North Connel, Lorn	ACHA	SR	1
Succoth, Helensburgh & Lomond	Dunbritton	SR	26
Minard Phase 2, Mid Argyll	Fyne Homes	SR	4
Queen's(formerly Spence) Court, Dunoon	Fyne Homes	SR	16
Lochgilphead Phase 4	Fyne homes	SR	16
Albany Street, Oban	Link	SR	8
<b>Argyll &amp; Bute Total</b>			<b>91</b>

(\*SR = social rent)

(NB. Partial phases of ACHA's developments at Glenshellach, Oban and Castle Wood (formerly Jutland) Court, Helensburgh may also be delivered within this year, which could provide a further 22 units to the above total.)

ACHA's site at Bowmore, Islay



DHA's site layout for Succoth



**TABLE 3: SHIP Core Programme - Potential Completions by 2021**

Project address	Developer	Tenure	Units	Anticipated Completion
Jutland Court, Helensburgh	ACHA	SR	32	2019/20
Connel (Phase 4; incl. 1 whch unit)	ACHA	SR	2	2019/20
Inveraray (Phase 2)	ACHA	SR	10	2020/21
Keills, Islay	ACHA	SR	4	2020/21
Garelochhead (Passivhaus model)	ACHA	SR	10	2019/20
Tarbert	ACHA	SR	4	2019/20
Glenshellach (Phase 11 &12)	ACHA	SR	42	2019/20
Bowmore (Phase 4)	ACHA	SR	22	2020/21
Coll	ACHA	SR	1	2019/20
Cairnbaan	ACHA	SR	5	2020/21
North Connel	ACHA	SR	12	2020/21
Kilmartin	ACHA	SR	4	2020/21
Southend	ACHA	SR	1	2019/20
18 <sup>th</sup> Tee, Helensburgh	DHA	SR	16	2019/20
Golf Club site, Helensburgh	DHA	SR	60	2021/22
Tighnabruaich (Portavadie project)	FH	SR	20	2019/20
Cairndow	FH	SR	6	2020/21
Lochgilphead Phase 6	FH	SR	12	2020/21
Helensburgh (Sawmill Site)	LINK	Mixed	25	2020/21
Lonan Drive, Oban	LINK	Mixed	46	2020/21
Dunbeg (Phase 3)	LINK	Mixed	300	2020/21
Rosneath	LINK	Mixed	40	2020/21
Ganavan	Link	Mixed	50	2020/21
Lochdon, Mull	WHHA	Mixed	14	2019/20
Jura	WHHA	SR	10	2020/21
Tobermory (Phase 3)	WHHA	Mixed	12	2019/20
Colonsay	WHHA	SR	5	2020/21
Barcaldine	WHHA	SR	10	2019/20
Salen, Mull	WHHA	Mixed	8	2020/21
Imereval, Port Ellen (Phase 2)	WHHA	Mixed	8	2019/20
<b>Argyll &amp; Bute Total</b>			<b>791</b>	

<sup>1</sup>NB. Timescales are indicative and subject to change; and will be monitored on a regular basis. Partial phases of Jutland Court (eg 16 units) and Glenshellach (eg 6 units) may be completed in 2018/19. Some other projects could also revise their final number of units.

If this programme is successfully delivered within the planning period, it could provide over 790 new affordable homes across Argyll and Bute. Around 26% of these would be in rural mainland, island and/or fragile communities; 38% in the key strategic settlement of Dunbeg; and 36% would be delivered within or around the main towns (Oban, Helensburgh, Dunoon and Lochgilphead).

There is an expectation that the majority of these units will be built to allow for future adaptation to meet changing needs over time; and in addition approximately 10% (at least 78 units, if above programme is delivered in full)



should be purpose-designed to medium or high dependency standards. However, the council is currently also in discussions with the HSCP to review and explore potential models for the re-provisioning or replacement of existing care homes no longer fit for purpose. This could include “close” cluster specialist accommodation and/or more dispersed cluster units to address the needs of facilities such as Eadar Glinn in Lorn, Ardfenaig in Mid Argyll, and Struan Lodge in Cowal. In principle, the council would be supportive of the inclusion of these projects in the SHIP, in full or in part depending on detailed and realistic proposals coming forward, with a view to delivery by 2021 if feasible.

In addition to this core programme, a number of other potential proposals are being developed for further consideration in later years of the SHIP, subject to robust assessments of need and demand, site assembly or acquisition, and available funding. Some of these projects therefore remain notional at this stage or are subject to development constraints that require to be addressed/ mitigated before they can proceed. These are noted in the following table (developers and projected units are therefore purely indicative at this stage).

**TABLE 4: Additional Potential Projects for consideration in later years**

<b>Project address</b>	<b>Developer</b>	<b>Units</b>
Glencruitten, Oban Phase1	ACHA	25
Glencruitten, Oban Phase 2	ACHA	25
Castle Wood (Jutland) Court, Helensburgh	ACHA	18
Succoth (Phase 2-subject to need)	DHA	tbc
Cardross	DHA	25
Tighnabruaich (Portavadie, Phase 2 – if need)	Fyne Homes	10
Port Charlotte	WHHA	8
Port Appin	WHHA	6

Alternative sites are also being considered either to replace or enhance some of the RSL projects listed in above tables, such as the council-owned sites at Blairvadach, Rhu and Jeanie Deans Unit, Helensburgh; landbanked sites in areas such as Bunessan, Mull; and/or sites at Strachur, Inveraray, Lochgair, Achnamara, and Tayvallich. The Council has also been supporting community developments outwith the core AHSP funding programme: communities for instance have secured funding to carry out a feasibility study for additional potential units at Ulva Ferry and Dervaig on Mull, amongst others. An ongoing review of corporate assets and the available landbank will also inform Council policy on the potential for providing serviced plots for sale for affordable housing development; and the outcome of the self-build/custom-build pilot in Highland Council has also been closely monitored and any useful learning points will be considered for future action. The Council is also actively piloting a project to designate simplified planning zones (SPZs) in Mid Argyll and on Mull for the provision of self-build sites or alternative affordable provision. In addition, where appropriate the council provides support for communities considering the use of the Scottish Government’s Rural or Island Housing Funds, and other resources to deliver affordable housing outwith the core AHSP development programme.

## 12) MONITORING AND REVIEW

The SHIP will be appraised on an annual basis by the Scottish Government and affordable housing outcomes are monitored regularly by the Council's Housing Management Team; local authority Members via the corporate Pyramid performance management system; the overarching Community Planning Partnership via the LOIP framework; and partners on the Strategic Housing Forum; as well as the boards and committees of the individual SHIP partners.

In addition, as appropriate, wider stakeholder involvement will be sought via consultation with local communities, private developers and relevant particular interest groups. All pertinent feedback will help to inform the ongoing development and regular revisions of the SHIP.

## 13) IMPACT ASSESSMENTS

### Health Impact Assessment

In addition to the formal LHS Equality Impact Assessment referred to in Section 7 above, which encompasses this SHIP, the council also carried out a Health Impact Assessment in 2017 for Housing Services, this plan and the LHS in accordance with national good practice, and as a further step towards fostering closer linkages between Housing, Health and Social Care. We will continue to monitor and assess the impact of the SHIP and the LHS in terms of equalities and human rights, health inequalities, child rights and wellbeing, and in line with the principles of the Fairer Scotland Duty. Any relevant findings from such assessments will be reflected in the SHIP and future updates of the LHS and other associated plans, policies and strategies.

### Strategic Environmental Assessment (SEA)

As the "Responsible Authority" under the terms of the Environmental (Scotland) Act 2005, the Council has previously determined that the LHS (and by association it's ancillary component, the SHIP) does not require a full SEA. The primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. The SHIP is an investment plan which sits underneath the LHS and sets out how the LHS objectives can be delivered. As such it is primarily an operational, working document and it will therefore not change the policy directions set out in the LHS and Development Plans.

### 13) CONCLUSION

The Argyll and Bute Strategic Housing Investment Plan for 2019/20 to 2023/24 sets out an ambitious but realistic programme for the delivery of over 790 new affordable homes; of which the majority would be built to lifetime standards, allowing for future adaptation to meet changing needs over time; and around 10% will be purpose-designed to higher standards for specialist needs. The programme reflects a strong commitment to the economic growth agenda for Argyll and Bute; and around 26% of the proposed developments will also directly support the sustainability of fragile rural and island communities.

A number of additional or potential projects have also been identified for consideration in later years and some of these may be brought forward as the programme is reviewed on an annual basis. This level of programming in the early years substantially exceeds the LHS targets of 550-650 new affordable homes over the five year period; nevertheless there is still further scope for development particularly in later years, subject to identification of robust need and demand; and the council and its partners are committed to maximizing available resources where possible, and will continue actively to explore opportunities for growth in the programme.

Total investment of **£51.608m** has already been allocated by the Scottish Government, for the first three years of the programme; while the Council is contributing around **£9m** from its Strategic Housing Fund (comprising outstanding commitments of £2.008m and a balance of £6.755m) plus anticipated additional SHF revenue of around £1.9m per annum over the life of this SHIP. This will help to secure the necessary additional funding from RSLs and private finance and will ensure that the SHIP has a wider economic impact within Argyll and Bute over the next five years.

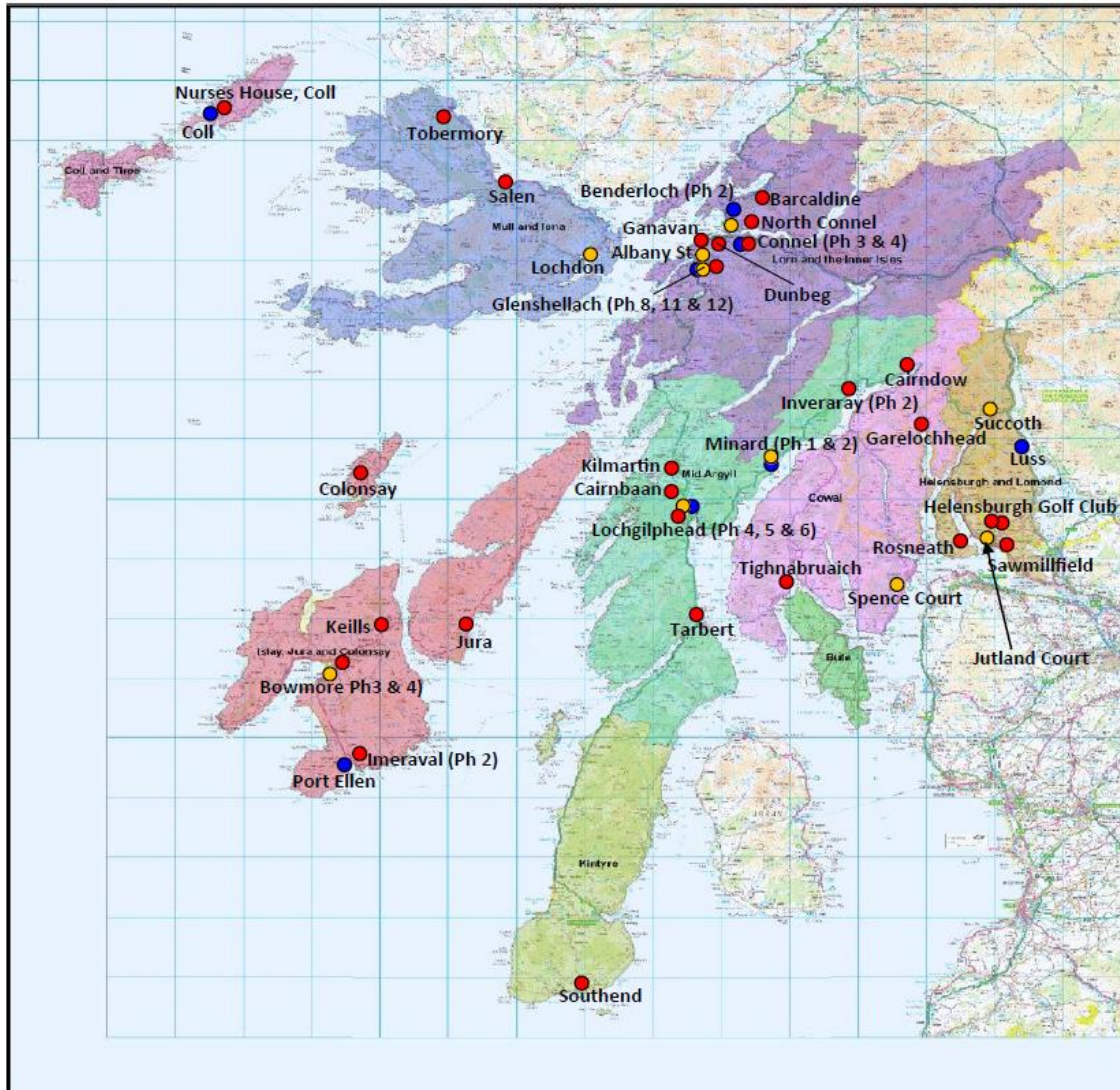
This SHIP clearly and directly aligns with the LHS and LOIP outcomes; sets out a core programme which is feasible to deliver; highlights the contribution of the council, developers and other partners; evidences the support and facilitation role of the local authority; outlines the extensive stakeholder engagement underpinning the planning and delivery of the programme; and explicitly reflects the central importance of equality issues for all partners.

The development of the SHIP is necessarily an ongoing, iterative process and this Plan must be viewed as an interim work in progress. In the current climate it is also important that strategic planning retains a degree of flexibility to allow for adjustments and revision as circumstances continue to evolve. Nevertheless, the Council believes this plan provides clear direction for future priority developments and sets out a robust framework for the delivery of affordable housing across Argyll and Bute.



ANNEX ONE

**SHIP DEVELOPMENTS ACROSS ARGYLL & BUTE:**  
**Completed Projects, Onsite Projects, & Projects in the Core Programme.**



- 2017/18 Completed Projects
- 2018/19 Projects Under Construction
- Proposed SHIP Projects 2019/24

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**ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN  
2019/20 – 2023/24**

THIS DOCUMENT AND SUPPORTING TABLES  
ARE AVAILABLE ON THE COUNCIL WEBSITE AT:

<https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

This document can also be made available in other formats on request.

Contact:

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**ARGYLL AND BUTE COUNCIL****Council****Chief Executive****29 November 2018**

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**Local Governance Review/ Democracy Matters – Response to Consultation**

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**1.0 INTRODUCTION**

1.1 As reported to the Council in September, COSLA and the Scottish Government jointly launched the Local Governance Review consultation on 28 May 2018; also known as 'Democracy Matters', the consultation will close 14 December 2018. A report on the principal themes captured at our engagements events and officers key observations were submitted for the consideration of the Council on the 28 September 2018.

1.2 It remains unknown at this stage what the proposed Local Democracy Bill will contain however it is anticipated that it has the potential to have a) a long term impact on how decisions are made affecting our communities in Argyll and Bute and b) generate organisational or structural change or introduce the transfer of powers between or from spheres of government and communities.

1.3 A draft detailed response from Argyll and Bute Council is set out in Appendix 1 of this report for the consideration and approval of the Council.

**2.0 RECOMMENDATIONS**

2.1 It is recommended that Argyll and Bute Council:

- a. agree the Council's response to the Local Governance Review/ Democracy Matters consultation as set out in appendix 1;
- b. agree to request the Chief Executive to submit the agreed response before the deadline of 14 December 2018.

**3.0 DETAIL**

3.1 As reported to the Council in September, in December 2017 the Scottish Government and COSLA jointly announced the Local Governance Review consultation and it was launched in May 2018 and will close on 14 December 2018.

3.2 The consultation seeks to explore how decisions and their impacts are best taken at community level and review how powers, responsibilities and resources are shared across national and local spheres of government,

including national and regional public bodies.

- 3.3 In preparation, the Council embarked on a programme of engagement with communities across Argyll and Bute and online to inform the development of the Council's response to the Local Governance Review consultation.
- 3.4 A report on the principal themes captured at our engagements events and officers key observations were submitted for the consideration of the Council on the 28 September 2018.
- 3.5 It remains unknown at this stage what the proposed Local Democracy Bill will contain however it is anticipated that it has the potential to have a long term impact on how decisions are made affecting our communities in Argyll and Bute. It also has the potential to generate organisational or structural change or introduce the transfer of powers between or from spheres of government and communities. It is important that the Council (and any other public organisation, community group or individuals from the area) makes a full submission during this consultation phase to influence the best possible outcome for our communities.
- 3.6 A draft detailed response from Argyll and Bute Council is set out in Appendix 1 of this report for the consideration and approval of the Council.

#### **4.0 CONCLUSION**

- 4.1 The programme for Scottish government 2017-18 set out the intention to "decentralise power to a more local level in Scotland and launch a comprehensive review of local governance ahead of a Local Democracy Bill later in this Parliament".
- 4.2 Council officers embarked on a programme of engagement with communities across Argyll and Bute and online to inform the development of the Council's response to the Local Governance Review consultation.
- 4.3 It is unknown at this stage what the proposed Local Democracy Bill will contain however it is anticipated that it has the potential to have a) a long term impact on how decisions are made affecting our communities in Argyll and Bute and b) generate organisational or structural change or introduce the transfer of powers between or from spheres of government and communities.
- 4.4 A detailed response from Argyll and Bute Council is set out in Appendix 1 of this report for the consideration and approval of the Council.

#### **5.0 IMPLICATIONS**

- 5.1 Policy; The Council will need to develop policy to meet the provisions or duties associated with a Local Governance Act.
- 5.2 Financial; none at this stage.
- 5.3 Legal; The Scottish Government has intimated its intention to present a Local Democracy Bill to Parliament in 2019 that could contain new statutory duties or requirements for public sector organisations including local authorities. This intent will be informed by the conclusions reached through the Local Governance Review consultation.
- 5.4 HR; none at this stage.
- 5.5 Equalities; none at this stage.
- 5.6 Risk; There are unquantified risks to the role and function of local government and the exercise of local democracy that may arise from the Local Governance Review and related legislation.
- 5.7 Customer Service; none at this stage.

**Cleland Sneddon, Chief Executive**

30 October 2018

**For further information contact:** Stuart Green, Corporate Support Manger,  
[stuart.green@argyll-bute.gov.uk](mailto:stuart.green@argyll-bute.gov.uk)

## **APPENDICES**

Appendix 1 – Draft Council Response to Scottish Government Consultation Local Governance Review/ Democracy Matters.



## DEMOCRACY MATTERS

### RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

If you answered the questions as part of a community conversation, we would like to know a bit more about your community group or organisation:

#### 1. In which town, village, or neighbourhood did your conversation take place?

Islands of Jura (Craighouse) Coll (Arinagour), Mull (Tobermory), Bute (Rothesay) and Islay (Bowmore) and the mainland towns of Campbeltown, Lochgilphead, Helensburgh, Dunoon and Oban plus one online webchat.

#### 2. How many people were involved in your discussion?

220

#### 3. Please indicate which category best describes you (tick one only).

Individual	<input type="checkbox"/>
Community group	<input type="checkbox"/>
Representative body for community organisations	<input type="checkbox"/>
Third sector/equality organisation	<input type="checkbox"/>
Representative body for third sector/equality organisations	<input type="checkbox"/>
Executive Agencies and NDPBs	<input type="checkbox"/>
Local authority	<input checked="" type="checkbox"/>
NHS	<input type="checkbox"/>
Other statutory organisation	<input type="checkbox"/>
Representative body for private sector organisations	<input type="checkbox"/>
Representative body for professionals	<input type="checkbox"/>
Private sector organisation	<input type="checkbox"/>
Academic	<input type="checkbox"/>
Other – please state...	<input type="checkbox"/>

**4. If you are an individual, organisation, or community group**

*Full name or organisation, community group's name:*

Argyll and Bute Council
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01546 604253
--------------

*Contact number:*

*Email:*

<a href="mailto:Cleland.sneddon@argyll-bute.gov.uk">Cleland.sneddon@argyll-bute.gov.uk</a>
Kilmory
Lochilphead Argyll

*Postcode:*

PA31 8RT
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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

<p><b>Information for organisations:</b></p> <p>The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.</p> <p>If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.</p>
--

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to the Democracy Matters consultation exercise?

- Yes
- No



**Kilmory, Lochgilphead, Argyll, PA31 8RT**

**DX Number: LOCHGILPHEAD DX599700**

**Tel: (01546) 604350**

**Fax: (01546) 604349**

**Our Ref: CS**

**Your Ref:**

**Date:**

**If phoning or calling please ask for: Mr C Sneddon**

**E-Mail: [cleland.sneddon@argyll-bute.gov.uk](mailto:cleland.sneddon@argyll-bute.gov.uk)**

**[www.argyll-bute.gov.uk](http://www.argyll-bute.gov.uk)**

Angela Constance MSP, John Swinney MSP; Scottish Government; Cllr Alison Evison;  
COSLA

Dear Sir/ Madam

Further to your letter dated 22 June 2018 regarding the engagement phase of the Local Governance Review, I am pleased to offer the following response from Argyll and Bute Council which was informed by a series of 'Big Listen' community engagement events on the islands of Coll, Mull, Islay, Bute, and Jura and also in Campbeltown, Lochgilphead, Helensburgh, Dunoon and Oban on the mainland plus an online 'webchat'.

In line with the questions set out in your consultation 'Democracy Matters; our focus groups discussed their experiences of involvement in decision making processes, explored the themes of increasing community involvement and specific areas of interest, what they mean by local and what changes some people would like to see. We received varying opinions on all the themes which informed the development of our response

At a policy level, it is our opinion that the principles outlined in the final report of the Commission on Strengthening Local Democracy appear still relevant to the current review. These are:

**The principle of sovereignty:** *democratic power lies with people and communities who give some of that power to governments and local governments, not the other way round*

**The principle of subsidiarity:** *decisions should be taken as close to communities as possible, and local governance has to be the right shape and form for the people and the places it serves*

**The principle of transparency:** *democratic decisions should be clear and understandable to communities, with clean lines of accountability back to communities*

**The principle of participation:** *all communities must be able to participate in the decision making that affects their lives and their communities*

**The principle of spheres not tiers of governance:** *different parts of the democratic system should have distinct jobs to do that are set out in 'competencies', rather than depend on powers being handed down from 'higher' levels of governance*

**The principle of interdependency:** *every part of the democratic system has to support the others, and none can be, or should seek to be, self-contained and self-sufficient*

**The principle of wellbeing:** *the purpose of all democracy is to improve opportunities and outcomes for the individuals and communities that empower it*

At an implementation level and further to the feedback we received at our Big Listen events and our subsequent analysis as presented to Argyll and Bute Council on the 27 September (and is a matter of public record), below are our observations for the benefit of your consultation.

Connection with Decision Making - In reviewing the complex nature of the public sector and the number and range of national, regional and local public bodies, there can be a sense of distance often felt by communities from organisations that take decisions about services that affect them. Some organisations are more recognisable to communities than others (e.g. the local council, police, fire and rescue or NHS) but others are largely unknown as is the means to influence their decision making yet their decisions can have a significant impact on communities. These arrangements have evolved over time and often reflect centralisation of powers or structures, sometimes but not always for efficiency reasons. It was highlighted by communities in our engagement events, if you were to design a public sector from scratch, it would not look this way and be populated with such a complex and impenetrable network of organisations.

Specific examples of complexity creating confusion for residents includes Argyll and Bute being split between two enterprise agencies with our Helensburgh and Lomond area covered by Scottish Enterprise with the remainder of Argyll and Bute under Highlands and Islands Enterprise. With regards to health, Argyll and Bute formally resides within NHS Highland yet many of the patient pathways are to NHS Greater Glasgow and Clyde.

It is critical that all areas of the public sector are considered by the review. Whilst local

government is one area within the scope of the review and has been the focus of engagement by Argyll and Bute Council, it is of concern that the same engagement efforts in terms of the review are not evident from the full range of public sector bodies in Argyll and Bute.

Asymmetry - Reflecting the principle of subsidiarity, a clear message from communities was that “one size does not fit all” – reflecting the need for a permissive approach to governance. Within Argyll and Bute alone, there is a diversity of island, rural and urban communities and it is important that public bodies can accommodate and satisfy the diversity of their needs, aspirations and capacity. When exploring existing and proposed models of governance, such is the variety of proposals, it is clear that any changes should enable a permissive approach to support different models of participation in different areas taking into account their unique circumstances. It is unclear how a proposed Local Democracy Bill will build on the provisions contained in the Community Empowerment Act which appear sufficiently broad in scope to help support these aspirations.

There is a concern that the reliance by local government for funding from national government, with increasing prescription and limited flexibility on expenditure decisions, has resulted in a perception that local government is accountable primarily to national government rather than to the communities that elected them. The perception that this forms “hierarchical tiers of government” is incorrect and the review of local governance will hopefully reflect on the respective roles as complementary spheres of government. In particular the development of an equal partnership approach across local and national government to policy development (e.g. in constructing the annual Programme for Government) would be welcomed.

This flexibility should not suggest a lack of ambition, for some areas that may enable consideration of a single public authority model should it reflect local needs and the business case be made for radical change. At the other end of the spectrum, it may focus on empowering communities to participate in decision making in areas. Each area in Scotland should be able to consider the most appropriate model on that spectrum and the pace of reform should reflect the ambitions and capacities of their communities. The key message was that these arrangements should be developed in conjunction with communities and from the bottom up. This may serve to address electoral apathy resulting in decreasing turn out of voters for community council elections or uncontested elections.

Community Planning - Substantial investment has been made in community planning partnerships (CPP) and effective CPPs are able to demonstrate a strong connectedness between communities and the strategic level decision makers. There is evidence on the ground that joint working across public bodies and communities is taking place and

supporting the achievement of improved outcomes. It is hoped that the local governance review will consider how these processes can be embedded further and support increased participation and influence by communities within community planning.

Community Control - From the engagement events, there was a great divergence of views on which areas of services that communities would seek to have increased control or influence. Areas of broad consensus where there should not be increased community control included Police Services, Scottish Fire and Rescue Services, town planning and child protection. In all engagement events concerns were expressed that, in time of significant financial challenge, communities should not be expected to take on unsustainable liabilities and the (potential lack of) resilience of services in community control needs to be considered. This was often characterised as the retreat of the public sector due to budget cuts. This is not a reason to ignore the potential of adding community capacity to improving communities but it is illustrative that it cannot be assumed that there is a consistent appetite and capacity to take on areas of services. There is significant risk potential and a tolerance of risk is necessary.

In particular there was a noticeable reticence by communities to take on commitments unless there were long term funding arrangements that ensured those areas were protected from any budget reductions and were the subject of inflationary uplifts. The contrast between that picture and the situation facing public services generally means that approach is unlikely to be sustainable.

Many of our residents appeared more interested in collaboration with local public bodies. This was often characterised as the public body retaining the core functions as a provider and commissioner and continuing to consider opportunities for partnership working between community/ third sector groups and all spheres of government where there is an agreed and specific objective (i.e. local project or issue).

Local democratic accountability; in developing a more participative democracy which advocates more involvement of community organisations and individuals, our engagement events indicated that people want to be able to influence decisions taken about their services but there are perceived barriers to participation. These included time constraints (people are very busy and traditional arrangements for participation are time consuming); rurality and remoteness (attendance at meetings, transport or connectivity issues) and frustration that complex structures (of both public sector and community groups) 'can get in the way'. Many of our residents are busy people raising families, running businesses, or already making significant contributions to their communities through the delivery of specific projects.

Concerns were expressed about the devolution of authority to small groups within their

communities who were more able to participate, who were not democratically accountable and carried no mandate for the decisions they would take. Caution and care was requested for reform that suggested devolution of powers but concentrated powers in a small group in communities that developed a democratic deficit compared with current arrangements.

In similar terms it was highlighted that many national or regional public bodies have an explicit accountability to national government and not to local communities served by them. Police Scotland, Scotland Fire and Rescue Service and Integration Joint Boards are examples where local plans and performance report routinely connect with local authority or community planning scrutiny arrangements however the vast majority of public bodies active in local authority areas generally report upwards only.

The community feedback highlighted that, although local government is often a convenient target for complaint, there is ultimately a high level of trust associated with councils and they are viewed as democratically accountable through visible and recognisable elected members.

From the feedback received – there are push pressures (delegate powers from local authority level) and pull pressures (increased centralisation of powers and limited flexibility on policy and service areas) impacting on democratically elected local authorities. It is unclear how this combination of policy directions serves to increase local democratic accountability.

Community Engagement - A recurring theme that was expressed is the need for public bodies to do more and be more creative and inclusive in terms of their engagement activity. Traditional public hall models of engagement exclude large sections of communities whilst providing a disproportionate influence to smaller groups or individuals. Equally online engagement and the expanded use of social media increased engagement with some sections of communities but can disempower others. Varying forms of involvement can often exclude willing participants i.e.– lengthy, complex and/or challenging topics are viewed as barriers to those who want to engage on more binary quick response questions (Yes/No; In/Out; Preferences from a List); etc. For others participation with preparation and large amount of explanatory information feels uncomfortable and limits their involvement. Particular efforts should be made to engage with sections of our communities whose voice has traditionally been hard to access. This theme has no easy answer as it needs to be manageable and proportionate, not paralyse the delivery of services but also use a range of channels to promote inclusion.

In particular, community feedback suggested an action bias would engage more

people to contribute to their communities. That sense of being able to get something done that would improve their community was substantially more preferred than formalised meeting structures on an ongoing basis. This lends itself to project type initiatives rather than standing committees however the models should be self-determining and developed from the bottom up. The action bias was however closely linked to have access to new resources that could be deployed on the project proposals and it was recognised the limits on public finances makes this difficult to achieve in practice.

Many residents attending our engagement events wished to maintain the representative democracy model and actually seek to increase their sense of connectedness to decision makers. Our elected members work hard to ensure they are fully engaged with our communities, however, given the electoral ward size and with 56 community councils spread out across the second largest geographical area in Scotland including 23 inhabited islands (including the entire Inner Hebrides), some residents are keen for greater local representation than there is currently. Scotland has one of the lowest elected representative ratios in Europe and this feedback would suggest an appetite for addressing this point. Blending representative democracy with participative democracy approaches involves the development of new models that provide balance, accountability and values the respective contributions of both.

The role of community councils should also be considered i.e. what is asked of them in terms of demonstrating their inclusion and connection to their communities, what powers and influence they have and what role they could play in improving participative democracy at a local level?

Community Capacity - It is clear that communities will need substantial support from public bodies to develop their capacity to participate and explore the opportunities for improving local governance. Community Development teams across public bodies have been impacted by the reduction in resources experienced over the last 10 years and this has paradoxically impacted on communities when they are being asked to step up in terms of their participation.

Fiscal empowerment; a recurring theme in our engagement with communities is for more fiscal autonomy. This relates both to increasing autonomy over local spend and discretionary local taxes including tourism tax, local freight tax and retention of a percentage share of tax at point of manufacture (e.g. whisky) to be invested in local infrastructure on which industry is dependent to maintain growth. The continued trend of one year budgets makes collaboration with community groups difficult and increased certainty of funding over longer periods aligned with opportunities for local discretionary taxes and autonomy could allow for new opportunities for investment in our communities.

The current model of reliance and prescription for almost 80% of local government funding does not reflect the local appetite for self-determination and delegation of powers. As the Commission on Strengthening Local Democracy report stated, “strong local democracy is a false promise without local fiscal independence”.

Control over the introduction of new forms of taxation or even local variation in taxation removes the opportunity for local control over service levels and expenditures. Consistent feedback from the engagement events focussed on ensuring public services are adequately resourced to deliver the range and quality of services that meets community’s needs. The results of the erosion of public service budgets has been expanding inequalities in our communities and an increased level of dispute over how reducing resources are distributed rather than the broader debate about how high quality public services are sustainably resourced.

Of particular concern highlighted in the engagement events was that powers repatriated from Europe post Brexit and delegated to Scotland should not automatically be held at Holyrood and should follow the principle of subsidiarity. An evident example is the replacement for EU structural funding (shared prosperity funding) which should be designed and administered at the most appropriate lowest level so that it reflects local needs and not a national framework.

European Charter - It is clear from the feedback received that the development of local governance should be a bottom up approach and not a reform applied by national government. It is particularly relevant that there is a current consideration of Scotland signing up to the European Charter for Self-Governance which, if approved by the Scottish Parliament, will set into law the rights of local government. It is incongruous with a drive to improve local governance that Scottish local authorities do not currently have the same rights as established in most other countries in the Council of Europe.

To summarise the key points of our response informed by our discussions with communities across Argyll and Bute, the seven principles established by the Commission for Strengthening Local Democracy remain valid today and should be central to any proposed changes specifically to Local Government.

Communities were clear that they find the wider Scottish public sector landscape complex with many organisations perceived to be impenetrable, particularly when they are explicitly accountable only to national governments. The Council would urge the Review to encompass public sector governance in the widest sense and not concentrate primarily on local government.

A general consensus with many stakeholders regarding pathways for more collective



decision making is that one size does not fit all and it is our opinion that any legislative changes needs to be permissive to prevent prescriptive reforms becoming an obstacle to change based on local needs and context.

Our engagement confirms there is less of a demand for increased control over decisions and a greater demand for increased influence and more opportunity for collaboration between the public sector and community groups. Based on the seven principles described above, public bodies can be a force to grow community participation and permissive legislation provides the flexibility for unique models and solutions to be developed for each place. However this requires resources, particularly to grow capacity within our communities to allow them to truly lead and develop socio economic growth opportunities. The role and resources of Community Councils and how they represent their communities needs to be considered as part of the review.

In the short to medium term there is a need to explore how local government can broaden its tax base, in the form of discretionary tax, tax at point of manufacture, council tax or other replacement. The continued trend of one year budgets creates uncertainty and makes collaboration difficult whilst local discretionary taxes and autonomy allows new opportunities for investment in our communities and strong local democracy requires local fiscal independence.

Finally and in conclusion, based on our engagement with communities across Argyll and Bute, it is our view that there an overwhelming desire for an increase sense of connectedness with the public sector and increased opportunities for collaboration and to influence outcomes.

I trust that this response is helpful and I would be pleased to offer any clarification or additional information that may be helpful.

Yours sincerely

Cleland Sneddon  
Chief Executive

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**ARGYLL AND BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****29 NOVEMBER 2018**

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**DRAFT PROGRAMME OF MEETINGS 2019/20**

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**1.0 INTRODUCTION**

- 1.1 The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees every year. Attached is a draft programme of meetings for the year 2019-20, based on the current committee cycle, which it is recommended that the Council approve.

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Council consider and approve the draft Programme of Meetings for the year 2019-20.

**3.0 DETAIL**

- 3.1 Standing Order 20.1 requires that the Council approve a Programme of Meetings each year.
- 3.2 The current approved Programme of Meetings for the Council and its Committees runs until June 2019.
- 3.3 The Council is required to approve a Programme of Meetings for the period July 2019 to June 2020 and a draft is attached at Appendix 1 to this report.
- 3.4 It should be noted that Standing Order 20.2 makes provision for the Chair of a Committee (or in whose absence the Vice- Chair) for good cause to cancel or alter the date, time or place for a meeting but not after the summons for the meeting has been issued.
- 3.5 The programme for Elected Member Seminars from April 2019 onwards will be incorporated at a later date as this will reflect feedback arising from the 2018 Elected Member Satisfaction Survey.

**4.0 CONCLUSION**

- 4.1 The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees. The approved Programme runs until June 2019 and the Council is invited to approve a Programme of Meetings for the period June 2019 to June 2020.

**5.0 IMPLICATIONS**

- 5.1 Policy - None

5.2 Financial – Members travel and subsistence costs

5.3 Legal – Requirement of Standing Order 20.1

5.4 HR - None

5.5 Fairer Scotland Duty:

5.5.1 Equalities – None

5.5.2 Socio-economic Duty - None

5.5.3 Islands - None

5.6 Risk - None

5.7 Customer Service - None

**Douglas Hendry**

**Executive Director of Customer Services**

**2 October 2018**

Policy Lead – Councillor Rory Colville, Corporate Services

**For further information contact:** Charles Reppke, Head of Governance and Law  
01546 604192

**APPENDICES**

Appendix 1 – Draft Programme of Meetings 2019/20

## Schedule of Committee Meetings – up to July 2020

	2018	2019												2020						
Committee	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July
Council			<b>Thurs 21</b>		Thurs 18		Thurs 27			Thurs 26		Thurs 28			<b>Thurs 20</b>		Thurs 16		Thurs 25	
Policy & Resources	Thurs 13		Thurs 14			Thurs 16			Thurs 15		Thurs 17		Thurs 12		Thurs 13				Thurs 14	
Community Services	Tues 11			Thurs 14			Thurs 13		Thurs 22				Tues 10			Thurs 12			Thurs 11	
Env, Dev & Infrastructure *Harbour Brd	Thurs 6			*Thurs 7			Thurs 6			*Thurs 12			Thurs 5			*Thurs 5			Thurs 4	
PPSL	Wed 19	Wed 23	Wed 20	Wed 20	Wed 17	Wed 22	Wed 19		Wed 21	Wed 18	Wed 23	Wed 20	Wed 18	Wed 22	Wed 19	Wed 18	Wed 22	Wed 20	Wed 17	
Audit & Scrutiny	Tues 18			Tues 19			Tues 18			Tues 24			Tues 17			Tues 17			Tues 16	
B&C Area	Tues 4			Tues 5			Tues 4			Tues 3			Tues 3			Tues 3			Tues 2	
B&C CPG			Tues 5			Tues 7			Tues 6			Tues 5			Tues 4				Tues 5	
MAKI Area	Wed 5			Wed 6			Wed 5			Wed 4			Wed 4			Wed 4			Wed 3	
MAKI CPG			Wed 6			Wed 1			Wed 7			Wed 6			Wed 5				Wed 6	
H&L Area	Thurs 20			Thurs 21			Thurs 20			Thurs 19			Thurs 19			Thurs 19			Thurs 18	
H&L CPG			Thurs 7			Thurs 9			Thurs 8			Thurs 14			Thurs 13				Thurs 14	
OLI Area	Wed 12			Wed 13			Wed 12			Wed 11			Wed 11			Wed 11			Wed 10	
OLI CPG			Wed 13			Wed 8			Wed 14			Wed 13			Wed 12				Wed 13	
IJB		Wed 30		Wed 27		Wed 29			Wed 7		Wed 2	Wed 27								
CPP/Mgt Comm				Tue 12																
Live Argyll		Wed 23			Tues 23				Tues 13		Tues 22									
Licensing Board			Tues 26		Tues 23		Tues 25			Tues 3		Tues 12								
Seminars		Mon 28		Mon 4																

Shading - December 2018 to June 2019 Committee dates agreed already

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**ARGYLL AND BUTE COUNCIL****COUNCIL****Customer Services****29 November 2018**

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**How Argyll and Bute Remembered – World War 1 1914-18 Centenary**

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**1.0 INTRODUCTION**

- 1.1 Since 2014 the World War 1 Commemoration Steering Group has been central to Argyll and Bute Council's preparations for the national centenary commemoration of World War 1.
- 1.2 The Group has successfully promoted local and community engagement with its work through the inclusion of representatives of community groups and local elected members, and by the establishment of local Sub-Groups which have been tasked with delivering one of a series commemoration events.
- 1.3 To ensure that the contributions from the aforementioned groups and other individuals and groups are recorded for posterity, a commemorative booklet has been compiled which illustrates a range of events that have been held to mark the 100 year commemoration of World War 1.
- 1.4 The Council is invited to consider the booklet *Argyll and Bute Remembers* which will be made publically available thereafter.
- 1.5 The Council is invited to record their appreciation to all the communities across Argyll and Bute for their commitment and strong partnership working in delivering many of these events as well as often undertaking additional local commemorative activities. Council is also invited to formally record their appreciation to all the Members of the World War 1 Commemoration Steering Group for their commitment, inspiration and hard work in leading the commemorative centenary programme and ensuring Argyll and Bute remembered in a way that leaves a lasting legacy for future generations.

**2.0 RECOMMENDATIONS**

- 2.1 The Council is invited to:
  - a) Consider the proposed booklet *Argyll and Bute Remembers* and if required suggest additional events/activities for inclusion within the booklet.



- b) Agree to make the booklet publically available to mark the 100 year commemoration of World War 1.
- c) Record its appreciation to all the communities across Argyll and Bute for their commitment and strong partnership working in delivering many of these events and their contribution in undertaking additional local commemorative activities.
- d) Record its appreciation to all the Members of the World War 1 Commemoration Steering Group for their commitment, inspiration and hard work in leading the commemorative centenary programme and ensuring Argyll and Bute remembered in a way that leaves a lasting legacy for future generations.

### 3.0 DETAIL

- 3.1 The co-ordination and delivery of activities to commemorate the centenary of World War 1 across Argyll and Bute has been undertaken on a strong partnership basis through the World War 1 Commemoration Steering Group, established in 2013. Chaired by the Lord-Lieutenant of Argyll and Bute, Patrick Stewart, the group brought together councillors from all four corners of Argyll and Bute, alongside community representatives, members of the Royal British Legion, regimental contacts, and officers from a range of council services including museums and libraries. The group quickly established an approach that encouraged community participation in a programme that would recognise, archive and commemorate the contribution of the people of Argyll and Bute in World War 1, and thereby leave a continuing legacy for future generations.
- 3.2 The *Argyll and Bute Remembers* booklet seeks to capture a wide range of the events held within Argyll and Bute during the centenary period and acknowledges the commitment, dedication and sheer hard work undertaken by communities and individuals to ensure the centenary was marked in a spirit of respectful remembrance and in a way that would encourage young people to take an interest with the principal aim of understanding the wars place in our history and its effect on our communities. The commemorative activities leave a legacy of updated archive and learning material, enhanced and improved memorial infrastructure and strong community partnerships.
- 3.3 The booklet cannot capture all the activity that has taken place during the centenary period or indeed the contributions made by so many but it seeks to provide a sense of how Argyll and Bute remembered and capture that in one place.

## 4.0 CONCLUSION

- 4.1 The Argyll and Bute Remembers booklet seeks to capture the various events undertaken to mark the centenary of World War 1 and the contribution made by the people of Argyll and Bute within a single source. It acknowledges and values the time and effort that the residents of Argyll and Bute have contributed to commemorate the sacrifices of their forebears and to leave a legacy for future generations. The Council is invited to consider the proposed booklet and if required suggest additional events/activities for inclusion within the booklet and thereafter agree to make the booklet publically available to mark the 100 year commemoration of World War 1.
- 4.2 The Council is invited to formally record its appreciation to all the communities across Argyll and Bute for their commitment and strong partnership working in delivering many of these events and their contribution in undertaking additional local commemorative activities. The Council is further invited to formally record its appreciation to all the Members of the World War 1 Commemoration Steering Group for their commitment, inspiration and hard work in leading the commemorative centenary programme.

## 5.0 IMPLICATIONS

5.1 Policy	None
5.2 Financial	Costs of publication will be contained within existing budget.
5.3 Legal	None
5.4 HR	None
5.5 Fairer Scotland Duty:	None
5.5.1 Equalities	
5.5.2 Socio-economic Duty	
5.5.3 Islands	
5.6 Risk	None
5.7 Customer Service	None

**Douglas Hendry**  
**Executive Director of Customer Services**  
**15<sup>th</sup> November 2018**

**Policy Lead Councillor Rory Colville**

**For further information contact:**

Stuart McLean, Area Committee Manager (01436) 658717

Aileen McNicol, Leadership Support & Member Services Manager (01546) 604014

**Appendix 1: Argyll and Bute Remembers booklet**

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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**29 NOVEMBER 2018**

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**APPOINTMENT OF RECRUITMENT PANEL: POST OF HEAD OF ADULT SERVICES (HEALTH AND SOCIAL CARE PARTNERSHIP).**

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## **1.0 EXECUTIVE SUMMARY**

The purpose of this report is to invite the Council to establish an Appointments Panel to appoint to the post of Head of Adult Services (Health and Social Care Partnership).

### **It is recommended that:**

- The Council agrees to establish an Appointments Panel for the recruitment of the Head of Adult Services (Health and Social Care Partnership).
- The Council agrees to the Appointments Panel of 3 members each from the Council who will be Councillor A. Morton, Councillor K. Green, Councillor S. Taylor, Councillor G. Mulvaney as a substitute and 3 from the NHS Board HSCP Members who sit on the IJB.
- The Council delegates the arrangements for the Appointment process to the Head of Improvement and HR.

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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**29 NOVEMBER 2018**

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**APPOINTMENT OF RECRUITMENT PANEL: POST OF HEAD OF ADULT SERVICES (HEALTH AND SOCIAL CARE PARTNERSHIP).**

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**2.0 INTRODUCTION**

2.1 The purpose of this report is to invite the Council to establish an Appointments Panel to appoint the post of Head of Adult Services (Health and Social Care Partnership).

**3.0 RECOMMENDATIONS**

It is recommended that Council:

- 3.1 Agrees to establish an Appointments Panel for the recruitment of the Head of Adult Services (Health and Social Care Partnership).
- 3.2 Agrees to the Appointments Panel of 3 members each from the Council who will be Councillor A. Morton, Councillor K. Green, Councillor S. Taylor, Councillor G. Mulvaney as a substitute and 3 from the NHS Board HSCP Members who sit on the IJB.
- 3.3 Delegates the arrangements for the Appointment process to the Head of Improvement and HR.

**4.0 DETAIL**

- 4.1 The current Head of Adult Services post is being supported by an interim Head of Adult Services. It is important that this role has a permanent Head of Service to support Adult Services in Argyll and Bute.
- 4.2 The Chief Executives of both parent bodies request the Council agree a panel to appoint, on behalf of the Council and NHS, the Head of Adult Services.
- 4.3 It is recommended that a Panel of 6 members (3 Council and 3 NHS) be appointed to approve the short listing, interview the short listed candidates and make an appointment. The Panel will be supported by the Chief Officer and HR.
- 4.4 External candidates may choose whether to be employed by NHSH or the Council. If the successful candidate is an existing NHSH or Argyll and Bute

Council employee, they would remain with their current employer.

- 4.5 The appointments process will, as per agreed practice for appointing Chief Officers, include an assessment centre run by SOLACE Enterprises. This will inform the final appointment.

## **5.0 CONCLUSION**

- 5.1 Council is asked to approve an appointments panel for recruitment to the Head of Adult Services in the Health and Social Care Partnership.

## **6.0 IMPLICATIONS**

- 6.1 Policy – The post is required to ensure that the Council’s statutory obligations are met.
- 6.2 Financial – There will be a cost associated with assessment of candidates as well as possible accommodation and travel costs for shortlisted applicants. Provision is made for this from the vacancy savings incurred during the short period that the post will be vacant.
- 6.3 Legal – None.
- 6.4 HR – HR advisers from both parent bodies will support both the shortlisting and panel interview to ensure that all HR policies and procedures are adhered to.
- 6.5 Equalities – Due regard should be given to the make-up of the appointments panel to ensure balance as far as possible,
- 6.6 Risk – Failure to recruit into the post of Head of Adult Services would affect the strategic and operational management and direction of Adult Services in Argyll and Bute.
- 6.7 Customer Service - Failure to recruit into the post of Head of Adult Services may affect the operational management and direction of Adult Services which could in turn impact customer service.
- 6.8 Socio-Economic– None from this report

**Douglas Hendry, Executive Director – Customer Services**

**For further information contact:** Jane Fowler, Head of Improvement and HR

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**ARGYLL AND BUTE COUNCIL****COUNCIL****COMMUNITY SERVICES****29 NOVEMBER 2018**

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**Year 3 Evaluation Of The Argyll and Bute Refugee Resettlement Programme**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 Argyll and Bute Council agreed to resettle Syrian refugee families through the Home Office's Syrian Vulnerable Persons Relocation Scheme in 2015. We have supported 28 families to date to rebuild their lives on the island of Bute. Once again we have repeated the self-evaluation exercise carried out in 2016 and 2017 to seek the views of the families who have been resettled on the island on the support they receive. The report provides a comprehensive analysis against the following headings; learning English, welfare support, employability and entrepreneurialism, education, housing, health, understanding the law, cultural, social and leisure activities and feeling safe.
- 1.2 The model of care we deliver is constantly reviewed to ensure that it best meets the needs of the families living on the island of Bute as they integrate into the community. Throughout the past year the focus of the programme has been on delivering our employability strategy and there have been notable successes especially with the opening of small businesses.
- 1.3 The strength of the partnership working, support from the local community and the commitment to improve the lives of our Syrian families by everyone involved, continues to drive the success of the programme.

It is recommended that the Council:

- a) Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the island of Bute.
- b) Agrees to continue to resettle refugees, on the island of Bute, through the Syrian Vulnerable Persons Relocation Scheme until the close of the current programme, likely to be in 2020.



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**ARGYLL AND BUTE COUNCIL****COUNCIL****COMMUNITY SERVICES****29 NOVEMBER 2018**

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**Year 3 Evaluation Of The Argyll and Bute Refugee Resettlement Programme**

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**2.0 INTRODUCTION**

- 2.1 The Refugee Resettlement Programme in Argyll and Bute commenced in December 2015 when our first Syrian refugee families were resettled on the Island of Bute. We have continued to resettle families and this report is the third annual evaluation of the programme, informed by the feedback of the families rebuilding their lives in Argyll and Bute.
- 2.2 The refugees arriving in Argyll and Bute are resettled through the Syrian Vulnerable Persons Relocation Scheme. This scheme is managed and funded by the Home Office and aims to meet the commitment of the UK Government to resettle 20,000 Syrian refugees by 2020.
- 2.3 Argyll and Bute's Refugee Resettlement Group was formed under the banner of the Community Planning Partnership with membership from both Council services and partner agencies. Members include Housing, Education, Adult Learning, Benefits, Health and Social Work, Business Gateway, Communications, ACHA, Fyne Homes, Police Scotland, Scottish Fire and Rescue, Argyll College, Department for Work and Pensions (DWP) and Bute Advice Centre.
- 2.4 The Refugee Resettlement Group agreed in 2015 that Bute best met the criteria drawn up to support refugee families having available property, capacity in schools and ability to access health care. Other considerations such as community support were also taken into account but these three were the primary factors.
- 2.5 The first 10 families were resettled on Bute on 3 December 2015 followed by 5 families on 15 February 2016. Moving forward it was agreed that we would look to resettle relatives of those we had already brought to the island, having submitted a number of family reunion requests to the United Nations High Commission for Refugees (UHNCR). We have now brought in 10 families through this route and reuniting families has had a hugely positive effect on our families and makes the delivery of support significantly easier.
- 2.6 To date we have resettled 28 families in total on Bute. 8 families have subsequently moved from the island either to join relatives elsewhere in the UK or for employment and we currently have 21 families living in Rothesay. 1 family has recently chosen to move to the island after initially being resettled in another part of the UK.

- 2.7 Our phase one families are now reaching the end of their third year of the 5 year programme. In autumn 2016 and 2017 we prepared an evaluation report based on feedback from the families which was presented to elected members at the November Council meetings. We have repeated this self-evaluation exercise this year to help inform the programme and support required moving forward and to update elected members and partner agencies on progress.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Council:
- a) Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the Island of Bute.
  - b) Agrees to continue to resettle refugees, on the Island of Bute, through the Syrian Vulnerable Persons Relocation Scheme until the close of the current programme, likely to be in 2020.

### **4.0 DETAIL**

- 4.1 Refugees arriving in the UK under the Syrian Vulnerable Persons Relocation (VPR) Scheme are entitled to a 5 year refugee visa which allows them access to benefits and the ability to work in the UK.
- 4.2 Each family is supported by a range of agencies who work with them. Bute Advice Centre are commissioned to provide a support worker for each family who provides welfare and budgeting advice. The Council has appointed an Arabic speaking community interpreter, an Arabic speaking refugee support worker and a resettlement coordinator to provide support for day to day living and to coordinate the work of all of the agencies. These services are all funded by the grant provided by the Home Office.
- 4.3 At 1 October 2018 there are 21 refugee families resettled on Bute under the SVPR scheme. This equates to 92 individuals in total; 21 men, 21 women, 29 boys and 21 girls (8 babies have been born since arriving in the UK). There are more babies due to be born in the next few months. Babies born in Scotland are granted the refugee status of their parents.
- 4.4 Families are free to leave the local authority area they have been resettled in and should they move to another location their funding would cease to our authority. It does not however follow them. Eight families have moved outwith Argyll and Bute choosing to join family or seeking employment elsewhere in the UK.
- 4.5 The Syrian VPR scheme provides funding over a five year period for each individual. Local authorities receive the following unit costs from the Home Office in year 1:

Children under the age of 3	Unit cost = £8,520
Children aged 3-4	Unit cost = £10,770
Children aged 5-18	Unit cost = £13,020
Adults in receipt of mainstream benefits	Unit cost = £8,520
Other adults	Unit cost = £8,520

Age is taken at date of arrival in the UK and year 1 costs commence at that date. Additional monies are paid direct to the local Health Boards to cover both primary and secondary care. Year 2 to 5 funding is allocated on a tariff basis over four years, tapering from £5,000 per person in year 2 to £1,000 per person in year 5. The total funding received from the Home Office as of 30 September 2018 is £1.36 million.

- 4.6 In 2016 and 2017 we evaluated our Refugee Resettlement Programme against the Scottish Government's New Scot's - Integrating Refugees in Scotland's Communities Strategy. This strategy was updated by the Scottish Government and partner agencies in January this year. The refreshed New Scots Refugee Integration Strategy 2018-22 promotes a model similar to that of our own. The five principles which form the New Scots strategy and our own approach are:
- Integration from day one
  - A rights based approach
  - Refugee Involvement
  - Inclusive communities
  - Partnership and Collaboration.
- 4.7 The New Scots 2018-22 overarching outcomes are:
- Refugees and asylum seekers live in safe, welcoming and cohesive communities and are able to build diverse relationships and connections.
  - Refugees and asylum seekers understand their rights, responsibilities and entitlements, and are able to exercise them to pursue full and independent lives.
  - Refugees and asylum seekers are able to access well-coordinated services, which recognise and meet their rights and needs.
  - Policy, strategic planning and legislation, which have an impact on refugees and asylum seekers, are informed by their rights, needs and aspirations.
- 4.8 Inviting refugee families to evaluate their support enables us to review the resettlement programme in relation to the support and advice provided under the following headings: learning English, welfare support, employability and entrepreneurialism, education, housing, health, understanding the law, cultural, social and leisure activities and feeling safe. We are also able to compare scores from previous year and ensure we develop policies and strategies informed by our families to meet their needs as they become less dependent on support and more integrated into their new communities.
- 4.9 Each of our families were invited to be interviewed and asked to score the support that they have received from all agencies and volunteers on a scale of 0 to 7, with 1 being the lowest score and 7 the highest and a score of 0 not relevant. The scores given by each family is illustrated in appendix 1. The

support that has been provided for each heading is detailed below along with the key learning points.

## **5.0 Learning English**

- 5.1 All of the families are supported to learn English and for the majority of our adults attendance at class forms part of their claimant commitment by the Department of Work and Pensions (DWP). The VPR scheme requires us to deliver 8 hours per week of English for Speakers of Other Languages (ESOL) provision for each adult refugee in their first year of arrival. In Rothesay we exceed that requirement and aim to deliver 8 hours of ESOL to all refugees. ESOL is delivered for beginners and SCQF levels 2 and 3 by the Council's Adult Learning Service, with qualified tutors teaching each class.
- 5.2 We also have a group of volunteers who support families with their language either tailoring this to a specific need, addressing isolation or helping with ESOL homework. The combination of formal ESOL with our volunteer programme has seen an improvement in the language skills for those most able to take advantage of these opportunities.
- 5.3 Managing expectations and keeping up motivation continue to be the key challenges for those learning English. The ESOL programme has been specifically designed to ensure the needs of all learners are met. However with numerous health appointments and other commitments attendance isn't always as high as it could be. This is often coupled with the frustrations of learning a new language. The Adult Learning team regularly assess the learning needs, level of attainment and provision and class material is tailored accordingly.
- 5.4 In the evaluation, support to achieve English language skills scored an average of 5.39. This was an improvement on last year's score of 5.03 with scores ranging from 2 to 7. Low scores reflect a frustration with mixed level classes. Seven families scored support for learning English the maximum score of 7.
- 5.5 Our Autumn 2018 programme attempts to address these issues and the ESOL programme now comprises 6 week blocks of topic focused learning. Classes are split by ability and learning style, both equally important for students to progress. Short assessments will take place at the end of each block, consolidating the learning before moving on to the next topic.
- 5.6 In addition we are delivering a mother and baby English class with a classroom environment specially designed to meet the needs of our new mums. This is the only class where babies attend and the feedback has been positive.
- 5.7 We have been awarded additional funding from the Home Office for childcare for the second year. This has enabled us to partner once again with Rothesay Playgroup and arrange childcare for our older babies and toddlers whilst parents attend their ESOL class. This has been very well received by parents and tutors

alike. Whilst we welcome small babies to our classes, older and increasing vocal and mobile ones can be disruptive.

- 5.8 This year we asked families if they felt they were able to use the English they had learnt in the community. We wanted to get a sense of independence and identify any barriers which could lead to a lack of confidence. Scores here ranged from 2 to 7 with the average being 4.55. Once again women seemed more confident to use their English than men with their fear of failure being less. Many felt they were hesitant to talk as they couldn't use complete sentences. Frequent comments related to the speed at which Scots talk and accents which are hard to understand.

## **6.0 Welfare Support**

- 6.1 On arrival all of the families are supported to make benefits claims. Support is provided by Jobcentre Plus staff and a support worker from Bute Advice Centre. The majority of families are on Job Seekers Allowance, with a small number receiving Income Support, Employment and Support Allowance (ESA) and Personal Independence Payments (PIP). Families also receive housing benefit, council tax benefit and child tax credits. Every family who has had a child has received assistance to apply for Healthy Start Vouchers. In addition to ensuring benefits are in place Bute Advice also provide support with budgeting and energy efficiency.

- 6.2 It is important that families understand the benefits process. We asked them if they have been supported to understand their rights to welfare support and the benefits they receive. The average score given this year was 6.25, with scores ranging from 4 to 7. The average score last year was 4.95. Twelve families scored the maximum 7 points indicating success in supporting families to become more independent, to take ownership of their own benefits claims and make any subsequent changes to them.

- 6.3 Universal Credit will be introduced into Argyll and Bute from autumn 2018. This has required careful planning and preparations are in place. Families will transfer onto Universal Credit if their circumstances change and any new arrivals will receive the single benefit if they have 2 or fewer children.

## **7.0 Moving into Employment**

- 7.1 Over the past 18 months we have been developing and implementing our employability strategy with our partner agencies and local businesses. In this year's self-evaluation we asked three questions relating to employment.
- 7.2 The first looking at developing the skills for work and asking families if they have been supported to participate in volunteering opportunities or work experience should they wish to. The average score was 5.25, a decrease on last year's score of 5.44. Although still positive, this shows we still have some work to do to

identify opportunities which meet the expectations of our families and enable them to develop the skills to secure employment.

- 7.3 We continue to have success with women engaging in volunteer programmes. They have taken up opportunities volunteering with a national charity and in both care and childcare settings. The men have engaged in a range of different programmes including work experience with a local food outlet, a mentoring programme with Scottish Fire and Rescue, have helped out in local charity shops and several once again volunteered at Butefest.
- 7.4 We next asked families to evaluate the support we have provided to allow them to access employment, asking have you been supported to apply for jobs or are you aware of the support that is available for this locally. The average score here was 5.0 an increase on the past years scores of 4.29 and 3.7. This shows an increased confidence in the opportunities available and the support available locally.
- 7.5 Whilst there has been some success with 2 adults securing full time and part time employment unfortunately neither of these opportunities have turned out to be permanent and families have had to move back on to benefits.
- 7.6 Working in partnership with our resettlement team, Adult Learning and Jobcentre Plus are able to match the wide range of skills and experience that our refugees bring with them to local employment opportunities. Support to prepare CVs, search for job vacancies and complete applications is provided at Work Club. Fyne Homes, seeing an opportunity to develop the interviewing skills of their staff, have provided support with mock interviews.
- 7.7 Seven of the men have successfully completed a “Skills for Work” course with Argyll College. This bespoke course allowed refugees with an interest in working in the construction industry to learn technical skills and UK construction methods. They developed a much greater understanding and use of technical language and an appreciation of health and safety requirements. The course will be followed up with the opportunity to complete the assessment for their CSCS card enabling them to work on construction sites in the UK.
- 7.8 We continue to be successful in supporting start-up businesses with three now open. The Orient Salon Syrian barber shop successfully completed its first year in business and has been joined by Helmi’s Patisserie and Rayan’s Syrian Takeaway. Business Gateway have been able to offer advice and support to apply for funding from the Kilfinnan and Noble Trusts.
- 7.9 Planning and regulatory services have been able to meet with the families early on in the process and discuss their business plans. This has been helpful in overcoming cultural differences and an understanding of the process and length of time taken to apply for the relevant permissions. Local

environmental health officers and planners explained the legislation, the application process and requirements for each business, to ensure the complexities became better understood thereby avoiding costly and time consuming re-submissions.

- 7.10 We asked the families if they were aware of the support available to develop entrepreneurial skills and set up business in Argyll and Bute. Not all families have asked for or received this support, but all who have are realising that the bureaucracy in the UK is significantly greater than in Syria. The average score for entrepreneurial support was 4.45 with a range of scores given. From the comments it is apparent that families are disappointed to realise that all ideas don't necessarily turn into viable businesses and there is a significant amount of work to do before a project gets off the ground. Perhaps our three successful businesses have increased expectations and made the process look easy.

## **8.0 Education**

- 8.1 All Syrian children over the age of 3 attend Rothesay Joint Campus. At time of writing there are 37 Syrian pupils at the school with 7 in the pre-5 unit, 21 in the primary and 9 in the secondary. The involvement of the school has very much been at the heart of the support to the families, reflecting the school's role in the community and acknowledging that the decisions the families made to come to the UK were to afford their children a safer and better life.
- 8.2 Additional resources have been put in place to support learning at the campus funded by the Home Office grant. These include additional staffing and the purchase of appropriate materials. Educational Psychology continue to provide additional support as and when required. The scale of work undertaken to support pupils arriving with English as an Additional Language (EAL) has strengthened the overall provision. It has enabled the school to develop a focused strategy and to implement effective systematic processes to engage and support children and young people with EAL. Not only the Syrian pupils but those who speak other languages too. Progress of all new pupils is continually monitored to ensure that each child is working to their full potential.
- 8.3 Families were very appreciative of the efforts being made to secure an Arabic teacher who will help their children maintain and develop literacy in their native language. The Syrian pupils continue to progress well with learning English however this should not come at the cost of losing their Arabic. Our aim is for multicultural and bilingual students.
- 8.4 We continue to work with Rothesay Playgroup after successfully receiving additional ESOL childcare funding from the Home Office for the second year. We have 7 children attending the playgroup with 5 in receipt of 1,140 hours two year old provision and 2 accessing childcare whilst their parents are at their ESOL class. Having Rothesay Playgroup included in the overall support programme and introducing younger children to their peers through play has

been very beneficial to all and is supporting language development for both children and parents.

- 8.5 The increase in free pre-school education to 1,140 hours was introduced on Bute in January 2018. This has proved to be a very popular with the Syrian families with the majority of parents taking advantage of the increased provision on offer.
- 8.6 The education opportunities and support at Rothesay Joint Campus and Rothesay Playgroup scored highly in the evaluation with an average score of 6.29. This however was down slightly on the previous year's scores of 6.69 and 6.63. Fourteen families did score the support the highest possible score of 7. One family commented on subject choices and another complained that the use of mobile phones in the secondary prevented young people from concentrating fully in class. Academically the young people have had some success and there are now two studying full time at university and college.
- 8.7 This year we asked parents if their children had had the opportunity to participate in the extra-curricular activities with their school. Many spoke highly of the activities on offer and Syrian young people are active in the community participating in a range of sporting activities. Families scored this an average of 6.50. Families also commented positively on the wide variety of school trips that their children had been on both on and off the island.

## **9.0 Housing**

- 9.1 We work closely with the Registered Social Landlords (RSLs) on Bute, ACHA and Fyne Homes who have been able to provide appropriate housing for all of our families. Each family has signed a Scottish Secure Tenancy agreement with the RSLs which offers a greater degree of security for the families than a private tenancy. Void costs are covered by the Home Office as part of the funding package and the RSLs were able to decorate and modernise their properties, whilst the council's housing team oversees the carpeting and furnishing. Each family's property is finished to a high standard and in addition to new furniture, "starter packs" with bedding, towels, crockery, cutlery, pots and pans are provided by the Pass It On project. Each child is welcomed to their new bedroom by a toy box full of donated toys to help them to settle in.
- 9.2 Televisions and TV licences are purchased for each family on arrival for the first year. TV is a very useful way of helping to learn a new language and a year's broadband is also provided again to help with the learning of language but also as a means to stay in touch with family back home through Skype etc. Families who have now been here for over a year have arranged their own television licenses and broadband.
- 9.3 When our first two cohorts of families arrived, volunteers on Bute helped to sort out all of the many donations that had been sent to them. For all subsequent



arrivals we have asked the refugee families here, and in particular their relatives, to help us to prepare the property and to purchase a small amount of appropriate food ready to welcome new families.

- 9.4 There have been several low key housing issues which our RSLs have responded to with support from Bute Advice and the support team. For those families who have indicated a preference to move to alternative accommodation in Rothesay we support the family with their housing application form, ensuring that we can maximise the number of points available to them. For those looking to leave Argyll and Bute we can provide advice but it is up to the individual families to secure their own accommodation. Once they have found accommodation and signed leases we are able to help them arrange their move.
- 9.5 We asked families if they had been supported to develop an understanding of the housing options available to them in the UK. Managing the expectations of those looking to move is sometimes a challenge and an appreciation of timescales and process can lead to frustration. The arrival of new babies has meant that several families are now looking for larger accommodation. The average housing options score was 4.20 an increase on the previous scores of 3.75 and 3.36.

## **10.0 Healthcare**

- 10.1 The model of health care in the UK is very different to that experienced by our families in Syria, where private health care was prevalent. Whilst families were living in the countries surrounding Syria as refugees it was very difficult to access any health treatment. Developing an understanding and managing the expectations of the health service in the UK has been a key issue for health colleagues working with the Syrian families. This coupled with a need for an interpreter at all appointments has meant that responding to health needs has been both challenging, a steep learning curve and resource intensive.
- 10.2 Families were asked if they have been supported to develop an understanding of the model of health care in Scotland. The average score was 6.00, a substantial increase from last year's score of 5.26. Eleven families scored this a maximum 7 and those who were dissatisfied were frustrated about waiting times and travel costs to the mainland for hospital appointments.
- 10.3 Many of the families are in poor health when they arrive with us. All members of the family were given a full medical assessment by the International Organisation of Migration prior to leaving for the UK and this information is shared with us and passed on in turn to the relevant health professionals. This allows for a degree of preparation to be made in advance. Many of the adult males smoke and nearly everyone arriving requires dental treatment and this coupled with injuries when incarcerated has meant that the families have received a significant amount of health care. Primary care is delivered on island

and the majority of secondary care is provided off island in the Greater Glasgow and Clyde area.

- 10.4 Families were also asked if their health needs had been met. The average score for last year was 6.32, with eleven families scoring the maximum 7. This year's score slightly lower 6.18 with eight families scoring the maximum 7. Families are seeing a real improvement in their health though distance to travel to hospital and telephone interpreters can still cause frustration. Families were very complimentary about the health professionals who support them.

### **11.0 Understanding the Law**

- 11.1 This year for the first time we asked families if they have you been supported to understand UK /Scottish Law and social responsibilities in the UK. The law in Scotland, especially around families, child protection and domestic assault is different and there are evident cultural differences to those issues in Syria. When dealing with these issues we have to be mindful of the cultural background and the emotional trauma that the families have been subjected to. The support team have however ensured that they have explained the zero tolerance approach that we have in Scotland and last year we repeated the session where local police and social work managers gave a very informative presentation to the families. Information on this topic is also provided in the families welcome packs.

- 11.2 Many adults have now passed their UK driving test. Road traffic laws are included in the theory test and our families are very keen to learn the Highway Code. Passing their driving test and being able to purchase a car has opened up additional employment opportunities.

- 11.3 In answering this question families were keen to ask about their own rights and spoke positively about the support from the police. The average score for having been supported to understand UK /Scottish Law and social responsibilities in the UK was 4.97 with a full range of scores given.

### **12.0 Leisure Activities**

- 12.1 In previous years we have asked if families were involved and active in the community. This year we amended the question slightly and asked if you are able to participate in sports or other leisure activities in the community. The average score given was 6.13. Many of the families have embraced the opportunity to become involved once again in sport and the children and young people spoke about the extra-curricular opportunities they have at the school with the local leisure centre being very popular.

- 12.2 The community on Bute continues to be welcoming and supportive. Many friendships have now developed between the local indigenous community and the new Syrian families, especially with the children. Our volunteer programme

though smaller is still invaluable in helping our families develop the confidence to integrate into the wider community and to do things for themselves.

### **13.0 Cultural and Social Activities**

13.1 Families were asked if they felt that they are able to engage in social and cultural activities which reflects the diversity of the population Scotland. The average score of 5.68 is an increase on last year's score of 5.50 and the biggest source of frustration remains having to travel to Glasgow to mark the significant Islamic festivals. Moving forward we hope that the families will feel more empowered and able to arrange events and activities for themselves locally with support where appropriate.

### **14.0 Safe and Welcomed**

14.1 In our final question we asked families to score how safe and welcoming the community was and this once again scored highest of all with an average of 6.85, last year's score was 6.84. Those interviewed said the island was their home now and they are very grateful for all the support the local community gives them.

### **15.0 CONCLUSION**

15.1 In conclusion the evaluation of the support provides us with an opportunity to evaluate the support programme and to ensure the support we provide moving forward meets both the needs and aspirations of our families. We operate a person centred model of care acknowledging that no two family's needs are the same.

15.2 The success of the refugee programme on Bute should be built on and as needs change, the partners and services working with the families will change. It is very important when providing such a comprehensive programme of support that we do not create dependency and all of our families are encouraged and supported to be as independent as possible as ultimately the support will be time limited.

15.3 Refugees resettled through the SVPR scheme are able to apply to the Home Office for Indefinite Leave to Remain (ILR). The application should be made in the last month of their current refugee visa and there is no fee. Applicants will continue to have the same rights and entitlements until a decision about ILR is made (so long as the application is submitted before their visa expires).

15.4 The support team continue to receive support from COSLA who have taken on the role of Strategic Migration Partnership for Scotland. The advice and support the team at COSLA provide and the opportunity to meet up with the local authorities participating continues to be invaluable.

- 15.5 The strength of partnership working in Argyll and Bute has been integral to the success of this programme which would never have achieved what it has without the support of the community on Bute and the commitment of the Syrian families to rebuild their lives on the island.

## **16.0 IMPLICATIONS**

- 16.1 Policy – No implications
- 16.2 Financial – Funding is received from the Home Office and the budget is fully committed with a contingency in place to deal with unexpected costs
- 16.3 Legal – No implications
- 16.4 HR – A number of posts have been created on a temporary basis to support the refugee programme and funded by the Home Office grant
- 16.5 Equalities – No implications
- 16.6 Risk – No implications
- 16.7 Customer Service – Translating material into Arabic has been an important consideration to ensure refugees can access information and use local services.

### Appendix 1 Evaluation interview scores

**Cleland Sneddon**  
**Chief Executive**

**Cllr Aileen Morton**  
**Council Leader**

For further information contact:

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October 2018

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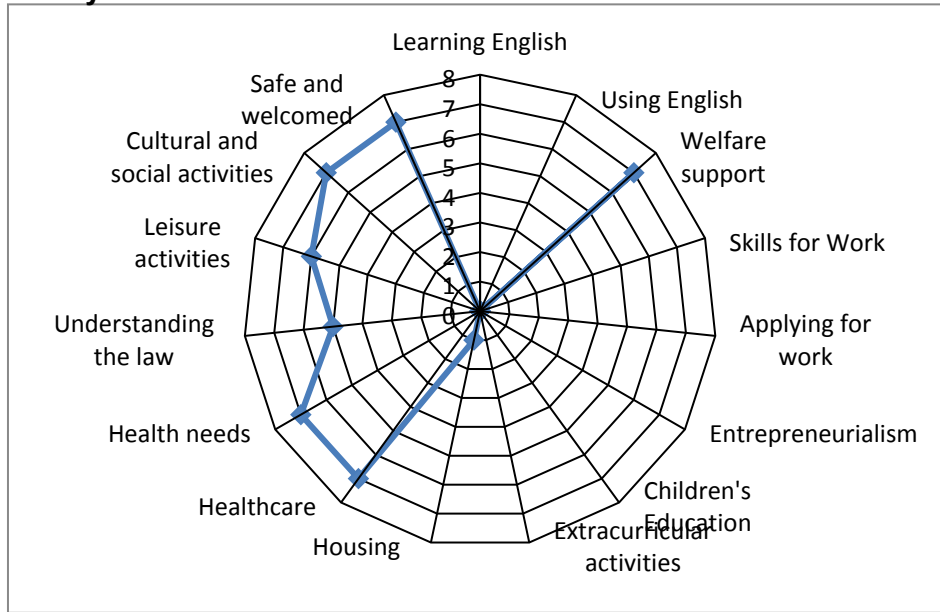
## Appendix 1 – Summary of refugee evaluation scores

20 of the 21 Syrian families participated in the self-evaluation process. The majority of the families chose to participate as a family group many bring their children along to, a small number of men chose to attend alone. Summary scores are shown below for each family who were asked to score the support that they had received from day 1 from all agencies and volunteers. The lowest score awardable was 1 and the highest score was 7, though some families did opt to score 0 for something they felt was not relevant to them or their family. The questions asked are based on the indicator set in the New Scots Refugee Integration Strategy 2018-2022.

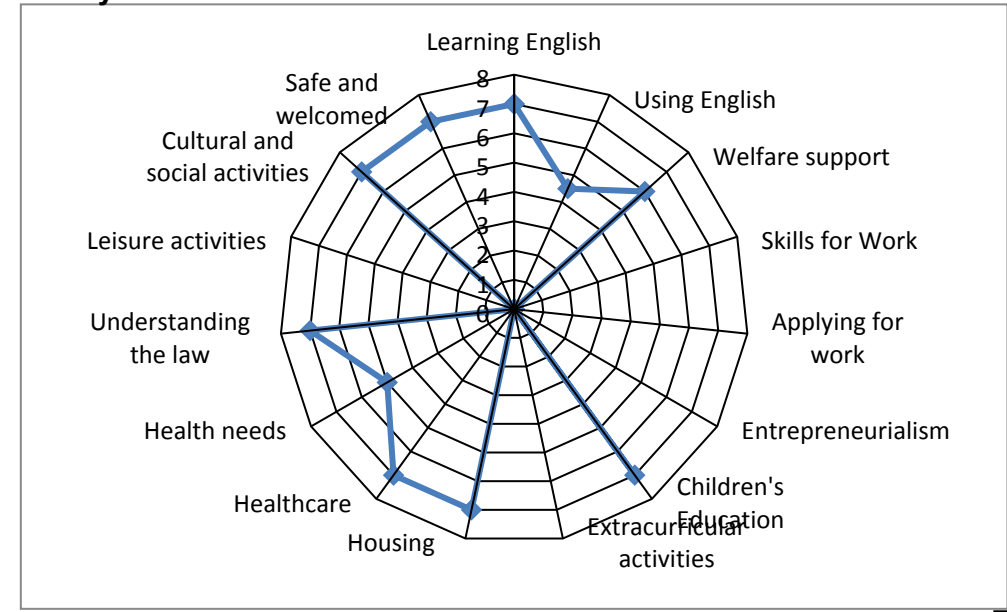
The questions asked were:

1. Do you and your family feel you have been supported to learn English?
2. Are you and your family able to use the English you have learnt in the community?
3. Have you been supported to understand your rights to welfare support and the benefits you receive?
4. Have you been supported to participate in volunteering or work experience should you wish to?
5. Have you been supported to apply for jobs or are you aware of the support that is available for this locally?
6. Are you aware of the support available to develop entrepreneurial skills and set up business in Argyll and Bute
7. Have the children in your family been supported at school and are able to reach their potential?
8. Have your children had the opportunity to participate in the extracurricular activities with their school?
9. Have you been supported to develop an understanding of the housing options that are available to your family in the UK?
10. Have you been supported to develop an understanding of the model of health care in Scotland?
11. Have your health needs been met?
12. Have you been supported to understand UK / Scottish Law and social responsibilities in the UK?
13. Are you able to participate in sports and other leisure activities in the community?
14. Do you feel that you are able to engage in social and cultural activities which reflects the diversity of the population of Scotland?
15. Do you feel the community is safe and welcoming?

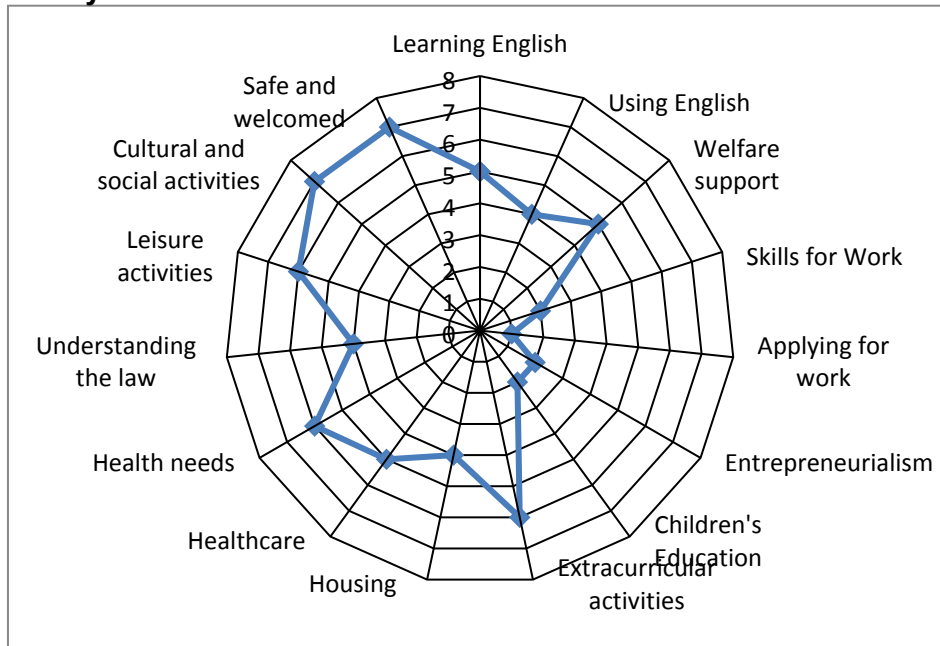
**Family A**



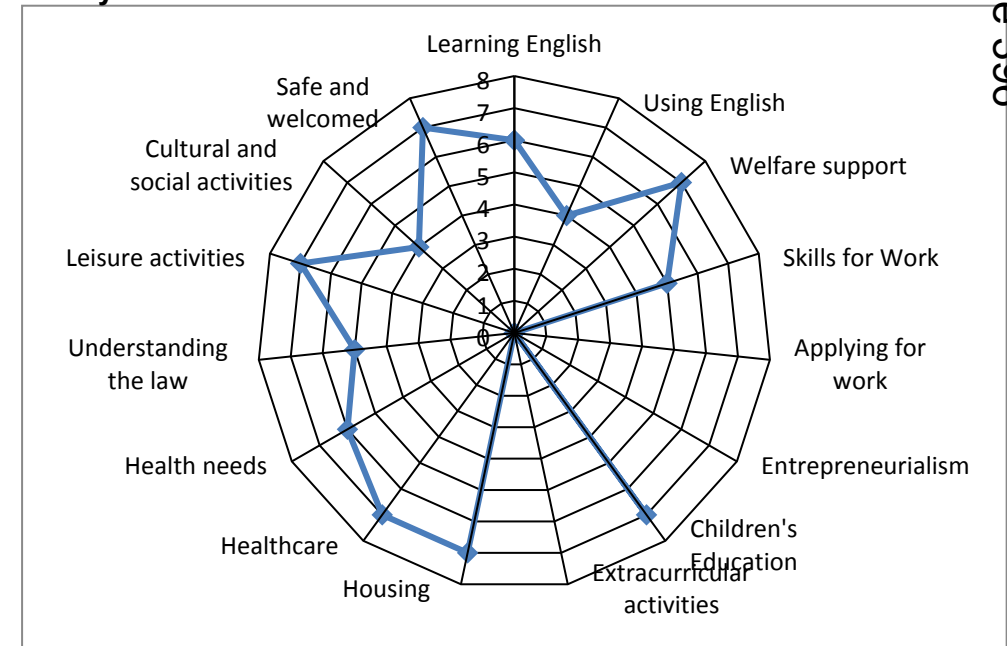
**Family B**



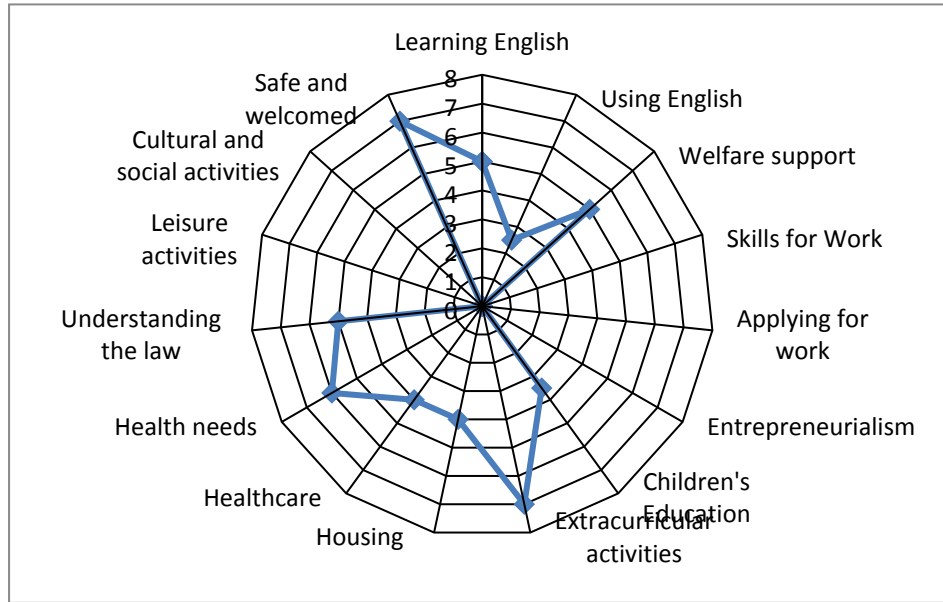
**Family C**



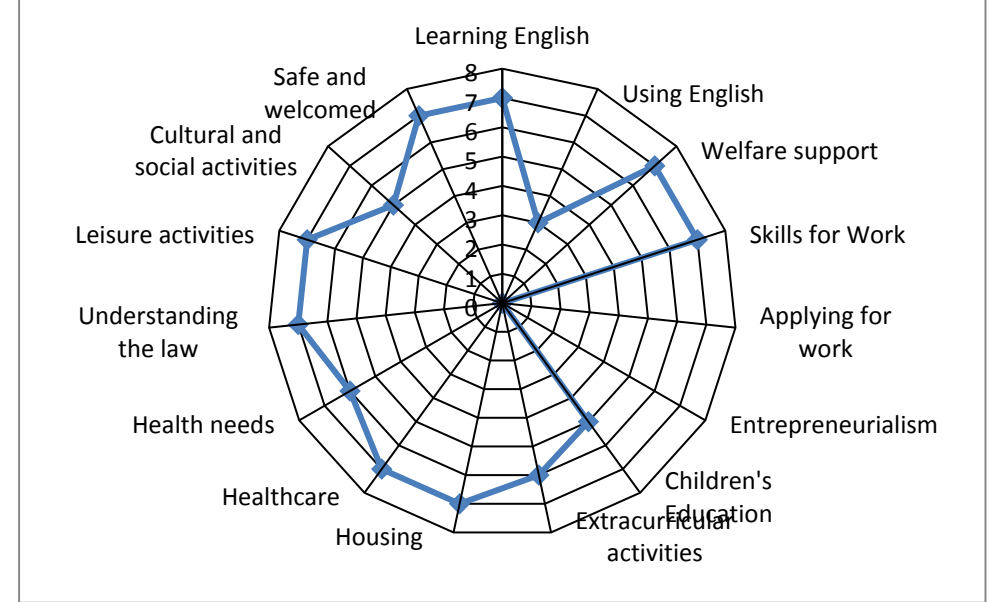
**Family D**



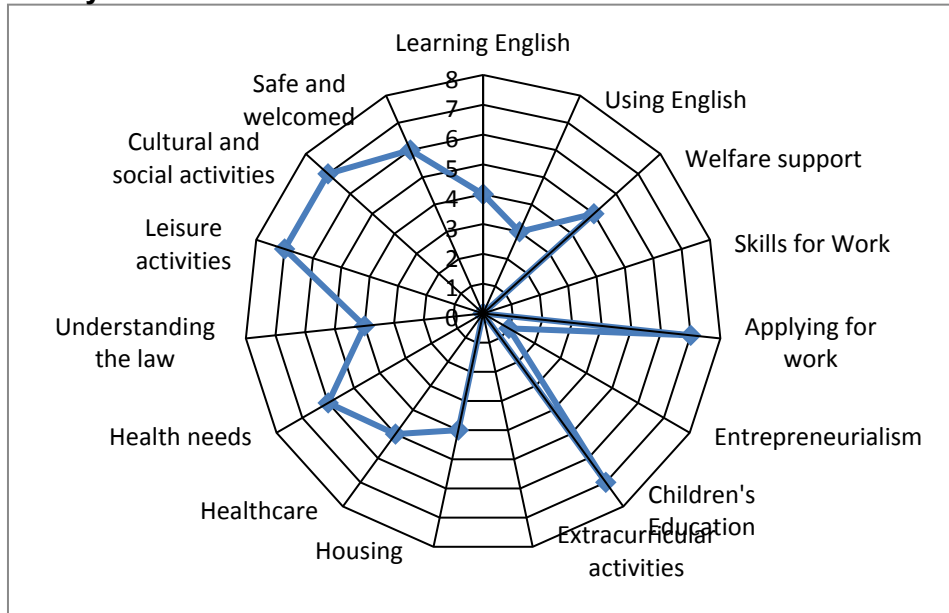
**Family E**



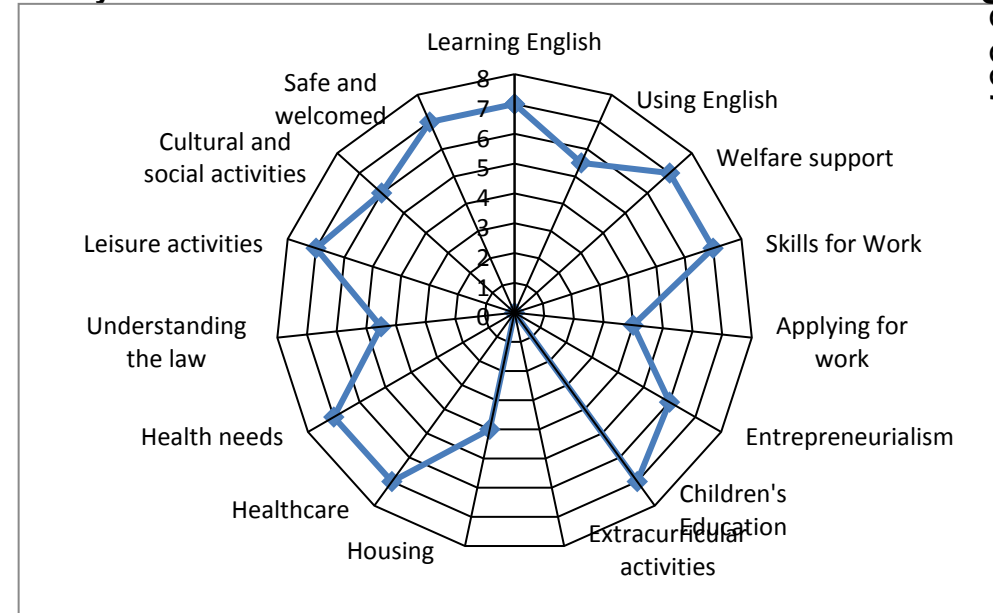
**Family F**



**Family G**

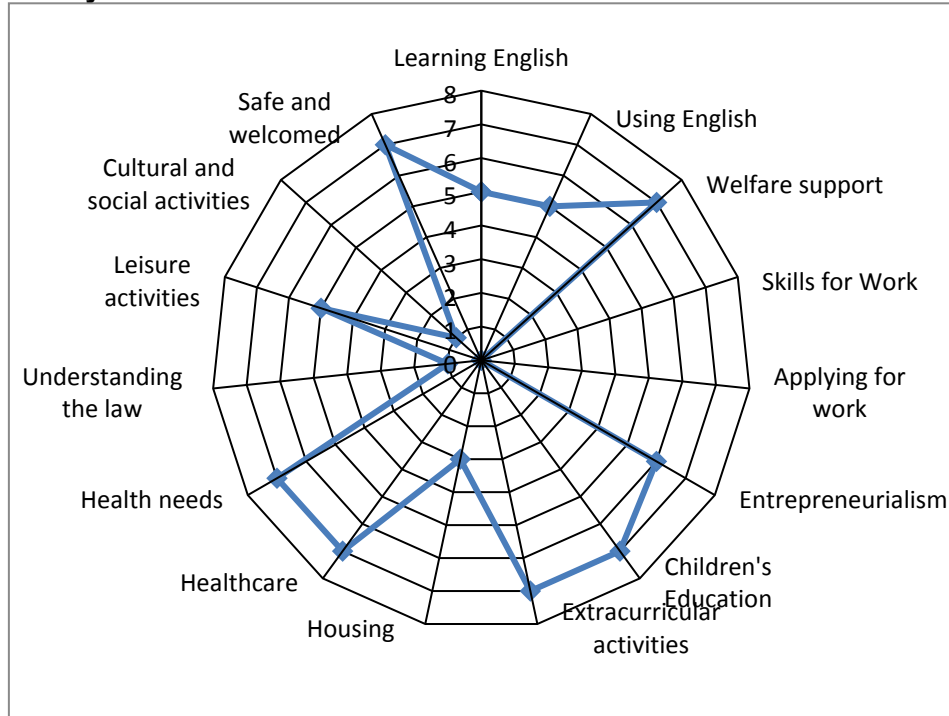


**Family H**

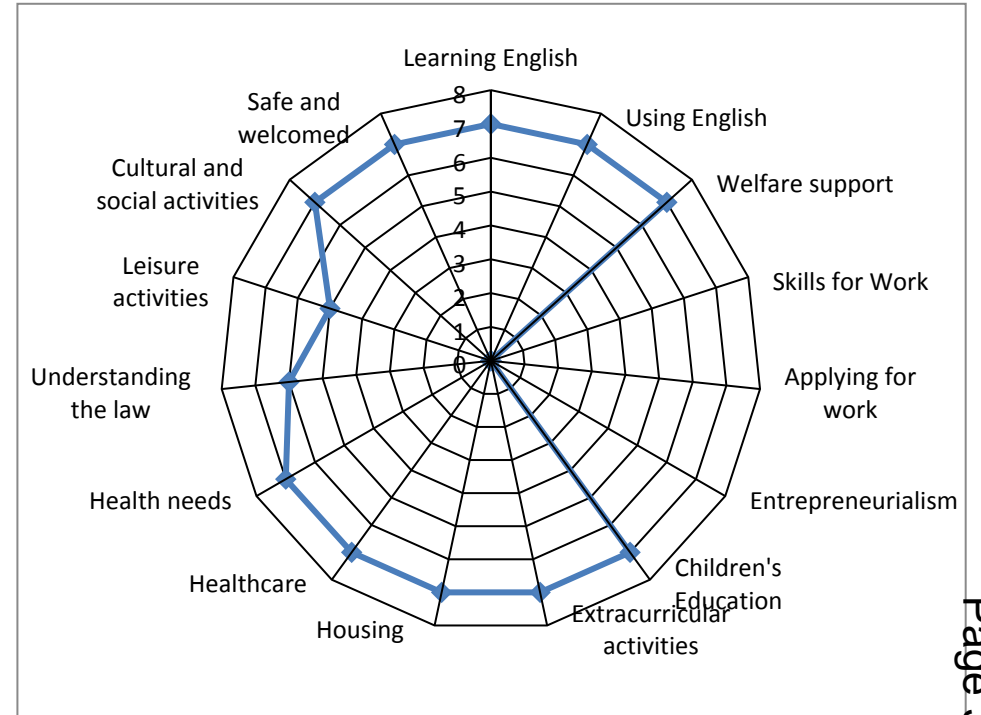




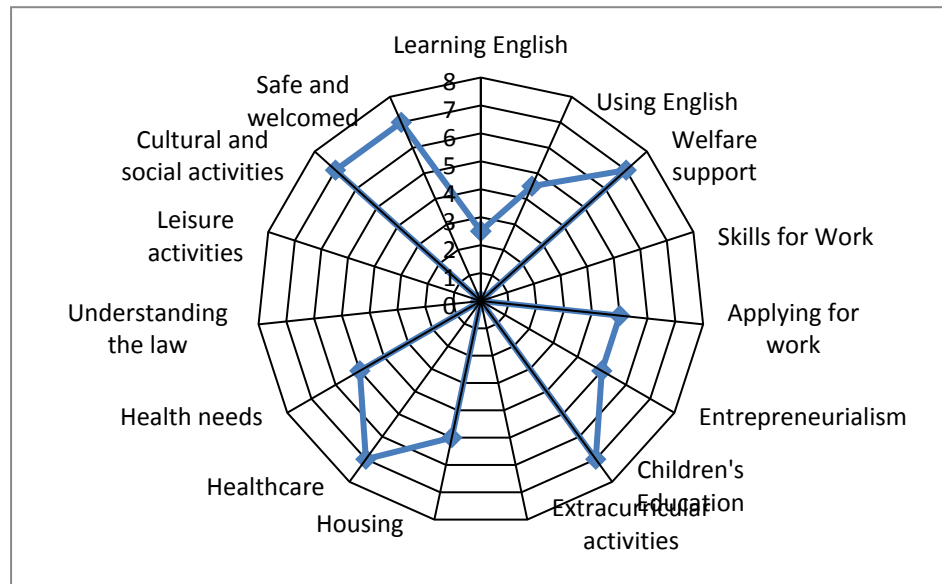
**Family I**



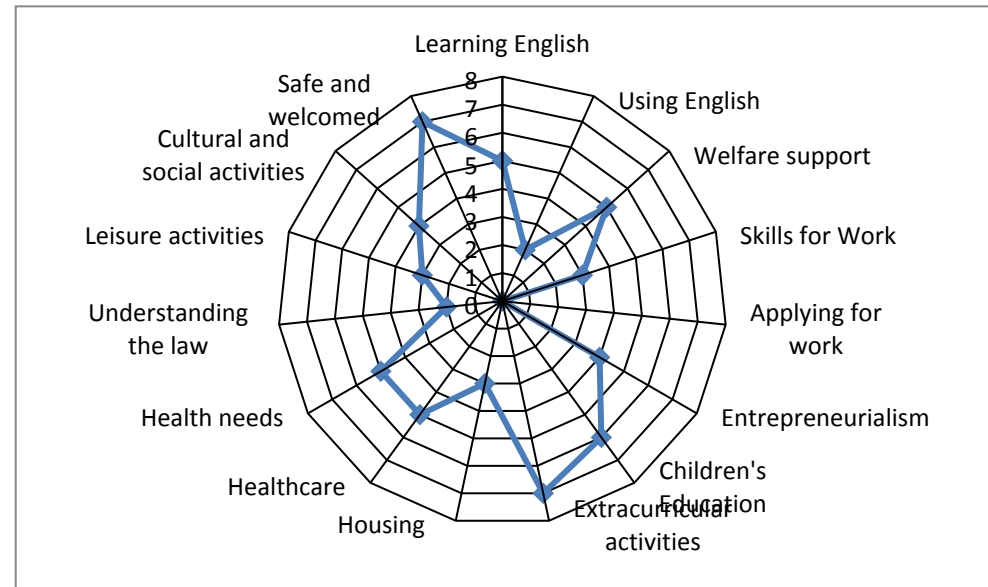
**Family J**



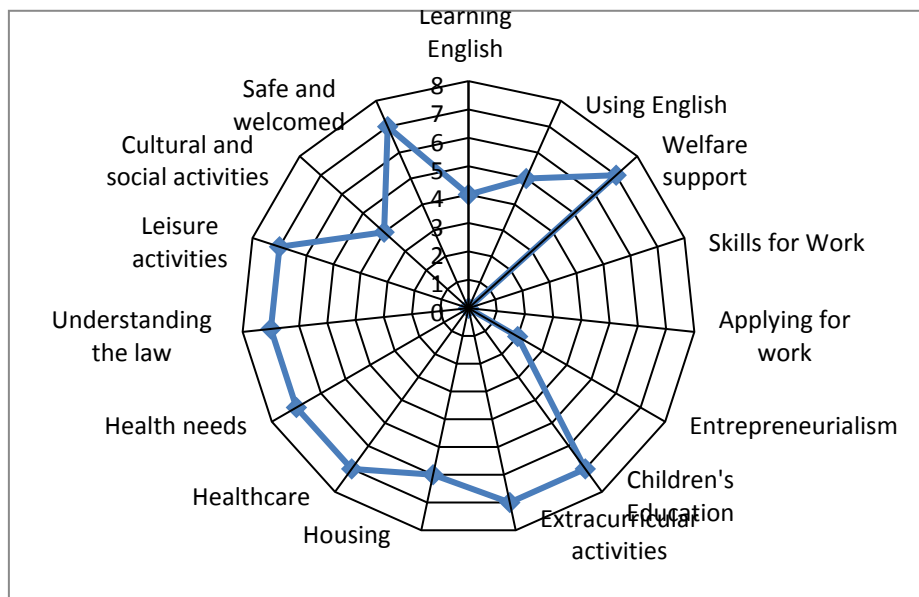
**Family K**



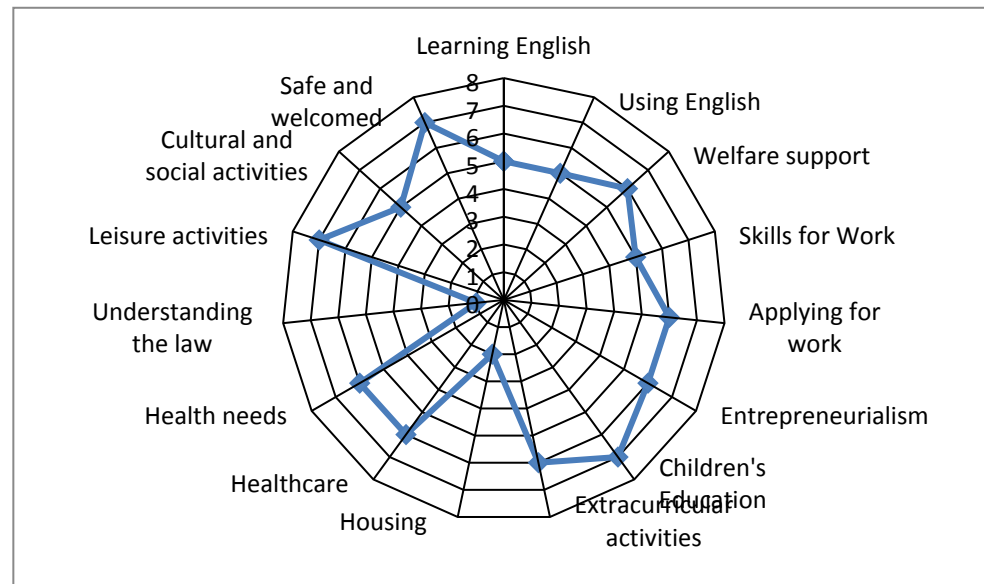
**Family L**



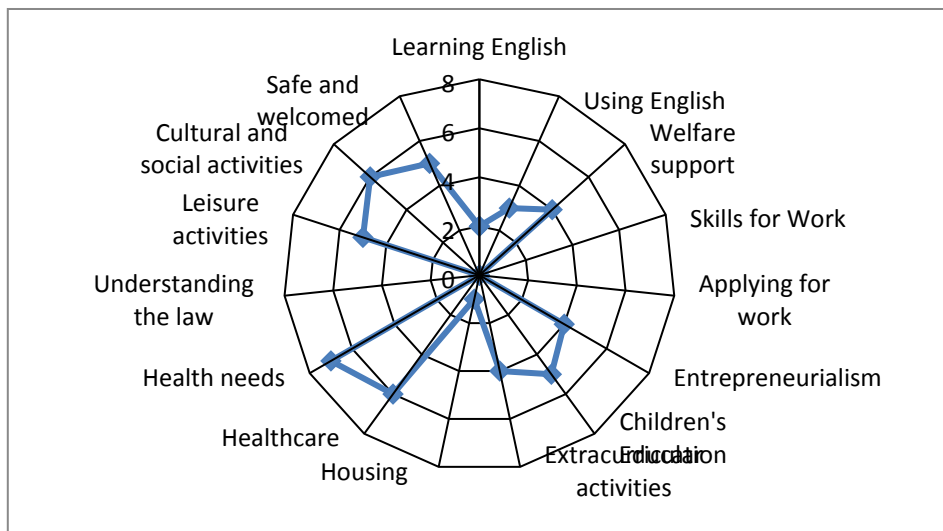
### Family M



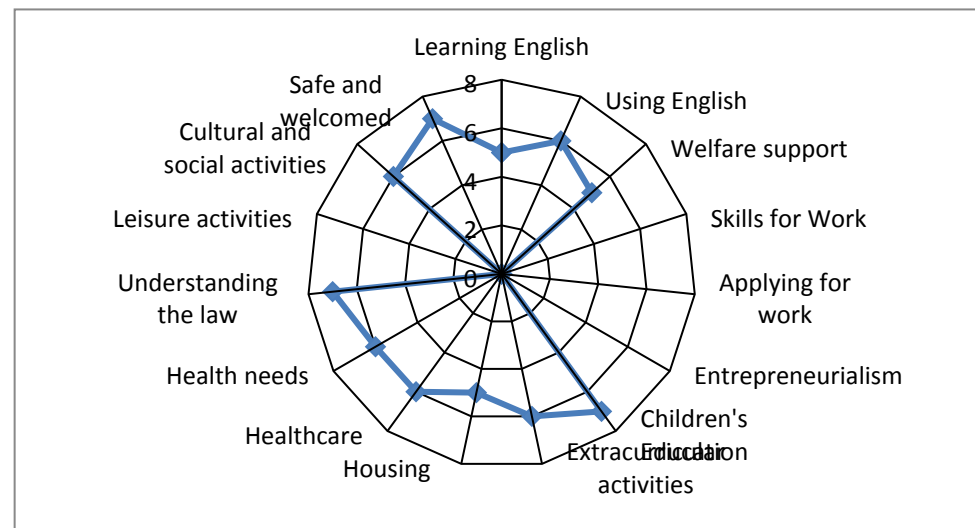
### Family N



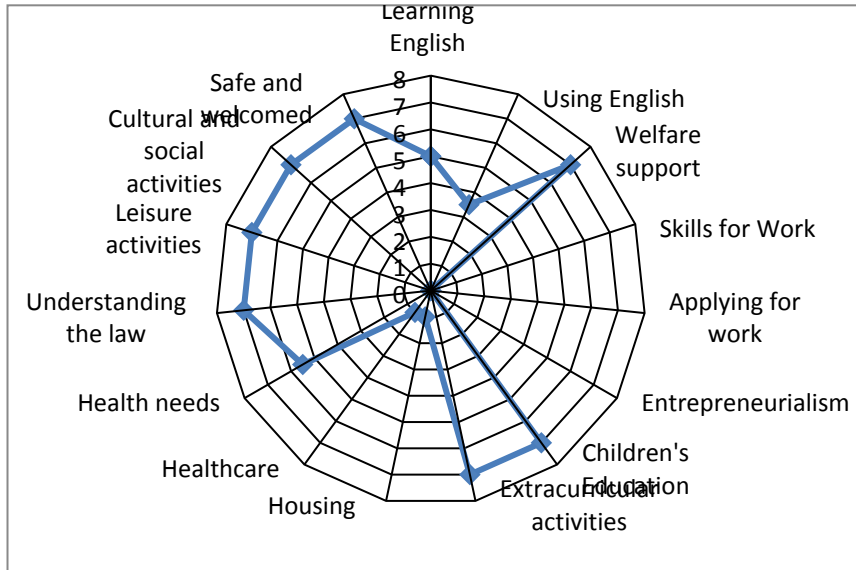
### Family O



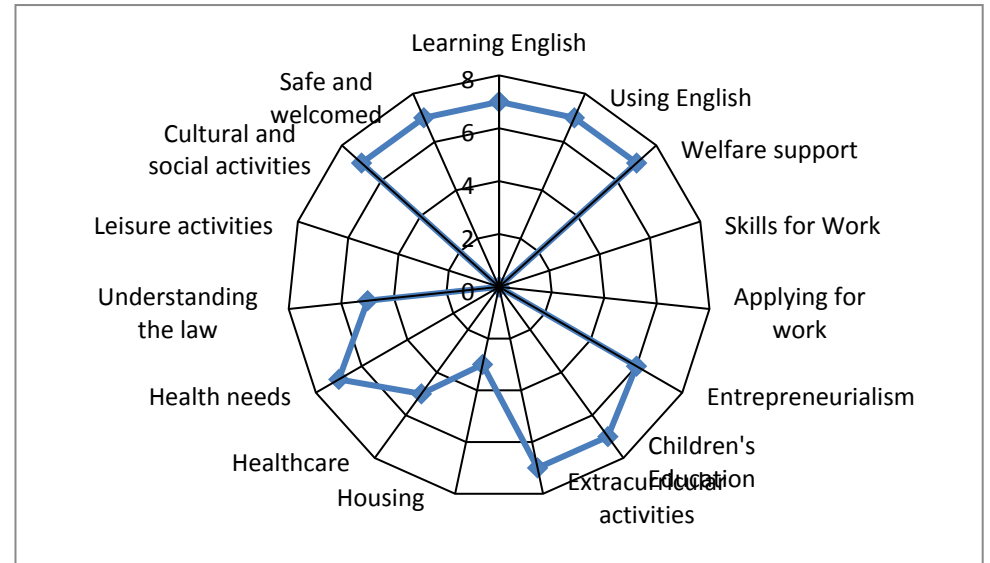
### Family P



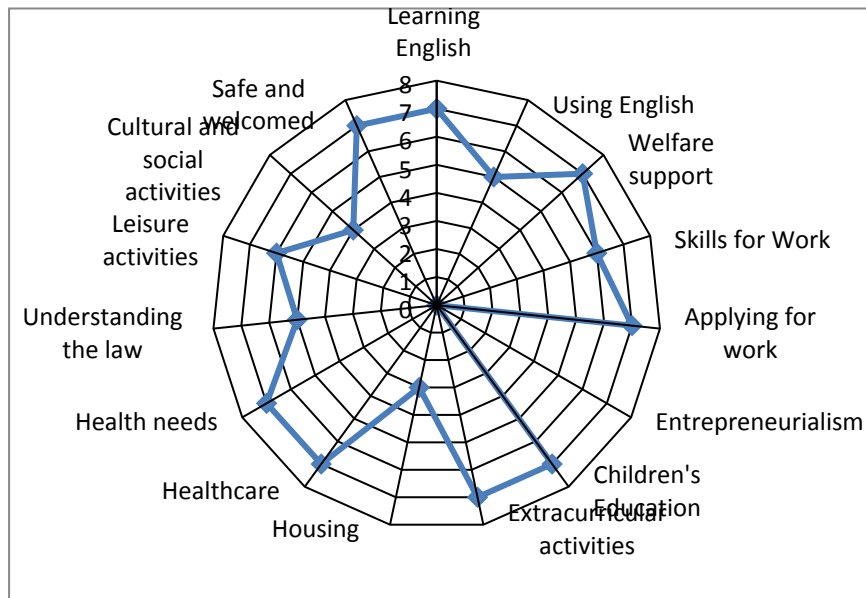
**Family Q**



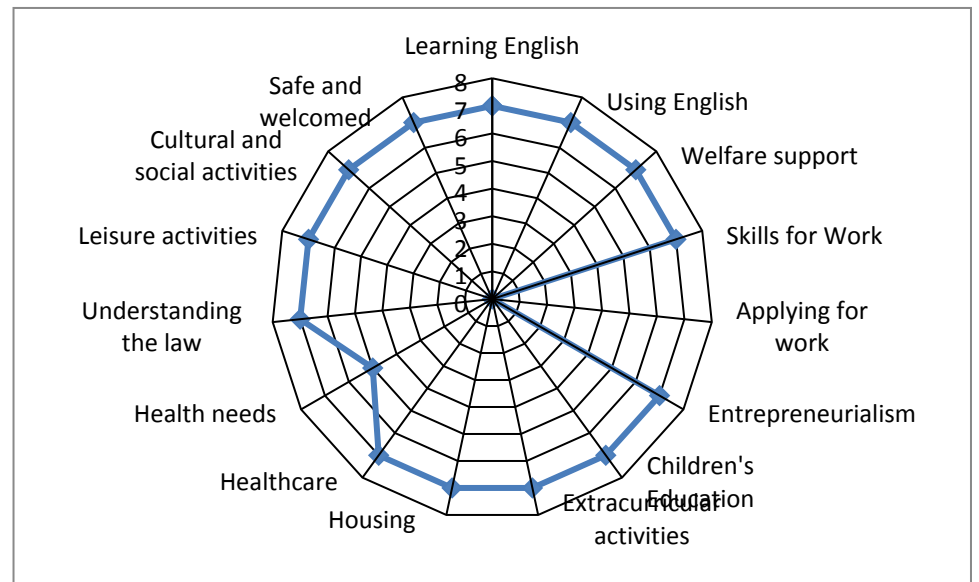
**Family R**



**Family S**



**Family T**





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**ARGYLL AND BUTE COUNCIL****COUNCIL****DEVELOPMENT AND  
INFRASTRUCTURE SERVICES****29 NOVEMBER 2018**

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**3G PITCHES AND PROPOSALS FOR ONGOING MAINTENANCE**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 Several years ago the Council through Leisure Services secured external funding for the installation of 3G pitches across the council area. The pitches were built and arrangements put in place for a number of community groups to take on board the management responsibility of these assets. Over time the community groups dwindled and through use and age the facilities were left in need of refurbishment.
- 1.2 At its June 2016 meeting, the Council earmarked budget for maintenance of 3G pitches across Argyll and Bute. This funding together with funding made available earlier for restoration works at the Tarbert all-weather pitch has been used to refurbish the all-weather pitches and to bring these assets up to an acceptable standard for ongoing use. These works are now substantially complete and following competitive tender returns there is surplus funding available.
- 1.3 At full Council in April 2017 Ernst and Young (EY) undertook an option appraisal to consider the most appropriate operating model for the 3G pitches currently not covered by maintenance and management arrangements. EY considered sustainability, income generation, accountability and governance, community engagement and level of risk. EY recommended that the 3G pitches be transferred to the Leisure Services Charitable Trust.
- 1.4 As part of the wider Leisure Services transfer to a Charitable Trust in 2017, the 3G pitches have now been transferred under licence to Live Argyll to facilitate letting of the facilities by them on behalf of the Council. A further pitch has been transferred under licence to Argyll College. In line with the licence arrangements for building assets utilised by the Trust the council continues to be responsible for the 3G pitch assets in terms of maintenance and improvement with Live Argyll being responsible for the operation of the assets.
- 1.5 This report proposes that the surplus funding be utilised to procure the specialist equipment required to maintain the all-weather pitches and to meet the costs of carrying out the day to day maintenance associated with the pitches for a six and a half years timescale.
- 1.6 Without this equipment there will be continued pressure on Capital budgets to carry out rejuvenations. Significant issues may arise at the 3G sites where it is highly likely that the surfaces would not be able to be maintained in an appropriate state

for playing. There would be a risk that the life expectancy of the 3g would be vastly diminished and also an increased risk of injury form those using the 3G pitches for sport and recreation.

- 1.7 It is recommended that approval be granted for the remainder of the allocation for 3G pitches to be utilised to fund the Council carrying out routine maintenance at the pitches as detailed in Table 1 in paragraph 4.3 and the maintenance frequency detailed in Appendix 1. The available funding providing for 6.5 years of maintenance for the 3G pitches, after which there will be a cost pressure to the Council for continued maintenance.

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**ARGYLL AND BUTE COUNCIL****COUNCIL****DEVELOPMENT AND  
INFRASTRUCTURE SERVICES****29 NOVEMBER 2018**

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**3G PITCHES AND PROPOSALS FOR ONGOING MAINTENANCE**

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**2.0 INTRODUCTION**

- 2.1 This report details the 3G pitches that have been transferred under licence to the charitable trust together with a further pitch which has been transferred under licence to Argyll College. Under the terms of the transfer licence the Council will carry out routine maintenance of the pitches other than the school pitches at Oban and Lochgilphead which are managed under school contracts.
- 2.2 This report proposes that surplus funding originally allocated for 3G pitch enhancements is utilised to fund the Council carrying out routine maintenance at the pitches as detailed in Table 1 in paragraph 4.3 and the maintenance frequency detailed in Appendix 1. When the funding is expended there will be a budget pressure that will need to be met either directly by the council or, should Live Argyll be successful in growing business, through increased income from letting the 3G pitches.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that approval be granted for the remainder of the allocation for 3G pitches to be utilised to fund the Council carrying out routine maintenance at the pitches as detailed in Table 1 in paragraph 4.3 and the maintenance frequency detailed in Appendix 1. The available funding providing for 6.5 years of maintenance for the 3G pitches, after which there will be a cost pressure to the Council for continued maintenance.

**4.0 DETAILS**

- 4.1 Previously the Council had made two allocations of funding for 3G pitches. The first allocation was allocated to resolve deficiencies at the Tarbert pitch in Kintyre and the second allocation having been made to deal with a number of deficiencies across several pitches within Argyll and Bute.
- 4.2 The remedial work was carried out via competitive tender. The rates received were very competitive and as such there is a surplus of funding which is proposed to be used for ongoing maintenance and upkeep of the pitches. The allocation made for 3G pitches being £170,000 for Tarbert and £750,000 for other pitches, a total of



£920,000. Of this allocation some £445,000 has been committed to the repair works at the various sites. This leaves a balance of £475,000.

4.3 The table below details the status of the various 3G pitches across the council area:

Table 1:

<b>Location</b>	<b>Status</b>	<b>Proposed Maintenance</b>
Bendarroch Park Garelochhead	Transferred to Leisure Trust under Licence	ABC Operations team
Dunoon Cages	Transferred to Leisure Trust under Licence	ABC Operations team
Innellan	Managed by Education	Education
Lochnell	Managed by Education	Education
Park Primary	Managed by Education	Education
Tobermory High School	Transferred to Leisure Trust under Licence	ABC Operations team
Croft Park Tarbert	Transferred to Leisure Trust under Licence	ABC Operations team
Aqualibrium Kintyre	Transferred to Leisure Trust under Licence	Maintained by ABC Operations team with re- charge to Live Argyll
Oban High School	Letting Managed by the Leisure Trust	Maintained by Others by schools contract
Lochgilphead Joint Campus	Managed by the Leisure Trust	Maintained by Others via schools contract
Kirkmichael Helensburgh	Transferred to Argyll College Under Licence	ABC Operations team
Dunoon Grammar 1 3G pitch 1 2G pitch	Letting Managed by the Leisure Trust	Maintained by Others by schools contract
Hermitage Academy 1 3G pitch 1 2G pitch	Letting Managed by the Leisure Trust	Maintained by Others by schools contract
Rothesay Joint Campus	Letting Managed by Leisure Trust	Maintained by Others by schools contract
Campbeltown Grammar School 3G pitch to be provided in 2019	Letting to be Managed by Leisure Trust	Maintained by Others by schools contract

4.4 In addition to the above Education are in the process of finalising a procurement process for a new all-weather pitch on Islay. Whilst the details of the maintenance responsibility has yet to be finalised it is envisaged that Live Argyll will carry out the day to day maintenance with ABC's Operations team carrying out more major maintenance works including deep cleaning, topping up crumb/sand levels, mechanical brushing and weed killing. This is included within the quoted costs. There is the potential through discussion with Live Argyll to use the income from this pitch to offset maintenance costs.

- 4.5 The council's Roads and Amenity Operations team will carry out maintenance of the pitches as detailed in Appendix 1 of this report. This will enable resource to be put in place to carry out the various maintenance works and provide an opportunity to develop and train colleagues in maintenance of 3G pitches including training and developing apprentices.
- 4.6 Maintenance frequency is directly related to the amount of usage a 3G surface receives. From the various playing associations and from industry experts typical maintenance frequency is summarised in the Table 2 below. However, due to the low play frequency on the Argyll and Bute pitches being considered in this report, a reduced frequency is recommended in Appendix 1. Whilst this is not ideal it is not considered that this reduced frequency will have any detrimental impact on the overall life of the pitches (Appendix 1 proposes a significantly increased maintenance regime from that previously in place). However, through monitoring of pitch usage and condition it may be necessary for a report to be brought to Members seeking approval of amended maintenance frequencies. Ideally, should pitch use increase then fee income will be available to offset increased maintenance costs. With local control and booking taking place through partner group's accurate usage figures will be available and can be used to monitor use.

Table 2 Maintenance frequency suggested by industry experts.

Playing Hours per week:					
Suggested Maintenance Work	10 Hrs	10-20 Hrs	20-30Hrs	30-40Hrs	Reason:
Litter removal	Daily	Daily	Daily	Daily	Avoid damage by paper, bottles, chewing gum, athletic tap and such
Refilling heavily used areas	Weekly	Weekly	Daily	Daily	Keep rubber infill even and at the right level
Brushing heavily used areas	Weekly	Weekly	Weekly	Daily	Keep fibres in the optimum upright position
Total surface brushing	Biweekly	Biweekly	Weekly	Weekly	Keep surface in perfect condition
Leaves, twigs, moss, weed removal	Weekly	Weekly	Weekly	Weekly	Avoid pollution and beginning compaction
Seams Inspection	Quarterly	Quarterly	Bimonthly	Bimonthly	Avoid field damage by faulty seams
Specialist maintenance	Yearly	Yearly	½ yearly	½ yearly	Maintain playing properties and performance

- 4.7 It is proposed that operatives be trained up to carry out all-weather pitch maintenance and that specialist equipment be procured. Appendix 1 below details the activities and frequencies. The total annual cost for these teams being £66,500 per year. In addition 2 tractors, oscillating brushes and all weather pitch equipment will be required at a cost of £19,100. From the available funding a 6 ½ year maintenance package can be provided for those pitches to be managed by the leisure trust. Where possible area based staff will carry out the maintenance work to reduce travel time and unproductive time. The specialist team will be utilised across only when required to do so.

- 4.8 The maintenance of the 3G pitches will include the activities detailed in the schedule attached at Appendix 1.
- 4.9 Any more significant works, over and above those detailed in Appendix 1 below, would need to be dealt with up as part of property maintenance with bids being made against the capital programme. This being consistent with the asset sustainability and asset improvement arrangements of other assets transferred under licence to the Leisure Trust.
- 4.10 Under the terms of the Leisure Trust, Live Argyll, the recently formed charitable trust is responsible for bookings and day to day operational management of the various pitches. Through this report it is proposed that the Council's Roads and Amenity Operations Team will carry out routine maintenance to include the works and frequencies as identified in Appendix 1.
- 4.11 Under the terms of the licence for the Leisure Trust the Trust facilitate the letting of the pitches at the rates set by council and retain the income. In situations where the Leisure Trust performs well and is able to increase business at the 3G pitches the Council can, from financial year 2021/22 onwards, consider how this increased income to the Leisure Trust, together with other sums, could be taken into account against the annual sum paid to the Trust for provision of its services.
- 4.12 A review of 3G pitches covering the period from 2000 to 2016 by Internal Audit identified a number of weaknesses that should be addressed in any future management arrangements. These included the need to put in place a clear, costed maintenance regime for each site and a need to clearly define responsibilities. The arrangements proposed in this report will address those requirements

## 5.0 CONCLUSION

- 5.1 This report details proposals for carrying out ongoing maintenance work at the 3G pitches listed in Table 1 above utilising council work teams, funded from the remainder of the funding allocated for 3G pitches.

## 6.0 IMPLICATIONS

- |     |                                   |   |
|-----|-----------------------------------|---|
| 6.1 | Policy                            | None  |
| 6.2 | Financial                         | Funded from the remainder of the funding allocated for 3G pitches. Available funding allows for 6&1/2 years maintenance after which there will be a cost pressure to the council. |
| 6.3 | Legal                             | None known  |
| 6.4 | HR                                | Training opportunities for 4 apprentices. 6 new posts are created in total these being on 2 year contracts initially.   |
| 6.5 | Equalities / Fairer Scotland Duty | Access to leisure facilities  |

- |     |                   |  |
|-----|-------------------|--|
| 6.6 | Risk              | Available funding provides 6&1/2 year maintenance cover following which there is a risk of a cost pressure to the council. |
| 6.7 | Customer Services | None   |

**Executive Director of Development and Infrastructure** Pippa Milne  
**Head of Roads and Amenity Services** Jim Smith  
**Policy Leads: Councillor Roddy McCuish**  
October 2018

**For further information contact:**  
Tom Murphy, Operations Manager

**APPENDICES**  
Appendix 1 – Maintenance Activities and Frequencies

**Appendix 1 – MAINTENANCE ACTIVITIES AND FREQUENCIES**

<b>ACTIVITY</b>	<b>Works carried out by</b>	<b>Frequency</b>
Litter/debris Pick	Leisure Trust/Others*	26
Brush	ABC Operations	13
Extreme Clean	ABC Operations	3
Deep Clean (Verti Top 1200)	ABC Operations	4
Moss/algae treatment	ABC Operations	2
Check infill levels	ABC Operations	4
Check High Traffic Areas	ABC Operations	26
Top Up Sand/Rubber	ABC Operations	4
Repair Seam Failures (minor). Allow 3 per year	ABC Operations	Up to 3
Check Fencing & Lighting	Leisure Trust/Others*	6
Ensure Pathways area clear	Leisure Trust/Others*	12
Check Goals/Nets/Dug outs	Leisure Trust/Others*	26
Weedkill Surrounds	ABC Operations	2
Clean Hard Standing	ABC Operations	26
Changing Rooms	Leisure Trust/Others*	Per Occ.

The schedule of activities listed above is an expanded list of that summarised in Table 2 in the main report. The maintenance frequency detailed above is below that recommended by industry specialists. However, given the low level of play this frequency is considered adequate. Should play frequency increase maintenance levels may need to be increased to ensure the longevity of the surface. Typical life expectancy is 10 years. Should changes be required to maintenance frequency a report will be brought to the appropriate Council Committee.

NOT FOR PUBLICATION by virtue of paragraph(s) 6, 9  
of Schedule 7A of the Local Government(Scotland) Act 1973

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