

Public Document Pack

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Corporate Services
Director: Nigel Stewart



Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604444
DX 599700 LOCHGILPHEAD
e.mail –nigel.stewart@argyll-bute.gov.uk

14 August 2008

NOTICE OF MEETING

A meeting of the **EXECUTIVE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 21 AUGUST 2008** at **10:00 AM**, which you are requested to attend.

Nigel Stewart
Director of Corporate Services

BUSINESS

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2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES**
 - (a) Argyll and Bute Community Planning Partnership 14 March 2008 (Pages 1 - 4)
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 - (c) Executive 19 June 2008 (Pages 9 - 20)
4. **LEADER'S REPORT**
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5. **ARTS, CULTURE, LEISURE AND SPORT**
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15. **CARBON MANAGEMENT PROGRAMME**
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16. **MARINE LEISURE**
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17. **FUNDING OF HITRANS REGIONAL TRANSPORT PARTNERSHIP - 2008/09**
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19. **STRAMASH SOCIAL ENTERPRISE PROGRESS REPORT**
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20. **SCOTTISH GOVERNMENT'S AFFORDABLE HOUSING INVESTMENT PROGRAMME 2008/2009**
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- 21. KEY HOUSING ISSUES FOR ARGYLL AND BUTE 2008/2009**
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- # **22. USE OF CAPITAL RECEIPTS FROM THE SALE OF LOCHGILPHEAD HIGH SCHOOL**
Report by Director of Community Services (Pages 295 - 300)
- # **23. NPDO SCHOOLS PROJECT PROGRESS REPORT**
Report by Director of Community Services (Pages 301 - 306)
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- E1 29. KERRERA LODGE AND CAWDER PLACE, OBAN - FUTURE DEVELOPMENT**
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EXECUTIVE

Maureen Arthur
Councillor Robin Currie
Fiona Fisher
Charlotte Hanbury
Councillor Donald Kelly
Councillor Robert Macintyre
Councillor Donald McIntosh
Alison Palmer
Councillor James Robb
Councillor Len Scoullar
Councillor Dick Walsh

Jane Brown
Councillor Vivien Dance
Councillor George Freeman
Councillor Alison Hay
Councillor Donald Macdonald
Councillor Duncan MacIntyre
Councillor Ellen Morton
Councillor Douglas Philand
Councillor Elaine Robertson
Councillor Isobel Strong

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ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP

MINUTES of MEETING held in the COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD
on FRIDAY, 14th March 2008**Present:**

Councillor Dick Walsh (Chair)
 Andrew Campbell, Scottish Natural Heritage
 Raymond Park, Strathclyde Police
 Eileen Wilson, Argyll and Bute Community Planning Partnership
 Brian Barker, Argyll and Bute Council
 James McLellan, Argyll and Bute Council
 Andy Law, Argyll and Bute Council
 Susan Dawson, Argyll and Bute Council
 Roanna Taylor, Argyll and Bute Council – Young Scot/Dialogue Youth
 Gordon Anderson, Strathclyde Police, Local Authority Liaison Office

John Ironside, Strathclyde Fire and Rescue
 Geoff Calvert, Strathclyde Fire and Rescue
 Elaine Garman, NHS Highland
 Alan Murray, SPT
 John Reid, Jobcentre Plus
 Jim Lynch, Jobcentre Plus
 Ken Abernethy, HIE Argyll and the Islands
 Cllr George Freeman
 Margaret Fyfe, Argyll and Bute Council
 Donald McNeill, Forestry Commission
 Alex Robertson, Communities Scotland

Apologies:

Carl Olivarius, Argyll and Bute Council
 John Davidson, Islay and Jura CVS (Council for Voluntary Services)
 Ian McFadyen, Argyll and Bute Council
 Derek Leslie, NHS Highland

Alasdair Oatts, Argyll and Bute Care and Repair
 Jim Frame, SEPA
 Hugh Donaldson Initiative at the Edge
 Cllr Robert Macintyre
 Alan McDougall, Fynehomes
 David Dowie, Communities Scotland

1. WELCOME

Councillor Dick Walsh welcomed everyone to this meeting and invited everyone present to introduce themselves. Councillor Walsh gave an overview of the Council budget, stating that it is now aligned to the Corporate Plan. The three year Statement of Intent is also complete incorporating the Service Plans and Financial Strategy.

2. MINUTES OF THE MEETING HELD ON 9th November 2007

The Minutes of the meeting held on 9th November 2007 were accepted as an accurate record with the addition of apologies from Cllr George Freeman.

3. MATTERS ARISING**Sustainability Seminar**

Eileen informed the meeting that the Sustainability Seminars were developing well.

DRIVESafe

Partners should have received letters requesting financial support.

It was suggested that the DRIVESafe initiative could be moved from the Health and Wellbeing group to the Community Safety Partnership.

Migrant Workers

A steering group has been formed as agreed and will be asked to submit a report to the next meeting.

Partnership Feedback

This is currently taking shape and a refreshed contracts database will be produced.

New Licensing Forum

Further work needs to be done in this area.

Single Outcome Agreement

Work is continuing, the deadline for submission to the Scottish Government is 28th March 2008.

Citizen's Panel

A further up-date will be available in today's meeting.

4. UPDATE ON MANAGEMENT COMMITTEE MEETING HELD ON 28th November 2007 and 6th February 2008

Raymond Park gave updates on both Management Committee meetings.

MATTERS ARISING – 6th February 2008

Post Office Closures

Strathclyde Police are in the infancy of looking at a Fife model with a view to use Inveraray Post Office for some Police work.

Engaging Young People

The Youth Forum didn't meet as planned due to support workers ill health, the date for the first Youth Focus meeting is now 17 June 2008. Two young people will be invited from that meeting to attend the next Community Planning Full Partnership meeting. The Young People will be supported by Roanna Taylor (Young Scot/Dialogue Youth Co-ordinator)

Migrant Workers

Continuing to discuss and develop. John Reid (Jobcentre Plus) felt that this was something they could input into.

Fairer Scotland Fund

Work is continuing.

Local Community Plan

Work is continuing.

Strathclyde Police

Strathclyde Police are undertaking a feasibility study looking at boundaries with the intention that Superintendents take on a larger area. It is anticipated that Helensburgh and Lomond would go to Raymond Park along with Argyll and Bute.

A possible outcome is expected in June 2008

The Chief Constable is to visit on 8 April 2008

DRIVESafe

Strathclyde Fire and Rescue made the Partners aware that they can offer funding for the next financial year only. DRIVESafe needs a further and more solid operating mode,

Up-coming Changes

There followed a general discussion regarding the up-coming changes that mainly surround Communities Scotland and the Enterprise Companies. This will result in more power going to the Scottish Government – housing included (except Community Regeneration), this could mean that the Scottish Government becomes a Partner of the CPP.

It was noted personnel will remain unchanged and Communities Scotland are happy to continue as an observer within the CPP for the time being.

This notion was welcomed by Cllr Walsh, Cllr Freeman and Brian Barker.

Further discussion continued surrounding HIE – outlining that in future it will operate as one organisation with guidance from the Scottish Government.

HIE will continue to be a full partner of the CPP. Cllr Walsh noted the appreciation of Partnership working and relationship developing.

5. PUBLIC SERVICE REFORM – THE FUTURE OF COMMUNITY PLANNING

Public Service Reform gives direction to the importance of working in Partnership and the importance of Communities, as a Partnership it is generally felt that we are moving in the right direction.

The Community Planning Partnership should measure themselves, and the vehicle for doing this is the SOA

The Scottish Government sees Community Planning as taking an increasing lead role, with third sector bodies, and now there is a section within the Scottish Government devoted to the third sector, but more development is required.

With the Scottish Government pushing economic development, community engagement and empowerment, especially in rural areas, this can come through Community Planning.

Action Point – Paper for Noting

6. FAIRER SCOTLAND FUND AND SINGLE OUTCOME AGREEMENTS

FAIRER SCOTLAND FUND

A presentation was given by Margaret Fyfe and Susan Dawson who informed the Partners that they have been working on a FAB plan – (Fairer Argyll and Bute).

The FSF gives us all a great opportunity to use our resources better and develop a strategic approach and focus.

It is widely acknowledged that poor health and poverty are linked together, NHS Highland are currently developing a strategy for health and equalities. As a Partnership, this needs to be explored and clarified. It is thought that this may be administered through the Health and Wellbeing Group.

As much ring fencing will be removed the intention is now to streamline and de-clutter. It is apparent that the Community Planning Partnership has challenges ahead, yet these will present opportunities for the Partnership to work closer together and embrace “positive” change, as every organisation and partner, including the third sector, has a responsibility and by moving towards a thematic approach this should result in greater economic, social and service delivery benefits.

George Freeman asked if there is an opportunity to widen the remit and form better connections with other funds, therefore become more strategically connected. It was explained that the first year is a transitional one.

Andy Law enquired about the allocation and flexibility of funding for 2009/10. Projects have been told priorities may have to change to reflect funding and people are under contract. It was explained that the first year is fully committed but years two and three are flexible.

It was felt that this process needs a group to develop it sensitively but with an open dialogue, focus more on Health and Equalities issues and to continually report back to the Community Planning Partnership, ultimately an “evidence” based approach must be taken.

The deadline for the submission is 28th March and Partners were requested to come forward with relevant information pertaining to their Organisations as soon as possible.

Geoff Calvert expressed a concern that the transition from the Community Regeneration Fund to the Fairer Scotland Fund might lead to a thinner spread of resources. He was reassured that the group forming to oversee the transition would make recommendations based on need and that the work of existing groups/partnerships would not be lost in the process.

Action Point – Continue to work through this with an open dialogue and Eileen Wilson to report back to the CPP

SINGLE OUTCOME AGREEMENT

The date for submission is 28th March 2008.

For the first year Council's will have very little scope for flexibility as much of the funding is already allocated. Recommendations for years two and three will be considered by the Community Planning Partnership. The intention is for Partners to work together to ensure best use of funding available.

Action Point – Endorse this as Work in Progress

7. COMMUNITY LEARNING AND REGENERATION

Community Learning and Regeneration will be affected by the transition from CRF to the Fairer Scotland Fund. It's Strategy will be in line with the FSF, the Council's Plan and to develop firmer links with the Community Planning Partnership and it's priorities.

Action Point – agreed to note

8. INITIATIVE AT THE EDGE

Intending to meet James McLellan at the forth-coming Cosla meeting on 25th April 2008. Discussions needed to explore how the two latE areas and Argyll and Bute Council can develop and go forward in the future, including exploring funding avenues.

Action Point – Item on next agenda

9. PARTNERSHIP ISSUES

CPP Review

Today is the deadline for the reviews to be submitted by. Existing databases will be refreshed shortly.

10. CITIZEN'S PANEL

Interviews have taken place for the new 3 year Tender contract. Confirmation will be available later today.

Action Point – Report to next Management Committee Meeting (19 March 08)

11. VOLUNTARY SECTOR PROTOCOL

Glenn Heritage volunteered to start work on the Voluntary Sector Protocol. The paper presented requested support from the Community Planning Partnership for the Volunteer Awards. It is hoped that the Voluntary Sector will come forward with an agreement outlining how the Community Planning Partnership and the Voluntary Sector can work together.

Action Point – Part 1 of the paper agreed.

12. AOCB

No other business

13. DATE OF NEXT MEETING

4th July 2008 in the Council Chamber's Kilmory

**MINUTES of MEETING of SPECIAL COMMITTEE FOR OLDER PEOPLE'S SERVICES held in
the DESIGN ROOM, KILMORY, LOCHGILPHEAD
on TUESDAY, 24 JUNE 2008**

Present: Councillor Dick Walsh (Chair)

Councillor George Freeman
Councillor Donald McIntosh

Councillor Ellen Morton
Councillor Gary Mulvaney

Also Present: Councillor Elaine Robertson

Attending: Shirley MacLeod, Area Corporate Services Manager
Jim Robb, Head of Service – Adult Care
Sandra Greer, Head of Community Support

Apologies: Councillor Robert Macintyre Councillor Len Scoullar

1. DECLARATIONS OF INTEREST

None declared.

2. MINUTES

The Minutes of the Special Committee for Older People's Services of 11 April 2008 were approved as a correct record.

3. PROPOSALS FOR ONGOING COMMUNICATION WITH STAKEHOLDERS

Following consideration of the Public Consultation exercise on the Future of Older People's Services, the Project Board at its meeting on 11 April 2008 agreed that ongoing communication with stakeholders was essential. A report detailing the proposal for taking this forward was considered.

Decision

To approve the proposals to enable continuing communication on the option appraisal for older people services, with stakeholders including the public.

(Reference: Report by Director of Community Services dated 27 May 2008, submitted)

4. THE FUTURE OF EADAR GLINN

A report recommending an options appraisal in relation to the current use of Eadar Glinn care home in Oban was considered.

Decision

To note that the Project Board had approved the recommendations detailed in the report.

(Reference: Report by Director of Community Services, tabled)

5. REVISED REMITS FOR PROJECT BOARD AND PROJECT TEAM

A report making recommendations on proposals for reviewing the structure of the Project Board and Project Team and for progressing the Review of Older People Services to its conclusion was considered.

Decision

1. To note the considerable work and effort undertaken by the Project Team in progressing the Review of Older People services to date;
2. To approve the remit of the Project Board as detailed at paragraph 2.2 of the report;
3. To approve the alteration of the membership of the Project Board to reflect that contained in Appendix 1 of the report subject to the following amendment –

To note that Jim Robb and David Logan would not be members of the Project Board but would continue to attend these meetings as advisors to the Board.;
4. To approve the remit of the Project Team as detailed at paragraph 2.4 of the report;
5. To approve the membership of the Project Team as detailed in Appendix 2 of the report subject to the following amendment –

Chris Dalgarno-Platt to be added to the membership of the Project Team.
6. To instruct the Project Team, as reconstituted in terms of paragraphs 2.4 and 2.5 of the report –
 - (a) To review and assess the data collected in any options appraisals previously undertaken;
 - (b) To revert to the Project Board with recommendations on the objectives of, and methodology for, an options review of Older People Services, in terms of the formulated remit as detailed in paragraph 2.2 of the report;
 - (c) To report back to the Project Board recommending a timescale within which the options appraisal will be completed for each element of the service and the results and recommendations submitted to the Board and Special Committee for approval;
 - (d) Once the Board and Special Committee have identified a preferred solution, to recommend to the Board a timescale for implementation and evaluation of the preferred solution; and
7. To approve the attendance of Councillor Elaine Robertson at meetings of the Project Board and the Special Committee as an observer.

(Reference: Report by Director of Community Services dated June 2008, submitted)

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

6. PROPOSAL FOR USE OF SHELTERED HOUSING FOR THE DEVELOPMENT OF PROGRESSIVE CARE PILOTS

As part of the Expressions of Interest sought for Older People's Services in July 2007, contact was made with providers of Sheltered Housing to ascertain their interest in developing Sheltered Housing complexes to offer Progressive Care facilities. A report advising on developments with this was considered.

Decision

To agree that the scoping out of 3 pilots be progressed.

(Reference: Report by Director of Community Services dated 29 May 2008, submitted)

7. VALEDICTORY

The Chair advised that Sandra Greer was retiring from the Council on 27 June 2008 and, on behalf of the Committee, expressed his appreciation of all her hard work carried out for the Council over the years and wished her well for a long and happy retirement.

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**MINUTES of MEETING of EXECUTIVE held in the COUNCIL CHAMBER, KILMORY,
LOCHGILPHEAD
on THURSDAY, 19 JUNE 2008**

Present: Councillor Dick Walsh (Chair)

Councillor Robin Currie	Councillor James Robb
Councillor Vivien Dance	Councillor Elaine Robertson
Councillor George Freeman	Councillor Len Scoullar
Councillor Alison Hay	Councillor Isobel Strong
Councillor Donald Kelly	Maureen Arthur
Councillor Duncan MacIntyre	Jane Brown
Councillor Robert Macintyre	Fiona Fisher
Councillor Ellen Morton	Alison Palmer
Councillor Douglas Philand	

Also Present:

Councillor Rory Colville	Councillor Donald MacMillan
Councillor Anne Horn	Councillor Alex McNaughton
Councillor Alister MacAlister	Councillor James McQueen
Councillor John McAlpine	Councillor Andrew Nisbet
Councillor Neil Mackay	Councillor Al Reay

Attending:

James McLellan, Chief Executive
 Charles Reppke, Head of Democratic Services and Governance
 George Harper, Director of Development Services
 Douglas Hendry, Director of Community Services
 Danny Longwill, Head of Personnel Services
 Stewart Turner, Head of Roads and Amenity Services
 Dougie Dunlop, Head of Children and Families
 Judy Orr, Head of ICT and Financial Services
 Brian Barker, Policy and Strategy Manager
 Arthur McCulloch, Principal Engineer, Road and Amenity Services
 Fergus Murray, Development Policy Manager, Planning Services

Apologies: Councillor Donald Macdonald Councillor Donald McIntosh

Prior to consideration of the following business, it was noted that there had been a serious fire at Jutland Court in Helensburgh the previous evening and, although there were no casualties, a number of families were now homeless. The Leader of the Council agreed to liaise with the Director of Community Services to make sure assistance for the families involved was made a priority.

The Chair ruled, and the Executive agreed, to vary the order of business to allow the report on Bruichladdich Pier to be discussed in private. This report is dealt with at item 26 of these Minutes.

The Chair ruled, and the Executive agreed, that the business at item 25 of these Minutes be taken as a matter of urgency in order to agree the appointment of a Member to a COSLA Task Group.

1. DECLARATIONS OF INTEREST

None declared.

2. MINUTES

(a) EXECUTIVE 15 MAY 2008

The Minutes of the Executive of 15 May 2008 were approved as a correct record.

(b) EDUCATION JOINT NEGOTIATING COMMITTEE 16 MAY 2008

The Minutes of the Education Joint Negotiating Committee of 16 May 2008 were noted.

It was agreed to make available to Members a copy of the report on Teacher Competence which was discussed at this meeting.

3. ARGYLL AIR SERVICES

The Head of Roads and Amenity Services gave a presentation and updated Members on the Argyll Air Services project which, after many years, saw the services from Oban to Coll, Colonsay and Tiree commence on Monday 16 June 2008.

Decision

1. To note the contents of the report;
2. To congratulate everyone involved for all their hard work in delivering this project;
3. To note the concern of the Local Member in respect of the cost of the fares and to agree that a report be prepared for a future meeting of the Executive advising on possible ways of reducing these fares for the residents of Coll, Colonsay and Tiree.

(Reference: Report by Director of Operational Services dated 16 June 2008, submitted)

4. LEADER'S REPORT

The Leader of the Council submitted a report which highlighted issues which he had recently been involved with including:-

Visits to Thomson Court, the Joint Campus and the Social Work Office in Rothesay on 28 April 2008; Visits to Lochgilphead Joint Campus and Ardrishaig Primary School on 30 April 2008 which included an introduction to the Heartstone Project; a visit to Gortonvogie and Port Charlotte Primary School, Islay on 12 May 2008; his attendance at the Homecoming meeting on 15 May 2008; his attendance at the Scottish Building Federation in Inveraray on 20 May

2008; and his attendance at the Third Sector Meeting on 21 May 2008.

Decision

To note the contents of the report for the period 28 April to 23 May 2008.

(Reference: Report by Leader of the Council, submitted)

5. EDUCATION AND LIFELONG LEARNING

The Spokesperson for Education and Lifelong Learning submitted a report which highlighted issues she had recently been involved with including:-

Her attendance at the Oban High School Senior Prize Giving on 28 April 2008; her attendance with the Leader of the Council at an exhibition and dance workshop co-ordinated by the Heartstone Odyssey Project on 30 April 2008; the appointment on 7 May 2008 of Robert Grant to succeed Ronnie Gould as Head of Secondary Education and Pupil Support; her attendance at the official opening of Lochgilphead Joint Campus on 9 May 2008; Schools on Board, an outreach program of ArcticNet, a Network of Centres of Excellence of Canada, bringing together international researchers to examine the impacts of environmental change on Canada's coastal Arctic; her attendance at the Education Joint Negotiating Committee on 16 May 2008; and the Scottish Education Awards.

Decision

1. To note the contents of the report; and
2. To note that the Provost would be officially recognising the 5 finalists and 2 winners of the Scottish Education Awards at the next Council meeting.

(Reference: Report by Spokesperson for Education and Lifelong Learning dated June 2008, submitted)

6. SOCIAL SERVICES

The Spokesperson for Social Services submitted a report which highlighted issues which he had recently been involved with including:-

His attendance at the Community Services Social Work Awards Ceremony on 4 April 2008; his attendance at the Project Board for the Future of Older People's Services on 11 April 2008; a visit to Islay on 23 April 2008 to meet with the IDEAS Group; his attendance at a meeting of the COSLA Health and Wellbeing Executive Group on 30 April 2008; and his attendance at the ADSW Annual Conference in Crieff on 14 to 16 May 2008.

Decision

1. To note the contents of the report; and
2. To agree that the feedback received on the consultation on the Future of Older People's Services be made available to Members.

(Reference: Report by Spokesperson for Social Services dated June 2008, submitted)

7. PERSONNEL SERVICES ANNUAL REPORT 2007/2008

The Personnel Services Annual Report for 2007 – 2008 was before the Executive for consideration.

Decision

1. To note the contents of the Annual Report for 2007 – 2008;
2. To agree that a report be brought to a future meeting of the Executive advising on what departments are doing to attract Planners, Lawyers, Social Workers etc to Argyll and Bute and what mechanisms are in place to provide training in these areas of expertise locally;
3. With reference to the recruitment pages of the Council's website, to note that problems were being experienced in navigating around the new layout of the website and that this will be looked at by the Customer First Board; and
4. To agree that a report be brought to a future meeting of the Executive advising on what specific actions have been taken within departments to rebuild relationships with staff following the outcome of the Single Status exercise.

(Reference: Personnel Services Annual Report 2007-2008, submitted)

8. ATTENDANCE MANAGEMENT 2007/2008

A report providing information on the levels of sickness absence for the Council workforce for the period April 2007 – March 2008 was considered.

Decision

1. To note the contents of the report and the figures outlined in Appendices 1 to 5;
2. To agree to continue to monitor attendance in accordance with the Managing Attendance Policy and Stress Reduction Policy;
3. To agree that the Attendance Management information provided on a quarterly basis to Departmental Management Teams be reported to Area Committees/Business Days on a quarterly basis; and
4. To instruct the Director of Community Services to look at the reintroduction of Stress Awareness Courses for teaching staff.

(Reference: Report by Head of Personnel Services dated June 2008, submitted)

Councillor Donald MacMillan left the meeting at 12.40 pm.

Jane Brown left the meeting at 12.50 pm.

9. CORPORATE HEALTH AND SAFETY PLAN 2008-2011

A report outlining the contents of the Corporate Health and Safety Plan for 2008-2011 which details the Corporate objectives for the period and includes the Departmental objectives was considered.

Decision

1. To endorse the plan and support the actions required to achieve the objectives and expected outcomes; and
2. To note that the Health and Safety Executive have been invited to make a presentation to a future Council Business Day

(Reference: Report by Chief Executive and Corporate Health and Safety Plan for 2008-2011, submitted)

10. CORPORATE PLAN MONITORING TO 31 MARCH 2008

A report outlining progress to the end of March 2008 on the Corporate Plan agreed in September 2007 was considered.

Decision

1. To note the progress on the Corporate Plan;
2. To agree that Section C1 of the Plan should be amended to read "Funding to maintain and improve the road network";
3. To agree that Section C5 of the Plan should make reference to the Council decision on an alternative to the Road Equivalent Tariff (RET); and
4. To agree that more information is required at Section C8 of the Plan to reflect the Shared Services agenda and partnership working with the Health Service;

(Reference: Report by Chief Executive dated 19 May 2008, submitted)

The Chair ruled, and the Executive agreed to adjourn the meeting at 1.05 pm for lunch and reconvene at 1.45 pm.

Councillors McAlpine, Robert MacIntyre, Mackay and McNaughton did not return to the meeting.

Maureen Arthur, Fiona Fisher and Alison Palmer did not return to the meeting.

11. BEST VALUE STRATEGY 2008

As part of the Best Value Improvement and Development Plan of 2006, a Best Value Strategy was adopted by the Strategic Policy Committee on 22 March 2007. An update of this Strategy was before the Executive for consideration.

Decision

To approve the updated Best Value Strategy.

(Reference: Report by Chief Executive Unit's and Best Value Strategy 2008, submitted)

12. PUBLIC PERFORMANCE REPORTING STRATEGY

The need to improve was identified in the Audit of Best Value and Community Planning published in February 2006, and again in the Follow-up Report of August 2007. A draft of The Public Performance Reporting Strategy, which aims to close the relevant action point from the latter report, was before the Executive for consideration.

Decision

To approve the Public Performance Reporting Strategy.

(Reference: Report by Chief Executive's Unit, submitted)

13. SINGLE STATUS JOB REDUCTION MONITORING REPORT

A report summarising the job reductions achieved by the end of March 2008 in order to fund the cost of implementing Single Status was considered.

Decision

To note the position as at the end of March 2008.

(Reference: Report by Head of Strategic Finance dated 14 May 2008, submitted)

14. POLICY AND PERFORMANCE GROUP WORK PROGRAMMES

(a) ECONOMY POLICY AND PERFORMANCE GROUP

The Economy Policy and Performance Group has been progressing with its work programme as agreed by the Executive and will provide its next update report in August 2008.

Decision

To note that the update on the work programme of the Economy Policy and Performance Group will be submitted to the Executive meeting in August 2008.

(Reference: Report by Chair of Economy PPG dated 27 May 2008, submitted)

(b) ORGANISATIONAL DEVELOPMENT POLICY AND PERFORMANCE GROUP

The Organisational Development Policy and Performance Group has been

progressing with its work programme as agreed by the Executive and will provide its next update report in August 2008.

Decision

To note that the update on the work programme of the Organisational Development Policy and Performance Group will be submitted to the Executive meeting in August 2008.

(Reference: Report by Chair of Economy PPG dated 27 May 2008, submitted)

15. AREA CAPITAL RECEIPTS

The Executive considered a recommendation from the Mid Argyll, Kintyre and Islands Area Committee of 7 May 2008 in respect of Area Capital Receipt Monies.

Decision

To note the recommendation from the Mid Argyll, Kintyre and the Islands Area Committee regarding long term funding for Events and to agree that this issue would need to be considered during the next Budget process.

(Reference: Extract from Minutes of Mid Argyll, Kintyre and the Islands Area Committee 7 May 2008 and report by Head of Strategic Finance dated 22 April 2008, submitted)

16. ADULT PROTECTION COMMITTEE

A report advising Members of the implications of the Adult Support and Protection (Committee) Act 2007 and the requirement to establish an Adult Protection Committee was considered. A recommendation to approve the establishment of the Adult Protection Committee from the Social Affairs Policy and Performance Group of 9 June 2008 was also considered.

Decision

1. To approve the formation of an Adult Protection Committee as detailed in the report subject to Community Services clarifying the financial implications for the Council; and
2. To note that one of the first tasks for the Committee will be to determine membership including consideration of representation from organisations such as the Advocacy Service.

(Reference: Extract from Minutes of Social Affairs PPG 9 June 2008 and Report by Director of Community Services dated 6 May 2008, submitted)

17. SERVICES TO CHILDREN LOOKED AFTER BY THE AUTHORITY

A report summarising developments in respect of children who are looked after by the authority and identifying areas for further development in improving the

care the authority gives to the most vulnerable children was considered.

Decision

1. To note the launch of the redesigned Foster Care Scheme from 1 May 2008;
2. To note the recent events in relation to Throughcare & Aftercare and Corporate Parenting and the continued development of services to looked after children; and
3. To agree the action plan detailed in the report.

(Reference: Report by Director of Community Services, submitted)

18. ALL OF SCOTLAND GROUP 2014

The Executive considered an invitation received from COSLA to nominate an Elected Member to serve on the All of Scotland Group 2014 which has been set up to spread the benefits of the Glasgow Commonwealth Games 2014 throughout the rest of Scotland.

Decision

To appoint the Depute Spokesperson for Arts, Culture, Leisure and Sport to represent the Council on this Group.

(Reference: Report by Director of Corporate Services dated 19 May 2008, submitted)

Councillor McQueen left the meeting at 2.35 pm.

19. HERE WE ARE, CAIRNDOW

A report requesting Members to consider giving financial support to the Social Enterprise, Here We Are at Cairndow was considered.

Decision

1. To agree that £10,000 funding support be given to Here We Are and that a further report be brought to the Executive detailing the Organisation's Business Plan and detailed financial circumstances;
2. To agree that the funding should be found from any additional planning fee income in 2008/09 and from savings in the Development Services Revenue Budget; and
3. To agree that the report referred to at paragraph 1 above should also investigate gradual phased down funding for future years for the Organisation.

(Reference: Report by Director of Development Services dated 11 June 2008, submitted)

Councillor Dance left the meeting at 2.50 pm.

Councillor Colville left the meeting at 3.00 pm.

20. ROAD CONDITION SURVEY ARGYLL AND BUTE

A report providing information regarding the Road Condition Survey in 2007/08 and indicating that Argyll and Bute Council's roads are now ranked 32 nationally was considered.

Decision

To note the report and that the Spokesperson for Transportation will be meeting with relevant Scottish Ministers and local MSPs to press for funding for the road network.

(Reference: Report by Director of Operational Services dated 28 May 2008, submitted)

Councillor Donald Kelly left the meeting.

*** 21. A FAIRER LOCAL TAX FOR SCOTLAND: SCOTTISH GOVERNMENT CONSULTATION**

A draft response to the Scottish Government Consultation entitled "A Fairer Local Tax for Scotland" was before the Organisational Development Policy and Performance Group on 29 May 2008 and a number of changes were made and incorporated into the draft response which is now presented to the Executive for further consideration.

Decision

To agree to refer the report without recommendation to the Council meeting on 26 June 2008.

(Reference: Report by Head of ICT and Financial Services dated 11 June 2008, submitted)

22. CONSULTATION ON DRAFT MODEL SCHEME OF ESTABLISHMENT OF COMMUNITY COUNCILS AND DRAFT CODE OF CONDUCT FOR COMMUNITY COUNCILLORS

A report setting out a proposed response to the Scottish Government Consultation on the Scheme of Establishment of Community Councils and Draft Code of Conduct was considered.

Decision

To agree to respond to the consultation as detailed in the report and the attached appendices to the report prepared by the Head of Democratic Services and Governance subject to the following amendments:-

1. With reference to the consultation questionnaire on Model Scheme of

Establishment of Community Councils –

- (a) The answer to question 7 should be “neither appropriate or inappropriate”;
 - (b) The answer to question 8 should be “ Not applicable”;
 - (c) The answer to question 9 should be “neither agree nor disagree; and
2. Subject to an additional comment being included surrounding the issue regarding the lack of contested elections within Community Councils.

(Reference: Report by Head of Democratic Services and Governance, submitted)

23. FOREST ENTERPRISE SCOTLAND FRAMEWORK STRATEGIC PLAN 2008-2013: DRAFT FOR CONSULTATION

The Council has been consulted on the Forest Enterprise Scotland Framework Strategy Plan 2008 – 2013 and the associated Forest District Strategic Plans which relate to proposed strategy for and actions on the national forest estate. A report setting out the main points and draft response to the Forestry Commission on this Consultation was considered.

Decision

- 1. To note the contents of the report; and
- 2. To agree the response to this consultation as set out in Appendix A of the report subject to the answer to question 10 making reference to the Local Housing Strategy.

(Reference: Report by Director of Development Services dated 27 May 2008, submitted)

24. NATIONAL PARK LOCAL PLAN ISSUES REPORT

A report summarising the main issues contained within the Loch Lomond and The Trossachs National Park Local Plan Issues Report and providing Members with an opportunity to comment on the proposed response to the questions raised was considered.

Decision

- 1. To note the contents of the report; and
- 2. To agree that Appendix A attached to the report be forwarded to the Local Lomond and The Trossachs National Park Authority as Argyll and Bute Council’s response to the consultation on the National Park Local Plan Issues Report.

(Reference: Report by Director of Development Services, submitted)

25. COSLA TACKLING ANTI-SOCIAL BEHAVIOUR TASK GROUP

An invitation has been received from COSLA to the Leader of the Council to nominate an Independent Member to sit on the re-established COSLA Tackling Anti-Social Behaviour Task Group

Decision

To agree to appoint Councillor Douglas Philand, Depute Spokesperson for Arts, Culture, Leisure and Sport to sit on the Task Group.

(Reference: Report by Director of Corporate Services dated 17 June 2008, submitted)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8, 9 and 12 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

26. BRUICHLADDICH PIER

A report setting out the current status of Bruichladdich Pier with regard to dredging issues was considered.

Decision

To agree the recommendations set out in the report and that a progress report be brought to the next meeting of the Executive.

(Reference: Report by Director of Operational Services dated 16 June 2008, submitted)

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LEADER'S REPORT: 23rd May - 25th July 2008

ARGYLL AND BUTE COUNCIL EXECUTIVE MEETING: 21 August 2008**Council tax collections**

Council tax collections to end of June for 2008/9 are 29.39% - up 0.06% on last year. This is virtually identical to the position at the end of May. The reason for the slight decline is probably due to 31st May being a Saturday this year with no cash being received that day. The first warrant for the new year has gone to our sheriff officers on 17 June – slightly earlier than last year. The amount of debt on the warrant has increased to £2.73m from last year's £2.57m – up 6.6% whereas we have only increased our net billed by 2.45%.

Collections for the 2007/08 year are now 96.07% up 0.04% on last year's at this time. This is up from the position at the end of May where we were up only 0.02%. June's sheriff officer collections were back on track after a very poor May. Staff met with them on 14 July to discuss their performance which is cumulatively 5% down this year on last year despite them having agreed a target up 7%. They remain confident of meeting the target but given the economic downturn we will be very pleasantly surprised if that is the case. We are working on our tender and Western Isles and Aberdeenshire Council and Highland Council are all keen to collaborate on this.

Collections of Non-Domestic Rates to the end of June for 2008/9 are 41.25%, 0.64% up on this time last year, up from 0.41% increase at end of May. Collections for 2007/8 are 98.44%, on track for reaching our 99% target.

30 May, COSLA Leaders Meeting**Statutory Protection for Local Government**

At the COSLA Leaders Meeting on Friday 30th May, the first item on the agenda related to "Statutory Protection for Local Government". The purpose of the report was to provide a framework for a discussion on the issue for local Government.

The paper under discussion set out the proposals to develop Statutory Protection to enshrine the functions and structure of Local Government in Statute in such a way that would limit or make more difficult the ability of future parliaments to alter that structure without the agreement of Local Government.

At the meeting Leaders were invited to contribute to a discussion on how statutory protection for Local Government could be taken forward. The Leaders agreed to the above and the issue is being progressed in an agreed direction

Planning

Planning was the next item on the agenda with Leaders being asked to consider how best to progress cohesion and effectiveness of the Planning System across the Public Sector. It was agreed that COSLA and the Scottish Government would jointly host an event to identify issues affecting Local Authorities and the Planning System with a view to improve cohesion and effectiveness.

Early Years Framework

The next paper presented to COSLA Leaders was the Early Years Framework. The main purpose of this was to provide Leaders with an up-date on progress towards developing the Early Years Framework.

The Report provides an update on progress in relation to the Early Years Framework. It highlights the significance of this work-stream as being one of the first examples of joint policy development between COSLA and the Government. The Report also highlights the framework as being an opportunity to fundamentally change how we tackle inequality and poor outcomes.

The policy is seen as being long-term covering the next ten years with a number of short-term goals within this. It highlights the crucial issue of the transfer of resources for current service demand to early intervention and that this transition requires “decisions to be taken that have a profound and long term effect on service delivery”.

Leaders accepted recommendations to;

- i) Discuss a joint presentation by COSLA and the Scottish Government on the Early Years Framework and
- ii) Note the joint approach to policy development of both COSLA and the Scottish Government

Free Personal Care

The purpose of Free Personal Care paper was to update Leaders on recent developments in relation to the work being taken forward by COSLA on this issue. The report has three primary objectives: first, it provided an assessment of Lord Sutherland's Review of Free Personal Care; second, it described the progress COSLA had made with the Government to stabilise the policy; and third it set out COSLA's forward activity regarding the policy issues requiring additional attention.

Leaders accepted recommendations to:-

- i) Note the publication of Lord Sutherland's Review of Free Personal Care
- ii) Endorse the settlement agreed by Group Leaders, the Presidential Team and the Health and Wellbeing Spokesperson
- iii) Within that, accept the Government's offer to provide Councils with an additional £40m per annum to address the funding deficit
- iv) Consider whether the proposed framework supports the strategic interests of Local Government
- v) Note COSLA's rebuttal of Parliament's recommendation that all Councils should cease to charge for assistance with the preparation of food. (There is a paper before the Executive recommending that we cease charging for this service from October.

Building a New Relationship with the Third Sector

The purpose of this report was to inform Leaders of the work COSLA is developing in partnership with the Scottish Government, SOLACE and SCVO to build a stronger more consistent relationship with the Third Sector, in the context of the new relationship between the Scottish Government and Local Government. The basis of the report has already been considered by the Presidential Team and Spokespersons, and the Community Well-Being and Safety Executive Group.

COSLA and the Government are clear about what the Third Sector can offer. They recognise that they have a vital role to play as a builder of strong, inclusive communities. However they recognise that there are many strands to these relationships, making them complex and challenging. Discussions with individual Local Authorities and local Councils for Voluntary Services (CVSs) have revealed some issues around the relationship and the role of Government – both Local and national in strengthening it

Leaders agreed to;

- i) Consider this report, including the proposed work streams for developing the relationship with the Third Sector
- ii) To endorse the establishment of a short-life Task Group and nominate a Leader to join the Group and
- iii) To remit to Councillor Harry McGuigan to agree the remit of the Task Group which would form the basis of a joint statement between COSLA, the Scottish Government, SCVO and SOLACE.

Argyll and Bute Council are committed to working with the 3rd sector to deliver local priorities and enhance sustainability but there are barriers to this, both internal and external

- Scottish Government 3rd sector funding is allocated equally to the 3 Councils for Voluntary Service. Thus a heavy weighting to island communities, but unbalanced in per capita terms.
- 3rd sector representation needs to be joined up and able to engage in unison. In downsizing the management committee of the CPP, 3rd sector needs to be able to represent the sector as whole.
- Council and partners are under pressure to deliver change quickly and this has implications for consulting with third sector and delivering change internally i.e. process is time consuming and lengthy

To address this the Council has established the following:

- Strengthening the 3rd Sector – through a series of meetings we have asked the 3rd Sector, with the offer of funding from the Fairer Scotland Fund, to submit a proposal by the end of September which will achieve the following outcomes:
 - ⇒ More active third sector, supporting more community activity
 - ⇒ Better quality support for third sector organisations across the whole of Argyll and Bute
 - ⇒ Equitable access to support for all communities in Argyll and Bute
 - ⇒ A clear voice advocating the interests of the third sector in Argyll and Bute locally and nationally
 - ⇒ Stronger and more active social enterprises winning contracts to provide services
- Fairer Argyll and Bute Plan – We are developing new representation structures through Community Planning Partnership and mechanisms for funding, including the Fairer Scotland Fund and Joint Health Improvement Fund.
- Harnessing the Potential of the Third Sector to Help Achieve Council Objectives June to Nov 08 – through this demonstration project, in partnership with Big

Lottery Fund, we are building on the Carnegie Trust report and COHI paper to ensure that our policies and practices encourage 3rd sector sustainability. We are focussing on ensuring funding streams are appropriate and aligned with priorities (including external funders), asset transfer to enhance community sustainability, procurement policies, and support for social enterprises and third sector development.

We are also working with newly established COSLA Third Sector Policy Officers Group to ensure closer working with COSLA, policy development and continuity around third sector engagement regarding the Single Outcome Agreement

Meeting between COSLA and the Cabinet, 11th June

A paper was produced to draw Leaders' attention to a proposed meeting between COSLA and the Scottish Government's Cabinet; to outline the agenda and seek the views of Leaders regarding any items that are not covered elsewhere in the agenda.

Three substantive items were considered for the agenda; the first being "Constitutional Protection" for Local Government, the second being the issues and implications of "early intervention as a policy approach", the third item being an examination of each other's views on "the new relationship between national and Local Government, specifically the Concordat" and how the new relationship can be taken forward in all future negotiations.

It was agreed that Leaders note the date of the meeting between COSLA and the Cabinet and feed in views on the agenda items below which then form the basis of COSLA's position on the debate at the meeting.

Shared Services

The purpose of the Shared Services agenda item was to agree with Leaders a way forward for the new COSLA Shared Services Board in terms of its construction and general remit.

It was recommended Leaders agreed with were that:-

- a) The Membership of the Shared Services Board should be COSLA's six Spokespersons and one Conservative Leader
- b) That the general remit for the Shared Services Board should be the 4 areas of responsibility outlined in the detail in this report.

Health Inequalities

A Report on Health Inequalities updated Leaders on the on-going work of the Ministerial Task Force on Health Inequalities.

The recommendations from COSLA were that Leaders:-

- i) Note that the Scottish Government will publish the report and recommendations of the Ministerial Task Force on Health Inequalities on 18 June, subject to Cabinet approval;
- ii) Consider whether the proposals found therein could form the basis of local government's agenda to combat health inequalities
- iii) Note the forward activity flowing from the work of the Task Force and consider whether the political governance arrangements are satisfactory

Local Income Tax Report

The purpose of the Local Income Tax Report was to up-date Leaders on the discussions and debate around the Local Income Tax (LIT) consultation response from the Resources and Capacity Executive Group Meeting on 22 May 2008, and to provide Leaders with an outline of the proposed approach to take forward COSLA's response to the consultation.

Leaders agreed to COSLA's recommendations to:

- Note the proposed, staged approach to take forward COSLA's response to LIT consultation;
- Note the views of the Resources and Capacity Executive Group and in particular, the majority view of the Executive that they do not support the consultation proposal
- Note that COSLA's response will be drafted with formal agreement to be taken by convention at the end of June

Enterprise

The purpose of the Enterprise up-date was to inform Leaders of issues still outstanding from the transfer of the Business Gateway and local regeneration/economic development functions from Scottish Enterprise (SE) to Councils, and the setting up of the Business Gateway in the Highlands and Islands (HIE) area. Under "Recommendations"

Leaders were asked to:

- i) Note the update on issues still outstanding from the transfer of the Business Gateway and local regeneration/economic development functions from SE to Councils, and the setting up of the Business Gateway in the HIE area;
 - ii) Agree that the on-going work to resolve these issues as detailed in this report continue but consider, in the light of the up-date on progress, how best this might be pursued to ensure a speedy but satisfactory resolution
 - iii) Note the establishment of the Business Gateway Transitional Steering Group and
 - iv) Note that they will be kept advised of further developments
- COSLA Leaders agreed with the above recommendations.

Further to this item, the Business Gateway Liaison Group met on 07 August, and the following was agreed:-

- Hand-over date will be 1st April 2009
- This coincides with the handover of national functions from the Scottish Executive to Councils
- COSLA will prepare a timeline based on the Scottish Executive Area experience
- Highlands and Islands will be represented by Highland Council at the National Transition Group
- TUPE discussions will begin immediately, where relevant

Regular meetings will be held on at least a monthly basis to ensure handover is complete. In Argyll and Bute, HIE have offered support via a second post to assist with the development/transfer process.

Commitment Monitoring Report

The purpose of the Concordat Commitment Monitoring Report was to share with Leaders an early draft of the Concordat Monitoring Report currently being discussed between COSLA, Scottish Government and relevant professions associations. A report will be submitted to a future Leaders meeting before final agreement is reached with Government.

COSLA have developed a "light touch approach to monitoring progress with the Concordat. They are seeking agreement to the overall format for and approach to reporting. Leaders will see the final request before it is issued.

In "Recommendations" Leaders were asked to:

- i) Note the draft report,
- ii) Agree to the broad principles and structure of the report
- iii) Note that a future report will be submitted to Leaders prior to a final agreement of the report
- iv) Note that progress on the Concordat Commitments will be provided to Leaders on a regular basis.

COSLA Leaders agreed to the above recommendations.

Private Sector Housing Grant

The purpose of the paper was to inform Leaders of discussions about the distribution of Private Sector Housing Grant and agree the proposed allocation methodology.

Leaders agreed to delay any decision on the new methodology to give authorities time to consider the background information (statistics, weighting etc). Any delay would need to be as short as practicable to allow proper planning of future years' investment.

Adult Support and Protection

The purpose of the COSLA paper "Adult Support and Protection (Scotland) Act 2007" was to up-date Leaders of Scottish Government of proposals regarding the funding of the implementation of the Adult Support and Protection (Scotland) Act 2007 (the ASP Act) and seek their approval to the implementation package proposed.

Through the paper COSLA sought approval regarding the proposal for the funding of the Adult Support and Protection (Scotland) Act 2007.

The proposal is that £7.8 million for the second 6 months of this financial year and £15.6 million allocated for 2009/10 to reflect the actual cost of implementation.

- This will allow for
- The establishment of an Adult Protection Committee
- The establishment of additional frontline Social Work staff
- The funding of additional training and training materials

After discussions between Civil Servants, COSLA and ADSW, the following offer was made:-

- Allocation of £3,000 to each authority for the recruitment of an independent Chair and Committee set-up costs.
- The allocation of 6 months running costs for Adult Protection Units, using the population of 16+ as the basis for allocation.
- The allocation of frontline staffing costs at the 100% proposed.

- The Scottish Government to provide national training materials and hold a number of regional training days.
- The Scottish Government to consider funding advocacy services from its section 10 budget
- The Scottish Government to continue negotiations with BMA over medical examination requirements on the understanding that they will be funded outwith Local Authority budgets.

Leaders agreed that COSLA should accept the offer of £7.8m for the current financial year (from October 2008) and £15.6m for 2009/10 with the understanding that these budgets will be subject to review during 2009/10 to reflect the actual cost experience once the project has been implemented.

9th June, Visit to Mull and Oban

On the 9th June, I travelled to Mull and Oban with Sandra Greer in order to; visit Dunaros, the Lynnside Day Centre and Eadar Glinn.

At Dunaros I met with the Manager Karen Thwaites-Jones and at the time of my visit, the home had seven permanent places as well as 1 respite guest. The elderly residents are currently cared for by seventeen members of staff.

At Lynnside Day Centre, I met the manager Margaret Stewart. The day centre has six members of staff providing support to twenty five people. The staff at the Centre were positive and enthusiastic about their work and there were no real issues of concern. I also met with the Centre's clients who were happy with the support they receive from the Council.

At Eadar Glinn I met the manager, Mary Gardner. This residential care unit currently supports twenty five older residents as well as three respite clients. The unit currently employs thirty three members of staff. I was pleased to be able to speak with the staff at Eadar Glinn and let them know how valued they are by the Council. I was also able to clarify the Council's current thinking with the review of Older People's Services and how we intended to keep dialogue open with all staff involved.

13 June, Visit to Tarbert Academy

During my visit to Tarbert Academy, I met the staff and pupils and enjoyed a question and answer session with senior pupils in which I was able to discuss and pick up issues of concern, as viewed by the young people. I met and talked to staff at all levels of the school and had the privilege of viewing a dance presentation which was very professional. I have since corresponded with the school over the issues that were raised on the day.

17 June, Youth Focus

I was pleased to be able to attend the launch of "Youth Focus" on 17th June and to be able to say a few words to around fifty young people from youth forums, school council and other youth groups attended the meeting.

Community Learning and Regeneration, The Argyll and Bute Community Planning Partnership and Young Scot/Dialogue Youth have been working together with the Argyll and Bute Youth Forum to involve young people in decision making processes. The result has been Youth Focus Partnership meetings which will now be on a regular basis, few weeks before each Community Planning meeting. Feedback from discussions and issues raised at Youth Focus will be reported directly to the CPP by two young person's representatives selected by their peers.

It was good to see the Youth Focus meetings being chaired and facilitated by young people and youth workers.

I see the Youth Focus project is a genuine attempt to link young people into community planning and am very pleased that we are much further ahead than most Scottish local authorities in making these links.

I feel that democracy is about hearing what everyone in Argyll and Bute has to say. The Youth Focus will give a new perspective on what young people want from local government and I look forward to hearing what they have to say through this ongoing process.

The Community Planning Partnership meeting which followed proved the point that the young people of Argyll and Bute have a most refreshing outlook and are able to contribute to the process in a way that really gives the experienced adults something to think about.

19 June, Planning Seminar

In June, a well attended Planning Seminar was held to look into long term sustainability issues surrounding the delivery of the Planning Service and the Governance arrangements of processing/determining planning applications. The Seminar covered a number of topical issues including : existing service delivery issues, the implications of the Planning Services review carried out by Brodie's in 2006/07, the implications of the Planning 2006 Act and associated regulations, options for new Governance arrangements, the importance of the new local plan and issues surrounding the Council's competent motion protocol. After much lively debate there was a general consensus (but not a majority view) that to meet current and future demands and to put the service onto a more sustainable footing, consideration would need to be given to setting up a single Planning Committee (although there was no agreement on the timetable for this) and that the service should move to a central core working with local service delivery operational model. It was agreed that further workshops would be held in late August to review the current protocols.

24th June, Project Board for Older People's Services

I chaired the meeting of the Project Board for Older People's Services on 24th June. A number of items were discussed.

The Options Appraisal for Older People's Services was discussed, the contents were noted and proposals accepted.

An up-date was provided on the current status with regard to Eadar Glinn, the detail of which included the home's non-compliance with Current Fire Safety regulations and Care Commission Standards. It was agreed that an Options Appraisal should be carried out in tandem with the ongoing review of older people's services. It was also agreed to contact all providers who previously expressed an interest in Eadar Glinn.

David Logan, Quality Improvement Officer, Special Projects Team, submitted a report detailing a proposal to revise the remits and membership of both the Project Board and the Project Team. The reconstituted Project Board would be more strategic and would report to the Special Committee. The Project Team will re-look at the option appraisal and formulate the objectives of the service, initially on the quality of the options, then by cost of service.

It was agreed that the Membership of the Project Board will be amended to include representatives from the Voluntary Sector, Carers and Service Users who are currently members of the Project Team. Also, Jim Robb and David Logan will attend the Project Board but will not have decision making powers. Chris Dalgarno-Platt will be added to the membership of the Project Team.

It was also decided that Membership of the Special Committee will remain as is, made up of Elected Members. Councillor Robertson would continue as an observer of the Project Board

A draft Action Plan which provides a flavour of outstanding work was submitted to the meeting. The contents of this were noted.

The Director of Community Services has been advised that Ossians Care Home has been purchased by a care provider and it is planned to provide a 40 – 50 bedded unit.

Jim Robb, Head of Adult Care submitted a report detailing progress made to date on the redesign of Adult Services and also the proposals in place to conclude this redesign work. The decision of those present was to note the contents of the report and amend in view of previous discussions relating to Eadar Glinn

Sandra Greer, Head of Service, submitted a report on developing Sheltered Housing complexes to offer Progressive Care facilities. It is proposed that 2-3 pilot schemes be established in the most advantageous areas to meet need. The content of the report was noted and it was agreed to explore three pilot schemes being established in the most advantageous areas of Argyll and Bute. A further report will be presented to the Project Board once discussions have taken place with Housing Providers, making recommendations about which pilots should be taken forward.

Jim Robb, Head of Adult Care provided a verbal report, detailing progress on Learning Disability to date. A Project Team is being established and consultant has been appointed to lead on the consultation exercise. The consultation exercise will mirror that which took place for Older People's Services and will include detailed consultation with service users. It is proposed that this will commence in September 2008. It was decided to note the contents of the report and advise Area Committees of the consultation programme when it is finalised.

Jim Robb, Head of Adult Care will facilitate the Project Board and chair the Project Team until the Service Development Manager, Community Services is in post.

25 June, Third Sector Meeting of the Argyll and Bute Demonstration Board

I chaired the first meeting of the Third Sector Demonstration Project Board on 25th June. I opened the meeting by providing a brief background report, a position statement and expectations for the project. The Demonstration Project aims to harness the potential of the Third Sector to help achieve Argyll and Bute Council's corporate objectives and place shaping agenda. It will drive forward the proposed actions from the paper Kate Braithwaite, Carnegie Trust and I delivered to the Convention of the Highlands and Islands in March 2008 which highlighted 'Ideas for Action' to support robust sustainability communities in rural areas. Integral to the project is the strengthening of the third sector and enhanced partnership working. The purpose of the meeting was for the Board to agree the scope of the project and to make recommendations for action on the way forward with some members being invited as Board Members to oversee the project and others as Team Members who will take the project to its conclusion in approximately five months. Margaret Fyfe and Arlene Cullum would be leading the project because of their existing links with the Third Sector and funding.

Unfortunately, no one was available to attend from Big Lottery Fund but the project was their proposal and they are supportive of it. Board Members introduced themselves, explained their roles, the organization they were representing and their expectations for the project. The Project Plan was discussed and some amendments resulted. The main outcome of the meeting was an agreed timeline for project outputs.

25 June, Meeting with Dr Gwen Hannah

I met, together with the Director of Community Services, and Officers from Community Services' Special Projects Team, with Dr Gwen Hannah and colleague from the University of Dundee. Dr Hannah is currently carrying out research into PPP/PFI projects and was particularly interested in our groundbreaking variant – the NPDO Project for Schools. The discussion was both constructive, and informative, and Dr Hannah has undertaken to provide the Council with a copy of her report, when this is published in late 2008/early 2009.

27 June, COSLA Convention

I attended a meeting of the COSLA Convention in Aberdeen on Friday 27th June 2008.

Homecoming 2009

During the meeting the First Minister gave an address on Homecoming 2009. The main aim of the address was to demonstrate strong support for the initiative and develop support and awareness from members in Scottish Local Government. His address was supported by the Convention. The First Minister recognised the positive input from Argyll and Bute Council and the £200,000 committed to the initiative.

Young Scot Active

Young Scot Active was the next item on the agenda. The purpose of this item was to allow the Chief Executive of Young Scott and the Young Scott Active Director to seek COSLA's endorsement of the development plans outlined in newly published literature.

The convention agreed with their recommendations.

Local Income Tax

Local Income Tax was the weightiest item on the agenda for the day. The main purpose of this item was to provide members with a brief outline of the Local Income Tax proposal which has been submitted for consultation by the Scottish Government, outline the process which COSLA has adopted in formulating its response to the consultation proposal, and to get a clear steer from members of the Convention as to the type of response which COSLA would wish to submit to the Government.

The main issue here was how to frame a response when there was no overall consensus. The proposal is to reflect the majority and a range of minority views. There is also an issue as to whether to recommend that the status quo should remain until workable proposals are produced by Scottish Government or instead accept that some significant change is inevitable and work to shape that change. The other issue is how much COSLA should engage with the Government to influence the outcome of the consultation.

On the Day, I tabled an amendment to the proposal but there was a majority decision in favour of the motion from the Liberal Democrats and SNP stating:-

“That the Convention believes that the regressive Council Tax should be abolished and should be replaced with a Local Income Tax based on the ability to pay”.

Enterprise

Enterprise was the next item on the agenda although the main report highlighted that there was a lot of work to be done on the development of the Business Gateway. It was emphasised that all partners were working positively to ensure a smooth transition of the service and establish clear protocols for the way ahead.

Further to this meeting we have received an update from Jane Fowler who attended a further meeting of the Highlands and Islands Business Gateway Liaison Group. The following was agreed at that meeting:

- Handover date will be 1st April 2009
- This co-insides with the handover of national functions from Scottish Enterprise to Councils
- CoSLA will prepare a timeline based on Scottish Enterprise Area experience
- Highlands and Islands will be represented by Highland Council at the national transition group
- TUPE discussions will begin immediately where relevant

Regular meetings will be held on at least a monthly basis to ensure handover is complete.

In Argyll and Bute, HIE have offered support via a seconded post to assist with the development/transfer process.

Integration of the Police and Fire Services into COSLA's Mainstream Activity

The Integration of the Police and Fire Services into COSLA's mainstream activity was the next item on the agenda. The main purpose of the Report was to outline a number of key issues behind a proposal to integrate Police and Fire Services more fully into the mainstream work of COSLA and to propose some structural options for achieving this. Leadership Board had considered this matter and the report reflected their views.

The main issue here was the recommendation to create a COSLA Community Safety Executive Group to enable improved links with Police and Fire services as part of the Local Government “family”.

The Convention agreed to:

- i) Endorse the principled position reached by the Leadership Board in respect of the integration of Police and Fire into COSLA’s structures, including the opportunity to create a Spokesperson from the Conservative Group and
- ii) Agree that models and options are now worked up building on the framework outlined in this report and in discussions with Police and Fire interests, the existing Spokespersons, Political Group Leaders and the Presidential Team. These would be presented to Leaders for final approval in August.

Improvement Service Governance Arrangements

The report on Improvement Service Governance Arrangements advised Convention members of changes to the Governance arrangements of the Improvement Service.

The main issue is to approve new Governance arrangements for the Improvement Service following the resignation of the Scottish Government from its Board and the budget being made part of the Local Government Settlement.

Members agreed to endorse the proposed governance arrangements.

Consumer Direct Scotland

The purpose of this paper was to update the Convention of possible developments in relation to the Consumer Direct Scotland (CDS) operation, both nationally and with regard to Western Isles Consumer Direct Centre; to give members the opportunity to reaffirm their support for the Western Isles operation; and to agree the COSLA course of action.

The issue is the future of the Consumer Direct operation on the Isle of Lewis after 2010 following open tender for the next rounds of contracts, also OFT’s proposal to reduce from eleven centres to two or three. A Scotland only centre requires a subsidy of £350K - £400K for its thirty staff.

The Convention agreed to;

- i) Reaffirm its strong support for the Western Isles Consumer Direct Centre and
- ii) Remit to the Presidential Team, other members and officers, as appropriate; to support Western Isles in its campaign to ensure the Centre’s continued operation in Western Isles.

Radioactive Waste Management

COSLA had been approached by members of the UK Government’s Committee on Radioactive Waste Management. It wished to highlight the imminent publication of the UK Government Response to its recommendations of 2006. These included seeking from Councils any expression of interest that might arise from communities to have repositories for radioactive / nuclear waste in their area. A paper was produced for the Presidential Team and Leadership Board to consider.

The issue here is whether or not to subscribe to the Scottish Government's view of opposition to the UK's nuclear waste being stored in Scotland.

The Convention agreed with the recommendation to

- i. Share the Scottish Government's opposition to Nuclear Waste from the UK being buried in deep geological facilities in Scotland but
- ii. Note that a need may arise for Scotland to establish arrangements for the management of Nuclear waste arising from its own domestic electricity production

Report back from the Cabinet Meeting

This report outlined for the Convention members the key issues raised at the meeting of 11th June between the Scottish Cabinet and COSLA's Leadership. COSLA's representatives attending the meeting, comprising of a cross-party delegation, may wish to give an oral up-date of their impressions of the Cabinet meeting.

As this had been the first meeting, the individual agenda items were felt to be less important for their individual content than for their ability to function as a vehicle to allow national and local Government to examine how the relationship is developing between us. The meeting itself was essentially an exercise in partnership building.

The convention noted the contents of the report

3rd July, 16th Anniversary of the Carer's Centre in Oban.

I was very pleased to have been invited along to the 16th Anniversary of the Carer's Centre in Oban. The Princess Royal was the Special Guest at the birthday celebration and I was able to have a conversation with her about the issues faced by carers and the recipients of care. I was very impressed by her depth of knowledge and the genuine interest she clearly shared in this area.

There were twelve tables of invited guests at the Anniversary event and the Princess Royal took the opportunity to meet and talk to a large number of people and a broad representation from the caring community there.

4th July, Community Planning Partnership.

I chaired the meeting of the Full Partnership meeting on 4th July. I was pleased to be able to welcome Neil Frances from Scottish Enterprise as well as Douglas Cowan from HIE. I was particularly happy to welcome Sean Johnson and Ramsay Grey-Stephens from Youth Focus. In addition Ray MacIntosh-Walley attended from the Employability Team. Matters arising included a short discussion on Sustainability Seminar. It was noted that the Fairer Scotland Fund agenda had been progressing, it was noted that the Citizens Panel would report to the CPP Management Committee on Wednesday 9 July. The issue of Migrant Workers would be reported back at the CPP Management Committee in September.

Other items discussed at this meeting included; a verbal up-date by Brian Barker on Management Committee meeting Single Outcome Agreement, an up-date on the Action

Plan, Youth Focus, Enterprise Company Changes, Strengthening the Third Sector and The Fairer Scotland Fund. An item on The Employability Team plans to use a "HUBBUS" (mobile unit to facilitate engagement with on-programme employability clients living in remote rural areas) to further improve their service for job seekers through the provision of IT, training equipment and job-search facilities.

09 July, Visit to Crown Estates Annual Awards and Launch of Annual Report at Lancaster House, London.

I accepted an invitation to the above event in London on 9th July. The event proved extremely interesting and I was able to make some very useful contacts on the day.

25 July Meeting with HIE Board Member, Steve Thomson

It was good to meet the new HIE Board Member Steve Thomson, who will be representing this area's interests within HIE. Mr. Thomson has an unusual but very interesting business background in establishing and running commercial ventures internationally, with particular experience in Russia. It was clear that Mr. Thomson is no stranger to finding creative solutions to apparent business constraints. As a resident of Tiree, he is also committed to seeking technological solutions to facilitate business growth to overcome issues faced by businesses operating from remote locations.

I look forward to future meetings with a view to some interesting partnership working.

DATE LEADER'S DIARY – FORWARD MEETINGS

31 July	Meeting to discuss Boundary Review Representations
01 August	Homecoming meeting
04 August	Meeting with Jim Mather
13 August	Project Board – Older People's Services
14 August	Meeting with Stewart Stevenson, Minister for Transport, Infrastructure and Climate Change – Also Official Opening Oban Airport
15 August	Performance Improvement Strategic Board
19 August	Planning Seminar
22 August	Argyll and Bute Health and Care Strategic Partnership
27 August	Meeting with Fiona Hyslop, Minister for Education
28 August	Third Sector – Demonstration Project Board

Community Services**Deputy Spokesperson's Report – Arts, Culture, Leisure and Sport**

It gives me great pleasure to once again submit my report to the executive committee for their consideration.

Arts and Culture**Board Meeting of Museums Galleries Scotland**

I have attended the Board meeting of the newly named Museums Galleries Scotland (formally Scottish Museums Council). They were delighted to hear the about the re-opening of Campbeltown Museum and wished the Council well in their efforts to assist in providing a quality Museum within Argyll.

An area for future development will be the 2014 commonwealth games and the Museums Galleries Scotland (MGS) senior staff are members of the steering group. A particular focus for this group is that of Legacy. This may be an important area for future development for the Council and therefore the link in to the MGS could be of long term benefit.

Dunollie Castle

On the evening of 16th June I was invited to visit Dunollie Castle and Dunollie House the site being owned by the MacDougalls. Having a personal guide round the buildings was a real bonus as the artefacts on display were magnificent. During Homecoming 2009 the Hidden Jewel as it is called received national funding to display this wonderful historical area and this is with little wonder. The curator Catherine is in the process of developing a business plan which she will submit to various sources with the ultimate aim to bring the house and castle up to a standard that it will attract international attention with the spin off effect of an economic boost to the businesses in Oban and the surrounding area.

Re-Opening of Campbeltown Museum

On the 25th June I had the privilege of re-opening the Campbeltown Museum which was very well attended by members of the Public. Special thanks must go to Sharon Webb Curator of Kilmartin Museum and Joanne Howdall Curator of Auchindrain Museum. The council have entered into a service level agreement with Kilmartin and Auchindrain which in this case has proven to be invaluable. The immense amount of restorative work by Sharon and Joanne allowed the museum to reopen much to the delight of the locals. One point to note however there are apparently hundreds of artefacts currently in storage which cannot be displayed and this must be taken note of by the council. The development of the service is seriously being hampered by the lack of space which is not unique to Campbeltown Museum. Thanks must also go to Kerry Corbett Libraries and Cultural Manager for the council who has promoted the partnership to exist and work so well.

Best Value Review

I attended a meeting of the Culture and Libraries best value review. This is now looking at the cultural Arts and Libraries strategy with a view to reshaping

or remodelling the service. This is an important piece of work not only to determine best value but also to gather evidence to present to members to determine future funding and development for the service.

Leisure and Sport

Innellen Primary School Astroturf Pitch

On May 22nd on behalf of the leader I had the honour of opening the new all weather Astroturf pitch at Innellan primary school. On that occasion I was accompanied by local members Jimmy Mac Queen, Alistair McAllister, Alex Mac Naughton and Bruce Marshall. We witnessed a fabulous day where all the local schools entered a team to play on the day; I even managed to referee one of the games but paid the penalty by not being able to walk for a week afterwards. It became apparent how important a facility this is for Innellan and the surrounding area particularly when it is able to support the work of Active schools. Thanks must be recorded to Nicola Malcolm and Lindsay Keddie from active schools for their unceasing dedication to the delivery of high quality activity to schoolchildren. On the day Dylan Kerr and his team of referees Paddy McAlees, Andy Grahame, Craig Anderson and Raymond Boyle must be congratulated for the way in which they interacted with the children allowing the day to be a real fun day but also portraying the message of participation inclusion and friendship.

2014 group

On the 11th June I represented the council on the 2014 commonwealth games group where a number of themes were discussed. Amongst those of importance to the council was that of Legacy and Twinning. The group discussed the importance the games have for attracting funding to assist with building local infrastructure for sports and leisure but particularly focused on cultural legacy. The chairman discussed the issue of twinning with another Commonwealth country to support them both in a sporting and cultural sense. Councils are being encouraged to make links with fellow commonwealth countries and to this end in the later afternoon we were introduced to the commonwealth delegations who were in Glasgow for a conference following this event. I did make informal links with the Gibraltar delegation but this is still early days. I have already sent an e-mail to all the members of the council to see if there are already existing links with commonwealth countries and if not as a council it would be advisable to decide with whom we wish to twin with if this is the council's desire.

Argyll and Bute Athletics

I was invited to present the prizes to the winners of the county wide athletics competition. This is a competition which has been in existence for 24 years largely thanks to the efforts of Mr Bill MacCallum a local athlete who is passionate about the promotion of athletics within the county. This was attended by over 100 children of all ages ranging from under 7's to late teenagers.

Lochgilphead Soccer Centre

I was delighted to be invited to present the prizes to the Lochgilphead Soccer Centre winners. Again this was a well attended event which is popular with the local children. Thanks must go to all the committee and volunteers who make this such a local success. Mr Alan Weir was presented with a present from the soccer centre for his 13 years of sheer dedication to the children of Mid Argyll again I must emphasise this is done on a volunteer basis and on behalf of the council must publicly thank all the volunteers within Argyll for their support to local events.

Joint Campus Users Group

I attended an evening meeting of the Lochgilphead Joint Campus Users Group. This is a group of members who are active in leisure pursuits at the Joint campus along with officers of the council. Everyone is well aware of the current difficulties that the campus has experienced but the group are determined to work collectively to overcome the current difficulties to assist in providing a top class venue. Jim Anderson and Marius Huysamer must be particularly thanked for the manner in which they have engaged with the local user group and have been actively engaged in resolving the outstanding issues.

Councillor Douglas T Philand

Deputy Spokesperson for Arts Culture, Leisure and Sport

August 2008

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ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

EXECUTIVE
21 AUGUST 2008

REVENUE BUDGET MONITORING – AS AT JUNE 2008
CORPORATE OVERVIEW

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the Council as at June 2008. The main points for attention are identified below. The overall financial statement for the Council is attached as Appendix 1.

2. RECOMMENDATION

2.1 Members to note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 **Forecast Outturn Variance**

The overall outturn variance is forecast to be an overspend of £652k. Departmental variances greater than £100k, contributing to this balance are explained by below:

- **Community Services;**

£
-654,057

A projected overspend in **Adult Services** of **-£246k** is made up of an overspend in Homecare of -£500k, offset by underspend in Elderly Residential Care of +£93K and an over-recovery of income in the Elderly Residential units of +£161k.

A projected overspend of **-£371k** in **Children & Families** outturn relates to pressures within the Supporting Young People leaving care of -£129k and in Joint Residential Care of -£242k.

-654,057

3.2 **Year to Date Variance**

Net year to date expenditure is over budget by -£240k. Departmental variances greater than £100k, contributing to this balance are explained by below:

- **Chief Executive's Unit;**

£
+379,190

The main underspend contributing to this balance is a **+£236k** YTD underspend in the **Bord Na Gaidhlig Implementation** fund, anticipated to be spent by June, but expenditure not yet processed.

Additionally, a **+£112k** YTD underspend has arisen in **Personnel** as a result of a one-off refund from our advertising agency.

- **Community Services;** -1,105,581

There is a YTD underspend of **+£384k** in **Adult Services** due to profiling which requires further investigation.

A YTD overspend of **-£1,441k** in **Community Regeneration** relates to accrued grant income at the end of 07/08, the payment of which has been received in July.

- **Corporate Services;** -191,120

The Head of ICT & Financial Services has a YTD overspend of **-£298k**. This is made up of a **-£333k** overspend in Revenues and Benefits cost centres. This is split **-£356k** Benefits and in particular the Housing Benefit Private cost centre with Benefits paid to claimants being greater than initially anticipated. This should be offset by Subsidies income however the receipts to date are based on the level of income submitted on our previous subsidy claim. This will be improved and back in line once we submit our mid year estimate in August. This variance is offset by a favourable **+£23k** in the other Revenues cost centres. There is a favourable **+£41k** in the ICT Infrastructure cost centre which is due to an unbudgeted rebate receipt from BT however this income will be required to cover cancellation charges from BT for Pathfinder and BT Circuits. There is also a budget reprofiling requirement, which will be done in July. The balance is made up of a net adverse **-£12k** in Exchequer Services, a net **-£3k** in ICT Applications and a net favourable **+£9k** in ICT MGF3 Projects.

A **+£138k** YTD underspend in **Head of Legal and Protective Services** is mainly from a net **+£77k** in Environmental Health cost centres and in particular the Shellfish Corporate Initiative project where Grant income has been received with expenditure still to be incurred. There is a net **+£30k** in Licensing and District Courts due to managing vacancies/time delay in filling vacant posts. In Conveyancing, Contracts and Estates a net **+£23k** is also due to managing vacancies/time delay in filling vacant posts with the net balance in all other cost centres being a favourable **+£8k**.

- **Joint Boards;** -116,526

Police Joint Board payments are budgeted at **£45k** per month less than actual payments being made. The monthly payment now includes payment of the police capital grant which we now receive funding for from the Scottish Government. The budget will be adjusted to allow for the

increased Scottish Government Funding and the increase in requisition to the Police Joint Board.

- **Operational Services;** +915,402

A **+£120k** favourable YTD variance in **Operational Services** is largely due to a £170k profiling error for Helensburgh Partnership. This will be corrected in July.

A **+£389k** favourable YTD variance in **Facility Services** is due to processing of single status back payments in June which were reflected in the charge to Community Services in the Catering, Cleaning & Janitorial Trading Accounts. Single status back payments are provided for in the budget for charges to Community Services as they are covered by a specific provision. This over-achievement of charges income will self-correct once single status back payments have been finalised and the provision is transferred at cost centre level to cover the costs.

A **+£406k** favourable YTD variance in **Roads and Amenity Services** is made up of a number of variances, mainly within Marine and Waste Management. Spend is behind budgeted profile but is anticipated to be in line with budget by year end.

-118,635

3.3 Impact of Rising Fuel Costs

Given sustained increases in fuel costs a revised forecast of all fuel costs has been carried out and compared to 2008/09 budget and the forecast budget for 2009/10. This gives an indication of the budgetary pressures facing the Council for fuel costs in both 2008/09 and 2009/10. Departments will continue to monitor fuel costs in terms of the projected outturn for 2008/09 and the forecast budgetary impact for 2009/10. They will seek to contain actual overall costs for 2008/09 within budget by making compensating savings where fuel costs cannot be contained within budget. A further report on the position will be presented as part of the September revenue budget monitoring.

Bruce West
Head of Strategic Finance
4 August 2008

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Argyll and Bute Council - Objective Summary

As at June 2008/2009

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN					Variance from Previous Outturn	Additional Funding / Transfers	Variance from Previous Outturn
	YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Forecast Outturn	App Annual Budget	Forecast Variance	Forecast Variance %	Previous Outturn			
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Community Services	34,057	32,951	-1,106	-3.36%	158,555	157,901	-654	-0.41%	158,555	0	0	0
Operational Services	5,942	6,857	915	13.34%	40,252	40,252	0	0.00%	40,252	0	0	0
Development Services	1,014	1,023	9	0.88%	4,663	4,663	0	0.00%	4,663	0	0	0
Corporate Services	2,489	2,298	-191	-8.31%	8,466	8,466	0	0.00%	8,466	0	0	0
Chief Executives	514	893	379	42.44%	2,504	2,506	2	0.08%	2,504	0	0	0
Other Operating Inc & Exp	2,553	2,565	12	0.47%	9,883	9,883	0	0.00%	9,883	0	0	0
Joint Boards	4,495	4,379	-116	-2.65%	17,515	17,515	0	0.00%	17,515	0	0	0
Treasury Management	4,143	4,001	-142	0.00%	16,003	16,003	0	0.00%	16,003	0	0	-16,003
Total Net Expenditure	55,207	54,967	-240	-0.44%	257,841	257,189	-652	-0.33%	241,838	0	0	-16,003

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Argyll and Bute Council - Objective Summary

As at June 2008/2009

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN															
	YTD Actual		YTD Budget		YTD Variance		YTD Variance %		Forecast Outturn		Forecast App Annual Budget		Forecast Variance		Forecast Variance %		Previous Outturn		Variance from Previous Outturn	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Aggregate External Finance	-51,267	-11,831	39,436	-333.33%	-171,425	-171,425	0	0.00%	-171,425	-171,425	0	0.00%	-171,425	-171,425	0	0.00%	-171,425	-171,425	0	0
Local Tax Requirement	-13,767	-13,767	0	0.00%	-78,608	-78,608	0	0.00%	-78,608	-78,608	0	0.00%	-78,608	-78,608	0	0.00%	-78,608	-78,608	0	0
Contributions from General Fund	0	-1,672	-1,672	100.00%	-1,727	-1,727	0	0.00%	-1,727	-1,727	0	0.00%	-1,727	-1,727	0	0.00%	-1,727	-1,727	0	0
Earmarked Reserves	0	-2,686	-2,686	100.00%	-5,429	-5,429	0	0.00%	-5,429	-5,429	0	0.00%	-5,429	-5,429	0	0.00%	-5,429	-5,429	0	0
Capital Grant From Scottish Government	-1,475	0	1,475	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0
Capital from Current Revenue	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0
Capital/Revenue Transfers	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0
Total Funding	-66,509	-29,956	36,553	-122.02%	-257,189	-257,189	0	0.00%	-257,189	-257,189	0	0.00%	-257,189	-257,189	0	0.00%	-257,189	-257,189	0	0
Deficit / (Surplus) for Period	-11,302	25,011	36,313	145.19%	652	0	-652	0.00%	652	0	-652	0.00%	-652	0	-15,351	0.00%	-15,351	-15,351	0	0

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**ARGYLL AND BUTE COUNCIL
JOINT REPORT BY DIRECTOR OF
COMMUNITY SERVICES AND HEAD
OF STRATEGIC FINANCE**

**EXECUTIVE COMMITTEE
21 AUGUST 2008**

REVENUE BUDGET MONITORING - AS AT JUNE 2008

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the department as at June 2008. The main variances and explanations are outlined in the attached appendices.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 An objective and subjective summary for the department are included within this report as Appendices 1 & 2 respectively. These reports provide summarised information in respect of year-to-date and forecast outturn positions. Explanations are provided for all forecast outturn variances and for year-to-date variances greater than +/- £100,000.

3.2 The Council is continuing to utilise the traffic light approach to variance monitoring and reporting at cost centre level. The following table provides a summarised analysis of all variance categories. In addition, Appendix 3 of this report provides variance explanations for all forecast outturn "red" variances, that is, variances of +/- £25,000.

Variance Category	YTD Variances				Forecast Outturn Variances			
	Favourable		Adverse		Favourable		Adverse	
	No.	£m	No.	£m	No.	£m	No.	£m
Red	11	0.642	23	-2.102	3	0.387	7	-1.025
Amber	99	1.069	72	-0.781	1	0.010	1	-0.019
Green	475	0.386	274	-0.320	939	0	3	-0.007
Total	585	2.097	369	-3.203	943	0.397	11	-1.051

3.3 The current departmental projected outturn is an adverse variance of £654,000. As in the previous year, the major issues affecting the department continue to be:

- Supporting Young People leaving care. A rising client base and insufficient base budget has resulted in the year to date expenditure already exceeding full annual budget.
- Elderly Services Expenditure in relation to homecare placements.
- Joint Residential Care budget is forecast as being a problem area due to two additional clients requiring expensive packages totalling £246k.

3.4 The outturn figure of £654k excludes internal savings targets. The table below details these savings and progress to date.

Saving Type	Target	Achieved	Remaining
Cost Centre Review	738,000	492,000	246,000
Single Status*	607,000	0	607,000
Vacancy*	222,000	0	222,000
Absence Management	50,000	0	50,000
Total	1,617,000	492,000	1,125,000

*Although Single Status and Vacancy savings are showing Nil in the achieved field, it is acknowledged that progress has been made. However, it has not been possible to quantify this progress or process appropriate ledger entries at this stage.

Douglas Hendry
Director of Community Services

Bruce West
Head of Strategic Finance
30 July 2008

COMMUNITY SERVICES OBJECTIVE SUMMARY AS AT JUNE 2008

Appendix 1

SERVICE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Capital Funding Project	1,707,425	1,721,433	14,008	0.81%	11,740,010	11,740,010	0	0.00%	Outwith Report Criteria
Director of Community Services	67,310	59,453	-7,857	-13.22%	62,550	62,550	0	0.00%	Outwith Report Criteria
Adult Services	6,605,147	6,989,391	384,244	5.50%	32,618,653	32,864,288	-245,635	-0.75%	The projected overspend relates to Homecare £500k offset by underspend in Elderly Residential Care £93K and an over-recovery of income in the Elderly Residential units of £161K. Ytd variances are due to profiling and require further investigation
Children & Families	3,358,433	3,293,896	-64,537	-1.96%	14,445,431	14,816,539	-371,108	-2.57%	Projected outturn relates to pressure within the Supporting Young People leaving care (£129k) and Joint Residential Care budgets (242k).
Community Regeneration	2,422,968	981,807	-1,441,160	-146.79%	6,430,836	6,468,150	-37,314	-0.58%	The projected overspend is mainly due to Leisure Subsidy Payments increases. Budget remains at 07/08 level despite requirement to increase payments. YTD variance relates to accrued grant income at the end of 07/08 and that the payment was only received in July
Community Support	70,613	24,269	-46,344	-190.96%	7,691	7,691	0	0.00%	Outwith Report Criteria
Planning & Performance	2,640,640	2,611,146	-29,494	-1.13%	14,354,959	14,354,959	0	0.00%	Outwith Report Criteria
Pre-School & Primary	7,785,198	7,787,767	2,569	0.03%	36,604,818	36,604,818	0	0.00%	Outwith Report Criteria
Secondary Education	9,399,474	9,482,464	82,990	0.88%	41,636,329	41,636,329	0	0.00%	Outwith Report Criteria
Housing Services				-			0	0.00%	
Totals	34,057,208	32,951,626	-1,105,581	-3.36%	157,901,277	158,555,334	-654,057	0.00%	

COMMUNITY SERVICES SUBJECTIVE SUMMARY AS AT JUNE 2008

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Employee	19,430,445	19,824,771	394,326	1.99%	86,377,844	86,936,454	-558,610	-0.65%	The projected overspend relates to £500k in homecare and additional costs at Eadar Glinn £58k. The ytd variance is distorted by the single status backdating being coded to normal basic codes, this is anticipated to be resolved in July accounting period
Premises	1,131,671	987,979	-143,692	-14.54%	7,835,937	7,817,937	18,000	0.23%	This is planned underspend on property maintenance to balance the loss of income from Blue Triangle in rental income for Kerrera Lodge as some of the rooms in are in a bad state of repair. YTD variance is mainly due to janitor recharges being overstated as a result of incorrect single status charge. Operational Services to resolve in July accounting Period.
Supplies & Services	2,106,041	2,168,741	62,700	2.89%	8,873,752	8,873,752	0	0.00%	Outwith reporting criteria
Transport	530,180	540,742	10,562	1.95%	2,482,660	2,482,660	0	0.00%	Outwith reporting criteria
Third Party	11,325,601	11,566,989	241,388	2.09%	65,740,506	66,055,928	-315,422	-0.48%	Variance relates to projected overspends within Supporting Young People Leaving Care and Joint Residential Care budgets. Ytd variances relate to profiling that require further investigation.
Capital Financing	1,706,347	1,700,593	-5,754	-0.34%	6,802,287	6,802,287	0	0.00%	Outwith reporting criteria
Income	-2,173,079	-3,838,189	-1,665,110	-43.38%	-24,042,928	-24,244,903	201,975	0.84%	This relates to forecasted additional income from the Elderly Residential units. YTD variance relates to accrued grant income at the end of 07/08 and that the payment was only received in July
Support Services	0	0	0	0.00%	3,831,219	3,831,219	0	0.00%	Outwith reporting criteria
Totals	34,057,206	32,951,626	-1,105,580	-3.36%	157,901,277	158,555,334	-654,057	-0.41%	

RED VARIANCES
JUNE 2008

COST CENTRE DESCRIPTION	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
CS - Leisure Development - Sports Development - HQ	652,206	684,597	-32,391	-4.97%	The Voluntary Sector Leisure budget has in place the following service level agreements: MacTaggart Leisure Centre, Mid Argyll Swimming Pool, Atlantis Leisure, Camanachd Association, Scottish Rugby Union and Argyll Active. The total cost to the Council is £493,886 and the budget available is £461,495 leaving a shortfall of £32,391. This is mainly due to inflationary increases but no increase in budget during the 08/09 process.
CS C&F - Supporting Young People Leaving Care	79,984	209,092	-129,108	-161.42%	The projected overspend reflects the full year cost of the current client base. It is anticipated that the current client base will increase resulting in further costs. This area was highlighted as a cost pressure at Budget Preparation time however funding was not granted.
CS ELD - Homecare - HQ	749,489	1,249,489	-500,000	-66.71%	Projected overspend of £500k processed to reflect the over-commitment of the budget on care packages. This will be updated monthly from the new Homecare CMS database.
CS ELD - Gortonvogle Residential Home	622,955	651,135	-28,180	-4.52%	The under recovery of income is due to the current client base being different to that used for the budget preparation calculations
CS ELD - Tigh A Rudha Residential Home	649,148	679,637	-30,489	-4.70%	The under recovery of income is due to the current client base being different to that used for the budget preparation calculations
CS ELD - Residential Free Care Private - B&C	715,032	778,032	-63,000	-8.81%	The overspend is due to Council commitment to fund self placers after three months
CS LD - Joint Residential Care - H&L	460,379	702,379	-242,000	-52.57%	The projected outturn relates to two additional clients who require intensive care packages (£246k). This area was highlighted as a cost pressure at Budget Preparation time however funding was not granted.
CS ELD - Eadar Glinn Residential Home	955,073	761,146	193,927	20.30%	The over recovery of income is due to having more FPC clients than was originally anticipated. This is offset by additional cost for extra night staff at the moment due to fire regulations.
CS ELD - Thomson Court Residential Home	657,786	621,061	36,725	5.58%	The over recovery of income is due to having more FPC clients than was originally anticipated
CS ELD - Residential Care Private B&C	2,313,356	2,157,356	156,000	6.74%	This reflects the position for all areas and the underspend is due to placements available but no vacancies where clients want to be placed. Placements will require to be made ASAP to maximise budget. This offsets the overspend on Residential Free Care Budget
Totals	7,855,409	8,493,925	-638,516	-8.13%	

REVENUE BUDGET MONITORING - AS AT JUNE 2008

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the department as at June 2008. The main variances and explanations are outlined in the attached appendices.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 An objective and subjective summary for the department are included within this report as Appendices 1 & 2 respectively. These reports provide summarised information in respect of year-to-date and forecast outturn positions. Explanations are required for all forecast outturn variances and for year-to-date variances greater than +/- £100,000 and these are included within these reports.

3.2 The Council is continuing to utilise the traffic light approach to variance monitoring and reporting, at cost centre level. The following table provides a summarised analysis of all variance categories. Section 3.3 of this report provides explanations for all forecast outturn "red" variances, that is, variances of +/- £25,000.

	YTD Variances				Forecast Outturn Variances			
	Favourable		Adverse		Favourable		Adverse	
	No.	£m	No.	£m	No.	£m	No.	£m
Red Variances	14	0.662	7	-0.444	0	0	0	0
Amber Variances	80	0.850	38	-0.410	0	0	0	0
Green Variances	403	0.470	217	-0.213	759	0	0	0
Total	497	1.982	262	-1.067	759	0	0	0

3.3 There are no forecast red variances at this point in time.

3.4 The major issues affecting the department are:

The main factors giving rise to the year-to-date variance are as follows:

- Main reason for favourable variance is due to delays in agreeing the inflationary increase for 2008/09. The employee budget had been profiled with the expectation that agreement would have been in place prior to June.
- There has also been a profiling error for Helensburgh Partnership (£170k) this will be corrected for July Monitoring.
- There is a variance due to processing of single status back payments in June which resulted in an overpayment to the Catering, Cleaning & Janitorial Trading Account (£260k). This will be automatically reversed when the single status provision is applied at cost centre level.

3.5 Any further action required:

- There had been delays in licensing Oban Airport. Licensed status was achieved on 16th June. This delayed the start up of the PSO service and has resulted in a reduction in the level of grant which can be claimed as the Scottish Executive have confirmed that no grant can be paid until the Airfields are fully licensed with the PSO in operation. The grant claims can now commence.
- Additional cost pressures are anticipated due to the significant increases in the cost of Oil, this in turn will trigger above inflation increases in relation to:
 - Fuel
 - Electricity
 - Gas
 - Heating Oil

An impact assessment is currently being worked on.

Andy Law
Director of Operational Services

Bruce West
Head of Strategic Finance

August 2008

**OPERATIONAL SERVICES
OBJECTIVE VARIANCES AS AT END JUNE 2008**

SERVICE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Operational Services	375,631	495,925	120,294	24.26%	478,177	478,177	0	0.00%	The majority of the YTD variance is due to profiling error for Helensburgh Partnership this will be corrected for July Monitoring.
Facility Services	365,159	754,151	388,992	51.58%	3,896,740	3,896,740	0	0.00%	The majority of the YTD variance is due to processing of single status back payments in June which resulted in an overpayment to the Catering, Cleaning & Janitorial Trading Account. This will be automatically reversed when the single status provision is applied at cost centre level.
Roads and Amenity Services	5,200,972	5,607,088	406,116	7.24%	35,876,590	35,876,590	0	0.00%	The YTD variance is made up of a number of individual variances mainly within Marine and Waste Management. Spend is behind budgeted profile but is anticipated to be in line with budget by year end.
Totals	5,941,762	6,857,164	915,402	13.35%	40,251,507	40,251,507	0	0.00%	

**OPERATIONAL SERVICES
SUBJECTIVE VARIANCES AS AT END JUNE 2008**

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN	% VARIANCE	Explanation
Employee	5,103,829	5,486,111	382,282	6.97%	27,300,187	27,300,187	0	0.00%	YTD The majority of the YTD variance is due to delays in agreeing the inflationary increase for 2008/09. The budget had been profiled with the expectation that agreement would have been in place prior to June. There have also been delays in filling vacancies. It is anticipated that these will be utilised to offset vacancy savings requirement of £86k.
Premises	444,411	527,825	83,414	15.80%	6,139,180	6,139,180	0	0.00%	YTD Main reason for this variance is Gas is behind budget profile across all facilities as Suppliers are behind in billing.
Supplies & Services	1,381,929	1,548,694	166,765	10.77%	7,801,783	7,801,783	0	0.00%	YTD The majority of the YTD variance is due to Roads & lighting Materials (£38k), Fleet supplies (£45k) and Waste Management supplies (£26k) which are all slightly behind budgeted profile.
Transport	2,206,451	2,172,758	-33,693	-1.55%	9,241,439	9,241,439	0	0.00%	Outwith reporting criteria
Third Party	2,823,312	3,180,392	357,080	11.23%	24,472,874	24,472,874	0	0.00%	YTD The majority of the YTD variance is due to profiling error for Helensburgh Partnership (£170k) this will be corrected for July Monitoring.
Capital Financing	1,723,062	1,775,848	52,786	2.97%	7,503,348	7,503,348	0	0.00%	Outwith reporting criteria
Income	-7,741,231	-7,834,465	-93,234	1.19%	-41,903,903	-41,903,903	0	0.00%	Outwith reporting criteria
Support Services	0	0	0	0.00%	-303,400	-303,400	0	0.00%	Outwith reporting criteria
Totals	5,941,763	6,857,163	915,400	13.35%	40,251,508	40,251,508	0	0.00%	

**ARGYLL AND BUTE COUNCIL
JOINT REPORT BY DIRECTOR OF
DEVELOPMENT SERVICES AND
HEAD OF STRATEGIC FINANCE**

**EXECUTIVE COMMITTEE
21 AUGUST 2008**

REVENUE BUDGET MONITORING - AS AT 30 JUNE 2008

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the department as at 30 June 2008. The main variances and explanations are outlined in the attached appendices.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 An objective and subjective summary for the department are included within this report as Appendices 1 & 2 respectively. These reports provide summarised information in respect of year-to-date and forecast outturn positions. Explanations are required for all forecast outturn variances and for year-to-date variances greater than +/- £100,000 and these are included within these reports.

3.2 The Council is continuing to utilise the traffic light approach to variance monitoring and reporting, at cost centre level. The following table provides a summarised analysis of all variance categories. Section 3.3 of this report provides explanations for all forecast outturn "red" variances, that is, variances of +/- £25,000.

	YTD Variances				Forecast Outturn Variances			
	Favourable		Adverse		Favourable		Adverse	
	No.	£m	No.	£m	No.	£m	No.	£m
Red Variances	2	0.103	4	-0.126	0	0	0	0
Amber Variances	11	0.127	8	-0.089	0	0	0	0
Green Variances	41	0.015	27	-0.020	0	0	0	0
Total	54	0.245	39	-0.235	0	0	0	0

3.3 The major issues affecting the department are:

The national economic downturn appears to be adversely affecting the level of Building Standards income.

3.4 Any further action required:

A review of Building Standards income is being under taken and the results of this will be reported in the July monitoring.

3.5 Implications for next year's budget:

None at this stage.

George Harper
Director of Development Services

Bruce West
Head of Strategic Finance

4 August 2008

Appendix 1

Development Services
OBJECTIVE VARIANCES AS AT END JUNE 2008

SERVICE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Director of Development Services & Support Team	166,415	169,794	3,379	1.99%	0	0	0	0.00%	Outwith criteria.
Head of Planning	809,078	759,957	-49,121	-6.46%	3,600,924	3,600,924	0	0.00%	The adverse variance is due to profiling which will be corrected in July.
Head of Transportation & Infrastructure	38,910	93,817	54,907	58.53%	1,061,782	1,061,782	0	0.00%	The favourable variance is due to profiling which will be corrected in July.
Totals	1,014,403	1,023,568	9,165	0.90%	4,662,706	4,662,706	0	0.00%	

Appendix 2

Development Services
SUBJECTIVE VARIANCES AS AT END JUNE 2008

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	
Employee	955,318	1,043,304	87,986	8.43%	4,087,009	4,087,009	0	0.00%	The favourable variance is due to staff vacancies and profiling not taking account of the delay in settling the 2008/9 pay award.
Premises	24,167	19,820	-4,347	-21.93%	132,071	132,071	0	0.00%	The adverse variance is due to profiling which will be corrected in July.
Supplies & Services	235,088	165,830	-69,258	-41.76%	792,778	792,778	0	0.00%	The adverse variance is due to profiling which will be corrected in July.
Transport	78,582	63,795	-14,787	-23.18%	185,535	185,535	0	0.00%	The adverse variance is due to profiling which will be corrected in July.
Third Party	303,239	184,812	-118,427	-64.08%	540,841	540,841	0	0.00%	The adverse variance is due to profiling which will be corrected in July.
Capital Financing	616,249	616,249	0	0.00%	11,812	11,812	0	0.00%	Outwith reporting criteria.
Income	-1,198,239	-1,070,241	127,998	-11.96%	-2,101,090	-2,101,090	0	0.00%	The favourable variance is due to profiling which will be corrected in July.
Support Services	0	0	0	0.00%	1,013,750	1,013,750	0	0.00%	Outwith reporting criteria.
Totals	1,014,404	1,023,569	9,165	0.90%	4,662,706	4,662,706	0	0.00%	

**ARGYLL AND BUTE COUNCIL
JOINT REPORT BY DIRECTOR OF
CORPORATE SERVICES AND
HEAD OF STRATEGIC FINANCE**

**EXECUTIVE COMMITTEE
21 AUGUST 2008**

REVENUE BUDGET MONITORING - AS AT JUNE 2008

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the department as at June 2008. The main variances and explanations are outlined in the attached appendices.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 An objective and subjective summary for the department are included within this report as Appendices 1 & 2 respectively. These reports provide summarised information in respect of year-to-date and forecast outturn positions. Explanations are required for all forecast outturn variances and for year-to-date variances greater than +/- £100,000 and these are included within these reports.

3.2 The Council is continuing to utilise the traffic light approach to variance monitoring and reporting, at cost centre level. The following table provides a summarised analysis of all variance categories. Section 3.3 of this report provides explanations for all forecast outturn "red" variances, that is, variances of +/- £25,000.

	YTD Variances				Forecast Outturn Variances			
	Favourable		Adverse		Favourable		Adverse	
	No.	£m	No.	£m	No.	£m	No.	£m
Red Variances	4	0.177	2	0.487	0	0	0	0
Amber Variances	23	0.210	9	0.091	0	0	0	0
Green Variances	41	0.044	29	0.044	0	0	0	0
Total	68	0.431	49	0.622	0	0	0	0

3.3 At present there are no Forecast Outturn "red" variance to report

- 3.4 The main factors giving rise to the year-to-date red variances and the explanation as to how they will be brought in line with budget are as follows:

HQ Reprographics (Print Room) – The adverse YTD variance of -£71k is largely due to the payment of an invoice from Canon. This invoice was identified as being incorrect and the charge has now been resolved and recharged to the correct level of £18k.

ICT Infrastructure – The favourable YTD variance of £41k is due to managing vacancies/time delay in filling vacant posts and from an unbudgeted income receipt from BT. This income however will be required to cover cancellation charges from BT for Pathfinder and BT Circuits.

Environmental Health Shellfish Program – Corporate Initiative – The favourable YTD variance of £46k is due to Grant income of £61k being received with expenditure still to be incurred. The Grant relates to last years expenditure and was not accrued at year end.

Licensing – The favourable YTD variance of £31k is due to managing vacancies/time delay in filling vacant posts.

Housing Benefits Private – The adverse YTD variance of -£415k is due to Benefits paid to claimants being greater than initially anticipated. This should be offset by Subsidies income however the receipts to date are based on the level of income submitted on our previous claim. This will be improved and back in line once we submit our mid year estimate in August.

Benefits Administration – The favourable YTD variance is £60k is largely due to a deferred income of £29k for DWP Employment Support Allowance and to managing vacancies/time delay in filling vacant posts.

Nigel Stewart
Director of Corporate Services

Bruce West
Head of Strategic Finance
30 July 2008

**CORPORATE SERVICES
OBJECTIVE VARIANCES AS AT END JUNE 2008**

SERVICE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Director of Corporate Services	36,589	36,742	153	0.42%	40,000	40,000	0	0.00%	Outwith Reporting Criteria
Head of Democratic Services and Governance	682,024	650,711	-31,313	-4.81%	3,078,290	3,078,290	0	0.00%	Outwith Reporting Criteria
Head of ICT & Financial Services	1,342,299	1,044,142	-298,157	-28.56%	2,259,676	2,259,676	0	0.00%	This YTD variance is mainly from a net -£333k adverse variance in Revenues and Benefits cost centres. This is split -£356k Benefits and in particular the Housing Benefit Private cost centre with Benefits paid to claimants being greater than initially anticipated. This should be offset by Subsidies income however the receipts to date are based on the level of income submitted on our previous subsidy claim. This will be improved and back in line once we submit our mid year estimate in August. This variance is offset by a favourable £23k in the other Revenues cost centres. There is a favourable £41k in the ICT Infrastructure cost centre which is due to an unbudgeted rebate receipt from BT however this income will be required to cover cancellation charges from BT for Pathfinder and BT Circuits. There is also a budget reprefiling requirement which will be done in July. The balance is made up of a net adverse -£12k in Exchequer Services, a net -£3k in ICT Applications and a net favourable £9k in ICT MGF3 Projects.

Appendix 1

CORPORATE SERVICES
OBJECTIVE VARIANCES AS AT END JUNE 2008

SERVICE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	EXPLANATION / ACTION TO BE TAKEN
Head of Legal and Protective Services	427,893	566,091	138,198	24.41%	3,088,189	3,088,189	0	0.00%	This favourable YTD variance is mainly from a net £77k in Environmental Health cost centres and in particular the Shellfish Corporate Initiative project where Grant income has been received with expenditure still to be incurred. There is a net £30k in Licensing and District Courts due to managing vacancies/time delay in filling vacant posts. In Conveyancing, Contracts and Estates a net £23k is also due to managing vacancies/time delay in filling vacant posts with the net balance in all other cost centres being a favourable £8k.
Totals	2,488,805	2,297,686	-191,119	-8.32%	8,466,155	8,466,155	0	0.00%	

Appendix 2

CORPORATE SERVICES
SUBJECTIVE VARIANCES AS AT END JUNE 2008

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	
Employee	1,925,726	2,138,821	213,095	9.96%	9,575,696	9,575,696	0	0.00%	This favourable YTD variance is mainly within Legal & Protective Services £100k and due to managing vacancies/time delay in filling vacant posts within Legal and Protective Services Management, Conveyancing, Contracts and Estates, Environmental Health, Trading Standards and Licensing and District Courts cost centres. There is £86k within ICT & Financial Services which is mainly due to managing vacancies/time delay in filling vacant posts within the Benefits Administration, Debt Recovery, Local Tax Cash Collection, ICT Applications and ICT Infrastructure sections. The balance of £27k in Directorate and Democratic Services & Governance is mainly due to managing vacancies/time delay in filling vacant posts in Democratic & Community Services and Registrars.
Premises	3,584	6,492	2,908	44.79%	33,613	33,613	0	0.00%	The favourable YTD variance is due to budget reprofiling requirements resulting from the timing of charges and mainly within Democratic Services and Governance.

Appendix 2

CORPORATE SERVICES
SUBJECTIVE VARIANCES AS AT END JUNE 2008

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	
Supplies & Services	502,280	333,600	-168,680	-50.56%	2,883,937	2,883,937	0	0.00%	The adverse YTD variance is mainly within Democratic Services and Governance cost centres -£110k and in particular HQ Reprographics (Print Room) where an invoice from Canon for £57k was paid from Rents & Copy Cost Photocopying. This invoice was identified as being incorrect and the charge has now been resolved and recharged to the correct level of £18k. There is also an unbudgeted £10k Business Continuity payment from Governance and Risk which will be offset by income recharges to Departments. In Legal and Protective Services -£47k which includes an unbudgeted final payment to Iken for the Case Management System. There are also slight budget reprofiling requirements to be carried out during July. In ICT & Financial Services -£10k is due to a budget reprofiling requirement in ICT Infrastructure which will be done in July. The balance of -£2k is in Directorate.
Transport	75,891	74,974	-917	-1.22%	356,622	356,622	0	0.00%	Outwith Reporting Criteria

Appendix 2

CORPORATE SERVICES
SUBJECTIVE VARIANCES AS AT END JUNE 2008

SUBJECTIVE CATEGORY	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE	ANNUAL BUDGET	FORECAST OUTTURN	FORECAST OUTTURN VARIANCE	% VARIANCE	
Third Party	4,651,664	4,447,584	-204,080	-4.59%	18,823,769	18,823,769	0	0.00%	This adverse YTD variance is mainly within ICT & Financial Services -£189k and due to Benefits Afforded payments from the Housing Benefits Private cost centre being greater than initially anticipated. This should be offset by Subsidies income as per note on Appendix 1. There is also -£18k in Legal and Protective Services which is largely due to unbudgeted payments to other bodies. This will be offset by income. The £3k balance is in Directorate and Democratic Services and Governance.
Capital Financing	73,559	73,559	0	0.00%	294,235	294,235	0	0.00%	Outwith Reporting Criteria
Income	-4,743,898	-4,777,343	-33,445	0.70%	-20,293,102	-20,293,102	0	0.00%	Outwith Reporting Criteria
Support Services	0	0	0	0.00%	-3,208,617	-3,208,617	0	0.00%	Outwith Reporting Criteria
Totals	2,488,806	2,297,687	-191,119	-8.32%	8,466,153	8,466,153	0	0.00%	

**ARGYLL AND BUTE COUNCIL
JOINT REPORT BY CHIEF
EXECUTIVE AND HEAD OF
STRATEGIC FINANCE**

**EXECUTIVE COMMITTEE
21 AUGUST 2008**

REVENUE BUDGET MONITORING - AS AT JUNE 2008

1. INTRODUCTION

1.1 This report summarises the revenue budget position of the department as at 30 June 2008. The main variances and explanations are outlined in the attached appendices.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 An objective and subjective summary for the department are included within this report as Appendices 1 & 2 respectively. These reports provide summarised information in respect of year-to-date and forecast outturn positions. Explanations are required for all forecast outturn variances and for year-to-date variances greater than +/- £100,000 and these are included within these reports.

3.2 The Council is continuing to utilise the traffic light approach to variance monitoring and reporting, at cost centre level. The following table provides a summarised analysis of all variance categories. Section 3.3 of this report provides explanations for all forecast outturn "red" variances, that is, variances of +/- £25,000.

	YTD Variances				Forecast Outturn Variances			
	Favourable		Adverse		Favourable		Adverse	
	No.	£m	No.	£m	No.	£m	No.	£m
Red Variances	5	0.326	1	-0.029	0	0.000	0	0.000
Amber Variances	7	0.093	1	-0.017	0	0.000	0	0.000
Green Variances	10	0.016	7	-0.009	31	0.002	0	0.000
Total	22	0.435	9	-0.055	31	0.002	0	0.000

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**ARGYLL AND BUTE COUNCIL
HEAD OF STRATEGIC FINANCE**

**EXECUTIVE
21 AUGUST 2008**

FUEL IMPACT ASSESSMENT - AS AT JUNE 2008

1. INTRODUCTION

1.1 This report summarises the assessment of the impact of fuel cost increases on the revenue budget position for all Departments of the Council as at June 2008.

2. RECOMMENDATION

2.1 Members note the revenue budget monitoring position, as at 30 June 2008.

3. DETAIL

3.1 Fuel increases have been prevalent in the past 6 months.

3.2 Additional cost pressures are anticipated due to the significant increases in the cost of Oil, this in turn will trigger above inflation increases in relation to:

- Fuel
- Electricity
- Gas
- Heating Oil
- Street Lighting
- Ferries
- Bus Contracts
- Air Contract

- 3.3 An estimate of the outturn for 2008/09 has been derived and compared to the budget for 2008/09.

	Budget 2008/09	Projected Outturn 2008/09	Variance £	Variance %
Fuel	1,199,544	1,262,657	-63,113	-5.3%
Electricity	1,435,439	1,983,192	-547,753	-38.2%
Gas	254,953	356,699	-101,746	-39.9%
Heating Oil	733,139	1,100,465	-367,326	-50.1%
Street Lighting	386,318	386,318	0	0.0%
Bus Contracts	6,200,000	6,307,043	-107,043	-1.7%
Ferries	21,523	24,855	-3,332	-15.5%
Ferries Contract	73,390	93,390	-20,000	-27.3%
Air Contract	429,519	429,519	0	0.0%
Total	10,733,825	11,944,138	-1,210,313	-11.3%

The impact on following years specifically 2009/10 has also been considered.

	Budget 2009/10	Projected Outturn 2009/10	Variance £	Variance %
Fuel	1,268,854	1,325,790	-56,936	-4.5%
Electricity	1,559,714	2,082,351	-522,637	-33.5%
Gas	290,717	374,534	-83,817	-28.8%
Heating Oil	748,774	1,155,488	-406,714	-54.3%
Street Lighting	443,434	615,804	-172,370	-38.9%
Bus Contracts	6,510,000	6,622,395	-112,395	-1.7%
Ferries	22,598	26,098	-3,500	-15.5%
Ferries Contract	73,390	93,390	-20,000	-27.3%
Air Contract	429,519	431,283	-1,764	-0.4%
Total	11,347,000	12,727,133	-1,380,133	-12.2%

- 3.4 Departments will continue to monitor fuel costs in terms of the projected outturn for 2008/09 and the forecast budgetary impact for 2009/10. They will seek to contain actual overall costs for 2008/09 within budget by making compensating savings where fuel costs cannot be contained within budget. A further report on the position will be presented as part of the September revenue budget monitoring.

3.5 Assumptions made:

- Fuel

Annual number of litres used is 1.3 million across all services. The average price per litre was 94 pence for Derv and 49 pence for Gas Oil in 2007/08. Note this excludes VAT. The outturn projection has been based on an estimate of the average cost remaining at £1.02 for Derv and £0.64 for Gas oil.

Price per litre including VAT = £1.20 for Derv and £0.67 for Gas Oil

Assumed a 5% increase on the projected outturn for 2008/09 to arrive at a projection for 2009/10.

- Electricity

The electricity projection was based on estimated annual kWh consumption per site times the contract electricity rates. The rates have been set until March 2009.

Assumed a 5% increase on the projected outturn for 2008/09 to arrive at a projection for 2009/10.

- Gas

The gas projection was based on estimated annual consumption per site times the contract gas rates. The rates have been set until March 2009.

Assumed a 5% increase on the projected outturn for 2008/09 to arrive at a projection for 2009/10.

- Heating Oil

The heating oil projection was based on estimated annual number of litres consumption per site times the estimated average price per litre. The outturn projection has been based on an estimate of the average cost rising to 65 pence. Average was in the region of 40 pence for 2007/08.

Assumed a 5% increase on the projected outturn for 2008/09 to arrive at a projection for 2009/10.

- Street Lighting

The street lighting contract has been set until March 2009.

Early indications are that a rise in the region of 75% can be expected on contract renewal.

- Bus Contracts

Bus contracts over 12 months old are liable for an inflationary increase based on RPI and the Fuel Index. The projection has been based on this increase applied to the relevant contracts.

- Ferries

The projection has been based on prior year's fuel consumption. Action has been taken to contain the increase by ensuring ferries run to a scheduled timetable with on demand trips only made when passengers or cars are not cleared by the scheduled service.

- Ferry Contract

ASP Seascot who operate the Islay/Jura Ferry on our behalf have indicated that they anticipate additional expenditure on fuel.

- Air Contract

There is no provision for an automatic price change relating to fuel charges in the current contract. Highland Airways are very reluctant to see the ticket price charged to passengers increase unless absolutely necessary, however they also need to ensure that the provision of this service is financially viable. If fuel prices continue to increase at the current rate it may become necessary for them to request a variation in our contract to increase subsidy. They will continue to monitor how the fuel prices change throughout the coming year, but at this stage they have advised that there is no need for a fuel surcharge to be applied on the Argyll Air Service. They hope that ticket sales will exceed projections and that this will cover any additional budget deficit.

All outturn projections assume that year end accruals will cover all outstanding liabilities from prior years i.e. specifically in the case of Electricity, Scottish Power have not billed some sites since prior to December 2007.

Bruce West
Head of Strategic Finance

August 2008

**ARGYLL AND BUTE COUNCIL
HEAD OF STRATEGIC FINANCE**

**THE EXECUTIVE
21 AUGUST 2008**

CAPITAL PLAN MONITORING REPORT – 30 JUNE 2008 : SUMMARY

1 INTRODUCTION

- 1.1 This report summarises the position for all services on the capital plan as at 30 June 2008. The report compares expenditure levels and project performance in terms of cost, timescale, benefits and risk. (Appendix 1 and 2). Where services have projects classified as red then a separate report from the relevant head of service has been prepared. (Appendix 3).
- 1.2 Appendix 4 summarises changes to the Community Services section of the Capital Plan arising from receipt of School Fund grant monies and slippage.

2 RECOMMENDATIONS

- 2.1 The capital plan position report is noted. (Appendices 1-3).
- 2.2 The adjustment to the Community Services capital plan arising from the School Fund grant and slippage from 2007-08 is approved. (Appendix 4).

3 DETAIL

- 3.1 Appendix 1 summarises financial performance in terms of expenditure on the capital plan at 30 June 2008. Actual gross expenditure to 30 June 2008 amounted to £3.42m being 9% of both the gross annual budget of £39.173m and the projected outturn of £38.309m. Actual income to 30 June 2008 amounted to £5.638m being 22% of both the annual income budget of £25.559m and the projected outturn of £25.435m. This translates into actual net expenditure of £-2.218m. This is due to timing differences between grant income and expenditure.
- 3.2 Appendix 2 summarises overall project performance in terms of cost, timescale, benefits and risk. Project performance is summarised based on a red, amber and green traffic light analysis, where red requires corrective action, amber is a warning that there are performance issues but these are manageable and green is no significant performance issues.
- 3.3 The individual projects with red classifications are reported in the relevant head of service report with comments on what the red issue is, what has caused it, the action proposed to correct it and the implications of the action. These reports are presented in Appendix 3.
- 3.4 The table below summarises the overall financial position on the capital plan.

Previous Years		Full Year This Year		Future Years		Total Project		
Actual	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	Variance
£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
72,629	72,629	12,874	13,614	80,770	78,220	166,273	164,463	-1810

- 3.5 As at 30 June, slippage of £740k has been forecast for this year. The main project contributing to the slippage is:
- Milton Burn £1,589k - Delays in progressing scheme design due to loss of staff resources in 2007-08.
- 3.6 As at 30 June 2008 £1.810m is forecast in total project variance. The main projects contributing to the variance are:
- Oban Airport £508k – Additional staff costs, procurement & design work due to delays in completion and contingency allowance for settlement of contractor's claim
 - Rothesay Harbour Ferry Berth £476k – Contingency allowance for settlement of contractor's claims
 - Kilbride Rd £400k – Increased costs due to requirement to pay utilities for additional alterations.
- 3.7 The table below summarises project performance using traffic light analysis (Red, Amber, Green) in respect of cost, timescale, benefits and risk. The analysis shows the number of project lines and includes both expenditure and income lines. Of the 291 project lines, 18 project lines relate to 16 projects which are classified as red.

Spend Year			This			Project Total Cost			Project Timescale			Project Benefits			Project Risk		
R	A	G	R	A	G	R	A	G	R	A	G	R	A	G			
18	52	221	10	42	239	5	42	244	1	3	287	2	13	276			

- 3.8 There are a number of changes to the Community Services section of the Capital Plan arising from the receipt of Early Years grant, School Fund grant and slippage from 2007-8. The condition of the School Fund grant was that it be used to create slippage to assist in meeting the Scottish Government's proposal to reduce class sizes. Appendix 4 lists the previous and revised budget per annum against each project in the Community Services section of the Capital Plan. These changes have no "bottom line" impact as the overall net expenditure remains as per the approved Capital Plan.

For further information please contact Bruce West, Head of Strategic Finance 01546-604220

Bruce West
 Head of Strategic Finance
 18 July 2008

CAPITAL PLAN MONITORING REPORT AT 30 JUNE 2008 - FINANCIAL SUMMARY

Service	Previous Years		Full Year This Year		Future Years		Total Project		Actual Jun-08 £000's	Full Year Budget £000's	Actual % Budget £000's	Actual Jun-08 £000's	Forecast as at June £000's	Actual % Forecast £000's
	Actual £000's	Budget £000's	Forecast £000's	Budget £000's	Forecast £000's	Budget £000's	Forecast £000's	Budget £000's						
Head of Democratic Services & Governance	123	123	210	210	0	0	333	333	0	210	0%	0	210	0%
Head of Legal & Protective Services	182	182	32	32	0	0	214	214	0	32	0%	0	32	0%
Head of ICT & Financial Services	1,737	1,737	754	894	3,831	3,691	6,322	6,322	0	894	9%	79	754	10%
Head of Primary Education	5,031	5,031	5,893	5,893	6,254	6,254	17,178	17,178	0	5,893	7%	398	5,893	7%
Head of Secondary Education	1,410	1,410	2,711	2,711	2,776	2,776	6,897	6,897	0	2,711	8%	225	2,711	8%
Head of Community Regeneration	6,390	6,390	-9,364	-9,364	21,021	21,021	18,047	18,047	0	-9,364	0%	0	-9,364	0%
Head of Planning & Performance	6,416	6,416	263	208	0	0	6,624	6,624	-55	208	1%	3	263	1%
Head of Adult Care	2,589	2,589	2,671	2,671	38	38	5,298	5,298	0	2,671	1%	28	2,671	0%
Head of Children & Families	339	339	2,010	2,010	586	586	2,935	2,935	0	2,010	2%	45	2,010	2%
Head of Infrastructure & Transport	688	688	-528	-523	-163	-163	-3	2	5	-787	150%	-787	-528	149%
Head of Roads & Amenity Services	35,915	35,915	11,769	13,013	41,241	38,316	88,925	87,244	-1,681	13,013	-9%	-1,205	11,769	-10%
Head of Facility Services	10,639	10,639	1,984	1,359	13,679	14,225	26,302	26,223	-79	1,359	33%	453	1,984	23%
IT Transferred from Revenue	1,136	1,136	417	448	31	0	1,584	1,584	0	448	4%	17	417	4%
Bute & Cowal	17	17	13	13	0	0	30	30	0	13	0%	0	13	0%
Helensburgh & Lomond	3	3	53	53	0	0	56	56	0	53	2%	1	53	2%
Oban Lorn & the Isles	6	6	58	58	0	0	64	64	0	58	0%	0	58	0%
Mid Argyll Kintyre & Islay	8	8	80	80	0	0	88	88	0	80	0%	0	80	0%
Scottish Government Block Grant Capital Receipts			-5,902	-5,902	-7,524	-7,524	-13,426	-13,426	0	-5,902	25%	-1,475	-5,902	25%
			-250	-250	-1,000	-1,000	-1,250	-1,250	0	-250	0%	0	-250	0%
TOTAL	72,629	72,629	12,874	13,614	80,770	78,220	166,273	164,463	-1,810	13,614	-16%	-2,218	12,874	-17%

APPENDIX 2

CAPITAL PLAN MONITORING REPORT AT 30 JUNE 2008 - PROJECT PERFORMANCE SUMMARY

Service	Traffic Light Analysis Of Cost, Timescale, Benefits & Risk																	
	Spend This Year			Project Total Cost			Project Timescale			Project Benefits			Project Risk			Exception Report		
	Red	Amber	Green	Red	Amber	Green	Red	Amber	Green	Red	Amber	Green	Red	Amber	Green			
Head of Democratic Services & Governance			4			4			4			4			4			No
Head of Legal & Protective Services			1		1			1			1			1				No
Head of ICT & Financial Services	1	3	19		2	21		3	20		23			23				Yes
Head of Primary Education		6	70		1	75		6	70		76			76				No
Head of Secondary Education		2	6		1	7			8		8			8				No
Head of Community Regeneration		2	12		2	12		2	12		14			14				No
Head of Planning & Performance	1	2	2		2	3		2	3		5			5				Yes
Head of Adult Care		6	6		5	7		5	7		11		1	11		2	10	No
Head of Children & Families		6	1		5	2		7			7			7				No
Head of Infrastructure & Transport			20			20			20		20			20				No
Head of Roads & Amenity Services	14	13	38		10	39		5	9	51		1	1	63		2	8	Yes
Head of Facility Services	2	5	20		5	22		4	23		27			27		2	25	Yes
IT Transferred from Revenue		1	10			11			11		11			11				No
Bute & Cowal		1	2		1	2		1	2		3			3				No
Helensburgh & Lomond		2			2			2			1		1	1		1		No
Oban Lorn & the Isles		1	1			2		1	1		2			2				No
Mid Argyll Kintyre & Islay		2	9			11			11		11			11				No
TOTAL	18	52	221	10	42	239	5	42	244	1	3	287	2	13	276			

APPENDIX 3

ARGYLL AND BUTE COUNCIL
CORPORATE SERVICES
THE EXECUTIVE
21 AUGUST 2008

CAPITAL PLAN MONITORING REPORT – 30 JUNE 2008
ICT AND FINANCIAL SERVICES

1. INTRODUCTION

This report comments on projects given a red classification during the June capital plan monitoring exercise. During the capital plan monitoring exercise project performance is summarised based on a red, amber or green traffic light analysis where red requires corrective action, amber is a warning that there are performance issues but these are manageable and green is no significant performance issues. All projects classified as red require a report to be prepared by the relevant head of service.

2. RECOMMENDATIONS

2.1 That the comments on the project are noted.

3. DETAIL

3.1.1 The individual projects with red classifications are noted below with comments on what the red issue is, what has caused it, the action proposed to correct it and the implications of the action.

3.1.2 The table below summarises project performance using traffic light analysis (Red, Amber, Green) in respect of cost, timescale, benefits and risk. One project is classified as red out of a total of 23 project lines.

Spend This Year			Project Total Cost			Project Timescale			Project Benefits			Project Risk		
R	A	G	R	A	G	R	A	G	R	A	G	R	A	G
1	3	19	0	2	21	0	3	20	0	0	23	0	0	23

APPENDIX 3

3.2

Project Name – Modernising Government					
First Added to Capital Plan – 2001/2					
Project Manager: Gavin Boyd					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan: Gross Exp Income Net Exp					£715,000 £0 £715,000
Current Forecast: Gross Exp Income Net Exp					£715,000 £0 £715,000
Variance: Gross Exp Income Net Exp					0
Contractor	Various				
What is this project?					
There are two remaining sub-projects from the original group of four : <ol style="list-style-type: none"> 1) National Entitlement Card / Smartcard Deployment 2) 1st Phase of national eCare / Care Data Sharing Initiative 					
How is this project funded? Enter the source of funding ie Scottish Exec / ERDF etc and the amount from each source.					
The project is financed from the Council's IT Capital Programme and the Scottish Government's MGF3 (Modernising Govt Fund 3) programme .					
What has caused the issue outlined above?					
The national development of a new card management system for the National Entitlement Card has slipped by a year. Our local eCare development is also linked to a national development programme to establish automatic links between local authority Social Work systems and NHS patient management systems - this national programme has slipped by some 9 months.					
What action will be taken to rectify this issue?					
We will continue to monitor progress on both national developments and prepare for local implementations on the assumption that progress will be made nationally .					

APPENDIX 3

What are the implications of the action proposed?

Slippage of £100,000 of spend from 2008-9 to 2009-10 has already been forecast. We will continue to engage with the Improvement Service to monitor the national card management system development and our ongoing participation in the Highland Data Sharing Partnership will allow us to assess progress on the national eCare development .

For further information please contact Judy Orr, Head of ICT and Financial Services.

Gavin Boyd - ICT 15th July 2008

APPENDIX 3

ARGYLL AND BUTE COUNCIL
COMMUNITY SERVICES

THE EXECUTIVE
21 AUGUST 2008

CAPITAL PLAN MONITORING REPORT – 30 JUNE 2008 :

1. INTRODUCTION

This report comments on projects given a red classification during the June capital plan monitoring exercise. During the capital plan monitoring exercise project performance is summarised based on a red, amber or green traffic light analysis where red requires corrective action, amber is a warning that there are performance issues but these are manageable and green is no significant performance issues. All projects classified as red require a report to be prepared by the relevant head of service.

2. RECOMMENDATIONS

2.1 The comments on each project are noted.

3. DETAIL

3.1.1 The individual projects with red classifications are noted below with comments on what the red issue is, what has caused it, the action proposed to correct it and the implications of the action.

3.1.2

The table below summarises project performance using traffic light analysis (Red, Amber, Green) in respect of cost, timescale, benefits and risk. Of the 122 project lines, 1 project is classified as red.

Spend This Year			Project Total Cost			Project Timescale			Project Benefits			Project Risk		
R	A	G	R	A	G	R	A	G	R	A	G	R	A	G
1	24	97	0	16	106	0	22	100	0	1	121	0	2	120

APPENDIX 3

3.2 LIST OF RED PROJECTS WITH COMMENTS AS PER ABOVE

**Community Services Capital Programme
Head of Planning and Performance**

Project Name – Campbeltown Community Project					
First Added to Capital Plan – 2001/02					
Project Manager: Allan Redpath					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					9,690,000
Income					3,587,000
Net Exp					6,103,000
Current Forecast:					
Gross Exp					9,745,000
Income					3,587,000
Net Exp					6,158,000
Variance:					
Gross Exp					-55,000
Income					0
Net Exp					-55,000
Contractor					
What is this project?					
Construction of New Swimming Pool and Library Complex					
How is this project funded?					
		£			
Big Lottery Fund		260,000			
AIE		978,000			
ERDF		1,505,608			
Sportscotland		700,000			
ABC Children & Families		18,000 (revenue)			
Alienergy/HIPP		85,731 (additional funding secured)			
Scottish Water		40,000 (additional funding secured)			
		<u>3,587,339</u>			
Argyll and Bute Council		6,157,661			
Total Project		9,745,000			
Why is this project classified as red?					
08/09 spend increased from £95,000 to £150,000.					

APPENDIX 3

What has caused the issue outlined above?

Previous figures had excluded any further payments to professional consultants. Based on external advice received, some additional payments are considered correctly due, and provision has now been made for this.

What action will be taken to rectify this issue?

With the exception of the project architect, all consultants fees have now been agreed and final figures are known. It is anticipated that agreement of the final fee due to the Architect shall be reached soon. It should be noted that all consultants fees have been reduced from the amounts claimed.

What are the implications of the action proposed?

There is a corresponding increase in the forecast final cost of the scheme.

For further information please contact Malcolm McFadyen, Head of Community Regeneration 01546-604412.

Malcolm McFadyen
Head of Community Regeneration
7th May 2008

APPENDIX 3

ARGYLL AND BUTE COUNCIL
OPERATIONAL SERVICES

THE EXECUTIVE
21 AUGUST 2008

CAPITAL PLAN MONITORING REPORT – 30 JUNE 2008 :
ROADS & AMENITY SERVICES

1. INTRODUCTION

This report comments on projects given a red classification during the June capital plan monitoring exercise. During the capital plan monitoring exercise project performance is summarised based on a red, amber or green traffic light analysis where red requires corrective action, amber is a warning that there are performance issues but these are manageable and green is no significant performance issues. All projects classified as red require a report to be prepared by the relevant head of service.

2. RECOMMENDATIONS

2.1 The comments on each project are noted.

3. DETAIL

3.1.1 The individual projects with red classifications are noted below with comments on what the red issue is, what has caused it, the action proposed to correct it and the implications of the action.

3.1.2 The table below summarises project performance using traffic light analysis (Red, Amber, Green) in respect of cost, timescale, benefits and risk. The analysis shows the number of project lines and includes both expenditure and income lines. Of the 65 project lines, 13 project lines relate to 12 projects which are classified as red.

Spend This Year			Project Total Cost			Project Timescale			Project Benefits			Project Risk		
R	A	G	R	A	G	R	A	G	R	A	G	R	A	G
14	13	38	10	16	39	5	9	51	1	1	63	2	8	55

APPENDIX 3

3.2

Name – Oban Airport Development					
First Added to Capital Plan – 2003					
Project Manager: Mike Moffat					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					8,500,000
Income					4,727,000
Net Exp					3,773,000
Current Forecast:			Feb 06	October 07	
Gross Exp					9,010,000
Income					4,729,000
Net Exp					4,281,000
Variance:					
Gross Exp					-510,000
Income					-2,000
Net Exp					-508,000
Contractor	Ennstone Thistle Ltd/ TLS Construction/ Macleod Cons.				
What is this project?					
Development of Oban Airport and creation of new airfields on Coll and Colonsay to CAA licensable standard. Construction of terminal buildings at all three locations. Provision of emergency vehicles at all three locations.					
How is this Project Funded?					
This is an approved Capital scheme funded from a business case within the Capital programme and supported by capital grants from the European Regional Development Fund (ERDF), Argyll and the Isles Enterprise (AIE) and HITRANS. OLI area committee has also awarded £50k towards the project. In addition the Scottish Executive will meet the loan support charge on the capital cost of the Oban airport element of the project.					
Why is this project classified as red?					
Estimated project cost and spend this year have increased.					
What has caused the issue outlined above?					
A contingency allowance has been included for settlement of the civil contractor's claim for additional costs on Coll and Colonsay and also at Oban. This process is not yet complete and a final cost can not yet be confirmed. Additional measures to ensure CAA licensing at Coll, Colonsay and Oban. Additional staff costs resulting from prolongation of the contract and additional procurement and design work. Additional costs to convert an existing building for the creation of a storage facility for airport fire vehicle at Oban.					
What action will be taken to rectify this issue?					
No rectification is possible; expenditure is needed to satisfy CAA and achieve licensing of all three airfields.					

APPENDIX 3

What are the implications of the action proposed?

Additional call on capital but loan support charges for the Oban related costs are being met by the Scottish Government.

APPENDIX 3

Project Name – Rothesay Harbour Ferry Berth Improvements (including Inner Harbour Redevelopment)					
First Added to Capital Plan – 2004					
Project Manger: Mike Moffat					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					13,607,000
Income					8,227,000
Net Exp					5,380,000
Current Forecast:	Apr '06	Jun '06	Nov '06	Sep '08	
Gross Exp					14,083,000
Income (excl. block alloc.)					8,227,000*
Net Exp					5,856,000
Variance:					
Gross Exp					-476,000
Income					0
Net Exp					-476,000
Contractor	Balfour Beatty Civil Engineering Ltd				
What is this project?					
<ul style="list-style-type: none"> • Rothesay Harbour Ferry Berth Improvements (A): provision of new link-span, enlarged mustering area, reconfiguration of ferry berth, moveable pedestrian access bridge, sheet piling of existing quay wall and adjustable pedestrian gangway. • Inner Harbour redevelopment (B): Creation of a yacht transit marina within the inner harbour area comprising construction of sheet piled support to existing harbour walls, dredging of inner harbour area and installation of pontoon system. • 					
How is this Project Funded?					
(A) Scottish Executive Piers and Harbours Grant (£7,423k) with the remainder being met from the Capital Budget.					
(B) HIE Grant (£1,501k) with the remainder being met by from the Capital Budget.					
Why is this project classified as red?					
Completion is now currently programmed for September '08, 15 months later than original programme.					
Anticipated final project costs have increased and expenditure in current year has slipped.					
Due to an error in failing to accrue monies at the end of the last financial year by Scottish government officials, the original grant offered will not now be paid leaving a shortfall of £700k. Scottish Government Transport Directorate has made a block grant allocation of £1M* to the Council to offset this shortfall and make a potential slight contribution to the additional costs of the project but this is still to be confirmed by Strategic Finance.					

APPENDIX 3

What has caused the issue outlined above?

- The works have been delayed due to weather factors, ground conditions encountered, difficulties with temporary works and specific construction issues in the inner harbour. The contractor has notified claims for additional payment that are being assessed by the Council's consultant at the present time and it is not possible to make a final assessment of these costs as yet. A contingency allowance is included in the project total in respect of those claims notified so far but it is likely that additional claims will be submitted by the contractor in the future.
- The Contractor has also exercised his right under the contract to refer five heads of payment to Adjudication and is claiming that he is entitled to additional payments amounting to £5M. The Consultant's view remains that there is no entitlement to additional payments under these headings. At the present time it is not possible to speculate on the outcome of the Adjudication and in view of this no allowance has been made at this time but the project risk has been increased to red to reflect this position.
- Liquidated Damages are now being withheld from payments to the contractor because of the late completion and this will amount to £500k approx. by the completion of the project in September. It should be noted that any Adjudication outcome in favour of the Contractor that results in his being awarded further extensions of time will require LD to be repaid to him with interest.
- Additional external consultancy costs continue to be incurred in dealing with the extended period of site supervision and dealing with claim matters. A contingency is included in the project total to cover additional consultancy costs.
- Scottish Government accounting errors.

What action will be taken to rectify this issue?

The contractor is generally performing to the revised works programme that was submitted in April and the works continue to progress. AIE has recently confirmed that it has secured the balance of its funding commitment towards the project in this financial year. Discussions are required at COSLA level to address the marine grant shortfall in agreement with other authorities from the 08/09 block allocation recently advised.

What are the implications of the action proposed?

Additional call on Council capital if no additional external funding is available.
Possible increase in level of pier dues for CalMac
Overall project completion will not be achieved until September'08.

APPENDIX 3

Project Name – 20mph school zones					
First Added to Capital Plan – 2006					
Project Manager: Graham Brown					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan					
Gross Exp					324,000
Income					324,000
Net Exp					0
Current Forecast:					
Gross Exp					513,000
Income					372,000
Net Exp					141,000
Variance:					
Gross Exp					-189,000
Income					-48,000
Net Exp					-141,000
Contractor	Argyll & Bute Council				
What is this project? Creation or safe walking zones around schools					
How is this project funded? Argyll & Bute Council Capital Programme					
Why is this project classified as red? There is a net variance of £141,000					
What has caused the issue outlined above? A grant contribution towards the work has not yet been received. This is expected to come around August 2009.					
What action will be taken to rectify this issue? Income forecast of £141,000 when grant claim approved					
What are the implications of the action proposed? Grant award will address current variance of £141,000					

APPENDIX 3

Project Name – Play area upgrading					
First Added to Capital Plan – 2005					
Project Manager: Callum Robertson					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan					
Gross Exp					420,000
Income					149,000
Net Exp					271,000
Current Forecast:					
Gross Exp					507,000
Income					236,000
Net Exp					271,000
Variance:					
Gross Exp					-87,000
Income					-87,000
Net Exp					zero
Contractor					
What is this project?					
Upgrading of children's play areas					
How is this project funded?					
A&BC Capital Programme and external funders					
Why is this project classified as red?					
Increased income has been awarded, above the amount predicted, thus increasing the project total by £87,000.					
What has caused the issue outlined above?					
Project has increased funding from that previously noted by virtue of a successful funding application.					
What action will be taken to rectify this issue?					
Additional play equipment will be installed at West Bay play area.					
What are the implications of the action proposed?					
At this stage there is no additional capital requirement beyond that already allocated.					

APPENDIX 3

Project Name – Port Askaig Pier					
First Added to Capital Plan 2001					
Project Manager: Peter Ward					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan					
Gross Exp					12,775,000
Income					10,027,000
Net Exp					2,748,000
Current Forecast					
Gross Exp					13,050,000
Income* _{excl. block alloc}					*10,027,000
Net Exp					3,023,000
Variance					
Gross Exp					-275,000
Income					0
Net Exp					-275,000
Contractor	Phase 1 I&H Brown, Phase 2 Carillion, Phase 3 MacLeod Construction				
What is the project?					
Redevelopment of Port Askaig Pier. Phase 1 Parking and Mustering areas. Phase 2 Marine Works. Phase 3 Upgrade of Pier Buildings.					
How is this Project Funded?					
PTF = £3,750,000 ERDF = £2,240,000					
Scot Exec Marine Grant = £3,642,000 + £95,292					
Hitrans = £300,000					
Anticipate Marine grant Block grant allocation 2009/10 = £1,000,000					
Why is this project classified as red?					
Current year spend predicted to increase from £2,673,000 to £2,874,000.					
Project total is red as final contract costs are unknown due to indications of high claims from the contractor.					
Risk is red as there is still uncertainty over final costs					
What has caused the issue outlined above?					
Carillion completed the works very late and have intimated possible substantial claims to cover their costs. These will be disputed but until the contractor submits full details of the basis of his claim it is not possible to evaluate the potential liabilities. Current estimates assumes £1,500,000 of valid claims					
Risks associated with the project are for further increases in costs if Carillion are successful in their claims and possible additional costs for the current building works. Income assumes an additional £1,000,000 from the marine grant block allocation but this has still to be confirmed.					

APPENDIX 3

What action will be taken to rectify this issue?

The claims from Carillion will be defended. The overspend has been mitigated by the potential allocation of £1,000,000 via the block allocation for 2009/10 and it is hoped to secure further funding from the unallocated elements of the government marine funding still to be allocated to Councils via COSLA.

What are the implications of the action proposed?

If increased costs are not met from the block allocation of unallocated marine grant then they have to be met from existing Council capital funding

APPENDIX 3

Project Name – Kilbride Road, Dunoon – Flood Prevention Scheme					
First Added to Capital Plan – 2000					
Project Manger: Arthur McCulloch					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					1,200,000
Income					0
Net Exp					1,200,000
Current Forecast:	Jun 2008	July 2008	Sept 2008	Mar 2009	
Gross Exp					1,600,000
Income					0
Net Exp					1,600,000
Variance:	Sept 08	Oct 08	Nov 08	June 09	
Gross Exp					-400,000
Income					0
Net Exp					-400,000
Contractor	Not yet appointed.				
What is this project?					
The construction of a new surface water outfall down Kilbride Road to alleviate the current flooding problems in the Kilbride area of Dunoon.					
How is this Project Funded?					
Now fully funded from Council's Capital Budget following introduction of block grant system and removal of 80% cash grant.					
Why is this project classified as red?					
Underspend in 2008/09, anticipated overall and delay in tenders being issued.					
What has caused the issue outlined above?					
The public utility companies have proved slow at responding to requests for information in the work up of this scheme. The gas company has recently provided a £350,000 estimate for alterations to their plant and Scottish Water has proved very difficult to obtain details and approvals for the final design.					
What action will be taken to rectify this issue?					
Spend slipped to 2009/10. Discussions are taking place with the utilities to finalise acceptable solutions to the problems envisaged – installing a new pipe in and around the many underground service ducts/pipes that are already in the road foundation.					
What are the implications of the action proposed?					
Spend slipped into 2009/10 and also potential funding shortfall depending on tender prices received and final nature of final agreed scheme with utilities.					

APPENDIX 3

Project Name – Milton Burn, Dunoon – Flood Prevention Scheme					
First Added to Capital Plan – 2000					
Project Manger: Arthur McCulloch					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					2,000,000
Income					0
Net Exp					2,000,000
Current Forecast:					
Gross Exp					2,000,000
Income					0
Net Exp					2,000,000
Variance:					
Gross Exp					0
Income					0
Net Exp					0
Contractor	Not yet appointed.				
What is this project?					
Flood alleviation measures for the Milton Burn in Dunoon.					
How is this Project Funded?					
Now fully funded from Council's Capital Budget following introduction of block grant system and removal of 80% cash grant.					
Why is this project classified as red?					
Underspend in 2008/09 and anticipated delay in work up of detailed scheme.					
What has caused the issue outlined above?					
The loss of staff resources towards the end of 2007 and into 2008 has meant delays in progressing the scheme design. The estimated costs have been revised which show an overall total increase.					
What action will be taken to rectify this issue?					
The estimated costs are still at outline stage and will be reviewed as the project develops and further details of the scheme are established. Due to the anticipated rise in project costs for the original scheme, options are going to be considered for the phasing of the site works so that some flood relief can be obtained from within the present allocated budget. The detailed design of the works will be completed as soon as possible and a final submission will then be made to the Government for final Ministerial approval.					
What are the implications of the action proposed?					
Reduction in cost/benefit score for the scheme.					

APPENDIX 3

Project Name – B833 Culvert Replacement and Carriageway Repairs					
First Added to Capital Plan – 2001					
Project Manger: Arthur McCulloch					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					161,000
Income					0
Net Exp					161,000
Current Forecast:					
Gross Exp					201,000
Income					0
Net Exp					201,000
Variance:					
Gross Exp					40,000
Income					0
Net Exp					40,000
Contractor	Not yet appointed.				
What is this project?					
Replacement of a culvert and carriageway repairs.					
How is this Project Funded?					
100% Capital Budget					
Why is this project classified as red?					
Delay in project.					
What has caused the issue outlined above?					
Obtaining land to construct the scheme has proved extremely difficult due the “owner” not having title to the ground due to an earlier deal with the MOD. We cannot tie up a deal until the MOD and current “owner” conclude their bargain.					
What action will be taken to rectify this issue?					
Legal Services are in touch with the owner’s solicitors regularly to check if they have made any progress.					
What are the implications of the action proposed?					
It may be the case that this project could take several more years to reach construction stage. Ongoing structural inspections will determine if any interim measures are required prior to the culvert replacement.					

APPENDIX 3

Project Name – U46 Kilbride Road, Dunoon - Landslide

First Added to Capital Plan – 2007

Project Manger: Arthur McCulloch

	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					300,000
Income					0
Net Exp					300,000
Current Forecast:					
Gross Exp					175,000
Income					0
Net Exp					175,000
Variance:					
Gross Exp					125,000
Income					0
Net Exp					125,000
Contractor	Operational Services				
What is this project?					
Repairs to an embankment at Kilbride Road, Dunoon where a landslide occurred in December 2006 causing serious damage to two properties.					
How is this Project Funded?					
100% Capital Budget from Roads & Amenity block allocation.					
Why is this project classified as red?					
Underspend in 2008/09 due to savings on the cost of construction.					
What has caused the issue outlined above?					
Due to the method of procuring the works and the fact that the allowed for contingencies were not required, a saving of £125,000 on the cost of repairs to the embankment has been achieved.					
What action will be taken to rectify this issue?					
The savings can be returned to the Roads Design block allocation. It is proposed to vire £70,000 of the budget to A814 Mollandhu.					
What are the implications of the action proposed?					
Funding should be available to other Roads & Amenity Schemes.					

APPENDIX 3

Project Name – A814 Bend at Mollandhu					
First Added to Capital Plan – 2004					
Project Manager Arthur McCulloch					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					60,000
Income					0
Net Exp					0
Current Forecast:					
Gross Exp					130,000
Income					0
Net Exp					130,000
Variance:					
Gross Exp					70,000
Income					0
Net Exp					70,000
Contractor	Operational Services				
What is this project?					
The improvement to the road alignment and sight lines at Mollandhu.					
How is this Project Funded?					
100% from the Capital Budget					
Why is this project classified as red					
Overspend in 2008/09 and increase in project total.					
What has caused the issue outlined above?					
Once detailed design of scheme was complete, the extent of the works was slightly longer than originally envisaged. In addition the tender was somewhat higher than original estimate, mainly due to increases in fuel and material costs within the industry					
What action will be taken to rectify this issue?					
It is proposed to vire funds from Kilbride Road Landslide project which is underspent					
What are the implications of the action proposed?					
The project can proceed to construction stage.					

APPENDIX 3

Project Name – Bridge Strengthening/Replacement**First Added to Capital Plan – 2000**

Project Manager Arthur McCulloch

	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:	Various	Various	Various	Various	
Gross Exp					3,683,000
Income					0
Net Exp					3,683,000
Current Forecast:	Various	Various	Various	Various	
Gross Exp					3,683,000
Income					0
Net Exp					3,683,000
Variance:	0	0	0	0	
Gross Exp					0
Income					0
Net Exp					0

Contractor Various

What is this project?

Strengthening and replacement of various bridges and retaining walls

How is this Project Funded?

£3,683,000 Council Capital

Why is this project classified as red?

The spend this year is classified as red because of acceleration of two schemes and the anticipated increase in costs one already under construction.

What has caused the issue outlined above?

Two schemes (B8001 Achamenach and Burn Quarry) have been accelerated into 08/09 to allow them to be replaced in early course because of their poor condition.

Auchaneleit bridge replacement has encountered some variable ground conditions and additional costs are anticipated with it.

What action will be taken to rectify this issue?

Funding has been accelerated from 09/10. A paper is being drafted to the Executive proposing to reallocate the money set aside for HiTrans projects. It is proposed to reallocate some of the HiTrans funding to Bridge Strengthening.

What are the implications of the action proposed?

Less money will be available in 2009/10 out of the current allocation. If the reallocated funding (see above) is approved, it would offset the acceleration.

APPENDIX 3

Project Name – Cycleways – Helensburgh & Lomond (Challenge Fund)					
First Added to Capital Plan – 2001					
Project Manager: Arthur McCulloch					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					1,999,000
Income					0
Net Exp					1,999,000
Current Forecast:					
Gross Exp					1,999,000
Income					0
Net Exp					1,999,000
Variance:					
Gross Exp					0
Income					0
Net Exp					0
Contractor	Still to be appointed for Dumbarton to Helensburgh section.				
What is this project?					
The construction of cycleways – only the section between Dumbarton and Helensburgh remains to be completed.					
How is this Project Funded?					
For remaining work only Capital Budget funding is currently available. It is expected that SPT and SusTrans will provide funding in the future, but this has not been confirmed.					
Why is this project classified as red					
Underspend in 2008/09.					
What has caused the issue outlined above?					
Land is not going to be available by voluntary acquisition to allow works to start. CPO process is being initiated.					
What action will be taken to rectify this issue?					
CPO process is being initiated. Underspend slipped to 2009/10 at least.					
What are the implications of the action proposed?					
Spend extended to 2009/10 at least. Costs to complete the entire route are estimated at £1.6m at mid 2008 prices. Funding of £354,000 is available from the Council and the works will have to be phased to keep within the available budget.					

For further information please contact Stewart Turner, Head of Roads & Amenity Services.
01546 604611

Iain Welsh, Project Manager Roads & Amenity Services
18 July 2008

APPENDIX 3

ARGYLL AND BUTE COUNCIL
OPERATIONAL SERVICES
THE EXECUTIVE
21 AUGUST 2008

CAPITAL PLAN MONITORING REPORT – 30 JUNE 2008
FACILITY SERVICES

1. INTRODUCTION

This report comments on projects given a red classification during the June capital plan monitoring exercise. During the capital plan monitoring exercise project performance is summarised based on a red, amber or green traffic light analysis where red requires corrective action, amber is a warning that there are performance issues but these are manageable and green is no significant performance issues. All projects classified as red require a report to be prepared by the relevant head of service.

2. RECOMMENDATIONS

2.1 The comments on each project are noted.

3. DETAIL

3.1.1 The individual projects with red classifications are noted below with comments on what the red issue is, what has caused it, the action proposed to correct it and the implications of the action.

3.1.2 The table below summarises project performance using traffic light analysis (Red, Amber, Green) in respect of cost, timescale, benefits and risk. Two projects are classified as red out of a total of 27 project lines.

Spend This Year			Project Total Cost			Project Timescale			Project Benefits			Project Risk		
R	A	G	R	A	G	R	A	G	R	A	G	R	A	G
2	5	20	0	5	22	0	4	23	0	0	27	0	2	25

APPENDIX 3

3.2

Project Name – Oban High Community Facility					
First Added to Capital Plan – June 2003					
Project Manager: A Stuart					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan:					
Gross Exp					1,053,000
Income					664,000
Net Exp					389,000
Current Forecast:					
Gross Exp					1,053,000
Income					651,000
Net Exp					402,000
Variance:					
Gross Exp					0
Income					13,000
Net Exp					-13,000
Contractor	ERDC – project completed				
What is this project?					
Full sized all weather pitch. Pitch construction completed within project budget and facility fully operational.					
How is this project funded?					
Council Capital Programme and Sportscotland match funding					
Why is this project classified as red?					
Sale of land identified within 2008-9 capital programme. Variance of £330,000.					
What has caused the issue outlined above?					
The procurement of land adjacent to Oban High was required to allow this project to proceed. A capital receipt of £330,000 was identified within the capital programme for 2008-9 in respect to the future sale of Council owned land.					
What action will be taken to rectify this issue?					
The future scope and timescale for land sale will require to be considered					
What are the implications of the action proposed?					
As above					

APPENDIX 3

Project Name – Property Upgrade					
First Added to Capital Plan – Rolling Programme					
Project Manager: Neil Leckie					
	Tender Issue	Tender Return	Works Start	Works Complete	Cost £
Original Plan: Gross Exp Income Net Exp					2,707,000 30,000 2,677,000
Current Forecast: Gross Exp Income Net Exp					2,738,000 30,000 2,708,000
Variance: Gross Exp Income Net Exp					-31,000 0 -31,000
Contractor					
What is this project?					
The upgrade of Council property.					
How is this project funded?					
Council Capital Programme					
Why is this project classified as red?					
Forecast spend in 2008-09 is greater than budget. Variance of £247,000.					
What has caused the issue outlined above?					
Projects introduced and accelerated to achieve early spend of the Energy Efficiency Capital Grant Works has resulted in an over commitment, these projects require to be completed this financial year.					
What action will be taken to rectify this issue?					
Reinstatement £216k of original 08/09 Property Upgrade budget from 09/10					
What are the implications of the action proposed?					
Reduction in available budget for 09/10					

For further information please contact Sandy Mactaggart, Head of Facility Services, Tel. 01546 60 4663.

Sandy Mactaggart
Head of Facility Services
28 July 2008

APPENDIX 4

ARGYLL AND BUTE COUNCIL-OUTTURN OF CAPITAL EXPENDITURE - 2008-2009
COMPOSITE CAPITAL PROGRAMME - NET SUMMARY

Departments	To 31/03/08 £00s	Approved Budget 2008-2009 £00s	Revised Budget 2008-2009 £00s	Approved Budget 2009 2010 £00s	Revised Budget 2009 £00s	Approved Budget 2010-2011 £00s	Approved Budget 2011-2012 £00s	Approved Budget 2012-2013 £00s	Future Years £00s	Total Approved Budget £00s	Total Revised Budget £00s
Head of Primary Education	5,061	7,718	5,893	0	1,938	0	0	0	4,316	17,095	17,208
Head of Secondary Education	1,531	2,945	2,711	0	176	0	0	0	2,600	7,076	7,018
Head of Community Regeneration	6,523	(9,343)	(9,364)	5,250	5,271	5,250	5,250	5,250	0	18,180	18,180
Head of Planning & Performance	6,416	208	208	0	0	0	0	0	0	6,624	6,624
Head of Adult Care	2,817	2,764	2,671	0	38	0	0	0	0	5,581	5,526
Head of Children & Families	560	2,010	2,010	236	236	0	0	0	350	3,156	3,156
NET EXPENDITURE	22,98	6,302	4,129	5,486	7,659	5,250	5,250	5,250	7,66	57,2	57,2

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES

HEAD OF PRIMARY EDUCATION

Category	Project Description	Project Manager	To 31/03/08 €000s	2008/2009		2009/2010		2010/2011		2011/2012		2012/2013		Future Years		Total Project	
				Approved Budget €000s	Revised Budget €000s												
Asset Sustainability	Retentions from 2003-2004 (Various)	I. Scott	30	28	0									58	30		
	Refurbishment																
Asset Sustainability	Achaleven Primary School	I Scott	33	31	31									64	64		
Asset Sustainability	Ardochattan Primary School	I Scott	2	62	62									64	64		
Asset Sustainability	Ardchonnell Primary School	I. Scott	4	101	2									105	6		
Asset Sustainability	Ardishaig Primary School	I. Scott	27	105	25									132	52		
Asset Sustainability	Arinagour Primary School	I. Scott	21	103	8	0	95							124	124		
Asset Sustainability	Barcaldine Primary School	I. Scott	3	37	61	0	2							40	66		
Asset Sustainability	Bunessan Primary School	I. Scott	74	3	3									77	77		
Asset Sustainability	Carradale Primary School	I. Scott	92	41	30									133	122		
Asset Sustainability	Clachan Primary School	I. Scott	24	3	3									27	27		
Asset Sustainability	Colgrain Primary School	I. Scott	96	104	104									200	200		
Asset Sustainability	Craignish Primary School	I. Scott	5	30	30									35	35		
Asset Sustainability	Daimally Primary School	I. Scott	84	1	1									85	85		
Asset Sustainability	Dervaig Primary School	I. Scott	76	21	21									97	97		
Asset Sustainability	Drumlemble Primary School	I. Scott	31	2	2									33	33		
Asset Sustainability	Dunbeg Primary School	I. Scott	76	29	19									105	95		
Asset Sustainability	Easdale Primary School	I. Scott	10	45	68	0	2							55	80		
Asset Sustainability	Furnace Primary School	I. Scott	39	30	15									69	54		
Asset Sustainability	Gigha Primary School	I. Scott	10	412	70									422	80		
Asset Sustainability	Glassary Primary School	I. Scott	3	70	70									73	73		
Asset Sustainability	Glenbarr Primary School	I. Scott	16	120	95									136	111		
Asset Sustainability	Innellan Primary School	I. Scott	19	19	19									38	38		
Asset Sustainability	Inveraray Primary School	I. Scott	116	12	24									128	140		
Asset Sustainability	Iona Primary School	I. Scott	9	76	110	0	5							85	124		
Asset Sustainability	John Logie Baird Primary School	I. Scott	264	333	355	0	33							597	652		
Asset Sustainability	Keills Primary School	I. Scott	29	151	157									180	186		
Asset Sustainability	Kilchattan Primary School	I. Scott	32	5	5									37	37		
Asset Sustainability	Kilchrenan Primary School	I. Scott	2	60	30	0	23							62	55		
Asset Sustainability	Kilmartin Primary School	I. Scott	53	33	26									86	79		
Asset Sustainability	Kilmodan Primary School	I. Scott	20	110	10	0	60							130	90		
Asset Sustainability	Kilhinver Primary School	I. Scott	5	79	79	0	2							84	86		

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES

HEAD OF PRIMARY EDUCATION

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011 Approved Budget £00s	2011/2012 Approved Budget £00s	2012/2013 Approved Budget £00s	Future Years £00s	Total Project	
				Approved Budget £00s	Revised Budget £00s	Approved Budget £00s	Revised Budget £00s					Approved Budget £00s	Revised Budget £00s
Asset Sustainability	Lismore Primary School	I. Scott	9	67	119	0	3					76	131
Asset Sustainability	Lochdonhead Primary School	I. Scott	117	3	3							120	120
Asset Sustainability	Lochgollhead Primary School	I. Scott	102	39	5							141	107
Asset Sustainability	Lochnell Primary School	I. Scott	41	16	8							57	49
Asset Sustainability	Luss Primary School	I. Scott	1	78	30	0	48					79	79
Asset Sustainability	Minard Primary School	I. Scott	9	80	70							89	79
Asset Sustainability	North Bute Primary School	I. Scott	3	60	10	0	70					63	83
Asset Sustainability	Park Primary School	I. Scott	39	98	98							137	137
Asset Sustainability	Port Charlotte Primary School	I. Scott	8	22	22							30	30
Asset Sustainability	Rhunaoraine Primary School	I. Scott	70	9	9							79	79
Asset Sustainability	Salen Primary School	I. Scott	44	16	8							60	52
Asset Sustainability	Sandbank Primary School	I. Scott	92	71	50							163	142
Asset Sustainability	Skipness Primary School	I. Scott	98	12	5							110	103
Asset Sustainability	Small Isles Primary School	I. Scott	10	104	10	0	94					114	114
Asset Sustainability	St Andrew's Primary School	I. Scott	86	18	18							104	104
Asset Sustainability	St Kieran's Primary School	I. Scott	75	5	5							80	80
Asset Sustainability	Strachur Primary School	I. Scott	109	1	1							110	110
Asset Sustainability	Strath of Appin Primary School	I. Scott	15	57	10							72	25
Asset Sustainability	Strome Primary School	I. Scott	69	75	10							144	79
Asset Sustainability	Taynuilt Primary School	I. Scott	55	209	53							264	108
Asset Sustainability	Tayvallich Primary School	I. Scott	45	66	66							111	111
Asset Sustainability	Tighnabruaich Primary School	I. Scott	4	84	34	0	50					88	88
Asset Sustainability	Toward Primary School	I. Scott	78	23	3							101	81
Asset Sustainability	Ulva Primary School	I. Scott	24	3	3							27	27
Asset Sustainability	Port Charlotte Nursery School	I. Scott	118	1	1							119	119
Asset Sustainability	Outstanding Energy Efficiency - various	I. Scott		353	466							353	466
	Non NPDO Schools												
Asset Sustainability	Dunoon Primary School	I. Scott	258	211	21	0	190					469	469
Asset Sustainability	Kilm Primary School	I. Scott	32	462	448	0	42					494	522
Asset Sustainability	St Mun's Primary School	I. Scott	68	156	50	0	106					224	224
Asset Sustainability	Garelochhead Primary School	I. Scott	99	451	430	0	21					550	550
Asset Sustainability	Hermitage Primary School	I. Scott	655	462	440	0	22					1,117	1,117
Asset Sustainability	St Joseph's Primary School	I. Scott	115	216	60	0	156					331	331

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF PRIMARY EDUCATION

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011		2011/2012		2012/2013		Future Years		Total Project	
				Approved Budget £00s	Revised Budget £00s												
Asset Sustainability	Arrochar Primary School	I. Scott	454	491	300	0	232							945	986		
Asset Sustainability	Cardross Primary School	I. Scott	67	72	12	0	60							139	139		
Asset Sustainability	Kilcreggan Primary School	I. Scott	102	140	140									242	242		
Asset Sustainability	Rosneath Primary School	I. Scott	20	243	143	0	100							263	263		
Asset Sustainability	Luing Primary School	I. Scott	47	108	134									155	181		
Asset Sustainability	Castlehill Primary	I. Scott	129	353	300	0	53							482	482		
Asset Sustainability	Dalintober Primary School	I. Scott	15	233	175	0	10							248	200		
Asset Sustainability	Port Ellen Primary School	I. Scott	100	179	100	0	79							279	279		
Asset Sustainability	Bowmore Primary School	I. Scott	128	74	74									202	202		
	Total Non NPDO Schools	I. Scott												4,316	4,316		
Total Asset Sustainability	Various		4915	7677	5479	0	1558	0	0	0	0	0	0	16,908	16,268		
	Extensions / New Build																
Service Development	Achnahoish Primary School (New Build)	I. Scott	39	3	3									42	42		
Service Development	Rhu Primary School (Extension)	I. Scott	69	6	6									75	75		
Service Development	Southend Primary School (Partial re-build)	I. Scott	76	32	5									108	81		
Service Development	Class size reduction	I. Scott		0	400	0	380							0	780		
GROSS SPEND PLANNED				7,718	5,893	0	1,938	0	0	0	0	0	0	17,133	17,246		
GRANTS & CONTRIBUTIONS																	
Asset Sustainability	Hermitage Primary School	I. Scott	(38)											(38)	(38)		
TOTAL GRANTS & CONTRIBUTIONS				0	0	0	0	0	0	0	0	0	0	(38)	(38)		
NET EXPENDITURE			5,061	7,718	5,893	0	1,938	0	0	0	0	0	0	17,095	17,208		

APPENDIX 4

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF SECONDARY EDUCATION

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011 Approved Budget £00s	2011/2012 Approved Budget £00s	2012/2013 Approved Budget £00s	Future Years £00s	Total Project	
				Approved Budget £00s	Revised Budget £00s	Approved Budget £00s	Revised Budget £00s					Approved Budget £00s	Revised Budget £00s
Asset Sustainability	Oban High	I.Scott	116	334	334							450	450
Asset Sustainability	Parklands	I.Scott	99	110	110							209	209
Asset Sustainability	Tarbert Academy	I.Scott	95	32	32							127	127
Asset Sustainability	Tobermory High School	I.Scott	296	158	130	0	28					454	454
Asset Sustainability	Non NPDO - Tiree High School	I.Scott	68	237	137	0	100				194	499	499
Asset Sustainability	Non NPDO -Campbeltown Grammar	I.Scott	208	918	812	0	48				2,025	3,151	3,093
Asset Sustainability	Non NPDO - Islay High School	I.Scott	315	688	688						381	1,384	1,384
Asset Sustainability	School Kitchens - Upgrading	I.Scott	121	(8)	0							113	121
Asset Sustainability	Capital Property Works	I.Scott	213	476	468							689	681
Total Asset Sustainability	Various		1531	2945	2711	0	176	0	0	0	2600	7,076	7,018
GROSS SPEND PLANNED			1,531	2,945	2,711	0	176	0	0	0	2,600	7,076	7,018
GRANTS & CONTRIBUTIONS													
TOTAL GRANTS & CONTRIBUTIONS			0	0	0	0	0	0	0	0	0	0	0
NET EXPENDITURE			1,531	2,945	2,711	0	176	0	0	0	2,600	7,076	7,018

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF COMMUNITY REGENERATION

Category	Project Description	Project Manager	To 31/03/08 #00s	2008/2009		2009/2010		2010/2011 Approved Budget #00s	2011/2012 Approved Budget #00s	2012/2013 Approved Budget #00s	Future Years #00s	Total Project	
				Approved Budget #00s	Revised Budget #00s	Approved Budget #00s	Revised Budget #00s					Approved Budget #00s	Revised Budget #00s
Asset Sustainability	NPDO (Various)	I. Scott	133	60	0							193	133
Asset Sustainability	Health & Safety (Various)	I. Scott	68	32	32							100	100
Asset Sustainability	Comm Education Office - Rothesay	I. Scott	63	39	25							102	88
Asset Sustainability	Dunoon Community Educ.Centre	I. Scott	153	49	30							202	183
Asset Sustainability	Kintyre Comm Educ.Centre	I. Scott	157	95	63							252	220
Asset Sustainability	Lochgilphead Comm. Educ Centre	I. Scott	17	30	5							47	22
Asset Sustainability	Park House Women's Refuge Dunoon	I. Scott	22									22	22
Total Asset Sustainability	Various		613	305	155	0	0	0	0	0	0	918	768
Service Development	Office Rationalisation	I. Scott	9	241	370	0	21					250	400
Strategic Change	NPDO Capital Requirement												
Strategic Change	Hermitage Academy Land Acquisition	C Dalgarino-Platt	3932										
Strategic Change	Rothesay Joint Campus Land Acquisition	C Dalgarino-Platt	390										
Strategic Change	Oban High School SEN Extension	I Scott	642										
Strategic Change	Oban Office Accommodation	I Scott	434										
Strategic Change	Lochgilphead Roadworks	C Dalgarino-Platt	503										
	Total NPDO Capital Requirement		5901	684	684							6,585	6,585
	Block Allocations - Other Comms Servs					1,000	1,000	1,000	1,000	1,000		4,000	4,000
	Block Allocations - Education					4,250	4,250	4,250	4,250	4,250		17,000	17,000
GROSS SPEND PLANNED			6,523	1,230	1,209	5,250	5,271	5,250	5,250	5,250	0	28,753	28,753
GRANTS & CONTRIBUTIONS													
Asset Sustainability	Park House Women's Refuge Dunoon	I Scott		(22)	(22)							(22)	(22)
Strategic Change	NPDO Capital Requirement	C Dalgarino-Platt		(10,551)	(10,551)							(10,551)	(10,551)
TOTAL GRANTS & CONTRIBUTIONS			0	(10,573)	(10,573)	0	0	0	0	0	0	(10,573)	(10,573)
NET EXPENDITURE			6,523	(9,343)	(9,364)	5,250	5,271	5,250	5,250	5,250	0	18,180	18,180

APPENDIX 4

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF PLANNING & PERFORMANCE

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011	2011/2012	2012/2013	Future Years £00s	Total Project	
				Approved Budget £00s	Revised Budget £00s	Approved Budget £00s	Revised Budget £00s	Approved Budget £00s	Approved Budget £00s	Approved Budget £00s		Revised Budget £00s	
Asset Sustainability	IT Systems (Education)	I. Scott	396	104	104							500	500
Asset Sustainability	IT Systems (Social Work)	I. Scott	16	19	19							35	35
Total Asset Sustainability	Various		412	123	123	0	0	0	0	0	0	535	535
Strategic Change	Campbelltown Community Project	A. Redpath	9595	95	95							9,690	9,690
GROSS SPEND PLANNED			10,007	218	218	0	0	0	0	0	0	10,225	10,225
GRANTS & CONTRIBUTIONS													
Asset Sustainability	IT Systems (Education)	I Scott	(14)									(14)	(14)
Strategic Change	Campbelltown Community Project	A Redpath	(3,577)	(10)	(10)							(3,587)	(3,587)
TOTAL GRANTS & CONTRIBUTIONS			(3,591)	(10)	(10)	0	0	0	0	0	0	(3,601)	(3,601)
NET EXPENDITURE			6,416	208	208	0	0	0	0	0	0	6,624	6,624

APPENDIX 4

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF ADULT CARE

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011		2011/2012		2012/2013		Total Project	
				Approved Budget £00s	Revised Budget £00s	Future Years £00s	Approved Budget £00s								
Asset Sustainability	Gortonvogie Ph2 joint wkg with Health	I Scott	0	100	0									100	0
Asset Sustainability	Mid Argyll, Kintyre & Islay - Refurbishment Woodlands/Greenwood	I Scott	11	9	4									20	15
Asset Sustainability	Thomson Homes - Registration Work	I Scott	228	(4)	0									224	228
Asset Sustainability	Struan Lodge - Registration Work	I Scott	697	47	48									744	745
Asset Sustainability	Eadar Glinn - Registration Work	I Scott	42	533	533									575	575
Asset Sustainability	Dunaros - Registration Work	I Scott	41	559	559									600	600
Asset Sustainability	Tigh a Rudha - Registration Work	I Scott	47	352	352									399	399
Asset Sustainability	Ardfenaig - Registration Work	I Scott	489	19	19									508	508
Asset Sustainability	Gortonvogie - Registration Work	I Scott	422	406	620	0	38							828	1,080
Asset Sustainability	Health & Safety	I Scott	198	390	461									588	659
Asset Sustainability	Greenwood Hostel Major Refurbishment	I Scott	0	200	10									200	10
Asset Sustainability	Energy Efficiency	I Scott	0	10	10									10	10
Asset Sustainability	Aids & Adaptations	I Scott	105	91	45									196	150
Total Asset Sustainability	Various		2280	2,712	2,661	0	38	0	0	0	0	0	0	4,992	4,979
Service Development	Garelochhead Day Centre	I Scott	537	52	10									589	547
GROSS SPEND PLANNED			2,817	2,764	2,671	0	38	0	0	0	0	0	0	5,581	5,526
GRANTS & CONTRIBUTIONS															
TOTAL GRANTS & CONTRIBUTIONS			0	0	0	0	0	0	0	0	0	0	0	0	0
NET EXPENDITURE			2,817	2,764	2,671	0	38	0	0	0	0	0	0	5,581	5,526

ARGYLL AND BUTE COUNCIL - PROGRAMME OF CAPITAL EXPENDITURE - 2008-2009
 COMPOSITE CAPITAL PROGRAMME - DEPARTMENT - COMMUNITY SERVICES
 HEAD OF CHILDREN & FAMILIES

Category	Project Description	Project Manager	To 31/03/08 £00s	2008/2009		2009/2010		2010/2011 Approved Budget £00s	2011/2012 Approved Budget £00s	2012/2013 Approved Budget £00s	Future Years £00s	Total Project	
				Approved Budget £00s	Revised Budget £00s	Approved Budget £00s	Revised Budget £00s					Approved Budget £00s	Revised Budget £00s
Asset Sustainability	Community Support B&C Family Day Centre	I. Scott	14	33	23							47	37
Asset Sustainability	Community Support MAKI	I. Scott	85	(10)	0							75	85
Asset Sustainability	Glencruitten Hostel Major Refurbishment	I. Scott	161	13	760							174	921
Asset Sustainability	Dunoon Hostel Major Refurbishment	I. Scott	140	110	920							250	1,060
Asset Sustainability	Glencruitten Hostel Major Refurbishment	I. Scott	0	250	0							250	0
Asset Sustainability	Dunoon Hostel Asbestos	I. Scott	61	164	0							225	61
Asset Sustainability	Glencruitten Hostel Asbestos	I. Scott	75	120	0							195	75
Asset Sustainability	Glencruitten Hostel Lighting	I. Scott	0	23	0							23	0
Asset Sustainability	Dunoon Hostel	I. Scott		646	0	153	153					799	153
Asset Sustainability	Glencruitten Hostel	I. Scott		354	0	83	83					437	83
Total Asset Sustainability	Various		536	1,703	1,703	236	236	0	0	0	0	2,475	2,475
Service Development	Residential Respite Care Facility	I. Scott	10	531	531						350	891	891
Service Development	Dunoon Childrens Unit	I. Scott	14	450	450							464	464
GROSS SPEND PLANNED			560	2,684	2,684	236	236	0	0	0	350	3,830	3,830
GRANTS & CONTRIBUTIONS													
Service Development	Dunoon Childrens Unit	I. Scott	0	(464)	(464)							(464)	(464)
Service Development	Residential Respite Care Facility	I. Scott	0	(210)	(210)							(210)	(210)
TOTAL GRANTS & CONTRIBUTIONS			0	(674)	(674)	0	0	0	0	0	0	(674)	(674)
NET EXPENDITURE			560	2,010	2,010	236	236	0	0	0	350	3,156	3,156

ARGYLL AND BUTE COUNCIL
HEAD OF STRATEGIC FINANCE

EXECUTIVE
21 AUGUST 2008

TREASURY MANAGEMENT MONITORING REPORT – 30 JUNE 2008

1 INTRODUCTION

1.1 This report summarises the monitoring as at 30 June 2008 of the Council's:

- Overall Borrowing Position
- Borrowing Requirement For Year
- Treasury Management Activity
- Prudential Indicators.

2 RECOMMENDATIONS

2.1 The treasury management monitoring report is noted.

3 DETAIL

3.1 Overall Borrowing Position as at 30 June 2008

The Council's total capital advances amount to £194.475m	
This is financed as follows:	£
Short Term Borrowing	0.436m
Long Term Borrowing	192.093m
Internal Balances	<u>69.342m</u>
	261.871m
Less short term investments and deposits	<u>67.396m</u>
	<u>194.475m</u>

3.2 Borrowing Requirement for the Full Year

3.2.1 The table below details net capital expenditure against borrowing undertaken.

	Forecast £000s	Budget £000s
Net Capital Expenditure	13,614	13,614
External Loans Maturing	0	0
Less Loans Fund Principal Repayments	18,777	18,188
Net Borrowing Requirement	(5,163)	(4,574)
Borrowing Undertaken at 30 June 2008 (see paragraph 3.3.3 below)	5,000	

- 3.2.2 The forecast increase in Loans Fund Principal Repayments is due to an estimated reduction in the interest rate charged on Loans Fund advances which will reduce the overall loan charges made to the revenue accounts by approximately £300,000.

3.3.1 Temporary Borrowing

This summarises the movement in level and rate of temporary borrowing at the start and end of the quarter.

	£000s	% Rate
Temp borrowing at start of April 2008	452	3.525
Temp borrowing at 30 June 2008	436	3.496

3.3.2 Short Term Investments and Deposits

This summarises the movement in level and rate of short term investments and deposits at the start and end of the quarter.

	£000s	% Rate
Short term investment at start of April 2008	43,310	5.597
Short term investment at 30 June 2008	67,396	5.642

All investments and deposits are in accordance with the Council's approved list of counterparties and within the limits and parameters defined in Treasury Management Practices.

3.3.3 Long Term Borrowing Activity

The table below summarises loans maturing, early redemption of loans and new loans taken since the start of the financial year.

	£000s	Avg. % Rate
Early redemption of loans for the year to 30 June 2008	Zero	Zero
Long term maturities for the year to June 2008.	Zero	Zero
New long term loans taken during the year to 30 June 2008	5,000	4.07
Total long term borrowing at 30 June 2008.	192,093	5.947

The new long term borrowing was taken on the 16 April for a period of two years and six months.

3.3.4 Interest Rate Commentary

The Monetary Policy Committee reduced the base rate on the 10 April 2008 from 5.25% to 5% and it has been held at that level to the end of June 2008. The

Council's Treasury Advisors, Sector Treasury Services, current interest rate view is that the base rate will remain at 5% through to Quarter 4 2008 where they anticipate a reduction to 4.75%. In Quarter 1 2009 a reduction to 4.5% is forecast with a further reduction to 4.25% in Quarter 2 2009 and remain at this level until Quarter 4 2009 when an increase back to 4.5% is forecast and then remain at this rate until Quarter 2 2010 when a further increase to 4.75% is forecast.

3.3.5 Debt Rescheduling

There has been no debt rescheduling exercises carried out in the period 1 April 2008 to 30 June 2008.

3.4 Prudential Indicators

3.4.1 The prudential indicators for 2008-2009 are attached in appendix 1.

For further information please contact Bruce West, Head of Strategic Finance 01546-604220

Bruce West
Head of Strategic Finance
31 July 2008

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Appendix 1

PRUDENTIAL INDICATOR	2007/08	2008/09	2009/10	2010/11
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT	£ p	£ p	£ p	£ p
	actual	estimate	estimate	estimate
	£'000	£'000	£'000	£'000
Capital Expenditure				
Non - HRA	34,215	39,283	26,686	20,997
TOTAL	34,215	39,283	26,686	20,997
Ratio of financing costs to net revenue stream				
Non - HRA	13.70%	11.52%	11.63%	11.69%
Net borrowing requirement				
brought forward 1 April *	199,721	199,638	194,475	193,432
carried forward 31 March *	199,638	194,475	193,432	186,868
in year borrowing requirement	(83)	(5,163)	(1,043)	(6,564)
In year Capital Financing Requirement				
Non - HRA	(83)	(5,163)	(1,043)	(6,564)
TOTAL	(83)	(5,163)	(1,043)	(6,564)
Capital Financing Requirement as at 31 March				
Non - HRA	199,638	194,475	193,432	186,868
TOTAL	199,638	194,475	193,432	186,868
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p
Increase in Council Tax (band D) per annum	41.54	48.77	30.44	29.45

PRUDENTIAL INDICATOR	2007/08	2008/09	2009/10	2010/11
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000
	actual			
Authorised limit for external debt -				
borrowing	234,000	215,000	215,000	210,000
other long term liabilities	1,500	1,500	1,500	1,500
TOTAL	235,500	216,500	216,500	211,500
Operational boundary for external debt -				
borrowing	229,000	210,000	210,000	205,000
other long term liabilities	1,500	1,500	1,500	1,500
TOTAL	230,500	211,500	211,500	206,500
Upper limit for fixed interest rate exposure				
Principal re fixed rate borrowing	95%	95%	95%	95%
Upper limit for variable rate exposure				
Principal re variable rate borrowing	30%	30%	30%	30%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£0.00	£0.00	£0.00	£0.00

Maturity structure of new fixed rate borrowing during 2007/08	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	10%

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**ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE**

**EXECUTIVE
21 August 2007**

TREASURY MANAGEMENT ANNUAL REPORT 2007-2008

1. INTRODUCTION

1.1 This report summarises the key points from the treasury management annual report. Preparation of an annual report is a requirement of the Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management in Local Authorities.

2. RECOMMENDATIONS

2.1 Members note the annual report on treasury management.

3. DETAILS

3.1 The following highlights key details from the annual report.

- 3.1.1 Total external debt of £187.545m as at 31 March 2008 with an average rate of interest of 5.989%. This compares to debt of £157.629m with an average rate of 6.58% at March 2007. The increase in debt is due to the decision taken in conjunction with our treasury advisors to increase the loans outstanding closer to the council's capital financing requirement .
- 3.1.2 New long term borrowing of £61m was taken during the year at an average rate of 4.46% and for an average period of 56.23 years.
- 3.1.3 An average return of 5.807% was achieved for cash invested in the various instruments available to the Council during 2007-2008. This compares favourably with a London Interbank Bid rate of 5.58%.
- 3.1.4 During the 2007-2008 financial year the Council undertook the repayment of 21 Public Works Loan Board loans with a value totalling £31.084m, an average interest rate of 6.0596% and an average life of 32.709 years.
- 3.1.5 During the financial year the Council operated within the treasury limits set out in the Council's Treasury Policy Statement and Treasury Strategy Statement with the exception of the upper limit of 95% fixed rate borrowing due to the attractive long term fixed rates.

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**ANNUAL TREASURY
REPORT**

2007-2008

ANNUAL TREASURY REPORT 2007-08

1. INTRODUCTION AND BACKGROUND

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management 2001 was adopted by this Council on 27 March 2002 and this Council fully complies with its requirements.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Council of an annual treasury management strategy report (including the annual investment strategy) for the year ahead and an annual review report of the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

Treasury management in this context is defined as:

"The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

2. THIS ANNUAL TREASURY REPORT COVERS

- ❖ the Council's current treasury position;
- ❖ performance measurement;
- ❖ the strategy for 2007-08;
- ❖ the economy in 2007-08;
- ❖ borrowing and investment rates in 2007-08;
- ❖ the borrowing outturn for 2007-08;
- ❖ compliance with treasury limits and Prudential Indicators;
- ❖ investment outturn for 2007-08;
- ❖ debt rescheduling.

3. CURRENT TREASURY POSITION

The Council's debt and investment position at the beginning and the end of the year was as follows:

	Principal 31 March 2008		Rate/ Return %	Average Life years	Principal 31 March 2007		Rate/ Return %	Average Life years
	£	£			£	£		
Fixed Rate Funding:								
- PWLB	135.260m				131.344m			
- Market	<u>36.078m</u>				<u>18.834m</u>			
		171.338m	6.017%	40.44		150.178m	6.67%	32.70
Variable Rate Funding:								
- PWLB	0.000m				0.000m			
- Market	<u>15.755m</u>				<u>7.000m</u>			
		15.755m	5.789%	41.42		7.000m	4.83%	26.67
Temporary Loans		0.452m	3.525%			0.451m	3.48%	
Total Debt		187.545m	5.989%	40.53		157.629m	6.58%	32.44
Total Investments		43.241	5.597%			6.096m	5.23%	

PWLB - Public Works Loan Board

4. PERFORMANCE MEASUREMENT

One of the key changes in the revision of the Code in 1996 was the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide (as incorporated in the table in section 3).

5. THE STRATEGY FOR 2007/08

The Sector recommended treasury strategy for 2007-08, (in November 2006), was based on their view of the rate of growth of Gross Domestic Product in the United Kingdom economy continuing to be steady at trend during 2007-08. Bank Rate was expected to remain steady at 5% until the final quarter of the year when it would fall to 4.75%. This was predicated on Consumer Price Index being at target on the two year horizon, that wage growth was below the Monetary Policy Committee's threshold of 4.5%, that Gross Domestic Product trend growth would be higher due to inward migration and that the United States economy would ease in 2007. Risks to the upside would include house prices continuing to rise, wage pressures rising in response to inflationary pressures and utility prices continuing higher.

The effect on interest rates for the United Kingdom was therefore expected to be as follows:

- ❖ **Shorter-term interest rates** - The "average" City view anticipated that trend growth in the United Kingdom, United States and European Union would eventually lead to a decrease in United Kingdom Bank Rate from 5.00% to 4.75% by the end of March 2008.
- ❖ **Longer-term interest rates** - The view on longer-term fixed interest rates, 50 years, was that they would remain static around the 4.25% for the whole of the year. The 25 year rate would also remain flat around 4.50%.

Against this view caution would be adopted with the 2007-2008 treasury operations and the Head of Strategic Finance would monitor the interest rate market and adopt a pragmatic approach to changing circumstances.

The agreed strategy put to the Council based upon the above forecast, was that the risks intrinsic to shorter term variable interest rates are such, when compared to historically low long term funding costs that the Council will maintain a stable, longer term portfolio by drawing longer term fixed rate funding.

6. THE ECONOMY

Shorter-term interest rates – Bank Rate started 2007-08 at 5.25% with expectations that there would be further increases in rates. This was reflected in a positive interbank money market curve. A further increase in rates to 5.5% duly occurred on 10th May 2007 but not before the Governor of the Bank of England had written a letter to the Chancellor in April explaining why Consumer Price Index had risen to 1% or more above the official Consumer Price Index inflation target of 2%. The Bank of England's Inflation Report issued in May showed inflation would be above target at the two year horizon. Another rise was delivered on 5th July when Bank Rate rose to 5.75% and the markets, including Sector, fully expected Bank Rate to increase again. One year interbank was priced at over 6%, Gross Domestic Product growth was continuing to strengthen and the housing market was still robust. The August Inflation Report showed Bank Rate needed to rise to 6% to keep inflation at target in two years time.

August, as it turned out, was the peak of interest rates as what has become known as 'the credit crunch' hit the markets and the global economy. The crunch originated in the United States through the sub-prime housing market. Although originating in the United States, world wide investors, particularly banks, had invested in packages of sub-prime loans, attracted by the higher yields offered. Fears arose that a large number of these investments would turn out to be worthless and this in turn would lead to bankruptcies amongst the banking sector. As a result of these fears, and the ensuing reluctance of banks to lend to each other, the Federal Reserve Bank injected \$38 billion of liquidity into the markets on 9th August. The European Central Bank followed suit but the Bank of England stood on the sidelines only making cash available at a penal rate of 1% above Bank Rate. On 17th August the Federal Reserve cut interest rates by 50 basis points to 5.25%. On 20th August Sector revised its interest rate view to reflect a downside risk to its forecast. The dislocation in the markets continued throughout the summer until on 14th September it was announced that the Bank of England had provided billions of pounds of financial support to Northern Rock. Northern Rock had been affected by the drying up of the wholesale money markets which provided 80% of its funding. On 17th September the Chancellor announced a Government guarantee for all deposits held at the stricken bank. A day later the Federal Reserve cut United States rates by a further 50 basis points although oil rose to \$80 a barrel and continued to climb reaching a peak, briefly, of \$100 per barrel in November. On 24th September Sector revised its interest rate forecast with 5.75% now the peak in rates. At its October meeting the Monetary Policy Committee declined to cut Bank Rate, being concerned about the inflation outlook. United Kingdom data continued to be robust during the autumn although Consumer Price Index dropped to 1.8% in September. 3 month London Interbank Bid rate still remained well above Bank Rate. On 31st October the Federal Reserve cut rates yet again to 4.50% and the following day they added \$41 billion of reserves in an attempt to free up the markets. The Monetary Policy Committee eventually cut Bank Rate on 6th December to 5.50% as concerns about the economy and the credit crunch mounted. On 10th December both UBS and Capital Economics revised their interest rate forecasts down sharply. A day later the Federal Reserve cut rates again, this time by 25 basis points.

2008 was ushered in with major fears about the global economy. Stock markets fell sharply and government bond yields fell. On 22nd January the Federal Reserve cut rates, this time by a

massive 0.75 basis points to 3.5%, and once more on 30th January to 3%. The Monetary Policy Committee followed suit in February cutting Bank Rate by 25 basis points to 5.25%. On 18th February it was announced that the Government would nationalize Northern Rock. In late February and March the markets seized up again, forcing concerted liquidity intervention by the world's central banks, initially to little avail. The United Kingdom budget brought increased debt issuance, but little else, pushing gilt yields up sharply at the front end and driving Public Works Loan Board rates up. On 14th March United States investment bank Bear Stearns had to be bailed out by the Federal Reserve, culminating in a takeover by J P Morgan. The year ended with the money markets anxious and nervous and 3 month cash 75 basis points above bank rate.

Longer-term interest rates – The Public Works Loan Board 45-50 year rate started the year at 4.45% and fell to a low of 4.38% in March 2008. The high point, of which there were several, for 45-50 year was 4.90% before finishing the year at 4.42%. The volatility in yields was a direct reflection of the massive turnaround in interest rate sentiment brought about by the sub-prime crisis in the United States. A radical change to the Public Works Loan Board rate structure was introduced by the Debt Management Office on 1st November when they moved to single basis point moves in their rates and introduced a separate repayment rate at the same time, at a level significantly below the rate at which they would lend new money.

7. BORROWING AND INVESTMENT RATES IN 2007-08

12-month bid rates: One year London Interbank Bid rate was on a rising trend until September 2007. Initially the increase was due to the interest rate outlook and the expectation that the Monetary Policy Committee would need to increase rates to counter inflation. The sub-prime crisis then took over as lenders became nervous about lending for longer periods. The one year rate reached a level of over 6.5% in September 2007 before easing back down to just over 5.5% by the end of the calendar year. In 2008 interest rate expectations veered towards cuts in rates again and so the one year moved down to 5.1%. Following the February Bank Rate cut and Inflation Report it edged back up again to 5.4% and continued higher to 5.8% in March as interbank markets seized up again.

Longer-term interest rates – The Public Works Loan Board 45-50 year rate started the year at 4.45% (25 year at 4.65%) and fell to a low of 4.38% in March 2008 (25 year low was 4.45% January). The high point, of which there were several, for 45-50 year was 4.90% (25-30 year had several highs of 5.15% in June/July 2007) before finishing the year at 4.42% (25-30 year 4.60%). The volatility in yields was a direct reflection of the massive turnaround in interest rate sentiment brought about by the sub-prime issue in the United States. A radical change to the Public Works Loan Board rate structure was introduced by the Debt Management Office on 1st November 2007 when they moved to single basis point moves in their rates and, at the same time, introduced a separate repayment rate at a level significantly below the rate at which they would lend new money.

8. BORROWING OUTTURN FOR 2007-08

New borrowing taken during 2007-2008 is detailed in the table below.

Amount Borrowed (£)	Date	Rate	Period (Years)
10,000,000	13 July 2007	4.80%	46.00
7,000,000	28 July 2007	4.35%	70.00
7,000,000	28 July 2007	4.35%	70.00
7,000,000	28 July 2007	4.35%	70.00
5,000,000	31 July 2007	4.55%	46.00
15,000,000	16 August 2007	4.50%	46.00
5,000,000	21 August 2007	4.45%	46.00
5,000,000	28 March 2008	3.99%	70.00
Total £61,000,000		Avg. Rate 4.46%	Avg. Period 56.23

The borrowing taken in the 46 year period in each case was taken from the Public Works Loan Board and the borrowing in the 70 year period was taken as Market LOBO (Lenders Option Borrowers Option) loans to fit in with the treasury strategy for 2007-2008 to take very long dated borrowing at any time in the financial year.

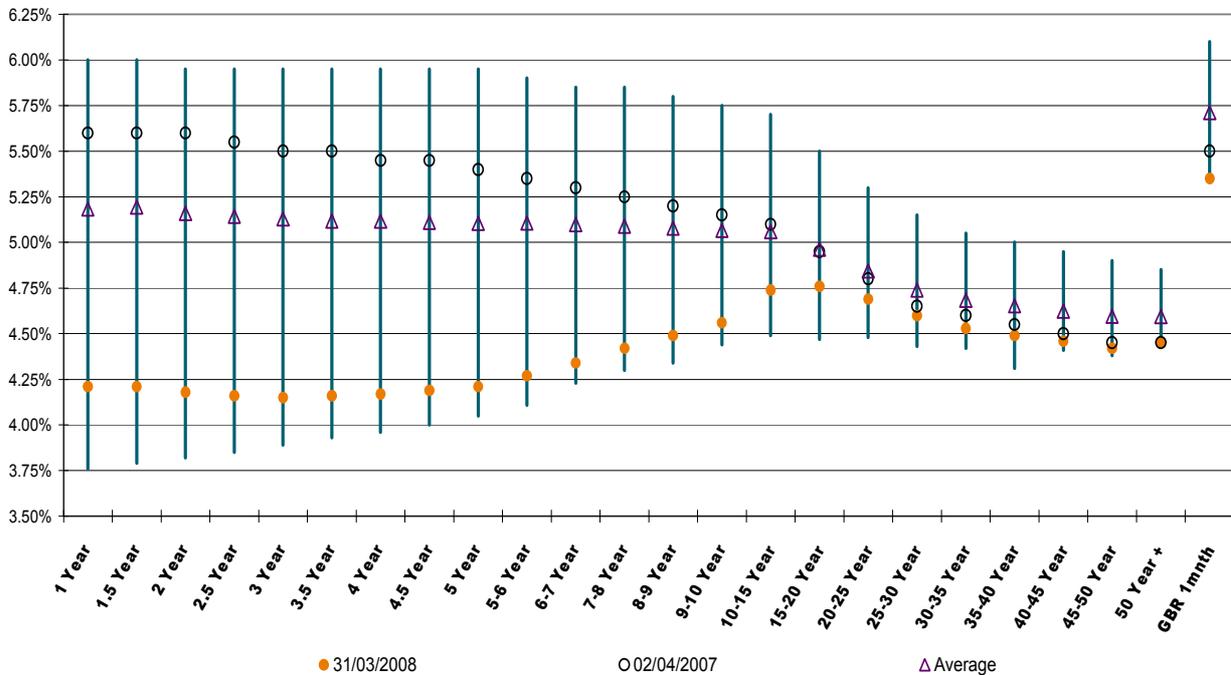
As comparative performance indicators, average Public Works Loan Board maturity loan interest rates for 2007-08 were:

1 year	5.18%
9.5 - 10 year	5.07%*
25 - 30 year	4.74%*
49.5 - 50 year	4.60%*
1 month GBR variable	5.71%

* due to the change in banding of Public Works Loan Board rates as from 1 November 2007, some interpolation has had to be used to calculate some average figures for 2007-08 and to produce the graph on the next page.

The graph below shows the range (high and low points) in rates for each maturity period during the year, and individual rates at the start and end of the financial year:

Public Works Loan Board rates 2007-08



Debt Performance - As highlighted in section 1 above the average debt portfolio interest rate has moved over the course of the year from 6.58% to 5.99%. The approach during the year was to draw longer term fixed rate debt, to take advantage of low long term rates and reduce exposure to fluctuations in short term interest rates.

9. COMPLIANCE WITH TREASURY LIMITS

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council’s annual Treasury Strategy Statement with the exception of the upper limit on fixed rate borrowing which was exceeded. The reason for exceeding the upper limit was due to the historically low levels of long term interest rates which meant that it was economically advantageous to take long term fixed rate debt rather than short term variable debt. The outturn for the Prudential Indicators is shown in appendix 1.

10. INVESTMENT OUTTURN FOR 2007-08

Internally Managed Investments - The Council manages its investments in-house and invests with the institutions listed in the Council's approved lending list. The Council invests for a range of periods from overnight to 3 months, dependent on the Council's cash flows, its interest rate view and the interest rates on offer.

Investment Strategy - The expected short-term investment strategy for in-house managed funds was that the Council viewed the market's expectation for Bank Rate as too low, and that short term rates would rise during the year. Investments were, accordingly, kept short, with a view to enabling returns to be compounded more frequently.

Investment Outturn for 2007-08 - Detailed below is the result of the investment strategy undertaken by the Council.

	Average Daily Investment	Rate of Return (Gross of Fees) %	Rate of Return (Net of Fees) %	Benchmark Return* %
Clydesdale Bank Telebank A/C	4,239	3.418	3.418	5.58
Clydesdale Bank Tracker A/C	12,097,165	5.702	5.702	5.58
Bank of Scotland Base Plus Deposit A/C	8,871,858	5.852	5.852	5.58
Bank of Scotland Corporate Deposit A/C	473,224	5.601	5.601	5.58
Anglo Irish Star A/C	349,399	5.308	5.308	5.58
Market	3,060,109	6.182	6.182	5.58
Averages	24,855,994	5.807	5.807	5.58

- The benchmark for internally managed funds is the 7 day London Interbank Bid Rate (LIBID) un-compounded rate of 5.58%.
- No institutions in which investments were made had any difficulty in repaying investments and interest in full during the year.

11. DEBT RESCHEDULING

Our advisers started 2007-8 with the expectation that the 50 year Public Works Loan Board would reach a level of 4.25% during the financial year, most likely towards the end of the period. Their advice was, therefore, to hold off borrowing longer dated debt until later in the year. By the end of June the forecast had been revised as the 50 year Public Works Loan Board rose to around 4.85%, generating a revised recommendation to review taking new long term borrowing at levels around 4.50%, although the forecast still allowed for rates to reduce to 4.25% later in 2007-8. With long term Public Works Loan Board rates at these higher levels, the advice was to borrow (if borrowing was required urgently) at the short end of the interbank market even though Bank Rate was raised to 5.75% in this period. The turmoil that then hit the markets mid year had a marked effect on Public Works Loan Board rates for the rest of the financial year. Long term rates fell back to, and below, 4.50% (although not as low as 4.25%) while rates at the short end fell below 4% giving an opportunity to lock into yields of 4.25% and lower for periods as long as 6 years. Lenders Option Borrowers Option (LOBO) structures also offered levels of 4.25% and even sub 4% during this period of unprecedented turmoil in the markets.

Rescheduling opportunities presented themselves until 1st November when the Public Works Loan Board radically changed the structure of their rates. Up to that point there had been various

opportunities to improve the terms of the debt holdings by restructuring adjacent periods, whilst being mindful of the requirements of the new Statement of Recommended Practice (SORP). Longer term restructuring could only be done by moving into LOBO's and only if the LOBO offered a rate of 4.25% or lower to fit in with our advisers' forecast.

On 1st November the Public Works Loan Board imposed two rates for each period, one for new borrowing and a new, significantly lower rate for early repayment of debt. The differential between the two rates ranged from 26 basis points in the shorter dated maturities to over 40 basis points in the longer ones. They also introduced daily movements of 1 basis point instead of 5 basis points and rates in half year periods throughout the maturity range (previously had been mainly in 5 year bands). These changes effectively prevented the Council from restructuring the portfolio into new Public Works Loan Board borrowing.

During 2007-2008 the Council undertook the early redemption of £31.084m of Public Works Loan Board loans when rates were at an advantageous level. The details of the exercises carried out are as follows:-

No of Loans	Value of Loans	Average rate of Loans redeemed	Average period to Maturity
4	£3.248m	9.116%	5.062 years
3	£4.131m	4.574%	37.696 years
1	£8.043m	4.800%	50.775 years
13	£15,662m	6.523%	27.849 years
Total	£31.084m	6.0596%	32.709 years

APPENDIX 1: PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2006-07	2007-08	2007-08
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT	£'000	£'000	£'000
	actual	original	actual outturn
Capital Expenditure			
Non - HRA	£34,964	£33,973	£34,215
TOTAL	£34,964	£33,973	£34,215
Ratio of financing costs to net revenue stream			
Non - HRA	14.44%	14.19%	13.70%
Net borrowing requirement			
brought forward 1 April	£191,043	£204,483	£199,721
carried forward 31 March	£199,721	£209,066	£199,638
in year borrowing requirement	£ 8,678	£ 4,583	£ (83)
Capital Financing Requirement as at 31 March			
Non – HRA	£199,721	£209,066	£199,638
TOTAL	£199,721	£209,066	£199,638
Annual change in Cap. Financing Requirement			
Non – HRA	£8,678	£4,583	£ (83)
TOTAL	£8,629	£4,583	£
Incremental impact of capital investment decisions	£ p	£ p	£ p
Increase in council tax (band D) per annum *	£48.66	£49.62	£41.54

* This is a notional increase based on loan charges divided by band D equivalent council tax properties. Loan charges have been set within the level of loan and leasing charges support and AEF, therefore this should not be affected by any freeze on council tax.

PRUDENTIAL INDICATOR	2006/07	2007/08	2007/08
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000
	Actual	Original	Final
Authorised limit for external debt -			
borrowing	£233,000	£234,000	£234,000
other long term liabilities	£ 1,500	£ 1,500	£ 1,500
TOTAL	£234,500	£235,500	£235,500
Operational boundary for external debt -			
borrowing	£228,000	£229,000	£229,000
other long term liabilities	£ 1,500	£ 1,500	£ 1,500
TOTAL	£229,500	£230,500	£230,500
Upper limit for fixed interest rate exposure			
principal re fixed rate borrowing	95 %	95 %	95 %
Upper limit for variable rate exposure			
principal re variable rate borrowing	30 %	30 %	30 %
Upper limit for total principal sums invested for over 364 days (per maturity date)	£0.00	£0.00	£0.00

Maturity structure of fixed rate borrowing during 2007/08	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	10%

APPENDIX 2: CENTRAL BANK RATE MOVEMENTS

	UK	UK	UK	US	EU	UK	US	ECB
	MPC	MPC Minutes	Inflation Report	FOMC	ECB	Bank Rate	Fed. Rate	Refi Rate
2007								
Jan	10-11	24		30-31	11	5.25%	5.25%	3.50%
Feb	7-8	21	14	21 (mins)	8	5.25%	5.25%	3.50%
Mar	7-8	21		20-21	8	5.25%	5.25%	3.75%
Apr	4-5	18		11 (mins)	12	5.25%	5.25%	3.75%
May	9-10	23	16	9, 30 (mins)	10	5.50%	5.25%	3.75%
Jun	6-7	20		28-29	7	5.50%	5.25%	4.00%
Jul	4-5	18		18 (mins)	5	5.75%	5.25%	4.00%
Aug	1-2	15	8	7, 29 (mins)	2	5.75%	5.25%	4.00%
Sep	5-6	19		18	6	5.75%	4.75%	4.00%
Oct	3-4	17		9 (mins), 30-31	4	5.75%	4.50%	4.00%
Nov	7-8	21	14	21 (mins)	8	5.75%	4.50%	4.00%
Dec	5-6	19		11	6	5.50%	4.25%	4.00%
2008								
Jan	-	-		22		5.50%	3.50%	4.00%
Jan	9-10	23		29-30		5.50%	3.00%	4.00%
Feb	6-7	20	13	21 (mins)		5.25%	3.00%	4.00%
Mar	5-6	19		18		5.25%	2.25%	4.00%

**ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE**
**EXECUTIVE
21 AUGUST 2008**

STRATEGIC HOUSING FUND

1 INTRODUCTION

1.1 The Council established a Strategic Housing Fund (SHF) to support the development of affordable housing. A set of procedures for use of the SHF were agreed by the Executive in September 2007. One part of these procedures was to report annually on income and expenditure from the SHF. This report summarises the income and expenditure from the SHF for 2007-08.

2 RECOMMENDATION

2.1 Members note the terms of this report

3 DETAIL

3.1 The Council agreed to set up a SHF in July 2007. The SHF was created from the residual balances on the HRA following housing stock transfer and the council tax collected on second homes. The SHF can only be used to support the development of affordable housing.

3.2 A set of procedures for management of the SHF was agreed by the Executive in September 2007. Part of this was a requirement to submit a report to the Executive after the financial year end summarising the income and expenditure on the SHF for the past year.

3.3 Income and expenditure on the SHF for 2007-08 was as follows:

	£000	£000
Balance created on establishment of SHF		
• Council tax on second home	3,173	
• HRA balance	65	
• Useable capital receipt reserve	<u>2,539</u>	
		5,777
Income for year		
Income from council tax on second homes	1,743	
Interest	<u>142</u>	
		1,885
Expenditure for year		<u>0</u>
Balance at 31 March 2008		<u>7,662</u>

- 3.4 Against the above balance it should be noted the Council has already agreed the following commitments:

	£000
Fyne Homes – Kilmun Housing Development	242
Fyne Homes – Rothesay Council Chambers	<u>400</u>
	<u>642</u>

- 3.5 Whilst the balance in the Strategic Housing Fund is substantial its use is restricted to the development of affordable housing in accordance with the local housing strategy. The principles for accessing the Strategic Housing Fund were agreed in July 2007 and these are noted below.

“Para 3.12 Principles – Investment must be consistent with priorities identified in the Local Housing Strategy – i.e. the Local Housing Strategy investment framework (from November 2007, the Strategic Housing Investment Plan) will guide investment to priority areas. Funds are primarily for provision of housing for social renting – although other forms of affordable housing can be considered. Formal applications should be made using an agreed format, which will require details of the project, the site and the area as well as the details of the additional funding required and the reason.

Para 3.13 Priority will be given to the use of the fund to top up projects that require additional funding to overcome site-specific issues that would otherwise mean that the project would be unable to proceed. Such projects will be in areas of high priority where there are few alternative opportunities for development. Projects would require to fulfil financial appraisal assumptions applied by Communities Scotland.

Para 3.14 Proposals for funding will normally be discussed initially at formal meetings between the Council and Scottish Government, (formerly Communities Scotland), prior to submission to the appropriate Council committee for final approval. The proposed process is illustrated in the following flow chart. RSLs discuss site in principle with Council and Scottish Government assesses strategic importance of the site against Local Housing Strategy priorities and likelihood of funding from Scottish Government RSL in conjunction with Scottish Government submits formal application to Council for funding Formal evaluation and recommendation to the Executive for final approval Grant award and draw down”

Bruce West
Head of Strategic Finance
14 July 2008
Reports/21Aug Strategic Housing Fund

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BEST VALUE REVIEW OF STRATEGIC FINANCE

1 INTRODUCTION

- 1.1 This covering report introduces the summary report following the Best Value Review of Strategic Finance.

2 RECOMMENDATIONS

- 2.1 The Executive approves the report and action plan arising from the Best Value Review of Strategic Finance.
- 2.2 The Executive approves the approach to implementing the action plan including the funding arrangements as outlined in paragraphs 3.7 to 3.9.

3 DETAIL

- 3.1 The Executive on 20 September 2007 approved the project brief for the Best Value Review of Strategic Finance and agreed to appoint IPF to undertake the review. The review has been completed, a final report prepared and an action plan developed to address the improvement opportunities identified by IPF. A summary of the IPF final report is attached to this report and pulls together the key points from the individual reports IPF produced for each of the 6 stages of the Review. The action plan is also attached together with supplementary sheets that give details of the main features of each action.
- 3.2 The review was conducted in 6 stages:
- Stage 1 – Environmental Analysis and Vision
 - Stage 2 - CIPFA Financial Management Model: Statements of Good Practice in Public Financial Management
 - Stage 3 – Benchmarking
 - Stage 4 – Stakeholder Consultation
 - Stage 5 – Options Appraisal
 - Stage 6 – Action Plan
- 3.3 There were 4 key themes that emerged from the environmental analysis and vision stage:
- The provision of Quality Financial Systems, Management Information and Processes
 - The Pursuit for Efficiency
 - Performance Management and Improvement
 - Secure Stewardship over Council Resources
- 3.4 The main issues identified from implementing the CIPFA Financial Management Model are as follows:
- In overall terms, IPF's view is that Argyll and Bute Council performs averagely against the CIPFA FM Model with an obviously progressive aspect to the styles of financial management and scores very much in-line to other similar public-sector organisations using the Model for the first

- time.
- Securing Stewardship is the strongest financial management style within the Council and is assessed at between 2.5 and 3 out of 4 over the 4 management dimensions
 - The Supporting Performance role is less developed within the Council and is assessed at between 1.5 and 2.5 out of 4 over the 4 management dimensions.
 - Enabling Transformation is a role in its infancy for Strategic Finance and is assessed at between 0.5 and 1.5 out of 4 over the 4 management dimensions.
- 3.5 Benchmarking against a range of other councils identified areas of high cost compared to other councils. A total cost improvement of around £200,000 is identified. The majority of this relates to budget monitoring. It is proposed that action is taken to realise these savings by revising some key processes with the resources freed up redirected to improve the support to the Council from Strategic Finance in relation to Supporting Performance and Enabling Transformation.
- 3.6 The action plan contains 10 key high level actions under themes of improved financial management, actions to support improved financial management and performance within Strategic Finance. Progress will be measured in terms of how well we complete the action plan and also by annual review of our position against the CIPFA FM Model.
- 3.7 The following approach is proposed to implementation of the action plan:
- A fixed term post is created to take act as project manager.
 - The project manager will report directly to the Head of Strategic Finance.
 - The project manager will develop solutions to actions 5, 7, 8 and 9 in the action plan and will lead the small one off project teams that will take forward actions 1, 2, 3, 6 and 10.
 - The Corporate Accounting Manager will lead action 4.
 - Backfill will be required to cover the staff that are nominated to work on the small project teams taking forward actions 1, 2, 3, 6 and 10.
- 3.8 The estimated cost of the above approach is £300,000 over a 3 year period - roughly £100,000 per annum. This is equivalent to the temporary post of project manager at a senior accountant grade with oncosts, backfill equivalent to one full time accountant with oncosts and an allowance for administrative and other costs.
- 3.9 In terms of funding the above approach a more proactive approach is now being taken to managing the Councils surplus cash and it is envisaged that this should generate additional interest of around £100,000 per annum. This opportunity will be further enhanced when the investment regulations currently being developed by the Scottish Government are approved. It is proposed that this additional interest income be used to fund the cost of implementing the action plan with the quarterly treasury management reports identifying if performance is on track to achieve this additional investment income.

Bruce West, Head of Strategic Finance
18 July 2008



BEST VALUE REVIEW OF STRATEGIC FINANCE

EXECUTIVE SUMMARY

APRIL 2008

A - INTRODUCTION

1. Argyll and Bute Council undertake a series of Best Value reviews each year. It was agreed to undertake a Best Value review of Strategic Finance as part of the review programme for 2007-08.
2. The overall purpose of the review was to set a direction for the development of the Council's Strategic Finance function over the medium term. The review would assess current performance using a robust basis, identify improvement opportunities and make recommendations on the future development of the Strategic Finance function. Consideration of likely future budgetary constraints would be a key factor in the review. Whilst budgetary constraints set a parameter on funding the key purpose of the review was service improvement rather than cost reduction.
3. Using a combination of the CIPFA Financial Management Model, benchmarking and stakeholder consultation the review has assessed the performance of Strategic Finance function in terms of securing stewardship, supporting performance and enabling transformation and identified aspects of the service which appear to be more costly than other councils. The action plan which has been developed aims to address the significant improvement opportunities in supporting performance and enabling transformation through 10 main actions and to reallocate resources from areas of high relative cost to support the action plan.
4. The outcome aims to see the Council with a Strategic Finance function that enables the Council to deliver the transformation agenda and supports the performance improvement agenda whilst building on the current stewardship arrangements. This will be achieved through improved financial planning; supporting performance improvement and provision of financial performance information; a more effective approach to budget monitoring; developing a framework for financial governance; improving the financial information and systems for users and developing the financial skills base within the Council.
5. There were 4 key themes that emerged from the environmental analysis and vision stages:
 - The provision of Quality Financial Systems, Management Information and Processes
 - The Pursuit for Efficiency
 - Performance Management and Improvement
 - Secure Stewardship over Council Resources
6. The main issues identified from implementing the CIPFA Financial Management Model are as follows:
 - In overall terms, IPF's view is that Argyll and Bute Council performs averagely against the CIPFA FM Model with an obviously progressive aspect to the styles of financial management and

scores very much in-line to other similar public-sector organisations using the Model for the first time.

- Securing Stewardship is the strongest financial management style within the Council and is assessed at between 2.5 and 3 out of 4 over the 4 management dimensions
 - The Supporting Performance role is less developed within the Council and is assessed at between 1.5 and 2.5 out of 4 over the 4 management dimensions.
 - Enabling Transformation is a role in its infancy for Strategic Finance and is assessed at between 0.5 and 1.5 out of 4 over the 4 management dimensions.
7. Benchmarking against a range of other councils identified areas of high cost compared to other councils. A total cost improvement of around £200,000 is identified. The majority of this relates to budget monitoring. It is proposed that action is taken to realise these savings by revising some key processes with the resources freed up redirected to improve the support to the Council from Strategic Finance in relation to Supporting Performance and Enabling Transformation.
 8. The action plan contains 10 key high level actions under themes of improved financial management, actions to support improved financial management and performance within Strategic Finance. Progress will be measured in terms of how well we complete the action plan and also by annual review of our position against the CIPFA FM Model.
 9. The Council commissioned IPF to undertake the review on its behalf. IPF carried out the review during the period from October 2007 to February 2008. The review was conducted in 6 stages:
 - Stage 1 – Environmental Analysis and Vision
 - Stage 2 - CIPFA Financial Management Model: Statements of Good Practice in Public Financial Management
 - Stage 3 – Benchmarking
 - Stage 4 – Stakeholder Consultation
 - Stage 5 – Options Appraisal
 - Stage 6 – Action Plan
 10. A report on each stage has been prepared by IPF. The draft reports have been exposed for consultation with staff in Strategic Finance, managers within Strategic Finance, the Strategic Management Team and members of the project board overseeing the project. A report summarising the feedback during the consultation phase has also been prepared. This report is a summary of the main findings from the review.
 11. Whilst IPF were commissioned to undertake the review a project board was established to oversee the project. Membership of the project board comprised:
 - Bruce West - Head of Strategic Finance
 - Stewart Turner - Head of Roads and Amenity Services

Andrew Campbell - Area Manager, Scottish Natural Heritage
(previously chair of Community Planning Partnership
Management Committee)

Alan Geddes - Director of Finance, Highland Council

Albert Tait - Director of Finance and Housing, Orkney Islands
Council

12. The Executive Committee of the Council approved the scope of the review at its meeting on 20 September 2007. The review has been carried out taking on board the principles outlined in the Best Value Review Toolkit.

13. The Best Value Toolkit proposes a flowchart of processes through which all Best Value Reviews within the Authority should progress. A summary of this flowchart is detailed below, together how each of the 6 stages of this Best Value Review of Strategic Finance map to the key processes:

Scoping and Terms of Reference

- Formation of a Review Team Initial/Brief
- Production of an Outline Brief Initial/Brief

Project Plan

- Production of a Project Plan Initial/Brief

Evidence and Analysis

- Analyse the Environment Stage 1
- Consult Stakeholders Stages 1, 2 and 4
- Research and Map Existing Processes Stage 3
- Conduct Benchmarking Comparisons Stages 2 and 3
- Review Information & Supplement Stage 2

Option Development

- Conduct Appraisal and Develop Options Stage 1, 2, 3, 4 and 5
- Consult Stakeholders on Proposed Changes Stage 4
- Draft Initial Improvement Plan Stage 6

Policy Approval

- Review Options Stage 5
- Agree Preferred Option Stage 5
- Approval within Council Post Stage 6

Implementation and Review

- Implementation Post-Completion
- Review Post-Completion

14. All staff within Strategic Finance were either interviewed, included within a focus group or given the opportunity to complete a survey questionnaire. All members of the Strategic Management Team were interviewed along with the Leader of the Council, Leader of the Liberal

Democrats and the former Chair of the Audit Committee. Survey questionnaires were issued to heads of service and a range of budget holders within departments. Information sessions were held prior to the issue of the questionnaires. In addition to providing information for the Environmental Analysis and Vision stage and Stakeholder Consultation stage this also assisted IPF in forming an assessment of the Council's position against the CIPFA FM Model. The CIPFA FM Model assesses an organisations position against a range of good practice statements related to financial management in the public sector.

15. The action plan sets out the improvement agenda for Strategic Finance.

B - STAGE 1 ENVIRONMENTAL ANALYSIS AND VISION

Introduction – Stage 1 Environmental Analysis and Vision

16. As the first stage of a wider Best Value review of Strategic Finance a comprehensive environmental analysis was undertaken of the Finance function within Argyll and Bute Council, enabled by the Institute of Public Finance. From this environmental analysis, 76 key current or impending issues which Strategic Finance faces were identified. An evaluation exercise was then undertaken aimed at prioritising these issues in terms of their importance and materiality of impact on the function. The results of this prioritisation are detailed below:

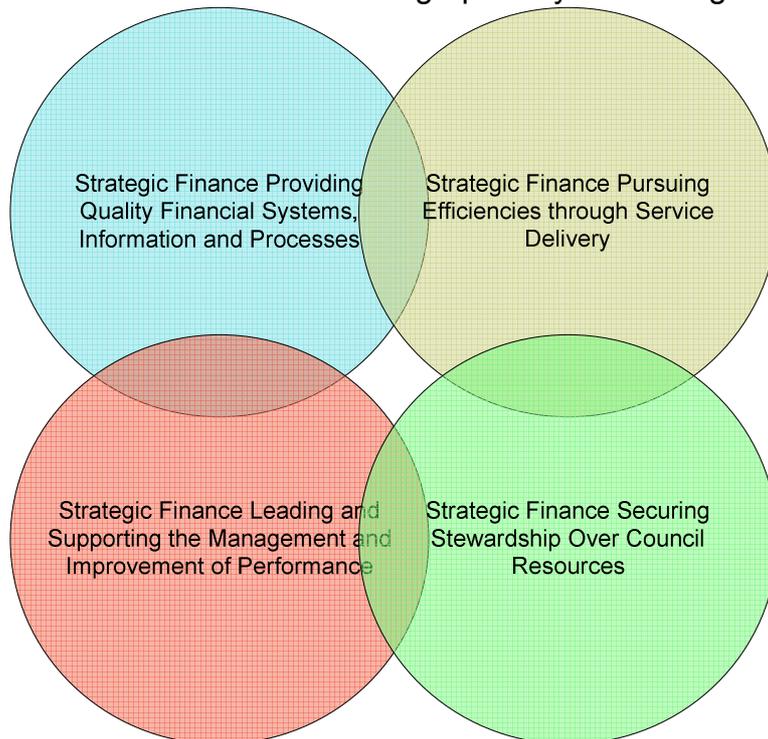
		IMPORTANCE			Total
		High	Medium	Low	
FACTOR	Social	0	3	4	7
	Technological	7	0	1	8
	Environmental	14	4	5	23
	Economic	7	5	10	22
	Political	0	0	4	4
	Legislative	3	1	5	9
	Ethical	0	1	2	3
		31	14	31	76

17. 2 key outputs have been derived from the Environmental Analysis. Firstly, a comprehensive and ranked list of all the issues faced has been produced which will enable detailed review of what Strategic Finance exists to provide and how it does this, in comparison to the current and expected requirements which are or will be made of it. Secondly, 4 broad themes have emerged from which these direct

issues and the actions required to address them will cascade. These 4 themes are:

- The provision of Quality Financial Systems, Management Information and Processes
- The Pursuit for Efficiency
- Performance Management and Improvement
- Secure Stewardship over Council Resources

18. From this analysis, a Vision for the Future can be established. This vision is not prescriptive, but must encompass the 4 themes identified and aim to address the underlying issues in its make-up. The vision can be demonstrated graphically in the diagram below:



19. In broad terms, the Vision for the Future can therefore be defined in the following section.

Strategic Finance providing quality financial systems, information and processes

20. Strategic Finance will empower all financial managers within Argyll and Bute Council to effectively discharge their financial management responsibilities in an informed and cost-effective manner. Through the provision of modern, accurate, accessible financial information systems which fully integrate with other associated corporate IT systems, all managers, operational or senior, will be able to quickly access the appropriate information they need on which to base informed financial decisions. On-line access will be available to all, together with a suite of flexible, user-friendly, efficient reporting tools, bespoke to the requirements of the user. Meeting customer requirements of flexibility

of when and where on-line information is accessed and what form financial management information takes, will be a key priority for the function.

21. Financial processes in place will be simple, clearly defined in terms of responsibilities held by all stakeholders and clearly communicated. There will be a transparent system of measurement of performance in fulfilling roles and responsibilities within these processes and accountability preserved.

Strategic Finance pursuing efficiencies through service delivery

22. Strategic Finance will continually review its own service provision and underlying processes in addition to providing a key supporting role to the departments of Argyll and Bute Council in achieving such aims also. Where possible, services will be provided in a highly effective manner with specific emphasis on minimising cost. Where required, structures and processes will be re-engineered in order to generate efficiencies and transparent and robust consideration will be given to all potential options in service delivery which will enable an efficient Finance function within the Council, which can be clearly demonstrated.

Strategic Finance leading and supporting the management and improvement of performance

23. In addition to seeking continuous improvement in its own internal processes and overall performance by identification and adoption of recognised best practice standards, Strategic Finance will contribute a critical role in the management and improvement of performance within Argyll and Bute Council as a whole. Full commitment to the demonstration of Best Value and transparent exhibition of Value for Money in all Council political and service decisions will be achieved through the recognition and commitment of required financial competencies and resources to such processes. Natural and congruent integration between the Council's planning and performance framework and financial planning will be achieved and an integrated process of monitoring and accountability undertaken.

Strategic Finance securing stewardship over Council resources

24. In addition to the enabling and supporting role to the performance and transformational processes which Strategic Finance will undertake, which is outlined above, the function will continue to consolidate the excellent stewardship it has exercised over the resources of the Argyll and Bute Council. A systematic system of control will be in place and a long-term rolling review of key competencies of all staff, adequacy in number and deployment of skilled resources, effectiveness of systems and documented policies and codes of governance will be preserved

and where required, redesigned to meet the changing organisational, political and legislative requirements faced.

Summary – Stage 1 Environmental Analysis and Vision

25. It is important to note that the Vision for the Future, by its very nature defines the key areas of strategy which Strategic Finance will undertake in the future and does not define the detailed actions which will be required to achieve this. Reference to the detailed issues which the Environmental Analysis produced will be required for this to happen and specific actions identified which together will address the issues outlined, mitigate any risk of failure to address and place Strategic Finance in a position where it can achieve the overall aims of the vision will encompass its role, structure and processes. A process for measurement of the success to which it manages this will also be required.
26. From the Environmental Analysis undertaken it is clear that Strategic Finance is achieving many of its key operational objectives. However, what is also apparent is that it faces many challenges from both within Argyll and Bute Council and from external sources both now and almost certainly in the future.
27. Accordingly, Strategic Finance must now use the results of the Environmental Analysis to address these issues in a systematic and prioritised way. A Vision for the Future can be clearly established which will drive and design the roles which the function will be required to perform and the structures, resources and roles it employs to do this. These key themes can be identified as:
 - The provision of Quality Financial Systems, Management Information and Processes
 - The Pursuit for Efficiency
 - Performance Management and Improvement
 - Secure Stewardship over Council Resources
28. Within each theme there are a number of detailed issues which Strategic Finance is or will be exposed to in all of the short, medium and long-term and each will have its own direct impact. From these themes and the issues which constitute them, an overarching Vision for the Future can be developed which will clearly communicate the intentions of the Strategic Finance function and the future roles it intends to perform and responsibilities it will fulfil.

C - STAGE 2 CIPFA FINANCIAL MANAGEMENT MODEL

Introduction – Stage 2 CIPFA Financial Management Model

29. In order to establish the financial management baseline, provide a comparison with other organisations and prioritise financial management improvements, the CIPFA Financial Management Model has been identified as being the most appropriate framework for the review. Although Argyll and Bute Council is one of the first few Scottish Local Authorities to use the CIPFA Model (it is estimated that only around 20% of Scottish Councils have fully implemented it), the Model itself was first launched in July 2004 (and subsequently updated and re-launched in June 2007) and has been extensively used successfully as a framework for assessing financial management by a large number of public sector organisations in the UK.
30. The CIPFA Model sets out the features of best practice financial management within a public sector organisation and uses a scoring system to provide an objective measure of financial management, therefore identifying strengths, weaknesses and priority areas for improvement.

CIPFA Financial Management Model

31. The CIPFA Model is structured around 3 styles of financial management:

Securing Stewardship – an emphasis on control, probity, meeting regulatory requirements and accountability.

Supporting Performance – responsive to customers, efficient and effective, and with a commitment to improving performance.

Enabling Transformation – strategic and customer-led, future orientated, proactive in managing change and risk, outcome focused and receptive to new ideas

32. The styles are intended to be progressive and it is expected that all 3 styles will be present in an organisation exhibiting best practice financial management characteristics.

33. The FM Model is also organised by 4 management dimensions – Leadership, People, Processes and Stakeholders.

Leadership - focuses upon strategic direction and business management, and the impact on financial management of the vision and involvement of the organisation's Board members and senior managers.

People - includes both the competencies and the engagement of staff. This aspect generally faces inward to the organisation.

Processes – examines the organisation’s ability to design, manage, control and improve its financial processes to support its policy and strategy.

Stakeholders – deals with the relationships between the organisation and those with an interest in its financial health, whether Treasury, inspectors, auditors, taxpayers, suppliers, customers or partners. It also deals with customer relationships within the organisation, between finance services and its internal users.

34. A matrix approach is therefore used in the Model, combining the 3 styles of financial management and 4 management dimensions. The organisation’s current financial management position is assessed through comparing its arrangements against 37 statements of best practice, with a set of supporting questions sitting behind each statement.
35. Each statement is scored from 0-4 with half point increments, to establish an overall picture of strengths and weaknesses in terms of financial management. Scores are allocated according to the extent to which the best practice statement currently applies within the Council, as shown below:

Score Apply?	How Far Does the Best Practice Statement
0 / 0.5 / 1	Hardly
1.5 / 2	Somewhat
2.5 / 3	Mostly
3.5 / 4	Strongly

Assessment of Argyll and Bute Council

36. The matrix below summarises IPF’s assessment of Argyll and Bute Council’s financial management arrangements against the best practice CIPFA Financial Management Model. It should be noted that this represents IPF’s independent view, taking into account a range of evidence gathered through the review including: the results of an initial workshop with senior finance officials; document review / evidence; interviews; and survey results from centralised and devolved Strategic Finance Staff, and budget managers.
37. IPF has also moderated the scores, to ensure consistency and comparability, based upon our experience of using the CIPFA Model at a number of public sector organisations.

Argyll and Bute Council's Best Practice Matrix

	Management Dimensions			
Financial Management Styles	Leadership	People	Processes	Stakeholders
Securing Stewardship	3.0	2.5	3.0	2.5
Supporting Performance	2.0	2.0	2.5	1.5
Enabling Transformation	1.5	1.0	1.5	0.5

38. In overall terms, IPF's view is that Argyll and Bute Council performs averagely against the CIPFA FM Model with an obviously progressive aspect to the styles of financial management and scores very much in-line to other similar public-sector organisations using the Model for the first time. Using the matrix above, the key findings of the review can be summarised across the 3 financial management styles and 4 management dimensions as follows:

Styles of Financial Management

39. The styles of financial management are intended to be progressive, with a general expectation that organisations are likely to firstly establish the building blocks of control and adherence to regulations through the 'Securing Stewardship' style. This leads on to financial management contributing towards 'Supporting Performance' by assisting decision-making and supporting the delivery of organisational objectives. 'Enabling Transformation' would then be likely to represent the next stage, with financial management supporting the change agenda, innovation and re-engineering of systems and processes, where appropriate.
40. The results from the scored FM model for Argyll and Bute Council show that in all cases, 'Securing Stewardship' is the strongest financial management style in all cases. This, whilst not entirely unexpected since this is the most fundamental style of financial management, is clearly positive and demonstrates that a number of the building blocks of financial management such as an effective framework of

accountability for financial management or a system of internal control are firmly in place, although since only 'Leadership' and 'Processes' scores 3.0 or higher, then there are still areas of Stewardship which require to be developed such as how financial systems might be better utilised to deliver quality financial information or the quality of challenge with respect to assurance over the robustness of the annual revenue budget.

41. As also expected, there is a progressive aspect to how evolved Argyll and Bute Council are with regard to the styles of financial management. A 'Supporting Performance' role for Finance and Financial Management is less developed within the Council and its ability to 'Enable Transformation' is very much still in its infancy, unsurprising given the relatively young stage which transformational processes within the Council are generally.

Management Dimensions

42. From the best practice matrix, the 'Processes' dimension receives the highest scores, reflecting the relative areas of strength identified within the Council such as internal control systems, Internal Audit and the ability to meet basic financial reporting requirements in an assured way. This was qualified however by a number of areas where there are weaknesses in financial management processes, such as the ability of the existing financial system of the Council to fully meet the needs of all budget managers in an effective way (including access to the system, tailored and flexible reporting), a lack of consistent use of value-for-money as a performance management tool and the extent to which the financial planning process currently underpins the corporate aims and objectives of the Council.
43. It should be noted at this stage that it is acknowledged that significant progress has been made over the last 2 years in developing a number of processes, such as performance management, in the Council generally and in Strategic Finance in particular e.g. Capital Programme Planning and Management Guide. The review of financial management however, must take account of where the Council is currently placed and the degree of effectiveness of processes which are currently in existence. In many cases, it is simply too early to say how successful some of the recent innovations will be. There is a degree of confidence generally however, that significant further enhancements will be made by the Council in embedding a number of developments in the short-term future which coupled to the progress made thus far, should realise benefits soon.
44. Other management dimensions do not score so well. 'Leadership' and 'People' score relatively similarly across the styles of financial management, the former slightly higher. In respect of Leadership, there would appear to be an effective framework of financial accountability in place with strong features of corporate governance. Budgets are

reasonably robust with formal strategic control over their discharge although the degree of challenge and assurance in areas of Revenue budgeting remains a concern. The relative infancy of the linkage of planning within the Council currently means however, that work continues in realising the 'Golden Thread' within the Council as does in the development of a robust and transparent financial planning strategy for the medium-term and beyond.

45. For Argyll and Bute's People, some areas of strength are evident such as the recently implemented 'Growing Our Own' policy. However, a number of key areas of current weakness remain and require to be addressed. Management competencies, for instance, whilst having been discussed at a strategic level, have yet to be documented and training requirements against such assessed. For example, in terms of financial management processes, strong evidence suggests that Finance staff are still focused on transactional processing such as ledger housekeeping and information production as opposed to being in a position to offer a skilled professional contribution due to technology limitations.
46. 'Stakeholders' is the lowest scoring management dimension. There is high confidence in the integrity of Argyll and Bute Council's financial conduct borne out both by stakeholder views and documented regulatory and inspection. However, whilst there is no evidence to suggest that the Council does not perform well in financial management quality of service or that it does not delivery value for money, there is equally little evidence to transparently demonstrate that it does. In relation to the more progressive styles of financial management – Supporting Performance and Enabling Transformation, the Council is particularly weak. An example of the former style is how the Council has yet to demonstrate how it secures value for money. Additionally, another example is the focus by senior Finance staff (excluding the Head of Strategic Finance) on extracting and reporting information at the opportunity cost of challenge, interpretation and advice.
47. These issues have been explored in great depth in the main body of the report, using the CIPFA Financial Management Model best practice statements as a framework.

Summary – Stage 2 CIPFA Financial Management Model

48. Full identification of all the issues which the review of financial management has identified, together with an action plan to address them, was produced in Stage 6 of the Best Value Review. In overall terms however, for ease of reference, IPF has summarised below the key areas of strength, areas where some improvement has taken place but further development work needs to be undertaken and weaker areas for the Council to address as a matter of priority, in relation to

financial management. These are based upon the best practice statements contained within the CIPFA FM Model.

49. The list below also goes into greater detail regarding areas for further development and weaknesses since these will be of higher importance to the Council and accordingly, greater interest. It should be noted that some of the identified weaknesses, particularly those in relation to 'People' and 'Stakeholders' dimensions or those pertaining to the 'Enabling Transformation' financial management style are not uncommon in public-sector organisations using the model and in particular, where, as in this case, it has been used for the first time.

Areas of Strength:

- Financial Governance
- Internal Financial Control
- Internal Audit
- Risk Management
- Procurement
- Stewardship of resources
- Qualification, experience and skill of Strategic Finance staff
- Financial Reporting
- Commitment by members and strategic officers of Council to improving performance and how it is managed and the achievement of overall Council aims and objectives.

Areas where Progress Made but Further Development Required:

- Ensuring a medium-term financial strategy is embedded in the Council through a robust revenue and capital financial planning process.
- Alignment of Corporate and Financial Planning processes and plans. This will involve not only integrating plans and objectives / budgets, but will require clear links between the financial policies of the Council and its business aims.
- Ensuring financial policies are further developed to cover all financial management practices within the Council (such as partnering or use of balances) and that these are clearly communicated.
- Developing a robust and useable Performance Management framework within which, financial management will be a key element. At present, emphasis is on gathering information and development of a framework rather than actually managing performance.
- Developing a culture within the Council which enables financial expertise to be effectively used in the processes of significant decision-making and policy formulation and ensuring sufficient competencies and policies are in place to deliver this.
- A more defined and enforced framework for accountability for performance needs to be developed. In relation to the issues

uncovered by the review of Financial Management, specific areas where managers need to be held to account for fulfilling their responsibilities but little evidence exists at present that they are, include:

- For effective management of service spend within budget
 - For achieving Value for Money in service delivery
 - For ensuring that they undertake Performance Development Reviews and that training outcomes are acted on.
 - For fulfilling their defined role within the Code of Practice for Budget Monitoring.
 - For ensuring that all reports to Committee and other media for policy and significant service decisions include timely and sufficient appraisal of financial implications.
- Greater focus on identifying targets and measuring Value for Money is required. With specific regard to efficiencies, specific targets for cashable and non-cashable efficiencies are required together with a formal plan of how these will be achieved.

Areas of Weakness:

- Over-focus of Strategic Finance staff on transaction processing and production of information at opportunity cost of more sophisticated, wider, skilled and professional contribution.
- A perceived shortfall / misalignment of resources needs to be addressed to enable a conscious evolution by Strategic Finance from focusing not only on the Stewardship aspect of their responsibilities but to where they are effectively Supporting Performance.
- In respect of financial management, focus at present is on meeting the basic needs of controlling spend within budget. To be more effective, a position where the Value for Money of decision-making can be measured and used must be achieved and where more sophisticated and challenging processes and tools such as unit costs, drivers and benchmarks are used to inform financial and service planning.
- Identification of all required management competencies within the organisation is still outstanding and linked to a more structured and focused Performance Development Review process will enable financial management competencies to be base-lined and a formal corporate programme of training and development to be undertaken for key stakeholders in the financial management process.
- The Budget Monitoring process within the Council at present is basic and inefficient. Reports are all based on hardcopy, are voluminous, are standard and therefore do not meet the

detailed individual requirements of all budget managers, contain data which is not used and omit information which is required (e.g. reference to commitments) and are also expensive to distribute and collect. These are some of the main reasons why there is evidence of non-compliance by some budget managers in Budget Monitoring which results in an inconsistency in roles performed by Strategic Finance and Departmental staff across the Council.

- Not all budget managers have access to ad-hoc financial information through not being able to access the network or the General Ledger itself. In addition, the ability to report from the system is confined to some staff within Strategic Finance.
- General Ledger functionality is not maximised and only basic requirements are currently met. In addition, sub-systems which interface to the ledger provide a poor level of detail making any transactional analysis a manual and time-consuming process.

D - STAGE 3 BENCHMARKING

50. The 'major' internal processes of Argyll and Bute have been documented using process mapping. These processes being:
- Financial Strategy (Revenue and Capital – mapped separately)
 - Financial Advice (Revenue and Capital – mapped separately)
 - Preparation of Budgets (Revenue and Capital – mapped separately)
 - Budget Monitoring (Revenue and Capital – mapped separately)
 - Final Accounts (Revenue and Capital – mapped separately)
 - Treasury Management – Daily Activities
 - Treasury Management – Final Accounts
51. Nineteen out of the total available 31 Scottish Councils were chosen to benchmark against, using a wide range of factors. 6 out of the 19 Councils' completed and returned the questionnaire, a return rate of 32%. Although it was hoped that a higher return rate would have been received, IPF consider that the integrity of the outputs from Stage 3 have not been compromised as a result of the return rate. The 6 Councils that returned benchmarking information are as follows:
- Aberdeenshire Council
 - Dumfries and Galloway
 - East Ayrshire Council
 - Highland Council
 - Orkney Islands Council
 - West Lothian Council
52. The process mapping of the major activities together with the data collected and analysed from the benchmarking questionnaires and

details of non-core activities, has provided the evidence to identify opportunities for process (backed up by the outputs from the stage 2 report and best practice) and cost improvements. Opportunities for process improvements have been identified in relation to the following.

53. Financial Strategy and Planning
 - Financial Advice
 - Preparation of Budgets
 - Budget Monitoring

54. The opportunities for costs improvements total approximately £200,000 pa if the total cost of Strategic Finance per £'000 of Gross Turnover (£5.42) is reduced to the Group Average – using Argyll and Bute Group Average for activity (£4.96). The majority of this potential cost improvement i.e. £177,000 pa could be generated from the budget monitoring process i.e. if the £2.34 per £'000 of Gross Turnover (the highest when compared to the benchmarking partners) is reduced to the Group Average of £1.93. A significant proportion (if not all) of this saving could be generated from staff costs. This conclusion is drawn from the analysis of total cost of Strategic Finance by type of cost. The employee costs of Argyll and Bute are £4.19 per £'000 of Gross Turnover, the second highest of the benchmarking partners. If Argyll and Bute's total employee costs was reduced to the Group Average – using Argyll and Bute Gross Turnover of £3.67, a potential saving of approximately £222,000 pa could be realised.

55. From this analysis it can be seen that the majority of the potential total cost improvements of £200,000 pa are employee costs. Having regard to the fact the majority of the total cost relates to budget monitoring when the costs are analysed by activity, it can be concluded that the most (if not all) of the cost improvements of budget monitoring relates to employee costs.

56. The provision of financial advice within Argyll and Bute is the second highest cost per £'000 Gross Turnover being £0.88 compared to £0.40 Group Average - using Argyll and Bute Gross Turnover. It is suggested that as a direct consequence of more financial training of Service departments, improved documentation and processes (i.e. budget monitoring) and the inclusion of core financial management competencies within Job Descriptions and People Specifications, demand for financial advice from Strategic Finance may reduce. If the reduction represented say 10% of the current cost, this could generate potential savings of £40,000 pa.

57. Further cost improvements could be generated from debt management having regard to the £3.38 Cost per £'000 of Borrowing Interest, which is the highest cost compared to the benchmarking partners. The Group Average being £2.61 if the Orkney Islands are excluded. It is anticipated that any cost improvements would be relatively small. To put any potential cost improvement in context in terms of materiality;

the total cost currently attributed to the debt management activity is £45,000 pa.

58. The total cost of non-core activities (defined as; work that falls outside their operational work boundaries) has been identified as £242,540 – this cost is in addition to the costs recorded on the Council's benchmarking questionnaire because the costs used for benchmarking related to 'core activities' of Strategic Finance. It would be unrealistic to assume 100% cost improvement in this area due to the fact that Service departments would have to take on this work within their existing staff resources and the qualitative issues involved. Using an assumption that 30% of the cost of the work would be transferred and absorbed within Service departments' existing staff resources, a cost improvement of £73,000 pa could be made.
59. The analysis of the benchmarking show that Argyll and Bute has a high number of FTEs with a low cost as demonstrated by the Council having the joint highest number of FTEs per £m of Gross Turnover – using Argyll and Bute Gross Turnover, being 0.14 and 0.10 respectively. This should be contrasted with the results of the analysis for the total staff cost £'000 per FTE; Argyll and Bute has the lowest cost at £29.17 compared to the Group Average of £34.66.
60. The low cost per FTE for Argyll and Bute is substantiated by the analysis of the benchmarking data relating to percentage of FTEs by Salary Band. Argyll and Bute has the highest percentage of FTEs in a number of the salary bands; i.e. under £15k, £15-£20k and the lowest percentage of FTEs in salary bands; £35k-£40k, £45k-£50k and over £50k .
61. The analysis of the benchmarking data in relation to the percentage of FTEs by Qualification provides some useful information to substantiate a number of points made in this report. In particular Argyll and Bute has the lowest percentage of FTEs that are CCAB qualified and highest percentage of FTEs with no relevant qualification. This could explain the low cost per FTE. It should however be pointed out as highlighted in the stage 2 report (see Best Practice Statement P1), there is a programme of professional and technical training within Strategic Finance whereby all staff who are or will be deemed to be in a post which requires it, have, are currently or will be undertaking training towards a CCAB (Consultative Committee of Accountancy Bodies) professional qualification, normally CIPFA.
62. The implementation of the process and cost improvements identified in this report will require detailed 'activity/time' studies to be undertaken to identify the staff affected by the process/cost improvements with a view to the reallocation of work.
63. A fundamental decision that will need to be addressed is the use of the spare capacity/cost savings that the identified process and cost

improvements will make. Will it be used for reinvestment into enabling Strategic Finance to improve and support the improvements in 'Supporting Performance' and 'Enabling Transformation' as identified in the stage 2 report? Or will the spare capacity/cost savings be 'realised' into cashable savings? Whichever decision is taken i.e. reinvestment or realise cashable savings, it would be prudent to set a phased approach to achieving the totality of the savings i.e. over a three year period.

64. From the process mapping and benchmarking data analysis it is clear that there are a number of processes and associated costs that require little or no change. However, there are some processes and cost improvements that have been identified which require remedial action. The most significant cost improvements being identified as a result of the total cost of Strategic Finance (expressed as £'000 per Gross Turnover) being the second highest when compared to the other benchmarking partners.

E - STAGE 4 STAKEHOLDER CONSULTATION

65. There was a high level of consistency across all Stakeholder groups with regard to the views expressed. This provides reassurance as to the validity of the views, but is also directly as a result of the transparent and controlled approach taken to the Review through the use of the BVR Toolkit and the structured methodology promoted by the use of good practice tools such as the STEEPLE analysis, the CIPFA FM Model and the HM Treasury Green Book (for option appraisal).
66. As a result of the limited number of available options for the provision of a future Strategic Finance function coupled to the lack of availability of the Project Board earlier in 2008, IPF have relied on their own considerable experience to create a shortlist of realistic options deliverable for a Council such as Argyll and Bute as opposed to the establishment of a longer list over which Stakeholders could then debate. The Project Board, as Stakeholders themselves, will be invited to influence the key processes undergone and the key findings. However, consultation with other key Stakeholder groups such as the Strategic Finance Sounding Boards did not take place until the end of the Review.
67. A number of key findings have been made at each stage of the review. These findings are based, in a large part, on the contribution made by Stakeholder groups. There is a consistent link between the contributions made and the findings. For example, Strategic Finance staff were heavily consulted with regard to the Environmental Analysis early in the review. The main outcome from this consultation process was the development of a Vision for the Future for Strategic Finance. The themes drawn from the Environmental Factors identified, weighted and scored by the Stakeholders led to the establishment of the overall

Vision for the function. In addition, these themes also enabled later in the Review, option outcome success criteria to be identified and weighted and ultimately robust appraisal of options against them. In addition, the categorisation and the prioritisation of the various issues within the Action and Improvement plan were also based around these themes. Stakeholder consultation therefore has been a paramount consideration throughout the BVR process.

68. The key findings from each stage of the Review have been outlined. More detailed explanation of the issues arising is made in the reports relating to each stage of the Review. However, within this report, specific emphasis has also been given to the key Stakeholder elements of financial management and Strategic Finance processes. A number of strengths and weaknesses have been identified and in respect of the latter, actions for improvement defined. These are detailed in the other reports produced relating to each stage of the Best Value Review of Strategic Finance.

F - STAGE 5 OPTIONS APPRAISAL

Introduction and Summary Stage 5 Options Appraisal

69. Following the principles of Argyll and Bute Council's Best Value Review Toolkit and in particular the Option Development stage, a robust option appraisal has been undertaken of the options for the future delivery of Strategic Finance services within the Council. This process also followed the key requirements of good practice identified within the HM Treasury "Green Book".
70. Based on key considerations of affordability, standard of service and congruence with the overall aims and objectives of Strategic Finance, 13 critical option success criteria have been defined, against which each potential option has been evaluated.
71. Each option success criterion has been given a weighting based on its relative importance to the others. In establishing this relative importance, consideration was given to:
- The outcome of the ranking and scoring of Environmental Factors exercise undertaken during Stage 1 of the Best Value Review (see separate report) which ultimately formed the future vision for Strategic Finance
 - The outcomes from the implementation of the CIPFA FM Model in Stage 2 and the relative required balance between financial and non-financial implications.
 - The outcomes from the Benchmarking in Stage 3 with regard to the opportunities for process and cost improvements.
72. 4 options were identified as follows:

- Option 1 – the status-quo base option.
 - Option 2 – Status-quo option supplemented by a number of identified actions for improvement
 - Option 3 – Full outsourcing of the Strategic Finance function
 - Option 4 – A hybrid proposal combining in-house provision of some processes and external provision of others
73. Each option was rigorously appraised and scored based on the extent to which each satisfied the option success criteria. A weighted score was then established for each option. A summary of these weighted scores against the option success criteria is detailed below:

Summary of Weighted Scores for all Options

Criterion	Criteria	Option 1	Option 2	Option 3	Option 4
1	Release of Financial Resources	20	32	0	16
2	Targeted re-investment of these resources	0	32	0	16
3	Improved provision of Finance Services	10	40	25	35
4	Internal Financial Processes	12	28	16	24
5	Stakeholder Empowerment	9	21	6	12
6	Skill-base of Finance Service Provider	15	27	12	24
7	Information Technology	10	40	15	25
8	Long-Term Financial Planning	16	40	12	28
9	Corporate Contribution	16	28	8	24
10	Performance of Finance	4	8	14	12
11	Satisfaction and Response to Inspection	28	28	24	28
12	Financial Governance	32	36	12	32
13	Financial Security	24	32	9	24
1 – 2	Total Financial Score	10	64	0	32
3 – 13	Total Non-Financial Score	166	328	153	268
	Total Weighted Score	176	392	153	300

74. In the case of both financial and non-financial implications, the preferred option for the future provision of Strategic Finance services is Option 2. Retention of the existing delivery structure, supplemented by implementation of a programme of identified improvements is significantly the most attractive option.

Option Success Criteria

75. The option success criteria therefore for the Best Value Review Option Appraisal for Strategic Finance are defined as:

Criterion	Factor	Vision Theme	Criteria	Description
1	Financial	n/a	Release of Financial Resources	One of the key aspirations for any re-engineering of service delivery is the ability to identify and generate efficiency savings which can be used to further improve the quality of Strategic Finance service through the development of higher skills, better systems and effective and efficient processes.

Criterion	Factor	Vision Theme	Criteria	Description
2	Financial	n/a	Targeted re-investment of these resources	Any savings generated may be re-invested. The various features of any new option should not incur additional revenue or capital costs to those existing under the status-quo of current provision. Therefore any new arrangements should be self-financing.
3	Standard	n/a	Improved provision of Finance Services	The case must be made for each option in terms of the extent to which it will improve the overall quality of the 6 mapped internal processes which Strategic Finance currently provides e.g. Improved Budget Monitoring.
4	Objectives	Financial Systems, Information and Processes	Internal Financial Processes	Whether any option will have a positive or negative impact on the effectiveness of Internal Processes such as Budget Monitoring or Capital Project Appraisal will require to be considered.
5	Objectives	Financial Systems, Information and Processes	Stakeholder Empowerment	Each option considered may have an impact on the degree to which stakeholders are enabled to fulfil their role in financial management processes.
6	Objectives	Financial Systems, Information and Processes	Skill-base of Finance Service Provider	Each potential delivery structure must be evaluated in terms of the level and quality of resources available to support the service delivery.
7	Objectives	Financial Systems, Information and Processes	Information Technology	Each potential option will have a positive, neutral or negative impact on the quality of financial information and systems which are made available to all key financial management stakeholders.
8	Objectives	Supporting Performance	Long-Term Financial Planning	The extent to which potential options will improve the robustness of long-term financial planning and its linkage with the corporate objectives of the Council, will require to be assessed.
9	Objectives	Supporting Performance	Corporate Contribution	The ability of Strategic Finance under each option to contribute to the development of corporate planning and management processes, together with supporting the Performance Management and Improvement agenda in the Council will be of significance.
10	Objectives	Supporting Performance	Performance of Finance	Each option must be evaluated in terms of whether it enables clear measurement of the performance of the Finance Function and improvement in areas of weakness identified.

Criterion	Factor	Vision Theme	Criteria	Description
11	Objectives	Effective Stewardship	Satisfaction and Response to Inspection	Each option must demonstrate the extent to which it can satisfy external regulatory and inspection bodies (such as External Audit) and evidence that it can respond to recommendations made.
12	Objectives	Effective Stewardship	Financial Governance	Whether the overall robustness of financial governance, controls and accountability will be impacted on by each option requires evaluation.
13	Objectives	Effective Stewardship	Financial Security	Any potential risk of financial loss or insecurity arising from adoption of a potential delivery structure should be quantified.

76. These 13 themes are based directly from the environmental analysis performed in Stage 1 of the project but in addition have consistently emerged as key issues during Stages 2, 3 and 4.
77. Not all of the 13 criteria against which the options will be appraised will carry the same degree of significance however. This variable relative importance is addressed by assigning a priority (through assigning a weighting) to each criterion, relative to the others. The purpose of this exercise is to ensure that the most important criteria carry the most 'weight' when the options are scored. Each of the criteria is weighted on a scale between 1 and 5 (1 = low priority, 5 = high priority). This will enable decisions made to reflect the priority given to each criterion.
78. Weightings have accordingly been assigned to each criterion, based on the description in the table above. These are detailed below in a more streamlined manner:

Criterion	Criteria	Weighting
1	Release of Financial Resources	4
2	Targeted re-investment of these resources	4
3	Improved provision of Finance Services	5
4	Internal Financial Processes	4
5	Stakeholder Empowerment	3
6	Skill-base of Finance Service Provider	3
7	Information Technology	5
8	Long-Term Financial Planning	4
9	Corporate Contribution	4
10	Performance of Finance	2
11	Satisfaction and Response to Inspection	4

Criterion	Criteria	Weighting
12	Financial Governance	4
13	Financial Security	3

79. Assigning relative weightings to each option success criterion can be viewed as being a subjective process. In assigning the relative weightings above, reference has been made to other appropriate sources including:
- The outcome of the ranking and scoring of environmental factors during Stage 1 of the review which led to the formulation of the Vision for the Future.
80. Notable outcomes from the review of Financial Management using the CIPFA FM Model which provide insight into the relative importance placed on the above criteria within Argyll and Bute Council (e.g. The corporate agenda to develop a robust 'Golden Thread' of planning within the Council).
- The identification of opportunities for process and cost improvements within Stage 3
 - The relative importance of financial consequences of any proposals in addition to the qualitative criteria.

G - STAGE 6 ACTION PLAN

81. The Action and Improvement Plan is detailed in full in Appendix X to this report.

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Strategic Finance Best Value Review – Action Plan			
Action Point	Description Of Action Point	Lead Officer	Target Timescale
	Theme 1 - Improved Financial Management		
1	Build upon current practice to improve the quality and effectiveness of financial planning arrangements.		
2	Develop the role of Strategic Finance in leading and supporting performance improvement and management through the provision of financial information and advice.		
3	Redesign the arrangements in place for budget monitoring to improve quality and effectiveness and release resources.		
4	Review the arrangements in place for preparation of annual accounts to plan for the introduction of International Financial Reporting Standards.		
	Theme 2 – Actions To Support Improved Financial Management		
5	Develop further the framework for financial governance.		
6	Improve the systems in place for making financial information available to users.		
7	Improve the overall financial management skill base for Strategic Finance staff by delivering a programme of development and training.		
8	Improve the overall financial management skill base for staff outwith Strategic Finance by delivering a programme of development and training.		

Theme 3 – Performance Within Strategic Finance			
9	Improve performance management within Strategic Finance.		
10	Review non core activities to determine the ongoing value of these being carried out within Strategic Finance.		

For each action point a set of features have been identified as indicators of the success in achieving each action point. These features are detailed for each action point in the attached Appendices.

Action Point 1

Build upon current practice to improve the quality and effectiveness of financial planning arrangements.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 1

- 1.1 Further development of the Financial Strategy with appropriate reference to the policy agenda and corporate objectives of the Council that clearly express the strategy which the Council will employ to deliver its services and manage its resources in the future.
- 1.2 The Financial Strategy of the Council is presented in a manner which is consistent with the Corporate Plan.
- 1.3 The Corporate Plan makes recognition of the resources which will be required and which have been allocated to fulfil achievement of Strategic Objectives.
- 1.4 The Council is able to demonstrate the extent to which funding is allocated to priorities and that a cross cutting approach has been developed that extends beyond basic top-slicing to meet a handful of significant projects.
- 1.5 The Financial Plan is presented in a manner which transparently demonstrates how it evolves from the Long-Term Financial Strategy.
- 1.6 The Financial Plan contains a balanced budget for future years.
- 1.7 Sensitivity analysis is undertaken in respect of significant provisions such as Income Generation, Council Tax collection and Capital project scope-creep.
- 1.8 An umbrella appraisal is performed taking account of all potential sensitivities and positive and negative scenarios modelled on which an informed judgement can be made on risk to the Council, allowing consideration of any requirement for a contingency to be made.
- 1.9 Appropriate integration of financial information in service plans.
- 1.10 Clear decision-making with regard to the provision of core and non-core services.
- 1.11 A formally defined process for challenging both existing and proposed

Revenue and Capital Budget provision that is approved and owned by the Council and expressly documented and communicated to all key stakeholders.

- 1.12 Consideration of the how the use of Service Activity Templates is developed.
- 1.13 Historic variances at outturn / during financial year and trend analysis used consistently recognised as part of Revenue Budget-setting process.
- 1.14 A transparent process for evaluation of all new policy initiatives.
- 1.15 The extent of temporary funding sources and ongoing or residual financial consequences in terms of service delivery and costs is analysed with risks and remedial action identified.
- 1.16 The outcome of the financial planning process is communicated clearly and timeously to all those with an interest.
- 1.17 Budget managers are able to view budgets at the start of the financial year.
- 1.18 A formal policy which declares the rules on Flexibility, Earmarking and Carry-Forward of year-end balances and the Deference of Grant income should be developed.
- 1.19 Development of a Fees and Charges policy (even if this is just a statement which states how they are set and how / when they will be reviewed).

Action Point 2

Develop the role of Strategic Finance in leading and supporting performance improvement and management through the provision of financial information and advice.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 2

- 2.1 Spending decisions demonstrate consideration of benchmarks, unit costs & drivers and cashflow impact before commitment is made.
- 2.2 There is a robust and structured approach to development of business cases and options appraisal involving Strategic Finance and using relevant financial information in an appropriate manner.
- 2.3 Appropriate post implementation reviews are carried out for all Revenue and Capital projects with appropriate support from Strategic Finance.
- 2.4 There is greater use of benchmarking and unit costs as routine performance information with support from Strategic Finance in the provision of such information.
- 2.5 The Performance Management framework gives appropriate consideration to Value for Money, efficiencies and unit costs.
- 2.6 There is a clear framework outlining how the Council plans, measures, manages and reports on efficiency and VFM.
- 2.7 Strategic Finance support departments in the meeting targets for efficiency savings and also wider achievement of VFM.
- 2.8 Budget managers are encouraged and supported not only to deliver services within budget, but where possible to generate and report savings.
- 2.9 Appropriate integration of financial information into the performance management system.

Action Point 3

Redesign the arrangements in place for budget monitoring to improve quality and effectiveness and release resources.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 3

- 3.1 Budget holders formally held to account for the budgets they manage.
- 3.2 Robust challenge over projections and variance explanations applied consistently during financial year.
- 3.3 Strategic Finance work closely with all Budget Managers to evidence the commitments which underpin projections made. This applies to not only projected over or underspends, but all projections, including those at budget on a detailed basis.
- 3.4 Budget Managers driven to account for make-up of all projected commitments.
- 3.5 Comprehensive and analytical explanations of the reasons for projected variances from budget.
- 3.6 Committee reports updated with latest actual spend before reporting.
- 3.7 Early identification of projected under and over expenditure.
- 3.8 There is recognition in budget monitoring of the collection and interpretation of data with regard to variables such as activity units, etc
- 3.9 Trend analysis of projected out-turns, budgets and variances is prepared and maintained by Strategic Finance.
- 3.10 The content and format of budget monitoring reports are tailored to meet the requirements of users.
- 3.11 Commitment accounting information is available and incorporated into budget monitoring reports.
- 3.12 More streamlined financial information reporting process to enable a more responsive contribution by budget managers.
- 3.13 Increased use of automated reporting.
- 3.14 Reduced timelag between period end and final reporting if budget

monitoring information.

- 3.15 Where possible budget monitoring information is provided electronically.
- 3.16 A review has been carried on the scope to provide budget monitoring information electronically.
- 3.17 Treasury Management are informed of significant expenditure and income projections to allow better management of cashflow.
- 3.18 Whilst not a unique action in its own right, but as a direct consequences of other actions proposed within this plan such as improved financial systems and reporting capabilities (i.e. automate current manual processes), clearer defined roles and responsibilities and wider access to financial information by budget holders, a reduction in the cost of budget monitoring should be achievable – target c. £177,000 p.a. A detailed ‘activity/time’ study would have to be undertaken to identify the staff affected by the process improvements identified

Action Point 4

Review the arrangements in place for preparation of annual accounts to plan for the introduction of International Financial Reporting Standards.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 4

- 4.1 Early identification of implications of introduction of IFRS.
- 4.2 Preparation of a detailed action plan identifying the steps in moving to IFRS.
- 4.3 A set of IFRS compliant accounts in accordance with the national timetable.

Action Point 5

Develop further the framework for financial governance.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 5

- 5.1 A formally documented and approved “Financial Management Code of Practice” which defines the expected roles, timeframes and underlying processes required for production of robust Revenue and Capital budgets and in the preparation of financial performance information. This Code explicitly defines all roles and responsibilities within the monitoring and financial management process, including expectations with regard to output standards.
- 5.2 All stakeholders in Financial Management processes have sufficient opportunity to warn the Head of Strategic Finance where perceived lack of engagement or fulfilment of defined responsibilities by other stakeholders is an issue. e.g. “Financial Management Whistle-blowing”.
- 5.3 Clear alignment between the financial policies of the Council and its Business Aims and Corporate Objectives. All financial policies are kept under review to ensure consistency with the Corporate Plan and financial strategy.
- 5.4 Financial policies can demonstrate ownership by the Council and approval by SMT and Executive Committee of the Council.
- 5.5 There is explicit definition and transparent communication of financial policies within the Council.
- 5.6 Compliance with financial policies is reviewed in a systematic way and there are clear processes of accountability for non-compliance.
- 5.7 Strong but proportionate financial governance can be demonstrated in all partnership arrangements.
- 5.8 The Financial Regulations of the Council specify the financial controls and provisions expected in relationship to partnerships.
- 5.9 Strategic Finance review all reports with significant financial implications and the financial implications are explained in a manner to the satisfaction of Strategic Finance.
- 5.10 Stronger definition of Budget Virement rules is required. Specifically, where a realignment of budget is required due to a specific action, then

the full value of the virement must be accounted for when considering de-minimus.

Action Point 6

Improve the systems in place for making financial information available to users.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 6

- 6.1 Stakeholders have appropriate access to appropriate reporting tools.
- 6.2 Budget managers have sufficient access to financial information in a format and at a point in time that suits their needs.
- 6.3 A strategy for accessing and extracting reports of financial information has been developed which takes account of options for reporting technology, opportunities for automated reporting, level of reporting user access and cost.
- 6.4 An evaluation of the most appropriate tool for reporting financial information has been carried out and a preferred tool selected and implemented with appropriate training and support in place.
- 6.5 Training has been delivered on use of Discover or an alternative reporting tool tailored to user needs.
- 6.6 Sufficient licences for Discover or an alternative reporting tool have been procured.
- 6.7 A cohesive strategy encompassing the General Ledger and the systems that feed it has been developed to improve the quality and detail of information held therein.
- 6.8 Development plans for each system specifically recognise the required specification for the General Ledger.
- 6.9 The General Ledger contains adequate detail with regard to transactional data from postings generated via electronic interfaces from financial sub-systems.
- 6.10 The requirement to be able to drill down from the General Ledger has been considered.
- 6.11 Electronic access has reduced the requirement for hardcopy provision of transactional data.

Action Point 7

Improve the overall financial management skill base for Strategic Finance staff by delivering a programme of development and training.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 7

- 7.1 A formal training needs analysis, linked to the PDR process identifies development needs / aspirations, relative to the needs of the Council with planned action put in place to achieve such development, including professional and technical training qualifications.
- 7.2 A programme of staff training and development matched to service and staff requirements that leads to formal accountancy qualifications at accountant and other levels.
- 7.3 A systematic and formal approach to developing the financial management and accounting skills of Strategic Finance staff who are not qualified accountants.
- 7.4 Periodic and planned “updating” sessions, specific to Strategic Finance staff who are not qualified accountants are held that enable development and learning to be aligned with service and staff needs and with a focus on:
 - Development of basic knowledge of Public-Sector Finance
 - Agreeing and sharing areas of technical good-practice
 - Disseminating appropriate professional knowledge held by qualified peers
- 7.5 A programme of “updating” sessions for qualified accountants to support their CPD and that enables development and learning to be aligned with service and staff needs.
- 7.6 Training is made available on some advanced aspects of financial support e.g. VFM appraisals.
- 7.7 There is a documented reference guide of the key steps and techniques which should be employed to effectively appraise financial consequences in reports e.g. “how to determine accuracy” or “how this policy will be funded”.

Action Point 8

Improve the overall financial management skill base for staff outwith Strategic Finance by delivering a programme of development and training.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 8

- 8.1 There is a set of financial management competencies developed and postholders are made clear of the level of financial management competency they are expected to achieve and maintain.
- 8.2 The training needs of staff out with Strategic Finance are identified based on the agreed financial management competencies.
- 8.3 A robustly structured and targeted programme of financial management training is in place based agreed financial management competencies and identified training needs.
- 8.4 The PDR process is used to identify any requirements for further training to meet and maintain the required level of financial management skills.
- 8.5 Financial management is one aspect of performance considered in the PDR process.
- 8.6 Ownership throughout the Council of the financial management competencies and related training programme can be demonstrated.

Action Point 9

Improve performance management within Strategic Finance.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 9

- 9.1 The views of stakeholders are sought in a formal and transparent manner as part of the assessment of satisfaction with Strategic Finance and also in the design of changes to financial management arrangements.
- 9.2 The Pyramid performance management system is used in an active manner to manage and improve performance within Strategic Finance.
- 9.3 Benchmarking (beyond SPI's) is used as a measure of assessing the performance of Strategic Finance and the costs of financial management processes.
- 9.4 Progress against the CIPFA FM Model is monitored.
- 9.5 Opportunities identified through the Shared Services Diagnostic project are taken forward.
- 9.6 Realignment of financial management responsibilities and efficiency measures such as the increased use of technology frees up resources.
- 9.7 The additional cost of providing general financial advice and information identified in the benchmarking study is addressed.

Action Point 10

Review non core activities to determine the ongoing value of these being carried out within Strategic Finance.

Lead Officer

Timescale

Insert Name

Insert Deadline

Features – Action Point 10

- 10.1 Non core activities identified along with costs and benefits of carrying them out within Strategic Finance
- 10.2 Alternative arrangements identified and assessment made of costs and benefits.
- 10.3 Assessment of the non core activities that should continue to be carried out by Strategic Finance with evidence to support conclusions.

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ARGYLL & BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

Argyll and Bute Child Protection Committee – Annual Report and Business Plan 2008/2009

1. SUMMARY

- 1.1 This report introduces the Annual Report and Business Plan for the Child Protection Committee. The report summarises child protection activity within the authority area for the period 2007/2008 and sets the key action points for 2008/2009.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the content of the report and the business plan for 2008/2009

3. BACKGROUND

- 3.1 As part of the child protection reform programme, the Scottish Executive issued new guidance in 2005 in relation to the function of Child Protection Committees (CPC's) within local authority areas. This guidance contained a requirement for each CPC to produce an annual report each year. This is the third annual report to be submitted from Argyll and Bute following this new format.
- 3.2 The report is arranged around the 9 core functions of the CPC and it sets out tasks for the coming year in respect of these. The Business Plan also reflects the key issues that emerged from the inspection of child protection services in 2006.
- 3.3 Services to protect children remain a top priority for the Council and its partner agencies and a great deal of activity has been undertaken to develop our services in over the past few years in line with the national guidance and our local priorities. As before key issues for child protection services continue to be those of neglect and physical assault and the connection between poor parenting and substance and alcohol misuse. Overall the numbers of referrals has reduced in this last year and although the numbers fluctuate it is believed that the work undertaken in relation to education and prevention has helped to stabilise the activity in this area.

3.4 The development of inter-agency training is a key role for CPCs and we have invested considerably in staff development and community based training initiatives over the last year. The growth in demand for child protection training has resulted in the agencies that form the CPC contributing to the establishment of a dedicated training post for interagency child protection work and it is anticipated that this will help to raise further the profile and level of expertise across the area.

3.5 The work of the CPC is overseen by a Chief Officers Group (COG) comprising of senior officers from Health, Police and the Council, and is chaired by the Council's Chief Executive. The COG perform a challenge and support function and helps set strategic direction for the work of the Committee.

4. **CONCLUSION**

4.1 The Annual Report and Business Plan acts as the key planning document for child protection work within the authority area. The report summarises activity over the previous year and sets targets for action in the coming year. The report for the current year builds on the work undertaken following the inspection of services in 2006.

6. **IMPLICATIONS**

Policy: The work of the CPC complements key policies within the Council

Financial: None

Legal: None

Personnel: None

Equal Impact Assessment: The work of the Committee is sensitive to issues of equality and cultural diversity and reflects these in policy, procedures and training initiatives

Director of Community Services
28 July 2008

For further information contact: Douglas Dunlop
Head of Service – Children & Families
Tel: 01546 604526
e-mail: dougie.dunlop@argyll-bute.gov.uk

argyll & bute



**ANNUAL REPORT 2007/08
&
BUSINESS PLAN 2008/09**

**Working to Protect Children &
Young People in Argyll and Bute**

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Visions, values and aims

Our Vision

We are committed to ensuring that Argyll and Bute's children grow up feeling safe and protected from harm.

We Value

The contribution children and young people make to the life of the area

~

The child's right to protection from harm as our primary and overriding concern

~

The treatment of children as individuals

~

Treating children and families with respect and dignity

~

The promotion of cultural diversity and equality of opportunity in our communities.

We Aim To

Achieve the level of service outlined in the Framework for Standards

~

Offer children a safe place to live work and play

~

Treat all children with respect

~

Listen to the views of children at all times and treat their concerns seriously

~

Provide the highest quality professional services to children and young people

~

Develop effective inter-agency working practices

~

Support families to safely care for their children

Preface by Chief Officers

Welcome to the Argyll and Bute Child Protection Committee Annual Report and Business Plan. The report covers the period from 1st April 2007 to 31st March 2008 with the Business Plan looking forward to the identified main areas for improvement for the year ahead.

As Chief Officers we remain committed to the planning and delivery of services which provide young people and their families living in Argyll and Bute with the help they need when they need it and in ensuring the help children and young people receive is of a consistently high standard.

The strategic management responsibility to lead on the development of the process of continuous improvement is a crucial factor in making sure our staff are supported in working to promote and improve all aspects of child protection and welfare. We recognise working alone will not achieve our vision as only by crossing professional boundaries and adopting a flexible joint approach will continuous improvement be sustained.

We also recognise the importance of consulting on the impact of service development and delivery. To achieve this the Chief Officers adopted a 'Road Show Model' for their meetings and following the business component have arranged visits to a variety of local projects and services which support vulnerable children and their families. We recognise the challenges of open, effective and meaningful consultation which can only be achieved by making sure the experiences and views of children, young people, their families and the excellent staff who offer intensive support in the community are used effectively to shape our future services.

This Annual Report helps us to look back at our achievements and reflect and learn from them by reviewing the evidence of its impact and asking what difference have our plans made to the outcomes for vulnerable children and families and how can we ensure the improvements will be sustained.

Our Business Plan is our vision of what we need to do this year to ensure continuous improvement.



James McLellan
Chief Executive
Argyll & Bute Council



Mitchell Roger
Divisional Commander
Strathclyde Police



Roger Gibbins
Chief Executive
NHS Highland

Foreword

By Chair of the Child Protection Committee

It gives me great pleasure to introduce the Annual Report for Argyll and Bute Child Protection Committee.

This has been a very busy and challenging year with many changes and improvements which were introduced to help us to progress the main points for action highlighted in the HMle multi-agency inspection report and above all to help to ensure continuous and sustainable improvements in our child protection services.

A great deal of the activity has focussed on refining our processes and structures and has included a review of all staffing including resources. We plan to analyse the impact of all the changes in practice, and on child protection services, by consulting with our staff and service users over the coming year asking them what difference have the changes made to the outcomes for children and how can we sustain the improvements and address areas of weakness?

In addition to progressing the activities in the Business Plan and the HMle Improvement Plan, the CPC has been working hard to address a number of new initiatives to address legislative changes and to progress the 'Getting It Right For Every Child' agenda to improve and unify services for children by improved assessments, recording, planning and delivery to meet children's needs.

The Child Protection Committee's priority is to continue to improve inter-agency working across all areas of service to support children and young people. We look forward to another year of improved learning and renewed progress in this ever challenging and complex arena.



**Douglas Dunlop
Head of Service – Children and Families
Child Protection Committee Chair**

Introduction

The Child Protection Committee (CPC) has remained committed to striving to continue to improve our services to protect vulnerable children and young people and we believe that joint working is at the heart of the routine working practice for all professionals.

The dedication and commitment of our committee members to work towards delivering the vision for Argyll and Bute's children remains strong and we greatly appreciate the continued support and hard work of all our partner members.

We hope the contents of the Annual Report and Business Plan are informative and reflect our priorities for the year ahead.

Review of The Business Plan 2007/08

Public Information		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
To raise awareness of child protection issues across communities including children and young people and ensure improved access to information and advice on how to act on concerns.	We have: <ul style="list-style-type: none"> ▪ Maintained and updated the CPC website. ▪ Made available a suite of public information leaflets ▪ Supported the launch of the 24 hour helpline ▪ Reviewed the impact and effectiveness of our communication via a Citizen's Panel consultation exercise ▪ Commenced an update of the CPC Communication Strategy 	Quality Indicator 2 – How well do services promote public awareness of child protection

Policies, Procedures & Protocols		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
To continue to review all existing policies and protocols and publish updated versions on our web site	We have: <ul style="list-style-type: none"> ▪ Commissioned a rewrite of the inter-agency CP procedures ▪ Adopted a statement of minimum practice standards ▪ Continued training and awareness raising of our suite of inter-agency protocols:- 1. Keeping Children Safe in a Digital Age. 2. Vulnerable Missing Children & Young People. 3. Underage Sexual Activity. 4. Safeguarding Children & Young People at Risk of Sexual Exploitation. 5. Responding to Incidents of Domestic Violence involving Children & Young People. 6. Working with Families of Children affected by Parental Substance Misuse. ▪ Placed all protocols on the CPC website. ▪ Developed and implemented a tripartite CP case discussion protocol. 	Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs

Management Information		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
To ensure statistical information is collected across all agencies to provide a comprehensive perspective on trends and patterns of referrals	<p>We have:</p> <ul style="list-style-type: none"> ▪ Produced quarterly management information reports on key child protection activities and inter-agency working. ▪ Undertaken an inter-agency mapping exercise of services and levels of children in need of protection across the authority ▪ Updated the Child Protection Register database to enable more detailed management information to be collated in future ▪ Reviewed and updated the format for collating and presenting quarterly management information on the impact of inter-agency training ▪ Undertaken a review of the access to services for children in need of protection who have a disability or live in remote and rural communities. 	<p>Quality Indicator 3 – How good is the delivery of key processes.</p> <p>Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs</p>

Quality Assurance		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
Agree, implement and review all of our single and multi-agency quality assurance mechanisms to ensure continuous improvements in all areas of practice	<p>We have:</p> <ul style="list-style-type: none"> ▪ Adopted an inter-agency statement of minimum practice standards ▪ Agreed an inter-agency information sharing protocol to facilitate inter-agency file audits and inter-agency audits of child protection plans. ▪ Undertaken an evaluation of the implementation of Joint Investigative Interviewing ▪ Undertaken single agency quality audit exercise ▪ Reviewed quality assurance mechanisms for inter-agency training and implemented a revised quality assurance and evaluation process ▪ All CPC agencies have reviewed personnel processes to ensure compliance with CP requirements for safe recruitment and investigation of complaints against staff ▪ Implemented a standby/out of hours improvement plan 	<p>Quality Indicator 3 – How good is delivery of key processes</p> <p>Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs</p>

Promotion of Good Practice		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
Develop improved processes to learn from and share practice issues and ensure this is reflected in staff development programmes	We have: <ul style="list-style-type: none"> ▪ Adopted the statement of minimum practice standards ▪ Delivered a JIIT good practice event ▪ Maintained links with the Managed Clinical Network via the West of Scotland Lead Officers Group ▪ Established standards and criterion for the medical examination of children where there are concerns 	Quality Indicator 3 – How good is delivery of key processes Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs

Training & Staff Development		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
Plan, review and quality assure all inter-agency training and development activities. Provide evaluation of training and a systematic approach to considering areas for improvement. Ensure the planning and delivery of single and inter agency training reflects the areas for development identified by the lessons from practice	We have: <ul style="list-style-type: none"> ▪ Implemented the 2007/08 Training Strategy ▪ Maximised protected learning time opportunities for GP's to enable them to attend child protection training ▪ Reviewed and revised our Child Protection Training Strategy for 2008/09 ▪ Implemented a mechanism to better target training at priority practitioners ▪ Implemented a revised training evaluation framework to evaluate the longer term impact of training on practice and it's impact on vulnerable children and their families ▪ Agreed the appointment of a dedicated CPC Training Officer ▪ Implemented an on line CP Training Calendar ▪ Developed and made available an online course/training identification tool 	Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs

Communication & Co-operation		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
<p>To develop and plan child protection priorities in conjunction with other planning structures</p> <p>To promote and demonstrate effective communication and collaboration between partner agencies.</p> <p>To ensure effective communication and reporting of the work of the CPC with all staff in constituent agencies.</p> <p>Identify opportunities to benchmark and share knowledge and practice with other CP Committees</p>	<p>We have:</p> <ul style="list-style-type: none"> ▪ Established formal links between the work of Highland Data Sharing Partnership (HDSP) and the CPC to integrate work streams and the implementation of electronic data sharing this includes: Agreeing child protection messaging business requirements and identify the steps required to implement this. ▪ Undertaken an electronic data sharing 'readiness review' ▪ Undertaking an audit of IT capacity within Argyll and Bute <p>In addition we have:</p> <ul style="list-style-type: none"> ▪ Commenced reviewing all single agency and inter-agency information sharing protocols ▪ Developed and adopted an information sharing protocol to support inter-agency quality auditing ▪ Undertaken a review of the effectiveness of our communication with the public via the Citizen's Panel ▪ Begun to develop a revised CPC Communication Strategy ▪ Updated the CPC website ▪ Implemented tripartite child protection discussions ▪ Continued active involvement with the national CPC Lead Officers Group, West of Scotland CPC Chairs Group and the JIIT Management Group ▪ Implemented a series of Chief Officers Group meetings with practitioners and services in localities across Argyll and Bute ▪ NHS Highland staff involved in the development of child protection structures. 	<p>Quality Indicator 4 – How good is our operational management in protecting children and meeting their needs.</p> <p>Quality Indicator 5 – How good is our individual and collective leadership</p>

Planning & Connections		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
Promote effective partnership working with all multi-agency partnerships and structures including Multi-agency partnerships on domestic abuse, child care partnership, substance action team, youth justice structures, other CP committees	<p>We have:</p> <ul style="list-style-type: none"> ▪ Reviewed and revised the inter-agency planning structures and arrangements for integrated children's services ▪ Maintained clear links between the CPC, integrated children's services planning and the work of ADAT, the Childcare Partnership, Children with Additional Support Needs and the Against Domestic Abuse Forum ▪ Implemented a reviewed format and structure for locality forums across Argyll and Bute. 	Quality Indicator 5 – How good is our individual and collective leadership

Listening to Children & Young People		
Objective	What We Have Achieved	Link to 'How well are children & young people protected and their needs met' framework
To undertake an authority wide consultation exercise on the views of children and young people on the quality and range of services provided to keep them safe	<p>We have:</p> <ul style="list-style-type: none"> ▪ Undertaken consultation events with looked after and accommodated children ▪ Undertaken a review of advocacy arrangements and materials ▪ Agreed with Children1st a project to improve advocacy for children where there are child protection concerns 	<p>Quality Indicator 1 – How effective is the help children get when they need it</p> <p>Quality Indicator 3 – How good is the delivery of key processes</p>

Sub – Committee Reports

Policy, Practice & Quality Assurance

This has been another busy year for the Policy, Practice & Quality Assurance sub group in taking forward many of the key themes of the Child Protection Improvement Plan and continuing to support the key priorities of the CPC.

With the assistance of the Chief Officer Group the PPQA has finalised a protocol for interagency information sharing for audit purposes, and a methodology for interagency quality auditing which will result in a regular programme of targeted interagency quality assurance and best practice auditing examining how we can best ensure that children receive the long term support they need and that they receive the help the need wherever they live in Argyll and Bute.

Throughout late 2007 and early 2008 we have undertaken an extensive mapping exercise to identify the levels of children who may be in need of protection in each area of Argyll and Bute and to contrast this with the available services and staffing. All CPC partner agencies, and many independent sector service and organisations have contributed to this exercise which will, over the coming year, inform workforce and service planning to ensure that all geographical area have access to sufficient resources to meet local need.

The group has been keen to involve children as much as we can where there are concerns about their safety or welfare; seeking to ensure that children's views are sought out and taken account of and that they have as full an understanding and involvement in what is happening in their lives as we can. We have reviewed existing Advocacy arrangements in Argyll and Bute and looked at best practice initiatives elsewhere in Scotland, resulting in an agreement for 2008-9 with Children 1st for an enhanced advocacy service for young people.

Effective inter-agency information sharing has always been critical to the protection of children at risk and this year we have overseen the development of tripartite discussion involving Police, Health and Social Work where there may be child protection concerns. We look forward to overseeing and evaluating its implementation in the year ahead.

The last year has seen significant developments in the electronic information sharing between agencies and we have been working along with the Highland Data Sharing Partnership to establish the foundations for electronic information sharing.

The PPQA has continued to promote the suit of interagency protocols, promoting practitioner understanding and effective interagency working to protect vulnerable children and to support the work of practitioners working to support and protect children at risk across Argyll and Bute.

Mark Lines
Chair

Training

The Training Sub-Committee have had yet another busy and productive year delivering our Inter-Agency Training Strategy. The CPC training strategy was developed to identify our authority wide training aims and objectives which are linked to both local and national training priorities.

Training priorities are based on identified gaps in training needs following consultation with our partners and responding to the specific areas which were highlighted in our HMle report as main areas for action in respect of training as identified below :

- ✚ Impact on children of parental mental health issues
- ✚ Training initiatives to improve team working and inter agency staff development
- ✚ Evaluation of training in respect of the impact on vulnerable children
- ✚ Training programmes to be further developed in respect of risk assessment

To this end new courses have been arranged for April, May and June 2008 to address these specific areas and the impact of the courses will be evaluated followed by a 3-6 monthly follow up by questionnaire measuring improvements individually and on the organisation and most importantly measuring what difference has attendance on this course made to the outcomes for children and families. The training sub-committee members are currently considering new methods of evaluation and in particular how we can measure what impact training is having on staff practice.

All of our training course objectives need to be outcome focussed and evaluated to evidence that the learning outcomes have been achieved, this information can then be processed and incorporated into the review of the current Training Strategy and inform our planning for next year's strategy. We hope by continually analysing the evaluations line managers are able to evidence continuous improvements in practice in the workplace place.

A major achievement this year has been the endorsement by the Chief Officers and the Child Protection Committee of the appointment of an Inter-Agency Child Protection Training Co-ordinator the process of appointment is currently under way and we are optimistic the post will be filled in the near future. Establishing systems to collate data and report all of the impact has resource implications and will be one of the main functions of the new training co-ordinator when in post.

The Chief Officers have approved the introduction of a new reporting format which will be prepared quarterly for the CPC outlining the qualitative and quantitative information on training delivered. The first reporting period will be the end of June 2008 and details of the breakdown of all inter-agency training delivered and to which agencies, as well as the numbers still to be trained should be readily available.

A second major achievement has been the training calendar going "live" on 1st February. This has resulted in many more hits on the CPC website as well as an increase in the uptake of inter-agency training courses and more general enquiries on the availability of child protection training to a wider range of community groups.

The training calendar also provides additional information on external conferences and seminars and ensures a much wider dissemination of training opportunities to a wider audience.

The members of the Training Sub-Committee will endeavour to review current training provisions in the light of all comments received, we will also identify gaps in relation to certain staff groups who are not accessing training and any additional areas that should be covered in training programmes. To this end we require our partner agencies to measure staff attendance at current training events and identify any gaps which exist for their staff in relation to single/multi agency training.

In terms of new training courses to a single agency audience, the Lead Officer for Substance Misuse has delivered a one day training work-shop to the Argyll and Bute Council Children's panel members on the affects of parental alcohol and substance misuse highlighting the messages from 'Hidden Harm - Next Steps'.

The CPC Lead Officer in conjunction with Alcohol Focus hosted a multi agency work-shop on the use of the Rory book a resource to help young children living with parental alcohol misuse.

A seminar on the subject How Safe are our Communities was held in Oban in September this year and was very well attended, the audience considered the growing issues of both binge and underage drinking on our children and on our communities and identified local action plans to consider pro-active measures in our communities to address the growing incidence of binge drinking. The CPC also plans to host a one day seminar in November to consider how we can improve joint working practices to protect our most vulnerable children.

Following a review of the training needs of residential child care staff, foster carers and kinship carers STRADA will be delivering training to an audience of foster carers, kinship carers and children and families social workers on the impact of parental substance misuse and the trainer will use the CPC protocol and highlight elements of the protocol throughout the course.

The continuous improvement of all aspects of inter-agency training remains a high priority for the CPC and the training sub-committee and we look forward to new developments in the year ahead.

Liz Strang
Chair

Statistics and Management Information

The Chief Officers and the members of the Child Protection Committee receive a quarterly Management Information report on key child protection activities and inter-agency working.

The application of the new national performance improvement framework has directed the analysis of activity and in particular linking the statistical trends with service provision has helped the introduction of more robust quality assurance tools to help measure continuous improvements and address areas for action. An audit of children and families cases has been undertaken and an action plan will be produced based on the findings and a multi agency audit of child protection plans will commence during June 2008 which should identify areas for improvement as well as best practice.

The quarterly report engenders lively discussions at both forums as there is a keen interest expressed on any variations in registration trends, attendance at case conferences and the percentage of reports submitted by each agency. Whenever an issue or evidence of good practice is identified, this is considered and the learning applied to practice by those involved.

The CPC are very keen to identify any area of practice where we have evidence that changes in practice have made a difference to the outcomes for children and families. We are also keen to compare our management information with other CPC areas. A meeting has been arranged in July between Argyll and Bute Council, East Lothian, Scottish Borders and Angus to consider the HMIE improvement plans, management information and self evaluation methodology. Each CPC area is keen to address the main points for action highlighted in the HMIE inspections and to show evidence of continuous improvement we are keen to share the tools which work well and produce robust evidence and to learn from other local authorities who have received very positive inspection reports

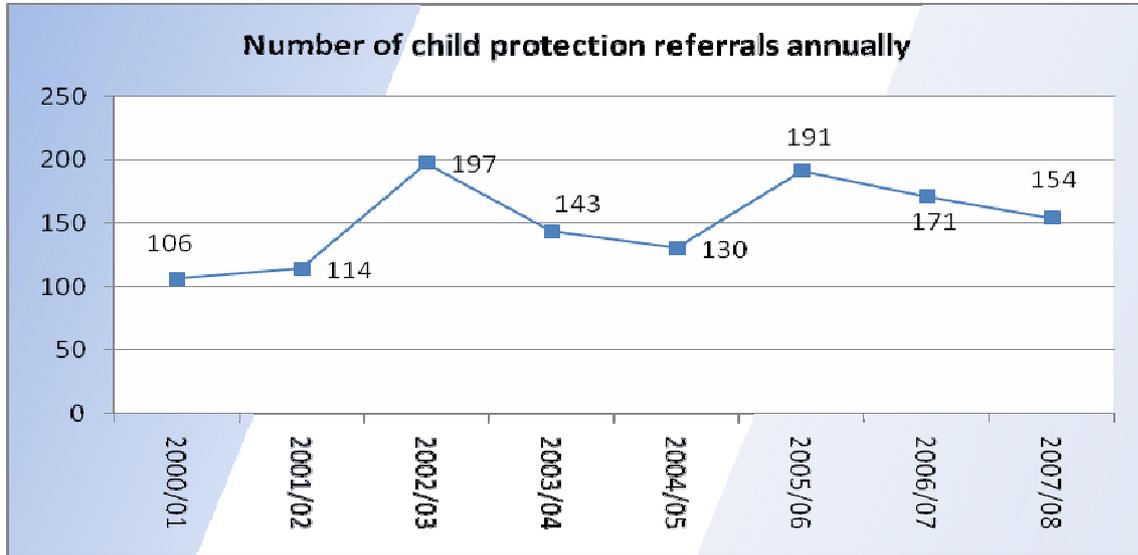
Argyll and Bute Council has formed close links with our colleagues in Highland as a result of the Highland Path Way and have noted with interest the marked reduction of the number of children on Highland's Child Protection Register, there has also been a considerable reduction in the number of children referred to the Reporter on care and protection grounds.

A more detailed breakdown of statistical and management information is provided in graph form at the end of this section of the report. This year the statistics show an overall reduction in referrals, the number of children on the register has reduced since registrations peaked in 2005/2006. There has also been a shift in the category of registrations with a higher percentage of children registered under the category physical injury when previously physical neglect has been the lead category. There has been an increase in the number of children registered under the category emotional abuse. By auditing our child protection plans we can analyse the changes in trends further.

Referrals 2007/08

Number of Child Protection Referrals Annually -Trends

Chart 1



	2000/2001	2001/2002	2002/2003	2003/2004
No. Referred	106	114	197	143

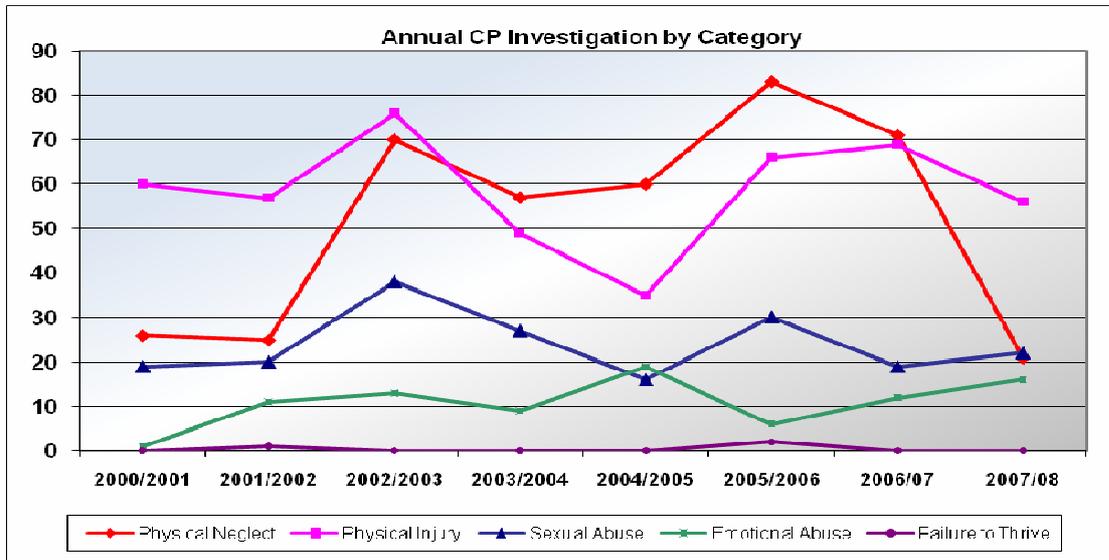
	2004/2005	2005/2006	2006/07	2007/08
No. Referred	130	191	171	154

Outcome of Referral

Outcome of referral	No.
CP Investigation	116
NFA	38
Total	154

Number of Child Protection Investigations by Category- Trends

Chart 2



Investigation Category	2000/01	2001/02	2002/03	2003/04
Physical Neglect	26	25	70	57
Physical Injury	60	57	76	49
Sexual Abuse	19	20	38	27
Emotional Abuse	1	11	13	9
Failure to Thrive	0	1	0	0
Total	106	114	197	142

Investigation Category	2004/05	2005/06	2006/07	2007/08
Physical Neglect	60	83	71	21
Physical Injury	35	66	69	56
Sexual Abuse	16	30	19	22
Emotional Abuse	19	6	12	16
Failure to Thrive	0	2	0	0
Total	130	187	171	115

Category of Child Protection Investigations 2007/2008

Category	Number Investigations	%
Physical Neglect	21	18%
Physical Injury	56	49%
Sexual Abuse	22	19%
Emotional Abuse	16	14%
Failure to Thrive	0	0%
Total	115	

Outcome of Child Protection Investigations 2007-2008

Number investigations	115	
No further action	64	56%
To Case Conference	51	44%

Breakdown of No Further Action Decision Following Investigation (where no case conference was held)

No Further Action Following Investigation	64	
Looked after and accommodated	2	3%
Moved away from area	1	2%
No further action at all	16	25%
Referred to Reporter	6	9%
Voluntary support-Multi agency	31	48%
Voluntary support-Single agency	8	13%

Outcome of Investigations which went to Case Conference

Referral to Case Conference	51	
Registered	35	69%
Not registered	16	31%

Referrals of children within 2007/08 previously known to child protection services

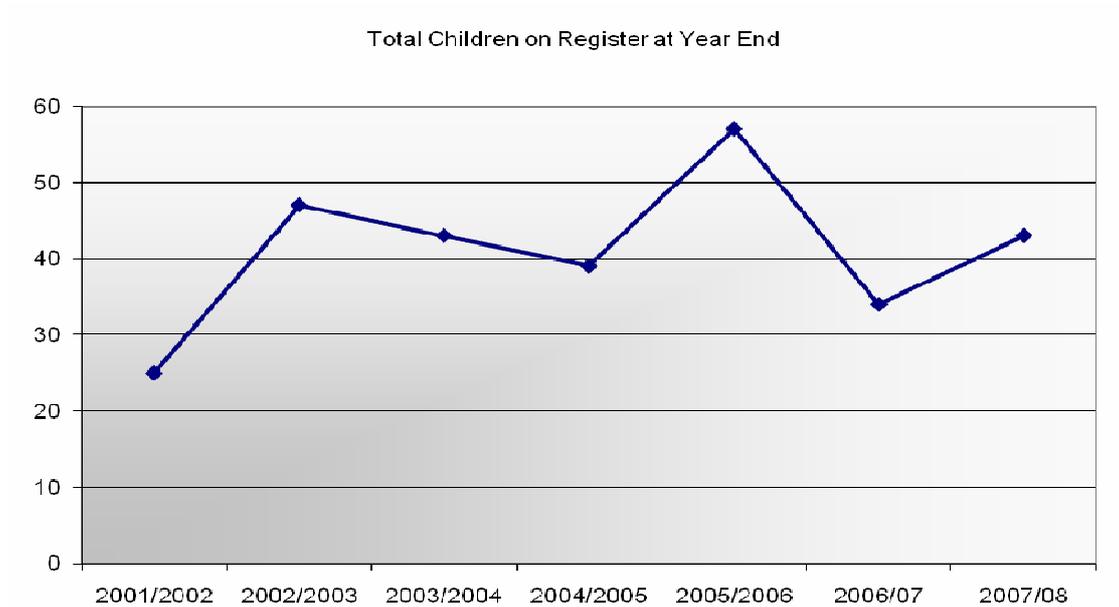
Number of referrals of children in 2007/08: 154

Number of referrals of children in 2007/08 previously subject to investigations in 2006/07: **10 of 154 = 6.5%**

Number of children on the register at 31.07 who had previously been registered: **3 (7% of children on the CPR had a previous registration)**

Number of Children Registered at Year End

Chart 3



	2001/2002	2002/2003	2003/2004	2004/2005
Total	25	47	43	39

	2005/2006	2006/2007	2007/2008
Total	57	34	43

Category of registration at year end

Category	Number	%
Emotional Abuse	11	25%
Physical Injury	17	40%
Physical Neglect	13	30%
Sexual Abuse	2	5%
Failure to Thrive	0	-
Total	43	

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BUSINESS PLAN

April 2008 to March 2009

Introduction to Business Plan

The Argyll and Bute Child Protection Committee Business Plan sets out the range of objectives for the Committee for the period April 2008 to March 2009.

The Business Plan outlines all actions and resources required to meet those objectives and the person with lead responsibility for ensuring the objectives are met within the prescribed timescale. The plan is presented according to the 9 key Child Protection Committee objectives of improving:

- * Public Information
- * Our Policies, procedures and Protocols
- * Management Information
- * Quality Assurance
- * Promotion of Good Practice
- * Training and Staff Development
- * Communication and Co-operation
- * Planning and Connections

The purpose of the Business Plan is to set a clear framework for action which reflects two key areas for action; improvement targets arising from the HMle inspection which are:

- ▲ Ensuring that the long term needs of vulnerable children are met
- ▲ Reviewing existing resources, including staff, for children in need of protection
- ▲ Ensuring that no child is disadvantaged in gaining access to specialist resources by location or disability
- ▲ Ensuring the consistent involvement of health services in initial child protection investigations
- ▲ Reviewing and improving the provision of specialist paediatrics and forensic medical investigations for children who present with injuries which might be attributed to abuse; and
- ▲ Extending approaches to monitoring and evaluation to ensure more consistent standards of delivery across services

In addition the plan details the main points for action and improvement tasks identified by the CPC, as a result of self evaluation as part of a process of continuous improvement and linked to the quality indicators within the performance framework 'How Well Are Children and Young People Protected and Their Needs Met'.

Resources

Child protection expenditure is supported from the budget formerly funded through the Changing Children's Services Fund (now part of the Council's overall settlement). In addition to this, the Council will receive a contribution of 6% budgeted spend from Strathclyde Police.

Description	Amount
Child Protection Lead Officer	£46,883
Travel & Subsistence	£8,000
Child Protection Training Co-ordinator	£25,000
Child Protection Nurse	£20,000
West of Scotland Consortium – Child Protection Post	£4,000
Children 1st	£60,000
CPC Developments	£15,000
Total Budgeted Expenditure	£178,883

Public Information						
Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
To raise awareness of child protection issues across communities including children and young people and ensure improved access to information and advice on how to act on concerns.	<p>Following on from the analysis of the Citizen's Panel survey we will develop and build on the variety of ways to inform the public of how to communicate any concerns they may have in respect of children & young people by targeting 3 main groups:</p> <ol style="list-style-type: none"> 1. Children and families involved in the child protection process 2. Children & young people in the community 3. The general public 	PP&Q sub ctte & the Viewpoint organisation.	<p>Increased confidence by the public in child protection services.</p> <p>Improved responses to concerns raised by members of the public about children and young people's safety.</p>	Communication Strategy and ongoing consultation process to be launched in Sept 2008.	Better awareness and greater responses to the needs of vulnerable children	2 – How well do services promote public awareness of child protection

Policies, Procedures & Protocols

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
To continue to review all existing policies and protocols and publish updated versions on our web site	<p>The completion of the rewrite of the West of Scotland Inter-agency procedures.</p> <p>Pilot of tripartite protocol launched on 1st April, to be evaluated in August.</p> <p>Re-launch of the protocols to multi-agency audiences to be arranged authority wide.</p>	West of Scotland Chairs and CPC PPQ&A sub ctte	New procedures launched and implemented by all partners	Autumn 2008	New procedures once implemented ensure better outcomes for children and guide all staff in keeping children safe	4 – How good is our operational management in protecting children and meeting their needs.

Management Information

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
To ensure management information is collected across all agencies to provide a comprehensive perspective on trends and patterns of referrals	Production of comprehensive quarterly management information reports to both strategic and operational planning groups for analysis and action planning	PPQ&A sub-ctte and Senior Managers	Reviewed and continuously updated management information is used to ensure high quality processes to develop services to protect children and improvements are noted in all aspects of care planning	Ongoing process of quarterly reporting	There is continuous improvement noted in the outcomes for children and young people	<p>3 – How good is the delivery of key processes</p> <p>4.- How good is our operational management in protecting children and meeting their needs</p>

Quality Assurance

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
<p>Agree, implement and review all of our single and multi-agency quality assurance mechanisms to ensure continuous improvements in all areas of practice</p>	<p>Launch the new statement of minimum standards and measure our practice standards against the 10 statements</p> <p>Undertake an audit of a percentage of child protection plans with multi-agency audit processes commencing in June 2008</p> <p>Promote best practice in information sharing by implementing inter-agency information sharing protocol</p> <p>Implement the new mechanisms for quantity and quality of inter-agency training</p>	<p>PPQ&A sub ctte</p>	<p>Report on the findings from the audit to be presented to CPC with appropriate action plan</p>	<p>Aug 2008</p>	<p>Evidence of improvement in key processes and care planning noted in case files and improved outcomes for children as a result</p>	<p>3.- How good is delivery of key processes</p> <p>4 – How good is our operational management in protecting children and meeting their needs.</p>

Promotion of Good Practice

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
Develop improved processes to learn from and share practice issues and ensure this is reflected in staff development programmes	<p>To make clear links between our auditing processes, HMle inspection and research findings</p> <p>Identify evidence of best practice and thereafter ensure opportunities to discuss these findings to improve planning to meet the individual needs of children and families</p> <p>Evaluating the new tripartite protocol to ensure the involvement of health and medical staff when there are child protection concerns</p> <p>Address any gaps for staff development opportunities</p>	<p>CPC Lead Officer via Training sub-ctte</p> <p>West of Scotland National Lead Officers Group</p> <p>Managed Clinical Network</p> <p>National Chairs Meetings</p>	<p>Evidence of improved practice and greater links made to ensure access to knowledge transfer opportunities are made available for all staff</p> <p>Improved planning to meet individual needs evidenced in audits and self-evaluation processes</p>	Dec 2008 Reports to CPC	More effective support to children and families within the child protection system	<p>3.- How good is delivery of key processes</p> <p>4 – How good is our operational management in protecting children and meeting their needs.</p>

Training & Staff Development

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
<p>Plan, review and quality assure all inter-agency training and development activities.</p> <p>Provide evaluation of training and a systematic approach to considering areas for improvement. Ensure the planning and delivery of single and inter agency training reflects the areas for development identified by the lessons from practice</p>	<p>Implement and analyse the new quarterly management processes and continue to rollout this years training strategy</p> <p>Appoint an Inter-agency Training Co-ordinator to increase capacity</p> <p>Set up a database of all levels of training planned, delivered and attended by constituent partners and the voluntary sector to ensure key staff prioritised for training are targetted</p>	<p>Lead Officer CPC</p> <p>Training sub-ctte</p> <p>New Training Co-ordinator</p>	<p>Evidence long term impact of training on practice and early identification of children in need via collaborative approaches to keeping children safe</p>	<p>Dec 2008 Annual Report on Training produced</p>	<p>Evidence that working practices have improved together with a reported increased knowledge and skills base as a result of attending inter-agency training courses</p>	<p>4 – How good is our operational management in protecting children and meeting their needs.</p>

Communication & Co-operation

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
<p>To develop and plan child protection priorities in conjunction with other planning structures</p> <p>To promote and demonstrate effective communication and collaboration between partner agencies.</p> <p>To ensure effective communication and reporting of the work of the CPC with all staff in constituent agencies.</p> <p>Identify opportunities to benchmark and share knowledge and practice with other CPCs</p>	Forge stringer links with the Highland Data Sharing Partnership	All CPC partners	NHS Highland staff jointly involved in planning structures	Dec 2008	Evidence of improved communication and co-operation across all sectors	<p>4 – How good is our operational management in protecting children and meeting their needs.</p> <p>5 – How good is our individual and collective leadership</p>
	Rollout the CPC Communication Strategy to increase the opportunities for dissemination of information and the work of the CPC	Lead Officer CPC	Improved communication and co-operation between all partners	Dec 2008		
	Review the results of the Citizen's Panel survey and implement improvements as resulted	PPQ&A sub ctte				
	Meetings will take place with 4 other CPCs to benchmark and share best practice and continuous improvements	Lead Officer CPC		July 2008		
	Undertake the audit of I.T. capacity	PPQ&A sub-ctte		Dec 2008		

Planning & Connections

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
Promote effective partnership working with all multi-agency partnerships and structures including multi-agency partnerships on domestic abuse, child care partnership, substance action team, youth justice structures, other CP committees	<p>To continue to implement the clear links between new planning structures to take forward the GIRFEC agenda via the 7 local fora, the Childcare Partnership, local domestic abuse forum and the ABADAT</p> <p>To review the effectiveness of multi-agency partnerships with other CPCs and share best practice</p> <p>To attend and support the local Voluntary Sector forum</p>	<p>Lead Officer CPC</p> <p>Lead Officer Integration</p> <p>4 Area Children's Managers</p>	Active participation of CPC Lead Officer in all key planning structures to raise greater awareness of the work of the CPC	Work ongoing throughout the year via quarterly meetings across the authority	Evidence of improved partnership working in all aspects of service delivery	5 – How good is our individual and collective leadership

Listening to Children & Young People

Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
<p>To undertake an authority wide consultation exercise on the views of children and young people on the quality and range of services provided to keep them safe</p>	<p>The principal task is the promotion of the participation of young people in the planning of services and to consult more widely on their views. Methodology – questionnaires will be used to engage young people in the assessment of their needs and judgements about their welfare and safety. The following five outcome areas have been prioritised as a result of the Advocacy Review</p> <p>1. Looked after young people e.g. quality of care LAC review questionnaire. Versions of questionnaires for residential and foster care settings.</p> <p>2. Children living with a disability – these questionnaires will be supported by symbols</p>	<p>Lead Officer in partnership with Principal Officer CABD, Children's Placement Manager & Area Operational Managers</p>	<p>Young people participate in planning services which affect them and keep them safe</p>	<p>Dec 2008</p>	<p>Children's views are sought and influence decision making processes</p>	<p>3 – How good is the delivery of key processes</p> <p>4 – How good is our operational management in protecting children and meeting their needs.</p>

Listening to Children & Young People – cont'd						
Objective	Task	Who is responsible	Outcome	Target Date	Impact	Link to Quality Indicator
To undertake an authority wide consultation exercise on the views of children and young people on the quality and range of services provided to keep them safe	<p>3. Additional support needs – a questionnaire ahead will help young people with a learning disability to contribute to the review and planning processes</p> <p>4. Children receiving family support services and those who are young carers</p> <p>5. Children in transition – for use with children with moderate learning difficulties</p>					

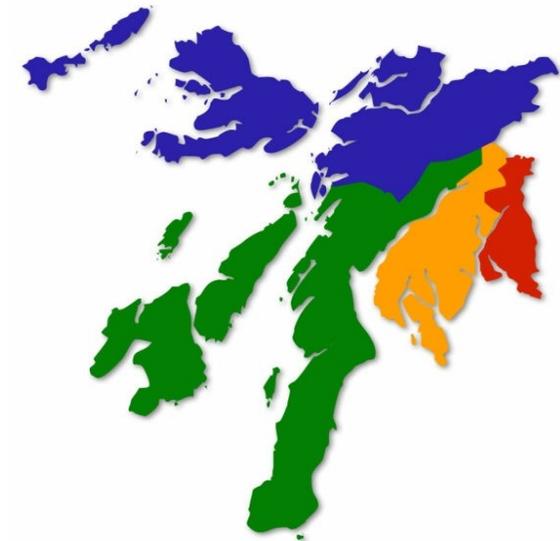
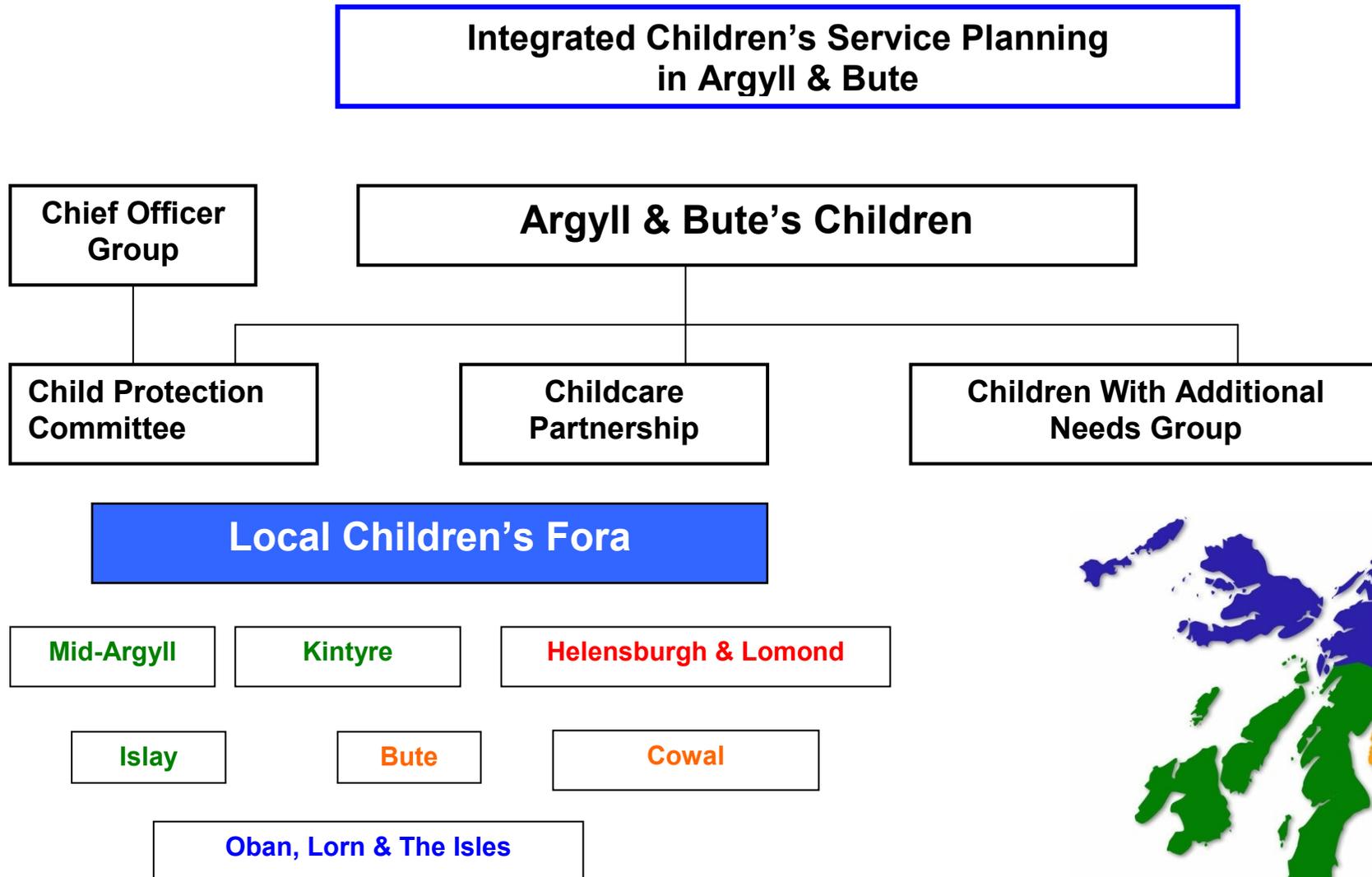
Links with Other Planning Processes

The Child Protection Committee has been keen to maintain its close links with other planning processes. The CPC continues, through its membership and formal structures membership, to ensure close connectivity between the work of the CPC and Inter-agency Children's Services Planning group, Argyll and Bute's Children, Children with Additional Needs group and the Child Care Partnership.

Outwith children and families strong links are maintained with the ongoing review of mental health services, the development of integrated addictions services and with the Against Domestic Abuse forum (ADA).

Within Integrated Children's Services members of the CPC have been involved with the review of the 2005 – 2008 Integrated Children's Service Plan with proposals adopted for the development of the next Integrated Children's Services Plan that will maintain the commitment to inter-agency working to protect vulnerable children and ensure that their needs are met.

Links with Other Planning Processes – cont'd



Argyll and Bute Chief Officers Group for Child Protection**Membership as of March 2008**

<p>James McLellan (Chair) Chief Executive Argyll and Bute Council Kilmory Lochgilphead PA31 8RT Tel: 01546 604263 james.mclellan@argyll-bute.gov.uk</p>	<p>Chief Supt Mitchell Roger Divisional Commander Strathclyde Police 'L' Division Headquarters Stirling Road Dumbarton G82 3PT Tel: 01389 822000 mitchell.roger@strathclyde.pnn.police.uk</p>
<p>Jan Baird Director of Community Care NHS Highland Assynt House Beechwood Park Inverness IV2 3HG Tel: 01463 704908 jan.baird@hcpt.scot.nhs.uk</p>	<p>Derek Leslie General Manager Argyll and Bute CHP AROS Blarbuie Road Lochgilphead Tel: 01546 605646 derek.leslie@nhs.net</p>
<p>Douglas Hendry Director - Community Services Argyll and Bute Council Kilmory Lochgilphead PA30 8RT Tel: 01546 604244 douglas.hendry@argyll-bute.gov.uk</p>	<p>Douglas Dunlop Head of Service - Children & Families Argyll and Bute Council Kilmory Lochgilphead PA30 8RT Tel: 01546 604256 dougie.dunlop@argyll-bute.gov.uk</p>
<p>Roger Gibbins Chief Executive NHS Highland Assynt House Beechwood Park Inverness IV2 3HG Tel: 01463 704810 roger.gibbins@hnb.scot.nhs.uk</p>	

Argyll and Bute Child Protection Committee

Membership as of March 2008

<p>Douglas Dunlop (Chair) Head of Service - Children and Families Argyll & Bute Council Kilmory Lochgilphead Tel: 01546 604256 dougie.dunlop@argyll-bute.gov.uk</p>	<p>Dr Jamie Houston Consultant Paediatrician Oban, Lorn & Islands Hospital Glengallan Road Oban Tel: 01631 788988 jamie.houston@nhs.net</p>	<p>Sheila MacFadyen Senior Solicitor Legal And Protective Services Argyll And Bute Council Kilmory Lochgilphead Argyll Tel: 01546 604198 sheila.macfadyen@argyll-bute.gov.uk</p>
<p>Douglas Hill Local Authority Reporter Kilbrandon House Manse Brae Lochgilphead Tel: 01546 606937 douglas.hill@scra.gsx.gov.uk</p>	<p>D.I. Campbell Farquharson Strathclyde Police Family Protection Unit 50 Montrose Street Clydebank Tel: 0141 532 3412 campbell.farquharson@strathclyde.pnn.police.uk</p>	<p>Gordon Higgins Lead Officer - Children's Integration Services Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708908 gordon.higgins@argyll-bute.gov.uk</p>
<p>Robina Miller Head Teacher Argyll & Bute Council Ardrishaig Primary School Ardrishaig Tel: 01546 603695 robina.millar@ardrishaig.argyll-bute.sch.uk</p>	<p>Helen Muir Area Officer Naval Personal & Family 1-5 Churchill Square Helensburgh Tel: 01436 672798 helen.muir891@mod.uk</p>	<p>Pat Tyrrell Connel Medical Centre Connel Oban Tel: 01631 710065 p.tyrrell@nhs.net</p>
<p>D.S. Lorraine MacDonald Strathclyde Police Lochgilphead Police Station Lochnell Street Lochgilphead PA31 8JJ Tel: 01546 702258 lorraine.macdonald@strathclyde.pnn.police.uk</p>	<p>Maggie Young CAHMS Aros Cottage Argyll & Bute Hospital Lochgilphead Tel: 01546 606082 sheena.clark@nhs.net</p>	<p>Superintendent Raymond Park Strathclyde Police Lochgilphead Police Station Lochnell Street Lochgilphead PA31 8JJ Tel: 01546 702200 raymond.park@strathclyde.pnn.police.uk</p>
<p>David Bain Q.I.O Argyll & Bute Council Colgrain Resource Centre Colgrain Helensburgh Tel:01436 678635 david.bain@argyll-bute.gov.uk</p>	<p>Jennifer Ferguson Chairperson of Children's Panel 1 Sannox Place Helensburgh jenniferguson@btinternet.com</p>	<p>David Glancy Procurator Fiscal Depute</p>

<p>Cath Cakebread Service Officer - Substance Misuse Argyll and Bute Council Argyll & Bute Hospital Blarbuie Road Lochgilphead Tel: 01546 605602 cath.cakebread@nhs.net</p>	<p>Alex Taylor Service Manager - Operations Argyll & Bute Council Soroba Road Oban Tel: 01631 563068 alex.taylor@argyll-bute.gov.uk</p>	<p>Jon Belton Criminal Justice Manager Argyll & Bute Council Dalriada House Lochnell Street PA31 8ST Tel: 01546 604567 jon.belton@argyll-bute.gov.uk</p>
<p>Sandra McFadyen Children 1st Children and Families Service Susses House 61 Sussex Street Glasgow G41 1DY Tel: 0141 418 5690 sandra.mcfadyen@children1st.org.uk</p>	<p>Moira Logan Senior Solicitor Legal and Protective Services Argyll and Bute Council Kilmory Lochgilphead Argyll Tel: 01546 604265 moira.logan@argyll-bute.gov.uk</p>	<p>Malcolm MacFadyen Head of Service - Community Regeneration Argyll and Bute Council Kilmory Lochgilphead Argyll Tel: 01546 604412 malcolm.macfadyen@argyll-bute.gov.uk</p>
<p>Mark Lines Service Manager - Standards Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708913 mark.lines@argyll-bute.gov.uk</p>	<p>Ronald Gould Head of Secondary Education Argyll & Bute Council Argyll House Alexandra Parade Dunoon Tel: 01369 708527 ronald.gould@argyll-bute.gov.uk</p>	<p>Liz Strang Lead Officer - Child Protection Argyll & Bute Council Kilmory Lochgilphead PA31 8RT Tel: 01546 604281 elizabeth.strang@argyll-bute.gov.uk</p>

Admin Officer

Liz McDonald
Admin Officer - Children & Families
Argyll & Bute Council
Kilmory
Lochgilphead PA31 8RT
Tel: 01546 604245
liz.mcdonald@argyll-bute.gov.uk

Argyll and Bute Child Protection Sub - Committee – Policy, Practice & Quality Assurance

Membership as of March 2008

<p>Liz Strang Lead Officer - Child Protection Argyll & Bute Council Kilmory Lochgilphead PA31 8RT Tel: 01546 604281 elizabeth.strang@argyll-bute.gov.uk</p>	<p>Gordon Higgins Lead Officer - Children's Integration Services Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708908 gordon.higgins@argyll-bute.gov.uk</p>	<p>Douglas Hill Local Authority Reporter Kilbrandon House Manse Brae Lochgilphead Tel: 01546 606937 douglas.hill@scra.gsx.gov.uk</p>
<p>Sandra McFadyen Children 1st Children and Families Service Susses House 61 Sussex Street Glasgow G41 1DY Tel: 0141 418 5690 sandra.mcfadyen@children1st.org.uk</p>	<p>Mark Lines Service Manager - Standards Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708913 mark.lines@argyll-bute.gov.uk</p>	<p>David Bain Q.I.O Argyll & Bute Council Colgrain Resource Centre Colgrain Helensburgh Tel:01436 678635 david.bain@argyll-bute.gov.uk</p>
<p>D.S. Lorraine MacDonald Strathclyde Police Lochgilphead Police Station Lochnell Street Lochgilphead PA31 8JJ Tel: 01546 702258 lorraine.macdonald@strathclyde.pnn.police.uk</p>	<p>Alison MacKenzie Principal Officer - Early Years Argyll & Bute Council Oban Education office Dalintart Drive Oban PA34 4EF Tel: 01631 564908 alison.mackenzie@argyll-bute.gov.uk</p>	<p>David Hanley Performance Improvement Officer Argyll & Bute Council Kimory Lochgilphead PA31 8RT Tel: 01546 604430 david.hanley@argyll-bute.gov.uk</p>
<p>Donna Carvill Area Children's Manager Argyll & Bute Council Old Quay Head Campbeltown PA28 6BA Tel: 01586 552659 donna.carvill@argyll-bute.gov.uk</p>	<p>Joy Daniels Area Children's Manager Argyll & Bute Council Lomond House Lomond Street Helensburgh G84 7PW Tel; 01436 658750 joy.daniels@argyll-bute.gov.uk</p>	

Argyll and Bute Child Protection Sub - Committee – Training

Membership as of March 2008

<p>Liz Strang Lead Officer - Child Protection Argyll & Bute Council Kilmory Lochgilphead PA31 8RT Tel: 01546 604281 elizabeth.strang@argyll-bute.gov.uk</p>	<p>Mark Lines Service Manager - Standards Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708913 mark.lines@argyll-bute.gov.uk</p>	<p>Gordon Higgins Lead Officer - Children's Integration Services Argyll & Bute Council Struan Lodge Bencorrum Brae Dunoon PA23 8HU Tel: 01369 708908 gordon.higgins@argyll-bute.gov.uk</p>
<p>Alison MacKenzie Principal Officer - Early Years Argyll & Bute Council Oban Education office Dalintart Drive Oban PA34 4EF Tel: 01631 564908 alison.mackenzie@argyll-bute.gov.uk</p>	<p>John Duncan Area Children's Manager Argyll & Bute Council Ellis Lodge Dunoon PA23 8ES Tel: 01369 707300 john.duncan2@argyll-bute.gov.uk</p>	<p>Douglas Hill Local Authority Reporter Kilbrandon House Manse Brae Lochgilphead Tel: 01546 606937 douglas.hill@scra.gsx.gov.uk</p>
<p>David Bain Q.I.O Argyll & Bute Council Colgrain Resource Centre Colgrain Helensburgh Tel:01436 678635 david.bain@argyll-bute.gov.uk</p>	<p>D.S. Lorraine MacDonald Strathclyde Police Lochgilphead Police Station Lochnell Street Lochgilphead PA31 8JJ Tel: 01546 702258 lorraine.macdonald@strathclyde.pnn.police.uk</p>	<p>Sandra McFadyen Children 1st Children and Families Service Susses House 61 Sussex Street Glasgow G41 1DY Tel: 0141 418 5690 barbara.gray@children1st.org.uk</p>
<p>Liz Perkins Training Admin Officer Argyll & Bute Council Clydesdale Bank Buildings Poltalloch Street Lochgilphead PA31 8LP Tel: 01546 604051 liz.perkins@argyll-bute.gov.uk</p>		

Quality Indicators

How effective is the help children get when they need it?

- 1.1 Children are listened to, understood and respected
- 1.2 Children benefit from strategies to minimise harm
- 1.3 Children are helped by the actions taken in response to immediate concerns
- 1.4 Children's needs are met

How effectively do services promote public awareness of child protection?

- 2.1 Public awareness of the safety and protection of children

How good is the delivery of key processes?

- 3.1 Involving children, young people and families in key processes
- 3.2 Information sharing and recording
- 3.3 Recognising and assessing risks and needs
- 3.4 Effectiveness and planning to meet needs

How good is operational management in protecting children and meeting their needs?

- 4.1 Policies and procedures
- 4.2 Operational planning
- 4.3 Participation of children, their families and other relevant people in policy development
- 4.4 Recruitment and retention of staff
- 4.5 Development of staff

How good is individual and collective leadership?

- 5.1 Visions, values and aims
- 5.2 Leadership and direction
- 5.3 Leadership of people and partnerships
- 5.4 Leadership of change and improvement



Minimum Standards

Statement of Minimum Practice Standards

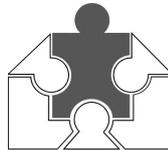
All services and agencies within the Argyll and Bute authority area undertake to carry out any work relating to the protection of children to the following minimum practice standards:

- All staff who work with children will be familiar with child protection procedures and will be able to access quality training opportunities to increase their professional skills.
- All concerns regarding the welfare of a child will be accurately recorded, fully considered and acted upon without delay.
- Services and agencies will share all relevant information to ensure that all children in need of protection receive the support they need when they need it.
- Child protection investigations will be carried out with the minimum necessary duplication and intrusion.
- The views of all children who are the subject to child protection procedures will be actively sought, considered and recorded.
- Every service making a formal child protection referral must confirm it in writing.
- Written feedback will be given on the progress of the referral from the receiving service.
- All children and families and carers will be kept informed of the progress of an investigation and informed of the outcome.
- All children will be offered the support they need no matter where they live.
- All children on the child protection register will have a protection plan which outlines how their short and long-term needs will be met.
- Social work and health services and the police will always contribute to a child protection conference.
- Appropriate agency checks will always be undertaken when children are placed with other adults including members of the extended family.

These overarching standards are intended to complement existing individual service or agency practice standards. The application of these and other standards will ensure that every child in need of protection in Argyll & Bute will receive the highest quality service available.

Where to go for Advice

www.argyll-bute.gov.uk/abcpc



SCOTTISH
CHILDREN'S
REPORTER
ADMINISTRATION



www.argyll-bute.gov.uk/abcpc

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ARGYLL & BUTE COUNCIL**EXECUTIVE****21 August 2008**

ECONOMY POLICY AND PERFORMANCE GROUP – WORK PROGRAMME

1. SUMMARY

The Economy PPG has been progressing with its work programme as agreed by the Executive, and now provides its next update report for noting.

2. RECOMMENDATION

To note the current work programme for the Economy Policy and Performance Group and that a future report on progress will be brought to the Executive in December 2008.

3. WORK PROGRAMME

The Economy PPG met in January 2008 and a number of items were approved to feature in the 2008 work programme against particular timescales. Meetings have since been held in March and June of 2008, as a result of which a revised timeframe for work has been developed (please see attached Appendix 1).

The main elements of the Group's work programme are:

- 1) Social Enterprise Network Argyll and Bute- the June meeting received a most informative presentation from Mike Geraghty on social enterprise in Argyll and Bute, and agreed that a future meeting of the PPG should involve a visit to one of the social enterprises based within Argyll and Bute.
- 2) Business Gateway- the group has been considering the transfer of services within the HIE area, and will receive further update at the September meeting.
- 3) Funding Programmes- the group received detailed information from the European Manager on various funding streams which are potentially available in terms of economic development.
- 4) Economic Development Strategy- the group noted at its June meeting that it is the Government's intention that the Single Outcome Agreement will link all local authorities' and other agencies actions to a single set of outcomes, and in light of this have agreed to reschedule consideration of the need for a review of the Economic Development Strategy until a suitable

meeting in mid 2009, after the first anniversary of the Argyll and Bute Single Outcome agreement.

- 5) Marine leisure- the group have made recommendation to the Executive that as this is an economy which is growing rapidly across Argyll and Bute, as part of the review of the Corporate Plan reference should be made within the Plan to the economic benefits to Argyll and Bute of water related activities and marine leisure.
- 6) Renewable Energy/Grid Capacity- the group has been considering this matter and will be developing a lobbying plan to determine how best to secure the grid upgrades that Argyll and Bute requires to allow future renewable energy development. Representatives from Scottish and Southern Energy have been invited to attend the September meeting to progress this issue, and the Chair of the Council of Economic Advisors at the Scottish Government has been asked for advice in both a local and national context in relation to this matter.
- 7) Council of Economic Advisors- the group is provided with quarterly feedback for the Council of Economic Advisors, which has been created to advise the First Minister on how to improve Scotland's sustainable economic growth rate. The Chair of the PPG has asked that the group be kept informed of the issues which the Council is considering in relation to the national economic picture, and that the group then consider how best the PPG can respond to the national situation.
- 8) Update reports will be considered at the September meeting in relation to:
 - a) the Piers, Harbours and Ferries Strategy
 - b) The Transportation Strategy
 - c) Marketing of Argyll and Bute
 - d) SIMD/Indicators of Rural Deprivation.

9) Other items which the group will be considering late this year, and into 2009 include the future of Visit Scotland and the economic development of the tourism market in Argyll and Bute, Provision of Broadband as an economic enabler, Town Centre and Waterfront Developments and Homecoming 2009.

4. NON VOTING ATTENDEES

It is not anticipated at this point that invitations will be made on a permanent basis to Non Voting Attendees given the diversity of the work programme. It is anticipated however inviting non voting attendees to contribute to specific elements of the Policy Development work programme and this will be considered when these are looked at in more detail.

5. MEETING DATES

The Economy PPG has agreed to meet on the following dates in 2008:

11th September
19th November

6. IMPLICATIONS

Policy	Scrutiny of emerging policy documents, and development of new policies as detailed above
Financial	none at this point
Personnel	Representation required from various officers
Equal Opportunities	New policies to be subject to Equal Opportunities Impact Assessment
Legal	None at this point
Community	None at this point

Cllr Ron Simon, Chair, Economy PPG
25th July 2008

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2008

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009
The Economic Development Strategy/SOA					X								X
Immediate and Long Term Economic Impact of Recent Landslip on A83			X										
Piers, Harbours and Ferries Strategy									X				
Transportation Strategy											X		
Visit Scotland													X
Marketing of Argyll and Bute									X				
Provision of Broadband in Rural Areas													X
Implementation of LEADER and Interreg 3 Programme					X								
Sail West					X								
Homecoming 2009													X
Towncentres/Waterfronts											X		
Renewable Energy & Grid Connection/Capacity					X				X		X		
Enterprise Delivery (Business Gateway)					X				X				
Buichladdich Pier			X										
Highland Year of Culture 2007			x										
SIMD and Indicators of Rural Deprivation									X				
Flexible New Deal									X				
Review of Corporate Plan									X				

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ARGYLL & BUTE COUNCIL**EXECUTIVE COMMITTEE****21 August 2008**

**ORGANISATIONAL DEVELOPMENT POLICY AND PERFORMANCE
GROUP – WORK PROGRAMME**

1. SUMMARY

The Organisational Development PPG has been progressing with its work programme as agreed by the Executive, and now provides its next update report for noting.

2. RECOMMENDATION

To note the current work programme for the Organisational Development Policy and Performance Group and that a future report on progress will be brought to the Executive in December 2008.

3. WORK PROGRAMME

The Organisational Development PPG met in March and June 2008 and a number of items were progressed in line with the approved work programme. In addition, a special meeting of the PPG was held in late May to consider preparation of a response to the consultation “A Fairer Tax for Scotland” for submission to the June Executive meeting.

The work of the Group is progressing in line with the approved work programme, as a result of which a revised timeframe for work has been developed (please see attached Appendix 1).

The main elements of the Group’s work programme are:

- 1) Councillor’s Training and Development- a draft training programme has been endorsed, including the tailoring in of a training model for recruitment, and agreement made that the training will take place from late autumn into spring. Update will be brought to the September meeting of the PPG.
- 2) Shared Services Diagnostic Project- The group has noted the progress of this project and made recommendation to the Executive that the Council participates in a proposed 4 Council event to discuss sharing where there are common opportunities, and has recommended that the approach to opportunity prioritisation should be redrafted to two alternative versions of the weighted score for the prioritisation of opportunities. Update will be brought to the September meeting of the PPG.

- 3) Customer First arrangements- the June meeting of the PPG noted the position on areas of activity for the Customer Services Centre for the next two years, progress will be reported to the September, and subsequent, meetings of the group.
- 4) Monitoring Development of the Council's Asset Strategy- the group will be receiving regular updates on how this is developing, and will be considering how the strategy contributes to Contact Centre, service delivery and other bodies.
- 5) Human Resource Strategy and Organisational Development Action Plan- the PPG considered this plan at their March meeting, and made request to the Head of Personnel Services that the plan be amended prior to submission to the Executive. A progress report on the implementation is due to be considered by the PPG at the September meeting.
- 6) Development of Performance Driven Culture (Service Outcome Agreement)- a detailed paper on this issue is due to be considered by the PPG at the September meeting.
- 7) Procurement of Large Capital Projects – this matter was debated at length at the March meeting of the PPG, as a result of which further detailed information was requested to be brought forward for consideration at the meeting due to be held in December 2008.
- 8) Growing Our Own – the PPG considered an update report on this at the June meeting and noted the proposed future direction of the Growing Our Own initiative.
- 9) Inputs from Best Value Review – in relation to points raised by Cllr Nisbet relating to Department Service Plans that had been submitted as part of the budget process a report on the outputs of Best Value audit will be considered at the September PPG meeting.

4. NON VOTING ATTENDEES

The PPG has invited Mr Donald Brown to participate in meetings of the PPG in a non voting capacity.

5. MEETING DATES

The Organisational Development PPG has agreed to meet on the following dates in 2008:

10th September

10th December

6. IMPLICATIONS

Policy	Scrutiny of emerging policy documents, and development of new policies as detailed above
Financial	none at this point
Personnel	Representation required from various officers
Equal Opportunities	New policies to be subject to Equal Opportunities Impact Assessment
Legal	None at this point
Community	None at this point

Cllr D Philand, Chair, Organisational Development PPG
29th July 2008

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**Appendix 1
Organisational Development PPG Work programme 2008**

	12 March	30 June	10 Sept	10 Dec	1st Quarter 2009	2nd Quarter 2009	3rd Quarter 2009
Abolition of Council Tax Judy Orr	Consultation received. Special meeting 29/5 then to Executive and Council June 08						
Councillors Training and Development Colin McCall	Report considered. Continue to June meeting.	Report due.					
Shared Services Judy Orr	Update received.	Group to input to priorities. Report due.					
Customer First Arrangements Charles Reppke		Report due. Update and rollout.					
Monitoring Development of Council's Asset Strategy (and how it contributes to Contact Centre, Service Delivery and Other Bodies. Sandy Mactaggart	Dec 07 – periodic updates on progress.	Report ?					
Human Resource Strategy and Organisational Development Action Plan Danny Longwill	Considered draft implementation plan.		Progress report and update required.				
Monitoring Development of Performance Driven Culture in A&B – Service Outcome Agreement Brain Barker		Detailed paper due.	Update on SOA's.				

**Appendix 1
Organisational Development PPG Work programme 2008**

<p>Examine Procurement of Large Capital Projects Stewart Turner, Sandy Mactaggart, Donnie Kelly, Bruce West</p>	<p>Report considered.</p>			<p>Report due.</p>			
<p>Growing Our Own Laura Cameron</p>	<p>Report noted.</p>	<p>Update report due.</p>					
<p>Inputs from Best Value Review Brian Barker</p>	<p>Discussion had re Cllr Nisbets note.</p>		<p>Report due.</p>				
<p>Review of Corporate Plan Brian Barker</p>			<p>Report due</p>				

Officers names and designations

- Sandy Mactaggart – Head of Facility Services
- Brian Barker – Policy and Strategy Manager
- Charles Reppke, Head of Democratic Services and Governance
- Judy Orr, Head of ICT and Financial Services
- Colin McCall, Training and Management Services Manager
- Laura Cameron, Service Standards Officer
- Donnie Kelly, Chief Solicitor – Conveyancing
- Bruce West, Head of Strategic Finance
- Stewart Turner, Head of Roads and Amenity Services
- Danny Longwill, Head of Personnel Services

ARGYLL & BUTE COUNCIL

EXECUTIVE

21 AUGUST 2008

SOCIAL AFFAIRS POLICY AND PERFORMANCE GROUP – WORK PROGRAMME

1. SUMMARY

The Social Affairs PPG has met four times now and the work programme is progressing well. Meeting dates for 2008 were reported to the Executive meeting of 20 December 2007 and a previous report was made to the Executive on 24 January 2008.

2. RECOMMENDATION

To note the forward work programme for the Social Affairs Policy and Performance Group and that a future report on progress will be brought to the Executive in February / March 2009.

3. WORK PROGRAMME

The Social Affairs Committee met on 7th April and 9th June 2008. Key activity / decision areas are summarised below:

3.1 Free Personal Care - the PPG considered the outcomes of Lord Sutherland's report on the Independent Funding Review of Free Personal and Nursing Care which will have a significant impact on the Council. The PPG are pleased with the progress being made on Free Personal care.

3.2 SWIA Action Plan – the PPG have closely monitored the performance of the Council's response to the SWIA action plan and the ongoing dialogue between the Council and the Social Work Inspectorate Agency.

3.3 Adult Protection Policy and Services – The PPG recommended approval to the Executive of the establishment of the Adult Protection Committee which is required by the Adult Support and Protection (Scotland) Act 2007.

3.4 Corporate Parenting – The PPG have undertaken policy scrutiny work in the above area which has included localised visits to Children's Homes and attendance at the well received seminar on Looked After Children. Training for staff at Children's Homes has been one area where additional information has been sought.

3.5 Gaelic Strategy – Cllr Devon was nominated to join the Working Group supporting the development of the Gaelic Language Strategy. A draft of the documentation will be brought to the PPG for consideration in September.

- 3.6 **Community Learning Strategy** – The PPG considered the draft Community Learning Strategy and have programmed a report on its implementation for the second quarter of 2009.
- 3.7 **Arts and Culture Strategy** – Building on the existing Culture Strategy the PPG approved a scoping paper for the review of this document and development of a future Culture Strategy. A progress report will be brought to the November meeting with a final draft expected in the first quarter of 2009.
- 3.8 **Performance Indicators** – the PPG have scrutinised the relevant quarterly reports. An informative presentation on the Pyramid performance monitoring system was well received, though the PPG urged avoidance of duplication. Performance indicators from the Planning and Performance service of Community Services were scheduled to be ‘live’ from June 2008.
- 3.9 **Strategy for provision of Play Areas** – the PPG has spent some time considering the merits of a comprehensive play strategy against the background of restricted budgets and exiting play park policy. A full audit was undertaken of existing play areas and it was agreed that any existing, or future funding, be targeted at those existing play areas.

4. **FUTURE WORK PROGRAMME**

Appendix 1 details the future work programme.

5. **IMPLICATIONS**

Policy	Scrutiny of emerging policy documents, and development of new policies as detailed above
Financial	none at this point
Personnel	Representation required from various officers
Equal Opportunities	New policies to be subject to Equal Opportunities Impact Assessment
Legal	None at this point
Community	None at this point

Cllr Vivien Dance, Chair, Social Affairs PPG
July 2008

Appendix 1
Social Affairs PPG Work programme 2008

	07 APR	09 JUN	08 SEP	17 NOV	1st Quarter 2009	2nd Quarter 2009
Social Work GAE				X Budget prospects	X Performance Monitoring	
Free Personal Care		X Update paper		X Budget prospects		
SWIA Action Plan	X	X Report on outcome of SWIA mtg on 21/4		X		
Adult Protection Policy and Services		X				
Adult Services – Services for Clients with Learning Difficulties			X			
Corporate Parenting of Looked after Children	X Progress report			X Performance Monitoring		
Services for Children Affected by Disability				X Update paper		
Education – Gaelic Strategy		X	X	X		
Skills for Work and vocational education					X	
Community Learning Strategy	X					X Progress on implementation
Sports Strategy			X			
Arts and Culture Strategy	X Scoping paper			X Progress	X Final Draft	
PI's		X	X	X	X	
Strategy for Provision of Play Areas	X	X				
Review of Corporate Plan			X			

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ARGYLL & BUTE COUNCIL**EXECUTIVE****CORPORATE SERVICES**

EXTRACT OF MINUTE OF THE ORGANISATIONAL DEVELOPMENT POLICY AND PERFORMANCE GROUP OF 30 JUNE 2008

5. SHARED SERVICES DIAGNOSTIC PROJECT**(a) SIMPLIFY, STANDARDISE, SHARE**

The PPG considered a report which provided an update on the progress made on the Shared Services Diagnostic Project. The Project Manager advised that the Project is being carried out in conjunction with Highland, Moray and Dumfries and Galloway Councils and the PPG were asked to support a joint event for Chief Executives and senior councillors to discuss common opportunities and to consider how best to progress these together.

Decision

1. The PPG noted the update on progress by the Project Team and the timetable for consultation and feedback which runs into September 2008.
2. To recommend to the Executive that the Council participates in the proposed 4 Council event to discuss sharing where there are common opportunities as detailed in the submitted report and that the three Councillor representatives, in addition to the Leader, be from the Organisational Development PPG.

(Ref: Report by the Shared Services Diagnostic Project Manager dated 20 June 2008, submitted)

(b) OPPORTUNITY PRIORITISATION

The PPG considered a report which highlighted that during the Shared Services Diagnostic Project a large number of opportunities had been identified, these were given a scoring mechanism in order to prioritise these opportunities. The opportunity prioritisation approach had been considered by the Shared Services and Procurement Board and by the SMT and the PPG were now asked to approve the proposed approach.

Decision

The PPG recommended to the Executive that they amend the approach to opportunity prioritisation to include more weight to some issues and that the Head of ICT and Financial Services draft two alternative versions of the weighted score for the prioritisation of the opportunities.

(Ref: Report by Shared Services Diagnostic Project Manager dated 20 June 2008, submitted)

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ARGYLL & BUTE COUNCIL

EXECUTIVE

CORPORATE SERVICES

21 AUGUST 2008

**EXTRACT OF MINUTE OF THE ENVIRONMENT POLICY AND PERFORMANCE
GROUP OF 25 JUNE 2008**

7. CARBON MANAGEMENT PROGRAMME

The PPG considered a report which advised that the internal launch for the Carbon Management Programme would be held on 3 July 2008 which would run until the end of the financial year. The aims of the Programme were highlighted within the report. The Head of Facility Services advised that he had a meeting arranged with the Head of Strategic Finance with regard to getting Carbon Management into the Council's Capital Plan for future years.

Decision

1. Noted the contents of the report and further noted that the Project Board would provide regular progress reports to the Environmental PPG meetings.
2. That a report be submitted to the PPG in October advising of the outcome of the meeting with the Head of Strategic Finance regarding capital funding for the Carbon Management Programme.
3. **To recommend to the Executive Committee that under the implications section of reports submitted to Council Meetings, a "Climate Change" heading be inserted.**

(Ref: Report by Head of Facility Services dated 25 June 2008, submitted)

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ARGYLL & BUTE COUNCIL

**EXECUTIVE
21 AUGUST 2008**

CORPORATE SERVICES

**EXTRACT OF MINUTE OF ECONOMY POLICY AND PERFORMANCE GROUP 24
JUNE 2008**

8. MARINE LEISURE

At the PPG meeting on 10 January 2008 it was agreed that the Group would consider a report on Marine Leisure and whether this should be included in the Council's Corporate Plan.

Decision

Agreed that this was an economy that was growing rapidly across Argyll and Bute and to recommend to the Executive that as part of the review of the Corporate Plan reference should be made within the Plan to the economic benefits to Argyll and Bute of water related activities and marine leisure.

(Reference: Report by Development Projects Manager dated 20 May 2008, submitted)

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ARGYLL & BUTE COUNCIL**EXECUTIVE****OPERATIONAL SERVICES****21 AUGUST 2008**

FUNDING OF HITRANS REGIONAL TRANSPORT PARTNERSHIP – 2008/09

1. SUMMARY

- 1.1 At the Council's budget meeting on 14 February 2008 the motion agreed by Members identified in Section D – Dealing with the Capital Plan at paragraph 9 that the Council "makes provision to reserve £533,000 of the Capital Grant related to the Regional Transport Partnerships for possible transfer to HiTrans for joint arrangements".
- 1.2 Confirmation has now been received from HiTrans that they will not require this funding due to their perception that other authorities are not going to provide such support this financial year and that the likelihood of additional government funding being accorded to HiTrans is very unlikely. Accordingly, any opportunity for maximising a gearing effect by adding Argyll and Bute's funding to that from elsewhere is likely to be very remote.

2. RECOMMENDATIONS

That the Executive approve the allocation of the additional £533,000 released by virtue of non-uptake by HiTrans as identified in the Appendix to this paper.

3. DETAIL

- 3.1 While Transport Scotland is undergoing a review of major transportation projects in Scotland at the moment, it seems clear that these will not involve any sizeable transfer of funding between Transport Scotland and the Regional Transport Partnerships anytime in the immediate or medium term.
- 3.2 In preparing the original capital allocation in February 2008 the Council took the view that opportunities for gearing released by adding Council resources to what HiTrans might generate elsewhere made the potential allocation of funding a sensible move in the Council's eyes.
- 3.3 Since the February Council Meeting HiTrans have been in discussion with Transport Scotland and it appears fairly clear that any review of projects which is being carried out over the Summer months and is due to report in October is extremely unlikely to produce spare funding in the short term. HiTrans have taken the view, therefore, that they would simply suggest that authorities use this funding to add to other resources for transportation projects.

- 3.4 In terms of the capital resources set aside in the budget process, these are particular to the HiTrans area, as SPT were the only Transport Partnership in Scotland to be awarded a higher level of funding given their ongoing role in project delivery and public transport networks. SPT involvement has allowed the Council to secure additional funding for three projects on the A814 and A818 at A814 Keppoch Lodge, A818 Daligan to Callendoune and A818 West of Dalligan. These projects are valued at £525,000 for a spend in 2008 – 09.

Accordingly, the projects identified in the Appendix to this report are all within the HiTrans area.

- 3.5 In drawing together the potential schemes identified in the Appendix for this report three main issues have been borne in mind:

1. That the major schemes identified as part of the Oban Development Road Process and Salen – Tobermory Road on Mull have only been planned up to a certain point and still require elements of planning and legal clearance should they be progressed further. Included in the same Motion to Council at the February Budget Meeting it was also agreed that the Council “commits no further expenditure in relation to the Oban Development Road and Salen - Tobermory road projects pending resolution of the funding and deliverability of these projects”.

In respect of the Oban Development Road, at this stage the project has been delayed to the point where the Council would still require to spend in the order of £470,000 to reach the stage of submitting planning consent. If work on the necessary ground investigation, outline design and environmental impact started this year, it has been calculated that the submission of the planning application would be carried out in late 2009/early 2010. Due to the high cost of taking the planning application forward and the current uncertainty over the outcome of the Outline Business Case (OBC) for Oban Waterfront, there is no recommendation in this report for resuming spend on this project for now, albeit the possibility of further work should be considered when the OBC process has been finalised by the Council.

In respect of the Salen-Tobermory road, the situation is somewhat different in that to take the scheme to the final planning application stage there is likely expenditure (on planning and legal work) amounting to £70,000 over the next 2 financial years, following which the costs of preparing land acquisition plans and the necessary purchase cost – either through voluntary agreement or by compulsory purchase order – would perhaps amount to another £220,000. These preliminary works would then at least leave the Council in a position whereby if major funding was secured we could finalise ground investigation and detailed design costs for a full scheme, or use the planning consent obtained and land acquisitions as a project on which a series of improvements could be carried out over future years. In respect of the initial physical works the Appendix to this report allows £100,000 for spend on bridge design after the land purchase costs have been met.

2. Being aware of the latest results of the Scottish Roads Condition Survey and identification of poor quality roads in parts of the network.
3. Results of bridge inspections recently carried out on the B8001 road between Kennacraig and Skipness.

4. IMPLICATIONS

4.1	Policy	Adds to the previous Council prioritisation of spend during the 2008/09 budget process
4.2	Financial	Allow suitable planning of capital commitments and is achievable using existing departmental staff.
4.3	Personnel	None
4.4	Equalities Impact Assessment	None
4.5	Legal	Some necessary work to be done to achieve readiness at pre-construction phase.

For further information contact: Andrew R Law

Telephone 01546 604657

LIST OF BACKGROUND PAPERS:

**ANDREW R LAW
DIRECTOR OF OPERATIONAL SERVICES**

ALLOCATION OF FUNDING PREVIOUSLY IDENTIFIED FOR HITRANS

	2008/09	2009/10	2010/11	2011/12	2012/13
A848 Salen – Gualan Dhubh (1)	30,000	260,000	100,000		
Bridge Strengthening/Replacement (2)	50,000	250,000	100,000	100,000	100,000
Part Support to Argyll Timber Transport Group (ATTG) on B8024 Kilberry Road (3)			90,000		
Roads Reconstruction Additional Spend/European Match Funding / Projects on the Strategic & Local Lists of Public Transport and Infrastructure schemes (4)	453,000	23,000	243,000	433,000	433,000
Notes:					
(1)	To take project to the point of planning consent being in place, land acquisition obtained and bridge design completed.				
(2)	Two particular structural issues on the B8001 Road to the Arran Ferry and Skipness from the A83 need to be accelerated to 2008-10 to prevent weight restrictions being imposed. Beyond that the additional funding will allow accelerated improvement of other bridges.				
(3)	Part support for ATTG in relation to B8024 Kilberry Road in order to secure £600,000 of match funding.				
(4)	To allow match funding of European grant application for the Locally Significant road network or additional roads reconstruction work, and transportation type schemes previously undertaken on behalf of HiTrans.				

ARGYLL AND BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

REVIEW OF FREE PERSONAL CARE/CHARGING FOR FOOD PREPARATION

1. SUMMARY

- 1.1 Lord Sutherland's Independent review of Free Personal and Nursing Care was published on 28th April 2008.
- 1.2 Report focuses and makes specific recommendations relating to the implementation of Free Personal Care and the subsequent issues highlighted since the implementation during July 2002.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the summary of the Independent Review of Free Personal and Nursing Care.
- 2.2 Note the significant progress made by the Council in the management and provision of Free Personal Care services during the previous two years.
- 2.3 Authorise the termination of charging for food preparation from 1st October 2008 pre-empting the agreed change from 1st April 2009. The revenue cost to the Council for 2008/09 will be £85,603 and a supplementary estimate be approved for this sum funded from the General Fund Balance. The loss of income for future years will be met from the additional Government allocation for Free Personal Care from 1st April 2009.

3. DETAIL

- 3.1 The recommendation from the report provides a 12-point action plan in line with 5 fundamental principles:
 - That Free Personal/Nursing Care (FPNC) should be an entitlement for everyone assessed as requiring this level of care and support;
 - Responsibility for the wider provision of care should be shared between the state and individuals;
 - FPNC should stop being regarded as an "optional extra", but should be viewed as an established and "mainstreamed" part of long term care funding;
 - The system should be fair and equitable; and

- The system should be transparent in respect of resources underpinning it, the entitlement of individuals and what it leaves to personal responsibility.

3.2 Recommendations

Short Term (stabilise present provision)

- Address Funding gap. The Scottish Government should provide additional funding to stabilise the policy in the short term. Shortfall of around £40 million. Argyll and Bute Council's projected share of this sum would be in the region of £800k. The Scottish Government has confirmed that the additional revenue will be made available from 1st April 2009 on a recurring basis.
- Up rate fixed allowances. The Residential and Nursing Fixed rate allowances should be up-rated annually in line with inflation.
- Standardise assessment and delivery. There should be an "entitlement" for provision analogous with the NHS, and in line with that, Local Authorities and their partners should consolidate standardisation of assessment for and delivery of services, to common processes and clearly stated waiting times.

Note: the report acknowledges the continued reality of "waiting lists" while recommending the implementation of a system similar to the 6 week rule for delayed discharge.

- Establish clear National priorities and outcomes for older people within the National Performance Framework.

Note: this proposal is consistent with the four point prioritisation framework recently introduced by the council.

- Ensure costs are accurately monitored and reported
- Improve local accountability within the Single Outcome Agreement
- Address imbalance in funding streams. The UK government should not have withdrawn the Attendance Allowance funding in respect of self-funding clients in care homes. The funding amounting to £30 million per annum should be re-instated.
- Clarity of expectations. Renew efforts to improve public information and understanding of the policy.
- Address cross-border/boundary issues. Greater consistency is required on issue of Ordinary Residence.

Medium Term (next 5 years)

- Review and Re-model. Future costs of long-term care requires to be re-modelled regularly and be reflected in Local Government finance settlements
- Review public funding arrangements. There should be a holistic review of all the sources of public funding for the long term care of older people including health, social care, housing support and UK Government benefit funding, particularly Attendance Allowance and Disability Living Allowance

Long Term

- Establish a long- term vision. Government at all levels should seek to establish a new vision for dealing with demographic change, not just looking at long-term care, but also pensions, housing, transport etc

3.3 Implementation Issues:

Report recognises a number of issues that have led to an inconsistent implementation of the policy:

Waiting Lists:

- Recognised that decisions relating to waiting lists were based on the priority of the client need and that there is continuing active management of clients on waiting lists. It is noted that waiting lists are unlikely to be eradicated due to practical issues of capacity but that consideration should be given to a national 6-week maximum waiting time similar to the model presently used within the delayed discharge framework.

Present Waiting List in Argyll & Bute at 30th June 2008
(May 2006 figures in brackets)

Community Packages: 15 (145)

Of the 15, 6 are new packages and 9 are awaiting increases to existing packages.

Of the 15, 13 are waiting 0-1 month and 2 are waiting 2-3 months.

Self Funding Care Homes: 14 (38)

Of the 14, 9 are waiting 0-1 month and 2 are in the 2-3 month period and 3 in the 4-6 months bracket.

Presently council policy is that all self-funders will have the FPNC funding in place within 3 months of application. However, given the difficulties with the lack of care home beds, 3 clients have been waiting in hospital as delayed discharges over the normal 3 months maximum period.

Council Funded Care Home Placements: 12 (38)

Of the 12, 8 are waiting 0-1 month and 4 are waiting 2-3 months.

As can be noted from the figures, the Council has made great progress on this matter across the three categories of provision during the last 2 years both in terms of numbers waiting and length of time waiting for a service.

As noted, the proposal to implement a National maximum 6 week waiting period similar to delayed discharge should be welcomed. However, the implementation will create a number of challenges for the Council specifically around budget and availability of care home beds, which varies across the council area. The Council's success in resolving the delayed discharge issues does indicate that these issues can be resolved.

Food Preparation:

- The Review report notes that legislative changes would be required to bring consistency to this matter and that Scottish Ministers have indicated that they are willing, in principle, to consider this matter. At the time of writing, 8 Local Authorities were charging for food preparation of which Argyll & Bute was one. The Council presently charges for food preparation where there is no requirement to assist the client to feed themselves. Where assistance is required, whether it is for issues relating to physical or mental impairment, the Council does not charge.
- A consistent National framework on this matter following a change of legislation would be welcomed by the Council on the understanding that there would be financial implications as the change is implemented.
- Given that the numbers involved are relatively small and the financial implications for 2008/09 are £85,603 for the second half of the financial year, it may be considered as politically beneficial to the Council to pre-empt the change in legislation and the receipt of additional revenue during 2009/10 and terminate charging at the earliest opportunity.

MacPhail Ruling:

- Lord MacPhail ruled in favour of Argyll & Bute Council during October 2007 indicating that the Council was not obliged to fund care home placements until such times the Council has assessed the individual's needs and has a contract with the provider in place before FPNC funding is provided. As noted, the Council policy at present is that all self-funders will receive the FPNC funding within 3 months. The proposal to reduce this to 6 weeks will have financial implications for the Council.

3.4 **Finance /Statistics Quoted in Review Report**

GAE Allowance / Expenditure (table 10, p61)

Argyll & Bute Council allocates all the FPNC funding within the GAE allowance to FPNC.

For the financial year 2005/06:

16 Councils committed above the GAE allowance

14 Councils committed below the GAE allowance

2 Councils committed the equivalent of the GAE allowance (Argyll & Bute was one)

This pattern of spend has been maintained by the Council since and should be presented as evidence of the commitment of the Council towards the policy.

Number of Clients in receipt of FPC at home/ Residential Care Homes (table 12/13, pp 63 & 64)

The figure for care at home for 2006/07 noted as 420, the equivalent of 2.3% of the eligible population. Clearly the lowest figure noted.

The figure at 31st March 2008 was 721 clients, the equivalent of 3.94% of eligible population.

While progress is being made this figure continues to be low by National standards although neither figure takes into account the additional clients waiting for services and those presently excluded via charging for food preparation.

The low figure for care at home is balanced by a relatively high figure for clients care for in residential/nursing care The combination of the two figures, care at home and residential homes, does confirm, however, an acceptable level of older people being supported in total although the balance requires to be further shifted from an over- dependency upon residential care home provision towards care at home. Shifting the balance of care provision towards care at home is central to the Council's re-design of older people's services.

4. **CONCLUSION**

- 4.1 The Sutherland Report makes a number of recommendations in relation to funding, eligibility criteria, waiting lists and the definition of food preparation, which should be welcomed by the council

In relation to the Council's performance on the implementation of the policy, there have been significant improvements during the last two years,

which should assist greatly in avoiding the previous criticism levied at the Council.

- Waiting lists are significantly down.
- For those on waiting lists the waiting times are significantly down
- The number of clients receiving services continue to grow in line with demographic change

5. IMPLICATIONS

Policy: Consistent with National Review and position taken by COSLA.

Financial: Additional non-recurring revenue required to cover loss of income for 2008/09 equivalent to £85,603

Legal: Consistent with existing legislation for Free Personal Care and proposed amendment to legislation in relation to food preparation

Personnel: None.

Equal Opportunities: None.

Director of Community Services
17 July 2008

For further information contact: James D M Robb
Head of Adult Care

Tel: 01369 708911

ARGYLL AND BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

**STRAMASH SOCIAL ENTERPRISE
PROGRESS REPORT**

1. SUMMARY

- 1.1 In 2007 the Council approved funding of £100,000 to sustain the activities of Stramash following the ending of Big Lottery Funding and to develop a social enterprise to provide long term sustainability.
- 1.2 Due to the absence of available external funding streams in 2007, the programme continued on a limited basis whilst future options were explored. During this period the service delivered by Stramash was recognised by the awarding of a Cosla Excellence Award for Health Improvement. This was in addition to the three Council Excellence Awards previously gained.
- 1.3 The business plan is now finalised and a number of new funding streams have become available.
- 1.4 This report updates progress made towards the creation of a social enterprise and makes recommendations to that effect.

2. RECOMMENDATIONS

- 2.1 Members are asked to:
 - a) Note progress made to date and to endorse the business plan and timetable for the creation of the social enterprise.
 - b) Nominate representatives to serve on the Shadow Management Board of the new Stramash organisation.
 - c) Note that sufficient transitional support from the Council will require to be secured as match funding to enable the social enterprise to be economically viable. (Section 3.8 of this report highlights that £50,000 is likely to be required in 2009/2010 and 2010/2011 and the intention is to address this during the forthcoming budget process)

3. DETAIL**3.0 Business Plan**

- 3.1 This was jointly funded by the Council and HIE and projects a financially sustainable social enterprise operating without Council support by 2011. However, the business plan was predicated on

continued short term financial support from the Council. This funding is extremely important for match funding; for every pound the Council can make available, leverage could be doubled. Without ongoing financial support from the Council the opportunity of match funding will be reduced and it is unlikely that the social enterprise will be in a position to reach the targets and outcomes laid out in the business plan which is annexed to this report.

- 3.2** The objectives of the business plan compliment the Scottish Government's and Argyll and Bute Council's agenda of delivering services through the Third Sector wherever possible. There are a range of services for the Council that Stramash would anticipate to deliver as a social enterprise through Service Level Agreements. These could include outdoor learning and personal and social development for Education, Community Learning and Social Work.
- 3.3** In an effort to move this forward Stramash has instigated meetings with a number of existing and potential partners to explore delivery of outdoor learning and plans to run programmes in the summer and autumn with Careers Scotland, Community Learning, Homelessness services and others across the whole of Argyll and Bute. A programme is being developed jointly with Active Schools and the Quality Improvement Officers within the Education Service to meet the requirements of Curriculum for Excellence.
- 3.4** Based on the business plan the social enterprise is programmed to commence on 1st April 2009. The business plan also proposes that from September 2008 a Shadow Board will operate, comprising eight members, 2 of whom (25%) will be Council Elected Members and the remainder from the business or activity sectors. Members are invited to endorse this proposal and nominate representative to serve on the Shadow Board.
- 3.5** The business plan recognised that an essential component of the successful project delivery is the immediate recruitment of a Development Manager to progress all aspects of creating the social enterprise, including funding applications. This cannot be realistically achieved through existing staff resources.
- 3.6** A funding application to support this post was submitted to the new LEADER programme and an award was granted of 50% of the eligible development activity costs equating to £19,375. This is a one year temporary post which will deliver the creation of a fully functioning social enterprise and recruitment should be completed by August 2008.
- 3.7** Future funding requirements have now been assessed through the business planning process. The council allocated £100,000 for the continuation of Stramash in April 2007, and a full programme of outdoor learning was sustained over the year. Of that funding £54,000 has been preserved through prudent financial management to deliver a reduced activity programme in 2008/09 and be used as match funding.

- 3.8** Whilst the business plan has assumed an allocation of £100,000 through the budget process it is now clear that no allocation was made in February 2008. The following table sets out the allocation of additional support that it is anticipated will be required to sustain the delivery of the social enterprise to a financially independent position.

Council Transitional funding support	2209/10	2010/2011	2 year total
	£50,000	£50,000	£100,000

As indicated in 3.2, negotiations are ongoing with other Council Services to provide outdoor related programmes through Stramash and this realignment of existing budgets could assist in securing the financial viability of the social enterprise whilst providing a high quality service to the Council.

- 3.9** In the interim, discussions are ongoing with a number of external funders and good outcomes have been achieved to date. As indicated at 4.2 LEADER funding has awarded £19,375 for the development stage of the social enterprise. A further successful application through Youth Link as a joint venture with Community Learning and Active Schools has been awarded £25,425 to deliver targeted activities. If sufficient match funding can be secured a European Regional Development Fund and/or Rural Development grant application is planned for September 2008. It is understood that the capital assets accumulated by Stramash can form part of the match funding, subject to valuation.
- 3.10** In addition, the Big Lottery Fund have invited another application from Stramash and an outline bid is being prepared to target delivery of outdoor learning and diversionary activities to young people who are in need of extra support due to disadvantage or behavioural difficulties. By focusing on target groups and areas of deprivation this application matches the requirements of the Big Lottery Fund.

4. CONCLUSION

- 4.1** Arising from the Council's Budget process in 2007, arrangements were made to progress the development of a social enterprise to take forward Stramash through a comprehensive business plan.
- 4.2** This work is now complete and funding has been secured to employ a Development Manager to take this forward to formation and operational status.
- 4.3** This report sets out recommendations for the way forward including the composition of the Shadow Board and future funding arrangements.

5. IMPLICATIONS

POLICY: The development of the business plan, ongoing activities and creation of a social enterprise is consistent with the Council decision of February 2007.

FINANCIAL:	Transitional support of £100,000 over the next two years is required for sustainable development and for match funding for the social enterprise.
PERSONNEL:	A temporary post for a Development Manager is critical to the success of the project
EQUAL OPPORTUNITY:	The project embraces the Council's policy of equality of access.
LEGAL:	None

Director of Community Services
1 July 2008.

For further information contact:

Malcolm MacFadyen
Head of Community Regeneration
01546 604412

APPENDIX 1 – Stramash Business Plan

APPENDIX 1

Stramash

Outdoor in Argyll& Bute



**Argyll and Bute Outdoor Learning and Sports Company;
providing life-changing experiences and opportunities.**

Business Plan

Last revised 9 March 2008

Contents

1. Overview
2. Executive Summary
3. Introduction
The Original Stramash
The New Stramash
4. Objectives
5. Market Analysis
6. Products
7. Customer Profiles
8. Sales and Marketing
9. Operations
10. Funding
11. Profit and Loss Projections
12. Current Status of the Business Plan

1. Overview

Stramash will provide life-changing experiences and opportunities to people of all ages living in and visiting Argyll and Bute. These experiences will be gained not only through participation in outdoor activities but through support activities like volunteering. The outcomes include community, personal and social development for individuals and capacity-building for communities. The process will also provide opportunities for young people to develop careers in outdoor activity.

2. Executive Summary

- **Stramash has proved to be an extremely successful programme, providing life-changing opportunities for young people**
- **The Business Plan demonstrates that Stramash can make the transition to become a successful and financially-independent social enterprise within 4 years**
- **The Stramash programme is consistent with, and has led, a national view of outdoor experience for children that sees managed risk as an essential part of a child's learning and development**
- **Transitional funding is necessary to enable Stramash to reach the point of financial independence**
- **Stramash can be a model for other social enterprises delivering services that meet the objectives of public partners**

3. Introduction

The Old Stramash

Stramash was set up in 2004 by Argyll and Bute Council's three year time limited funding from the Big Lottery. The aim of Stramash was to encourage young people to become "more active, more often". The outdoor sports section assessed what activities were currently taking place in Argyll and Bute and contact was made with outdoor sports clubs in the region to scope their activities, numbers involved and potential for development.

From these consultations it was clear that two main areas of work would provide the greatest benefits to our community – expeditions focusing on personal development and issues around self-esteem and confidence building; and other outdoor sports focusing on those aspects but with a strong emphasis on physical activity, increasing fitness and having fun in the outdoor environment.

Stramash always envisaged a programme of expeditions that was much more than just activity. The approach of "holistic outdoor learning" was taken from the start. The expeditions were to be about developing the individual. The activities would be used as a vehicle for the personal and social development of young people. They would learn about themselves, how to relate and interact with others and their role in the environment around them.

The New Stramash

Stramash has been extremely successful in achieving its stated objectives of encouraging increased participation in outdoor activity, and in fostering increased confidence and well-being in its target group – young people. Looking to the future the challenge is to continue to deliver these important outcomes and impacts through structuring the organisation on a financially sustainable basis. This will involve providing the experience to a wider customer base.

It is proposed to form a Social Enterprise structured as a Company Limited by Guarantee, with Charitable Status. This would require a separate Trading Company to satisfy OSCR requirements and legal advice will be taken from Argyll and Bute Council's solicitors on the set-up, Memorandum and Articles, etc. It is proposed that a Steering Group be appointed to take Stramash to its first AGM where a Board of Directors would be formally elected. It is proposed that this Steering Group consists of a balance of ABC Members and Officers seconded as advisers to the Steering Group by the Council together with an adviser representing Highlands and Islands Enterprise and a number of individuals representing the community interest. It is intended that once Stramash is fully constituted that a Youth Board is formed from individuals involved who will advise the main Board on youth issues.

It is relevant that recently a number of local authorities have moved their leisure related services into arms length trusts of varying types – most notably Glasgow, Edinburgh, Inverclyde and Fife. A stand alone outdoor sports trust has been developed by Fife Council with others moving along these lines. Operating at arms length from the local authority a social enterprise would have access to a range of grant funding opportunities, although it is the intention that Stramash will generate its own revenue through sales and will seek to be financially sustainable.

By using the natural resources of Argyll and Bute, this social enterprise will provide previously undeveloped opportunities in a range of areas that include; volunteering, personal and social development, tourism, health, community involvement, sport and physical activity, community business and social inclusion.

The main aims of the social enterprise would be:

- To achieve Triple Bottom Line outcomes, so that Stramash achieves measurable beneficial outcomes in financial, social and environmental measures
- To encourage those who are less active to become more active
- To provide learning opportunities that will lead to the personal development of individuals
- To provide access to outdoor activity opportunities in a region where rural access deprivation is a huge problem.
- To increase tourist numbers by offering outdoor activities in a wide range of sports, walking and cultural heritage programmes.
- To provide employment opportunities for local people
- To promote the social inclusion of a range of target groups from the young to the elderly
- To support and provide volunteering opportunities and to develop voluntary organisations involved in the outdoor environment
- To play a leading role in sports development in Argyll and Bute, including in volunteer development

An infrastructure programme will also be required to improve facilities, access and equipment. This infrastructure would include transport such as minibuses and trailers, boat slips, forest trails, mountain-biking routes.

The social enterprise business will:

- Develop the use of facilities, equipment and staff to provide income from corporate and other groups and tourists
- Provide adventure and specialist tourism opportunities that will provide a commercial income
- Dispose of ex-hire equipment by sale to the community, in particular Stramash participants, thereby increasing accessibility to active sport

4. Objectives

- 4.1 To be financially viable by 2012
- 4.2 To achieve 75% return business
- 4.3 To have over 2000 individual participants in 2010
- 4.4 To be the preferred supplier for Argyll and Bute schools by 2009
- 4.5 To have 4 apprentices in post in 2009

Beyond these discrete and SMART objectives and the aims in 3. above there are a number of intended beneficial outcomes. These include:

- Increased sports activity and access to outdoor activity opportunities
- Raised profile for Argyll and Bute's outdoor environment
- Complement Argyll and Bute Council's work in the field of personal development
- National sports events held in Argyll
- Stramash as a model of a sustainable social enterprise
- Increased income opportunities for related business activities across Argyll and Bute

5. Market Analysis

As an overview, the outdoor activity market is growing strongly on the back of personal aspirations, health promotion, and the promotion of Scotland as an adventure destination. For school-children there is a recent swing away from total risk elimination to an environment of acceptable risk properly managed, which fits with Stramash's approach to stretching personal boundaries and capabilities through managed risk and using expert professionals. Stramash is a route for achieving a number of **Education** objectives and outcomes. These include:

- Enterprise/Determined to Succeed
- Curriculum for Excellence
- Project work, such as in the area of risk
- Physical activity
- Health Promotion
- Residential experience
- John Muir Trust Awards
- Duke of Edinburgh Award – Argyll as a local programme as well as being an expedition provider for other areas
- Gaelic development – outdoor course provision in Gaelic medium
- Activity trips abroad such as skiing, walking and canoeing
- In the secondary context – geography, history, XL Clubs, youth leadership development

In the broader context of **Community Learning and Development** Stramash can contribute in a number of key areas:

- Ranger/Environmental education
- Family/inter-generational learning
- Youth achievement award schemes
- Volunteering schemes providing support to Stramash activities as well as training and recognition for volunteers
- Sports development – increased participation; increased coaching; regional/national/international dimensions; training; club support
- Facility development – for example mountain bike and orienteering trails
- A Stramash membership scheme for participants and supporters
- National Governing Body certificated courses
- Modern Apprenticeships. It is relevant that currently there is no obvious pathway for young people to qualify locally as an outdoor instructor which, given the importance of the outdoors in the local economy, is a major gap in the opportunities available to local young people. It is intended that Stramash becomes an SQA-approved Training Provider to deliver the necessary pathways.
- Inclusion projects – Stramash can provide the delivery mechanism for a number of organisations, ranging from church groups and Scouts, to major charities, dependency and inclusion projects, CLD groups from other parts of Scotland.

In the **Open Market** context Stramash can offer a range of activities which are not only commercially viable, but are consistent with the ethos of Stramash and will contribute to Argyll and Bute being viewed as destination for those seeking quality outdoor experiences. There is obvious overlap in whether these experiences occur in private recreation or an educational framework since Stramash will cater for both. Relevant areas include:

- Environmental projects – such as natural forest schemes; work with the Scottish Woodlands Trust and British Trust for Conservation Volunteers
- Adventure tourism – from single-day to multi-day expeditions and from basic to advanced
- Holiday programmes with an outdoor activity theme
- Adventure racing, including for young people
- Corporate products to achieve corporate objectives such as team-building, problem-solving through outdoor activity.

The above threads come together to form natural client groups, and the following comments are relevant in progressing the business idea:

- The local schools market has been the main client base for Stramash until now, coming both within a school group and signing up individually during school holidays. Schools typically have their own approach to outdoor activities, prioritising it differently and with different emphasis, with some having loyalties to existing suppliers. Competitors to Stramash are not only these other suppliers but also anything that competes for scarce school time and budget. Opportunities lie in linking outcomes to those of the **Curriculum for Excellence** (CfE) and other curriculum requirements. The CfE focuses on active learning: “Active learning is learning which engages and challenges children’s thinking using real-life and imaginary situations. It takes full advantage of the opportunities for learning presented by:
 - spontaneous play
 - planned, purposeful play
 - investigating and exploring
 - events and life experiences
 - focused learning and teaching

supported when necessary through sensitive intervention to support or extend learning. All areas of the curriculum can be enriched and developed through play”. Stramash is clearly an ideal delivery mechanism for achieving CfE outcomes. One of the key strands of **Determined to Succeed** is “Develop enterprising skills, attitudes and creative approaches through learning and teaching across the whole curriculum”. Stramash is an ideal vehicle to facilitate enterprising skills through the unfamiliar challenges of the outdoors which forces out-of-the-box thinking.

- The rest of Scotland’s school market is similar, with the additional issue of travel cost and time to Argyll. Education authorities have a personal approach to the subject of outdoor activities, with some supporting their own facilities (some in Argyll), while others attach a low priority to it. Competitors include Outward Bound in the education sector, PGL and C-n-Do in the open activity market.
- Disadvantaged groups would typically be urban-centred and could include a range of issues, problems and characteristics. These are normally project funded so that the individual participant does not have an affordability issue. These groups fit particularly well with the social objectives of Stramash in providing life-changing experiences through outdoor activity. The specific requirements of such groups make them more challenging and potentially less profitable and involving more risk unless carefully managed. Identifying appropriate groups is an initial challenge.

- The open leisure market is very competitive with a wide range of providers established and successful. These offer everything from low-level walking (from suppliers such as C-N-Do) to Greenland and Alpine expeditions. The continuing growth in the markets, however, means that opportunities exist.
- The corporate sector is very competitive and difficult to break in to. Nevertheless, the sector offers good returns and the skill base available within the freelance team is very consistent with providing appropriate packages for this sector.

There are beneficial overlaps which should provide for cross-selling, for example a corporate client bringing his family to a course at a later date, or recommending Stramash to his children's school.

6. Products

The overall purpose of Stramash is to provide life-changing experiences through outdoor activity. The main products to be offered to the market are:

Adventure Weeks (1) – for school children, providing a range of activities over 5 days (Monday to Friday) tailored to their ages and abilities, but designed to build confidence by helping them achieve new heights. Although a particular client focus will be Argyll and Bute schools it is intended that the product will also be bought by schools elsewhere in Scotland. It is also intended that this package will be aimed at projects designed to encourage participation in outdoor activity for health benefits. These adventure weeks would be available for individuals to attend during school holidays.

Adventure Weeks (2) – the same experience aimed at children and adults who are disadvantaged by poverty, exclusion, dependency or other factors and who are likely to come as a group. Designed into these weeks will be an appreciation that clients may have no prior experience of the countryside, and also that personal factors will involve higher staffing ratios and particular management arrangements.

School Holiday Activities Programme – this continues one of the old and very successful Stramash core programmes, providing daily activities that schoolchildren on holiday can buy into locally on a daily basis.

Outdoor Adventure Experience – providing an opportunity for adults and young adults to achieve an outdoor dream. This will be aimed at the adult outdoor market and provide a range of packages, from easy to extreme, involving certificated courses, etc. Examples would include an ascent of the Inaccessible

Pinnacle or traverse of the Cuillin Ridge; Gold Duke of Edinburgh Award Expedition; Kayaking the Corryvreckan; Single Pitch Rock-climbing Certificate; Cross-Caledonia Trek, Mountain Leadership Certificate.

Corporate Packages – providing opportunities for team-building, strategic thinking, problem-solving through outdoor activity. Although the standard format is that courses are mobile and tent-based, corporate courses would be designed around client requirements.

In addition to the activity products there is the opportunity for merchandising sales. In particular it is intended that a DVD is produced for each course as a personal souvenir for participants. The usual range of t-shirts, sweatshirts, key-rings, caps, etc will be produced, although sales of these will be stronger once the brand has been developed.

The products would typically involve a mixture of activities such as walking, climbing, canoeing, kayaking, sailing, bushcraft, environmental studies, problem-solving and confidence-building exercises, formal lectures and feedback sessions.

7. Customer Profiles

From the analysis above the key customers are:

Individual Head Teachers who are planners and buyers of school activities. In larger schools there may be an individual teacher tasked with this responsibility.

Directors of Education who have the power to promote Stramash across their authority.

Officers within Argyll and Bute Council and NHS Highland who have responsibility for achieving outcomes that can be delivered through Stramash. Relevant areas would include Social Work, Health Promotion, Community Learning, Education

Project leaders looking for suitable vehicles for achieving the objectives of their project.

Individuals and families to whom outdoor challenge appeals.

Corporate buyers looking for an appropriate vehicle for a range of corporate objectives, from senior management to apprentice development.

There are a number of other potential customers, such as in National Governing Bodies, Sportscotland, Colleges, SNH, FE establishments.

8. Sales and Marketing

Marketing

The marketing of Stramash will be pursued on two key levels:

- Public Relations and similar approaches aimed at increasing awareness and positive feelings amongst key individuals and agencies. This will be aimed at influencing political figures; key figures working with disadvantaged communities; the corporate world; journalists specialising in the outdoor market. This will be led by staff identifying positive stories and opportunities and will be delivered using professional assistance to write the stories and access media.
- Marketing directly at potential buyers. This needs to be multi-layered to reach the different audiences being targeted and communicating the specific benefits relevant to that audience.

Indicative marketing activities and spend per annum is:

Activity	£
Public Relations	1,000
Hospitality	1,000
Networking	1,000
Printed Materials	5,000
DVD Production	5,000
Merchandising (Give-aways and Internal Use)	2,000
Branding	2,000
Advertising	5,000
Direct Mail	2,000
Direct Selling	3,000
E-Commerce Website	3,000
Total	£30,000

These costs include staff time, travel and expenses, materials costs.

Sales

The Development Manager will take personal responsibility for leading the marketing effort, to establish relationships, a network and partnerships with key individuals and organisations. He or she will also manage the sales effort, will include activities such as:

- Design, production and distribution of printed materials to target audiences
- Design of direct mail communications

- Development of databases of target customers
- Design and placing of advertisements
- Design of logos, straplines, selection of images,
- Development of sales strategy and plan
- Design and selection of merchandising

Basis of Sales Projections

Using previous Stramash operations and estimating demand from the open market, the following is used as the basis for sales projections:

Stramash Basis for Sales Projections

Activity	2008-09	2009-10	2010-11	2011-12
Argyll Pupils (@ £180 ea)	100	600	700	900
Argyll School Sales (£)	18,000	108,000	126,000	162,000
Other Pupils (@ £180 ea)	0	100	220	450
Other Schools Sales (£)	0	18,000	39,600	81,000
Service Level Agreements *	5,000	20,000	40,000	50,000
Projects	5,000	40,000	60,000	80,000
School Holiday Activities (@£20)	100	250	450	600
Hol Activities Sales (£)	2,000	5,000	9,000	12,000
Open Courses Ad (@£400 ea)	10	100	140	180
Open Courses Jun (@£150 ea)	40	300	350	450
Open Courses Sales (£)	12,000	100,000	126,000	162,000
Corporate Bookings (@ave £5000)	0	2	5	8
Corporate Sales (£)	0	10,000	25,000	40,000
Merchandising and Other Sales	200	1,500	2,000	2,500
Membership Scheme	1,000	5,000	7,000	10,000
Corporate Support	0	750	1,250	2,500
Other Ongoing Fundraising	0	1,000	2,000	3,000
Total Sales (£)	43,200	309,250	437,850	605,000
* SLAs distinct from school activities, such as Health Promotion, CLD, CfE, DofE, DTS, Careers, Youth Leadership				

The sales process will take account of affordability with a mechanism that enables schools to offer low-cost or free places where appropriate. Stramash may, for example, offer two additional free places for every ten paid for.

9. Operations

Overview

In the short term it is intended to form a Steering Group that will include representatives from the Council, HIE and community interests and will be tasked with securing the financial resources and the structure to allow Stramash to form its new identity. This Steering Group will take Stramash to its first AGM, handing over at that point to a constitutionally-appointed Board.

It is proposed to recruit a management team that will operate Stramash and deliver the objectives, with the support of Argyll and Bute Council over the short term. This Council support will take the form of transitional funding, seconded advisory staff through Year 1 and Service Level Agreements or contracts to provide services.

Stramash will operate on a mobile basis in contrast to most of its competitors who use a base facility, incurring substantial overheads. The products will be sold normally on the basis of a 5-day course (Monday-Friday). Bookings will be managed by the Finance and Admin personnel, resource management by the Development Manager who will be assisted by the Administrator in co-ordinating transport, equipment and accommodation requirements. Equipment will be checked between courses by the Maintenance Operative. The Senior Instructor will be responsible for designing courses, supervising the quality of instruction, analysing feedback and quality issues. Instructional staff will be freelance initially, and an experienced and trusted pool of freelancers has been built up over the years of Stramash operation.

The Development Manager will report monthly to the Board of Directors on performance, including providing financial reports and reports on customer feedback, sales, incidents, etc.

Secondments from the Council will provide their experience of how Stramash has worked in the past, particularly the course routes and types; contacts for accommodation and travel; experience with engaging instructional staff and with schools. It is envisaged that these secondments would be short-term, up to four weeks, and would be focused on areas such as personnel, legal, administration, finance and performance monitoring. What will be new is the commercial focus where all senior staff will be positioning the products in new markets at commercial rates. This imposes a need for tight financial controls and reporting. It is felt that this should be established independently from the Council from the start as transferring systems at a later date could be unnecessarily time-consuming. Standard systems such as Sage and Quickbooks are available and relatively easy to use.

Human Resources

Using the experience gained through four years of operating Stramash, it is proposed to structure the organisation as follows:

A Steering Group appointed in 2008 to guide the organisation to its first AGM early in 2009. This Steering Group would involve Members of ABC and a representative of HIE; officers of ABC seconded to provide their expertise to the Board; selected community representatives who can offer business expertise and a commitment to the ideals of Stramash.

It is envisaged that the staffing for the first year will consist of core staff dedicated to setting up the business- Development Manager, Admin/Finance Officer, Clerical Assistant and Senior Instructor. Once the business is fully operational, it is anticipated that the following posts will be created: separate Finance Officer and Administrator posts, second Senior Instructor, Maintenance Operative, Instructors, Freelance Instructors and Apprentice Instructors.

An important part of the programme is to provide opportunities for local young people to follow careers in outdoor education. To that end Stramash will intend becoming a Training Provider, delivering appropriate SQA and Governing Body qualifications to Trainee Instructors recruited locally from school-leavers.

Physical Resources

The Stramash programme owns vehicles and equipment valued at approximately £60,000. This consists of minibus, trailers, canoes, kayaks, dinghies, and associated equipment such as climbing ropes, tents, clothing. Argyll and Bute Council would transfer ownership of this equipment to Stramash as part of the restructuring.

No facilities are owned but Stramash currently leases an equipment store in Oban for £420 per month. This lease would be transferred from ABC to Stramash. Stramash will require office and equipment space, this resource requirement is being investigated and has been included in the financial forecasts.

A key element of the Stramash programme is that it is based on being mobile, utilising bunkhouses, village halls and tents so that facilities are not regarded as necessary at the start-up stage. The potential for building office accommodation on Forest Enterprise land will be investigated as the situation may change as the programme develops and expands.

Legal and Regulatory

Stramash is accredited through the Adventure Activities Licensing Authority (AALA) to deliver adventure activities to young people. This is a prestigious and necessary accreditation underlining the responsible approach to

delivering activities which involve an element of risk. Similarly, procedures and processes will be designed and implemented to minimise risk and to ensure participants are fully informed. Staff and freelance instructors will be fully trained and qualified for the tasks expected of them, such as holding relevant teaching and instructing qualifications. All staff would have undergone Enhanced Disclosure.

Relevant insurance cover will be held by the organisation, including indemnity cover for Directors.

10. Funding

The proposed funding structure is:

Stramash Funding Structure		26.2.08		
	Projected			
	2008-09	2009-10	2010-11	2011-12
Sales				
Total Sales	43,200	309,250	437,850	605,000
Direct Cost of Sales	53,000	72,000	95,000	115,000
Gross Profit	-9,800	237,250	342,850	490,000
Operating Costs	154,400	316,375	351,965	374,320
Net Surplus/Deficit	-164,200	-79,125	-9,115	115,680
Transitional Funding Support				
Salaries Support (Leader)	25,000	25,000	0	0
Big Lottery/Charitable Trusts	0	15,000	10,000	0
ERDF/ESF Funding	0	50,000	25,000	
Transition Funding (ABC)	155,000	0	0	0
Total Transitional Funding Support	180,000	90,000	35,000	0
Net Surplus/Deficit	15,800	10,875	25,885	115,680

11. Profit and Loss Projections

P&L Forecast

Year	2008-09	2009-10	2010-11	2011-12
Sales				
Argyll Schools Sales	18,000	108,000	126,000	162,000
Other Schools Sales	0	18,000	39,600	81,000
Service Level Agreements	5,000	20,000	40,000	50,000
Projects	5,000	40,000	60,000	80,000
School Holiday Activities	2,000	5,000	9,000	12,000
Open Courses	12,000	100,000	126,000	162,000
Corporate Courses	0	10,000	25,000	40,000
Merchandising and other sales	200	1,500	2,000	2,500
Membership Scheme	1,000	5,000	7,000	10,000
Corporate Support	0	750	1,250	2,500
Other Ongoing Fundraising	0	1,000	2,000	3,000
Total Sales	43,200	309,250	437,850	605,000
Cost of Sales				
Instructors	25,000	35,000	45,000	50,000
Travel and Accommod.	20,000	25,000	30,000	35,000
External Contractors	8,000	12,000	20,000	30,000
Total Cost of Sales	53,000	72,000	95,000	115,000
Gross Profit	-9,800	237,250	342,850	490,000
Gross Profit Margin (%)	-23	77	78	81
Overheads				
Equipment	5,000	15,000	18,000	20,000
Facility Hire (non-direct)	5,000	7,000	9,000	11,000
Wages and NI	87,400	213,325	230,115	234,720
Training	2,000	5,000	6,000	7,000
Insurance and licences	0	1,350	1,450	1,500
Motor Expenses	10,000	15,000	20,000	25,000
Vehicle Leasing and Hire	7,000	10,000	13,000	16,000
Post/Printing/Stationery	8,000	9,000	10,000	11,000
Property Costs	7,000	16,000	17,000	18,000
Admin	1,000	1,200	1,400	1,600
Advertising	11,000	12,000	14,000	16,000
Phone	1,000	1,500	2,000	2,500
Other/Contingency	10,000	10,000	10,000	10,000
Total Overheads	154,400	316,375	351,965	374,320
Surplus Deficit for Year	164,200	-79,125	-9,115	115,680
Transitional Funding	180,000	90,000	35,000	0
Adjusted Surplus/Deficit for Year	15,800	10,875	25,885	115,680
Balance at beg Year	0	15,800	26,675	52,560
Balance at end Year	15,800	26,675	52,560	168,240

For assumptions included in P&L Projections see Appendix 1 below.

12. Current Status of the Business Plan

At March 2008 the Business Plan is ready for consideration by Argyll and Bute Council.

Appendix 1 Profit and Loss Assumptions

1.1 Basis of Sales Projections

By category:

A&B Schools: Presentation to be made in 2008 to Department Management Team seeking maximum support and for Stramash by 2009 to be the preferred supplier to all Argyll and Bute schools for outdoor experience, environmental and related activities. Sales assumptions in Year 1 are based on 10 out of the 90 Argyll and Bute schools choosing to use Stramash as their provider, and sending an average of 10 pupils each (at £180 per pupil).

Other Scottish Schools: No action yet taken

Service Level Agreements: direct talks to take place within ABC and with NHS Highland; not yet scheduled. Stramash can provide relevant outcomes in areas such as Determined to Succeed; Duke of Edinburgh Award, Curriculum for Excellence; Youth Leadership Week; Careers; Community Learning and Development; Health Promotion and it is hoped that Stramash will be chosen as the supplier by buyers for these activities.

Projects: Market opportunities to be identified and pursued; not yet actioned. Projects would include Gaelic Medium courses; Capacity-building; Inclusion; Homeless; Dependency.

Open Courses: Packages to be prepared and marketed; not yet actioned

Corporate Sales: Targets to be identified and followed up; not yet actioned

Merchandising: range and designs to be chosen; not yet actioned

Membership Scheme: to encourage identification with the programme and encourage repeat sales. Assumed in Year 1 – 20 adult @£10; 40 junior @ £5; 40 families @ £15.

Corporate Support: the intention is to have a number of corporate supporters who share the ideals of Stramash, whether only philosophically or as buyers of Stramash services. Assumed in Year 2 – 3 businesses sponsoring £250 each

Other Ongoing Fundraising: this would include individual project or activity fundraising and sponsorship; project grants; etc. Ultimately it is intended to establish a Trust Fund with corporate support which will have be a significant capital resource and will provide revenue assistance on an ongoing basis.

1.2 Staffing Costs

Core staff costs are based on current local government scales. Base costs in 2008 are shown below. It is under consideration that Stramash would become an SQA approved Training Provider to allow for Apprentice Instructors doing National Certificates.

Staff Posts (Core)	Cost 2008	Cost 2009	Cost 2010
Development Manager	35,000	35,700	36,400
Senior Instructor	26,000	26,500	27,000
Instructors (2)	0	40,000	40,200
Administrator & Finance	15,000	15,300	15,500
Maintenance Operative (0.5 in yr 1)	0	8,000	16,000
Apprentice Instructors (4)	0	60,000	65,000
sub-total	76,000	185,500	200,100
Plus NI etc	11,400	27,825	30,015
Total core staff costs	87,400	213,325	230,115

Freelance Instructor costs in the Profit and Loss forecast are based on 2005 actuals of £81,033, with adjustments due to inflation and changes to the programme.

1.3 Other Costs

These are based on the existing costs of the Stramash Programme.

ARGYLL AND BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

**SCOTTISH GOVERNMENT'S AFFORDABLE HOUSING INVESTMENT
PROGRAMME 2008/2009**

1. SUMMARY

- 1.1 The Scottish Government's Housing and Regeneration section have indicated that they are likely to be in a position to invest around **£14.757m** within Argyll & Bute during the present financial year. The expenditure indicated includes **£4m** of Early Action Funding together with a projected allowance of **£2m** of Business Plan Support Grant for ACHA.
- 1.2 This report lists the projects that have been prioritised for attention through the Local Housing Strategy process.
- 1.3 Overall progress is monitored via the Strategic Housing & Communities Forum, a partnership that has been established between the Council, the Scottish Government, local RSLs and other Community Planning partners. During the last financial year, the programme monitoring process, together with slippage in other local authority areas, enabled Communities Scotland (as it then was) to invest a total of **£21.883m** within Argyll & Bute, thereby enabling 212 house completions for affordable rental and low cost home ownership.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the terms of the Scottish Government's investment programme for 2008/2009.

3. DETAIL

- 3.1 **Background:** The Scottish Government has indicated that they will be in a position to invest approximately **£14.757m** in Argyll & Bute during the present financial year. This will be focused on a range of projects, mainly for social renting via RSLs or low cost home ownership and homestake. However, it also includes provision of Stage 3 adaptations to existing RSL stock to enable households with particular needs to remain in their own homes. In addition to the allocated investment, it is anticipated that a further **£5m** will be levered into the area in the form of private funding in support of the projects.

- 3.2 The projects selected for attention reflect joint priorities for investment that have been negotiated with the Council and individual developers. They are designed to address the priorities that have been established within the Local Housing Strategy process and are outlined in the annex to this report.
- 3.3 **Treatment of Slippage:** In addition to the projects listed, a number of others are being front funded via private borrowing by RSLs. Therefore, in the event of slippage occurring elsewhere in the Scottish Government's Affordable Housing Investment Programme, it is anticipated that additional grant funding will be drawn in to offset the private borrowings.
- 3.4 **Early Action Funding and ACHA Support Costs:** An allowance of **£4m** has been made for previously approved Early Action Funded projects. A projected allowance of **£2m** has also been made for Business Plan Support Grant in favour of ACHA.

4. CONCLUSION

- 4.1 The Scottish Government's affordable housing investment programme for Argyll & Bute largely reflects joint priorities that have been negotiated with the Council via the Local Housing Strategy. It also takes account of priorities emerging through the Community Planning process.
- 4.2 Through the programme, the intention is that whenever technically feasible, properties will be developed to the lifestyle standard. This is with a view to addressing the requirements of special needs groups. Development to this standard also tends to reduce the level of disruption when considering future adaptations.

5.0 IMPLICATIONS

- 5.1 **Policy** - The partnership working between the Scottish Government and Argyll & Bute Council builds on the strong working relationship that was established previously with Communities Scotland. Development options are reflective of council priorities and also the key themes that are emerging from the Community Planning process.
- 5.2 **Finance** – The planned investment of **£14.757m** will help to secure further private sector leverage of approximately **£5m**.
- 5.3 **Legal** – nil.
- 5.4 **Equal Opportunities** – nil.
- 5.5 **Personnel** – nil.

Director of Community Services
June 2008

For further information contact: Mr Malcolm MacFadyen,
Head of Community Regeneration Tel: 01546 604412

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SCOTTISH GOVERNMENT'S AFFORDABLE HOUSING INVESTMENT PROGRAMME 2008/2009

Bute & Cowal	DEVELOPER	PROJECT	PLANNED INVESTMENT	NATURE OF PROVISION	COMMENTS
	Fyne Homes	Kilmun Forestry Commission site	£0.012m	Provision of 4 houses for shared equity.	Final payment of development and environmental grant support.
	Fyne Homes	Mansefield Place, Rothesay	£0.514m	Provision of 18 general needs & 1 special needs house for social renting	New build in support of the regeneration of the Mansefield Place area of Rothesay
	Fyne Homes	Bethania, Dunoon	£0.450m	Provision of 14 shared equity houses	Development to start in august 2008 and completion due in 2009/10
	Fyne Homes	Rothesay Academy Upper	£0.350m	Provision of 26 general needs homes, including 15 for shared equity	Development of initial, upper site.
	Fyne Homes	Foley House, Rothesay	£0.038m	Provision of 14 units for rent	Payment of final development allowances
	Fyne Homes	Ballochgoy, Rothesay	£0.010m	Provision of 24 general needs houses for social rent and 10 for Homestake	Payment of final development allowances
	Fyne Homes	Castle Street/King Street, Rothesay	£0.966m	Provision of 25 shared equity houses & 4 general needs houses for social renting	Payment of development grant plus physical and social environment grant.
BUTE & COWAL		TOTAL	£2.340m		

Helensburgh & Lomond

DEVELOPER	PROJECT	PLANNED INVESTMENT	NATURE OF PROVISION	COMMENTS
Dunbritton Housing Association	Clydeview, Helensburgh	£0.900m	Provision of 30 special needs houses	Provision of development allowances in support of conversion of former Church of Scotland Home
Dunbritton Housing Association	Scumbles, Garelochhead	£0.300m	Provision of 12 houses	Initial development payment
Dunbritton Housing Association	Kirkmichael, Helensburgh	£0.126m	Provision of 30 houses for affordable renting and shared ownership	Payment of final development allowances

ACHA	Whistlefield Garelochhead	£0.200m	Provision of 4 general needs houses	Development will start and due to be completed in 2008/09
HELENSBURGH & LOMOND	TOTAL	£1.526m		

Mid Argyll, Kintyre & Islay

DEVELOPER	PROJECT	PLANNED INVESTMENT	NATURE OF PROVISION	COMMENTS
Fyne Homes	18-25 & 9-11 Blarbuie Road, Lochgilphead	£0.051m	Provision of 11 houses for general needs	Provision of grant funding to support environmental improvements
Fyne Homes	Lochgilphead High school	£0.500m	Provision of 45 general needs houses for social renting & 20 for shared equity	Payment for initial development
Fyne Homes	Argyll Street, Campbeltown	£0.324m	Provision of 12 amenity houses for social renting	Payment of Housing Association Grant and other allowances including £0.100m grant for environmental improvements
Fyne Homes	Ardminish, Gigha	£0.004m	Provision of 14 units for rent plus 4 for shared ownership	Payment of final development allowances
Fyne Homes	Oban Road, Lochgilphead	£0.080m	20 units purchased off the shelf for Homestake	Payment of final development allowances
ACHA	Parliament Place, Campbeltown	£1.500m	Provision of 52 houses, including 5 for wheelchair users, 1 for women's refuge and possibly 5 for shared equity dependent on demand.	Initial development in 2008/9, due for completion in 2009/10.
ACHA	Relief Land, Inveraray	£0.200m	Conversion of 5 flats into 8 general need flats for social renting	Provision of grant funding in support of this project to be completed in 2008/9
ACHA	Highfield, Bowmore	£0.100m	Provision of 3 general needs flats	Development grant for project to start and finish in 2008/09
West Highland Housing Association	Jura Progressive Care	£0.050m	Provision of 6 special needs and 2 general needs houses for social renting	Final payment of balance of development grant for this project which was completed in July/aug 2007.

West Highland Housing Association	Jura	£0.004m	Provision of 2 general needs houses and 2 houses for shared equity	Payment of balance of Housing Association Grant in support of this project.
ACHA	Drumlemble	£0.200m	Environmental activity, consolidation & filling in shallow mine works	Payment of Early Action Funding in support of this project
Isle of Gigha Heritage Trust	Isle of Gigha	£0.100m	Provision of 3 Rural Empty Property Grants	Grant funding to bring vacant properties back into use.
MID ARGYLL, KINTYRE & ISLAY	TOTAL	£3.113m		

Oban, Lorn & The Isles

DEVELOPER	PROJECT	PLANNED INVESTMENT	NATURE OF PROVISION	COMMENTS
West Highland Housing Association	Glenshellach Phase 3	£0.007m	Provision of 45 general needs houses for social renting	Payment of final allowances in support of this development
West Highland Housing Association	Glenshellach Phase 5	£1.300m	Provision of 57 homes	Provision of development grant in support of this project.
West Highland Housing Association	Kilchrenan Phase 1	£0.050m	Provision of 6 general needs houses for social rent	Payment of development grant in support of this project
West Highland Housing Association	Kilmelford	£0.800m	Provision of 15 general needs houses	Payment of development grant in support of this project
West Highland Housing Association	Tobermory Phase 1	£1.024m	Provision of 26 general needs houses for social rent	Provision of Housing Association Grant funding in support of this project
West Highland Housing Association	Scarinish, Tiree Phase 1	£0.004m	Provision of 8 general needs houses	Payment of final allowance in support of this project
West Highland Housing Association	Scarinish, Tiree Phase 2	£0.047m	Provision of 8 general needs houses	Payment of initial development allowances in support of this project

West Highland Housing Association	Achlonan, Taynuilt	£0.100m	Provision of 25 general needs houses for rent	Payment of final development allowances
ACHA	Croft Avenue, Oban	£0.400m	Provision of 2 houses & 6 flats, all general needs	Payment of development grant in support of this project
ACHA	Soroba Bridge	£0.600m	Renewal of foot bridge	Payment of Early Action Funding in support of this project
OBAN, LORN & THE ISLANDS	TOTAL	£4.332m		

In addition to the foregoing projects, the Scottish Government have agreed to a projected allocation of £2m in the form of Business Plan Grant Support for ACHA, and £1.000m of Early Action Funding has been allocated to ACHA for related assets. Further provision of £0.200m has been made for 6 Rural House Ownership Grants, £0.040m for 4 Rural Empty Property Grants and £0.315m for the provision of Stage 3 Adaptations to Housing Association properties.

ARGYLL AND BUTE COUNCIL

EXECUTIVE

COMMUNITY SERVICES

THURSDAY 21 AUGUST 2008

KEY HOUSING ISSUES FOR ARGYLL AND BUTE 2008/9: A BRIEFING PAPER

1. SUMMARY

- 1.1 This paper highlights key housing issues that will have major financial and social implications for Argyll and Bute, including significant developments in national housing policy and substantial reductions in core housing investment.
- 1.2 The significant reductions in key housing resources include:
 - **Affordable Housing Investment Programme reduced by 16.5%** from the 2007/2008 budget level.
 - **Housing Association Grant subsidy targets** severely constrained;
 - **Private Sector Housing Grant** potentially reduced by £983k over the next two years, which amounts to 32% of the annual allocation;
 - **Supporting People grant** further reduced and withdrawal of ring fencing in 2008/9;
 - **Tackling and Preventing Homeless Fund** reduced and ring fence removed.
- 1.3 This comes at a time of increasing pressures within the local housing system:
 - In 2008, there were over **4,500 applicants** registered on the waiting lists for social sector housing – almost 15% higher than the figure in 2004;
 - **1,027 homeless applicants** presented to the Council In 2007/8, an increase of over 15% since 2004;
 - **1,151** private sector properties are **Below Tolerable Standard**;
 - Over **55%** of the social sector stock fails the **Scottish Housing Quality Standard**;
 - There are almost **4,400 vacant, second or holiday homes** in Argyll and Bute which are unavailable to meet local need;
 - Over **7,000 households** are deemed to be in **Fuel Poverty**.
- 1.4 The substantial reductions in core funding will have major implications for the Council and its development partners and will pose serious threats to the delivery of the Local Housing Strategy, Community Plan and Local Outcome Agreement objectives. It will also undermine this authority's ability to meet the national outcome targets for homelessness.

2. RECOMMENDATIONS

2.1 It is recommended that :

- a) Members should note the contents of this paper, and
- b) The Council will continue to engage with all Registered Social Landlords in Argyll & Bute and arising from the recent meeting with Jim Mather MSP, will make joint representations to Scottish Ministers to highlight the serious implications for Argyll & Bute of current housing policy.

3. DETAIL

3.1 Background

The Scottish Government's Affordable Housing Investment Programme provides the main source of funding for the development of accommodation for social renting and low cost or shared ownership in Argyll and Bute, delivered by local Registered Social Landlords and other developers. Since the inception of the Local Housing Strategy in 2004, total investment in Argyll and Bute has risen year on year from a baseline figure of £5m to a record level of **£21.883m** in 2007/8 and, as a consequence, there were also a record number of new affordable homes, **212**, completed that year, with a further 183 units approved. The breakdown of investment for 2007/8 was as follows:

- **Community Ownership Programme - £4.030m** against the budget of £6.500. Of this, **£2m** was for ACHA's Business Plan Support.
- **Core Development Programme - £17.844m** against the budget of £13.457m

This expenditure was achieved against a budget of £17.675m but Members are asked to note that the variation between achieved spend and allocated budget was due to additional investment secured from slippage elsewhere within other local authority programmes.

3.2 However, this very positive achievement must be set against the backdrop of total estimated housing need in Argyll and Bute, as set out in the Strategic Housing Investment Plan in 2007. This identified a potential requirement for around **555** new homes per annum which would require total annual investment of around **£27-£30m**. Therefore, even assuming the current record level of investment was sustained, there would be an **annual resource shortfall of £6-£9m**.

3.3 Overall, despite the positive progress and real achievements recorded in the annual Local Housing Strategy Updates over the last four years, the local housing system continues to exhibit significant pressures and a number of areas of concern. These include:

- The social rented sector declining by more than 9% through Right To Buy sales;
- Waiting lists increasing by almost 15%, standing at over 4,500 in 2008;
- Homeless applications increasing by over 15%, to a total of 1,027 in 2007/2008 - legislative changes are likely to increase presentations significantly by 2012;
- Average house prices increasing by 97% between 2004 and 2007, leading to ongoing affordability issues across Argyll and Bute;
- Significant pockets of Below Tolerable Standard housing (1,151 in total) remaining within the private sector while a significant proportion of social

rented sector stock (over 55%) currently failing to meet the Scottish Housing Quality Standard;

- Housing and support for the elderly and other vulnerable households with special needs not being fully addressed.

3.4 Affordable Housing Investment Programme (AHIP) 2008/9

On 30th May 2008, the Scottish Government announced its AHIP allocations for 2008/9. The total investment available to Argyll and Bute for the present financial year is approximately **£14.757m**, a **reduction of 16.5%** on the 2007/8 budget. As in past years, this investment will be focused on a range of projects, mainly for social renting and subsidised home ownership via RSLs. In addition to the allocated investment, it is anticipated that a further **£5m** approximately will be levered into the area in the form of private funding in support of the projects.

3.5 Early Action Funding and ACHA Support Costs: An allowance of **£4m** has been made for previously approved Early Action Funded projects. A projected allowance of **£2m** has also been made for Business Plan Support Grant in favour of ACHA, rising to **£9m** from 2009/10 onwards. This is targeted to bringing ACHA's existing stock up to the Scottish Housing Quality Standard. Therefore, the core investment available for the development of new housing will be further circumscribed - over 50% of the total projected investment programme, in fact - and the impact on the other, local RSL's programmes is substantial. This marks a major departure from the agreement struck with the then Scottish Executive at the point of transfer, as the Council always understood that ACHA's support costs would be allocated from the national Community Ownership budget and would not be top-sliced from the Argyll and Bute AHIP. At the time of the stock transfer, the Council's development partners supported the process on this understanding and as a consequence the other local RSLs are expressing major concern at the perceived threat to their own new build programme. Overall, the number of units delivered on the ground will be severely restricted and this authority's ability to meet national outcome targets, particularly the Government's 2012 Homelessness target, will be critically compromised. In this respect, Members are asked to note that on 25th June 2008 the Minister reiterated that this target remains a priority for the current government and the housing regulator has advised that progress towards the 2012 target will be part of the inspection process on which local authorities' performance will be evaluated.

3.6 Reduction in Affordable Housing Investment Programme

In 2007, the new Scottish Government acknowledged the critical mismatch between levels of identified housing need and levels of actual investment available to address these needs with the publication of its comprehensive housing vision for Scotland, "Firm Foundations". This made a commitment to increase the supply of affordable housing by an additional 40% or 10,000 units per annum. However, the indicative 5 year investment programme announced on 30th May 2008 actually sees a national budget cut of 16% and Argyll and Bute's annual allocation from AHIP is reduced by around 16.5% from the 2007/08 budget level. When this is disaggregated to the local level of specific RSL development programmes, the picture is in fact even more severe, with local budgets being reduced by up to 50%. This resource reduction also has an immediate knock-on effect in the level of private finance levered into the programme – normally, around one third of the full

development costs for affordable housing comes from this source. It is evident, therefore, that in real terms, Argyll and Bute will see a substantial cut in housing investment in 2008/9 and overall the position beyond 2009 remains uncertain as the Resource Planning Assumptions have yet to be provided for future years.

3.7 At a time when the decline in social rented sector stock continues to outstrip new developments, these budget cuts can only exacerbate the problem. Overall, more than 50% of the original Council housing stock has been sold off through Right To Buy and since 2004, despite the record levels of development funding, the sector has seen a further 9% decline. In certain rural communities the depletion of social housing has reached levels of 75-100%. In this context, the Local Housing Strategy includes an action to explore the potential for designating **Pressured Areas** within Argyll and Bute to restrict the negative impact of Right To Buy sales. While the current regulatory process is cumbersome and unlikely to deliver outcomes commensurate with the required input, nevertheless, the Council is currently considering this option in partnership with local RSLs and the Scottish Federation of Housing Associations. Representations have already been made to the government on this matter and we are awaiting the outcome .

3.8 **Economic Implications of the investment reductions for 2008/9**

The Council's RSL partners will now only be able to keep on site with those schemes which are already legally committed, and the targets set out in the LHS and SHIP are now seriously at risk. Clearly, the investment that is available will not be sufficient to address the real level of housing need within this authority. In addition to the direct impact on the provision of new affordable housing, the cuts in investment will also have significant impact on the local economy, local employment and in particular on the relatively fragile local construction industry. During the first 4 years of the implementation of Local Housing Strategy, the cumulative total investment in the local economy from the Affordable Housing Investment Programme, other core resources plus the associated private sector contribution amounted to over **£100m**, which has resulted in substantial benefits to Argyll and Bute beyond the simple provision of bricks and mortar.

3.9 **Wider impact of the investment reductions**

It should also be noted that the cut in core investment affects all aspects of housing activity by the Council's partners as well as new build, and impacts on wider LHS, Community Plan and Local Outcome Agreement objectives. In addition, it has an adverse impact on the Council's ability to address national outcome targets.

- **Homelessness** remains one of the most critical issues for this authority with a total of 1,027 presentations to the Council in 2007/8, of which only 15% secured a social sector tenancy. Currently, 50% of RSL allocations go to homeless applicants. In line with current projections of household growth, it is estimated that homeless applications from both single parents and single persons will increase by 15% over the next ten years. In addition, as a consequence of the Government's decision to remove the priority distinction for homeless determinations it is anticipated that the number of homeless applicants eligible for accommodation will increase by 1-2% per annum. Research recently commissioned by the Council to assess the impact of the

2012 target in Argyll and Bute suggests a cumulative shortfall of over 1,690 social tenancies by 2012/13.

While the Council's homeless service provides a range of support services, information and advice, and other preventive measures from separate funding sources, the scope of the homeless problem in Argyll and Bute, together with the increasing pressure arising from the Scottish Government's own homeless targets for 2012, inevitably mean that ultimately the most effective, long term solution must be increased provision of affordable accommodation. The reduction in the AHIP will impact significantly on both the Council's statutory duties and financial resources in terms of increased use of temporary accommodation in lieu of more suitable move on and permanent accommodation. This would incur substantial revenue costs and if the Council has to revert to an increased use of bed and breakfast it may result in breaches of the Unsuitable Accommodation Order. In 2007/8, the Council expenditure to accommodate homeless households in bed and breakfast totalled £763,712. It should be noted that the government is promoting increased use of the private rented sector as an alternative means of meeting the accommodation needs of homeless households and the response to the consultation on regulations made under section 32A of the Housing (Scotland) Act 1987 is the subject of another paper.

- **Aids and adaptations** to social sector stock are also funded from the core AHIP budget. It is estimated that the overall cuts could reduce available resources for the provision of aids and adaptations at a local level by approximately 50% and this in turn means fewer vulnerable households are able to meet their special needs in situ which ultimately increases the pressure for new housing provision. Potential reductions in Private Sector Housing Grant will have a similar impact on the provision of aids and adaptations for vulnerable home owners and private renting tenants.
- **Health and Well-being Targets** will also be affected directly and indirectly by the cuts in housing investment, with fewer options to accommodate hospital discharges, for example, leading to further bed-blocking and vulnerable households currently in unsuitable or poor quality accommodation placing increased pressure on support services which are also facing significant resource constraints. In this context, the views of key Community Planning partners such as Strathclyde Fire and Rescue should also be noted. Through the Strategic Housing and Communities Forum, this body has expressed concerns that increased budget constraints for RSLs may jeopardise home safety standards, in particular the use of sprinkler systems in remote rural areas which can be on occasion quite literally a matter of life or death.

3.10 Housing Association Grant (HAG) – changes to subsidy targets

Public subsidy per unit of RSL new build, delivered via HAG, has increased nationally by 35% over the last 5 years and therefore, in 2007/8, the Scottish Government set out proposals aimed at getting better value for HAG. Essentially, the Scottish Government's object is to deliver more housing for less cost to the public purse and increased private sector borrowing. To achieve this, in the short term, the Scottish Government reviewed the HAG allowances and assumptions that

are used to calculate how much RSLs should borrow for each new development and proposed new subsidy targets. The current rural target is £107k per unit and indications are that the Government may move to a single, national target of around £75k.

- 3.11 An initial, crude comparison of average HAG levels for Argyll and Bute and Scotland as a whole over the last three years reveals that unit costs have increased by almost a third in this authority (from £77,004 in 2005/6 to £102,408 in 2007/8) while nationally the increase is less than 4% (from £82,905 to £85,931). Currently, HAG levels in Argyll and Bute are 19% above the national average and 3% above the comparable Highland figure. This is due to the specific local circumstances and geographic context of Argyll and Bute, where we often experience extraneous site configuration and infrastructure costs, as well as transport and supply difficulties for our isolated rural communities and remote islands. The proposed new funding regime is likely, at best, to make the delivery of such projects very difficult, and may, in some circumstances, make delivery impossible.
- 3.12 The implications of the changes in HAG subsidy targets for Argyll and Bute are significant. Local RSLs are currently struggling to meet the 2008/9 national rural target of £107,000 per house. Despite the Government's analysis that there is sufficient leeway within the RSL sector to allow for reduced subsidy and to cover an increased rate of private borrowing, in reality, to make projects stack-up financially, the proposed changes would require either a reduction in scheme costs of 10% or more – presumably to be achieved through reduced standards – or a 20% increase in rent levels that would certainly breach affordability in our local communities. Alternatively, if RSLs sought to reduce the required HAG subsidy by changing the proposed tenure of a scheme from social rented to shared equity, for many projects, this could fail to deliver the original objective of meeting identified need. It could also have additional financial implications, not least for the Council as the reduction in accessible new social rented stock would impact on homeless targets and is likely to result in increased costs for temporary accommodation.
- 3.13 This scenario is predicated on the HAG subsidy remaining at the current challenging level of £107k per house. However, as indicated in paragraph 3.10, recent Government indications suggest further reductions are possible in line with lower English subsidy levels (currently circa £66k per house – a potential decrease of almost 40%). The implications in such a case would be even more serious in terms of rents and standards. One local RSL, for instance, has calculated that under the English subsidy levels, the costs of a current development would need to be reduced by 40% or rents increased by 70%.

3.14 The Impact on quality of development design and specification

From the foregoing, it is clear that reductions in HAG subsidy could have significant implications for the standard of new housing provision in order to meet these cost cutting targets. The social sector has been at the forefront of sustainable energy efficient design, however, the first casualty of investment cuts on this scale will be the project specification. Cost savings of 10%, for example, might be achieved by omitting solar panels, cedar cladding etc and reducing house sizes and specification to the very minimum. However, this would be short term gain as maintenance costs would be higher over time with shortened "life cycles" for materials and the actual costs of living in the houses for the tenants would also

be higher as they will be less energy efficient. Such cost-based compromises in design and specification standards would also be in direct conflict with the Scottish Government's stated aims and targets in respect of zero-carbon homes which themselves have significant resource implications.

3.15 **Potential “knock-on” implications**

Within the general climate of financial restraint and the uncertainty over investment allocations and, consequently, over future commitments and forward planning, together with the knock-on effects of the current “credit crunch” in terms of private finance lenders' increased costs to developing RSLs, it is inevitable that RSLs will come under pressure to raise rents and/or to cut the wider services provided to tenants and local communities. These services include the provision of information and advice, and tenancy support for young and vulnerable households, and again it could well be that the Council and other local agencies are required to pick up the costs of such services or, through additional pressure on homeless services for instance, find existing services further stretched. The Chartered Institute of Housing has already commented on the proposed changes to the HAG, pointing out that in the drive for cost savings:

“This would need to be balanced against the “social cost savings” which good quality, affordable, safe and secure housing can deliver in terms of health improvements, educational and employment initiatives and reduced crime.”

3.16 **Potential Impact on Council's Strategic Housing Fund**

The Council's Strategic Housing Fund primarily consists of the accrued revenue from the Council Tax on second homes over the previous three years, which currently amounts to around £ 4,916,257. In addition, the fund also encompasses the residual Housing Revenue Account balance that was retained in agreement with the Scottish Executive to offset outstanding post-transfer costs that are still being worked out. It includes income derived from rental or disposal of former HRA properties. Also, it is anticipated that additional resources will be contributed to this fund from the application of the Council's Affordable Housing Policy in the form of private developers' commuted sums. The Head of Strategic Finance has confirmed that the Fund currently amounts to £7.662m.

- 3.17 The Fund is administered within the context of the Local Housing Strategy and the Strategic Housing Investment Plan. Local RSLs are aware that they can bid for resources in support of proposed projects which meet the criteria set out in the Strategic Housing Fund framework which was formally approved by the Council's Executive on 19 July 2007 and further reviewed on 20 September 2007. Members are reminded that the fund is primarily targeted at establishing a strategic landbank, promoting an empty homes initiative, and to enhance infrastructure where this is restricting the development of affordable housing. To date, approximately £0.65m has been committed to partially fund RSL projects in accordance with the Local Housing Strategy priorities, securing additional Scottish Government investment and private sector leverage of around £6.5m.
- 3.18 This Fund, then, constitutes a valuable, complementary resource that will have a positive impact on local housing investment. However, it is likely that the Council will come under increasing pressure to utilise the fund as a “quick-fix” solution to address the current shortfall in AHIP. I am of the view that this would be

inappropriate, financially detrimental in the longer term, and could contravene best value principles. In these circumstances, I recommend that such use should be resisted. It should also be noted that the Scottish Government is currently consulting on proposals to revise the Council Tax system and introduce a Local Income Tax. Therefore, while it has been suggested that it may be possible to gather revenue from second and holiday homes in the form of non domestic rates, it should be noted that the final arrangements for this have yet to be determined.

3.19 Other housing investment reductions and constraints

In addition to the cuts in AHIP and related core funding, Argyll and Bute is facing significant reductions or constraints in a number of other housing resources, all of which have an important role in delivering the objectives of the Local Housing Strategy. These include:

- **Private Sector Housing Grant (PSHG)** – On average, Argyll and Bute's PSHG allocation has amounted to around **£3m** per annum which has funded a substantial programme of repair and improvement work to private sector properties, reducing the number of Below Tolerable Standard homes and providing aids and adaptations to allow vulnerable households to remain in their own homes. The Government is currently proposing fundamental changes to the methodology for allocating PSHG from 2009/10 and the most recent indications are that Argyll and Bute's grant could be reduced from **£3.182m** to **£2.780m** in the first year and to **£2.601m** in future years - a total reduction of **£0.983m** or 30% over the two years. Thereafter, the status of PSHG remains unclear, as the current ring-fencing will disappear from 2010/11 under the arrangements of the Concordat. This budget cut comes at a time when local authorities are required to start implementing the Housing (Scotland) Act 2006 and to introduce extensive changes to private sector services.

A reduction of this magnitude will have a significant impact on the Council's ability to assist home owners to improve and repair their properties; reduce the ability of the Council to influence other programmes such as Care & Repair or the Joint Health Improvement Plan through the contributions made from PSHG funding.

- **Supporting People** – It is acknowledged that housing support services play a crucial role in ensuring that people can live independently in all types of accommodation and tenure. As such, the Supporting People programme has been a central element of the Local Housing Strategy and the Scottish Government's revised LHS guidance identifies a continuing requirement to integrate planning for housing support services within the LHS framework. Notwithstanding this, however, the Scottish Government has continued to reduce the Supporting People budget. In 2007/8, the grant for Argyll and Bute totalled **£12,222,000** and the allocation for 2008/9 has been set at **£11,436,600**, a decrease of 6%. With the removal of ring fencing for this budget as part of the Concordat, from April 2008, the objectives of this Council and its strategic partners are put at risk and the Government's expressed priorities will pose a significant challenge. In fact, the Supporting People programme has actually suffered a double blow in the current financial year, as the Scottish Government's funding reduction has been compounded by the Council applying further internal reductions, following the withdrawal of the ring

fencing, by treating the funds within its own overall budget planning process. In addition, further efficiency savings required by the Council have served to increase the pressure upon this programme. While the Supporting People team is taking steps to monitor the use of funds closely and to maximise the effectiveness of the committed resources in order to alleviate the impact of these changes on support services, in the longer term if this trend continues then, ultimately, there will be serious implications for service users who comprise the most vulnerable members of our communities.

3.20 **Local Authority Housing Incentive Fund**

On the 19th April 2008, the Deputy First Minister announced a **£25 million** incentive package to encourage Scotland's local authorities to begin rebuilding council houses. Given the extent of the overall investment reductions highlighted in this paper and the scope of the affordable housing shortfall, it is evident that this measure will have limited impact both nationally and locally. However, speculation in respect of this new incentive fund is academic, as it is the Council's understanding from discussions with COSLA that stock transfer authorities will be unable to access this funding.

3.21 **Meeting with Jim Mather MSP**

Members are asked to note that a briefing meeting was held with Jim Mather MSP on Monday 4 August 2008 when the issues outlined within this paper were discussed in full. Arising from this, Mr Mather is making arrangements for a follow up meeting with Stewart Maxwell MSP, the Housing Minister. It is envisaged that this meeting will take place within the near future when the Council and local RSLs will have the opportunity to highlight the serious implications for Argyll & Bute of current housing policy.

4. **CONCLUSION**

- 4.1 Despite the very positive achievements to date in maximising housing investment and delivering LHS objectives, the magnitude of the core funding cuts for 2008/9 and the uncertainty over investment in future years are likely to pose a serious threat to the delivery of the Local Housing Strategy in Argyll and Bute and to have a substantial, wider impact on this authority and its partners. These issues have been discussed extensively at the Strategic Housing and Communities Forum and this paper incorporates the views of the Council's strategic partners who fully endorse the concerns expressed and have committed their support to the Council in lobbying the Scottish Government to counter these proposed investment reductions.

5.0 **IMPLICATIONS**

- 5.1 **Policy** – Investment reductions of the magnitude proposed together with the lack of current resource planning assumptions will inevitably impact on the Council's ability to plan strategically and to address local and national policy objectives.
- 5.2 **Finance** – The level of funding cuts across the key housing investment streams are likely to place additional, financial burdens on the Council and its partners. In addition, these cuts will incur significant social, health and well-being costs.

5.3 **Legal** – nil.

5.4 **Equal Opportunities** – Some of the most vulnerable sectors of our communities, including homeless, physically disabled and those with learning difficulties will be disproportionately affected by the consequent reduction in housing opportunities and the constraints on specific support services.

5.5 **Personnel** – nil.

Director of Community Services
August 2008

For further information contact:

Mr Malcolm MacFadyen, Head of Community Regeneration Tel: 01546 604412

Background Papers;

- Firm Foundations: The Future of Housing In Scotland, 2007, Scottish Government.
- Consultation response to the Firm Foundations discussion paper, 20th December 2007, Argyll and Bute Council Executive Committee
- Strategic Housing Investment Plan, 20th December 2007, Argyll and Bute Council Executive Committee.

ARGYLL AND BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

USE OF CAPITAL RECEIPTS FROM THE SALE OF LOCHGILPHEAD HIGH SCHOOL

1. SUMMARY

- 1.1 Members are reminded that a capital receipt of circa £1.3m was received from the sale of the former Lochgilphead High School site. Receipts of this nature, gained from the disposal of Education assets, are ring fenced for reinvestment in the school estate.
- 1.2 This report provides advice of two projects that will be supported through the partial use of this receipt.

2. RECOMMENDATION

- 2.1 Members are asked to note the projects that will be supported.

3. DETAIL

- 3.1 **Background:** Members are reminded that capital receipts gained from the disposal of education assets are ring fenced for reinvestment in the school estate. The establishment of a Capital Fund creates a facility that allows the Council to use capital receipts to meet the cost of expenditure that supports investment in assets but does not meet the strict accounting definition of capital expenditure. Capital receipts paid into the Capital Fund can be used to meet loan fund principal repayments, thereby freeing up revenue budget that can be vired to meet agreed expenditure.
- 3.2 **Use of the Capital Receipts:** Having regard to this background, which was confirmed by the Head of Strategic Finance, it should be noted that the undernoted projects are currently being developed. Their delivery will be supported through the partial use of the capital receipt gained from the site of the former Lochgilphead High School.
 - (a) **Replacement of Campbeltown Nursery**

Options for the replacement of the Campbeltown Nursery have been developed in collaboration with the Head of Pre School and Primary Education together with the Care Commission. This exercise included an appraisal of the

opportunities to adapt and use existing Council buildings within the town. However, this approach was rejected on the grounds that it provided poor value for money. Instead, a purpose designed modular building is to be provided at an estimated cost of £400,000.

The Head of Strategic Finance has confirmed that this expenditure meets the criteria for capital funding so the necessary finance will be drawn from the capital receipt.

(b) Refurbishment of the Glencruitten Hostel

Members may also recall that I submitted a report on the School Hostels to the Executive on 20 September 2007. Arising from this, it was agreed, inter alia, to extend the budget available for the refurbishment of Glencruitten Hostel from the previously provided £393,000 to £830,000. It was further agreed that this increase should be achieved through the substitution of resources from other areas of the Education Capital Programme.

Members agreed to this course of action having specifically noted the implications of Strathclyde Fire & Rescue's intervention with respect to the Dunoon Hostel. However, no provision was made for the cost of alternative temporary accommodation for the pupils who will be displaced during the building work.

In my previous report, I highlighted that, from an operational perspective, it would be preferable to deliver the improvements with the hostel open. This would have necessitated work being carried out during holiday periods and at weekends, wherever possible. It would also have been at a cost premium to the Council. Regrettably, however, it is now clear that this will not be possible mainly due to the extent of the asbestos that is present within the building as the Health & Safety Executive requirements will have to be adhered to at all times when removing/encapsulating the asbestos. This has forced Property Services (who will be running the contract on behalf of Community Services), to revise their projected timescales for the overall workplan to:

- 10 weeks for the central block
- 20 weeks for the boys' block
- 22 weeks for the girls' block

These timescales are, as yet, indicative but will be confirmed once a contractor is appointed and the overall work programme has been agreed. The revised timescales, and the advocated approach, arising from the experience gained from the treatment of the Dunoon Hostel, will necessitate

partial closure of the hostel as work is progressed on a block by block basis.

It should be noted that arrangements have already been put in place for the asbestos strip and reinstatement work required in the central block during this summer's vacation. The additional work required in this area will then be delivered next summer. Tender documents are also being prepared for the later phases of the improvement work. It is envisaged that the tender process will be undertaken during the autumn so subject to an acceptable outcome, work on the refurbishment of the first block could start in January 2009 and run for 20 or 22 weeks depending which one is selected for initial attention. Work on the second block would follow completion of the first. The start date will be dictated, in part, by the availability of alternative temporary accommodation.

Provision of alternative accommodation: Options for the provision of temporary accommodation are still being considered jointly with the Care Commission. However, it is envisaged that the formation of a Portakabin style accommodation block for up to 20 children, together with associated office space will be required. This would be at a projected cost of around £185,000 for a 12 month hire.

The option of supported lodgings is also currently being explored by hostel staff and this may provide a number of temporary places for pupils affected. At an approximate cost of £20 per night per pupil for 20 pupils, this would equate to in excess of £100,000 for a 40 week period. In addition there would be a requirement for additional staffing to supervise mixed gender use of the remaining block and the temporary accommodation unit within the grounds as well as for the supported lodgings placements. It is estimated that the additional staffing costs will amount to around £100,000 for the duration of the contract.

Cost of provision of temporary accommodation and option appraisal: Having consulted with the Head of Strategic Finance, it is clear that the cost of the temporary accommodation unit and supported lodgings, including the additional staff costs, does not meet the definition of capital expenditure so £385,000 of the capital receipt will be used to meet loan charges with a subsequent virement to Community Services revenue budget to meet the costs related to the school hostel.

4. CONCLUSION

- 4.1 This report advises Members of the partial use of the capital receipt gained from the sale of the former Lochgilphead High School site
- 4.2 The funding is being used to support the provision of a replacement nursery in Campbeltown to address the requirements set by HMIE and the Care Commission. In the case of the Glencruitten Hostel, the building will be refurbished to the standards required by the Care Commission and the Strathclyde Fire & Rescue Service. Once completed, the refurbished hostel will provide a base for island children who attend Oban High School.

5. IMPLICATIONS

Policy: The provision of the new nursery in Campbeltown fully complies with the Council's drive to deliver high quality pre five education.

Partial closure of the hostel is inevitable although its refurbishment will ultimately support the Council's drive to sustain rural communities.

The use of the capital receipt complies with the Council's policy for reinvestment in the wider school estate.

Finance: Both projects are being supported through the allocation of funding gained from the capital receipt obtained from the disposal of the former Lochgilphead High School site.

Personnel: Nil.

Legal: The Council has a general power to provide hostel accommodation. Failure to do so would disrupt the education of all resident children. The Council is also obliged to ensure the delivery of high quality pre five education.

Equal Opportunities: Closure of the hostel would have an adverse impact on our island communities.

Director of Community Services
12 August 2008

For further information please contact:
Malcolm MacFadyen Tel: 01546 604412
Dougie Dunlop Tel: 01546 604256
Carol Walker Tel: 01631 564908

Background Papers:

School Hostels – Executive – 20 September 2007

Glencruitten Hostel – Oban Lorn & Isles Area Committee – 30 June
2008

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ARGYLL AND BUTE COUNCIL
EXECUTIVE**COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

NPDO Schools Project Progress Report

1. SUMMARY

- 1.1 This report summarises progress in relation to the Council's NPDO project and, in particular, updates members on the current financial position of the project.

2. RECOMMENDATION

- 2.1 The Executive is asked to note and agree the contents of this report.

3. DETAIL

- 3.1 All Five School sites within the NPDO project have now been handed over and are operational. The Schools in Dunoon and Rothesay still require completion of external works in relation to the formation of car parks and pitches and these are reported due for completion at the beginning of August and prior to the Schools return for the new term. The Special Projects Team continues to monitor progress in relation to these and is in direct liaison with the Council's Project Partner ABC Schools Ltd and the individual schools concerned.
- 3.2 The Special Projects Team continue to look at avenues of addressing the unanticipated cost pressures reported previously to ensure the project remains affordable. The circumstances of these cost pressures and work currently undertaken is summarised below:

Pressure	Estimated adverse impact on affordability
Utilities will be significantly higher than modelled due to a 35% increase in tariffs since 2005 for most fuels and possible under provision in the ABC Schools estimates at financial close. Whilst the Council and its technical advisers, Capita Symonds, are conducting an analysis of expected consumption levels of all utilities at the	£236,000 from 2007/08 increasing by at least 5% per annum. Although this assumed increase conforms to the Council's current assumptions, further increases in tariffs could cause this position to deteriorate and it continues to be monitored. We continue to

<p>NPDO schools, going forward it is estimated that the new schools will be operating significantly more efficiently than the facilities which were replaced.</p>	<p>gather consumption information for analysis. This is being carried out with assistance from the Council's energy Manager. In addition we are currently revising the proposed energy management plan submitted by ABC Schools for agreement. The plan will identify strategies for minimising consumption and demonstrating the efficient use of utilities across the NPDO estate.</p>
<p>Non Domestic Rates (NDR) higher than modelled due to loss of reliefs for the old properties and above inflation increase in 'poundage' rates</p>	<p>£305,000 per year. Again this impact assumes an annual increase of 2.5% in the 'poundage rates'. Figures are estimated and are currently under appeal with the Valuation Board. Appeals are ongoing together with applications for relief from eventual valuations. Whilst it is expected that reductions can be achieved, it is not possible to quantify these at this time.</p>
<p>Retail Price Index (RPI) running at around 4.3% per annum for 2007/08 and 2008/09 compared to 2.5% anticipated in financial model. Although we have been advised that RPI is expected to stabilise around 2.5-3% for at least 3 years from 2009/10 this assumption may need to be revised based on current inflation figures which are continuing to run at 4.3%.</p>	<p>£144,000 per year (indexed) from 2008/09 assuming 2.5% RPI from 2009/10 onwards. We are looking at capturing and utilising efficiencies from within Community Services to set against cost pressures generally of which this is one.</p>
<p>Mid Argyll Sports Centre (MASC) budgets due to come into project will be lower than anticipated at financial close.</p>	<p>The NPDO budget has now received the appropriate allocation in this regard and this is no longer a cost pressure.</p>

- 3.3 The overall annual affordability gap, taking the above into account and after applying the annual surplus identified in our report of April

2008, remains approximately £375,000 per annum in each year of the project as was reported previously.

- 3.4 The affordability gap identified at 3.4 above leaves the project unaffordable from the years 2014-2027. For the years prior to 2014 deployment of the sums built up in the smoothing fund to date would ensure that there is sufficient cash available to meet the currently anticipated payments.
- 3.5 In the report of April 2008 several options were identified for bridging the funding the gap:
 - a. Do nothing – The Council could acknowledge the existence of the affordability gap but continue to deploy the smoothing fund until 2014 on the basis that it would need to fund the gap from annual budgets from 2014. This would leave the project unfunded and could endanger the annual payments of RSG from the Scottish Governments. It would also contradict the approach taken by the Council to date.
 - b. Deploy one-off payment – A deposit of approximately £3.8m into the smoothing fund in the 2008/09 financial year, and released over the course of the project, would ensure that the project remains affordable in all future years on the current estimates. If financial conditions in the project improve this funding could be withdrawn.
 - c. Deploy on-going resources – Income generated through the school facilities and resources identified within Community Services could be taken into the financial model to reduce the affordability gap although this income would fluctuate annually (See 3.7 and 3.8 below).
- 3.6 Following the Executive meeting in April a review of the financial allocation to the NPDO cost centre for 2008/09 was carried out which determined that, as a result of slippages in the handover dates of schools and additional savings generated during the budget setting process aimed at ensuring the NPDO was fully funded for the three year budget setting timescale to 2010/11, there is likely to be a forecast under spend during this financial year, and on an ongoing basis, of at least £0.5m per annum. The exact annual figure cannot be confirmed until handover of the final phases of the project but is expected to continue to be at least £0.5m.
- 3.7 The current iteration of the financial model, based upon the cost pressure assumptions described above, shows that if an annual deposit of £0.5m per annum is made into the NPDO smoothing fund starting in 2008/09 the affordability gap identified in 3.4 above would be closed by the financial year 2015/16. This would also ensure that the Council would be in a position to discharge its contractual

obligations with ABC Schools Limited and preserve the allocation of RSG which the Council receives in support of the NPDO project from the Scottish Government. It is recommended that members instruct the Director of Community Services to deploy the budget generated from the efficiencies identified in 3.6 above. In so doing he will ensure that the relevant sum of £0.5m is applied to the NPDO smoothing fund on an annual basis between 2008/09 and 2015/16 in order to ensure the project remains affordable in each contract year based on current assumptions. It is also recommended that Members instruct the Director of Community Services to report on the NPDO's affordability and the position of the smoothing fund on an annual basis at the end of each financial year.

- 3.8 The Special Projects Team are continuing to work to limit and reduce the effect of the issues noted above, particularly in regard to NDR and Utilities, to fully identify the extent and impact of the cost pressures and to report back to the Executive should the assumptions described above be subject to significant change. The intention is to ensure that the Council's approach to the NPDO affordability to date is maintained and preserve the RSG payments from the Scottish Government. Further recommendations will, therefore, be made when more robust cost information is available.

Availability and Performance Deductions

- 3.9 The Special Projects Team are continuing to monitor ongoing availability and performance deductions within the Project Agreement and to date ABC Schools have offered up the sum of £236,000 in deductions. This sum remains in the NPDO smoothing fund and is reflected in the overall view of affordability at para 3.4 hereof. The Special Projects team are withholding a further sum of £200,000.00 by way of disputed deductions and are currently in ongoing discussion with ABC Schools to resolve that matter. We are continuing to dispute the unitary charge invoices, following the contract provision, to allow us to negotiate settlement of outstanding deductions due to the Authority. It is expected that this will be achieved shortly without necessity of any requirement for dispute resolution.

Claims

- 3.10 ABC Schools Ltd have not, thus far, intimated any contractual claims against Argyll and Bute Council arising out of the project agreement. It is understood that none of the building subcontractors are currently actively pursuing any claims against ABC Schools Ltd. It is understood that Barr Construction have recently submitted a claim to ABC Schools in respect of the completion of the last phase of works at works at Rothesay Joint Campus, however, ABC Schools have rejected the claim through the Contract process. It is possible that Barr will seek to take the claim to dispute resolution in terms of their contract with ABC Schools Ltd, however, that has not as yet materialised. ABC Schools

have not sought to make any similar claim against the Council. The Special Projects Team continue to closely monitor matters.

3.11 Charitable Surplus

We are currently within the year long defect liability period in respect of the operational Schools and this defect liability period will not expire in respect of the last school, Hermitage Academy, till at least February 2009. There are no expected charitable surpluses during this period.

4 Conclusion

- 4.1 The project that was signed in July 2006 was affordable and achieved Value for Money. Changes to the general economic environment since that date, particularly utilities and higher than modelled RPI, due to inflation, and higher than anticipated NDR have had a significant and adverse effect on the affordability position.
- 4.2 The overall effect of these changes has been mitigated by the fact that delays in the handover of the schools has resulted in less Unitary Charge being paid by the Council. This, together with deductions received by the Council has reduced the affordability gap resulting from the cost pressures from an expected £375,000 per year. It is also important to note that this gap is not expected to affect the cash position of the Council until around 2014.
- 4.3 The Special Projects Team will continue to work with partners in the Council and technical advisers to reduce the effect of these issues. However, the position taken by the Council, and the Scottish Government, to date has been to ensure that the project is modelled to be affordable in each contract year. The application of additional funding will be required to ensure that the project is fully funded and would also enable future withdrawal of funds from the smoothing fund should the affordability position improve.

4. IMPLICATIONS

<i>Policy:</i>	None at present
<i>Finance:</i>	The annual budget is not affected in the short term. However, additional funding will require to be identified to meet the potential affordability gap in later years of the project.
<i>Personnel:</i>	None at present
<i>Legal:</i>	None at present
<i>Equal Opportunities:</i>	None at present

Director of Community Services
30 June 2008

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ARGYLL AND BUTE COUNCIL
EXECUTIVE**COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

**ALLOCATION OF EDUCATION DEVELOPMENT GRANT BUDGET FOR
2008-2009**

1. SUMMARY

- 1.1 This report outlines the recommendations for the allocation of the Education Development grant budget for 2008-2009. The total Education Development grant budget made available by the Council for allocation to voluntary organisations is £93,086
- 1.2 In July 2007 the Executive Committee agreed to give three year funding to five voluntary organisations from the Central Education Development Grant Budget at a cost of £14,000, leaving a balance of £2,486 in the Central Education Development Grant budget.
- 1.4 The remainder of the Education Development Grant budget is split between the four areas giving an allocation of £19,150 to each area.

2. RECOMMENDATIONS

- 2.1 It is recommended that the balance of the Central Education Development Grant budget of £2,486 is allocated to a total of 3 organisations requesting grants as outlined below:

Organisation	Grant Awarded 2007/2008 £	Amount Requested £	Total Running Costs £	Recom- mendation £	Comments
YouthLink	1,175	1,175	1,175	1,175	YouthLink is the national youth agency for Scotland. It is a partnership between the voluntary and statutory sector and is consulted by the Executive on developments relating to young people. All 32 Scottish Councils are members. Membership will give access to the full range of information and resource services and also allow the Council to influence policy development. YouthLink are currently giving active support to the development of a Youth Work Strategy in Argyll and Bute through attendance at meetings and provision of relevant information about developments elsewhere in Scotland.

West of Scotland Playscheme Advisory Forum	511	4,927	4,927	511	The organisation previously provided travel passes and support to playschemes. The costs of the travel passes are now being met from a separate budget and it is recommended that a small annual grant is awarded reflecting the support provided by the organisation.
Childline	800	1,861	103,884	800	The organisation is seeking financial assistance towards the continuing provision of its free confidential telephone helpline for children experiencing or concerned about bullying. The organisation provides a worthwhile service.

3. DETAIL

- 3.1 The allocations of the area Education Development Grant budgets are based on decisions already made as part of the budget process.
- 3.2 The five organisations which are currently on three year funding arrangements as part of a Service Level Agreement for Education Development Grants are:

Duke of Edinburgh Award Scheme	£2,000
Fèisean nan Gàidheal	£4,000
Workers' Educational Association	£3,000
The Prince's Trust	£3,000
Argyll CVS	£2,000
Total	£14,000

4. CONCLUSIONS

- 4.1 All grants of over £2,000 have been assessed and checked by the Finance section of Community Services. They have also been assessed on the basis of the agreed criteria of the grant scheme.

5. IMPLICATIONS

- 5.1 Policy: None
- 5.2 Financial: The report outlines the allocation of the Education Development Grant budget.
- 5.3 Legal: None
- 5.4 Equal Opportunities: The proposals are consistent with the Council's equal opportunities policies.

Director of Community Services
3 July 2008.

For further information contact: Jim McCrossan, Community Learning and Regeneration Manager Tel No. 01369 708543

ARGYLL AND BUTE COUNCIL

EXECUTIVE

COMMUNITY SERVICES: EDUCATION

THURSDAY 21 AUGUST 2008

**PROPOSED CHANGES TO LEGISLATION ON CONSULTATION AFFECTING
EDUCATION PROVISION**

1. SUMMARY

- 1.1 The Scottish Government has issued a consultation paper on proposed changes to the consultation process which education authorities must follow when they are considering changes to education provision e.g. school closures or changes to a school's delineated (catchment) area. The consultation document has particular reference to rural schools and this paper details the Council's proposed response to the specific questions raised.
- 1.2 Members are asked to note that the consultation period runs until 19 September 2008.

2. RECOMMENDATIONS

- 2.1 Members are asked to agree to the proposed responses to the questions raised in the consultation document as detailed in the appendix to this paper.

3. DETAIL

- 3.1 The Education (Publication and Consultation etc.) (Scotland) Regulations 1981 and subsequent amendment regulations set out the formal consultation process which education authorities must follow when considering proposed changes to education provision in their areas e.g. school closures or changes to delineated/catchment areas for schools. The Scottish Government has issued a consultation document "Safeguarding Our Rural Schools and Improving School Consultation Procedures." This document proposes changes to the legislation and education authorities are asked to comment by responding to 13 specific questions raised within the document. The 13 questions and proposed answers are detailed in the appendix to this paper.

4. CONCLUSION

- 4.1 The proposals, if implemented, will require education authorities to carry out a wider consultation over a considerably longer period of time. In the case of Argyll & Bute Council, this would have implications for the school modernisation programme.

The document also provides a definition for “rural schools” which when applied to primary schools within Argyll & Bute would result in only 13 schools not being considered as “rural.” The proposals would, therefore, have a greater effect within Argyll & Bute than within most other education authorities.

5. IMPLICATIONS

- 5.1 **Policy:** None
- 5.2 **Financial:** None
- 5.3 **Personnel:** None
- 5.4 **Equal Opportunities:** None
- 5.5 **Legal:** None

Director of Community Services
8 July 2008

For further information contact:
Malcolm MacFadyen
Head of Community Regeneration

Background Paper:
Scottish Government – Safeguarding our Rural Schools and Improving School
Consultation Procedures – May 2008

**Appendix 1: Safeguarding our Rural Schools
And Improving School Consultation Procedures**

Draft response by Argyll & Bute Council

Responses to specific questions:

CONSULTATION ON THE safeguarding our rural SCHOOLS AND IMPROVING SCHOOL CONSULTATION PROCEDURES(PROPOSALS FOR CHANGES TO LEGISLATION)

	Response
<u>Question 1</u> : Do you support the proposal to require local authorities to have regard to certain matters before they can proceed to consultation on the closure of a rural school?	<p>No. This authority does not agree that the identification of certain matters pertaining to the closure of rural schools is required. The current requirements laid down by the Education (Publication and Consultation etc.)(Scotland) Regulations 1981 are sufficient in determining the consultation process procedures placed upon local authorities with regard to the closure of all schools. These requirements place a duty upon local authorities to take account of a range of considerations which include educational impact, public consultations, travel implications, effect on local communities and longer term population predictions.</p> <p>No authority would take the closure of a school lightly but we believe the matters which are considered should not be subject to prescription.</p>
<u>Question 2</u> : Do you agree with the four matters we propose requiring that	See response to question 1. These four

<p>authorities should have regard to before proposing a rural school closure? These are:</p> <ul style="list-style-type: none"> • Alternatives to the closure of the school • Likely overall impact of the school's on the communities which it serves • Likely impact of closure specifically on the community's subsequent use of the school's building facilities and grounds • Likely impact that new travel to school patterns and arrangements would have on pupils and other school users and the environment 	<p>matters are already issues which Argyll and Bute Council consider as part of the process of consultation with regard to the closure of schools. However, with respect to the second bullet point, covering the impact on communities, the Council is concerned that there is no way of objectively measuring this.</p>
<p><u>Question 3</u>: Do you agree that it is not appropriate to set up a rural schools fund?</p>	<p>While we agree in principle that it is inappropriate to establish a rural schools' fund, if these proposals for changes to legislation are implemented then there will be a concomitant financial implication for local authorities with a large proportion of rural schools such as Argyll and Bute. This serious implication should be taken into account by government when allocating resources.</p>
<p><u>Question 4</u>: Do you agree with the proposed definition of "rural schools"?</p>	<p>It is useful to have a definition of a rural school in order to have consistency of approach. Argyll & Bute Council has no difficulty with the proposed definition.</p>
<p><u>Question 5</u>: Do you support requiring local authorities to publish a statement setting out the educational benefit of the school closure proposal?</p>	<p>Consideration of the educational benefit for pupils has been part of the process Argyll and Bute has adopted during previous consultations and, therefore, the Council agrees with this requirement.</p>
<p><u>Question 6</u>: Do you agree that it should be left to the authority as to how it sets out an educational benefit statement?</p>	<p>Yes, Argyll & Bute Council is of the view</p>

	that authorities should have freedom to set out their own Educational Benefit statement.
<u>Question 7</u> : Do you agree that HMle's views should be sought in all cases?	No. This authority does not agree that HMle should have a locus within this process. HMle should not have a locus within this process in order to maintain their independence when carrying out school inspections.
<u>Question 8</u> : Do you support the proposed changes to the way consultations should be conducted? These are: <ul style="list-style-type: none"> • Introducing a requirement that a consultation paper should be published containing certain information; • Establishing a mechanism for addressing allegations of factual inaccuracies in a consultation paper; • Extending the list of people who must be consulted; • Updating the way consultations are publicised; • Updating how people can respond to a consultation; • Extending the minimum consultation period to 6 weeks of term time; and • Introducing a requirement that the authority publish a Consultation Report, 28 days before the final decision is taken 	No. Argyll & Bute Council is of the opinion that the current requirements laid down by the Education (Publication and Consultation etc) (Scotland) Regulations 1981 are sufficient in determining the consultation procedures placed upon local authorities with regard to the closure of all schools. In our experience, the consultation period of 28 days, as already set out, is sufficient. There is the risk that the proposals will elongate and complicate the process.
<u>Question 9</u> : Do you agree that Ministers should take a power to issue 'statutory guidance'?	The Council does not support this as we believe that local authorities should have the ultimate decision. Also, the Council is uncertain what is meant by statutory guidance as "guidance" does not imply legislation but advice on "best practice".

<p><u>Question 10:</u> Are you content with the present system of referrals of closure cases to Ministers?</p>	<p>The present referral system where local authorities are required to refer cases where the distance to the next school is more than 5 miles in the case of a primary school or 10 miles in the case of a secondary school, or a school is more than 80% full, is considered satisfactory.</p>
<p><u>Question 11:</u> If not, what changes would you wish to see made, and why.</p>	<p>N/A</p>
<p><u>Question 12:</u> Do you agree with the proposal to place the responsibility on authorities to satisfy themselves regarding the provision of denominational education? If so, do you agree with the proposal to continue to allow referral to Ministers if the Church or denominational body has an objection?</p>	<p>This authority considers that the current procedures regarding the provision of denominational education are appropriate as they require authorities to consult with the relevant church representatives when considering school closures.</p>
<p><u>Question 13:</u> Do you agree with our proposal that in future only school closure cases should be referable to Ministers?</p>	<p>See response 10. For the avoidance of doubt, Argyll & Bute Council supports the referral of cases where the distances are more than 5 miles (primary) or 10 miles (secondary) or where a school is more than 80% full. The Council is firmly of the view that there should be no further requirement to refer cases to ministers.</p>
<p><u>Question 14:</u> Further Comments</p>	<p>Argyll and Bute is one of the largest and most sparsely populated local authority areas in Scotland with a population of approximately 91,000. Two thirds of the population live in small towns with a</p>

	<p>population of less than 10,000, half live in populations of less than 3000 and a third live in settlements of less than 1,000. This is reflected in the number of schools: 80 primary and 10 secondary schools of which five are joint primary-secondary campuses with a total pupil roll (at census date September 2007) of 11,933. 60% of Argyll and Bute primary schools have three classes or less, with composite classes covering the P1 to P7 age group. Education is the largest spending council service and in 2006/07 Argyll and Bute Council spent £113 million on education.</p> <p>In June 2005 HM Inspectorate of Education published a report on the education functions of the local authority. One of the main points for action identified the need to address the capacity and physical environment in schools.</p> <p>In the follow through report published in June 2007 they commented that while good progress had been made in taking this recommendation forward the authority faced major challenges in the quality of its school buildings and in an over supply of school places. 70% of primary schools and 10% of secondary schools had less than 60% occupancy. Against Scottish Government definitions,</p>
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	<p>59% of the primary school estate was classified as poor or bad. In April 2006 the authority devised a School Estate Asset Strategy and Management Plan. At the time of the publication of the follow through report the authority was finalising a further detailed modernisation strategy supported by external consultants. HMIE noted that it continued to remain vitally important that the Council approved and implemented a solution to the remaining school estate problem to ensure that all learners would have access to high quality learning environments.</p> <p>An Audit Scotland report: Argyll and Bute Council: The Audit of Best Value and Community Planning was published in February 2006. This report noted that the Council's school estate was in a poor state of repair and that many schools were under occupied. It stated that Statutory Performance Indicators showed that a high proportion of the schools were in need of substantial investment in repairs and upgrading and that the under occupation and poor state of repair of the building contributed to the high running costs of the council's primary schools. Despite recognising the difficult decisions involved in weighing the costs and benefits of operating under</p>
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	<p>occupied rural schools the report stated that it was essential for the council to base its decisions on good quality information about the costs, benefits and drawbacks of the available options. It stated clearly that the council needed to take action to address the problems for schools that were not covered by the public private partnership deal.</p> <p>Arising from the foregoing, the Council is anxious to ensure that procedures for school closures remain streamlined, straightforward and can be conducted within reasonable timescales.</p>
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ARGYLL AND BUTE COUNCIL

EXECUTIVE

COMMUNITY SERVICES

THURSDAY 21 AUGUST 2008

HOUSING (SCOTLAND) ACT 2006 – CONSULTATION ON DRAFT GUIDANCE AND REGULATIONS

1. SUMMARY

- 1.1. This report advises members of the Council's draft response to the Scottish Government's consultation on Draft Guidance and Regulations in respect of the Housing (Scotland) Act 2006 following publication of the Consultation on April 9th 2008
- 1.2. It notes that there will be subsequent reports to future committees seeking approval to changes of policies and procedures.

2. RECOMMENDATION

- 2.1. Members are asked to note
 - ▶ the terms of the response (appendix A)
 - ▶ that further reports will be brought to this or other relevant committee seeking approval to changes of policies and procedures.

3. DETAIL

3.1. Publication of guidance

The Scottish Government has published draft guidance and regulations for consultation which will support new local authority powers and duties in the Housing (Scotland) Act 2006.

The consultation began on 09 April 2008 and ran until 01 July 2008.

The Act gives local authorities a new set of tools to assist and, where necessary, compel private owners to take action to improve the condition of their houses. It also opens the way to a new approach to helping owners adapt their houses to suit disabled occupants.

3.2. Summary of Guidance

The Guidance can be accessed on the Scottish Government website at

<http://www.scotland.gov.uk/Publications/2008/04/07144231/0>

Because of the complexity and breadth of the powers and duties in the Act, six separate volumes of draft guidance have been published, each focusing on a specific theme:

Volume 1: Preparing and Delivering

This covers the overall approach to dealing with the quality of private sector housing including the policy context, the guidance itself, the transitional arrangements and factors which need to be considered in the context of the Local Housing strategy.

Volume 2: Housing Renewal Areas and Repair, Improvement and Demolition

This sets out the revised powers to deal with sub standard housing, suggests good practice and identifies issues for consideration by local authorities when implementing the new powers.

Volume 3: Maintenance

This sets out new powers available to local authorities to serve Maintenance Orders requiring owners to prepare maintenance plans, suggests good practice and identifies issues for consideration by local authorities when implementing the new powers.

Volume 4: Tolerable Standard

This section introduces the updated standard incorporating thermal insulation and electrical wiring and for the first time sets out detailed guidance on how the standard should be interpreted.

Volume 5: Scheme of Assistance

This section introduces the proposed framework by which local authorities will provide assistance to owners ranging from advice, information, practical assistance, through to financial assistance in the form of loans and grants. Grants will no longer be used for general subsidisation of repair and improvement works.

Volume 6: Proposals for a National Trusted Trader Framework.

This section introduces proposals for a framework of tradesmen, consultants etc which would be accessible to property owners.

3.3. Themes

Members attention is specifically drawn to the key themes within the guidance which are:

- Enhanced duties for local authorities to undertake strategic planning to achieve better quality private housing, linked into the authority's Local Housing Strategy (LHS);
- A duty to publish a 'Section 72 Statement' as part of the LHS i.e. a statement of criteria for providing assistance that reflects the full range of the local authority's policies for dealing with private sector condition;
- An extension to the Tolerable Standard to cover the provision of adequate thermal insulation and safe electrical wiring.
- a new and distinct difference between the approach for repairs and maintenance and the approach for adaptations to help disabled occupants

for repairs and maintenance:

- striking the balance between assistance and enforcement
- moving away from grant dependency
- flexible and preventative enforcement action
- detailed advisory guidance for consistency and fairness
- guidance on the Tolerable Standard for the first time;

for adaptations to help disabled occupants:

- close partnership working with health and community care colleagues
- grant of at least 80% for most adaptations;
- a move away from the expectation that grant will be provided.
- cost-effective options for financial assistance to maximise owners own investment in their properties in a way that they can afford - including lending and lending advice provided through a central resource for those who can afford it but cannot access commercial lending;
- increased focus on raising awareness of responsibilities; personalised service delivery and use of delivery partners (e.g. Care and Repair);
- developing good information on house condition on an on-going basis.

These new powers and duties will have a significant impact on how the Council deals with homeowners, landlords and private sector tenants who seek assistance to repair or improve their properties.

These powers and duties will replace the provisions in the Housing (Scotland) Act 1987 as they relate to private sector dwellings. The new powers will affect a number of Council departments. Consultation on the document is ongoing with the relevant departments.

3.4. The Way Forward

It is proposed that cross departmental officer working arrangements (Community Services, Legal, Finance) be set up to co-ordinate the implementation of the Act, with reports being brought to this or other relevant committee for approval of strategic and policy issues

4.1 IMPLICATIONS

Policy	None at this stage. Comprehensive review of policies and Local Housing Strategy requirements to be carried out in line with the guidance and the transition period to be confirmed
Financial	None at this stage. The Council has been awarded additional PSHG allocation which inter alia can be used to cover the costs of implementing the Act. Resources may require to be reviewed in due course in light of new policies and procedures.
Personnel	None at this stage. Resources may require to be reviewed in due course in light of new policies and procedures.
Equal Opportunities	None
Legal	None at this stage.

Director of Community Services
30 June 2008

For further information contact:
Malcolm MacFadyen, Head of Community Regeneration, Kilmory, Lochgilphead
01546 604412
Ian Davidson, Private Sector Officer, Kilmory, Lochgilphead
01546 604334

Background papers

Report to Executive dated 20 December 2007 – Housing (Scotland) Act 2006
Housing (Scotland) Act 2006 – Consultation on Draft Guidance and Regulations
Volumes 1 – 6 <http://www.scotland.gov.uk/Publications/2008/04/07144231/0>

Housing (Scotland) Act 2006: Consultation on Draft Guidance and Regulations

CONSULTATION RESPONSE FORMS

FORM 1 RESPONDENT INFORMATION FORM

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name: **Argyll & Bute Council**

Postal Address: **Kilmory
Lochgilphead
PA31 8RT**

Email address: **ian.davidsonargyll-bute.gov.uk**

1. Are you responding: (please tick one box)

- (a) as an individual go to Q2a/b and then Q4
 (b) **on behalf of a group/organisation** go to Q3 and then Q4

INDIVIDUALS

2a. Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government website)?

- Yes (go to 2b below)
 No, not at all We will treat your response as confidential

2b. Where confidentiality is not requested, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

- Yes, make my response, name and address all available
 Yes, make my response available, but not my name or address
 Yes, make my response and name available, but not my address

ON BEHALF OF GROUPS OR ORGANISATIONS:

3. The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government website). Are you also content for your **response** to be made available?

- Yes
 No We will treat your response as confidential

SHARING RESPONSES/FUTURE ENGAGEMENT

4. 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 the Scottish Government to contact you again in the future in relation to this consultation response?

- Yes
 No

Housing (Scotland) Act 2006: Consultation on Draft Guidance and Regulations

FORM 2 EQUAL OPPORTUNITIES MONITORING FORM

It is important that we engage with all sections of the community as part of our consultation process, as our proposals may affect different groups in different ways. Monitoring responses will allow us to identify any gaps in engagement which we can then address. Completion of this form is voluntary, but your assistance will help us improve our consultation. Information on individuals will remain anonymous.

If you are responding on behalf of an **organisation** please complete **Part A**.
If you are responding as an **individual** please go to **Part B**.

PART A – FOR ORGANISATIONS ONLY

Which category best describes your organisation? (please tick)

Local Authority	<input checked="" type="checkbox"/>	Voluntary Sector	<input type="checkbox"/>
Other Public Body	<input type="checkbox"/>	Equality Group	<input type="checkbox"/>
Private Sector	<input type="checkbox"/>	Other	<input type="checkbox"/>

If you ticked Equality Group please indicate which equality group/s you work with or for.

Asylum Seekers/Refugees	<input type="checkbox"/>	Older People	<input type="checkbox"/>
Disabled People	<input type="checkbox"/>	Religion/Belief Groups	<input type="checkbox"/>
Gypsies/Travellers	<input type="checkbox"/>	Women	<input type="checkbox"/>
LGBT Communities	<input type="checkbox"/>	Young People	<input type="checkbox"/>
Men	<input type="checkbox"/>	Other	<input type="checkbox"/>
Minority Ethnic Communities	<input type="checkbox"/>	(please indicate)-----	

PART B – FOR INDIVIDUAL RESPONDENTS ONLY

Please tick one box in each section. You may fill in as many or as few sections as you feel comfortable with. But your co-operation would be appreciated.

Section 1: Age – are you:

Up to 24 25-39 40-49 50-64 65 Upwards

Section 2: Disability – do you have:

No disability or impairment	<input type="checkbox"/>	A sensory impairment	<input type="checkbox"/>	A learning disability	<input type="checkbox"/>
A physical impairment	<input type="checkbox"/>	A mental health condition	<input type="checkbox"/>	Any other disability or impairment	<input type="checkbox"/>

Section 3: Ethnic Group - are you? (census 2001 categories)

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A - White		B - Mixed/Other Ethnic Background		C - Asian, Asian Scottish or Asian British		D - Black, Black Scottish or Black British	
Scottish	<input type="checkbox"/>	Any mixed background	<input type="checkbox"/>	Indian	<input type="checkbox"/>	Caribbean	<input type="checkbox"/>
Other British	<input type="checkbox"/>	Any other background	<input type="checkbox"/>	Pakistani	<input type="checkbox"/>	African	<input type="checkbox"/>
Irish	<input type="checkbox"/>			Bangladeshi	<input type="checkbox"/>	Any other Black background	<input type="checkbox"/>
Any other white background	<input type="checkbox"/>			Chinese	<input type="checkbox"/>		
				Any other Asian background	<input type="checkbox"/>		

Section 4: Gender – are you:

Female Male Transgender

Section 5: Religion – what religion/ denomination do you belong to:

None	<input type="checkbox"/>	Buddhist	<input type="checkbox"/>	Pagan	<input type="checkbox"/>
Church of Scotland	<input type="checkbox"/>	Hindu	<input type="checkbox"/>	Sikh	<input type="checkbox"/>
Roman Catholic	<input type="checkbox"/>	Jewish	<input type="checkbox"/>	Any other religion	<input type="checkbox"/>
Other Christian	<input type="checkbox"/>	Muslim	<input type="checkbox"/>		

Section 6: Sexual Orientation – which box best describes your sexuality?

Heterosexual Lesbian Gay Bisexual

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FORM 3 CONSULTATION QUESTIONNAIRE

Please use this form to respond to the consultation questions. This will help us to understand clearly which part of the consultation your comments relate to.

We have listed below each question asked in the consultation in order starting at Volume 1 and provided space for your comments. Some of the questions are general and refer to the whole volume. Where questions are specific to a particular part of the volume, we indicate the page number for your ease of reference. We have provided additional space at the end for you to make general comments about the guidance as a whole if you wish.

You may respond in writing using this form, or if you require more space for your answers, you can access an electronic version of the form at www.scotland.gov.uk/consultations/current. For organisations: it would assist us greatly in analysing the responses if you could send a single, consolidated response which takes account of all relevant interests in your organisation.

VOLUME 1			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
11	Do you agree that the publication of the section 72 statement is the best point of transition?	<i>Yes. At that stage the Council would have determined its policies for Scheme of Assistance, following consultation internally and with external stakeholders.</i>	A1
11	Is a transition period of 6 months appropriate?	<i>No. Argyll & Bute Council considers that 6 months is totally inadequate. The council needs sufficient time to work up its policies and procedures, train staff, consult with stakeholders and put the necessary resources in place (staff & financial). The Council considers that the minimum transition period should be 12 months, but ideally, the new regulations should start at the beginning of a financial year, at the earliest April 2010.</i>	A2

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VOLUME 1			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
15	After considering the statutory and advisory parts of this suite of guidance, do you agree with the way the guidance balances national consistency and local flexibility?	<p><i>Generally, the balance is right. However, elsewhere in this response the Council highlights some concerns, where it considers that national consistency is lacking.</i></p> <ul style="list-style-type: none"> ➤ <i>Lack of standard forms</i> ➤ <i>Removal of national test of resources</i> 	A3
26	What exceptions are there to the general rule that assistance is preferable to enforcement and how would you propose to handle them?	<p><i>Argyll & Bute Council has still to consider this in any detail. However, it would be reasonable to expect the enforcement route to be followed where</i></p> <ul style="list-style-type: none"> ➤ <i>There is an absent owner holding up the works.</i> ➤ <i>There is imminent risk of serious damage to a property if works are not carried out and it is clear that there is an obvious reluctance on the part of some owners to proceed</i> 	A4
28	Do you agree with the position taken on the SHQS?	<p><i>SHQS is a non statutory aspirational standard when it is applied to private sector housing. It is right, therefore, that only works to stop a house being sub standard benefits from assistance (financial or non financial) and any works which go beyond that criteria would have to be clearly stated in a Section 72 statement. An example of this would be work being carried out by a stock transfer RSL to bring their properties up to standard, which might only be possible with the cooperation of private owners with common responsibilities.</i></p>	A5
31	Have we suggested the most appropriate areas for the collection of statistics in the future?	<p><i>Yes. But clear guidance must be issued at an early stage in order that Council's record and monitor their activities to suit the national data collection requirements.</i></p>	A6

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VOLUME 1			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
34	Do you think it would be helpful to use maintenance order powers before other aspects of the new powers are ready to be introduced locally?	<i>NO. Argyll & Bute Council considers that all the powers should be brought in at the same time. Many of the powers and duties are closely linked and it could cause confusion if they were implemented on a piecemeal basis.</i>	A7
34	Do you foresee any problems if we repeal conflicting duties in the 1987 Act at the start of the transition period?	<i>No</i>	A8
36	Should non-local authority interests be involved in training and if so, how?	<i>The extent of the changes in the way local authorities will need to approach the improvement of the private sector stock is such that it would be unlikely that local authorities had the expertise in-house to cover all aspects of the training needs. Accordingly, it is almost inevitable that external training providers will be required.</i>	A9
36	Would you be in favour of the development of a recognised qualification focusing on private sector housing issues?	<i>Argyll & Bute Council would welcome the development of such a qualification.</i>	A10

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VOLUME 1			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
36	Are there examples of processes for identifying, validating and disseminating good practice that you think would be useful?	<i>Argyll & Bute Council supports the Scottish Housing Best Value Network and hopes that the current proposals to set up a Private Sector Housing sub group will be supported with funding by the Scottish Government. If approved this would provide the best forum for exchanging views, disseminating good practice and benchmarking with other authorities.</i>	A11

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VOLUME 2			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
ii	Will this guidance help you to implement the new powers? Ultimately you will be responsible for interpreting the legislation, but are there any areas which you would appreciate more information on?	<i>Argyll & Bute Council is generally content with the level of advice contained in this volume of the guidance.</i>	B1
ii	Will the information in Annexes A-D help you to produce the appropriate documents?	<i>The information is helpful in the preparation of the appropriate documents. However, the Council feels that, rather than each authority developing its own forms, standard templates should be provided which could be used by all authorities, in the same way that forms are currently provided for closing orders, demolition orders, improvement orders etc., thereby ensuring a consistency of approach throughout Scotland and reducing the possibility of appeals.</i>	B2
ii	We are proposing to include a Q&A annex of frequently asked questions. This will be developed for the final document, and we propose to update this, as necessary, on the website version of the document. Do you think this would be useful? Are there any questions in particular you would like this to include?	<i>A Q & A annex to the guidance, possibly supplemented with an FAQ page on the web site would be useful. There are no particular questions which we could suggest at this stage but it is likely that questions will arise during the implementation of the legislation</i>	B3

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VOLUME 2			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
ii	We are also looking at the possibility of an annex which will set out the various pieces of legislation which a local authority can use to deal with issues of poor quality in private sector housing. Would you support this?	<i>Yes. This would be extremely useful.</i>	B4
ii	Any other comments on Volume 2?	<i>No</i>	B5

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VOLUME 3			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
ii	Will this guidance help you to implement the new powers? Ultimately you will be responsible for interpreting the legislation, but are there any areas which you would appreciate more information on?	<i>Argyll & Bute Council is generally content with the level of advice contained in this volume of the guidance. However, it is concerned about the term “reasonable standard”, being the standard to which a house should be maintained. This is a subjective term and could be open to various interpretations, thereby increasing the possibility of appeals if owners considered that the standard being required by a local authority was “unreasonable”. This is highlighted in paras 3.63 and 3.64 of this volume of the guidance where the example is given of local authority or RSL properties being used to set the “reasonable standard” in the area: then in the next paragraph it is conceded that just because this standard applied to such properties, that would not necessarily mean that it would be “reasonable”, in the context of other properties in the area. More guidance is required on how a “reasonable standard “should be defined.</i>	C1
ii	Will the information in Annexes A and B help you to produce the appropriate documents?	<i>The information is helpful in the preparation of the appropriate documents – maintenance orders, plans etc. However, the Council feels that, rather than each authority developing its own forms, standard templates should be provided which could be used by all authorities, in the same way that forms are currently provided for closing orders, demolition orders, improvement orders etc., thereby ensuring a consistency of approach throughout Scotland and reducing the possibility of appeals.</i>	C2

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ii	Any other comments on Volume 3?	<i>While Argyll & Bute Council welcomes the new powers provided by this section of the Act, it is concerned that the proposals may be very staff intensive and the resources (financial and staff) which may be required to implement the powers – identifying properties, engaging with owners, serving orders, monitoring the implementation of maintenance plans etc - will not be available. The purpose behind the legislation of making owners aware of their responsibilities for maintaining their properties, if necessary enforcing the maintenance, and ultimately improving the condition of the private sector housing stock may not be achieved.</i>	C3
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VOLUME 4			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
i	We have developed the draft guidance in a way that encourages consistency but retains the scope for flexibility and professional judgement. Do you agree that the balance is right?	<i>Argyll & Bute Council is generally content with the balance of the guidance but has concerns regarding specific aspects and these are dealt with elsewhere in this response.</i>	D1

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VOLUME 4			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
ii	<p>The chapters on <u>electrical installations</u> and <u>thermal insulation</u> reflect new provisions and as such there is no body of experience in working with them. Do you think that the approach we have set out is useful? If not, what parts should we change and what would you suggest?</p>	<p><i>Argyll & Bute Council has concerns regarding the guidance in respect of both of these new provisions.</i></p> <p><i><u>Thermal Insulation.</u> The legal test of whether a property meets the tolerable standard, in terms of the Housing (Scotland) Act 2006 is that the property “has satisfactory thermal insulation”. It is our view that the mere presence of roof insulation does not meet that test. In para. B17 of Annex B to Volume 4 of the guidance, it is acknowledged that this indicator will not capture all houses with poor thermal insulation. It is further acknowledged that officers will need to use their professional judgement in assessing this element of the standard and that, ultimately, it would be the local authority’s decision as to whether or not a property met the standard. This contradicts the main thrust of this part of the guidance which is aimed at providing a consistency of approach throughout Scotland.</i></p> <p><i>Argyll & Bute Council recommends that, rather than the test being the presence of roof insulation, a “whole dwelling” approach should be taken and the test of “satisfactory” should reflect the overall heat loss from the dwelling. Example: Dorrans bungalows (precast concrete non traditional construction) which may have a minimal amount of roof insulation but which suffer from substantial heat loss through the external walls. It would be difficult to justify such properties meeting the tolerable standard on the basis of having “satisfactory” thermal insulation.</i></p>	

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VOLUME 4			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
li (cont)	The chapters on <u>electrical installations</u> and <u>thermal insulation</u> reflect new provisions and as such there is no body of experience in working with them. Do you think that the approach we have set out is useful? If not, what parts should we change and what would you suggest?	<p><u>Electrical Installations</u></p> <p><i>Generally, the guidance is useful and provides useful advice on how to assess whether or not an electrical installation may be unsafe. However, Argyll & Bute Council considers that the indicators should be amended, particularly Table B indicators. The Council considers that the fact that an installation is over 30 years old and/or there is a metal consumer unit with ceramic wired fuses (indicating, according to the draft guidance, that the unit is more than 25 years old) should not be used to indicate that the installation may be unsafe and therefore should be inspected.</i></p> <ul style="list-style-type: none"> ➤ <i>The 30 year indicator suggests that the installation may have brown plastic switch units and two pin socket outlets. It is unlikely that any installation installed, for example, in the 1970's (therefore meeting the 30 year requirement) would have such fittings. The 30 year indicator should be removed and only the visual evidence of 2 pin sockets, brown switch units etc be used.</i> ➤ <i>Many houses, much younger than 25 years old, have metal consumer units with ceramic fuses. It would be inappropriate to consider them to be potentially BTS. This criteria should be removed from the indicators.</i> 	

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VOLUME 4			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
ii	Assessing the severity of rising and penetrating damp can be difficult. Do you agree with our proposed approach for assessing houses against the rising and penetrating damp element? If not, what would be a more useful framework?	<p><i>The legal test is that a property should be “substantially free” from rising or penetrating dampness.</i></p> <p><i>Argyll & Bute Council accepts the standard suggested for <u>rising damp</u>. i.e. that the presence of any visible indicators of rising damp will mean that the dwelling is BTS.</i></p> <p><i>The Council considers that the same standard should be applied in respect of <u>penetrating damp</u>. i.e. that any evidence of dampness on walls or ceilings in apartments (defined in para.5.23) should mean that a dwelling is considered BTS.</i></p>	D3
ii	Do you think the level of detail we give in the draft guidance is appropriate? Are there areas that you would find more detail helpful?	<p><i>Argyll and Bute Council is satisfied that the level of detail is appropriate having regard to the audience at which the guidance is aimed.</i></p>	D4
ii	Is the pitch and tone of the draft guidance appropriate for the audience we are aiming at? If not, how could we improve this?	<p><i>Argyll & Bute Council is satisfied that the pitch and tone of the draft guidance is appropriate for the audience at which it is being aimed and with the exception of the matters noted above will be a useful tool in assessing a dwelling’s compliance with the tolerable standard.</i></p>	D5

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
20	How useful would a public information website be?	<i>Argyll & Bute Council would prefer a single public information website, with links to Local Authority sites. The benefit of a single information site would be to encourage and develop consistency of approach throughout Scotland.</i>	E1
22	Do you support this overall approach to information provision? Are there additional areas on which you would welcome guidance?	<i>Argyll & Bute Council does support the proposed approach to information provision. There is some concern that a national awareness raising campaign could raise expectations among homeowners when local authorities may not be in a position to deal with the demand. It is therefore critical that, if there is to be a national campaign, it is not launched until authorities have confirmed that they have procedures in place to deal with the resulting enquiries.</i>	E2
29	Do you support this overall approach to advice provision? Are there additional areas on which you would welcome guidance?	<i>Argyll & Bute Council does support the overall approach, using a One Stop Shop or other method for delivering advice. Given the diverse nature of the Council area an OSS approach may be difficult to set up, however the Council does recognise the importance of the advice being consistent, reliable, trustworthy and effective.</i>	E3
32	Are there any specific aspects of practical assistance on which you would welcome guidance?	<i>No. Argyll & Bute has or will develop its own network of agencies, such as Care & Repair, and professionals who could provide the practical assistance.</i>	E4

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
47	Are there any other categories of borrowers who require consideration in developing lending options?	<i>Argyll & Bute Council has no experience of developing lending options and cannot suggest any other category of borrower, other than those listed in the guidance.</i>	E5
51	Should any changes be made to the key features of these lending products?	<i>Argyll & Bute Council has no experience of delivering such products and therefore is unable to comment.</i>	E6
51	Are the proposed products suitable for these types of borrower?	<i>Argyll & Bute Council has no experience of delivering such products and therefore is unable to comment.</i>	E7
51	Are there any other products that should be considered?	<i>Argyll & Bute Council has no experience of delivering such products and therefore is unable to comment.</i>	E8

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
52	Should a minimum amount of an owner's wealth be disregarded when assessing affordability of works? If so, on what basis?	<i>Argyll & Bute Council supports a minimum disregard and would recommend that the figure be set at £6000, in line with Benefits regulations.</i>	E9
52	What is the realistic possibility of the commercial market developing a Home Appreciation Loan as outlined above?	<p><i>Argyll & Bute Council cannot comment on the possibility of commercial lenders developing an HAL. This would be dependant on market forces and the policies of the individual lenders.</i></p> <p><i>Argyll & Bute Council does have concerns regarding HALs, particularly in the current housing market when property values are falling. It is difficult to envisage the situation where such a loan could be justified.</i></p>	E10
33	Which method of allocation of funds for the National Lending Unit should be used?	<i>If specific central funding (non PSHG) is not available (this would be the preferred option), then the only alternative in the short term would be top slicing of PSHG in the expectation that, over time, loans would be repaid and the income could be recycled to fund further borrowing and reduce the reliance on PSHG. The other alternative would be for Local Authorities to provide funds to the NLU for each individual case, but this would be cumbersome, bureaucratic and time consuming</i>	E11
34	Is there a better way to allow local authorities to access capital within the fund?	<i>See above.</i>	E12

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
70	Do you support the creation of a National Lending Unit to supply products to people generally not served by the financial markets? If not, what alternatives would you suggest?	<i>Argyll & Bute Council is satisfied that if the choice is between an NLU and each authority setting up its own lending unit, then the NLU must be the preferred option.</i>	E13
70	How do you think a National Lending Unit should be delivered?	<i>Argyll & Bute Council would prefer Option 5 (page64) where the SG would take the lead role.</i>	E14
79	Do you support this overall approach to the assessment of financial assistance?	Yes	E15
79	Is the proposed model framework helpful?	Yes	E16

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
79	How do you view the framework in the context of the new relationship between national and local government that has been signalled?	<i>The framework allows Local Authorities considerable scope to set its own priorities in consultation with its partners and stakeholders. However, the test will come when the NLU is set up and starts to deal with particular applications. While supporting the principles behind the NLU, Argyll & Bute Council is concerned that a national, government-led agency will not be able to deal with local issues in remote rural areas and the partnership working, which is at the core of the national/ local government relationship, will be tested.</i>	E17
81	Do you support the creation of a publicly funded financial advice service? If not, what alternatives would you suggest?	<i>Argyll & Bute Council supports the creation of a publicly funded financial advice service. This is probably the only way that independent advice could be assured and that a consistency of approach could be maintained throughout Scotland. There is some concern as to how the advice service would deal with properties in remote rural and island situations and the Council would need to be assured that such applicants received equal treatment</i>	E18
81	Do you have any views on whether the service should be delivered by an appointed panel of brokers from the financial services industry, or whether it should be run as part of the National Lending Unit?	<i>For the reasons given above – independence, consistency etc – Argyll & Bute Council consider that the service should be incorporated in to the NLU</i>	E19

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
94	Do you support the intention to regulate for adaptations to attract mandatory grant? Is our proposed definition of adaptation appropriate?	<i>Argyll & Bute Council supports the intention to regulate for disabled adaptations and to offer a mandatory grant of 80%. This will simplify and accelerate the assessment process and should mean that disabled owners and tenants will benefit from the adaptations far sooner that is currently the case.</i>	E20
94	Do you agree with our proposed approach of restricting mandatory grant in cases where additional living accommodation is being provided but avoiding a blanket exclusion?	<i>Argyll & Bute Council agrees with the proposed approach and welcomes the guidance that local authorities can still use its discretionary powers to award grant for additional living space if it considers it to be the best way to meet the individuals assessed needs.</i>	E21
94	Do you support the intention to regulate for 80% minimum grant for grant-aided works related to a disability, increasing to 100% for people in receipt of specified income replacement benefits?	Yes	E22
92	Do you see value in a national tendering exercise for permanent adaptations? If so, should it extend to adaptations funded in the social rented sector or be limited to adaptations in owner occupied housing?	<i>Argyll & Bute Council would not support a national tendering exercise. Individual owners and tenants should be free to choose there own contractor, preferably from the pool of local companies, encouraging the local construction industry and supporting the local economy.</i>	E23

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
94	Do you have any other comments on this approach to financial assistance for works related to disability?	<i>No</i>	E24
98	Do you support this general approach to financial assistance for house condition works?	<i>Argyll and Bute Council supports the general approach and recognises that the guidance does give local authorities some discretion on whether to offer up front grant assistance for specific categories of work/ applicant</i>	E25
98	In what, if any, circumstances do you envisage that up-front grant might be a necessary tool in facilitating repair and improvement work to be carried out?	<i>Although this has not been considered in detail, it is likely that Argyll & Bute Council would consider, inter alia, offering up front grant for project involving common works</i>	E26
100	Is this a reasonable approach to financial assistance for landlords and tenants?	<i>Argyll & Bute Council does not agree that landlords and tenants should, as a matter of course, be treated differently from owner occupiers. Many landlords in this area are individuals who may have inherited the family home and lease it to a tenant. They do not consider that they are running a business, as suggested in the guidance, but they do provide a vital contribution to the occupied housing stock.</i>	E27

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
100	Are there other types of works or categories of owner on which you think guidance on financial assistance would be helpful?	<i>No</i>	E28
102	Do you support the view that a nationally prescribed test of resources for assessing grant eligibility for repair and improvement work will no longer be appropriate under the Scheme of Assistance?	<i>Argyll & Bute Council does not support the removal of a national test of resources. The test introduced as part of the 2001 Act, although flawed in some respects, encouraged a consistency of approach throughout the country and meant that, no matter where the application was submitted, applicants with similar financial circumstances received the same percentage of grant.</i>	E29
102	If your authority plans to use a local test of resources, are there any aspects of this on which you would find guidance helpful?	<i>In the event that the national test of resources was withdrawn, it is likely that Argyll & Bute Council would continue to use it, albeit amended to deal with some of the anomalies in the current scheme.</i> <i>Guidance would be sought from other council departments.</i>	E30
104	Do you support this approach to approved expense limits?	<i>Yes. Argyll & Bute Council has, in the past, suggested that expense limits be withdrawn, thereby removing the need for Scottish Minister's approval to exceed the statutory limit, which always seemed to be a rubber stamp exercise anyway. This will provide authorities with more flexibility in providing financial assistance to applicants.</i>	E31

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VOLUME 5			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
104	Are there circumstances where you see a continued role for local approved expense limits?	<i>This authority has restricted expense limits where the applicant has been resident in the area for less than 3 years, discouraging speculators from buying property and then selling soon after completion of the grant works. It is possible that a similar scheme will be considered as part of the approach to the new scheme.</i>	E32
115	Is this a fair summary of the issues likely to influence the identification of priorities within a statement of assistance?	Yes	E33
118	Is this model framework helpful? Are there further headings that could be included within this model framework?	<i>The information will be helpful in the preparation of the Section 72 statement</i>	E34

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your ideas on the potential role of CLE within a trusted trader framework in Scotland?	<p>The main concern relating to the CLE scheme is that it does not inspect / check standards of work itself but relies on members having checks in place and agrees relevant standards and competences for licensed firms.</p> <p>Another weakness of the CLE approach is that it does not represent all of the Scottish construction industry, with the majority of smaller firms, even in relevant sectors, remaining out-with the CLE umbrella - a number of other relevant scheme operators such as NICEIC [electrical] are not members of CLE at all.</p> <p>In addition CLE is also not a truly independent organisation, as its funding comes almost entirely from member firms and associations. This arrangement could result in the whole CLE operation becoming unsustainable should any of the trade associations withdraw their support for CLE.</p> <p>The national group representing Trading Standards, SCOTSS has a place on the board of CLE and is fully supportive of CLE aims and objectives, however if CLE were to play a central role in a national trusted trader framework, it would be desirable to have a more robust and independent administration of CLE approved schemes and a more comprehensive and representative membership. It is also desirable that membership should be on a voluntary basis rather than mandatory, and should not place any undue administrative nor financial burden on member firms.</p>	F1

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your ideas on the potential role of CLE within a trusted trader framework in Scotland? (Cont)	It is also suggested that the EU Services Directive be examined in respect of the operation of a national trusted trader framework in Scotland, to make sure any proposals for administrative practices or licensing schemes are compliant with the Directive.	F1

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your ideas on the potential role of local authority schemes within a trusted trader framework in Scotland?	<p><i>Local authorities have a key role to play in introducing and supporting local good trader schemes, ideally within the wider framework of a national trusted trader network. There are already a number of Scottish local authority schemes operating or planned, as outlined in the consultation, and although these are somewhat diverse in nature and scope, some of the schemes are part of a national Local Authorities Assured Trader Scheme Network [LAATSN] supported by the Office of Fair Trading UK wide.</i></p> <p><i>Local authorities are inherently well placed to operate such schemes, having a key appreciation of local issues, and will be able to work directly with scheme members to advise and support them in improving business standards and increasing consumer confidence in local services. However, those Local Authorities with a small Trading Standards service, such as Argyll & Bute are unlikely to have sufficient resources to establish and maintain this type of scheme.</i></p> <p><i>A key benefit to local authorities operating local schemes is that the scope can be extended beyond simply construction, to other areas of potential consumer detriment, for example car servicing. Homeowners are not merely interested in finding a reliable plumber or builder - they may also want to have their car serviced at a reliable garage or their computer repaired at a recommended repairer. Local authority schemes are also more independent than industry or privately run schemes and in our view are clearly the best option for focusing on local needs and local community wellbeing.</i></p>	F2

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your ideas on the potential role of local authority schemes within a trusted trader framework in Scotland? (Cont)	<p><i>We agree with the Scottish Government's views on the broad nature and features of a trusted trader framework, in particular:</i></p> <ul style="list-style-type: none"> • <i>Access - any scheme must be easily accessible and clearly understood by consumers and citizens, without charge at the point of information.</i> • <i>Scope - any scheme must include a variety of sizes of business within a variety of business sectors and should be open to all.</i> • <i>Joined up - any scheme must not stop at local authority boundaries, but must provide a consistent and universal facility to consumers across Scotland.</i> • <i>Added value - any scheme must provide information that empowers consumers to make more informed choices and encourages market competition.</i> • <i>Sustainable - any scheme must be attractive to members, and sustainable in the longer term with minimal support from public funds.</i> • <i>Feedback - any scheme must include an element of feedback to inform consumers and be a positive incentive for business.</i> • <i>Credible - any scheme must have published standards, and be independently monitored and rigorous with members in terms of compliance.</i> • <i>Trust - any scheme must imbue confidence and trust in users</i> 	F2

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your views on CLE and local authorities operating under the one framework in Scotland?	<p><i>It may be possible for local authority schemes to operate within the same framework as CLE, however this would not be without some difficulties, and we feel there would need to be some significant change in the CLE approach for the following reasons.</i></p> <p><i>Firstly in terms of the construction industry itself, CLE is not representative of nor truly independent of all the various industry sectors, so it may not be suitably placed to administer any trusted trader network, without the risk that the majority of Scotland's construction related businesses would be placed at a distinct disadvantage. Making CLE membership mandatory would be an unwelcome step which would place undue burdens on small business, and others who are currently members of non CLE approved schemes. It is likely that well established and respected organisations such as NICEIC would object to this approach.</i></p> <p><i>We agree with the Scottish Government's aspiration that as far as is practicable there should be universal coverage of all sectors of the construction industry.</i></p> <p><i>It is suggested that CLE has a narrow scope compared to the breadth of sectors that are already included in local trading standards schemes. Although consumer protection is a reserved matter however it would be to the detriment to Scotland's communities to restrict the potential of any national scheme solely to the construction industry.</i></p>	F3

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
13	What are your views on more than one level of accreditation existing within the one framework?	<p><i>Some form of overall accreditation to a set of standards or code of practice is needed to give consumers an underlying level of protection. However the experience of local authorities has shown that code compliance in itself is not as big a factor in consumer choice as others such as value for money and perceived quality of work.</i></p> <p><i>We believe that member firms within a national trusted trader network must abide by simple universal and clearly laid out codes of practice which have consumer protection principles at their heart. This should be seen as a minimum standard.</i></p> <p><i>There are benefits in having a greater level of accreditation, particularly in the construction sector, where work may be particularly expensive and insurance backed warranties or mandatory accreditation is required, for example for gas fitters. However we would not support extending a high level of 'accreditation' across wide sectors or over a range of sizes of business, as this may be prohibitively expensive and unnecessary, and may be a barrier to membership to many firms.</i></p> <p><i>Our experience of working with local authority schemes is that consumers appreciate credible and trustworthy feedback from others in decision making, and we feel that combining feedback along with any necessary competence or financial protection standards will work best, so long as it does not serve to confuse consumers nor create barriers to scheme entry.</i></p> <p><i>It is suggested that it is not the number of levels of accreditation that are available within a network that is important, but rather that information on accreditation or standards is clearly and unambiguously presented, and understood by consumers.</i></p>	F4

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
14	What are your views on how the framework should be monitored and evaluated?	<p><i>In order to maintain a high level of consumer confidence any scheme or network will require to be monitored regularly and robustly. We believe that a local authority based scheme will be best placed to achieve this since the burden of administration will be shared across Scotland. A sufficient level of feedback will show a fair and clear picture of the standard of work that can be expected, and will provide valuable information to businesses as well as consumers. This must be a key element in any network monitoring since it is more cost effective, robust and comprehensive than direct audits or assessment, and reduces the liability of the scheme operator in terms of making recommendations about particular member firms. We also believe there is merit in a higher level audit process in connection with any scheme accreditation, to ensure that scheme operators are managing schemes properly and robustly within the network, that required competences and qualifications are in place where appropriate, and to maintain a high level of public confidence in the independence and transparency of any national trusted trader network.</i></p> <p><i>Evaluation will depend ultimately on what measures of success are agreed for any trusted trader network, but the scheme must be evaluated against realistic outcome measures, linked for example to a reduction in the number of complaints against firms in relevant sectors, perhaps monitored independently by Consumer Direct, or the new National Consumer Council in Scotland. Clearly a measure of success will also be the volume of take up of the scheme by Scottish business, and this should also be a part of any framework evaluation.</i></p>	F5

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
14	What are your views on how the framework should be delivered e.g. by local or central government, the construction industry, the private or voluntary sectors or some combination?	<p><i>Local authorities are best placed to deliver a generic and universal trusted trader network in Scotland, although we must concede that where there are already construction industry schemes such as SNIPEF, where there are technical or safety related aspects to the work being undertaken, then these must also form an integral part of the framework.</i></p> <p><i>In our experience the only issue in this regard is the risk that not all local authorities will be willing to commit resources to set up and maintain such a scheme in their area. Although local authorities are quite entitled to decide locally what is best for their communities, it would be of concern that this would not achieve the delivery of a consistent trusted trader framework across the country. It would be preferable for the Scottish Government to commit sufficient resources to local authorities, or centrally, to provide the wherewithal to set up this trader scheme network and support it to the point of sustainability.</i></p> <p><i>Although there are a number of privately run 'good trader' schemes, and we would not wish to influence their development, we do not think they can deliver a national trusted trader network. In general they are small, highly localised, less credible, and more costly to member firms since there is an inherent profit element. We feel this is a proposal with a high public interest element and it is most properly delivered by the public sector. Another key benefit to having local authorities operate trusted trader schemes is their ability to intervene on behalf of consumers or resort to regulatory powers where for example redress is required due to a failure on the part of a member firm, or where scheme branding is misused.</i></p>	F6

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
14	<p>What are your views on how the framework should be delivered e.g. by local or central government, the construction industry, the private or voluntary sectors or some combination? (Cont)</p>	<p><i>The foregoing could be delivered on the basis of local authority schemes and industry sector schemes all operating under a clear set of national standards, with information drawn together through a central facility which provides clear and trustworthy information on member firms, including an assessment of the quality of their work and their competence and qualifications. This will allow for informed customer choice and a transparency of service delivery which should make markets work better and deliver benefits for consumers. The central organisation could be delivered by CLE [although see earlier comments] or through a network arrangement similar to the LAATSN currently administered by OFT, albeit with greater central resources to audit and assess scheme compliance. There would also need to be a substantial 'back-office' resource to process and deliver information, which could be provided from the private sector, for example www.reference-line.com who operate the Dundee scheme as well as a number of other national sectoral schemes, or perhaps in house by the Scottish Government.</i></p>	F6

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
14	What functions would you wish to see a framework perform to encourage use by homeowners?	<p><i>The experience of Trading Standards services that already operate good trader schemes, is that the greatest difficulty is not getting homeowners to use the scheme, but getting businesses to join it. In a sense both are linked, without sufficient critical mass consumers will see little value in using a good trader system, and without sufficient evidence of consumer interest the benefits of joining a scheme will be less apparent to business.</i></p> <p><i>Marketing and promotion is a key factor in attracting consumer use, and the use of common and consumer friendly branding across Scotland will be important in maintaining and increasing consumer usage of the network. Key elements of any scheme for consumers will include:</i></p> <ul style="list-style-type: none"> <i>• Easily accessible information and advice</i> <i>• Wide choice of business within each sector</i> <i>• Wide range of sectors</i> <i>• Clear information on warranties, competence, and qualification</i> <i>• Sufficient feedback from previous customers to give a robust picture of:</i> <ul style="list-style-type: none"> <i>○ Likely costs</i> <i>○ Likely quality of work</i> <i>○ Compliance with code of practice</i> <i>• Confidence in the credibility of the scheme itself</i> <p><i>It/..</i></p>	F7

VOLUME 6			
NB This part of our response follows the outline of the national Trading Standards group, SCOTSS			
PAGE	QUESTION	YOUR COMMENTS	Our ref.
14	What functions would you wish to see a framework perform to encourage use by homeowners? (Cont)	<i>It is also important that any scheme offers benefits to business, over and above directing potential customers their way. A trusted trader framework must inherently work to maintain or improve business standards in each sector, by providing information to firms on their own performance, and improving competition through making price and quality information publicly available. It should also help drive out rogue traders and support local economic development especially in the small business sector.</i>	
14	Please provide any further comments, stating your views on how a trusted trader framework should be established and operate in Scotland.	<i>No comment</i>	F8

ALL VOLUMES

GENERAL COMMENTS

Argyll & Bute Council recognises and supports the general thrust behind the legislation that owners must take responsibility for the maintenance of their own homes and the new powers in the Act reflect this principle.

However, the guidance, particularly in respect of the Scheme of Assistance, is written based on the assumption that there is either equity in the property which can be used to fund improvements, or the owner has sufficient income/ capital to fund the improvements or, where there is neither equity nor affordability, the NLU will step in with a Home Appreciation Loan to fund the improvements. What the guidance does not appear to take in to account are properties in low property value areas where the cost of works may well exceed the value of the property, the owners are on benefits and there is no prospect of the value of the property increasing within a reasonable period to make a Home Appreciation Loan viable and of interest to the home owner.

Such cases are not uncommon, particularly in tenements. The council could take the strictly pragmatic view that the property cannot be improved and therefore should be closed and demolished. This would however take dwellings out of the housing stock and place a burden on other housing providers to re-house the occupants of the affected properties.

Grant assistance would probably be the only option in such a situation and the Council feels that the tone of the guidance, which gives the impression that grants are to be discouraged, should be relaxed to recognise that there are many situations where, however laudable the principles behind the legislation may be, the only way that a property can be improved and the public value of that property be retained, is for it to benefit from assistance through direct public funding.

The Council also has real concerns about the proposals for the NLU to offer Home Appreciation Loans and these concerns are noted in the relevant section of the response. HALs can appear attractive, both to the homeowner and the lender, in a rising property market. However, in the market conditions which prevail today it would seem reckless for a publicly funded body to offer such loans when there is little or no prospect of the property value increasing and there is every likelihood that the value on sale or transfer will be lower with a resultant loss to public funds.

Consultation began 23 June 2008
Consultation ends 19 September 2008

ARGYLL AND BUTE COUNCIL

EXECUTIVE

COMMUNITY SERVICES

THURSDAY 21 AUGUST 2008

**CONSULTATION ON REGULATIONS MADE UNDER SECTION 32A OF THE
HOUSING (SCOTLAND) ACT 1987**

1. SUMMARY

- 1.1 This report is to make Members aware of The Scottish Government consultation document on regulations made under section 32A of the Housing (Scotland) Act 1987 which will have implications for the way in which the Council discharges its duty to homeless households.
- 1.2 The proposed changes would allow the provision of “transitional” accommodation where a homeless household with support needs has been assessed as not yet ready to successfully sustain a permanent tenancy (Regulation 4). The consultation also proposes changes which would allow local authorities to discharge their duty to statutorily homeless households through the provision of a Short Assured Tenancy in the private sector (Regulation 5).
- 1.3 All local authorities have been invited to comment on the proposed changes by 19 September 2008.

2. RECOMMENDATION

- 2.1 Members are asked to approve the proposed responses to the questions raised in the consultation document as set out in the appendix to this report.

3. DETAIL

- 3.1 **Regulation 4.** Generally, Scottish homelessness legislation requires that households assessed as unintentionally homeless and having a priority need for accommodation be offered permanent accommodation. However, section 32A of the Housing (Scotland) Act 1987 gives Scottish Ministers the power to prescribe circumstances in which permanent accommodation need not be provided.

3.2 A review conducted by the Scottish Government found that current usage was indeed limited and the Regulations were not widely known or understood. They concluded that the policy intention behind the Regulations remains valid and that greater use could be encouraged through development of clear guidance. Accordingly, the proposals seek to clarify the policy intention and the anticipated outcomes for homeless households, and to develop practice guidance.

3.3 **Regulation 5** seeks to introduce a further set of circumstances which would enable local authorities to discharge their duty to statutorily homeless households through the provision of Short Assured Tenancies in the private sector. The Scottish Government proposes that “non-permanent” private sector accommodation may be provided where the following criteria are met:

- A short assured tenancy (SAT) with a minimum 12 month tenancy period is available to the applicant (SATs are normally for a 6 month period)
- The tenancy is affordable for the household
- A housing support assessment has concluded that there are no tenancy support needs, or that a support package is in place to meet any needs
- The homeless applicant has given written consent that they consent to discharge of duty through invoking this Regulation. Applicants may chose not to “opt in” and will still be entitled to be owed a duty of permanent accommodation within the social sector

4 CONCLUSION

4.1 Further clarification is required on the status of applicants who have been provided with transitional accommodation. Argyll and Bute Council would still have a duty to provide permanent accommodation at a later date and these cases would require to be carefully monitored. If duty is recorded as discharged there is a danger that the Scottish Government 2012 targets will appear to have been met, or are closer to being met, than is actually the case. While officially classed as duty discharged, the cases remain effectively unresolved and local authorities retain the responsibility to find permanent accommodation.

- 4.2** While the private sector can provide useful additional accommodation resources for homeless households, there are a variety of reasons why applicants may not opt in. Rents in the private sector are considerably higher, housing conditions tend to be more variable, there is no Right to Buy and a 12 month tenancy is still too short to be seen as a viable permanent option.

6. IMPLICATIONS

- 5.1 **Legal.** None at consultation stage.
- 5.2 **Financial:** None
- 5.3 **Personnel:** None
- 5.4 **Equal Opportunities:** None
- 5.5 **Policy:** None

Director of Community Services
July 2008

For further information contact: Malcolm MacFadyen 01546 604391

APPENDIX 1
SECTION 4 – CONSULTATION RESPONSE

Name of individual/organisation: Argyll and Bute Council

Language

Q.1 Do you have any views on the language and terminology used in the draft Regulations and on their name?

Yes

Comments:

The name of the regulations is slightly misleading as it refers to 'non-permanent accommodation'. It might be more helpful to just describe it as the section 32a regulations.

The term "transitional accommodation" to describe accommodation offered to applicants who are not ready to sustain permanent housing is helpful. The phrase previously used was "interim accommodation" which was often confused with "temporary accommodation"

Regulation 4

Q.2 Do you support the proposed changes to this Regulation? Are any further amendments required to clarify its purpose?

Yes

Comments:

Further clarification is required on the status of applicants who have been provided with transitional accommodation. The council would still have a duty to accommodate at a future date and these cases would require to be carefully monitored. See further detail in Q3, below.

Q.3 Do you agree that good practice guidance on use of Regulation 4 should be developed?

Yes.

Comments.

Further guidance is required to explain the status of the homeless household who is accommodated in transitional accommodation. It is not clear as to whether the local authority would have discharged its duty completely. In reality the council would still have an obligation to secure permanent accommodation in the longer term and careful consideration requires to be given to how this would be monitored and reported. Technically there would still be a requirement for permanent accommodation to be found.

In respect of *interim* accommodation (the current equivalent of *transitional* accommodation) LAs may discharge their obligation. See HL1 Q22 -
"Duty discharge action taken by authority in respect of this application (if 2 selected in Q21)

Option is "*Applicant offered "interim accommodation" under the Interim Accommodation Regulations*"

There are implications for LAs and for HL1 recording if duty is discharged by the provision of transitional accommodation:

- Duty may be recorded as discharged but people will still be occupying what is effectively temporary accommodation.
- If the accommodation provided is in private sector properties which have been leased by the local authority and sub-let to tenants, local authorities must ensure that they enter into leases for longer periods
- If duty is recorded as discharged, there is a danger that the 2012 targets may be inaccurately interpreted. Duty is discharged but cases are effectively still open having not reached a permanent solution.
- Robust monitoring of transitional cases is required to ensure regular review (as specified in Regulation 4(b)(iv)). Guidance is required on how this should be reported to aid consistency between local authorities and to ensure that these cases are not omitted when 2012 targets are assessed.

Q.4 Do you have any suggestions regarding content of the guidance?

Yes

Comments

As stated above. Some guidance would be helpful on housing support assessments and housing support needs which are to be taken into account when considering the provision of transitional rather than permanent accommodation. Guidance on the terms of occupancy for transitional accommodation is needed.

Regulation 5

Q.5 Do you support the proposals to enable local authorities to discharge duty using a SAT?

Yes, in principle.

Comments:

While in agreement that the private sector can provide useful additional accommodation resources for homeless households, there are a variety of reasons why applicants may not be keen to 'opt in'.

Costs in the private sector tend to be higher; house conditions in the private sector tend to be more variable; there is no right to buy and as a permanent solution a 12 month lease period is relatively short.

It is not likely to be an attractive option if at the end of the 12 month period the applicant is going to have to go through the whole homeless application process again. Also consideration would have to be given to the status of the applicant on waiting lists for the social rented sector.

Q.6 Do you support the 4 prescribed circumstances which must apply in order that Regulation can be invoked (minimum tenancy period of 12 months; affordability; provision of support for applicant; and applicant gives informed consent)?

Not fully

Comments:

Minimum 12 Month Leases

Argyll and Bute Council supports the proposals that relevant SATs will be for a longer period than the usual 6 months, but the proposed minimum period of 12 months is still too short.

Affordability

Property in the private sector is often only affordable to people who are eligible for full housing benefit and it is therefore a disincentive for people to gain employment if they cannot earn enough to afford private sector rents.

For example, the monthly rent for a two bedroom housing association flat in Oban is around £275 while a two bedroom private sector property is around £550.

In addition, social tenancies are generally seen as more energy efficient and cheaper to run than older private rentals.

It is likely that affordability will be a key consideration for many homeless households and will mean that there is limited opportunity to use the private rented sector as a permanent option in the majority of cases.

For information (Re. Affordability).

At present Argyll and Bute Council leases private sector properties for use as temporary accommodation at rents equivalent to Local Housing Allowance levels.

Rent payable by A&BC to private landlords has been negotiated at this level because Homeless Service undertakes:

- to provide carpets/floor coverings and furnish the property (no wear and tear costs for landlord)
- to regularly visit sub-tenants regularly and offer housing support and tenancy management services
- A&BC (the tenant) pays rent directly to the landlord
- Council Tax (ultimately the responsibility of the sub-tenant) is administered by A&BC during the term of the lease

Consideration should be given to the ongoing support provision to households in settled accommodation. It might be possible to facilitate a broadly similar management service to landlords who offer affordable SATs (i.e in line with LHA payments), but this would have to be resourced.

Keeping private sector rents on a par with LHA levels would help with affordability for new tenants.

Support Packages

Provision of an appropriate package of support, where required, for the applicant is entirely reasonable.

Informed Consent

Argyll and Bute Council agrees with an individual's right to make an informed choice and not to be forced into a course of action without their free consent.

Guidance is however required on what constitutes grounds to appeal a SAT (for example, a household's idea of affordability may differ from a local authority's definition)

Q.7 Should any additional circumstances be prescribed?

Yes

Comments:

Agreements with private sector landlords should be for longer periods with long term rent setting agreed at the outset to ensure affordability is maintained.

Q.8 Do you support the proposed approach on property quality and management? If not, please give details of your concerns.

Yes

Comments:

The proposed approach on issues such as property size/overcrowding; condition of property; Repairing Standard and Landlord Registration is fully supported.

Argyll and Bute Council agrees that it would not currently be appropriate to insist on a landlord's membership of Landlord Accreditation Scotland, as that scheme is in its infancy.

Local Authorities should encourage landlords to participate in local landlords forums to share good practice.

Q.9 Do you agree that good practice guidance on use of Regulation 5 should be developed?

Yes

Q.10 Do you support the suggested coverage of the guidance outlined in this paper? Do you have any further suggestions regarding the content of guidance?

- a. Yes
- b. No

Comments (questions 9 & 10) :

General

Q.11 Do you feel the proposals promote equality? If not, please give details of your concerns.

With reservations

Comments:

In terms of age, health, ethnicity etc equalities issues are no more affected by these proposals than in discharging duty by securing an allocation of social housing.

Measures are already in place to assist applicants with literacy issues or who are visually impaired or less enabled in any other way. For people who do not have English as their first language, translation services are available and are used.

As with allocations of social housing, applicants are entitled to a property which meets any special requirements of the household.

However, this proposal has the potential to lead to discrimination in access to housing because of affordability. If affordability in the private sector is not addressed, homeless households are at risk of remaining in the "benefits trap" and few are likely to opt in.

Q.12 Do you have any suggestions about how to evaluate the impact of the Regulations?

Yes

Comments:

HL1 Question 23 already asks for a response to - "*Accommodation following final discharge of duty or case closure (all applicants)*"

With two different options available (relevant to these proposals) – "*Private rented assured tenancy*" and "*Other private rented tenancy (inc. short assured)*"

Further guidance on outcomes under the new regulations would be useful to ensure consistency between authorities.

It is essential that all authorities accurately record and report on the use of "transitional accommodation".

HL1 data would need to be modified to take account of the different routes out of homelessness and the outcomes for homeless people.

There will be cost implications for local authorities in any I.T system changes.

There is certainly a case for monitoring the impact of these changes pre and post 2012, for applicants:

- sustainability
- affordability
- satisfaction with outcome in the longer term

and for local authorities:

- how many actually housed in private sector
- knock-on effects of transitional accommodation provision inc cost to LA
- ongoing support needs particularly related to affordability/money management/potential fuel poverty etc

A national template for monitoring purposes, developed with input from local authorities, would be useful.

**CONSULTATION ON REGULATIONS MADE UNDER SECTION 32A OF THE
HOUSING (SCOTLAND) ACT 1987**

Housing and Regeneration Directorate
Housing Access and Support Division

June 2008

SECTION 1 – PURPOSE OF CONSULTATION

What is this consultation about?

This consultation seeks views on proposed new Regulations made under section 32A of the Housing (Scotland) Act 1987 and guidance required to support these. Issues upon which we invite comments are set out throughout the paper and consultation response form is at Section 4.

Section 32A of the Housing (Scotland) Act 1987 enables Scottish Ministers to define circumstances in which accommodation which is not permanent may be provided for unintentionally homeless households in priority need. The purpose of the proposed changes is to:

- Clarify the purpose of the circumstances currently in statute; and
- Introduce a further set of circumstances which would enable local authorities to discharge their duty to unintentionally homeless persons in priority need through provision of a Short Assured Tenancy (SAT).

Who should respond?

This consultation paper will be of interest to those with responsibility for strategic planning, delivery of and input to homelessness services in each local authority, and local partners working with them. Organisations with an interest in prevention of and tackling homelessness and providing support to homeless households will also have an interest.

Organisations concerned with the private rented housing sector will have an interest in the proposals discussed at paragraph 16 onwards which relate to making greater use of the private rented sector to provide accommodation for homeless households.

Participating in this consultation

We are inviting responses to this consultation by 19 September 2008. Please send your response to:

homelessness@scotland.gsi.gov.uk or

Housing Access and Support Division
Area 1-H (South)
Victoria Quay
EDINBURGH
EH6 6QQ

We would be grateful if you would use the form at Section 4 or clearly indicate in your response which questions or parts of the consultation paper you are responding to as this will aid our analysis of the responses received. If you are replying electronically it would be helpful if the email header could read 'Regulations under section 32 – consultation response' and also include your name or that of your organisation if you are replying on behalf of an organisation.

This consultation paper has been distributed to a wide range of stakeholders; a list of those invited to respond is available on request. In addition, we will be organising meetings with landlord organisations, local authorities, groups representing tenants and other interested parties to discuss the proposals in this document. If you wish to receive information about these meetings please contact Carole Barker-Munro at the address above or by email: carole.barker-munro@scotland.gsi.gov.uk.

This consultation, and all other Scottish Government consultation exercises, can be viewed online on the consultation web pages of the Scottish Government website at <http://www.scotland.gov.uk/consultations>. You can telephone Freephone 0800 77 1234 to find out where your nearest public internet access point is.

The Scottish Government now has an email alert system for consultations (SEconsult: <http://www.scotland.gov.uk/consultations/seconsult.aspx>). This system allows stakeholder individuals and organisations to register and receive a weekly email containing details of all new consultations (including web links). SE consult complements, but in no way replaces, Scottish Government distribution lists, and is designed to allow stakeholders to keep up to date with all Scottish Government consultation activity, and therefore to be alerted at the earliest opportunity to those of most interest. We would encourage you to register.

Handling your response

We need to know how you wish your response to be handled and, in particular, whether you are happy for your response to be made public. Please complete and return the **Respondent Information Form** at Annex D of this paper as this will ensure that we treat your response appropriately. If you ask for your response not to be published we will regard it as confidential and treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next steps in the process

Where respondents have given permission for their response to be made public (see the attached Respondent Information Form), these will be made available to the public in the Scottish Government Library by 17 October and on the Scottish Government web pages by 24 October. We will check all responses where agreement to publish has been given for any potentially defamatory material before logging them in the library and placing them on the website. You can make arrangements to view responses by contacting the Scottish Government Library on 0131 244 4552. Responses can be copied and sent to you, but a charge may be made for this service.

What happens next?

Following the closing date, all responses will be analysed and considered along with any other available evidence to inform the new Regulations. We aim to issue a report on this consultation process and lay the Regulations in the autumn.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to:

Anna Donald
Housing Access & Support Division
1-H (South), Victoria Quay
EDINBURGH, EH6 6QQ

SECTION 2 - BACKGROUND

1. The Scottish Government published the discussion document '*Firm Foundations: The future of housing in Scotland*' in October last year. This set out a vision for the future of housing in Scotland, consisting of four key elements:

- An increased supply of housing across all tenures, all of which is delivered on the basis of higher environmental and design standards.
- More choice of housing that those on lower incomes can afford.
- Housing developments that contribute to the creation of sustainable, mixed communities.
- Social housing that provides better value for public expenditure.

2. To help realise this vision, the Government wishes to see the private rented sector (PRS) play a greater role in meeting local housing need. Within *Firm Foundations* the Scottish Government announced that they would consult on amending the Homeless Person Interim Accommodation (Scotland) Regulations 2002,¹ made under section 32A of the Housing (Scotland) Act 1987, to allow local authorities **more flexibility in discharging their homelessness duties, with a view to enabling wider use of the private rented sector where this will meet the needs of homeless households.**

3. A review of the private rented sector was also announced and is currently underway. This is looking in particular at the role of the sector in helping to house low income individuals and families and those who present as homeless.

4. This paper fulfils the commitment to consult on amendments to the 2002 Regulations. This consultation is informed by an internal review process carried out by Scottish Government officials in the last few months and by responses received on the proposals contained in *Firm Foundations*². Broadly, respondents were supportive of plans to make greater use of the private rented sector for homeless households although concerns were raised about security of tenure, housing benefit implications and meeting the support needs of this group. The consultation is also informed by the reports of the Homelessness Monitoring Group³ and the 2012 Homelessness Support Project⁴, published in March this year.

Legislative Context

5. Generally, Scottish homelessness legislation requires that households assessed as unintentionally homeless and having a priority need for accommodation be offered permanent accommodation⁵. This is defined in the legislation as accommodation which is a) secured by a Scottish Secure Tenancy; b) secured by an

¹ Hereinafter referred to as the 2002 Regulations.

² Firm Foundations: The Future of Housing in Scotland – An Analysis of Responses. Scottish Government Social Research, 2008. <http://www.scotland.gov.uk/Publications/2008/04/02094036/0>

³ Helping Homeless People: Homelessness Monitoring Group Report – March 2008. Scottish Government. <http://www.scotland.gov.uk/Publications/2008/03/27142559/0>

⁴ Towards 2012: Homelessness Support Project. Scottish Government, 2008. <http://www.scotland.gov.uk/Publications/2008/03/27152416/0>

⁵ Section 31(2) of Housing (Scotland) Act 1987 (as amended).

assured tenancy that is not a short assured tenancy; or c) secured by a short Scottish Secure Tenancy (only where there is a history of anti-social behaviour).⁶

6. However, section 32A of the Housing (Scotland) Act 1987, as inserted by section 3 of the Housing (Scotland) Act 2001, gives Scottish Ministers the power to prescribe circumstances in which 'permanent' accommodation need not be provided to unintentionally homeless households assessed as having a priority need.

7. The 2002 Regulations contain the circumstances as currently prescribed. These are set out at Annex A. As currently construed, the Regulations can only be invoked in a tightly defined set of circumstances. The internal review process found that current usage was limited and the Regulations not widely known or understood. It is thought that the policy intention behind the Regulations remains valid and that greater use could be encouraged through development of guidance and raising of awareness. Accordingly, this paper presents proposals to revise the language used in the 2002 Regulations to clarify the policy intention and the anticipated outcomes for homeless households, and to develop practice guidance.

⁶ Section 31(5) of Housing (Scotland) Act 1987 (as amended).

SECTION 3 - PROPOSALS

8. The purpose of this consultation is to invite comment on:

- Proposed changes to the current circumstances set out in the 2002 Regulations under section 32A. These suggested changes are intended to clarify the purpose of this set of circumstances;
- The introduction of a further set of circumstances enabling local authorities to invoke the Regulations in order to discharge their duty by offering a short assured tenancy;
- Guidance required to support these changes; and
- The name of the proposed new Regulations and the language used within them.

9. The proposed outcome would be to have a new set of Regulations under section 32A which allow for non-permanent accommodation to be provided in two different sets of circumstances:

- To allow for the **provision of transitional accommodation where a housing support assessment has concluded that permanent accommodation would not be sustainable at the current time**. In these circumstances, the expectation is that the local authority will keep the case under review and provide permanent accommodation in the future should that become sustainable for the applicant following the provision of support. The transitional accommodation could be provided by means of an occupancy agreement, a Short Assured Tenancy or an SSST.
- To allow for the local authority to **discharge its duty to a homeless household by ensuring provision of a short assured tenancy in the private rented sector** where this was appropriate. It is presumed that local authorities will use these circumstances to increase the housing supply options available in their area, helping them to find sustainable solutions for homeless people and work towards delivery of the target that all unintentionally homeless people be entitled to settled accommodation by 2012.

10. Draft new Regulations are provided at Annex B; the 2002 Regulations would be revoked.

Changes to the current circumstances (Regulation 4)

11. The proposed amendments to the current circumstances are as set out in draft Regulation 4 at Annex B. The amendments do not involve substantive change to the circumstances currently in force; their purpose is to revise the language used to clarify that local authorities may provide non-permanent accommodation, together with support, in certain circumstances. These circumstances are that an applicant has housing support needs which mean that they would be unlikely to be able to sustain a tenancy at the current time; as such, permanent accommodation would not be appropriate.

12. Regulation 4b refers to the accommodation to be provided in such circumstances to be 'transitional'. This accommodation may be quite specialist in nature and have support or other services available on-site or otherwise linked to the property; alternatively, the accommodation itself may be from general stock but the applicant is receiving specific support services to develop the skills needed to manage a permanent tenancy. The 2002 Regulations refer to this type of accommodation as 'interim'; this phrase is not used in the new draft Regulations as the review process indicated the term was not well understood and was often confused with 'temporary accommodation'. The term 'transitional' supports the purpose of Regulation 4 which is to give local authorities powers to respond to the needs of applicants who would currently be unable to sustain permanent accommodation, recognising that, with time and appropriate support, they may be able to develop the skills to sustain their own tenancy.

13. In common with the 2002 Regulations, Regulation 4 requires that local authorities provide a package of support together with the transitional accommodation. These items are largely unchanged with two exceptions:

- Regulation 4(b)(v) contains a specific requirement for the local authority to give an undertaking to the applicant to provide permanent accommodation when a housing support assessment identifies this would be appropriate. This undertaking was not explicit in the 2002 Regulations.
- References to an end date for the accommodation and support package contained in the 2002 Regulation have not been replicated in the new draft; instead, Regulation 4(b)(iv) states that a review date must be set for a further support assessment to be carried out to assess progress. The purpose of this change is to reinforce the intention that the applicant will move on from the accommodation having gained the skills to maintain their own tenancy and the local authority has a duty to provide permanent accommodation at the appropriate time.

14. An example of a case where a local authority may wish to invoke Regulation 4 is provided below:

A local authority receives a homelessness application from a young man aged 17. He has left the family home following the breakdown of his parents' relationship and has never lived independently. The local authority find him to be unintentionally homeless and in priority need due to his age. A single shared assessment is conducted which finds that he has no independent living skills, no experience in managing budgets or personal financial matters and little awareness of the responsibilities of managing a property. As such, he is unlikely to be able to sustain a permanent tenancy at the present time and requires support to develop independent living skills. In the longer term, the assessment judges that, with the appropriate skills, he will be in a position to maintain his own tenancy. The local authority decides to invoke Regulation 4 to provide transitional accommodation and support to the applicant.

15. Views on the proposed revisions to the circumstances currently set out in the 2002 Regulations are invited. Current use of the 2002 Regulations is limited and it is thought this may be in part due to lack of clarity regarding their purpose and of guidance on their use. Limited guidance is contained in the Scottish Government's Code of Guidance on Homelessness but more detailed coverage is proposed to raise awareness and promote use. Views are sought on development and content of practice guidance on Regulation 4.

Changes to allow local authorities to discharge their duty through a short assured tenancy in the private rented sector (Regulation 5)

16. There are a number of reasons for attempting to facilitate greater use of the private rented sector:

- Analysis of responses to the discussion document *Firm Foundations* revealed broad – but conditional - support for proposals to make greater use of the private rented sector to meet local housing need. This consultation paper discusses in detail the conditions which should be attached to greater use of the sector for homeless households.
- Opening up wider possibilities to use the private rented sector will ensure that homeless households have a greater range of choice of properties and locations in which to resettle. In particular, in some areas it will mean that homeless people can access properties nearer to employment opportunities or social networks than would be possible in the social sector.
- Local authorities already have the ability to discharge their duty to homeless households in the private rented sector through an assured tenancy. However, they find it difficult to achieve this outcome as assured tenancies are very rarely offered and do not appear to be seen as a realistic option by private landlords. Short Assured Tenancies are most common in the PRS and we are therefore proposing that we work with landlords to discharge duty through this route, with certain conditions attached, as set out below.
- Achieving the 2012 target will mean treating all homeless people equally and providing greater entitlements to those households currently assessed as 'non-priority' under the legislation. For most authorities this will mean providing more settled solutions for greater numbers of single men, a significant proportion of whom will be young. This ties in with greater use of the private rented sector which contains a mix of property sizes and is particularly popular with younger people.
- Existing schemes such as rent deposit guarantee schemes, lead tenancies and the Cyrenians Flatmates scheme demonstrate that the private rented sector can be a viable option for homeless households. Information on rates of tenancy sustainment where rent deposit guarantee schemes have been used to place homeless households in the private rented sector has not been

collected by schemes in a systematic way but a pilot scheme in Highland reported 89% of tenancies created were sustained for over 3 years⁷.

- Local authorities have consistently sought greater flexibility in using the private rented sector to meet the needs of homeless households⁸. This is seen as an important tool in working towards meeting the 2012 target and allowing social housing to be let to a wider range of households in housing need.
- Recent and ongoing work to improve standards in both the management and physical condition of housing in the private rented sector, through, for example, the introduction of Landlord Registration, the Repairing Standard and the launch of Landlord Accreditation Scotland - mean it is a viable option for a range of tenants.

17. The proposed new set of circumstances is as set out at Regulation 5 at Annex B. These allow for 'non-permanent' accommodation to be provided where:

A short assured tenancy with a minimum 12 month tenancy period is available to the applicant

18. We are proposing that landlords work with local authorities to provide tenancy agreements for applicants which allow for a minimum tenancy period of 12 months. This is to provide greater security of tenure than the usual minimum period for a SAT which is 6 months. Short Assured Tenancies are provided for by the Housing (Scotland) Act 1988. Our proposal to extend the minimum period of the tenancy does not alter any of those provisions, and, following the expiry of the minimum period, the tenancy would be available for renewal by the landlord and the tenant as normal and according to the provisions of the Housing (Scotland) Act 1988.

The tenancy is affordable for the household

19. Local authorities already have a responsibility when discharging their duties to homeless households to consider whether tenancies offered are affordable for the individual applicant household. This responsibility would apply to discharge of duty using a SAT and encourage authorities to consider carefully the suitability of this option generally, and a particular tenancy specifically, for an applicant. In addition, the requirement that affordability be considered when invoking Regulation 5 will help ensure that – as far as possible – the risks of work disincentives or rent arrears are mitigated.

⁷ *Deposit Guarantee Schemes in Scotland: A sustainable housing option 2008*. Crisis, 2008.

⁸ *Towards 2012: Homelessness Support Project*; Scottish Government, 2008. *Homelessness Monitoring Group Report 2008*; Scottish Government 2008. This request is also being made via the draft Single Outcome Agreements currently being discussed between individual local authorities and the Scottish Government.

20. Not all homeless households will be in receipt of housing benefit; however, it is expected that local authorities and landlords will need to work together to consider the implications of Local Housing Allowance, which replaced housing benefit in the private rented sector from April this year. Such considerations may include affordability, in terms of the market rent the landlord would normally charge compared to the Local Housing Allowance for the area, the time taken to administer Local Housing Allowance by the local authority and whether direct payment of benefit to the tenant is appropriate for the applicant.

21. It is proposed that the guidance accompanying Regulation 5 discuss the issues local authorities might wish to consider in reaching a view on whether the tenancy is likely to be affordable. These include employability and the risk of rent arrears. Views are invited on the guidance practitioners would find helpful in assessing tenancy affordability.

A housing support services assessment has been carried out and concluded that a) there are no tenancy support needs; or b) any tenancy support needs identified can be met within the accommodation provided under the tenancy and a package of support is in place to meet those needs

The support to meet the support needs of the household is available

22. These clauses are intended to ensure that the applicant's support needs are identified and met to mitigate the risk of tenancy failure and repeat homelessness. They are also intended to provide reassurance to landlords that the applicant is receiving any help required to enable them to be a responsible tenant. It is intended that the accompanying guidance discuss the types of tenancy support which could be considered, for example, money advice, help with budgeting, independent living skills and how the support is provided.

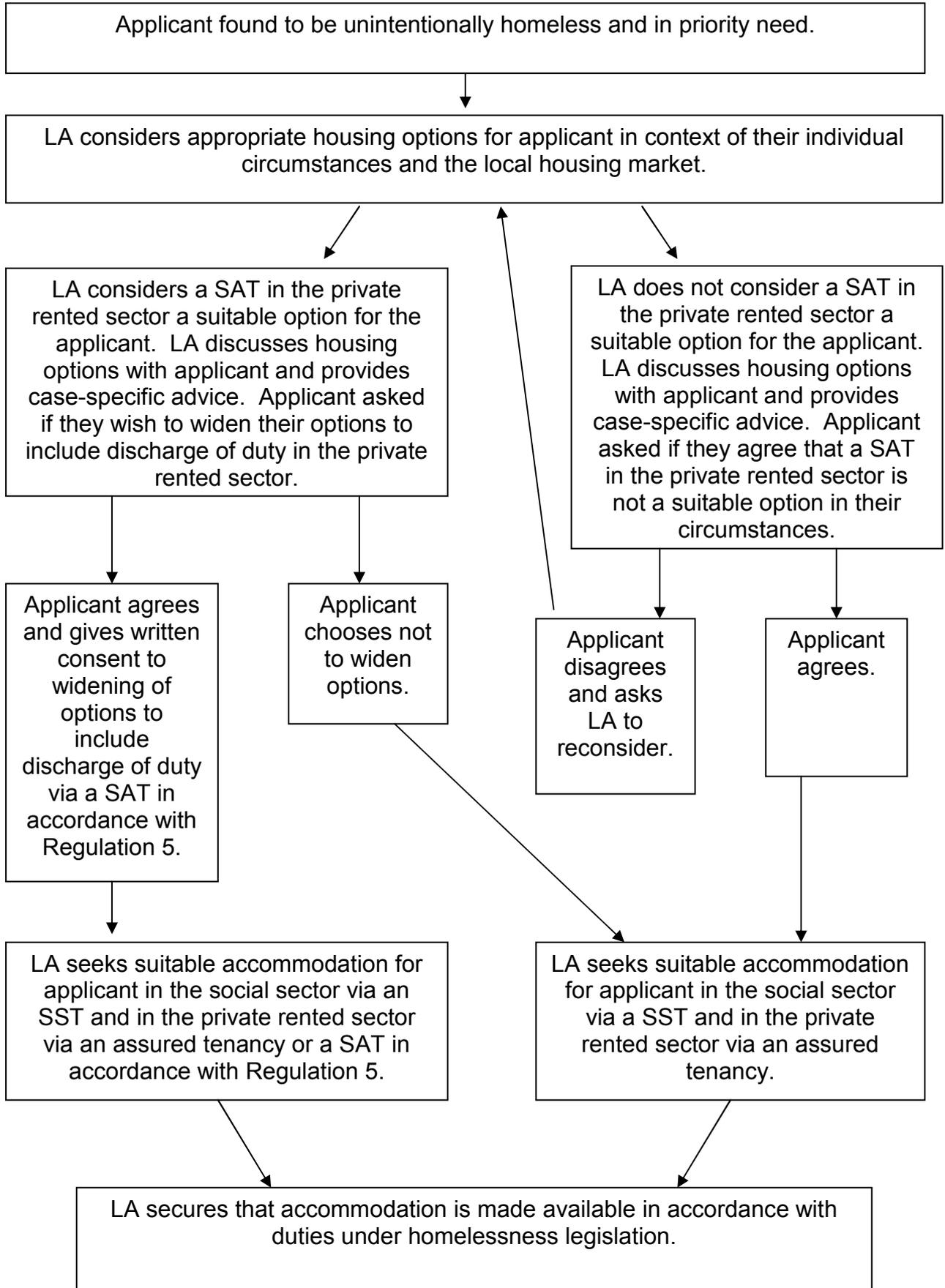
23. The clause emphasises that discharge of duty via a SAT will only be an appropriate and sustainable outcome in certain cases and authorities should consider the individual circumstances of applicants to determine the most appropriate housing solution.

The applicant has consented in writing that: (a) they have received housing advice from the local authority and been signposted/had access to further sources of independent housing advice; (b) they understand that accepting a short assured tenancy offered under this regulation equates to discharge of the local authority's duty under homelessness legislation; and (c) they consent to discharge of duty through invoking this Regulation

24. The aim of this clause is to ensure that the applicant makes an informed decision about whether they wish an outcome in the private rented sector via a SAT to be considered by the local authority. It is suggested that a sample form be developed for inclusion in guidance accompanying the revised Regulations.

25. It is intended that applicants would 'opt in' to the widening of their housing options by discharge of duty via a SAT by giving written consent. Applicants who chose not to 'opt in' would continue to be owed a duty of permanent accommodation via the usual outcomes of a SST in the social sector or an assured tenancy in the private rented sector. Where an applicant chose to 'opt in', the local authority would seek to identify suitable accommodation offers from both the private rented and the social sectors. Their duty could be discharged through a reasonable offer of a SAT under Regulation 5 where that offer meets the legal requirements set out in homelessness legislation⁹. Local authorities would also have the option to discharge duty through a SST or an assured tenancy. The flow chart below illustrates the proposed operation of Regulation 5.

⁹ These include section 32(5) of the Housing (Scotland) Act 1987 (as amended) which states that local authorities cannot fulfil their accommodation duties to homeless households through accommodation which is overcrowded, may endanger the health of the occupants, does not meet any special needs of the household or is not reasonable for them to occupy; and section 32(8) of the Act (as amended) which states that any accommodation provided must be suitable for occupation by any children in the household so far as is consistent with their best interests.



26. An example of a case where a local authority may wish to invoke the Regulation is provided below:

A local authority receives a homelessness application from a 35 year old woman with 2 dependent children. The applicant became homeless when her landlord sold the property she was renting; the applicant is currently staying with her mother in the local area. The local authority find the applicant to be unintentionally homeless and in priority need. At a housing options interview, the applicant indicates a strong preference to stay in the local area as her children attend school there, she works nearby and it is near her mother's home. The local authority considers that, in the context of the local housing market and the applicant's circumstances, discharge of duty via a SAT in the private rented sector is a suitable option for the applicant. The local authority provide case-specific housing advice to the applicant and ask her if she wishes to extend her housing options to include a SAT. The applicant agrees and gives written consent for the authority to extend their search for suitable accommodation offers to include a SAT in the private rented sector in accordance with Regulation 5.

27. Views are invited on the proposed circumstances in which local authorities would be able to discharge duty with a SAT.

Considerations

28. Respondents to the discussion document *Firm Foundations* indicated that greater use of the private rented sector to discharge duty to homeless household should be conditional on ensuring that the housing is well-managed, in reasonable condition, affordable and offers security of tenure. The proposed circumstances set out in Regulation 5 are intended to address concerns about affordability and security of tenure. It is not considered necessary to include specific provisions in the legislation to address concerns about property condition and management for the reasons set out below.

Property condition and management

29. As noted previously, local authorities already have powers to discharge duty to homeless households in the private rented sector by means of an assured tenancy. However, assured tenancies are offered infrequently by landlords and the purpose of the new Regulations is to widen access to the sector.

30. A number of policy initiatives have been introduced in recent years to help improve management standards and the quality of accommodation in the private rented sector, and to provide protection for tenants:

- Section 32(5) of the Housing (Scotland) Act 1987 (as amended by the Housing (Scotland) Act 2001) states that local authorities cannot fulfil their accommodation duties to homeless households through accommodation which is overcrowded, may endanger the health of its occupants, does not meet any special needs of the applicant (or household) or is not reasonable

for them to occupy. This provision applies to accommodation sourced from both the social and the private rented sectors.

- The Repairing Standard, introduced via the Housing (Scotland) Act 2006 sets minimum standards of repair which tenants in the private rented sector can expect. Tenants also have the right to complain to the Private Rented Housing Panel if they have given reasonable notice to their landlord that repairs are needed but these have not been carried out.
- Landlord Registration ensures that all landlords are assessed by their local authority as 'fit and proper' to let property under provisions contained in the Antisocial Behaviour etc. (Scotland) Act 2004. The aim of the scheme is to improve standards in private rented housing through the introduction of minimum legal requirements. The scheme has also increased engagement between local authorities and the private rented sector, making the sector more visible and accountable.
- The creation of the new national landlord accreditation scheme – Landlord Accreditation Scotland – presents an opportunity to introduce further safeguards for tenants in relation to the management and quality of private rented accommodation. Some respondents to *Firm Foundations* suggested that membership of an accreditation scheme be linked to local authority discharge of duty through use of a SAT in the private rented sector. The national scheme is in its infancy at present and we do not think it appropriate to include membership of it, or a local accreditation scheme, as a circumstance which must be met in order that Regulation 5 be invoked. However, we wish to explore during the consultation process how to promote good practice in the use of the private rented sector for homeless households and how, in making greater use of their flexibility in discharging duty, local authorities can support and benefit from initiatives to improve standards.

31. It is proposed that guidance accompanying Regulation 5 contain advice to local authorities on how they might best adopt procedures and local policies to ensure that the legal framework on property condition and housing management operate to its best advantage. This could include options such as property inspection by the local authority or an appointed agent.

32. Views are invited on the suggested measures to address concerns about the quality and management of private rented sector accommodation which could be used to discharge duty through a SAT.

Use of Regulation 5

33. Discharge of duty through a SAT in the private rented sector will not be appropriate for all homeless households. It is intended that local authorities use the powers contained in Regulation 5 to seek housing options in the PRS where this is an appropriate and sustainable outcome for the individual concerned. There may be certain household types or profiles which are better suited to discharge of duty in this way. However, it is suggested that local authorities consider the circumstances of each case individually to determine the most appropriate housing option and that it would not be appropriate for Regulation 5 to be invoked automatically on grounds of household type. Furthermore, local authorities are best able to determine the most appropriate use of the Regulations in the context of the local housing market and

having access to all the relevant information about the circumstances of the applicant. For these reasons, it is proposed that Regulation 5 does not include circumstances covering household type. Views on this approach are welcomed.

Repeat Homelessness

34. Section 32A of the 1987 Act provides that, when accommodation is secured under the circumstances of the Regulations, section 26 of the Act (definition of intentionality) does not apply. This provision is contained in primary legislation and as such does not form part of this consultation. However, it is relevant context in which local authorities should consider the suitability of applicants for discharge of duty under the Regulations; it is in both the local authorities' and the applicants' interest that the outcome sought is appropriate and sustainable.

Equalities

35. The Scottish Government, and other public bodies including local authorities, have a statutory duty to equality impact assess new and existing policies on grounds of race, gender and disability. Scottish Ministers have also made a commitment that the Scottish Government will also equality impact assess policies on grounds of sexual orientation, age and religion or belief. Furthermore, local authorities have a range of duties under relevant equal opportunities legislation, including the encouragement of equal opportunities and the observance of equal opportunity requirements in the exercise of the functions given under the Housing (Scotland) Act 2001.

36. We wish to be clear about the potential impact on equality groups of introducing additional flexibility for local authorities in discharging their accommodation duties to homeless households. For example, there may be considerations around the suitability of certain property types prevalent in the private rented sector for some disabled applicants. The requirement to 'opt in' through giving written consent and having received housing advice may raise issues for applicants who have literacy problems or whose first language is not English. We will seek to explore the impact of our proposals with equality groups as part of this consultation but would welcome views and comments from all respondents.

Monitoring & evaluation

37. It is important that any changes to the homelessness policy and legislative framework can be monitored and evaluated. Using the HL1 data collection system, local authorities can currently record discharge of duty through the 2002 Regulations and also the type of accommodation accepted by the applicant. Additional guidance on use of the HL1 would be required to clarify how outcomes under the new Regulations should be recorded in order for the changes to be monitored and impact to be assessed.

38. In addition, there may be a case for an evaluation to assess the impact of the legislative changes on local authorities' capacity to meet the 2012 target. We will also want to monitor the impact on the achievement of sustainable housing outcomes for homeless people and wider impacts on the supply of private rented

accommodation for other tenants who traditionally seek accommodation in the sector, including students, migrant workers and young professionals. Views on the suggested approach to monitoring and evaluation are invited.

Guidance

39. As discussed throughout this paper it is proposed that practice guidance be developed in association with local authorities and other partners to facilitate best use of the Regulations. The guidance would be informed by the review of the private rented sector currently ongoing in order that authorities are able to maximise the additional flexibility offered by invoking Regulation 5. Suggested content is noted throughout this paper and comments and additions would be welcome.

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Annex B

SCOTTISH STATUTORY INSTRUMENTS

2008 No.

HOUSING

The Homeless Persons (Provision of Non-permanent Accommodation) (Scotland) Regulations 2008

<i>Made</i> - - - -	2008
<i>Laid before the Scottish Parliament</i>	2008
<i>Coming into force</i> - -	2008

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 32A(1) of the Housing (Scotland) Act 1987⁽¹⁰⁾ and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Homeless Persons (Provision of Non-permanent Accommodation) (Scotland) Regulations 2008 and shall come into force on 2008.

Interpretation

2. In this Order—

“the 1987 Act” means the Housing (Scotland) Act 1987;

“accommodation” has the same meaning as in sections 31 and 32 of the 1987 Act;

“applicant” has the same meaning as in section 28(1) of the 1987 Act;

“transitional accommodation” means accommodation that is not permanent accommodation within the meaning of section 31(5) of the 1987 Act;

“housing support services” has the same meaning as in section 91(8) of the Housing (Scotland) Act 2001⁽¹¹⁾;

“housing support services assessment” means a decision by a local authority in any question as to whether an applicant or any person residing with that applicant should be provided with housing support services;

“short assured tenancy” has the meaning given in section 32 of the Housing (Scotland) Act 1988⁽¹²⁾.

⁽¹⁰⁾ 1987 c.26; section 32A was inserted by section 3(5) of the Housing (Scotland) Act 2001 (asp 10). See section 338 of the Housing (Scotland) Act 1987 for the definition of “prescribed”. The function of the Secretary of State to prescribe by Regulations was transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

⁽¹¹⁾ 2001 asp 10.

⁽¹²⁾ 1988 c.43.

Prescribed circumstances where non-permanent accommodation can be provided

3. The circumstances specified in regulation 4 and 5 are prescribed as circumstances in which section 31(2) of the 1987 Act, so far as requiring that accommodation is to be permanent accommodation within the meaning of section 31(5) of that Act, does not apply.

4. The circumstances are—

- (a) a housing support services assessment for an applicant has concluded that the applicant or any other person residing with that applicant currently requires a level of housing support services which makes permanent accommodation inappropriate; and
- (b) as a result of that housing support services assessment, the local authority is providing an applicant and any person residing with that applicant with transitional accommodation together with—
 - (i) all services required in terms of the housing support services assessment and a record of the services to be provided;
 - (ii) access to independent advocacy and information services in connection with the services mentioned in sub-paragraph (i);
 - (iii) a timetable, agreed with the applicant, for the provision of the transitional accommodation and housing support services and a record of the timetable;
 - (iv) a review date for the provision of services and transitional accommodation, which date shall not be later than a date six months from the date on which the transitional accommodation was first provided;
 - (v) an undertaking to provide permanent accommodation when a housing support services assessment identifies that this would be appropriate; and
 - (vi) a mechanism to monitor the use of transitional accommodation and the long term outcomes for each applicant.

5. The circumstances are—

- (a) a short assured tenancy of a minimum duration of 12 months is available to the applicant;
- (b) in the view of the local authority, the tenancy available can be afforded by the applicant;
- (c) a housing support services assessment for the applicant has concluded that any support needs of the household to which the applicant belongs can be met within the accommodation provided under the tenancy that is available;
- (d) the support to meet the support needs of the household is available; and
- (e) the applicant, after having been given housing advice by the local authority and access to independent advocacy and information services, has consented in writing to the discharge of the duty under section 31(2) by the provision of accommodation that is not permanent.

Revocation

6. The Homeless Persons Interim Accommodation (Scotland) Regulations 2002⁽¹³⁾ are revoked.

St Andrew's House,
Edinburgh

2008

Authorised to sign by the Scottish Ministers

⁽¹³⁾ 412/2002.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe the circumstances in which local authorities can provide non-permanent accommodation to homeless applicants who otherwise would be entitled to permanent accommodation in terms of section 31 of the Housing (Scotland) Act 1987.

Regulations 4 and 5 set out 2 sets of prescribed circumstances. The first is where a housing support services assessment has identified that an applicant for housing or a person living with the applicant requires housing support services which it is not appropriate to provide within permanent accommodation. The second is where a short assured tenancy can be made available to the applicant, and various conditions in respect of the tenancy and the applicant are fulfilled.

Previous regulations made under section 32A of the 1987 Act are revoked.

Annex C – The Scottish Government Consultation Process

Consultation is an essential and important aspect of Scottish Government working methods. Given the wide-ranging areas of work of the Scottish Government, there are many varied types of consultation. However, in general, Scottish Government consultation exercises aim to provide opportunities for all those who wish to express their opinions on a proposed area of work to do so in ways which will inform and enhance that work.

The Scottish Government encourages consultation that is thorough, effective and appropriate to the issue under consideration and the nature of the target audience. Consultation exercises take account of a wide range of factors, and no two exercises are likely to be the same.

Typically Scottish Government consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals with an interest in the issue, and they are also placed on the Scottish Government website enabling a wider audience to access the paper and submit their responses. Consultation exercises may also involve seeking views in a number of different ways, such as through public meetings, focus groups or questionnaire exercises. Copies of all the written responses received to a consultation exercise (except those where the individual or organisation requested confidentiality) are placed in the Scottish Government Library at Saughton House, Edinburgh (K Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD, telephone 0131 244 4565).

All Scottish Government consultation papers and related publications (e.g. analysis of response reports) can be accessed at <http://www.scotland.gov.uk/consultations>.

The views and suggestions detailed in consultation responses are analysed and used as part of the decision making process, along with a range of other available information and evidence. Depending on the nature of the consultation exercise the responses received may:

- Indicate the need for policy development or review
- Inform the development of a particular policy
- Help decisions to be made between alternative policy proposals
- Be used to finalise legislation before it is implemented.

Final decisions on the issues under consideration will also take account of a range of other factors, including other available information and research evidence.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Annex D – Respondent Information Form

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name: Moira MacVicar,

Postal Address: Argyll and Bute Council, Community Support, 1st floor right, WHHA Building, Crannog Lane, Oban, PA34 4HB

Email address:

1. Are you responding: (please tick one box)

- (a) as an individual go to Q2a/b and then Q4
(b) **on behalf of** a group/organisation go to Q3 and then Q4

INDIVIDUALS

2a. Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government website)?

- Yes (go to 2b below)
No, not at all We will treat your response as confidential

2b. Where confidentiality is not requested, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

- Yes, make my response, name and address all available
Yes, make my response available, but not my name or address
Yes, make my response and name available, but not my address

ON BEHALF OF GROUPS OR ORGANISATIONS:

3. The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government website). Are you also content for your **response** to be made available?

- Yes
No We will treat your response as confidential

SHARING RESPONSES/FUTURE ENGAGEMENT

4. 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 the Scottish Government to contact you again in the future in relation to this consultation response?

- Yes
No

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ARGYLL AND BUTE COUNCIL**EXECUTIVE****COMMUNITY SERVICES****THURSDAY 21 AUGUST 2008**

***RESPONSE TO TAKING FORWARD THE GOVERNMENT'S ECONOMIC STRATEGY:
A DISCUSSION PAPER ON TACKLING POVERTY, INEQUALITY AND DEPRIVATION
IN SCOTLAND***

1. SUMMARY

- 1.1 The Council has been invited to provide a response to the Government's discussion paper on the Economic Strategy (2008).
- 1.2 The enclosed response has been prepared within the Argyll and Bute Council Community Regeneration Service, and is based on local and national research, and on consultation with the Argyll and Bute Community Learning and Regeneration Partnership, which includes, amongst others, representation from Argyll and Bute Council, the local Housing Associations and NHS Highland.

2. RECOMMENDATION

- 2.1 Members are invited to approve the draft submission annexed to this paper for submission to the Scottish Government.

3. DETAIL

- 3.1 The Scottish Government published its Economic Strategy Discussion Paper in January 2008, setting out proposals to promote sustainable economic growth whilst at the same time tackling poverty, inequality and deprivation. The Paper asked for feedback, both on the premises on which the areas for action are based, and on the areas for action themselves. The deadline for responses was the 30 June 2008, and a draft submission for Argyll and Bute Council has been sent, subject to approval.
- 3.2 The draft submission reflects key issues for Argyll and Bute, including: identification and measurement of poverty and disadvantage in rural areas; the targeting of resources; the challenges imposed by rural diversity and sparsity; specific vulnerable groupings and areas for action; and the general lack of awareness, at all levels, of rural experience and culture.
- 3.3 Scoping work in Argyll and Bute has highlighted a number of key issues and challenges that the area faces – many of them common to other rural authority areas. These include:
 - the difficulties of identifying and measuring poverty and disadvantage in rural areas, which have a marked diversity of social and economic conditions and cultures, more dispersed populations, and accessibility issues for service provision
 - a number of particularly vulnerable groups of people, including the elderly, people who are unemployed or with low incomes, young

people, people unsatisfactorily housed or homeless, and people with long term illness or disability

- differences in the rural experience of poverty, such as fuel poverty, a lack of access to services, advice and opportunities, and a prevalence of seasonal, temporary and low paid employment.

3.4 Argyll and Bute is officially classified as a 'very remote' rural area. With the joint vision of Argyll and Bute as a 'Leading Rural Area', Argyll and Bute Council and other Community Planning Partners have been engaged in developing policies and plans that aim to promote economic growth and tackle deprivation and inequality in the rural context as well as that of the towns. The draft response proposes that to achieve this, some redress of the imbalance of the previous national focus on 'urban' deprivation is required, and some suggestions as to relevant areas for change are put forward.

4. CONCLUSION

4.1 The response has been drafted to reflect key issues for Argyll and Bute of: identification and measurement of poverty and disadvantage in rural areas; the targeting of resources; the challenges imposed by rural diversity and sparsity; specific vulnerable groupings and areas for action; and the general lack of awareness, at all levels, of rural experience and culture.

5. IMPLICATIONS

Policy: The response reflects issues regarding encouraging sustainable economic growth, strengthening communities, and tackling poverty and inequalities that resonate with a range of national policy areas; its emphasis on the rural dimension also reflects outcomes from the Argyll and Bute Single Outcome Agreement, the Fairer Argyll and Bute Plan, and the Corporate Plan.

Finance: Nil

Personnel: Nil

Legal: Nil

Equal Opportunities: The response supports the expansion of opportunities for individuals and communities in Argyll and Bute, especially those in the more remote and rural areas and those in the most disadvantaged groups.

Director of Community Services
30 June 2008

For further information please contact:
Malcolm MacFadyen,
Head of Community Regeneration
Tel: 01546 604356

Background Papers:
Taking Forward The Government's Economic Strategy: A Discussion Paper On
Tackling Poverty, Inequality And Deprivation In Scotland (2008)

ANNEX 1: DRAFT: TAKING FORWARD THE GOVERNMENT ECONOMIC STRATEGY: A DISCUSSION PAPER ON TACKLING POVERTY, INEQUALITY AND DEPRIVATION IN SCOTLAND

General Introduction

This response to the Government's Economic Strategy, as set out in the GES Discussion Paper, has been prepared by Argyll and Bute Council

Argyll and Bute Council welcome the GES Discussion Paper, and support the basic tenets of taking a broader view of poverty than can be seen by looking at 'income' alone; of tackling poverty by addressing the causes; and of adopting a co-ordinated approach to policy and action.

Argyll and Bute being a predominantly rural area, the Argyll and Bute Council also welcomes the references to, and recognition of, rural poverty. We feel, however, that still more attention could be focused on the rural dimension, when it is considered that nearly one in five (18%) people in Scotland lives in an area officially classified as 'rural' (ie in a settlement of 3,000 or less), and one in 8 (12%) in a settlement of 1,000 or less.

This is an average over Scotland - in Argyll and Bute, however, almost 40% of the population live in settlements of 1,000 or less, and the particular challenges that are presented by deprivation and disadvantage in rural areas therefore require a greater proportion of our overall efforts and resources in tackling poverty across our area.

It is clear from the very recently published statistics in the table below that there are almost equal proportions of low income households in both rural and urban areas:

Table 1: Number and percentage of individuals in low income households by urban/rural classification¹, Scotland 2005/06

RELATIVE LOW INCOME

	Before Housing Costs		After Housing Costs	
	%	000s	%	000s
Urban areas	18	710	20	810
Rural areas	17	160	18	170
TOTAL	18	880	20	990

ABSOLUTE LOW INCOME

	Before Housing Costs		After Housing Costs	
	%	000s	%	000s
Urban areas	11	440	13	510
Rural areas	12	110	10	90
TOTAL	11	550	12	600

Source: Family Resources Survey, Households Below Average Income 2005/06 dataset

The urban rural indicator was matched to the Households Below Average Income dataset by the Office for National Statistics who bear no responsibility for the present analysis

¹For information on the Scottish Executive urban rural classification see

<http://www.scotland.gov.uk/Publications/2006/07/31114822/0>

Urban includes large urban areas, other urban areas, accessible small towns and remote small towns. Rural includes accessible rural and remote rural areas.

Source: <http://www.scotland.gov.uk/Resource/Doc/1034/0052989.xls>

A number of concerns regarding the measurement of relative poverty in general have been made recently in the House of Commons Scottish Affairs Committee Report 'Poverty in Scotland' (2007), for which Argyll and Bute Council gave evidence for the COSLA submission, and we support the improvements suggested in the Report.

We also wish to draw the Scottish Government's attention to our belief that until very recently there has been a significant underestimation, and lack of recognition, of the incidence of poverty, particularly in rural areas, which has been largely based on the use of the Scottish Index of Multiple Deprivation (SIMD). The SIMD works well in areas containing geographical concentrations of deprivation, but cannot pick up dispersed deprivation such as occurs in rural areas.

We would argue that there has been a consequent imbalance in effort and resource allocation, biased towards tackling urban deprivation – and that this imbalance needs now to be addressed, both in terms of understanding how, and in what ways, the experience of rural poverty differs from that of urban poverty; and in terms of its identification, measurement and prioritisation for resource allocation.

Responses to Specific questions

QUESTION	RESPONSE
<p>Question 1: Where can the Scottish Government contribute most to tackling poverty?</p>	<p>The most significant ways in which the Scottish Government can contribute to tackling poverty include: firstly working with partners to better understand, and subsequently develop more appropriate measures for, relative poverty across all of Scotland, <i>including</i> rural areas; then using this information to develop policies that are based on more accurate identification of need. This in turn will permit resources to be more efficiently and effectively targeted.</p>
<p>Question 2: To what extent are current policies and programmes fit for purpose?</p>	<p>Community Regeneration policies such as the Scottish Executive Regeneration Statement 'People and Place' (2006) have generally made assumptions that regeneration intervention will be area-based. In combination with the use of the SIMD to allocate community regeneration resources, this has resulted in regeneration work being largely concentrated in specific urban locations.</p> <p>Such area-based intervention can work well where communities have common and easily identifiable 'issues', such as community safety; or where there are sufficient numbers of people experiencing the same issue to support thematic work, such as mental health or homelessness issues.</p> <p>However, the picture becomes more complex in rural areas where, <i>within any given unit of area</i>, a sparser population and a greater range of lifestyles and socio-economic groupings are likely to be found - and therefore not only a greater variety of (often conflicting) 'agendas' about community issues, but also fewer absolute numbers of individuals, more widely dispersed, belonging to 'thematic' target groups. Nevertheless, work to tackle poverty is no less necessary in rural areas, as is borne out by the statistics above</p>

	<p>- and individual need is just as urgent.</p> <p>Some rural communities require in fact very little support to carry out needs assessments, agree priorities and access funding, or participate in the democratic process, to achieve their goals; whilst others have little conception of community action, or do not contain, in their sparsely-populated area, any individuals who are capable of drawing people together to address common issues.</p> <p>Physical attributes of climate and geography can also play a part in engendering different <i>experiences</i> of deprivation and poverty in rural areas. Access to services or advice, or to employment or learning opportunities, differs enormously between one rural area and another, but can involve extreme difficulties. Physical hardship can affect vulnerable groupings anywhere, but climate and isolation can have particularly immediate effects – for example, in terms of transport, fuel poverty, the cost of living, health, and housing conditions.</p> <p>Social, cultural and religious aspects can also affect the experience of deprivation, and again, accessibility is a key factor in this respect: the experience of a mental health problem, for example, in an isolated rural community can trace a fine line between help and intrusion, inclusion and exclusion – the complexity being exacerbated if professional or peer support are inaccessible.</p> <p>We wish to suggest that greater consideration is given by Government to ‘rural-proofing’ policies– a greater recognition and awareness is needed that ‘one size’ does not ‘fit all’, and that different rural areas will have differing needs, and extremely variable community capacities to address those needs.</p> <p>We would support the emphasis on a greater co-ordination of approach to policy and action, and are of the opinion that partnership working is vital in order to achieve results, just as much in rural areas, if not more, than elsewhere.</p> <p>However, we would also like to draw attention to the ‘supersparsity’ issues of rural areas, in terms of the added costs of partnership working and service delivery in rural areas. It is notable that this applies not only in cases where there are inhabited islands, such as in Argyll and Bute, but also where there are large areas of sparsely-populated and relatively inaccessible mainland.</p> <p>Our Council Leader has already made representations to Scottish Ministers earlier this year at the Highlands & Islands Convention regarding the inadequacy of the Scottish Index of Multiple Deprivation as a measure of Rural Poverty.</p>
<p>Question 3: How should the Scottish Government maximize the impact of these policies and programmes?</p>	<p>Through processes that include more genuine ongoing dialogue with partners as well as revised and reduced standardised reporting mechanisms, the Government should monitor the impact of policies and programmes in a more meaningful way to appraise their effectiveness against the outcomes – and adopt an approach that is</p>

	flexible enough to allow for subsequent adjustment of the policies, and indeed of the direction of expenditure, as necessary.
<p>Question 4: Do you consider there are gaps in these policies and programmes that need filling? If so, how should they be filled?</p>	<p>We believe that there are limitations in the techniques used for identification and measurement of, and indeed in the understanding of, both the experience and the degree of rural poverty, the contributory elements of which are set out in our response to Question 2.</p> <p>These limitations lead to gaps in policies and programmes for rural areas, examples of which can be seen in the contexts of fuel poverty, rural housing, opportunities for employment and training in rural areas, access and transport, and health-related issues – and in particular as regards the most vulnerable groupings, a detailed list of whom is given under Question 5 below.</p>
<p>Question 5: How best can the Scottish Government achieve both economic growth and reduced poverty and income inequality?</p>	<p>We agree with the Discussion paper’s premise that to achieve both economic growth and reduced poverty and income inequality will require policies that coordinate action at individual, local and national levels.</p> <p>At the individual and local level, to support economic growth it will be necessary to build individual and community capacity and improve service provision; and to reduce poverty it will be necessary to alleviate immediate <i>symptoms</i> of individual and community poverty whilst <i>also</i> building individual and community capacity to tackle its <i>causes</i> at the local level.</p> <p>At a national (and, increasingly, international) level, it will be necessary to <i>simultaneously</i> break down the structural barriers to economic growth and the structural forces that perpetuate the causes of poverty and prevent alleviation of its symptoms.</p> <p>With regard to the individual and local level, from an Argyll and Bute perspective there are specifically rural challenges of sparsity and diversity for all of these aspects, which are of course closely interlinked. However, we welcome the recognition that both individual <i>and</i> area-based (community) approaches are required, as this affords greater flexibility to address need.</p> <p>Below are set out some responses on the challenges we face in working to achieve both economic growth and reduced poverty and income inequality, looking first at the individual level, then at area (community) level, and finally at planning and policy development at a strategic level.</p> <p><i>Individual level:</i></p> <ul style="list-style-type: none"> • <i>For individual capacity building to support economic growth:</i> This involves person-centred, holistic approaches to addressing educational disadvantage and underachievement, through to training and initial support for new enterprises. However in rural areas, physical distances and lack of transport to learning providers and support, advice and information services can act as

significant barriers, and innovative solutions will need to be found. It will be important to engage with local employers to discover current and future needs, and match action to these, bearing in mind that in rural areas, the local employment market operates more informally, and often by word of mouth – which can work both for and against individuals seeking jobs.

- *For alleviating immediate symptoms of individual poverty:* Much can be done at a national structural level to achieve this, and the Paper's third 'Area for Action' makes many very practical suggestions in this regard. In rural areas, the following target groups have been identified as most likely to experience deprivation:

- Elderly people
- Unemployed people
- People with fluctuating incomes/on benefits/low paid/low income/self-employed
- Young people/children and young families, large families
- People unsatisfactorily housed/homeless
- People with long term illness/disabilities/mental health problems
- Carers
- Lone parents

However, crucially in rural areas, difficulties of access *compound* the difficulties of other aspects of deprivation and disadvantage. These groups are not only the least mobile (for reasons of health, age, lack of income etc), *but also* those for whom easy access to either services or opportunities is most crucial; and their problems will therefore compound with increased remoteness or isolation.

- *For individual capacity building to tackle the causes of poverty:* In order to build individual capacity to tackle the causes of poverty, more attention could be paid to the 'household strategies' of poor people to lift themselves out of poverty, in order to understand not only the processes by which they became poor, but also how better to assist them. However, again, in rural areas, sparsity and isolation make assistance far more difficult both to provide and to obtain. The following elements have been identified (Rakodi 1995:412) as the 'causes' of poverty in rural areas:

- Lack of assets
- Unreliable stocks/flows of food/cash
- Low returns to labour
- Poor health/disability
- Death
- Migration
- Stage of household life cycle
- Isolation (physical or caused by illiteracy)
- Vulnerability and powerlessness (prevents risk taking)
- Lack of household strategies/ resourcefulness

Area or community level:

- *For community capacity building to support economic growth:* Drawing on literature and reports such as that of the Carnegie Commission (2007), the following have been identified as particularly useful for rural capacity building:
 - Adoption of holistic approaches and innovative solutions
 - Empowering local governance
 - Investing in community-led action
 - Optimising assets
 - Training to support contributions from voluntary and community sectors

In order to ensure that these are successful, they must be tailored to local needs and aspirations. However, in rural locations, the local population is likely to be so heterogeneous as to render it difficult to reach consensus about needs and aspirations. Only very substantial community 'buy-in' can overcome this degree of diversity, therefore genuine and high quality community development approaches to meaningful community engagement are required. In Argyll and Bute, the Community Planning Partnership is working towards sustainable structures for rural community engagement using community development approaches.
- *For alleviating immediate symptoms of community poverty:* An area-based approach will be required, and work is currently being carried out locally in connection with the Fairer Argyll and Bute Plan, to identify areas of deprivation using measures such as fuel poverty in addition to the SIMD. There is clearly an urgent need to develop new measures and methods to identify deprivation and prioritise action in rural areas in addition to those identified as being most deprived by the SIMD. The onus to do this appears to be currently on local partnerships, and assistance at a national level is needed in order to progress work on this front. Regarding local action to alleviate poverty in 'place', again there are no 'one size fits all' solutions, and certainly not in rural areas.
- *For community capacity building to tackle the causes of poverty:* Communities can tackle the causes of poverty both by being socially inclusive at an individual level, and by collectively engaging in local and national democratic processes to improve issues such as access to services and lobby for structural change. Regarding social inclusion, areas for action to build rural community capacity include:
 - Supporting development of strong *and inclusive* social networks and community-level partnerships
 - Recognising rural financial inclusion;
 - Enriching social capital and wellbeing
 - Promotion of social inclusion
 - Ensuring robust processes to reduce inequalities.
 - More work with vulnerable groups

Regarding capacity for rural collective action, areas for action include:

 - Enhancing community engagement

- Valuing local distinctiveness;
- Raising awareness and increase understanding of deprivation/disadvantage;
- Local consultation particularly important – finding ways of engaging directly with excluded groups
- Recognising rural factors

In towns and urban areas, money has been invested in working to build community capacity to tackle the causes of poverty in place, notably through the CRF. However, in some instances it has proved extremely difficult to achieve sustainability, perhaps because of the tenuous and changeable nature of urban communities. Rural communities have different challenges, and each deals with the challenges differently. Some are very fragile, although usually for reasons of sparsity, demography and isolation, others can be extremely robust. However, neither strength nor sustainability of a community is a guarantee that the attitudes to poverty within it will be open to working together to effect change. Again, there is no substitute for detailed knowledge and understanding of individual communities, and quality community development approaches. However, awareness is also needed of a wider perspective than area-based approaches often give – ‘the causes of poverty ‘in place’ derive from many different sources and locations beyond that place’ (Philo (ed.), 1995:6)

Strategic level:

- *For strategic improvement of local service provision that will support economic growth and reduce poverty and inequality:* In supporting economic growth and tackling poverty and inequality in rural areas, there are specifically rural challenges both in planning services, and in developing policy;

Planning: For strategic planning for improvement of local services, it is key that the main issues are identified. Regarding rural poverty, the very recent Report for the Scottish Government ‘Special Study on Living in Poverty in Rural Areas (RERAD 2008) concludes ‘The key factors contributing to rural poverty have been identified, from the literature, as employment, income, housing, health and access’. From local scoping work for Argyll and Bute, the most significant subsets of challenges within these factors have been identified as:

Employment and income:

- Prevalence of low paid, insecure, part-time, seasonal employment
- Lack of employment choice, particularly if no private transport
- Lack of accessible and affordable childcare provision

Housing:

- Lack of affordable and available housing
- High cost of heating houses, and consequently fuel poverty

Health:

	<ul style="list-style-type: none"> • Very high incidence of alcohol misuse • High rates of self-harm and suicide <p>Access:</p> <ul style="list-style-type: none"> • High costs of transport (due to physical distances) • High rate of road accident casualties <p>Long term trends that need to be taken into account include the increase in older age groups, particularly in remoter rural areas.</p> <p><i>Policy:</i> Aspects for rural policy development to consider have been identified in the literature as:</p> <ul style="list-style-type: none"> • Increasing financial resources for community benefit • Policies need to be both condition-specific and area-specific • Consistent provision to meet basic needs • Bottom-up area targeting must meet with top down strategies • Top-down agendas are not appropriate – local initiatives need time to grow • Services/actions to meet needs have to be accessible across the whole authority • Service provision should be flexible • Provision of locally relevant services • Raise awareness and increase understanding of deprivation/disadvantage • Ensure policies use this evidence to reduce inequalities
<p>Question 6: How should the Scottish Government and its partners balance their efforts between the three areas for action outlined at paragraph 43 of the discussion paper?</p>	<p>Spanning both national and local levels, Philo et al (1995:175-188) suggest the need for a combination of ‘place-sensitive’ anti-poverty policies at different levels to achieve balance:</p> <ul style="list-style-type: none"> • Locally-based responses and community initiatives • Voluntary and charitable initiatives with local <i>and</i> national agency involvement • Government initiatives (such as universal basic income; redistribution and crediting of work to allow everyone to ‘earn’ an income; expansion of childcare and pre-school childrens education facilities; and family-friendly employment policies). <p>They stress that ‘local’ should be tempered by ‘national’, and vice-versa, because: ‘The complexity of the poverty map makes it impossible to devise sound local measures. Neither would be satisfactory to replace universal rights with localised discretion. It takes remarkably little for discretion to become discrimination’. Identification and measurement techniques could usefully play a third, validating role here.</p>
<p>Question 7: With respect to the set of key principles detailed at paragraph 33 of the discussion paper what are your views on the following:</p> <ul style="list-style-type: none"> • Are they the right 	<p>We welcome these principles, and believe that they are on the right lines to achieve a ‘Fairer Scotland’. We agree that structural and institutional changes should be coordinated with changes at local and individual levels; however, care should be taken that the balance of national and local change does not place too great a burden on either – and the capacity to effect change at local levels will of course vary.</p> <p>Some of the principles are more specific than others. Those that</p>

<p>principles?</p> <ul style="list-style-type: none"> • Are there others that the Scottish Government should be adopting? • Is there potential for some to compete with others? • How should the Scottish Government ensure that they are in turn adopted by key delivery bodies and agencies? • With regard to the finite resources available, what would you consider as feasible expectations in tackling poverty, inequality and deprivation, and should some key principles be prioritized over others? 	<p>are very general, such as ‘Achievement of the right balance between closing the gap/tackling inequality and helping the very poorest in society’ will require more detailed guidance on what ‘the right balance’ might look like.</p> <p>The principle concerning ‘targeted support for the most disadvantaged – but within a framework of universal service provision and a minimum ‘offer’ that we expect everyone to be able to access’ is crucial to our work; however, and we would welcome some more detail about what is envisaged.</p> <p>Universal provision gives an opportunity to targeted groups that is more effective in some circumstances than targeted provision – many targeted groups not only benefit from inclusion, but also do not wish to be ‘segregated’. Again, in sparsely populated areas, take-up of targeted provision can involve very small numbers indeed, and often involves the same people meeting each other in a variety of settings rather than mixing with others. Further, to ‘expect everyone to be able to access’ a ‘minimum offer’ may have implications for rural areas, depending on the level of offer envisaged.</p> <p>The principle regarding gendered analysis is welcome, but is it possible that, given demographic trends regarding the increase of older age groups, and the evidence that the elderly are one of the most vulnerable groupings regarding poverty and deprivation (particularly in rural areas), more analysis by age (in addition to that regarding child poverty) would also be helpful?</p>
<p>Question 8: Do you think that reserved and devolved programmes currently complement each other effectively and are there any areas where cooperation can be improved?</p>	<p>We support the conclusions of the House of Commons Scottish Affairs Committee Report ‘Poverty in Scotland’ (2007) in this regard. The Report states:</p> <p style="padding-left: 40px;">‘In Scotland, the Government’s approach to poverty reduction must work alongside the structures of devolution. In the view of our witnesses, the most powerful levers for the reduction of poverty are reserved matters. Social security benefits, the tax system and programmes such as the ‘New Deal’ are controlled by the Treasury and the Department for Work and Pensions. Co-ordination with the Scottish Executive is needed to ensure that national policies are delivered effectively and ‘join up’ with devolved programmes. The Scotland Office has a key role in this process. Conversely, the Scottish Executive needs to ensure that its own programmes dovetail with national provision.’ (p10</p>
<p>Question 9: What are the key barriers to greater partnership working? Can you give an example of how these can effectively be overcome?</p>	<p>Rural partnership working poses specific challenges, which in Argyll and Bute include population and resource sparsity due to physical distances and increased costs of transport, dispersed ‘power bases’ for statutory bodies and at times a lack of clarity as to their role, and, in some communities, strong and/or rigid existing structures that may not welcome ‘new’ partnerships.</p> <p>Nevertheless, the policy framework that underpins the approach to partnership working can reduce some of these difficulties, <i>if</i> it is based on an understanding of community development values, supporting the view that rural regeneration founded on community</p>

	<p>involvement can be effective. This view is borne out by the Carnegie Commission (2007), who, following an extensive research and consultation process, adopted a very positive outlook on the potential for rural communities to use their strengths and assets to shape their own futures – but again, emphasising the need for a community-led process.</p> <p>Other aspects of partnership working which can be beneficial include a long-term outlook and commitment, and in particular longer ‘lead-in’ times, allowing partners with fewer resources or less capacity to participate fully, and for communities to engage with the partnerships’ ideas and influence their work.</p> <p>Long-term commitment and sustainability is, however, a major issue. The current funding climate is still producing too many short-term and/or ineffective projects due to the difficulty of finding revenue funding to sustain what is good. Partnerships are starting projects in the knowledge that they are unlikely to be able to give lasting benefits to communities, because of funders’ insistence on constant change and innovation whether or not it is needed or desired.</p>
<p>Question 10: Do you consider that there are any areas where enlargement of the devolution settlement could improve the seamless provision of support and achieve a greater impact on poverty and income inequality?</p>	<p>Following on from the points made under Question 8 from the House of Commons Scottish Affairs Committee Report ‘Poverty in Scotland’ (2007), an enlargement of the devolution settlement could embrace greater national coordination not only of anti-poverty policies – involving as they do a whole raft of cross-cutting areas such as education, health, social security, employment, social work, and housing - but also of funding streams, many of which are short-term and developed in apparent isolation.</p> <p>Nevertheless, flexibility needs to be retained to tailor policy and services to ‘local’ conditions, and policy should also be informed by those who are experiencing poverty and disadvantage. For example, UK national policy issues such as low pay and minimum wages, benefits uptake, benefit ‘gaps’ and tax credits all have specific rural dimensions that need to be understood before changes can make an impact on poverty in rural areas.</p>
<p>Question 11: With which constituencies within Scotland could the Scottish Government do more to influence thinking and action on tackling poverty?</p>	<p>We would argue that rural constituencies have been consistently under-represented, and that the Government could do much more to raise awareness and understanding that would lead to positive action to tackle rural poverty.</p>
<p>Question 12: How should the Scottish Government best go about engaging with the wider public in its efforts to tackle poverty in</p>	<p>Regarding rural areas, the first task should be to raise awareness of rural poverty, surrounded as it is by the misconception of the ‘rural idyll’. A greater understanding is needed of rural culture. For an example, a rural culture of greater self-reliance is often referred to, and a lower level of expectation regarding standards of living and</p>

<p>Scotland?</p>	<p>lifestyle, that may result in lower benefit take-up rate and conspire to 'hide' the incidence of rural poverty.</p> <p>A greater understanding of the diversity within rural areas is also required, in order to be able to comprehend the 'contradiction' between the visual appearance of a rural area, and the knowledge that there is as great a percentage of poor households as there are in the towns and cities.</p>
<p>Question 13: What kind of language should the Scottish Government use in order to communicate effectively on these issues?</p>	<p>There appear to be some communication barriers about 'poverty', and about the language in which the issues are couched. 'Poverty' is an emotive term and can be viewed as 'something that only happens to other people', or it can become a 'label' that is hard to lose, once applied.</p> <p>However the condition is referred to, it needs to be in language that is simple and comprehensible. Given the difficulties of defining and measuring 'poverty', it would appear that there is little consensus about what it means on any level, other than respecting the official 'measure' of income – which is generally agreed to be too narrow.</p> <p>A set of 'illustrations' of what could be meant by 'poverty' - in terms of household goods and lifestyle - might be useful, such as could be developed from the various 'consensual surveys' that have been carried out.</p>

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