

A meeting of the Policy & Resources Committee will be held on Tuesday 18 September 2018 at 3pm within the Municipal Buildings, Greenock.

GERARD MALONE
Head of Legal & Property Services

BUSINESS

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Enquiries to – **Sharon Lang** – Tel 01475 712112

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	Report No:	FIN/91/18/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Policy & Resources Capital Programme 2018/2021 - Progress Report		

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Committee in respect of the status of the projects within the Policy & Resources Capital Programme and to highlight the overall financial position.

2.0 SUMMARY

- 2.1 This report updates the Committee in respect of the progress and financial status of the projects within the Policy & Resources Capital Programme.
- 2.2 It can be seen from section 6 that the projected spend over the period to 2020/21 is £1.400m, which means that the total projected spend is on budget.
- 2.3 Expenditure at 31 July is 59.8% of 2018/19 projected spend. Net slippage of £0.015m (3.0%) is being reported at this time.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the current position of the 2018/21 Capital Programme, the reported net slippage and the progress on the specific projects detailed in the report and Appendix 1.

Alan Puckrin
Chief Financial Officer

Scott Allan
Corporate Director
Environment, Regeneration
& Resources

4.0 BACKGROUND

- 4.1 On 15 March 2018, the Council approved the 2018-2021 Capital Programme which continued the core annual ICT allocation of £0.363m.
- 4.2 The Scottish Wide Area Network was reporting a remaining budget although it has been completed in previous years. This project was funded from Earmarked Reserves and on completion the balance had been returned to Free Reserves. As a result, the remaining £0.031m budget has been removed.

5.0 PROGRESS

- 5.1 PC Refresh Programme – ICT implements a six year desktop and laptop refresh strategy. The 2018/19 refresh programme has targeted laptop devices within the school estate, replacing over 830 laptop devices across all areas of the Primary, Secondary and ASN sectors. Additional funds are being allocated from 2019/20 to allow a small additional refresh to be completed once the existing programme concludes.
- 5.2 Server and Switch Replacement – A number of maintenance replacements are scheduled for 2018/19 and are being scoped at present. A review of central file storage is ongoing and ICT are engaged with system providers, funding has been allocated to allow this to be completed in this financial year.
- 5.3 A number of investments as part of the Council's Digital Strategy have been approved. A Business Case for a significant investment in the Council's Customer Relationship Management System was agreed at this Committee in March 2018 and project implementation has commenced with a completion date of March 2019.

6.0 FINANCIAL IMPLICATIONS

Finance

- 6.1 The figures below detail the position at 31 July 2018. Expenditure to date is £0.290m (59.8% of the 2018/19 projected spend). Phasing and project spend has been reviewed.
- 6.2 The current budget for the period to 31 March 2021 is £1.400m. The current projection is £1.400m which means the total projected spend is on budget.
- 6.3 The approved budget for 2018/19 is £0.500m. The Committee is projecting to spend £0.485m with net slippage of £0.015m (3.0%) mainly due to slippage within the Modernisation Fund (£0.065m) offset by advancement within the Rolling Replacement of PCs (£0.030m) and Server & Switch Replacement Programme (£0.020m).

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

7.0 CONSULTATION

7.1 Legal

There are no legal issues arising from the content of this report and as such the Head of Legal and Property Services has not been consulted.

7.2 Human Resources

There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications has not been consulted.

7.3 Equalities

There are no equalities implications in this report.

7.4 Repopulation

There are no repopulation implications in this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/92/18/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2018/21 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2018/21 Capital Programme.

2.0 SUMMARY

- 2.1 On March 15 2018 the Council approved the 2018/21 Capital Programme which built on the previously approved 2017/20 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual allocations.
- 2.3 In order to fund increased investment in a number of areas, it was agreed to overprovide by up to 5% against available (non SEMP) resources in recognition of potential increase in resources or cost reductions in the future. As a result, the Capital Programme is reporting a deficit of £2.193m which represents 4.40% of the 2018/21 resources.
- 2.4 Officers have confirmed that the phasing of some Property Services projects was not correct at the time the budget was set. Whilst this has no impact on the overall 3 year programme, the Chief Financial Officer would recommend that the Committee approve the restated baseline as reflected in the appendices.
- 2.5 It can be seen from Appendix 2 that as at 31 July 2018, expenditure in 2018/19 was 23.18% of projected spend. Phasing and project spend have been reviewed by the budget holders and the relevant Corporate Director.
- 2.6 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall committees are projecting to outturn on budget. In the current year net slippage of 0.13% is currently being reported based on the restated baseline. This is due to minor advancement within the Environment & Regeneration Committee (£0.035m) offset by slippage - Policy & Resources Committee (£0.015m) and Birkmyre Pitch Improvements (£0.055m)

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves that the 2018/19 Capital budget be restated to reflect the information omitted at the time the budget was approved and otherwise notes the current position of the 2018/21 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On 15 March 2018, the Council approved the 2018/21 Capital Programme which built upon the previously approved 2017/20 Capital Programme.
- 4.2 The approved Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual allocations.
- 4.3 Over provision of projects against estimated (non SEMP) resources of up to 5% has been made to allow for increased resources and/or cost reductions.
- 4.4 Officers have confirmed that the phasing of some Property Services projects was not correct at the time the budget was set. Whilst this has no impact on the overall 3 year programme, the Chief Financial Officer would recommend that the Committee approves the restated baseline as reflected in the appendices.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2018/21 period, the Capital Programme is reporting a £2.143 deficit. This is considered to be within an acceptable level of up to 5% over- provision.
- 5.2 The position in respect of individual Committees for 2018/19 is as follows:

Health & Social Care

No slippage is being reported with spend of £1.364m for the year.

Environment & Regeneration

Net advancement of £0.035m (0.24%) is being reported with spend of £14.577m for the year. Slippage is projected within the Depot AMP (£0.138m) however this is offset by minor advancements on various budgets across the RAMP and Property Services annual allocations.

Education & Communities

Net slippage of £0.055m (0.47%) is being reported with spend of £11.534m for the year. The slippage is within Birkmyre Park Pitch Improvements (£0.055m).

Policy & Resources

Net slippage of £0.015m (3.00%) is being reported with spend of £0.485m for the year. The slippage is within the Modernisation Fund (£0.065m) partly offset by advancement within the PC Refresh and Server Replacement Programme (£0.050m).

- 5.3 Overall in 2018/19 expenditure is 23.18% of projected spend for the year and that project slippage from the programme agreed in March 2018 is £0.035million (0.13%).

6.0 CONSULTATION

- 6.1 This report reflects the detail reported to Service Committees.

7.0 IMPLICATIONS

Finance

- 7.1 Financial Implications

All financial implications are shown in detail within the report and in Appendices 1 & 2.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

7.2 There are no legal implications.

Human Resources

7.3 There are no direct staffing implications in respect of this report and as such the Head of Organisational Development, HR & Communications has not been consulted.

Equalities

7.4 The report has no impact on the Council's Equalities policy.

Repopulation

7.5 The Council's continuing significant capital investment levels will have a positive impact on regeneration, job creation and hence repopulation.

8.0 BACKGROUND PAPERS

8.1 None.

Capital Programme - 2018/19 - 2020/21Available Resources

	A	B	C	D	E
	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	8,282	9,500	8,500	-	26,282
Less: Allocation to School Estate	(4,300)	(4,300)	(3,000)	-	(11,600)
Capital Receipts (Note 1)	389	247	543	-	1,179
Capital Grants (Note 2)	1,861	260	-	-	2,121
Prudential Funded Projects (Note 3)	5,885	5,338	2,333	350	13,906
Balance B/F From 17/18 (Exc School Estate)	12,167	-	-	-	12,167
Capital Funded from Current Revenue	4,901	852	406	-	6,159
	<u>29,185</u>	<u>11,897</u>	<u>8,782</u>	<u>350</u>	<u>50,214</u>

Overall Position 2018/21

Available Resources (Appendix 1, Column E)	<u>£000</u>
Projection (Appendix 2, Column B-E)	50,214
(Shortfall)/Under Utilisation of Resources	<u>52,407</u>
	<u>(2,193)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Sales	389	247	543	-	1,179
Contributions/Recoveries	-	-	-	-	-
	<u>389</u>	<u>247</u>	<u>543</u>	<u>-</u>	<u>1,179</u>

Note 2 (Capital Grants)

	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	108	-	-	-	108
SPT	1,600	-	-	-	1,600
Historic Scotland	65	260	-	-	325
Big Lottery Fund	88	-	-	-	88
	<u>1,861</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>2,121</u>

Notes to Appendix 1Note 3 (Prudentially Funded Projects)

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Future</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Additional ICT - Education Whiteboard & PC Refresh	30	-	-	-	30
Vehicle Replacement Programme	989	1,288	1,633	-	3,910
Asset Management Plan - Offices	-	22	-	-	22
Asset Management Plan - Depots	1,429	778	590	-	2,797
Capital Works on Former Tied Houses	51	45	50	350	496
Waterfront Leisure Complex Combined Heat and Power Plant	4	-	-	-	4
CCTV	201	-	-	-	201
Clune Park Regeneration	-	1,000	-	-	1,000
Neil Street Childrens Home Replacement	49	-	-	-	49
Crosshill Childrens Home Replacement	811	717	-	-	1,528
Modernisation Fund	34	(45)	60	-	49
Watt Complex Refurbishment	903	329	-	-	1,232
Roads Asset Management Plan	1,384	1,204	-	-	2,588
	<u>5,885</u>	<u>5,338</u>	<u>2,333</u>	<u>350</u>	<u>13,906</u>

Capital Programme - 2018/19 - 2020/21Agreed Projects

Committee	A Prior Years £000	B 2018/19 £000	C 2019/20 £000	D 2020/21 £000	E Future £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2018/19 Spend To 31/07/18 £000
Policy & Resources	24	485	468	423	-	1,400	1,400	-	290
Environment & Regeneration	45,988	14,577	18,294	11,268	350	90,477	90,477	-	2,385
Education & Communities (Exc School Estate)	2,432	1,622	2,394	420	-	6,868	6,868	-	358
HSCP	214	1,364	742	-	-	2,320	2,320	-	46
Sub -Total	48,658	18,048	21,898	12,111	350	101,065	101,065	-	3,079
School Estate (Note 1)	19,549	9,912	11,590	5,381	50	46,482	46,482	-	3,401
Total	68,207	27,960	33,488	17,492	400	147,547	147,547	-	6,480

Note 1Summarised SEMP Capital Position - 2018/21

	2018/19	2019/20	2020/21
Capital Allocation	4,300	4,300	3,000
Scottish Government School Grant (estimate)	1,900	2,200	1,500
Surplus b/fwd	9,197	5,485	395
Prudential Borrowing	-	-	-
Available Funding	15,397	11,985	4,895
<u>Projects</u>	9,912	11,590	5,381
Total	9,912	11,590	5,381
Surplus c/fwd	5,485	395	(486)

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	Report No:	FIN/81/18/AP/AE
Contact Officer:	Angela Edmiston	Contact No:	01475 712143
Subject:	Policy & Resources Committee 2018/19 Revenue Budget – Period 4 to 31 July 2018		

1.0 PURPOSE

- 1.1 To advise Committee of the 2017/18 Revenue Budget outturn and the 2018/19 projected outturn for the Policy & Resources Committee as at period 4, 31 July 2018.

2.0 SUMMARY

- 2.1 In 2017/18 the underspend was £1,645,000, details of which are shown in Section 5 of the report.
- 2.2 The major variances making up this underspend are as follows:
- a) Internal Resource Interest under-recovery £108,000.
 - b) Inflation & Pressures contingencies underspend returned to reserves £1,021,000.
 - c) £96,000 over-recovery of prior year's Council Tax.
- 2.3 The total revised Committee budget for 2018/19 is £19,465,000. This excludes Earmarked Reserves of £2,507,000.
- 2.4 The latest projection, excluding Earmarked Reserves, is an underspend of £465,000.
- 2.5 The main reasons for this underspend are:
- a) £300,000 projected underspend of non-pay inflation contingency.
 - b) £100,000 over recovery of Internal Resource Interest.
- 2.6 The Earmarked Reserves for 2018/19 total £2,507,000 of which £663,000 is projected to be spent in the current financial year. To date, expenditure of £140,000 (21.11%) has been incurred which is £3,000 more than the phased budgeted spend to date. It is to be noted that Earmarked Reserves reported in appendix 4 excludes Earmarked Reserves for Asset Plans and Strategic Funds.
- 2.7 The Common Good Fund is projecting a surplus fund balance at 31 March 2019 of £24,040. This is below the recommended minimum level of reserves of £100,000. As part of the Budget, action was taken to increase the annual surplus and as a result, the Fund Balance will increase over the coming years. In addition, the potential disposal of Common Good assets is under review and if approved would increase the Fund Balance accordingly.

3.0 RECOMMENDATIONS

- 3.1 That the Committees notes the 2017/18 Revenue Budget outturn and the 2018/19 projected underspend of £465,000 for the Policy and Resources Committee as at Period 4, 31 July 2018.
- 3.2 That the Committee notes the projected 2018/19 surplus of £16,640 for the Common Good Fund and that action was agreed as part of the 2018/19 budget to begin to increase the fund balance to its recommended level.

Aubrey Fawcett
Chief Executive

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities
& Organisational Development

Scott Allan
Corporate Director
Environment, Regeneration &
Resources

4.0 BACKGROUND

4.1 The purpose of this report is to advise Committee of the current position of the 2018/19 budget as well as the 2017/18 out-turn and to highlight the main issues contributing to the underspend of £1,645,000 in 2017/18 and projected underspend of £465,000 in 2018/19.

5.0 2017/18 OUTTURN

5.1 The main variations from budget in 2017/18 were:

	Revised Budget 2017/18	Out-turn 2017/18	Variance to Budget	Variance to Budget	Movement since P11 Outturn Projection
	£000	£000	£000	%	£000
Finance	7,236	6,748	(488)	(6.74)	(177)
Legal & Democratic Services	1,625	1,631	6	0.36	(8)
Total Net Expenditure Environment, Regeneration & Resources	9,888	8,952	(482)	(4.87)	(185)
Organisational Development, Human Resources & Communications	1,773	1,766	(7)	(0.39)	3
Corporate Policy	236	219	(16)	(6.77)	(5)
Total Net Expenditure Education, Communities & Organisational Development	2,016	1,712	(23)	(1.14)	(2)
Chief Executive	335	341	(6)	(1.79)	0
Miscellaneous	4,097	2,239	(1,134)	(27.67)	(82)
TOTAL NET EXPENDITURE	16,352	13,244	(1,645)	(10.05)	(269)
Earmarked reserves	(428)	(428)			
Total Net Expenditure (Excluding Earmarked Reserves)	15,924	12,816	(1,645)	(10.75)	(269)

5.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

Finance - £488,000 underspend (£177,000 increase in underspend since P11)

Employee Costs: Final outturn is £104,000 underspend due to additional turnover savings being achieved. This is a £3,000 reduction in costs since last reported to Committee.

Admin Costs: £98,000 overspend mainly due to a £63,000 increase in line rental costs, offset through internal recharge income.

Other Expenditure: £128,000 underspend mainly due to a previously reported reduction in the Bad Debt Provision required due to a reduction in Housing Benefit overpayments Sundry Debt invoices raised, partly off-set within income recoveries.

Income: An over-recovery of £303,000 mainly due to off-setting line rental income of £104,000, additional income received for prior year Council Tax collection of £96,000, additional Statutory Additions Income of £45,000 and £47,000 over-recovery of income in relation to DWP Benefit's grants.

Legal & Property - £6,000 overspend (Decrease of £8,000 since P11)

Other Expenditure: Final outturn is £13,000 overspend. This is an increase in costs of £11,000 mainly due to £6,000 additional election costs.

- 5.3 The following material variances relate to the Education, Communities & Organisational Development Directorate:

Organisational Development, H.R. & Communications - £7,000 underspend (Decrease of £3,000 since P11)

Employee Costs: Final Outturn of £49,000 overspend, of which £71,000 is in relation to an outstanding saving for a Manager post currently being funded from the overall Education Directorate underspend. This represents a decrease in overspend of £3,000 since last reported at Committee.

- 5.4 The following material variances relate to the Miscellaneous budget.

Miscellaneous – £1,134,000 underspend (£82,000 increase in underspend since P11)

Non-Pay Inflation Contingency: Final underspend of £614,000 underspend based on current estimated calls on inflation contingency. Increase in underspend of £14,000 since last reported to Committee. This underspend will be added to the 2018/19 allowance and reviewed as part of the 2019/20 Budget.

Pay Inflation Contingency: Final underspend of £407,000 mainly due to £268,000 auto-enrolment projected costs contained within the Services in 2017/18. Decrease in underspend of £1,000 since last reported to Committee.

Internal Resource Interest: Final outturn is £108,000 over-recovery, no overspend was projected in last report to Committee.

Pension Fund: Final underspend of £57,000 due to reduced monthly costs. No change from last Committee.

External Audit Fee: Final overspend of £72,000 due to realignment of 2017/18 and future budget. £77,000 increase in cost from last report to Committee.

6.0 2018/19 CURRENT POSITION

- 6.1 The current projection is an underspend of £465,000. The following are the material variances:

- 6.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

Finance - £133,000 underspend

Employee Costs: £36,000 projected overspend mainly due to turnover shortfall.

Admin Costs: £25,000 overspend mainly due to a £30,000 overspend within Legal Expenses Sheriff Officer, off-set within income. In addition, £61,000 overspend for ICT Line Rental Recharges fully off-set within income.

Other Expenditure: An underspend of £127,000 projected to Committee mainly due to £100,000 underspend due to the reduced amount of Housing Benefit debt now raised due to Universal Credit, offset by under-recovery in income.

Income: An over-recovery of £80,000 is being projected. This is mainly due to a £30,000 over-recovery within Legal fee income which is fully off-set, £61,000 ICT income for Line Rental charges which is off-set within Admin Costs and £85,000 under recovery for Housing Benefit recoveries which are off set within Other Expenditure under Bad Debt. In addition, one-off income of £41,000 received from Education from PEF funding for ICT service charges.

Legal & Democratic - £77,000 overspend

Employee Costs: An overspend of £23,000 is being projected mainly due to turnover target not yet met.

Income: An under-recovery of £50,000, with £44,000 under-recovery for liquor licences due to fewer applications received.

- 6.3 The following material variances relate to the Education, Communities & Organisational Development Directorate:

Organisational Development, H.R. & Communications - £11,000 overspend

All projected variances are under £20,000.

- 6.4 The following material variances relate to the Miscellaneous budget.

Miscellaneous – £378,000 underspend

Non-Pay Inflation Contingency: There is a projected underspend of £300,000 based on current estimated calls on inflation contingency.

Internal Resource Interest: Projecting £100,000 over-recovery of income based on 2017/18 outturn. Both these matters will be factored into the 2019/20 draft budget.

7.0 VIREMENT

- 7.1 There are no virements to report in period 4.

8.0 EARMARKED RESERVES

- 8.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding is £2,507,000 of which £663,000 is projected to be spent in 2018/19 and the remaining balance of £1,844,000 to be carried forward to 2019/20 and beyond. It can be seen that expenditure of £140,000 has been achieved which is £3,000 more than the phased budgeted spend to date and represents 21.11% of the annual projected spend.

9.0 COMMON GOOD FUND

- 9.1 The Common Good Fund is projecting a surplus fund balance at 31 March 2018 of £24,040. Whilst this is below the recommended minimum level of reserves of £100,000 the action approved as part of the 2017/18 Budget is gradually increasing the balance.

10.0 IMPLICATIONS

10.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

10.2 Legal

There are no specific legal implications arising from this report.

10.3 Human Resources

There are no specific human resources implications arising from this report.

10.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

10.5 Repopulation

There are no repopulation issues arising from this report.

11.0 CONSULTATIONS

11.1 The Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and the Chief Financial officer have been consulted in the preparation of this report.

12.0 CONCLUSIONS

12.1 The Committee is asked to note the 2017/18 Revenue Budget outturn and the 2018/19 projected underspend of £465,000 for the Policy and Resources Committee as at Period 4, 31st July 2018.

13.0 BACKGROUND PAPERS

13.1 There are no background papers for this report.

Policy & Resources Budget Movement - 2018/19**Period 4: 1st April - 31st July 2018**

Service	Approved Budget	Movements			Revised Budget	
	2018/19 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2018/19 £000
Finance	7,591		6			7,597
Legal	1,674					1,674
Organisational Development, HR & Communications	1,991					1,991
Chief Exec	332					332
Miscellaneous	7,886	(15)				7,871
Totals	<u>19,474</u>	<u>(9)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,465</u>

Supplementary Budget Detail

£000

Inflation

Software Maintenance Inflation - Finance & ICT

6

Miscellaneous Inflation Contingency:

Software Maintenance Inflation - Finance & ICT

(6)

Getting Ready for Work Scheme (Ec Dev)

(9)

(9)(9)

REVENUE BUDGET MONITORING REPORT**CURRENT POSITION****PERIOD 4: 1st April 2018- 31st July 2018**

2017/18 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000
8,322	Employee Costs	8,215	8,185	8,247	62
523	Property Costs	547	547	547	0
602	Supplies & Services	899	905	921	17
3	Transport & Plant	5	5	3	(2)
1,551	Administration Costs	1,442	1,447	1,475	28
34,428	Payments to Other Bodies	42,420	42,400	41,954	(446)
(31,943)	Income	(34,054)	(34,024)	(34,147)	(123)
13,486	TOTAL NET EXPENDITURE	19,474	19,465	19,000	(465)
	Earmarked reserves				0
13,486	Total Net Expenditure excluding Earmarked Reserves	19,474	19,465	19,000	(465)

2017/18 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000
7,278	Finance	7,581	7,597	7,464	(133)
1,631	Legal Services	1,674	1,674	1,751	77
8,909	Total Net Expenditure Environment, Regeneration & Resources	9,255	9,271	9,215	(56)
1,997	Organisational Development, Human Resources & Communications	2,001	1,991	2,002	11
1,997	Total Net Expenditure Education, Communities & Organisational Development	2,001	1,991	2,002	11
341	Chief Executive	332	332	320	(12)
2,239	Miscellaneous	7,886	7,871	7,463	(408)
13,486	TOTAL NET EXPENDITURE	19,474	19,465	19,000	(465)
	Earmarked reserves				0
13,486	Total Net Expenditure excluding Earmarked Reserves	19,474	19,465	19,000	(465)

POLICY & RESOURCES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 4: 1st April 2018- 31st July 2018**

Outturn 2017/18 £000	Budget Heading	Budget 2018/19 £000	Proportion of Budget £000	Actual to 31/07/18 £000	Projection 2018/2019 £000	Over/(Under) Budget £000
	<u>Finance/ICT</u>					
5,178	Employee Costs - Fin/Rev/ICT	5,056	1,607	1,649	5,092	36
280	Rev - Admin costs - Legal Expenses Sherriff Officer	242	81	63	272	30
41	ICT - Admin Costs - Corporate Calls	38	13	2	11	(27)
437	ICT - Admin Costs -Telephone Line Rental	333	90	115	394	61
72	ICT - Admin Costs - Line Rental - Non Rechargeable	89	30	2	65	(24)
21	Rev- Other Expenditure UC	47	16	0	20	(27)
(8)	Rev - Other Expenditure - Bad Debt Provision	100	25	0	0	(100)
(138)	Rev- Income - Recoveries HB	(220)	(55)	(32)	(135)	85
(309)	Rev- Income - Statutory Additions	(284)	(85)	(88)	(309)	(25)
(283)	Rev - Income - Legal Fee Recoveries	(238)	(79)	(67)	(268)	(30)
(47)	ICT - Income - Recharges	0	0	(42)	(41)	(41)
(437)	ICT - Income - Line Rental Charges	(333)	(90)	(148)	(394)	(61)
	<u>Legal & Property Services</u>					
1,170	Employee Costs	1,236	393	408	1,259	23
(78)	Liquor Licences	(122)	(41)	(18)	(78)	44
	<u>Miscellaneous</u>					
253	Non-pay Inflation Contingency	1,428	15	15	1,128	(300)
(277)	Internal Resource Interest	(150)	(50)	0	(250)	(100)
5,875	TOTAL MATERIAL VARIANCES	7,222	1,870	1,859	6,766	(456)

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget To Period 4	Actual To Period 4	Projected Spend	Amount to be Earmarked for 2019/20 & Beyond	Lead Officer Update
		2018/19	2018/19	2018/19	2018/19		
		£000	£000	£000	£000	£000	
Early Retiral/Voluntary Severance Reserve	Alan Puckrin	4,240			1,000	3,240	Any material spend in 2018/19 depends on timing of VER trawls.
Digital Strategy	Alan Puckrin	217	30	65	164	53	2017/20 Digital Strategy approved and projects progressing. Funding KANA Upgrade & Revenues On Line projects.
Welfare Reform - Operational	Alan Puckrin	339	15	5	79	260	Funding temporary employees and brought forward SWF balance of £60k.
Budget Development	Alan Puckrin	61	0	0	40	21	No committed projects to date but will fund Participatory Budget pilots once the sum is clarified. £40k of uncommitted funds projected to be spent in 2018/19.
2013/18 Revenue Contingency	Alan Puckrin	190	0	0	70	120	Projects to date include £20k Youth Event, £5k for Gourrock Highland Games & £10k for The Great Get Together. Total uncommitted funds in 2018/19 of £44k .
Anti-Poverty Fund	Alan Puckrin	1,500	75	52	213	1,287	Committee agreed further 12 month funding extensions in September with further proposals agreed in February 2018. Proposals linked to Child Poverty Action Plan to be developed.
GDPR	Gerry Malone	150	1	2	47	103	£47k to be spent within 2018/19 GDPR training, ICT requirements and storage.
Develop Pay & Grading Model	Steven McNab	50	16	16	50	0	Staffing resources to develop pay and grading options for consideration by the Corporate Management Team and Members with a view to implementing a revised pay structure in 2019. Budget to be fully spent in 2018/19.
Total Category C to E		2,507	137	140	663	1,844	

COMMON GOOD FUND**REVENUE BUDGET MONITORING REPORT 2018/19****PERIOD 4 : 1st April 2018 to 31st July 2018**

		Final Outturn 2017/18	Approved Budget 2018/19	Budget to Date 2018/19	Actual to Date 2018/19	Projected Outturn 2018/19
<u>PROPERTY COSTS</u>		16,740	22,000	7,300	15,010	22,000
Repairs & Maintenance	1	4,730	9,000	3,000	2,390	9,000
Rates	2	14,900	12,000	4,000	12,620	13,000
Property Insurance		(2,890)	1,000	300		0
<u>ADMINISTRATION COSTS</u>		11,480	7,700	4,500	5,100	7,700
Sundries		5,280	1,500	500	1,100	1,500
Commercial Rent Management Recharge		2,200	2,200	0		2,200
Recharge for Accountancy		4,000	4,000	4,000	4,000	4,000
<u>OTHER EXPENDITURE</u>		83,370	79,100	44,400	15,810	79,100
Christmas Lights Switch On		10,500	10,500	0		10,500
Gourock Highland Games		29,400	29,400	29,400		29,400
Armistice Service		8,400	8,300	0	1,260	8,300
Comet Festival		13,300	13,300	13,300	13,300	13,300
Fireworks		12,600	12,600	0		12,600
Society of the Innocents Rent Rebate		5,000	5,000	1,700	1,250	5,000
Bad Debt Provision		4,170				0
<u>INCOME</u>		(124,220)	(135,440)	(45,200)	(61,750)	(125,440)
Property Rental		(168,950)	(168,950)	(56,300)	(83,220)	(168,950)
Void Rents	3	44,750	34,010	11,300	21,500	44,010
Internal Resources Interest		(20)	(500)	(200)	(30)	(500)
Disposal of Land						
<u>NET ANNUAL EXPENDITURE</u>		(12,630)	(26,640)	11,000	(25,830)	(16,640)
<u>EARMARKED FUNDS</u>		0	0	0	0	0
<u>TOTAL NET EXPENDITURE</u>		(12,630)	(26,640)	11,000	(25,830)	(16,640)

Fund Balance as at 31st March 2018

7,400

Projected Fund Balance as at 31st March 2019

24,040**Notes:****1 Repairs & Maintenance**

Significant repairs costs continue to be incurred in respect of vacant properties to bring them to an adequate condition to allow the property to be let out. An estimate of the repairs costs is currently being prepared and will be reported to the next Committee. Should this estimate be in excess of existing Repairs & Maintenance budgets Officers will recommend how any shortfall should be addressed.

2 Rates (Empty Properties)

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future reports.

3 Current Empty Properties are:Vacant since:

12 Bay St
10 John Wood Street
15 John Wood Street
17 John Wood Street
74 Port Glasgow Road

April 2015
August 2018
June 2017
March 2014
September 2012

Report To:	Policy & Resources Committee	Date: 18 September 2018
Report By:	Chief Financial Officer	Report No: FIN/82/18/AP/AE
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2018/19 General Fund Revenue Budget as at 31 July 2018	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 31 July 2018 and to update the Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

2.0 SUMMARY

- 2.1 The Council approved the 2018/19 Revenue Budget in March 2018 and set a budget without the use of Revenue Reserves. It should be noted that Inverclyde Council approved a Committee and Senior Management restructure on 22 February 2018 and these changes have been reflected in the 2018/19 Revenue Budget reports to the individual Service Committees.
- 2.2 It can be seen from Appendix 1 that as at 31 July 2018 the General Fund is projecting a £0.535 million underspend (excluding Health & Social Directorate) which represents 0.27% of the net Revenue Budget. This is mainly due to:
- Release of non-pay inflation not required.(£300,000)
 - Projected over recovery Internal Resources Interest (£100,000).
 - Early achievement of savings (£128,000)

All of these matters either have been or will be factored into the 2019/20 Base Budget.

- 2.3 From Appendix 1 it can be seen that three Service Committees are currently projecting underspends. The Environment and Regeneration Committee is currently projecting an overspend mainly due to an under-recovery of Industrial and Commercial Rent Income and a shortfall in turnover savings target. The Health and Social Care Partnership is currently projecting an underspend, however, any resulting underspend will be retained by the Integration Joint Board.
- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Funding Models, it can be seen that as at 31 July 2018 expenditure totalled £0.738 million which equates to 13.78% of the planned spend in 2018/19. It can also be seen from Appendix 2 that at 31 July 2018 actual expenditure is 3.78% less than phased budget.
- 2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March 2019 is £5.130 million which is £1.330 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 15 March 2018.
- 2.6 A report elsewhere on the agenda highlights the proposed 2019/20 Budget Strategy which will include the use of any Free Reserves.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the latest position of the 2018/19 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee notes that the use of any Free Reserves will be considered as part of the 2019/20 budget process.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council approved the 2018/19 Revenue Budget in March 2018 and set a balanced budget without the use of Reserves.

5.0 POSITION AS AT 31 JULY 2018

- 5.1 It can be seen from Appendix 1 that as at 31 July 2018, the General Fund is projecting an underspend of £0.535 million which equates to 0.27% of the net General Revenue Fund Budget.
- 5.2 Appendix 1 shows that three Service Committees are currently projecting an underspend.
- 5.3 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £465,000 (2.39%) mainly due to release of non-pay inflation contingency not required and a projected over recovery of Internal Resources Interest. Both these underspends are planned to be factored into the 2019/20 Base Budget.

Environment & Regeneration – Projected overspend of £107,000 (0.47%) mainly due to a shortfall in turnover savings achieved and a projected shortfall in industrial & commercial rent income. As the shortfall in rent income has been a recurring issue, this matter will be rectified as part of the 2019/20 Base Budget.

Education & Communities - £49,000 (0.06%) projected underspend mainly due to additional turnover savings, a projected underspend within Teachers employee costs and a projected over recovery of income for Early Years Wraparound. This has been offset in part by an overspend within Libraries and Museums employee costs and a projected shortfall in library income.

Health & Social Care – Projected underspend of £111,000 (0.23%) mainly due to a refund from an external provider relating to previous years' service provision. The Committee underspend will be retained by the Integration Joint Board.

- 5.4 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing will not be amended during the year and provides a useful benchmark for Officers and Members to monitor performance against originally envisaged targets. The Earmarked Reserve statement excludes those funds that relate to Assets Plans or Funding Models.
- 5.5 As at 31 July 2018 the Council has spent £0.738 million against a phased budget target of £0.767 million. This represents 3.78% less than the target and spend equates to 13.79% of the projected spend for 2018/19. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee.
- 5.6 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected unallocated balance at 31 March 2019 is £5.130 million which is £1.330 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 15 March 2018. At the meeting, the Council gave approval to allocate £8.858 million of free reserves to various investment proposals. This is reflected in appendix 3 and the remaining free reserve balance will be considered as part of the 2019/20 budget process.

6.0 CONSULTATION

6.1 This report has been produced utilising the detailed budget reports to each Committee.

7.0 IMPLICATIONS

7.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

7.2 Legal

There are no legal implications arising from this report.

7.3 Human Resources

There are no HR implications arising from this report.

7.4 Equalities

There are no equality implications arising from this report.

7.5 Repopulation

There are no repopulation implications arising from this report.

8.0 BACKGROUND PAPERS

8.1 None

Policy & Resources Committee
Revenue Budget Monitoring Report
Position as at 31st July 2018

Committee	Approved Budget 2018/2019	Revised Budget 2018/2019	Projected Out-turn 2018/2019	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	19,474	19,465	19,000	(465)	(2.39%)
Environment & Regeneration	20,521	22,657	22,764	107	0.47%
Education & Communities (Note 1)	90,235	80,846	80,797	(49)	(0.06%)
Health & Social Care	47,794	47,794	47,683	(111)	(0.23%)
Committee Sub-Total	178,024	170,762	170,244	(518)	(0.30%)
Loan Charges (Including SEMP)	12,500	17,128	17,128	0	0.00%
Savings Achieved Early (Note 2)	95	128	0	(128)	(100.00%)
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	3,201	3,201	0	0.00%
Total Expenditure	190,379	190,979	190,333	(646)	(0.34%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(160,030)	(160,630)	(160,630)	0	0.00%
General Revenue Grant Redetermination	(523)	(523)	(523)	0	0.00%
Council Tax	(29,826)	(29,826)	(29,826)	0	100.00%
Integration Joint Board - Increase in Reserves	0	0	111	111	100.00%
Net Expenditure	0	0	(535)	(535)	

Note 1 - Reduction reflects loans charges and earmarked reserves.

Note 2 - Efficiencies/adjustments identified post budget setting removed from Service Committee budgets.

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>Total Funding 2018/19</u>	<u>Phased Budget to 31 July 2018</u>	<u>Actual Spend To 31 July 2018</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2018/19</u>	<u>Earmarked 2019/20 & Beyond</u>
	£000	£000	£000	£000	£000	£000
Education & Communities	3,013	113	113	0	964	2,049
Health & Social Care	2,447	317	304	(13)	2,078	369
Regeneration & Environment	2,744	200	190	(10)	1,648	1,096
Policy & Resources	2,507	137	131	(6)	663	1,844
	10,711	767	738	(29)	5,353	5,358

<u>2018/19 %age Spend Against Projected</u>	<u>2018/19 %age Over/(Under) Spend Against Phased Budget</u>
11.72%	0.00%
14.63%	(4.10%)
11.53%	(5.00%)
19.76%	(4.38%)
13.79%	(3.78%)

Actual Spend v Phased Budget Underspend = (£29k) (3.78%)

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 31/07/18

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/18		13453
Projected Surplus/(Deficit) 2018/19	535	
Contribution to/(from) General Fund Reserves Note 1	<u>0</u>	
		535
Approved Use of Free Reserves (March 2018) Note 2		<u>(8858)</u>
Projected Unallocated Balance 31/03/19		<u>5130</u>

Minimum Reserve required is £3.8 million

Note 1 No contribution from reserves was required when setting 2018/19 Revenue Budget.

Note 2 (Use of Reserves)

Apprenticeship Programmes	170
Dementia and Autism Friendly Community	200
I Youth Zones	186
Anti- Poverty Fund	200
Community Fund	215
Pipe Band Championship 2019-21	345
Inverkip Community Hub	50
Demolish Redundant Buildings	150
Contingency Reserve	120
Indoor Bowling Club	100
Beacon Arts Centre - Repairs and Renewals Fund	120
Lady Alice Bowling Club	65
Indoor Tennis Facility	150
Inverclyde Leisure Spend to Save Investment	1300
Cremator Replacement	850
Capital Programme 2018/21 Deficit	467
3 to 4 Traffic Management Studies	30
Passing places Kirn Drive	200
Refurbishment of Ashton Prom	50
Gourock Park Improvements	20
Extend Gourock Pool Opening Times	16
Roads/Footways Investment	204
GDPR	150
Budget Strategy Reserves	3000
Repopulation Strategy	500
	<u>8858</u>

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/88/18/AP/FMacI
Contact Officer:	Fiona Maciver	Contact No:	01475 712904
Subject:	Debt Recovery Performance 2017/18		

1.0 PURPOSE

1.1 The purpose of this report is to advise Committee of the Council's Debt Recovery performance during 2017/18. The Financial Regulations stipulate that a report on Debt Recovery performance for the preceding financial year be submitted annually to the Policy & Resources Committee.

2.0 SUMMARY

- 2.1 The current contract for recovery of Council Tax and NDR took effect from 1 April 2018 initially for 2 years with the option to extend on a yearly basis up until 31 March 2022. The new contract includes the collection of Council Tax, Non Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and Parking Charge Notices.
- 2.2 The main focus of the in-house Debt Recovery Team continues to be Council Tax, however more rigorous activity is being applied to the recovery of Non Domestic Rates Sundry Debts (including Commercial rents), and Housing Benefit Overpayments.
- 2.3 Collection levels for 2017/18 in respect of Council Tax accounts passed to the Council's Debt Partners increased by £132,000. A breakdown of the categories of debt can be seen at Appendix 2. The contractor continues to be an effective partner both in terms of their collection results to date and also in the ease of communication with them. The contractor continues to operate from an office in Cathcart Street and is currently expanding the number of staff working from the location to include a Sheriff Officer and a witness. The service allows customers to make payments and answer basic enquires.
- 2.4 Despite another challenging year due to the continuing difficult economic climate and impact of Welfare Reform changes, the Council Tax In year Collection level increased by 0.2% to 95.5%, the highest to date. This is a significant achievement and can be attributed to the hard work of the Council's Revenues Team with support from Customer Services and the Benefits Team.
- 2.5 Payment by Direct Debit has remained high, 78.5% of in year receipts being received by this method of payment. As the Council's Digital Strategy is rolled out, it is hoped that more people will take advantage of paying by direct debit when they can set up themselves online at home. Direct Debit continues to be promoted as the first choice of payment method.
- 2.6 The collection level for Non Domestic Rates was 95.77%, an increase of 1.05% from 2016/17. In addition Debt Recovery for earlier years increased by £209,000 (See App 2). This significant increase can be attributed to persistence of the Debt Recovery team and our Debt Recovery Partner.
- 2.7 As reported to the Committee in November 2016, changes to the Council Tax regime were introduced in April 2017 which increased annual bills for many Band E and above households. To date there has been no obvious impact on collection levels since this change was introduced nor with the volume of recovery notices being issued for properties in Band E and above

3.0 RECOMMENDATIONS

- 3.1 That the Committee welcomes the Council's continued good Debt Recovery performance in 2017/18.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The current contract Debt Recovery Partnership took effect from 1 April 2018, initially for 2 years with the option to extend on a yearly basis up until 31 March 2022. The new contract includes Council Tax, Non Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and Parking Charge Notices.
- 4.2 The Revenues Management Team meet regularly with the Debt Partner as well as communicating regularly by telephone and email to ensure that there are clear lines of responsibility and that income is maximised as far as possible and that the best solution is found for each customer as an individual. Operational meetings and discussions also take place as and when required. The Debt Partner are also very receptive to looking at fresh initiatives and ways of working which has contributed towards the increase in collection levels for Council Tax. One example of this is conducting evening home visits to Council Tax debtors with high balances owing who live in high banded properties.

5.0 2017/18 PERFORMANCE

- 5.1 The Revenues Team based in the Municipal Buildings improved their in year Council Tax collection figure from 2016/17 and achieved the Council's best ever in year collection figure of 95.5%. Considering the continuing difficult economic climate and the Welfare Reform changes, this is a commendable effort. The Revenues processing team made considerable contribution to this best ever In Year collection level by processing exemptions, discounts effectively and managing the billing process timeously whilst the Debt Recovery team maintained their high level of performance from prior years.
- 5.2 Prior year debt can be difficult to collect and becomes increasingly difficult with the passage of time. Due to the concerted efforts of the Debt Partner and the Council's Debt Recovery Team, prior year collections increased during 2017/18 to £1.386m which is an increase of £86k from 2016/17 and is a significant achievement. Figures at the end of March 2018 showed that the Council has collected 96.5% of all Council Tax billed since 1993.
- 5.3 The collection rate for Non Domestic Rates was 95.77%, an increase of 1.05% since 2016/17; The Rates collection level can vary greatly month to month depending on the volume of and value of bills issued.
- 5.4 The Council is currently using the Debt Partner to pursue outstanding Parking Fines and the collection of these is improving each month with an average collection level of 89.35% across all PCNs raised. Robust procedures are now in place to ensure that revenue to the Council is maximised. This involves employment traces, Earnings and Bank arrestments being lodged against individuals that fail to agree repayment proposals with the Debt Recovery Partner.
- 5.5 There were 8 sequestration actions raised in 2017/18 which were raised for a combination of council tax, rates and commercial rent. These sequestrations have resulted in payments of £26,531 being made. The number of sequestrations has been maintained from last year. Cases identified for sequestration are carefully selected to ensure that emphasis continues to be on those debtors who have clear equity on their homes and should be in a position to pay. The process in place for sequestration ensures that this is a last resort diligence and only used once all other means for recovery have been exhausted. This ensures that the customer has every opportunity to engage with the Council or the Debt Partner to make arrangements. Cases involving customers who have failed to engage are referred to an Insolvency Practitioner, who will attempt to contact the customer by letter in relation to their debt.
- 5.6 These letters appear to have the desired effect of encouraging customers to get in touch and make repayment arrangements which is beneficial to the customer as it avoids being in effect made bankrupt and saves the Council around £800 in legal costs for each case that does not progress to sequestration.

- 5.7 Payment by Direct Debit has remained high at 78.5% of in year receipts being received by this method of payment. As the Council's Digital Access Strategy is rolled out, it is hoped that more people will take advantage of paying by direct debit when they can set this up online. Direct Debit continues to be promoted as the first choice of payment method.
- 5.8 Officers are aware of the social and financial inclusion issues in Inverclyde and continue to work closely with Advice First with the view to facilitate as many arrangements with debtors before it reaches the stage that diligence is applied. Benefit and Council Tax Reduction take up is also encouraged to ensure that entitlement is maximised as far as possible although it should be noted that the launch of Universal Credit Full Service in Inverclyde in November 2016 has had an impact.
- 5.9 The Debt Recovery Team continues to set up arrangements directly to avoid passing debtors across to the Sheriff Officer in certain circumstances, such as those in debt for the first time. This can reduce costs to the debtors.
- 5.10 A statement of the Debt Partnership performance is set out in Appendix 1 and Appendix 2. The Debt Partners collected £2.467 million in Council Tax in 2017/18 which is £132,000 more than 2016/17.
- 5.11 The Debt Recovery Team has continued to work closely with the DWP to manage direct deductions from benefits for customers with arrears who are in receipt of certain benefits. This approach ensures that individuals will see a reduction in their debt rather than being caught in a cycle where debt builds up year on year. It should be noted that the move to Universal Credit has had an adverse impact on the level of deductions being made from customer's benefits. Ongoing discussions are taking place with the DWP to streamline the process to ensure that customers can continue to benefit from the scheme.

6.0 OVERALL POSITION OF COUNCIL DEBT AS AT 31 MARCH 2018

- 6.1 The gross debt as at 31 March 2018 is £22,746 million as shown in Appendix 3. There is a bad debt provision of £16.948 million, leaving a net debt of £5.798 million. It should be noted that as at 31st March 2018, the Council had collected 96.5% of all Council Tax billed an increase of 0.1% from 2016/17.
- 6.2 Appendix 4 provides more detail behind the figures and highlight new debts raised, payments received and debts written off. All Bad Debt provisions have been calculated in accordance with Council policies and reconcile to the 2017/18 Accounts.

7.0 PLANS FOR 2018/19

- 7.1 The Council's Revenues Management and Debt Recovery Team together with the Council's Debt Management Partner will continue to pursue the special initiatives that are in place such as visiting properties in the evening where there is substantial debt in a high banded property together with conventional recovery methods to ensure that resources are appropriately directed to specific areas of debt ensuring income maximisation. In line with the Council's Digital Strategy and Customer Services Improvement Action plan, there are plans to modernise Council Tax Administration through:
- the implementation later this year of MyAccount which will allow customers to view their account on line without contacting the Council
 - Software has been purchased that will allow customers to report changes in circumstances online which can automatically update the Revenues processing system, Northgate, reducing the need for manual processing.
- 7.2 Advanced discussions have taken place to locate a member of staff from Alex M Adamson within the Debt Recovery Team to undertake joint recovery initiatives to increase revenue to the Council.

8.0 IMPLICATIONS

8.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments

Financial – In 2017/18 the Council exceeded its Council Tax prior year's collection budget by £96,000. The extra income generated helps toward assisting the Council in balancing its budgets.

8.2 Legal – There are no legal implications arising from this report.

8.3 Human Resources – There are no HR implications arising from this report.

8.4 Equalities - Debt Recovery Processes are designed to achieve adherence to the Equalities agenda by ensuring close liaison between Debt recovery officers and the Benefits section. In addition by providing a wide range of payment methods and choice of payment dates this makes it easier for everyone to make payments to the Council.

8.5 Repopulation – There are no repopulation issues arising from this report.

9.0 CONSULTATION

9.1 None

10.0 BACKGROUND

10.1 None

Analysis of Debt Partner Performance 2017/18

Council Tax

Financial Year	Payments Received
	£000's
1993/94	1
1994/95	1
1995/96	4
1996/97	5
1997/98	13
1998/99	8
1999/00	12
2000/01	14
2001/02	18
2002/03	15
2003/04	15
2004/05	18
2005/06	19
2006/07	22
2007/08	29
2008/09	32
2009/10	47
2010/11	52
2011/12	58
2012/13	69
2013/14	108
2014/15	147
2015/16	206
2016/17	473
2017/18	1081
Total	2467

Non Domestic Rates

Financial Year	Payments Received
	£000's
1993/94	0
1994/95	0
1995/96	0
1996/97	0
1997/98	0
1998/99	0
1999/00	0
2000/01	0
2001/02	0
2002/03	1
2003/04	0
2004/05	0
2005/06	0
2006/07	0
2007/08	1
2008/09	0
2009/10	0
2010/11	6
2011/12	1
2012/13	1
2013/14	13
2014/15	9
2015/16	30
2016/17	53
2017/18	302
Total	417

Appendix 2

Debt Recovery Partnership Performance
Comparison 2016/17 & 2017/18

	2016/17 £000's	2017/18 £000's	Difference £000's	%
Council Tax	2335	2467	132	5.65%
Non Domestic Rates	208	417	209	100.48%
Total	2543	2884	341	13.41%

Appendix 3

	Position 31/03/2018 £'000	Position 31/03/2017 £'000	Movement £'000
<u>Council Tax</u>			
Gross Debt	16,327	16,298	29
Less: Bad Debt Provision	13,764	13,962	(198)
Net Debt	<u>2,563</u>	<u>2,336</u>	<u>227</u>
<u>Sundry Debt</u>			
Gross Debt	813	895	(82)
Less: Bad Debt Provision	207	264	(57)
Net Debt	<u>606</u>	<u>631</u>	<u>(25)</u>
<u>Industrial & Commercial Rent</u>			
Gross Debt	105	83	22
Less: Bad Debt Provision	28	33	(5)
Net Debt	<u>77</u>	<u>50</u>	<u>27</u>
<u>Statutory Additions</u>			
Gross Debt	2,949	2,925	24
Less: Bad Debt Provision	2,949	2,925	24
Net Debt	<u>0</u>	<u>0</u>	<u>0</u>
<u>Long Term Debtors</u>			
Gross Debt	2,552	2,637	(85)
Less: Bad Debt Provision	0	0	0
Net Debt	<u>2,552</u>	<u>2,637</u>	<u>(85)</u>
<u>Overall Totals</u>			
Gross Debt	22,746	22,838	(92)
Less: Bad Debt Provision	16,948	17,184	(236)
Net Debt	<u>5,798</u>	<u>5,654</u>	<u>144</u>

2017/18 Debtor MovementsAppendix 4

	Opening Position £'000	Additions £'000	Payments/ Reliefs £'000	Net Write-Offs £'000	Closing Position £'000	
<u>Council Tax</u>						
	Gross Debt	16,298	35,939	(35,702)	(208)	16,327
Less:	Bad Debt Provision	13,962	10		(208)	13,764
	Net Debt	<u>2,336</u>	<u>35,929</u>	<u>(35,702)</u>	<u>0</u>	<u>2,563</u>
<u>Sundry Debt</u>						
	Gross Debt	895	6,366	(6,399)	(49)	813
Less:	Bad Debt Provision	264	(8)		(49)	207
	Net Debt	<u>631</u>	<u>6,374</u>	<u>(6,399)</u>	<u>0</u>	<u>606</u>
<u>Industrial & Commercial Rent</u>						
	Gross Debt	83	808	(785)	(1)	105
Less:	Bad Debt Provision	33		(4)	(1)	28
	Net Debt	<u>50</u>	<u>808</u>	<u>(781)</u>	<u>0</u>	<u>77</u>
<u>Statutory Additions</u>						
	Gross Debt	2,925	333	(309)		2,949
Less:	Bad Debt Provision	2,925	24			2,949
	Net Debt	<u>0</u>	<u>309</u>	<u>(309)</u> ²	<u>0</u>	<u>0</u>
<u>Long Term Debtors</u>						
	Gross Debt	2,637	98	(183)	0	2,552
Less:	Bad Debt Provision	0				0
	Net Debt	<u>2,637</u>	<u>98</u>	<u>(183)</u>	<u>0</u>	<u>2,552</u>
<u>Overall Totals</u>						
	Gross Debt	22,838	43,544	(43,378)	(258)	22,746
Less:	Bad Debt Provision	17,184	26	(4)	(258)	16,948
	Net Debt	<u>5,654</u>	<u>43,518</u>	<u>(43,374)</u> ¹	<u>0</u>	<u>5,798</u>

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/86/18/AP/FM
Contact Officer:	Fiona Maciver	Contact No:	01475 712904
Subject:	Customer Services Strategy/Annual Performance Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for the 2018-21 Customer Services Strategy and resultant action plan as well as to provide the Committee with an update of Customer Service Centre (CSC) performance for 2017/18.

2.0 SUMMARY

- 2.1 Following the opening of the Customer Service Centre in the summer of 2012 the Policy & Resources Committee approved its first Customer Services Strategy in November 2012. This Strategy was refreshed in September 2015 and has now been further refreshed for 2018-21 and can be seen at Appendix 1 with the updated action plan at Appendix 2
- 2.2 Appendix 3 details progress against the action plan presented to the Committee in September 2017 and Appendix 4 provides performance information for 2017/18 as compared to 2016/17 in terms of volumes and throughput. Overall the level of performance has been fairly stable with only slight slippage in the Revenues and Benefits abandoned call rate. More information relating to performance can be seen at Section 6 of this report.
- 2.3 Section 7 of the report identifies targets for 2018/19 which are reported through the Corporate Directorate Improvement Plan and Inverclyde Performs. This section also outlines the challenges ahead including ongoing work to drive forward channel shift, the ongoing pressures of the Welfare Reform Agenda. It also highlights that Customer Services will be merging with Registration Services from April 2019 and how the Council plans to work with the new Scottish Social Security Agency.
- 2.4 Section 8 advises on positive results of a targeted survey of CSC users that was carried out in late 2017. This is largely supported by the results of a recent Citizens' Panel questionnaire which will be reported separately to Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves the 2018/21 Customer Services Strategy and associated Action Plan.
- 3.2 It is recommended that the Committee notes the positive progress made in continuing to deliver the CSC action plan and the plans for further improvement/development in 2018/21.
- 3.3 It is recommended that the Committee notes the ongoing impact of Welfare Reform changes, particularly Universal Credit (UC) including the new Scottish Social Security Agency, on the workload/service delivery within the Customer Service Centre.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Policy & Resources Committee approved its first Customer Services Strategy in November 2012 following the opening of the Customer Service Centre in Clyde Square. This Strategy was refreshed for 2015-2018 and is presented to the Committee on an annual basis together with the annual performance update.
- 4.2 When the CSC first opened in June 2012, Performance Information was basic and unreliable. A temporary Development Officer post was funded from the Modernisation Fund for 2 years and a series of performance reports which provided more robust information on performance in the CSC was developed. This post, which is now permanent, continues to provide valuable support in assisting the Customer Services Supervisor with Quality Monitoring and was pivotal in the development of a Customer Service customer survey.

5.0 2018/21 CUSTOMER SERVICES STRATEGY AND ACTION PLAN

- 5.1 The CSC Strategy continues to inform on key areas such as how the customer fits in with the Council's Priorities, how the Council engage with customers as well as detailing the journey and achievements since the Strategy was last refreshed in 2015. The new Strategy includes the plan for the way forward including how the Council in partnership with ICT and the Digital Access Strategy plans to roll out more channel shift opportunities.
- 5.2 The Action Plan which can be seen at Appendix 2 has been updated and actions previously reported as complete have been removed from the plan.

3 new actions have been added which are:

- British Sign Language Plan 2018-23, Support Corporate Policy with the implementation.
- Transfer of Registration Services to Customer Services.
- Keep abreast of developments in relation to the Scottish Social Security Agency.

- 5.3 The action plan that was presented to the Committee in September 2017 has been updated; appendix 3 refers and shows:
 - 8 x Blue (completed) actions.
 - 5 x Green (on-track) actions.
 - There are no amber actions.

6.0 2017/18 PERFORMANCE

- 6.1 Appendix 4 contains a comparison of performance for Revenues & Benefits (R&B) enquiries for 2017/18 against the same period for 2016/17 for telephony, customers interviewed and incoming emails. The Management Information (MI) illustrates that call volumes have reduced by 13% with the abandoned call levels increasing slightly from 23% in 2016/17 to 25% in 2017/18. Whilst this performance falls short of the target of 20%, it has to be taken into consideration that for approximately 8 months of the year, the R&B team operated with 2 fewer Advisors due to vacancies. R&B phone calls are complex and increasingly more so due to Universal Credit and it is credible that the team delivered this level of performance.
- 6.2 The average time that customers had to wait for their call to be answered remained static for 2017/18 at just over two minutes. The number of customers interviewed decreased by 12% which was due to the roll out of Universal Credit. Email contact to the R&B team has also decreased by 26% which again is largely contributed due to the roll out of UC. The total contacts to the R&B team are expected to reduce further year on year as the Housing Benefit caseload drops until the full migration of Housing Benefit to UC which is due by 2023.

- 6.3 Appendix 4 also contains a comparison of performance for Other Council Services from 1 April 2017 to 31 March 2018. This shows that the abandoned call level has remained static at 7% which is in line with target. The number of overall calls presented has dropped slightly by 5%. Emails for general enquires decreased by 11% and total contact for general enquires reduced by 6%; these reductions are likely to be attributed in part to the fact that a total of 2197 enquires last year were submitted via the mobile app and website that normally would have been handled by a CSC.
- 6.4 Targets were set for the CSC for 2017/18 in respect of volumes of complaints and compliments; the target was based on the outturn for 2016/17. A target was subsequently set for 2017/18 that the CSC was to receive no more than 35 complaints and to receive in excess of 63 compliments. The outturn for 2017/18 was that 14 complaints and 81 compliments were received. This is testament to the knowledge and professionalism of the CS staff which is further evidenced by the results of the CS survey described at paragraph 8.2.
- 6.5 Whilst the number of customers using electronic means of contact such as the mobile app remains small it is encouraging to see the total contacts through the CSC are reducing. The developments underway outlined in the CSC Strategy and associated action plan as well as the Digital Strategy such as expanding the range of services that can be accessed on line and the roll out of MyAccount should help drive the shift to more digital channels.
- 6.6 It was reported to the Committee in September 2016 that a Quality Monitoring System had been purchased which, as well as giving the opportunity for senior staff to provide feedback to the advisers for development purposes, aimed to reduce the abandoned call level due to more efficient call handling. The system however has been subject to technical issues which not only delayed implementation but has had an impact on the effectiveness of its usage as well as creating a resource issue for the Customer Services Supervisor. The Revenues and Customer Service Manager and ICT Manager keep the Chief Financial Officer informed of key issues and if there continues to be issues with the current supplier then an alternate system may require to be procured.
- 6.7 The late opening on a Wednesday morning continues to be of benefit for staff training and development.

7.0 FUTURE PLANS AND TARGETS

- 7.1 Customer Services targets for 2018/19 have been agreed as:
- To have fewer than 20% abandoned R&B telephone calls – no change from last year.
 - To have fewer than 7% abandoned general calls – no change from last year.
 - To receive no more than 20 complaints – 14 were received in 2017/18 compared to 38 received in 2016/17.
 - To receive in excess of 63 compliments – 81 were received in 2017/18 compared to 58 in 2016/17.
- 7.2 As noted earlier in this report and accompanying CSC Strategy, Channel Shift continues to be a key priority and the following actions will help facilitate this:
- Work with suppliers to fully enable the ability of customers to book and pay for calendared and transactional services such as bulky uplifts.
 - Enhance the range of services available via Web Self-service, including integration of MyAccount authentication which would allow one secure sign in.
 - Review and revise the range of services available via the Inverclyde Online smartphone 'app and continue to improve back end processes and more widely promote this channel of contact.
 - Work with suppliers to enable Council Tax account administration such as reporting changes in circumstances via the Council web site.

- 7.3 Progress on the above actions is monitored through the Channel Shift Group which is chaired by the Chief Financial Officer and is also tracked through the Digital Strategy Action Plan as well as the Customer Service Action Plan. These projects are scheduled to be complete by the end of this year provided the implementation phase and testing go as planned.
- 7.4 As reported in Section 6, the Quality Monitoring system is now live and a percentage of calls are listened into by the Senior Customer Service Advisors (SCSR). A scoring matrix is applied to give an overall score for each advisor. Templates have been developed for each of the key areas and for the key services. The elements that are scored on will vary depending on the service however the following summarises the key areas that are scored:
- Did the CSR apply the correct greeting and offer further assistance at the end of the call?
 - Did they apply the standard verification protocols?
 - Did they access the correct record?
 - Did they sound friendly, polite and interested in helping?
 - Did they deploy effective listening and effective questioning skills to gather further information avoiding the use of jargon?
 - Was the customer given correct advice, guidance and/or issued the correct forms as appropriate?
 - Were the appropriate systems updated?
 - Were the correct procedures followed when transferring a call?
- 7.5 Various parameters can also be monitored such as handling times of calls over or under certain duration. The Senior CSR provide one to one feedback to the CSR on their performance and ensure that feedback is positive where merited as well as highlighting areas where improvements can be made.
- 7.6 The quality assessment of telephone calls is broken down into four areas: Revenue & Benefits, Environmental & Public Protection, Taking a Payment and Switchboard calls. These four areas look for different outcomes and are assessed independently of each other. The results for 2017/18 showed a high performing team with the following accuracy results:
- Revenue & Benefits – 81%
 - Environmental & Public Protection – 87%
 - Taking a Payment – 90%
 - Switchboard – 90%
- 7.7 The CSC has continued to enjoy successful outcomes through the placement of Modern Apprentices (MA). Working in the CSC gives young adults a wealth of experience as well as confidence through dealing with different types of customers on the telephone and face to face. The CSC has proven history of developing MA enhancing their employment opportunities within and external to the Council. In 2016/17, 2 former MA obtained permanent positions out with the Council and in 2017 one MA secured a temporary position within the CSC. As well as it being of great benefit for the individuals securing employment following the training and mentoring they receive during the MA process, the CSR and senior CSR are delighted to see results of their investment.
- 7.8 Welfare Reform is having an impact on the volume and nature of contacts with the Customer Service Centre. The pace of this change will increase over coming years as Universal Credit continues to roll out and the migration of Housing Benefit to UC. This will undoubtedly have an effect on performance in the R&B team and will be closely monitored and reported to the Chief Financial Officer.
- 7.9 In April 2019, following a restructure in Revenues and Customer Services and the planned retirement of the current Revenues Supervisor, Registration Services are being merged with the CSC and the Senior Registrar will report to the Customer Services Team Leader with the current Benefits and Customer Services Team Leader taking on responsibility for Revenues. Plans are in place for skills transfer.

- 7.10 When the appropriate systems are in place, Customer Service staff will be trained in taking registration telephone calls for customers wishing to make appointments, allowing the registration staff to concentrate on delivering the service. It is critical that this training is thorough due to the sensitivities and legislative requirements of registering births, deaths and marriages. The training will be delivered in modules with births being first, followed by marriages and then death appointments.
- 7.11 Following Royal Assent of the Scotland Act 2016 in March 2016, the Scottish Social Security Agency (SSSA) was set up to deliver 11 Social Security Benefits which have been devolved to Scotland to deliver and which are currently administered by the UK Government. The timescales for the delivery of the devolved Benefits will begin with the top up to Carer's Allowance from summer 2018, Best Start Allowance then Funeral payments during 2019 with a phased roll out of the remaining benefits for full implementation by 2021.
- 7.12 The SSSA intend to employ staff locally and envisage them working within every local authority area; recruitment is likely to begin in 2019. Rather than replace local delivery arrangements, Scottish Government officials wish to build on what already exists through augmentation and support and acknowledge that partnership arrangements will be key to the new arrangements. Progress in this area will be monitored through the CSC Action Plan and with regular meetings with the SSSA and internal services in the Council.
- 7.13 The British Sign Language (Scotland) Act 2015 requires Councils to develop a British Sign Language Plan (BSL) for 2018/23; the deadline for the publication on the Plan is 1 October 2018. The Head of OD, Policy and Communications will submit the final draft of the Councils BSL plan to the Policy and Resources Committee in November 2018. Customer Services will play a large part in contributing to actions within the plan to ensure the best service possible for BSL users; progress will be monitored through the CSC refreshed action plan

8.0 CUSTOMER CONSULTATION

- 8.1 A targeted survey of 226 CSC users was carried out in late 2017 which started by asking what service and by what channel the customer contacted the CSC about, followed by a range of questions designed to ascertain how happy or otherwise customers were about waiting times to speak to a member of staff, how knowledgeable, professional and helpful the staff member was, as well as establishing how satisfied or otherwise the customer was with the final outcome and overall service received. The questions were on a scale of 1 - 5 from agree to disagree and very satisfied to very dissatisfied with the option to say if not appropriate. Free type space was provided to allow for customers to add comments as to why they disagreed or felt dissatisfied. This qualitative information will be useful when forward planning. At the end of the survey customers were asked "What did we do that impressed you most?" and "what could we do better next time?".
- 8.2 The results were most encouraging in that 97% of service users said that they were very satisfied or satisfied with the knowledge of the CSRs, their helpfulness, speed of response and level of courtesy. No area on the survey received a score of less than 80% which is commendable. In the 'free type' areas the comments received indicated that some work is required relating to back end processes relating to how and when requested services are carried out and how customers are communicated with regarding their requests; that said, it should be noted that the scores in the overall service and the final outcome scored 89.4% and 97.4% respectively and therefore are not indicative of a poor service.
- 8.3 The results of the Citizens/ Panels that was carried out in the Spring of this year are currently being analysed. It is anticipated that these results will provide a similar position to that of the CSC targeted survey; the full results will be reported in detail to the Committee.

9.0 IMPLICATIONS

9.1 Finance

Financial Implications: There are no financial implications arising from this report

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

9.2 Legal

There are no legal implications arising from this report.

9.3 Human Resources

There are no direct HR implications arising from this report.

9.4 Equalities

There was a full equalities impact assessment carried out with the initial Strategy and this has been updated as part of the refreshed CS Strategy.

Has an Equality Impact Assessment been carried out?

<input checked="" type="checkbox"/>	Yes	See attached appendix
<input type="checkbox"/>	No	This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

9.5 Repopulation

The provision of quality Customer Services to existing residents and potential residents plays a part in the retention and attraction of people to Inverclyde.

10.0 CONSULTATIONS

10.1 As this is a refresh of the existing Strategy, no specific consultation were undertaken.

11.0 LIST OF BACKGROUND PAPERS

11.1 None

Inverclyde council

Customer Services Strategy 2018- 2021



Getting it right for Every Child, Citizen and Community'

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1.0 Foreword

- 1.1 Inverclyde Council continues to be committed to delivering excellent Customer Service. The first Customer Service Strategy (CSS) was presented to the Policy and Resources Committee in November 2012 with a refreshed Strategy presented in September 2015. This document further refreshes that strategy, looking forward from the current time until 2021 and advises how the Strategy plans to develop as well as reporting on the service developments since the last Strategy was presented. The CSS and associated action plan are organic documents that will develop and evolve as required in order to meet the needs and demands of our community and therefore supporting the achievement of the Councils vision to “Get it right for every Child, Citizen and Community”. The CSS and how it works operationally continues to be intrinsically linked with ICT, Corporate Communications and the Digital Access Strategy.
- 1.2 In general, customer expectations continue to increase as the knowledge and availability of digital channels becomes more common. There is a demand for faster, easier contact as ways of working and communicating are changing the way individuals lead their lives. Citizens however, sometimes have low expectations or opinion on services provided by local government. It is therefore crucial that going forward the Council needs to ensure that the move towards channel shift is efficient and encourages customers to not only ‘try’ but continue to use more efficient channels of contact. This has become more important following result from a recent citizens panel survey more detail of which can be seen later on in this document.
- 1.3 It is also important to understand citizen’s access to technology, the type and complexity of the contact, their personal preferences as well as their skill sets when selecting channels of contact. This is particularly relevant to Inverclyde Council given the levels of deprivation and vulnerability and it must be accepted that face to face and telephony service provision will be a necessity for the foreseeable future regardless of the range of digital channels made available.
- 1.4 The key aims of this Customer Service Strategy are:
- Putting customers at the heart of all we do
 - Serving the customer well by providing a modern responsive service
 - Clear customer commitment
 - Clear customer service values that underpin all we do
 - Protecting frontline services by ensuring better value for money
 - Work closely with our internal and external partners and key stakeholders to provide an efficient and effective service
 - Flexibility to allow the Strategy to develop as different opportunities and challenges such as those experienced from Welfare Reform arise

2.0 How Customer Services fits with the Council's Priorities

2.1 Inverclyde Council has developed a “**Nurturing Inverclyde**” approach that has been rolled out across all services to help achieve its vision. The Council has developed this approach through adapting the wellbeing outcomes that are used in the ‘Getting it right for Every Child Model’ to suit the needs of all Council Services. The wellbeing outcomes that the Council uses are:

- Safe
- Healthy
- Achieving
- Nurtured
- Active
- Respected
- Responsible
- Included

The Corporate Plan 2018/22 sets out the outcomes that the Council will seek to improve, which should in turn improve the wellbeing and quality of life of local residents, with a particular focus on reducing inequality and poverty. The Inverclyde Alliance also recognises that working with communities is fundamental to the successful delivery of its priorities and that communities themselves often have the answers to the problems experienced by those living in their areas. Similarly, local people are at the heart of everything the Customer Services Strategy aims to achieve. Customer Services link local people with the services they require, which can help them to achieve better outcomes.

The Customer Services Strategy will support delivery of the Council's Corporate Plan 2018/22 and in particular the following Organisational Priorities:

- to deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources; and
- to develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs.

2.2 The Customer Service Strategy is aligned to the Council's Digital Access Strategy as much of the work is interlinked. How the Council's approach to Customer Service develops will significantly depend on investment in systems and processes which make access to information faster, easier and more effective. Currently Customer Services is a key partner in the development of channel shift opportunities and the web site both of which are core to the Councils Digital Access Strategy.

2.3 Changes brought about as a direct result of Welfare Reform have resulted in challenges for many residents of Inverclyde and the CSC will have initial contact with many affected individuals and families. It is therefore vital that the CSC has close working links with the Benefits Service, Health and Social Care Partnership (HSCP) and other key partners to ensure that as far as possible the needs of residents are met. Provisions are in place for customers to access help with online applications as well as Personal Budgeting Support. The Chief Financial Officer chairs the Welfare Reform Project Board, and is supported by the Revenues & Customer Services Manager who will ensure that any Welfare Reform issues are taken forward.

3.0 Engaging our Customers

- 3.1 It is important to define what excellent customer service looks like and while this may be difficult to define, the following attributes will contribute towards meeting this objective:
- **Accessible** – locations and times which meet our customers' needs
 - **Relevant** – services that are fit for purpose, joined up and minimise potential barriers
 - **Inclusive** – all customers are treated equally and fairly and customer feedback is acted upon
 - **High Quality and Efficient** – reliable flexible and responsive services which are continually improved and delivered cost effectively
 - **Empowered and Effective staff** – ensuring our workforce has the appropriate skills, tools and authority to effectively deliver quality services.
- 3.2 A commitment to excellence in customer services must be an integral part of the organisational culture at all levels. It is a 'Golden Thread' that starts with the Corporate Plan, then Directorate Plans, Service Level Agreements with internal stakeholders and ultimately through an effective appraisal process for all staff with appropriate training and development that achievement of this goal will be evidenced.
- 3.3 The 2015-17 CSC Strategy acknowledged that whilst the Citizens Panel is a valuable source of information many of the residents it reaches have not made contact with the CSC and recommended that a more targeted survey be carried out with customers who have had contact of some kind with the CSC. A Targeted survey of 226 CSC users was conducted in late 2017 which asked users a range of questions relating to response times for channels of contact, satisfaction with the final outcome and the overall service and quality of service from the CSR. The results showed that 97% of service users were very satisfied or satisfied with the knowledge of the CSR, their helpfulness, speed of response and level of courtesy. No area on the survey received a score of less than 80% which is commendable. In each of the questions, Respondents were encouraged to leave comments about their experience and it is clear that some work is required relating to back end processes relating to how and when requested services are carried out and how customers are communicated with regarding their requests. In order to further improve the scores for overall service and the final outcome, work will continue through the service level agreements and ongoing communication with the relevant services. Work is also required to further reduce waiting times for Revenues and Benefits calls.
- 3.4 Results from a Citizens Panel that was carried out in the spring of 2018 are currently being analysed; it is anticipated that these results will provide a similar positive position to that explained in the above paragraph in respect of the targeted survey. The Citizens Panel survey also asked questions around citizens understanding of and willingness to use electronic means of contact rather than the traditional ones of telephone and face to face contact. This will help inform the progression of the Digital Strategy.

- 3.5 The Equality Duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. Inverclyde Council aims to take into consideration the impact that race, gender and transgender, disability, age, sexual orientation and religion or belief may have on accessibility and the way it delivers customer services. An Equalities Impact Assessment (EIA) was carried out when the 2012-15 CS Strategy was produced and has been updated as part of this refreshed Strategy.

4.0 Our Values and Commitment

- 4.1 The Council's Customer Charter sets out our values and behaviours and what we in turn expect from our customers. This Charter was approved by Policy and Resources Committee in August 2015 and is publicly displayed in the CSC.

5.0 The CSC journey and achievements 2015-2018

5.1 Since the CSC opened in Clyde Square in May 2012 the range of Services provided have grown and now deliver:

- Environmental Services enquiries
 - Safer Community enquiries
 - Cash collection
 - Switchboard calls
 - Council Tax enquiries
 - Housing Benefit enquiries
 - Mail Room including Revenues & Benefits mail
 - Copying evidence for Benefit claims etc.
 - Scanning and indexing Revenue & Benefits mail
 - Petty cash reimbursement, Licencing, issuing and receipt of licenses including payments
 - Corporate reception desk
 - Free school meals, Clothing Grants and EMAs - Issuing of forms checking completed forms and accepting supporting evidence including answering basic enquiries
 - Collection of paperwork from a number of sources including ASN auxiliary paperwork, taxi driver badges, tenders and acting as a reception filter for Education enquiries following the opening of the new Education HQ
 - Dealing with Scottish Welfare Fund customers
-
- Joint working with Soldiers, Sailors, Airmen Families Association (SSAFA) referrals and liaising with the Veteran Support Advisor, assisting Renfrewshire Valuation Joint Board help complete online registrations since the last strategy, 11 further services can be paid for on line.

5.2 Service Level Agreements (SLA) are in place to monitor the effectiveness of the service provided by the CSC as well as back end processes of the services themselves. The SLA will be updated as the digital strategy changes service provision.

5.3 When the 2012-15 CSS was presented to Policy and Resources Committee it contained an action plan for tasks to be taken forward. Appendix 2 details the new Action Plan.

5.4 Registrar Services moved to the Customer Service Centre in 2013 from West Stewart Street and whilst initially the Registrars largely operated independently of the rest of the Customer Service Centre this has since developed into much closer working. In 2017 the corporate reception desk and the first point of contact for Registrars customers have merged, which helped facilitate a budget saving as well as allowing Registrars staff use their time to concentrate on the professional aspect of the role and at the same time giving the CSR who cover the corporate reception desk a wider remit. Further integration is planned for 2019 following a recent management restructure.

- 5.5 The 2015-17 CSC Strategy advised that Inverclyde Council had formed a partnership with Renfrewshire and East Renfrewshire Council's. This partnership developed a pathway to Council and HSCP services for veterans, serving armed forces personnel including reservists, and their families now living, working in, or wishing to relocate to the South Clyde area. The project progressed the Councils' commitment to the Armed Forces Community Covenant ensuring those who have served or are serving are not disadvantaged in civilian life because of their commitment and contribution to their country.
- 5.6 Customer service representatives and frontline staff across the Council, HSCP and the third sector have received training relating to the services offered enabling referrals to be made to the Veterans Support Advisor ensuring that veterans receive pension and compensation payments they are entitled to.
- 5.7 The establishment of a Veterans Support Operational Group has raised awareness within service areas of the challenges faced by this community and the opportunities available to support them. In October 2017, Inverclyde Council was named as one of 33 employers in the United Kingdom to achieve the Ministry of Defense Employer Recognition Scheme Gold Status with the Customer Service access point being an important aspect of the submission. A plaque marking this achievement is displayed in the CSC.

6.0 CSC Performance 2015 – 2018

6.1 In the period since the last Strategy calls presented to the CSC for services other than Revenues and Benefits (R&B) have remained fairly static with a slight reduction by 5% in 2017/18. It is hoped that as more channel shift opportunities are available and with appropriate marketing of other channels, the number of general calls presented will reduce. The level of non R&B calls answered against those presented has improved from 10% in 2014/15 to 7% in 2017/18 which is in line with internal targets.

6.2 The last CSC Strategy reported a significant increase in Revenues and Benefits interviews and telephone calls predominately due to Welfare Reform changes and Management Information (MI) at that time showed that 48% of R&B calls presented were not answered. Due to the roll out of Universal Credit and the subsequent reduction in the Housing Benefit caseload, the number of calls presented for R&B in 2017/18 reduced by 13% and R&B interviews decreased by 12%. Despite the reduction in calls presented, enquires continue to be complex and interviews and telephone calls take on average four times longer to handle than enquires for other services. MI shows that performance in this area is improved and the calls presented and not answered have reduced to 25% which whilst an improvement requires further progress. The increase in performance is largely due to a range of measures approved by CMT and Policy and Resources Committee in 2015 which included:

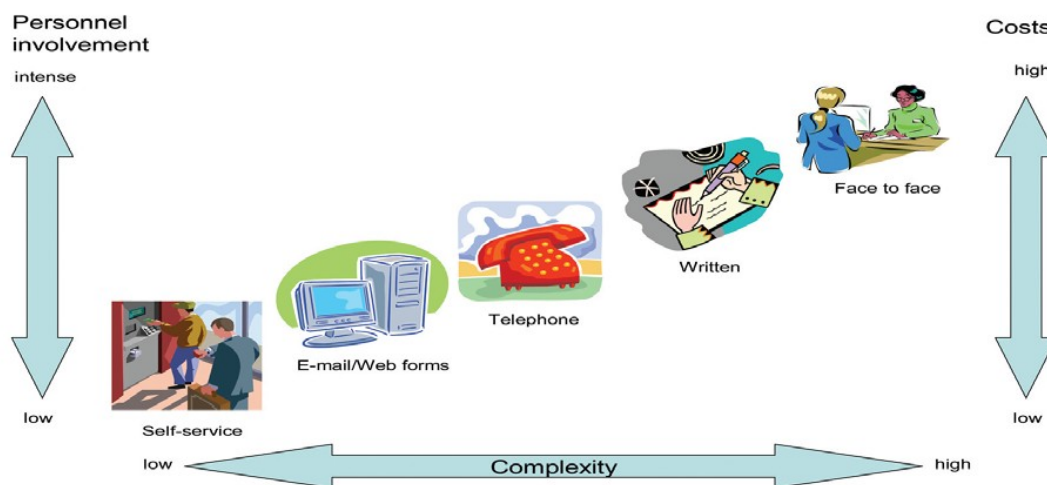
- Creation of a permanent Customer Services Support Officer to monitor and improve quality.
- A dedicated team of Revenues and Benefits Advisors at a higher grade has been created that will allow for specialism in a complex area as well as providing development opportunities for Customer Service Representatives.
- Appointment of temporary resource including utilising the Modern Apprenticeship Scheme
- Changing the opening hours of the CSC on a Wednesday from 08.45 to 11.00 to allow staff training and development.

6.3 A performance report is reported to Policy and Resources Committee on an annual basis following the summer recess; this report contains comparison statistics on the speed of answering telephone calls, wait times for face to face interviews as well as the percentage of presented calls that are not answered. The volume of contact by all channels is monitored and reported on as is performance against the action plan. The level of abandoned calls are also reported in the CDIP and Inverclyde Performs and in 2017/18 two new targets were added which report on the volume of complaints and compliments received

7.0 Customer Service and Digital Access – Developments since the 2015 Strategy

- 7.1 At a time when the Council continues to face challenging budget restrictions it is more important than ever that we concentrate our resources on providing services that our customers need and ensure that our delivery channels not only meet customer demand but are delivered in the most cost efficient way.
- 7.2 The 3 current primary methods of contacting the Council are by telephone, face to face and by email. The diagram below illustrates the options available for customer contact:

Delivery Methods - Analysis of Options



- 7.3 As can be seen above, the most cost effective way of providing access is through self-service electronic delivery whilst the most costly is by way of face to face interaction. This is the primary driver for the Digital Access Strategy which aims to facilitate an increase in self-service leading to customer satisfaction and efficiencies in resources and processes which is frequently referred to as 'Channel Shift'. We must not however lose sight of the fact that those in most need of face to face communication are often the most vulnerable and disadvantaged in our community and this must be a consideration moving forward.
- 7.4 We must also when marketing Channel Shift take into consideration the findings of the 2018 citizens panel where it was found that certainly those residents who were contacted and responded to the survey are not all clamouring for change in terms of moving from face to face and telephone contact. We need to make sure that new channels of contact are efficient and as simple as possible to encourage residents to not only 'try' the new electronic methods of contact but to keep doing so and spread the word to friends and family in a positive way. It is likely that significant engagement with our customers would be required to encourage the use of new or alternate channels.
- 7.5 The Chief Financial Officer chairs the Channel Shift Group with the remit of coordinating the Digital Strategy. The ICT Manager reports on performance and progress against the Digital Strategy Action Plan at every alternate Policy and Resources Committee.

7.6 A mobile application was launched in December 2016 which allows residents to request services and report a variety of issues directly to the service using their mobile phone provided it has 'smart' phone capability which takes advantage of inbuilt functionality such as camera and GPS location which in turn provides more accurate data for service areas. The areas that can be reported through these channels are:

- Abandoned vehicles
- Dog Fouling
- Graffiti
- Illegal Dumping and fly tipping
- Potholes
- Roads and Footpaths
- Rubbish collection/litter street lights/traffic lights
- Street cleaning

7.7 A new web channel called 'My Inverclyde' has been developed and is now live on the Councils website. My Inverclyde is an information data base displaying information that is most commonly requested by members of the public. This new channel solution allows all users to interrogate multiple geographical data and returns personalised search results based on an individual's postcode on information such as public transport nearest to their home, who their councilors are, refuse collections/recycling, school catchment areas and a host of other information. The information is presented in an easy to interpret manner and allows a user to retrieve information quickly and easily and means they don't have to interpret a map at all. It is hoped that publicity around this channel will lead to a reduction in non R&B telephone calls to the CSC.

8.0 Future Plans to develop Digital access for the CSC

- 8.1 The Service together with ICT has a number of key actions which form part of the Digital Strategy Action Plan (2017-2020). These actions aim to encourage our customers to move away from the more expensive channels of contact as well as allowing our systems to be 'smarter' and change the on line process. These being:
- a. Increase the services that are currently available to customers through the Customer Relation Management System (CRM) allowing citizens to access multiple services on line which will automatically classify and direct the case to the appropriate service therefore cutting out the requirement for intervention by a CSR and reduce notification time to the service.
 - b. Upgrade the on line booking service which will allow customers to book and pay for diarised services rather than having to go through the Customer Service Centre and therefore be able to select services such as a bulky uplift or wasp nest removal on line by selecting an appropriate date on a calendar for the uplift and make payment
 - c. Implement the Northgate self-service Portal which will allow customers to view and make changes in their circumstances such as changes of address to their council tax via the Councils website.
 - d. Roll out MyAccount, the Scottish Government Authentication Service which is a secure sign in service provided by the Improvement Service for on-line public services in Scotland. It provides people living in Scotland with the ability to set up an on-line account and, to use that account using a single user name and password to access a range of on-line public services provided by Councils, the NHS, Scottish Government and other public bodies. Levels of authentication and verification will be required to ensure security of identity before an account can be created.
 - e. Expansion of the provision of self-service access via Branch Libraries whilst also providing support for those requiring digital access and support arising from the Welfare Reform changes.
- 8.2 Whilst there is a strong drive to increase the number of services on line in order to modernise and meet customer demand, this need needs to balance potential risk against user experience and security of identity verification. The results of the Citizens Panels and targeted surveys will continue to provide valuable information into the channels of service our citizens expect

9.0 Other future developments

- 9.1 The CSC, in partnership with ICT and other relevant stakeholders has a challenging journey ahead to deliver results with regard to Channel Shift and continuing to improve performance, in answering presented calls and keeping knowledge up to date with Welfare Reform Changes as Welfare Reform changes are rolled out. All of this is continues to be against a backdrop of budget reductions and pressures and therefore more than ever there is a requirement to drive out efficiencies.
- 9.2 In April 2019, following a restructure in Revenues and Customer Services and the retirement of the current Revenues Supervisor, Registration Services is being merged with the CSC and the Senior Registrar will report to the Customer Services Team Leader with the current Benefits and Customer Services Team Leader taking on responsibility for Revenues. New job descriptions and Person Specifications have been completed and plans are in place for skills transfer.
- 9.3 When the appropriate systems are in place, CSR;s will be trained in taking registration telephone calls for customers wishing to make appointments, allowing the registration staff to concentrate on delivering the service. It is critical that this training is thorough due to the sensitivities and legislative requirements of registering births, deaths and marriages. The training will be delivered in modules with births being first, followed by marriages and then death appointments.
- 9.4 The Scottish Social Security Agency (SSSA) has been set up to deliver ? Social Security Benefits which have been devolved to Scotland which are currently delivered by the UK Government. The timescales for the delivery of the devolved Benefits will begin with the top up to Carer's Allowance from summer 2018, Best Start Allowance then Funeral payments during 2019 with a phased roll out of the remaining benefits for full implementation by 2021.
- 9.5 The SSSA intend to employ staff locally and envisage them working within every local authority area; recruitment is likely to begin in 2019. Rather than replace local delivery arrangements Scottish Government officials wish to build on what already exists through augmentation and support and acknowledge that partnership arrangements will be key to the new arrangements.
- 9.6 The British Sign Language (Scotland) Act 2015 requires Councils to develop a British Sign Language (BSL) Plan for 2018/23; the deadline for the publication on the Plan is 1 October 2018. The Head of the Councils OD, Policy and Communications will submit the final draft of the Councils BSL plan to Policy and Resources Committee in September 2018. Customer Services will play a large part in contributing to actions within the plan to ensure the best service possible for BSL users. Progress will be monitored through the CSC action plan.
- 9.7 In order to manage the ongoing development of the CSC the current action plan has been updated to reflect new actions which reflect the challenges ahead for the CSC. The action plan is split into the following areas:
- **People** – this will focus on training and development for staff and supporting Customer Service Representatives achieve SVQ's in customer service leading to improvement in performance and delivering on its priorities.
 - **Performance** – this will ensure that targets are set and that performance is monitored and reported in line with the action plan.

- **Customer engagement** – consultation with our customers and developing an action plan from the findings will help us manage customer expectations. The CSC will work with Corporate Communications assisting services with the implementation of the revised corporate Complaints Policy as well as with web site related issues.
- **Service development** – this is a wide ranging area that covers everything from how we will implement the Digital Access Strategy to reviewing opportunities for the single assessment for free school meals as well as progressing with the Customer First agenda. Underpinning all of this will be the ongoing effect of Universal Credit on Customer Services as well as its potential role in delivering Local Support Services for customers making claims for or in receipt of Universal Credit.

10.0 Reviewing this Strategy

- 10.1 The future for the CSC continues to be challenging and during the life of this 3 year strategy the big issues of promoting and implementing the Digital Agenda, the restructure of Registration Service and continuing to manage the Welfare Reform Agenda will all be pivotal in shaping how the CSC develops. An annual report on performance will continue to be presented to the Policy and Resources Committee and the Chief Financial Officer will receive regular updates on performance against the action plan.

- 10.2 Key actions from the Strategy will also continue be incorporated within the Environment, Regeneration & Resources Corporate Directorate Improvement Plan and monitored via the Channel Shift Group.

2018/21 Customer Services Strategy - Action Plan

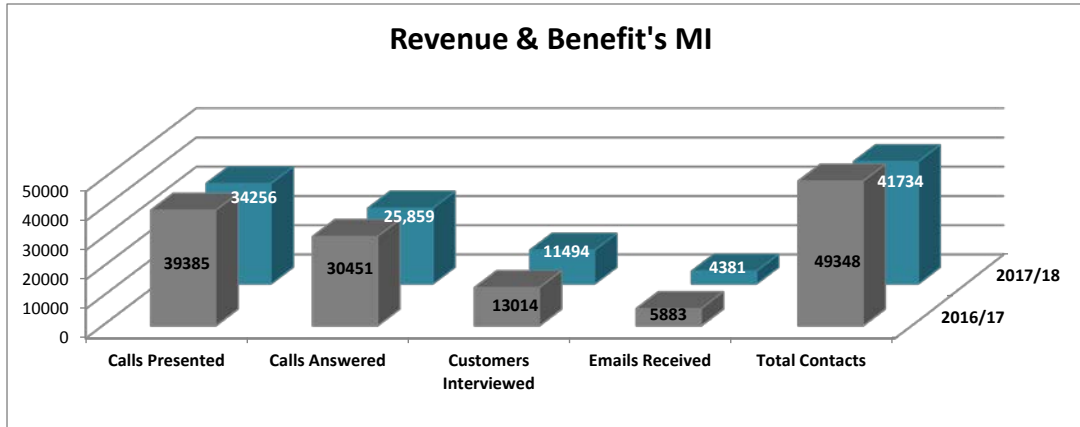
Action	Action	Success Criteria	Target Date	Responsibility	Position Aug 2018	Status
PEOPLE	Training needs will be identified from quality checking and appraisals	Training programme in place Better trained and confident staff. Better customer satisfaction Completion of CSPQ Staff understand expectations allowing resources to be correctly targeted. Service delivery meets management expectations Customer Service visions and outcomes are agreed	On-going	CS Supervisor/CS Support Officer	14 CSC staff have completed or are in the process of completing their CSPQ	GREEN
	British Sign Language plan 2018 - 2023. Support Corporate Policy with the implementation	Meeting objectives in plan Better customer satisfaction	Oct '18	Corporate Policy Team/CS Supervisor	Consultation stage	GREEN
	Transfer of Registration Services to Customer Services	(1)JD/PS for CS Supervisor to be developed and sent to job evaluation. (2)Knowledge transfer of operational processes and legislation	(1) End Aug '18 (2) Aug '8 - Apr '19	(1) Revenues & CS Manager (2) CS Supervisor/Principal Benefits and Customer Services Officer	Ongoing	GREEN
	Keep abreast of developemnts in relation to the Scottish Social Security Agency (SSSA)	Joint working with the SSSA and internal servies such as HSCP, exporing co location opportunities	Ongoing	Revenues and Customer Services Manager/CFO	ongoing	GREEN
PERFORMANCE	Agree escalation process where individuals repeatedly fail to meet required standards.	Improved customer service delivery Improvement in scoring of individual's quality managed calls	On-going	Customer Services Supervisor/Support Officer	ongoing	GREEN
CUSTOMER ENGAGEMENT	Use the website to communicate meaningful information to our citizens. Feed issues into the Corporate Web Group	Customer satisfaction improvements - customer expectations are managed better when targets are understood.	On-going	Revenues & Customer Service Manager/Corporate Communications	On Going My Inverclyde is now live on the website	GREEN
SERVICE DEVELOPMENT	*Develop Kana system *Implementation of web self service *Mapping integration for location based fault reporting with corporate GIS system *Develop further online payments *Revise the range of services available via the council website *Development of citizen access for council tax	*Increased range of services available via Web Self Service *Customers are able to book and pay for services online *Customers are able to conduct council tax administrative requests via the council website *Customers can access multiple services via a single sign on (MyAccount) *Reduces workload for customer services *Streamlines processes *Quicker service notification of new/updates to cases	Mar-19	Revenues & Customer Services Manager & ICT	Ongoing: GIS has still to be incorporated for use by Customer Service staff and relevant systems to be fully tested and implemented Project team is in place and engaging with suppliers to implement	GREEN

2015/18 Customer Services Strategy - Action Plan

Action	Action	Success Criteria	Target Date	Responsibility	Position Aug 18	Status
PEOPLE	Training needs will be identified from quality checking and appraisals	Training programme in place Better trained and confident staff. Better customer satisfaction Completion of CSPQ Staff understand expectations allowing resources to be correctly targeted. Service delivery meets management expectations Customer Service visions and outcomes are agreed	On-going	CS Supervisor/CS Support Officer	11 CSC staff have completed or are in the process of completing their CSPQ	GREEN
PERFORMANCE	Implement quality management templates and frequency of review. Agree escalation process where individuals repeatedly fail to meet required standards.	Reduction in handle times of enquiries Better motivated and confident staff Improved customer service delivery Improvement in scoring of individual's quality managed calls	On-going	Customer Services Supervisor/Support Officer	Templates developed software changes being made	GREEN
CUSTOMER ENGAGEMENT	Use the website to communicate meaningful information to our citizens	Customer satisfaction improvements - customer expectations are managed better when targets are understood	On-going	Revenues & Customer Service Manager/Corporate Communications	On Going My Inverclyde is now live on the website	GREEN
SERVICE DEVELOPMENT	Develop Kana system , implementation of web self service portal, mobile applications for citizens and staff, mapping integration for location based fault reporting with corporate GIS system.	Reduced workload for customer services. Streamlined process. Migration of Web-Labs eforms to Kana eforms. Quicker service notification of new/updates to cases. Aligns to digital strategy allowing leverage of potential benefits.	Current - Dec '18	Revenues & Customer Services Manager & ICT	Project team is in place and engaging with suppliers to implement	GREEN
	Develop online mapping and on-line payments.	Increased achievement of efficiencies through a reduction in direct customer traffic to the Council and more resolution through lower cost channels. Wider range of funds available for on-line payments.		Digital Access group	Part of the Kana development	GREEN
	Report to Committee via MBWG by December 2015.	CSC staff well informed to provide the necessary advice to customers	From 2016	Revenues & Customer Services Manager/Principal Officer	Complete	BLUE
	Implement late opening. Regular staff meetings to take place.	Staff feel consulted and able to contribute to improvements through team meetings and feedback opportunities.	October/November 2015	Revenues & Customer Service Manager/CS Supervisor	Complete	BLUE
	Complete recruitment and creation of new teams.	New team in place. Improved customer performance.	June '15 - August '15	CS Supervisor	Complete	BLUE

	Review SLA's on an annual basis & conduct quarterly meetings.	Documents signed off by each service and higher levels of internal customer satisfaction.	On Going	Revenues & Customer Service Manager/CS Supervisor	Complete	BLUE
	Agree targets reflecting service vision and based on performance information. Agree areas to be reported and frequency. Analyse data/stats/feedback/customer surveys to identify and prioritise improvements.	Staff have clarity/clear objectives. Targets are achieved Performance reports, KPI's Performance meetings/benchmarking Changes implemented and improvements made	From Jan '16	Revenues & Customer Service Manager & CS Supervisor	Complete. Targets agreed in CDIP. Stats circulated monthly	BLUE
	Develop configuration of Lagan system to ensure the relevant information is captured for the Corporate complaints process and statistical returns	Accurate and regular MI is provided. Employees can confidently use the CRM system to log complaints and can obtain updates on progress. Complaints dealt with in a corporate manner and customer kept better informed.	August/September 2016	CFO, Revenues & Customer Services Manager & ICT Operations Manager	Monthly meetings held with Corporate Complaints Officer. All CS staff fully trained.	BLUE
	Annual Report to be produced and passed to senior management	Improved focus on key tasks and improved performance.	Sept '17	Revenues & Customer Service Manager	On target for September P&R	BLUE
	Develop consultation approach and select areas to be consulted upon.	Survey completed and action plan developed incorporating the needs of our customers	Sept '17	CS Support Officer	Slippage due to issues. New target date set of October 2017.	BLUE

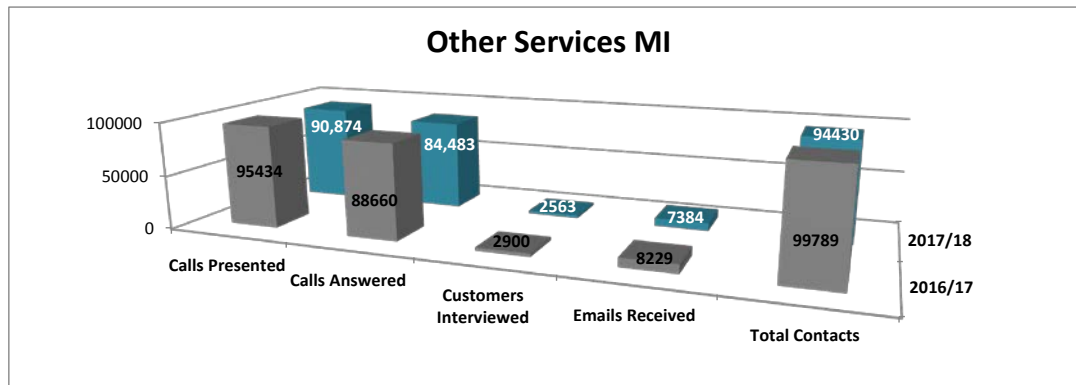
	2016/17	2017/18
Calls Presented	39385	34256
Calls Answered	30451	25,859
Customers Interviewed	13014	11494
Emails Received	5883	4381
Total Contacts	49348	41734



What does the MI show (annual)?

- * Calls presented has decreased by 13%. This is largely contributed to by a 36% decrease in Housing Benefit calls due to the roll out of Universal Credit (UC) full service in November '17.
- * Calls handed has remained at over 70% with this year achieving 72% handled calls.
- * Customers interviewed has decreased by 12% - again this is largely contributed to by the roll out of UC.
- * Abandoned call level has shifted slightly to 25%
- * Emails received has decreased by 26% - this is expected with the full UC roll out .
- * Total contacts has decreased by 18%
- * The team carried 2 FTE vacancies for 8 months of this financial year

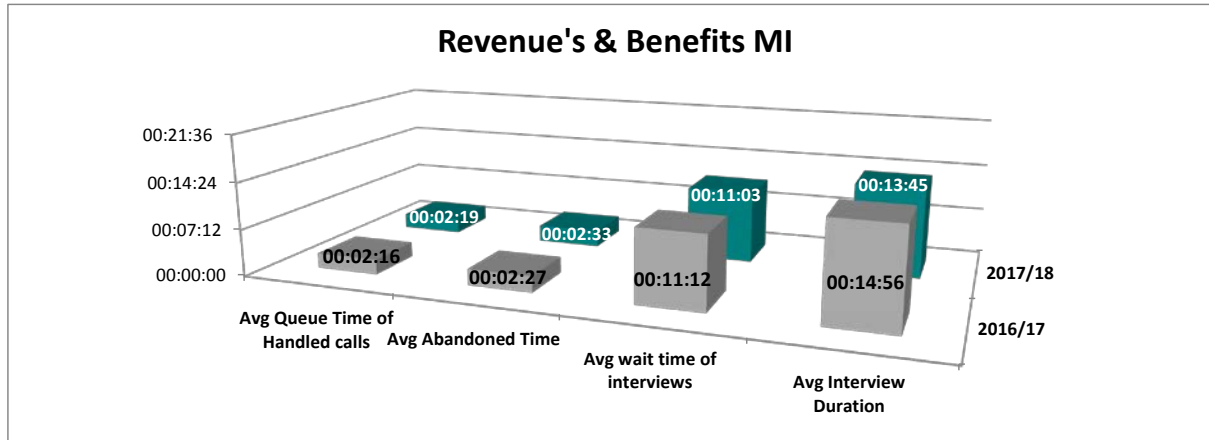
	2016/17	2017/18
Calls Presented	95434	90,874
Calls Answered	88660	84,483
Customers Interviewed	2900	2563
Emails Received	8229	7384
Total Contacts	99789	94430



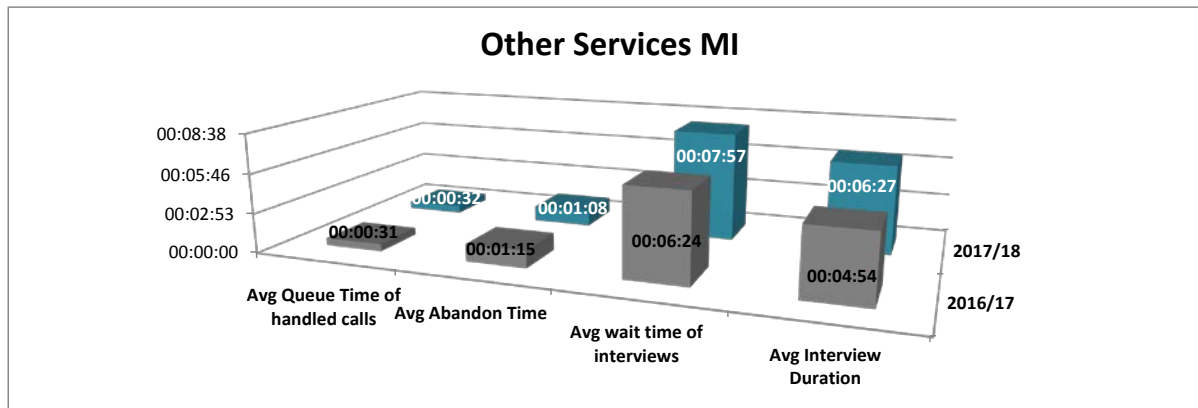
What does the MI show?

- * Calls presented for all other non R&B services has decreased by 5%
- * Calls handled for all other non R&B services has remained at a high of 93%
- * 7% of calls remain unanswered similar to last year - this is within our acceptable range
- * Interviews has decreased by 13%
- * Emails have decreased by 11%
- * Total contacts has decreased by 15%.
- * Through the mobile app and the website a total of 2197 enquiries were submitted. These were originally made via the CSC.

	Avg Queue Time of Handled calls	Avg Abandoned Time	Avg wait time of interviews	Avg Interview Duration
2016/17	00:02:16	00:02:27	00:11:12	00:14:56
2017/18	00:02:19	00:02:33	00:11:03	00:13:45



	Avg Queue Time of handled calls	Avg Abandon Time	Avg wait time of interviews	Avg Interview Duration
2016/17	00:00:31	00:01:15	00:06:24	00:04:54
2017/18	00:00:32	00:01:08	00:07:57	00:06:27



This toolkit aims to assist the process of carrying out analysis of the effects on equality of the policies, plans, strategies and programmes of Inverclyde Council. It sets out what services require to do in order to embed equality analysis into processes, and to ensure the Council meets its legislative requirements in regard to the Equality Act 2010.

This toolkit should be completed using the Equality Analysis Toolkit Guidance which provides further detail and information to assist in the process.

Policy Profile

<p>1 Name of the policy, plan, strategy or programme</p>	<p>Customer Service Strategy</p>
<p>2 Responsible organisations/Lead Service</p>	<p>Finance</p>
<p>3 Lead Officer</p>	<p>Fiona Maciver</p>
<p>4 Partners/other services involved in the development of this policy</p>	<p>ICT/Corporate Communications/Corporate Policy Team/Property and Facilities Management</p>
<p>5 Is this policy:</p>	<p>New Reviewed/Revised <input checked="" type="checkbox"/></p>
<p>6 What is the purpose of the policy? (include any new legislation which prompted the policy or changes to the policy)</p>	<p>To ensure that by having a strategy that the customers in Inverclyde receive a modern, effective service that is accessible to all</p>
<p>7 What are the intended outcomes of the policy?</p>	<p>The intended outcomes in the strategy are detailed in the document and are supported by a Customer Charter which clearly sets out the Council's values and commitment and likewise the behaviours we expect in return from our customers. This charter is publically displayed in the CSC.</p>
<p>8 What is the period covered by the policy?</p>	<p>2018-2021</p>
<p>9 Target geographical area</p>	<p>Inverclyde</p>
<p>10 Which parts of the Equality Duty is the policy relevant to?</p>	<p><input checked="" type="checkbox"/> Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010 <input checked="" type="checkbox"/> Advance equality of opportunity</p>

	between people from different groups X Foster good relations between people from different groups
--	--

Which of the protected characteristics will the policy have an impact upon? (see guidance for examples of key considerations under each characteristic)

Protected Characteristic	Positive Impact +	Neutral Impact =	Negative Impact -	Cross cutting theme
Age	The Strategy should have an impact on all protected characteristics as the strategy aims to deliver in line with the Councils vision of getting it right for every child, citizen and community. Through the achievement of the actions set out throughout the document and the Customer Charter, the Council should be in a position to ensure that the needs of protected groups and individuals are met.			The wellbeing wheel which for the purposes of the customer Service Strategy has been modified to illustrate where the service can have a positive influence on its customers. By engaging with our customers and working directorates such as CHCP and Education cross cutting activities should have a positive impact on our customers and should be inclusive all protected groups.
Disability	As above			As above
Gender Reassignment	As above			As above
Pregnancy and maternity				

Race	As above			As above
Religion or Belief	As above			As above
Sex	As above			As above
Sexual Orientation	As above			As above
Other groups to consider	As above			As above

**What evidence do you have to help identify any potential impacts of the policy?
(Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)**

Evidence	Details
Consultation/Engagement (including any carried out while developing the policy)	<p>A citizens panel was conducted in the Spring of 2018. This survey is conducted on a biennial basis.</p> <p>There was also a targeted survey of CSC users in the Autumn of 2017.</p>
Research	Consultation with other Councils which helped develop the strategy and customer charter.
Officer's knowledge and experience (inc feedback from frontline staff).	<p>Responsive to comments made by frontline staff and from minutes of team minutes and analysis of the complaints and compliments received.</p> <p>Participation in the corporate equalities and financial inclusion.</p> <p>Working with services such as homelessness and education.</p>
Equalities monitoring data.	This is picked up through attendance at the Corporate Equalities Group.
User feedback(inc complaints)	<p>Complaints are recorded and monitored for trends and are examined to ensure that the complaint has not arisen as the result of an equalities issue.</p> <p>Observations from customers visiting the CSC are recorded on 'Footprint'</p>

Stakeholders	none
Other	
What information gaps are there?	No information gaps have been identified however work is underway for the Council to develop an British Sign Language Plan which should assist with bridging any current gap in service provision that could be currently be a barrier for those with this protected characteristic.

What are the actual or likely effects of the policy, in relation to the three aims of the equality duty and the protected groups? (list both positive and negative)

By continuing to review the CSC Strategy and associated Customer Charter, opportunities for protected groups should be enhanced through recognition.

What steps will you take in response to the findings of your analysis?

Analysis has shown that the Customer Service Strategy and associated documents are robust and take all levels of the Equalities Act 2010 into consideration; however it is acknowledged that there may be gaps in a few areas which could have a negative impact on protected groups, however other than improving on facilities for service users with a hearing impairment. It should be noted that since this EIA was last refreshed in 2012, a Loop hearing system has been installed in the CSC.

How will you review the actual effect of the policy after it is implemented? (e.g. monitoring)

Through the CSC action plan

What is the timescale for implementation?

2018-2021

How will you put the policy into practice and who will be responsible for delivering it? (e.g. other Council departments, partner agencies, communities of interest, equality target groups.)

CSC, Corporate communications, ICT and Services who have a business relationship with the CSC

What resources are available for the implementation of this policy? Have these resources changed?

Staffing resource within the CSC and relevant associated Services together with ICT support.

Name of Person (s) who completed the Assessment

Name: Fiona Maciver

Position: Revenues and Customer Services Manager

Date: 02 August 2018

Authorised by:

Name:

Position:

Date:

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/90/18/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Welfare Reforms Update		

1.0 PURPOSE

- 1.1 The purpose of this report to update the Committee on the impacts of the UK Government's Welfare Reforms and recent national publications in respect of Universal Credit and the Scottish Welfare Fund .

2.0 SUMMARY

- 2.1 There have been a number of important UK and Scottish Government publications on matters relating to Welfare Reform since the last update to Committee. These have been referred to in the Background Papers section.
- 2.2 Universal Credit continues to roll out within Inverclyde with over 5400 claimants. Details are awaited as to when and how the next major migration to UC will take place. Details of the results of the recent UC claimant survey are included in Appendix 3 and highlight not only some of the concerns which have been getting reported to Members as part of these reports but also some positive comments about the level and quality of local support.
- 2.3 The Scottish Welfare Fund continues to be in high demand and the recent Scottish Government 2017/18 Scottish Welfare Fund annual report highlighted that Inverclyde Council's overspend of 10% was the highest equal in Scotland last year. Indications after the first 4 months of 2018/19 show no reduction in pressure in this area.
- 2.4 There are a number of matters being progressed in the areas of Financial Inclusion and Money Advice. One important area highlighted to Committee are the challenges with the I:DEAS project. Discussions with the Lottery Fund are ongoing and the outcome will be reported in future updates.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the various matters highlighted in the report and that a further update will be provided to the November Committee.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Committee has requested that reports are presented to each meeting of the Policy & Resources Committee updating Members on the impact of Welfare Reforms and the response by the Council and partners in managing these at a local level.

5.0 UNIVERSAL CREDIT UPDATE

- 5.1 The Universal Credit (UC) programme is reaching what is widely accepted as the most critical stage. The Government has set out proposals in draft legislation to move 2.87 million long term and perhaps the most vulnerable claimants who remain on working age benefits over to Universal Credit. Senior DWP officials acknowledge that managed migration will be the greatest challenge of the programme.
- 5.2 The UK Government has made a commitment that anyone who is moved to Universal Credit through the managed migration process will not lose out in cash terms. Transitional protection will be provided to eligible claimants to safeguard their existing benefit entitlement until their circumstances change. Draft legislation sets out how claimants on existing benefits will make a claim for Universal Credit and it introduces a number of process as well as financial easements for specific groups. Those currently with the Severe Disability Premium will be protected and for those who have already moved over, compensatory payments will be made. Those who move in and out of short term employment, parents who receive help with childcare costs and those with Tax Credit when they first claim UC will have additional protection.
- 5.3 The scale and complexity of the migration programme is significant and so DWP plans to test and learn by implementing the plans on a small scale from January 2019 with the intention to increase volumes to full operational capacity by July 2019. To accommodate the recently announced changes, the completion of the UC programme has been pushed from March 2022 to March 2023. The Government will begin the incorporation of Housing Benefit for pensioners into Pension Credit once the UC timetable is completed. This means Councils can expect to deliver Housing Benefit for pensioners into the next Parliament, beyond 2022.
- 5.4 There are 5434 UC claimants in Inverclyde as of July 2018. (Appendix 1). Officers' best estimates are that there could be up to 4000 Employment and Support Allowance (ESA) claimants and a similar number of Tax Credit claimants who as well as their partners will be required to make a claim for UC. If the DWP's earlier plans do not change, Inverclyde could be one of the first areas in the country affected which may be as soon as late 2019.
- 5.5 The National Audit Office (NAO) published a report on 15th June 2018 "Rolling Out Universal Credit". A summary is attached as Appendix 2. The key findings were that there is no practical alternative to continuing with UC. Earlier delays to Universal Credit were described as regrettable and so the NAO recommends that the DWP must now ensure automation and digital systems are ready before it starts to transfer people over from previous benefits to avoid the DWP's performance declining further. It reports that DWP does not accept that UC has caused hardship among claimants because it makes advances available. Instead of dismissing evidence of claimants' difficulties and hardship and giving the impression of being unsympathetic to claimants, the NAO recommends DWP should work with these bodies to establish an evidence base for what is actually happening.
- 5.6 The NAO report went on to include findings from a survey commissioned by DWP of UC claimants at approximately three and eight months into their UC claim. The key findings of the survey highlighted by NAO were 40% of them said they were experiencing financial difficulties, 25% said they could not make an online claim and 20% of claimants are not paid in full on time.
- 5.7 The NAO was not however able to judge the value for money on the current state of programme management alone and there are doubts it will ever be possible to measure whether the economic goal of increasing employment has been achieved. The NAO concludes that the project is not value for money now, and that its future value for money is unproven based on the extended timescales and the cost of running UC compared to the welfare benefits it replaces.

- 5.8 The full National Audit Office report of 15th June 2018 “Rolling Out Universal Credit” is contained within the List of Background Papers.
- 5.9 Alongside the NAO report, the Council undertook a survey of UC claimants in March/April. 156 people completed the survey and the detail of the responses is contained in Appendix 3.

The key findings of the survey are:

- A high proportion of those who claim Universal Credit find the process challenging.
 - Most people can claim UC and maintain their claim themselves although most need assistance with some aspect of the process.
 - There is sufficient IT available in Inverclyde although it is acknowledged that the survey was carried out online.
 - Jobcentre Plus and local services are rated highly by those who use them.
 - The delay between a Universal Credit claim being made and the arrival of the first payment is difficult. While advance payment of UC is available, people are concerned about repayments.
 - Many struggle to cope with monthly payments and even more so when payments fluctuate.
 - Awareness of the option to have UC paid twice each month and the availability of budgeting support is low.
- 5.10 Since the last report, DWP moved the assessment of Inverclyde’s UC claims to the Dundas Service Centre. An integrated telephony system has been introduced, which takes UC claimants directly to the case manager responsible for the assessment of their claim. This has already had a positive effect reducing call waiting times for claimants and their support services. Senior DWP officers from the UC Service Centre have attended local operational meetings giving services in Inverclyde the opportunity to better understand processes and share experience.
- 5.11 Advice Services are assisting an increasing number of self-employed Universal Credit claimants understand how their earnings are assessed and how this fits within complex UC legislation. UC legislation assumes that those who are self-employed for more than 12 months and are not within an exempt category will earn a certain amount through self-employment, called the ‘minimum income floor’. The policy intention is to encourage the self-employed to increase their earnings and reduce reliance on benefits.
- 5.12 The Scottish Government is expected to publish information about the uptake of Universal Credit Scottish Choices over the summer months; the options to have UC paid twice each month and payment of housing costs directly to a landlord. The Social Security (Scotland) Act 2018 introduces a new commitment requiring couples to “opt-out” from having their UC payments split with both receiving a payment rather than the original policy intention of one payment for the whole household. The Scottish Government is consulting with CoSLA and others on how this will work.

6.0 DEVOLVED SOCIAL SECURITY

- 6.1 Delivery of the devolved benefits commences in 2018/19 with the Carers Supplement. It will be administered in the short term by the DWP and paid in twice yearly payments beginning in late summer 2018. The Scottish Government has informed that it should not affect other benefits, including Housing Benefit. The next devolved benefits scheduled to be in place by summer 2019 are Best Start Grants and Funeral Expenses Assistance.
- 6.2 COSLA and the Scottish Government have a joint delivery agreement providing a framework for the location of the social security agency in council buildings around Scotland. The Council’s Customer Service Centre is seen to be a suitable location for the presence in Inverclyde. The local Scottish Government service will provide pre-claim support and advice and the Scottish Government staff will be mobile to ensure claimants can access the service. Local Delivery is due to be in place by early 2020 and implementation of all devolved benefits is due to be completed by 2021.

- 6.3 Local support needs are not anticipated before late 2019 because the devolved benefits scheduled to be delivered until that point will not require an application and will be awarded based on data already held.
- 6.4 It is acknowledged that the Agency potentially adds another layer of complexity to the benefits landscape and so providing appropriate pathways for claimants is essential. Inverclyde is well placed to welcome another partner to the Financial Inclusion Partnership and a commitment has already been made in relation to training and job shadow opportunities.

7.0 SCOTTISH WELFARE FUND/SPSO ANNUAL REPORT 2017/18

- 7.1 The SPSO's Scottish Welfare Fund Independent Review Service published the 2017/2018 Annual Report. There were 5 second tier reviews carried out by the Ombudsman in 2017/18 for Inverclyde service users as summarised in Appendix 4. 4 reviews for Community Care Grant applications were carried out with 3 found in the customer's favour, 2 of which were overturned as a result of new information being provided to the SPSO and not available to the Council at the point of the original application or first tier review. 1 second tier review for a Crisis Grant was found in the customer's favour.
- 7.2 First tier reviews are carried out internally within the service. 62 First tier review requests were received in Inverclyde during 2017/18 equating to 1.3% of all decisions. 5 (8%) of these were taken to a second tier review with the SPSO.
- 7.3 The SPSO identified areas for improvements and development, notably written communication. This was also highlighted at a national level earlier in the year and as a result a number of improvements were implemented internally to the template decision notice and first tier review template letters. A quality assessment document for decision letters has since been shared by the SPSO and further changes to the decision letters are currently being developed to ensure that written correspondence meets the standards expected.
- 7.4 The low level of second tier reviews handled by the Ombudsman is evidence of the high standard of decision making and the clear explanations of how those decisions were reached that is in place for the majority of applications to the Scottish Welfare Fund in Inverclyde.

8.0 DISCRETIONARY HOUSING PAYMENTS/SCOTTISH WELFARE FUND

- 8.1 Appendix 5 shows that £950,000 Discretionary Housing Payments have been awarded or has been committed to be paid to those whose Housing Benefit or Universal Credit had been reduced by the SSSC. 98.3% of Housing Benefit restrictions have been mitigated by DHP and officers continue to work closely with Housing Associations who support their tenants to apply.
- 8.2 Those coping with financial hardship for other reasons including those in temporary accommodation have been assisted by DHP amounting to £145,000. This exceeds the recurring budget of £120,000 by £25,000 which will be scored against a carried forward earmarked reserve at the year end.
- 8.3 Greater demand on the Scottish Welfare Fund (SWF) continues with 63 (7%) more Crisis Grants awarded between April and July 2018 than the same period last year although the total amount paid in grants remained the same. The increase in the number of grants is explained by more Universal Credit claimants finding they need help before their next monthly payment is due. The average grant is lower because measures announced in the November 2017 budget and introduced in recent months, have meant more funds are available to new UC claimants when they first claim UC. Appendix 6 shows £239,000 was awarded in Crisis Grants and Community Care Grants during the first 4 months of 2018/19, representing 36% of the Scottish Government programme funding (£671,000). Officers anticipate Scottish Welfare Fund overspend will continue. The allocation of £100,000 from the Welfare Reform recurring budget will absorb the pressure.

8.4 In July the Scottish Government published the 2017/18 SWF statistics. This showed that Inverclyde had overspent the SWF Grant allocation by 10% in 2017/18, the highest equal overspend of the 32 Scottish Councils.

9.0 BENEFITS CAP

9.1 DWP published information about the impact of the Benefits Cap in Inverclyde. At May 2018 there were 35 households whose benefit payments were capped at £20,000 per year for couples and families and £13,400 for single people. Those who are employed or have a disability related benefit are not affected. 12 of the 35 households have 4 children and 20 households have 3 children. The average reduction in benefit payments is £45.13 per week. There have been 104 households capped at some point since the cap was introduced and of those no longer capped, 15 have moved into work. Discretionary Housing Payment is available to help with the shortfall in housing costs.

10.0 FINANCIAL INCLUSION STRATEGY

10.1 The Inverclyde Financial Inclusion Partnership previously developed a Financial Inclusion Strategy (2012-17) to ensure actions were in place to meet the following outcomes:

- Local people have access to relevant, local services that support income maximisation and debt prevention.
- Local residents have access to resources and organisations to alleviate household poverty.
- The financial capability of local people is increased.
- The Financial Inclusion Partnership is committed to respond to the impact of welfare reform.

10.2 The Strategy is now due to be refreshed and the Partnership has commenced the development of a new five year financial inclusion strategy. A co-production approach will be taken to support the development of the Strategy with consultation with service users; focus groups with community groups; and involvement of a range of key organisations, prior to development to help shape the future strategic direction for financial inclusion locally. The timescale for the final draft of the new Strategy, and associated action plan, is planned for National Financial Capability Week (12th-18th November 2018) with the new Strategy being the subject of a further report to Committee for final approval in early 2019.

11.0 I: DEAS (INVERCLYDE DELIVERING EFFECTIVE ADVICE AND SUPPORT)

11.1 Big Lottery Fund Scotland (the Lottery) and European Social Fund (ESF) developed a partnership to provide £17.3 million which was awarded through competitive tender to 5 geographical areas in Scotland, to fund strategic interventions aimed to support financial inclusion and capability for disadvantaged households. Inverclyde Council led a partnership approach and now has a £2.27m contract over 3 years with the Lottery to provide the I: DEAS (Inverclyde Delivering Effective Advice and Support) programme with sub contracts between 6 other partners. The programme has now been operational since September 2017 (with an incremental approach) and although it has had some extremely positive results for individuals, there are a number of challenges emerging which can be grouped under:

- Fewer referrals than anticipated.
- Achieving compliance.
- Payment on Outcome funding model which is placing financial and reputational risk on all stakeholders.

11.2 All five areas across Scotland are concerned with these considerable financial and reputational risks and have requested an urgent formal meeting with senior Lottery colleagues, to discuss and find workable solutions to allow a successful programme delivery for all stakeholders.

11.3 The Committee needs to be aware that given the grant is outcome based and paid retrospectively does expose the Council and partners to financial risk. This is being closely monitored by the CMT and the Committee will continue to be updated on developments.

12.0 REVIEW OF ADVICE PROVISION

12.1 The requested external review of advice provision within Inverclyde is now underway with an aim to ensure that the current delivery model provides best value and quality is being achieved, and that it meets the needs of all stakeholders and communities. It will, where appropriate, provide potential options for future delivery models. For the purposes of this review, advice provision includes those areas covered by The Scottish National Standards for Information and Advice Providers (SNSIAP): A Quality Assurance Framework which is the accepted quality framework for agencies providing advice specifically on housing rights; money; debt and welfare benefits issues. In addition, this review will cover advice available related to employability rights advice; fuel poverty advice; consumer advice

12.2 A Stakeholder Steering Group has been established which includes representation from internal Council/HSCP services; external partners; providers of services and a staff side representative. Three tenders were received with the contract being awarded to AT Innovative Solutions who commenced on 25th July 2018 and as part of their review will meet with partner organisations, utilise questionnaires and hold focus groups with service users with the final report to be received by 8th October 2018.

13.0 SOCIAL SECURITY CONSULTATIONS

13.1 HSCP Advice Services are responding to the national enquiry that has been launched by the Scottish Parliament's Social Security Committee into social security and in-work poverty which is asking for views on any or all of the following questions including from those with experience in this area, people with lived experience of the benefits system and experts:

- What impact will Universal Credit have on in-work poverty in Scotland?
- What is the experience so far in full-service areas in Scotland for those who are in work who are moving or have moved on to Universal Credit?
- What is known about those experiencing in-work poverty in Scotland who do not claim or are not eligible for Universal Credit?
- What can or should the Scottish Government do to mitigate any detrimental impact?

HSCP Advice Services will coordinate the response from Inverclyde Council and its Financial Inclusion partnership partners which is likely to focus on potential modifications to Universal Credit to mitigate against in work poverty. The response will be reported to the next Policy and Resources Committee.

13.2 Inverclyde Council/HSCP has submitted responses to two recent Scottish Government consultations which can be found in the Background Papers:

1. Welfare Foods - A Consultation on meeting the Needs of Children and Families in Scotland.
2. Consultation on the Early Years Assistance (Best Start Grant) Regulations 2018.

14.0 IMPLICATIONS

14.1 Finance

The financial implications are as detailed within the report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

14.2 Legal

There are no specific legal implications arising from this report other than those specifically highlighted.

14.3 Human Resources

There are no HR implications arising from this report.

14.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

14.5 Repopulation

Reacting positively to the ongoing welfare reform changes will help retain people within Inverclyde and hence maintain population levels.

15.0 CONSULTATIONS

15.1 The Welfare Reform Board continues to meet discuss all welfare reform matters including the matters raised in this report.

16.0 LIST OF BACKGROUND PAPERS

16.1 Welfare Foods Consultation Response
Early Years Assistance (Best Start Grant) Consultation Response
NAO –Rolling out Universal Credit (Full Report)
SWF Statistics Annual Update 2017/18
SPSO SWF Review Service- 2017/18 Annual Report

Universal Credit - Inverclyde Council

	No. of UC claimants	% of UC claimants with earnings	No. of UC claimants with Council Tax Reduction	No. of UC claimants awarded SWF Crisis Grants
Feb-17	1466	27%	647	128
Mar-17	1960	28%	883	125
Apr-17	2576	31%	1019	118
May-17	2908	29%	1159	135
Jun-17	3169	29%	1256	134
Jul-17	3470	31%	1358	109
Aug-17	3582	31%	1498	119
Sep-17	3786	31%	1581	134
Oct-17	3899	32%	1763	109
Nov-17	4103	35%	1838	123
Dec-17	4266	35%	1863	88
Jan-18	4314	33%	1958	202
Feb-18	4515	30%	2153	160
Mar-18	4628	30%	2205	143
Apr-18	4804	31%	2258	160
May-18	5000	31%	2323	150
Jun-18	5240	32%	2408	135
Jul-18	5434	32%	2526	125

Notes

1. No. of UC claimants is the number of individuals in receipt of Universal Credit either individually or as part of a couple



National Audit Office

Report

by the Comptroller
and Auditor General

Department for Work & Pensions

Rolling out Universal Credit

Key facts

£1.9bn

spend to date on Universal Credit, comprising £1.3bn on investment and £0.6bn on running costs

£8.0bn

Department for Work & Pensions' expectation of the annual net benefit of Universal Credit, which remains unproven

113,000

Number of late payments of new claims in 2017

	Position as at March 2018	Forecast (2024-25)
Caseload (claimants)	815,000 (490,000 on full service and 325,000 on live service)	8.5 million
Caseload (households)	660,000 (Most recent figures December 2017)	6.6 million
Number of claimants per work coach (those who have a dedicated work coach)	85	373
Number of claimants per case manager	154	919
Cost per claim	£699	£173
Percentage of claimants able to verify identity online	38%	80%
Payment in full and on time in the first assessment period	79%	No target

Summary

1 The Department for Work & Pensions (the Department) is introducing Universal Credit to replace six means-tested benefits for working-age households: Jobseeker's Allowance, Income Support, Housing Benefit, Employment and Support Allowance, Working Tax Credit and Child Tax Credit. In doing so, it aims to:

- encourage more people into work by introducing better financial incentives, simpler processes and increasing requirements on claimants to search for jobs;
- reduce fraud and error; and
- reduce the costs of administering benefits.

2 The Department started work on Universal Credit in 2010 with an original completion date of October 2017. However, the government reset the programme in 2013 after a series of problems with managing the programme and developing the necessary technology. In our 2014 report, *Universal Credit: progress update*, we reported that the Department had stabilised programme management, but had introduced a complicated overlapping set of systems and rules.¹ In 2016 the Department announced a revised plan to complete in March 2022. On 7 June 2018 it announced a further delay to the completion of the programme to March 2023.

3 The delays to the programme and changes in scope mean Universal Credit cannot be easily compared with its original plans. The complicated legacy of early failings means the Department has adopted a more adaptive, iterative and incremental approach to implementation. In order to assess the value for money of the Department's introduction of Universal Credit in this more incremental approach, we consider:

- how the Department's plans for Universal Credit have evolved (Part One);
- whether its adaptive and incremental approach is ensuring Universal Credit works for claimants and the organisations supporting them (Part Two); and
- ultimately, the prospects for Universal Credit achieving its aims (Part Three).

¹ Comptroller and Auditor General, *Universal Credit: progress update*, Session 2014-15, HC 796, National Audit Office, November 2014.

Key findings

Evolution of Universal Credit

4 Universal Credit is a highly ambitious reform programme that struggled with early development. The Department set out in 2011 that in return for £2.2 billion investment it would transfer eight million households to Universal Credit by 2017. It expected that 300,000 more people would move into work, that it would reduce fraud and error by £2.1 billion a year and that it would save £0.4 billion a year in administering benefits. However, the Department struggled with the early development, with problems with governance, contractors and developing a full working system. This led to the programme being reset in 2013 (paragraphs 1.4 and 1.5, and Figure 1).

5 Following the reset, the Department chose a twin-track approach to rolling out Universal Credit. From 2013, the Department chose to develop two different strands for Universal Credit. It started to build its long-term digital solution, known as *full service* over many years, while making use of the systems it had built before the reset for its *live service*. This dual approach was more expensive but the Department expected that rolling out live service would bring forward many of the benefits and reduce risks. The Department spent £837 million on live service, making it available to single claimants nationwide and to couples and families with children in north-west England from 2015. The Department closed live service to new claims in December 2017 and expects to decommission it in July 2019 (paragraphs 1.6 and 1.8 to 1.10).

6 The Department's programme plans have changed several times since the reset. The agile approach to developing systems and managing the programme has allowed the Department to adjust its plans based on what it learns about what does and does not work, and to re-prioritise activities to allow policy and other necessary changes to be incorporated as the system is developed. However, in order to incorporate the changes, the Department has needed to delay or slow down the rollout of Universal Credit. For example, since July 2016 the Department has slowed the rollout of full service to jobcentres three times as a result of policy and other changes, and in early June 2018 it announced an additional year until the completion of migration. In addition, the Department has developed additional functionality in response to its iterative approach, which has delayed the automation of the full service (paragraphs 1.11, 1.12, 1.16, 1.18, 1.19 and Figures 2, 4 and 5).

7 Universal Credit is still at a relatively early stage of progress. The Department started to make its new full service system available to all claimants from 2016 and expects it to be available in all jobcentres by the end of 2018. It has spent £1.3 billion of its investment so far on creating Universal Credit, and £600 million on running costs. About 10% (815,000) of the eventual number of claimants are now claiming Universal Credit. Once the full service is available nationwide, and once regulations are in place, the Department will start to migrate existing claimants from legacy benefits on to Universal Credit. The Department now expects this to complete in March 2023 (paragraphs 1.20, 1.21 to 1.24, 3.7 and Figures 6 and 21).

8 The Department does not have a realistic alternative but to continue. Its incremental approach has led the Department to make many changes to its jobcentres, its digital systems and the working practices of the 12,000 people working on Universal Credit. As it has rolled out Universal Credit to more claimants and areas, these changes have become increasingly embedded across the Department. It would be both complex and expensive to revert to legacy benefits at this stage (paragraphs 1.12 and 1.13).

Current experience of Universal Credit

9 Some elements of Universal Credit are working well. By 12 April 2018 the Department had rolled out its digital system to 258 jobcentres. A survey of live service claimants found that claimant satisfaction levels were similar to those on legacy benefits and in our visits to jobcentres we observed good relationships between work coaches and claimants. The staff that we spoke to told us the systems had improved significantly since their first introduction (paragraphs 1.13, 1.17, 2.2 and Figure 7).

10 Some claimants have struggled to adjust to Universal Credit. We spoke to local and national bodies that, together, work with a significant minority of claimants. They showed us evidence that many of these people have suffered difficulties and hardship during the rollout of the full service. These have resulted from a combination of issues with the design of Universal Credit and its implementation. The Department has found it difficult to identify and track those who it deems vulnerable. It has not measured how many Universal Credit claimants are having difficulties because it does not have systematic means of gathering intelligence from delivery partners. The Department does not accept that Universal Credit has caused hardship among claimants, because it makes advances available, and it said that if claimants take up these opportunities hardship should not occur. However in its survey of full service claimants, published in June 2018, the Department found that four in ten claimants that were surveyed were experiencing financial difficulties (paragraphs 2.5 to 2.11).

11 One in five claimants do not receive their full payment on time. The Department paid around 113,000 new claims late in 2017, approximately 25% of all new claims. On average these were paid four weeks late. The Department improved payment timeliness from 55% to 80% over the course of 2017. However, it does not expect payment timeliness to improve significantly in 2018. It believes 100% payment timeliness is not feasible because the Department depends on claimants supplying information to verify the claim to ensure it makes payments in accordance with the law. We estimate that between 270,000 and 338,000 claimants will be paid late during 2018 (paragraphs 2.12 to 2.20 and Figures 9 to 12).

12 Universal Credit is creating additional costs for local organisations that help administer Universal Credit and support claimants. Local authorities told us that they have faced additional burdens during the development of Universal Credit, such as through increased administration for processing Housing Benefit stop notices. Local authorities, housing associations and landlords have seen an increase in rent arrears since the introduction of Universal Credit full service, which can often take up to a year to be recovered. There has been an increase in the use of foodbanks in at least some areas where Universal Credit full service has been introduced, and a greater demand for advisory and advocacy services. The Department has acknowledged and compensated local authorities for some additional costs. It told us that it will pay for additional costs if authorities can prove them. The Department places the burden of proof on authorities, uses its discretion in assessing claims, and has not sought to systematically collect data on these wider costs. However, these extra costs are not included in the Department's estimates of the programme's costs (paragraphs 2.26 to 2.38, 2.43, 2.44 and Figures 14 to 17).

13 Organisations told us that the Department has been unresponsive to issues they raise. The Department holds discussion forums with external organisations, and attributes many differences to views about policy rather than the implementation of Universal Credit. It has responded to purely operational concerns – for example, by improving the wording of claim forms – but has not been clear about how it tracks and responds to the operational impacts of policy design choices. Where cumulative concerns have led to parliamentary interest and the government has announced changes to the policy, the Department has helped to design and implement changes (paragraphs 1.14, 2.39 to 2.44 and Figure 3).

Future prospects for Universal Credit

14 The Department has a lot to do to improve the efficiency of Universal Credit systems. So far the Department has provided enough functionality to run a basic system, but many processes are still manual and inefficient. For example, the Department significantly overestimated the number of claimants that would be able to confirm their identity online with only 38% (compared with its expected 90%) succeeding in using Verify, the government's online identity verification tool. The Department intends to improve automation over the next few years, but until then it will need more staff so it can undertake work manually (paragraphs 1.15, 1.16, 3.18 to 3.22 and Figures 20 and 22).

15 The Department expects Universal Credit eventually to deliver £8 billion of net benefits a year, but this depends on some unproven assumptions. The Department now expects that an additional 200,000 people will move into work because of Universal Credit, that it will save £99 million a year in administering benefits, and will reduce fraud and error by £1.3 billion a year. These benefits remain theoretical (paragraphs 3.3 to 3.6 and 3.16). We have significant doubt about the main benefits:

- **It is not known whether the employment impact identified by early evaluation can be replicated across the programme.** Early evaluation run by the Department found claimants on Universal Credit live service were four percentage points more likely to find work compared with claimants on Jobseeker's Allowance at some point within the first six months of their claim. But these studies of offices that adopted live service early in the programme covered claimants with relatively simple needs and with more resources spent on them (paragraphs 3.11 to 3.15 and Figure 19).
- **It is not clear that Universal Credit will cost less to administer than the existing benefits system.** Planned efficiency savings are negated by the extra costs of providing the benefit system to those that are in work and any local costs, the costs for which are not included in the business case. Furthermore, planned efficiencies are uncertain. Universal Credit currently costs £699 per claim. This is more than the target unit cost that the Department set itself in order to accelerate the rollout in October 2017, and four times as much as it intends when the systems are fully developed (paragraphs 3.18 to 3.23 and Figure 20).
- **The Department does not know whether Universal Credit is reducing fraud and error.** The Department is developing a fully automated risk analysis and intelligence system for fraud and error. But it has not developed this enough to understand and assess fraud and error or to provide staff with effective reporting to allow them to identify potential fraud. The Department does not plan to finish developing its risk analysis and intelligence system or publish Universal Credit full service figures on fraud and error until spring 2019 (paragraphs 3.25 to 3.29).

16 The Department will never be able to measure whether Universal Credit actually leads to 200,000 more people in work, because it cannot isolate the effect of Universal Credit from other economic factors in increasing employment.

The 200,000 is based on the Department's modelling. Instead of measuring the exact number of additional people in employment as a result of Universal Credit, the Department plans to evaluate whether Universal Credit is more likely to get people into work compared with legacy benefits. However, it has yet to complete the evaluations of live service it had originally planned for families and couples without children (originally by December 2016) because the way it has rolled out Universal Credit means it lacks appropriate control groups of legacy claimants in its live service areas. It still hopes to set up evaluations when it has enough claimants on the full service. The Department has also started to develop alternative approaches, which provide a more rapid but less robust assessment of Universal Credit's impacts. The £5.2 billion value of employment gains in the Department's full business case remains uncertain, and sensitive to how it is modelled (paragraphs 3.15 and 3.16).

Conclusion on value for money

17 We think that there is no practical alternative to continuing with Universal Credit. We recognise the determination and single-mindedness with which the Department has driven the programme forward to date, through many problems. However, throughout the introduction of Universal Credit local and national organisations that represent and support claimants have raised a number of issues about the way Universal Credit works in practice. The Department has responded to simple ideas to improve the digital system but defended itself from those that it viewed as being opposed to the policy in principle. It does not accept that Universal Credit has caused hardship among claimants, because it makes advances available, and believes that if claimants take up these opportunities hardship should not occur. This has led it to often dismiss evidence of claimants' difficulties and hardship instead of working with these bodies to establish an evidence base for what is actually happening. The result has been a dialogue of claim and counter-claim and gives the unhelpful impression of a Department that is unsympathetic to claimants.

18 The Department has now got a better grip of the programme in many areas. However, we cannot judge the value for money on the current state of programme management alone. Both we, and the Department, doubt it will ever be possible for the Department to measure whether the economic goal of increasing employment has been achieved. This, the extended timescales and the cost of running Universal Credit compared to the benefits it replaces cause us to conclude that the project is not value for money now, and that its future value for money is unproven.

Recommendations

19 The Department is now approaching the task of migrating existing benefit and tax credit claimants to Universal Credit. After that, Universal Credit needs to provide the basis for future development and refinement of the working age benefit system. To succeed it must ensure its flexible approach to delivery helps it learn from its own experiences, those of claimants, and those who support them. The Department should:

- a Improve the tracking and transparency of progress towards Universal Credit's intended benefits.** It should set out clearly how it calculates those benefits and encourage third parties to review and monitor assumptions. The Department should assess the impact of Universal Credit on third parties and include this in its calculation and budgeting of the implementation costs.
- b Ensure that operational performance and costs improve sustainably before increasing caseloads through managed migration.** It should formally assess the readiness of automation and digital systems to support increased caseloads before migration begins, and ensure the programme does not expand before business-as-usual operations can cope with higher claimant volumes.
- c Work with delivery partners to establish a shared evidence base for how Universal Credit is working in practice.** The Department needs to ensure that delivery partners' feedback on both implementation issues and the impact on claimants is considered alongside the existing feedback from frontline staff and programme managers. It needs to systematically collect, analyse and publish data and evidence from delivery partners and produce a shared understanding of what is happening on the ground and how it is addressing any issues raised.
- d Make it easier for third parties to support claimants.** This might include:
 - extending the concept of the landlord portal to simplify verification processes (for example, for childcare costs);
 - sharing, with the claimant's consent, appropriate information with third parties, such as information on additional support requirements;
 - allowing the bulk upload and download of information helpful to the support of claimants, such as changes in rent; and
 - allowing those supporting claimants access to a version of the journal through which they can view appropriate shared information and communicate with the Department.

UC Survey - Inverclyde

1.0 Background and Introduction

Inverclyde Council surveyed Universal Credit claimants between 22nd March and 12th April 2018. At the time of the survey there were 4700 UC claimants in Inverclyde. The purpose of the survey was to obtain customer insight to understand how people are managing with Universal Credit and to help prepare for future service demand when those with the most complex needs will be required to claim. The online survey was widely publicised through local media and by email directly to UC claimants. The link to the survey was provided to customer services, housing associations and advice agencies who were encouraged to help their service users complete it.

156 people completed the survey or completed it with the help of a support provider. More than 70% of respondents first claimed UC more than 6 months before taking the survey.

Initial analysis was included in the May 2018 Welfare Reform Update report.

2.0 Contextual Information

2.1 Amendments were introduced to Universal Credit legislation in the first 6 months of 2018 to ease aspects of the transition to UC for new claimants. Furthermore, since late spring administrative changes were made by the DWP improving elements of performance and customer service. Most respondents to the survey would not have experienced any of these positive changes.

2.2 Since January 2018, the level of the advance payment available to UC claimants increased from 50% to the equivalent of 100% of projected entitlement and the repayment period increased from 6 months to 12 months. The “7 waiting days” rule was removed meaning new UC claimants’ entitlement begins on the first day of their claim. In April 2018 a transitional housing payment was introduced for new claimants moving from Housing Benefit, automatically paying an additional 2 weeks housing benefit on top of Universal Credit housing costs.

2.3 In April 2018 Inverclyde’s claims transferred to the Universal Credit Service Centre in Glasgow and in June 2018 phone calls previously handled by a range of contact centres across the country were centralised and are now handled by the case manager responsible for their claim. The Inverclyde UC Operations Group which comprises Council and HSCP services and external partners, have noticed improvements in performance since these roles were brought together.

3.0 Methodology

The survey comprised 13 multiple choice questions and three free text questions, Annex 1. Some findings were drawn from across multiple questions. It is important to note that conclusions taken from free text questions may not be reflective of all who completed the survey because they did not necessarily describe all aspects of their experience. The

quotes are however of particular interest and are proportionate to the number of replies and reflective of the opinions expressed by others.

4.0 Survey Findings

4.1 Universal Credit Digital Access

80% said they are managing their claim on their own with 78% of respondents accessing their UC online account at home or wherever there is a Wi-Fi connection. 10% said they are helped by family and friends and the same number relies on services such as a housing association, library staff or workers at their local community centre. 16% use facilities in the Jobcentre and 17% use library facilities. A national survey¹ commissioned by DWP found that 25% of UC claimants couldn't make an online claim without help and 54% reported that they were able to make a claim online without help; those with health conditions were significantly more likely to report difficulties than those without a condition.

85% of the respondents to the Inverclyde UC survey have received some level of help with UC and of the 156 respondents 76 have been helped by Jobcentre Plus, 39 by Financial Fitness, 36 by Housing Associations, 29 by The Trust and 23 by Advice First.

When asked "Please describe how you got on making your Universal Credit claim" 36% of respondents described the experience as "OK" or "easy", and a further 13% said that after finding it difficult to make their claim they are now managing with the online system. 32% however used words such as "complicated", "difficult" or "stressful". Examples of comments:

- I found the initial process quite hard and lengthy; verifying my identity and waiting for the first payment.
- A very lengthy degrading process, the initial sign up for UC was pretty complicated as I am not very computer savvy, also found waiting on appointments to prove who I am annoying.
- I found it really straightforward to use. Had a few teething problems at the start learning how to use it but all in all, I think it's a really good system.

The remaining 19% who responded to this question referred to the help they received to make their claim and about complications and incidents at the start of their claim.

- I really struggled and had to get help
- Takes too long to sort out problems
- Jobcentre staff did not know what to do about my claim and had to seek help from other staff. Then took a couple of months for me to be awarded all that I was entitled to.

31% of respondents had made a change to their claimant commitment however almost 28% of respondents did not know they are able to do this. 63% know to report changes in their health conditions.

¹ Universal Credit Full Service Survey, Department for Work and Pensions/ Government Social Research June 2018

4.2 Payment Frequency, Budgeting and Financial Management

86% of respondents know where to find their UC statement but 14% don't know where in their UC account they can find the components of their UC payments.

The survey went on to ask how people are managing if they had been on Universal Credit for a number of months. 132 UC claimants replied to this question and 48% said they were managing well, fine or ok and left comments such as:

- Now everything's in order I actually find it a good thing
- I manage the best I can do, just need to watch the way I buy things and try to divide it up for the month's money
- Finding it a lot easier with universal credit. As I'm getting all payments on same day instead of separate payments throughout the month
- I like that you don't have to put in new claims etc. if you start/stop working and instead remain on UC. I find monthly payments a nightmare when I'm unemployed but I've since requested twice monthly payments.

43% however said that they are not coping well or with great difficulty and of those who said this, 37% went further to say they are struggling financially and a number said that they rely on family, friends, the Foodbank or Scottish Welfare Fund. The national DWP survey found that 40% of all claimants are in this position.

Although not asked directly about monthly payments, 23 respondents (17%) said that they struggle to cope and of these more than half commented specifically about difficulties working with payments that vary from month to month. Examples of comments:

- It fluctuates so I can't depend on it being the same amount which is worrying because I have the housing element and can't guarantee it will be paid.
- I'm struggling but I know I have to get used to monthly pay as most jobs are monthly paying. I have set up direct debit with River Clyde Homes so I know my rent will always be paid.
- Behind with main bills for first time ever, can't get back on track because they change payment amounts every month although my circumstances are the same every month.
- I spend 2 weeks of the month really struggling. I will get there once I get a freezer instead of living daily with my money.

When asked if UC payments are received twice each month, 16 respondents (10%) said they have this in place however 62% did not know this option was available. 30 respondents (19%) said they have the housing element of their UC paid directly to their landlord (not all UC claimants receive help with housing costs).

4.3 Overall Experience of UC

The final question of the survey asked "Do you have anything else you would like to say about your overall experience of Universal Credit?" 110 respondents left a total of 174 comments.

12 respondents (11%) said they are managing well and 11 commended helpful staff at Jobcentre Plus and the Universal Credit Contact Centre. 5 others acknowledged the help received from local services, without which they said they would have not been able to complete their claim. Compliments about local services and Jobcentre Plus were made in all 3 of the free text questions.

The general sentiments recorded at this part of the survey were however largely negative with 23 (21%) of the 110 respondents using words like “stressful”, “challenging”, “degrading” and “frustrating” to describe the claim process and managing on Universal Credit.

4.4 Universal Credit Policy

22 expressed dissatisfaction with various aspects of Universal Credit policy including restricted backdating rules and one respondent referred to the removal of the severe disability premium which the government announced in June 2018 will be reinstated. 22% of respondents recalled how difficult it was waiting for their UC first payment. Furthermore, the National Audit Office reported that in March 2018 that 21% of new claimants did not receive their full entitlement on time with 13% receiving no payment on time. The payment due date is one month plus a further week after the claim is made. One respondent said:

- The 6 weeks wait before you receive the first payment is far too long. I know the answer is that you can get an advance but then you are stuck paying that off for months. Asking for payments twice a month was a huge mistake as I have no way of seeing how the money is split or when I will receive payment. How are people to budget and pay bills when they don't know when to expect their next payment?
- I found the process of claiming easy. The form is long but is explained step by step. Staff at job centre were helpful but the wait for first payment is long

8 respondents referred to rising debt and 10 stated that the level of the UC award is too low to survive. 8 respondents commented that they would prefer to return to their previous benefit schemes.

4.5 Universal Credit Processes

14% of respondents referred to mistakes made with the assessment of their claim or receiving inaccurate information from the UC Service Centre. There were 29 comments describing general dissatisfaction with Universal Credit such as difficulties with communications and the complexity of the claim process.

- The difference I have dropped from working tax credits to this is unbelievable! I have rent arrears because no one knew how this benefit worked when it was rolled out.

3 comments were made about difficulty reaching the UC Service Centre by phone. A new telephony system was introduced by the DWP in June 2018 which takes claimants directly to their case manager or a colleague in the Inverclyde team if they are not available.

- It still has got its problems but from my experience now everything's calmed down.

9 comments were made about the online Journal with 7 expressing dissatisfaction because they did not receive a reply to a message or it took a long time to receive a reply:

- The journal system is a mess and far too complex but the staff always seem to do what they can to help you despite the flawed system
- If I ignored a note in my journal I run a risk of being sanctioned. I've left a note in my journal on more than occasion and never had a reply to date.

A few positive comments were made about the UC Journal such as:

- I like that I can contact someone online and all conversations are there and recorded.

Inverclyde UC Operations Group asked the Universal Credit Service Centre to acknowledge messages left by UC claimants to confirm that their enquiry is progressing. This was agreed and is now in place in the Glasgow Service Centre.

5.0 Conclusions, Next Steps and Recommendations

5.1 The key findings of the survey are:

- A high proportion of those who claim Universal Credit find the process challenging.
- Most people can claim UC and maintain their claim themselves although most need assistance with some aspect of the process.
- There is sufficient IT available in Inverclyde although it is acknowledged that the survey was carried out online.
- Jobcentre Plus and local services are rated highly by those who use them.
- The delay between a Universal Credit claim being made and the arrival of the first payment is difficult. While advance payment of UC is available people are concerned about repayments.
- Many struggle to cope with monthly payments and even more so when payments fluctuate.
- Awareness of the option to have UC paid twice each month and the availability of budgeting support is low.

5.2 The findings will be shared with the DWP and CoSLA and will be used by the Universal Credit Operations Group to inform local priorities.

5.3 It is recommended that a further survey is carried out in the spring of 2019 to find out about the impact of actions put in place to address the findings of the 2018 survey and the 2018 regulation amendments.

Annex 1

Q1. UC Online

Do you need help keeping your UC journal up to date?

- No, I manage on my own
- Yes, friends and family help me
- Yes, I am assisted by services such as my housing association, library staff, workers at my local community centre

Q2. If you use facilities out with your own home, where do you go?

- Community hub
- Library
- Housing association
- Jobcentre Plus
- Local Job Centre
- Financial Fitness
- The Trust
- Work Club
- There is nowhere near where I live

Q3. The Claimant Commitment

Do you know you are able to discuss making changes to your Claimant Commitment with your Work Coach?

- Yes
- No

Q4. Have you ever made changes to your Claimant Commitment?

- Yes
- No

Q5. Your health and Universal Credit

If there was a change in your health, would you know to report this?

- Yes
- No

Q6. Have you had a Work Capability Assessment?

- Yes
- No

Q7. Understanding your UC payments

Do you know how the amount of UC you get is worked out?

- Yes
- No

Q8. Do you know where to find your UC statement on your UC journal?

- Yes
- No

Q9. Getting Help with UC

Do you know where to go if you need help with UC?

- Yes
- No
- I would not need help
- I would not feel comfortable asking for help

Q10. Have you had help from any of the following services (select all that apply)?

- Local Job Centre
- Library
- Housing Association
- Financial Fitness
- The Trust
- CLD, Work Club, Community Hub
- Advice First
- Other – please state the name of the service who helped you

Q11. Do you know that the Council offers free help with managing your UC money?

- Yes
- No

Q12. Do you know how to ask for your UC housing element to be paid directly to your landlord?

- No
- Yes
- Yes, I have already applied

Q13. Do you know how to ask for your UC payments to be split and paid twice every month instead of once a month?

- No
- Yes
- Yes, I have already applied

Q14. Please describe how you got on making your Universal Credit claim.

Q15. If you have been on UC for a number of months, please tell us how you are now managing.

Q16. Do you have anything else you would like to say about your overall experience of UC?

2017-18 SWF review statistics

The statistics below provide information about the reviews received from applicants in your area and compare these to the overall picture of reviews across Scotland. For comparison purposes, we have also included last year's figures.

We record cases as upheld where we change the council's decision. Uphold rates are therefore a useful indicator of how councils are performing as they illustrate how regularly we assess that a different decision should have been made. For councils with very low numbers of SPSO reviews, the uphold rates and comparisons are likely to be less representative. However, recording the uphold rates helps create a baseline for comparison in future years.

The average uphold rates in 2017-18 were (last year's figures in brackets):

- 35% (32%) for crisis grants
- 52% (43%) for community care grants.

The tables below summarise the total number of enquiries we handled, cases that we closed before decision and decision outcomes. Examples of the reasons for closing applications before making a decision include where applicants have contacted us before asking for a first tier review, before receiving their first tier decision (premature) or have chosen to withdraw their review request (Not duly made or withdrawn).

Authority	Inverclyde Council
Total Enquiries	6 (8)

Outcome	Inverclyde Council – cases closed pre-decision		
	Community Care	Crisis	Total
Out of jurisdiction	0 (1)	0 (0)	0 (1)
Premature	0 (1)	0 (2)	0 (3)
Referred back to council	1 (0)	0 (0)	1 (0)
Total	1 (2)	0 (2)	1 (4)

Application Type	Total Decisions	Not Upheld	Upheld	Uphold Rate	National Average Uphold Rate
Crisis	1 (0)	0 (0)	1 (0)	100% (0%)	35% (32%)
Community Care	4 (4)	1 (4)	3 (0)	75% (0%)	52% (43%)
Total	5 (4)				

Suggestions for Improvement

Where we identify potential or actual failings, we record suggestions for improvements which we highlight directly to councils. We do this for all cases, whether or not we uphold them. For transparency, we include these in our decision letters to applicants.

We have outlined the findings we have recorded for your council broken down by the 'findings subject' and whether or not they were material to the decision. For clarity, findings which are material to the decision cause us to disagree with the overall decision, whereas non-material findings are general suggestions for improvement.

This information provides detail around the areas of your casework where we considered improvements could be made, and we anticipate this will be used for identifying areas of focus for learning. As a result of feedback from councils on our annual letter last year, we have amended the covering letter we send to councils with each decision to include more detailed information about our findings. Examples of our findings and further information regarding the findings categories are contained within our annual report. Councils have also been provided with detailed case by case feedback throughout the year.

We hope you find this helpful. If you would like to discuss this with them, or how we might provide learning support, please get in touch with the SWF team 0800 014 7299.

Authority	Inverclyde Council
Total findings	12 (3)

Subject	Findings: Material to Decision	
	%	Total
Guidance not followed correctly	40% (0%)	2 (0)
Incorrect interpretation of information	20% (0%)	1 (0)
New information provided	40% (0%)	2 (0)
Total	100% (0%)	5 (0)

Subject	Findings: Not Material to Decision	
	%	Total
Communication issues – written	57% (33%)	4 (1)
Guidance not followed correctly	0% (67%)	0 (2)
Other	14% (0%)	1 (0)
Positive feedback	28% (0%)	2 (0)
Total	99%* (100%)	7 (3)

**percentages may not equal 100% due to rounding*

Discretionary Housing Payments
Position 31.07.18

1/ SSSC (Bedroom Tax)

Applications Approved	1382	93.32%
Applications Not Eligible/Refused	37	2.50%
Applications Being Assessed	62	4.18%
	<u>1481</u>	

Paid to Date	950,142	Note 1
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2018/19 Budget	<u>951,776</u>	
(Under)/Overspend	<u>(1,634)</u>	

2/ Other DHP Cases

£

2018/19 Budget	223,152	Note 2
less : Payments to 31/7/18	<u>144,719</u>	Note 3
(Under)/Overspend	<u>(78,433)</u>	

Notes

1/ Represents 98.33% of those households known to be affected by SSSC.

2/ Includes £40k from the Welfare Reform recurring budget and £103k one off funding carried forward from 2017/18 for Temporary Accommodation.

3/ Includes £20k Benefit Cap, £70k Temporary Accommodation

Scottish Welfare Fund
31st July 2018

Calls Answered	4126		
Applications	2127		
Applications Granted	1229	57.78%	
Applications Refused	431	20.26%	Note 3
Applications Withdrawn	389	18.29%	
In Progress	78	3.67%	
Referrals to DWP	89		Note 2
	<u>Spend</u>	<u>Budget</u>	<u>Spend</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>
Crisis Grant paid (934)	86	254	33.86%
Community Care Grants paid (309) (includes 14 applications paying both CCG & CG)	153	517	29.59%
	<hr/>	<hr/>	
	239	771	31.00%

Note 1 1st Tier Reviews waiting decision = 6
 1st Tier Review decisions = 24 (1.45%)
 1st Tier Reviews upheld in customer favour = 7 (29.17%)
 2nd Tier Reviews = 5 (as % of 1st tier decisions: (20.83%)
 2nd Tier Reviews upheld in customers favour = 2 (40.00%)

Note 5

Note 2 Referrals to DWP are the number of customers who are awaiting payment of a new claim for Universal Credit from DWP. In these circumstances an application can be made for a UC advance, which is repayable to the DWP.

Note 3 The most common reasons for refusal of claims are, applicants not meeting the eligibility criteria, not being in receipt of a qualifying benefit or incomplete evidence provided.

Note 4 Core Budget is £670,985 to which is added £100,000 allocation from the Anti-Poverty recurring budget.

Note 5 1 decision based on additional information sourced by SPSO which was not available to Discretionary Payments Team at the point of the original application or 1st tier review stage.

Report:	Policy and Resources Committee	Date:	18 September 2018
Report By:	Ruth Binks, Corporate Director, Education, Communities and Organisational Development	Report No:	PR/24/18/RB/KM
Contact Officer:	Miriam McKenna, Corporate Policy and Partnership Manager	Contact No:	01475 712042
Subject:	Education, Communities and Organisational Development and Environment, Regeneration and Resources Corporate Directorate Improvement Plans Annual Review		

1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Policy and Resources Committee the annual review of the Education, Communities and Organisational Development (ECOD) and the Environment, Regeneration and Resources (ERR) Corporate Directorate Improvement Plans (CDIPs). The Plans contain new or revised improvement actions for 2018/19 and are submitted for the approval of the Committee.

2.0 SUMMARY

- 2.1 The Council's CDIPs 2016/19 were approved by this Committee at its meeting on 17 May 2016. The CDIPs are rolling three year plans that are subject to annual review. The purpose of the review is to ensure that the CDIP Improvement Plans remain relevant and reflect any new challenges or legislation that will impact on the Directorate in the coming year.
- 2.2 The CDIPs are now in their third and final year and a review of the year 2 actions has been completed. The refreshed plans have been submitted to the relevant service Committee but as in previous years, the plans are also submitted for the approval of this Committee. The Plans are attached at Appendix 1.
- 2.3 The main focus of the CDIPs is the Improvement Plans, which have been informed by service self-evaluation as well as ongoing service development. The Improvement Plans contains a range of actions that will be delivered by the Directorates during 2018/19.
- 2.4 The format of the refreshed CDIPs differs slightly from previous years'. The two main changes are:
- The refreshed plans reflect the management restructure that was implemented in April 2018;
 - The improvement actions have been mapped to the organisational priorities set out in the Corporate Plan 2018/22, which was approved on 7 June 2018.
- 2.5 As in previous years, performance reports on the actions relating to corporate activity, namely Finance and ICT; Legal and Property and Organisational Development, Policy and Communications will continue to be made to every second meeting of this committee.
- 2.6 As both CDIPs are now in their final year, new three year plans will be presented to this Committee in May 2019.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee approves the refreshed Education, Communities and Organisational Development and Environment, Regeneration and Resources Corporate Directorate Improvement Plans for the period 2018/19.

**Ruth Binks, Corporate Director
Education, Communities and
Organisational Development**

**Scott Allan, Corporate Director
Environment, Regeneration and
Resources**

4.0 BACKGROUND

- 4.1 CDIPs are a key component of the Council's Strategic Planning and Performance Management Framework. They are the principal vehicle for managing and delivering the wellbeing outcomes of the Inverclyde Alliance and Inverclyde Council. The wellbeing outcomes are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI).
- 4.2 The Education, Communities and Organisational Development and the Environment, Regeneration and Resources CDIPs were approved by the Policy and Resources Committee at its meeting on 17 May 2016. The CDIPs are rolling three year plans that are reviewed and refreshed on an annual basis. Appendix 1 to this report fulfils the yearly review and refreshment commitment.
- 4.3 The main focus of the CDIPs is the Improvement Plans which have been informed by service self-evaluation as well as ongoing service development. The Improvement Plans contain a range of improvement actions that will be delivered by the Education, Communities and Organisational Development and the Environment, Regeneration and Resources Directorates.
- 4.4 The Policy and Resources Committee is asked to particularly consider the actions that will be taken forward by Organisational Development, Policy and Communications, Finance and ICT and Legal and Property Services. Reports on the progress that has been made in delivering the corporate services improvement actions will be submitted to every second meeting of this Committee.
- 4.5 The format of the refreshed CDIPs differs slightly from previous years'. The two main changes are:
- The refreshed plans reflect the management restructure that was implemented in April 2018.
 - The improvement actions have been mapped to the organisational priorities set out in the Corporate Plan 2018/22, which was approved on 7 June 2018.
- 4.6 The Plans include key performance indicators, comprising statutory performance indicators and local performance indicators which provide an important measure of how the Directorate's Services contribute to the Council's strategic aims.
- 4.7 As both CDIPs are now in their final year, new three year plans will be presented to this Committee in May 2019.

5.0 IMPLICATIONS

- 5.1 Financial implications - one-off costs:

Cost centre	Budget heading	Budget year	Proposed spend this report	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial implications - annually recurring costs/(savings):

Cost centre	Budget heading	With effect from	Annual net impact	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

- 5.2 Human Resources: There are no direct human resources implications arising from this

report.

- 5.3 Legal: There are no direct legal implications arising from this report.
- 5.4 Equalities: The CDIPs set out their commitment to ensuring equality of opportunity in everything they do. There is a specific section in both plans about what the Directorate is doing in relation to equality and diversity.
- 5.5 Repopulation: Provision of Council Services which are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde support the Council's aim of retaining and enhancing the area's population.

6.0 CONSULTATION

- 6.1 The appropriate officers were consulted on the refreshment of the CDIPs.

7.0 CONCLUSION

- 7.1 The refreshed ECOD CDIP and ERR CDIP are presented for the approval of the Policy and Resources Committee.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 Corporate Directorate Improvement Planning Update – report to the Policy and Resources Committee on 18 September 2012

Revised Strategic Planning and Performance Management Framework – report to the Policy and Resources Committee on 14 August 2012

Education, Communities and Organisational Development Corporate Directorate Improvement Plan 2016/19 – report to the Policy and Resources Committee on 17 May 2016

Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2016/19 – report to the Policy and Resources Committee on 17 May 2016

Education, Communities and Organisational Development

Corporate Directorate Improvement Plan 2016/19

Annual Review 2018



This document can be made available in other languages, large print, and audio format upon request.

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Gaelic

Tha an sgrìobhainn seo cuideachd ri fhaotainn ann an cànanan eile, clò nas motha agus air teip ma tha sibh ga iarraidh.

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

Mandarin

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Polish


Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.


Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

 Inclusive Education, Culture and Corporate Policy, Inverclyde Council, Wallace Place, Greenock, Inverclyde, PA15 1LZ

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1. Introduction by the Corporate Director, Education, Communities and Organisational Development

On behalf of the Education, Communities and Organisational Development (ECOD) Directorate, I am pleased to present the latest refresh of our Corporate Directorate Improvement Plan (CDIP) 2016/19. We carried out a comprehensive review of the Plan in spring 2018 to ensure that our improvement actions and performance information are still relevant to delivering the Council's wellbeing outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI).

The CDIP is an integral part of the Council's Strategic Planning and Performance Management Framework. It assists in shaping the strategic direction for the Directorate and outlines key programmes, actions and improvements which we will deliver during the final year of this plan.

As a Directorate, our activities are clearly focussed around the concept of a *Nurturing Inverclyde*. We aim to make Inverclyde a place which nurtures all its citizens, ensuring that everyone has the opportunity to enjoy a good quality of life with good mental and physical wellbeing. Our approach puts the child, citizen and community at the centre of service delivery. Our improvement actions are intended to deliver the SHANARRI wellbeing outcomes and the three strategic priorities in the Inverclyde Outcomes Improvement Plan (IOIP). These priorities are:

- **Population** – Inverclyde's population will be stable and sustainable with an appropriate balance of socio-economic groups that is conducive to local economic prosperity and longer term population growth;
- **Inequalities** – There will be low levels of poverty and deprivation and the gap in income and health between the richest and poorest members of our communities will be reduced;
- **Environment** – Inverclyde's environment, culture and heritage will be protected and enhanced to create a better place for all Inverclyde residents and an attractive place in which to live, work and visit.

The Council's Corporate Plan 2018/22 supports the delivery of the Inverclyde Outcomes Improvement Plan and also establishes a number of organisational priorities for the Council. The CDIPs are the principal vehicle for the delivery of these organisational priorities which are:

- To promote Inverclyde, to both residents and visitors alike, as a great place to live, work and visit
- To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them
- To grow the local economy in a way that creates opportunities for all our residents, including access to good quality jobs
- To reduce the prevalence of poverty and in particular, child poverty, in our communities
- To safeguard, support and meet the needs of our most vulnerable families and residents
- To improve the health and wellbeing of our residents so that people live well and for longer
- To protect and enhance our natural and built environment
- To preserve, nurture and promote Inverclyde's unique culture and heritage
- To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources
- To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs.

This CDIP has been developed using robust self-evaluation. The three Services that form the Directorate have taken into consideration a wide range of data, stakeholder views and reviewed how the services we deliver seek to achieve the eight wellbeing outcomes. Each aspect of our Plan reflects national and local priorities and is focussed on improving the quality of our services and the lives of local children, citizens and communities.

We are proud of what we have achieved during the lifespan of this plan including:

- the development of a new Inverclyde Outcomes Improvement Plan (LOIP) 2017/22;

- the development of a robust approach to meet the requirements of the Best Value Assurance Audit;
- the development of a new People and Organisational Strategy to address the specific challenges and opportunities facing the Council;
- the achievement of the Disability Confident Scheme Level 3 accreditation;
- further development of the Council's commitment to equalities to ensure better outcomes for people with protected characteristics;
- embedding the principles and techniques of good self-evaluation across Council Services;
- the improvement of library and museum facilities in Inverclyde;
- the implementation and delivery of the Children and Young People Improvement Collaborative;
- increased facilities for young people via the I Youth Zones in Port Glasgow and Gourrock;
- the achievement of a Carer Positive Employer In Scotland Award (Engaged)
- a very positive children's services inspection report and very positive attainment challenge interim evaluation report.

One of the greatest challenges in the coming year is to continue to deliver high quality services to our customers in an extremely challenging financial climate. We are committed to a solution-focussed and *can do* attitude to our work. We will continue to develop and promote robust self-evaluation both in our own Directorate and across the Council, in order to enhance current good practice and constantly develop and improve as a local authority. Other challenges facing the Directorate during the next year include:

- a reduction in employees and pressure on service delivery levels
- labour market issues, particularly supply teacher shortages
- an ageing workforce
- the ongoing implementation of major pieces of legislation
- welcoming and supporting refugees in our community
- tackling poverty and reducing the poverty related attainment gap
- tackling high levels of inequality and deprivation
- limited economic opportunities
- responding to the changes in the age profile of our population
- reviewing community facilities in Inverclyde
-

Through this Plan however, we hope to support and challenge our employees to improve the quality of the services we provide. We look forward to building on the progress that has been achieved and continuing to make further achievements during the next year.



Ruth Binks
Corporate Director, Education, Communities and Organisational Development

2. Strategic Overview

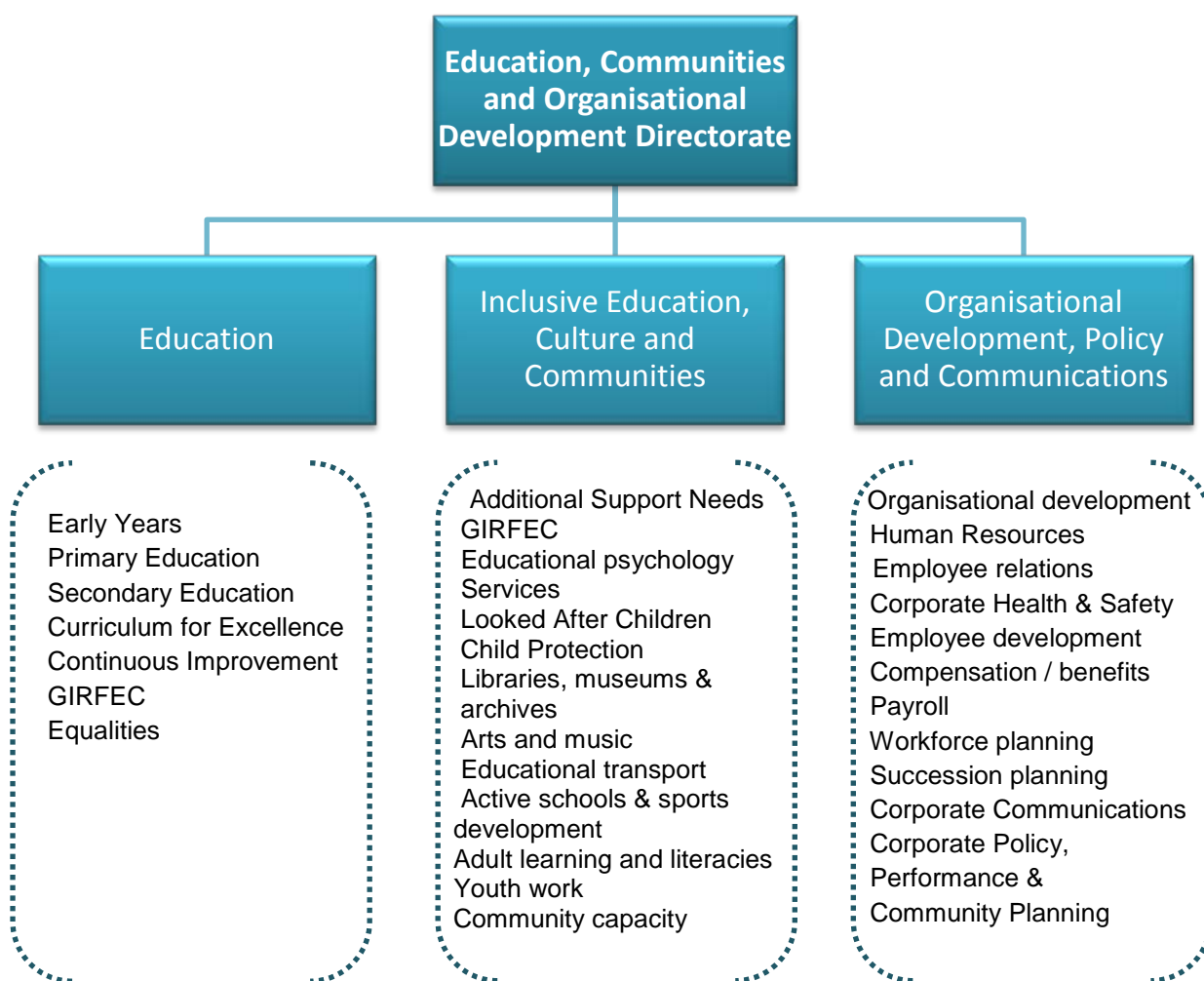
2.1 Purpose and scope of the Directorate

The primary role of the Directorate is to:

- provide education, culture and lifelong learning opportunities;
- support safer communities and community learning and development; and
- deliver the corporate back office functions of human resources, organisational development, communications, corporate policy and partnership working.

These services all sit within the Council's vision of a *Nurturing Inverclyde* where we are **Getting it Right for Every Child, Citizen and Community**, working towards the achievement of the wellbeing outcomes, where all our children, citizens and communities are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.

The Directorate comprises three services. The Directorate's management structure is:



2.2 National and local context

New legislation emerging from the Scottish and UK Governments will directly impact on the nature of the services that the Directorate provides during the next three years. Legislation that has come into effect that will impact on the delivery of this plan includes:

- The Children and Young People (Scotland) Act 2014
- The Community Empowerment (Scotland) Act 2015
- Legislative changes in employment law, health and safety and pensions
- Changes in the National Terms and Conditions for Local Government Employees
- The Education (Scotland) Act 2016
- The Community Justice (Scotland) Act 2016
- Child Poverty (Scotland) Act 2017
- The British Sign Language (Scotland) Act 2015
- UK withdrawal from the EU.

Public Sector Reform

There has been significant transformation in public services in Scotland with major reforms having been undertaken by the Scottish Government in local government, health, social care and the uniformed services. Public services face serious challenges with the demand for services set to increase dramatically over the medium term, while public spending becomes even further constrained. This means that the Council will, in effect, have to achieve more with less.

To manage this, we continue to identify where we can focus on early intervention, reducing costs and improving performance. This is a challenging agenda for the Council and the Directorate has a key role to play in helping the Council get it right by providing support for parents and young children at the early stages of a child's life; helping children and young people to achieve in education and move onto employment; providing further learning and training opportunities; tackling anti-social behaviour at an early stage and improving our other prevention work.

In addition to the above, the Directorate operates and delivers services within a diverse policy and legislative framework which is detailed below:

All Services in the Directorate

- The Local Government in Scotland Act 2003
- The Schools (Health Promotion and Nutrition) (Scotland) Act 2007
- The Equality Act 2010
- Curriculum for Excellence
- The Children and Young People (Scotland) Act 2014
- Developing Scotland's Young Workforce 2014-2021
- The Community Empowerment (Scotland) Act 2015
- Mental Health Strategy 2017 / 2027
- The Requirements for Community Learning and Development (Scotland) Regulations 2013
- 2018 National Improvement Framework and Improvement Plan
- The Welfare Reform Act 2012
- More Choices More Chances
- The Children and Young People Improvement Collaborative
- Fairer Scotland Duty
- Child Poverty (Scotland) Act 2017
- A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland
- Raising Scotland's Tobacco-free generation: Tobacco Control Action Plan 2018

There is also legislation which is specific to the Directorate's individual Services some of which is attached as Appendix 1. Much of the legislation is listed in the Council's scheme of delegation <http://www.inverclyde.gov.uk/law-and-licensing/standing-orders-and-scheme-of-administration>.


Glasgow City Region Education Improvement Collaborative (GCREIC) (West Partnership)

The Glasgow City Region represents a significant proportion of the Scottish population, encompassing 773 schools from across the region, in addition to hundreds of Early Years settings, both local authority and partner providers. The Glasgow City Region Education Improvement Collaborative (GCREIC), also known as the West Partnership, brings together authorities from across the Glasgow City Region. The aim of the West Partnership is to bring about excellence and equity in education across the entire region and in doing so, raising attainment and achievement. The West Partnership brings together eight local authorities who collectively make up the Glasgow City Region; East Dunbartonshire Council (EDC), East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council and West Dunbartonshire Council.


The Partnership has developed a three year improvement plan 2017- 2020, which aligns with the Scottish Government's National Improvement Framework drivers, seeking to deliver a cohesive system of improvement support and to complement the existing improvement actions of individual member authorities.

2.3 Customer focus

The Directorate's customer base is wide and varied. It includes all Inverclyde's children and their parents, those living in communities served by the Community Wardens, as well as communities supported by the Community Learning and Development (CLD) service. It also extends to the media, people with an interest in libraries, culture and the arts, as well as those that are seeking employment with the Council. In addition, the Directorate provides support to colleagues across the Council through the functions of Organisational Development, Human Resources, Corporate Policy and Corporate Communications.

Corporate customer engagement takes place through our  [Citizens' Panel](#) which the Organisational Development, Policy and Communications Service has responsibility for. Two Citizens' Panel surveys are carried out each year, the results of which are reported to the Council's Policy and Resources Committee and posted on the Council's website. Newsletters are also sent to Citizens' Panel members to let them know how their comments have been taken on board.

Council Services use customer engagement as an essential tool to measure satisfaction and the feedback that is received is used to improve service delivery. Over the two year period that this CDIP has been in place, a variety of customer engagement activity has been carried out by the services within the Directorate, examples include:

- an end of programme evaluation for all CLD participants (ongoing)
- a survey of employee new starts and leavers (on-going)
- corporate training evaluation (on-going)
- online survey of applicants and the wider public using the national recruitment portal  [My Job Scotland](#) (on-going)
- our Budget Consultation processes (online and public engagement events)
- learner-led action research in adult literacies
- Public consultation on the School Transport Policy and School Placing Request Policy
- development of a Youth Participation Strategy
- developing a 'penny for youth thoughts' Youth Council
- a third *#ClydeConversations* conference for our young people
- 'Our Place Our Future' community engagement to inform the development of the Inverclyde Outcomes Improvement Plan (using the Place Standard tool)
- Healthy Working Lives Questionnaire with employees

Further community engagement is planned between now and March 2019, including:

- a geographical needs and strengths assessment
- development of locality plans
- an Employee Survey
- on-going evaluation on the Libraries service delivery
- Participatory Budgeting in each Council Ward.

We also carry out formal and informal engagement with customers through pupil councils, the Youth Council, parent councils and community groups, the Adult Learners Forum in Inverclyde, as well as on-going engagement with individuals through the Community Wardens' service.

Additionally, community engagement is co-ordinated through the Community Engagement and Capacity Building Network for the purposes of community planning. Recently, the Network engaged with a wide variety of audiences around the Inverclyde Outcomes Improvement Plan and other topic areas. In particular, the 'Our Place Our Future' Survey, carried out during May – June 2017, was a far reaching community engagement event, with a response rate of 1.7% of Inverclyde's population. The 'Our Place Our Future' Survey questions were based on the Place Standard, which is a framework that has been developed to structure conversations around place. The Survey informed the identification of key issues for inclusion in the Inverclyde Outcomes Improvement Plan and the Locality Plans that are currently being developed.

2.4 Equality

The ECOD Directorate is committed to ensuring equality of opportunity in everything that it does. The Head of Education chairs the Council's Corporate Equality Group, which takes the lead in ensuring the Council meets its duties under The Equality Act 2010. Services carry out equality impact analysis (EIA) on new or significantly changing policies, strategies and procedures, as well as on budget saving proposals. EIAs completed in the past year or planned by the Directorate include:

Completed

- Inverclyde Outcomes Improvement Plan 2017/22
- Budget saving proposals
- Supporting Employee Attendance Policy
- Voluntary Severance Policy (update)
- Alcohol and Drugs Policy
- Recruitment and Selection Policy

Planned

- Locality Plans
- The Inverclyde British Sign Language Plan 2018/23
- Pay and Grading Model
- Dignity and Respect at Work
- Agile Working.

The Council also has a series of Equality Outcomes and every Service in the Directorate will continue to work towards the achievement of these during the next year. Details of these Outcomes can be viewed here [🔗 Equality and Diversity.](#) The Council's overarching Equality Outcomes are:

1. Inverclyde Council's employees and elected members are able to respond confidently and appropriately to the needs of service users and colleagues.
2. Inverclyde's children, citizens and communities are able to access our services and buildings with ease and confidence
3. Measures to prevent and eradicate violence against women and girls are making Inverclyde a place where all individuals are equally safe and respected and all women and girls can expect to

- live free from such abuse and the attitudes that perpetrate it
4. There are no barriers in recruitment, training and promotion opportunities for the Inverclyde Council workforce.
 5. All Inverclyde residents have an opportunity to share in the area's economic growth.

Education Equality outcomes

- Ed1. All children and young people have the support that they need in relevant areas
- Ed2. Outcomes for all pupils are improved regardless of gender, ethnicity or any barriers to learning
- Ed3. All school communities recognise and respect people of diverse age, race, faith, gender, sexual orientation, disability and ethnic culture.

The performance management of this document will help the Council to monitor how it is performing towards the achievement of its Equality Outcomes.

2.5 Sustainability of the environment

The Directorate supports implementation of the Council's flagship *Green Charter* environmental policy which aims to reduce energy and waste and promote the sustainable use of resources in the Council and across our community, for example, employees are encouraged to use the recycling facilities provided in Council premises or participate in our Cycle to Work scheme. This is to support improved performance in one of our sustainable development performance indicators i.e. *to reduce CO₂ emissions within the scope of influence of the local authority*, also known as our *area-wide emissions*.

The Directorate's Services are encouraged to help the Council reduce its carbon emissions which in turn supports delivery of the Council's Carbon Management Plan 2012/17.

It is vital that young people gain an early understanding of key environmental issues and become aware of ways they can make a difference through their personal actions. Our educational establishments also have a critical role to play in the implementation of our corporate *Green Charter* environmental policy by promoting sustainable development and environmental sustainability.

Our School Estate Management Plan aims to ensure that all Inverclyde schools are replaced or fully modernised by 2020. Mindful of research into the positive impact of good environmental conditions on pupil attainment, the designs for our new schools place a strong emphasis on natural ventilation, high levels of natural day light and appropriate temperature control, together with energy and carbon reduction measures. This is further enhanced with other environmental sustainability initiatives such as a small wind turbine at Inverclyde Academy, a biomass boiler at the joint campus in Port Glasgow and photovoltaic cells at various sites.

2.6 Risk management

The key risks that the Directorate faces include:

- **financial** - financial pressures are affecting all public sector agencies and the Directorate needs to closely monitor budgets to ensure service delivery remains efficient, effective and value for money;
- **reputation** - potential for lack of buy-in and support for local government benchmarking projects and equality and diversity outcomes could lead to non-compliance with legislation or adverse external criticism resulting in a negative impact on the Council's reputation;
- **legal and regulatory** - potential for lack of support and buy-in could lead to non-compliance with legislation particularly regarding The Equality Act 2010, The Community Empowerment (Scotland) Act 2015 and the Statutory Performance Indicators Direction 2015; and
- **operational and business continuity** - potential for possible inconsistencies in the roll-out of corporate systems and the potential for failure to implement policies and procedures could all have detrimental impacts on operational and business continuity.

The detailed risk management plan is attached at as Appendix 2 on page 60.

Opportunities exist to act in a more corporate manner across Directorates in order to reduce risks and these will be explored over the life of this plan.

2.7 Competitiveness

As part of the requirement to demonstrate best value, the ECOD Directorate sets out its approach to the competitiveness agenda as part of this CDIP.

Competitiveness is a complex area and not simply an issue of delivering services for the least cost. In the public sector, competitiveness can perhaps be better described as *challenge* and *improvement* as this is what the Directorate requires to do to drive continuous improvement and best value.

The Audit Scotland *Best Value Toolkit 2010: Challenge and improvement* sets out the following definitions:

Challenge

- The organisation has a proven record of adjusting its services as a result of internal or external challenge, achieved with an improvement of services.
- The organisation can justify that its delivery methods, whether in-house or otherwise, offer best value, within the context of its wider objectives.
- As part of its strategic approach to procurement and commissioning it undertakes objective options appraisal to explore and optimise a wide range of contract or partnership options. The organisation understands the impact of its activities on the local economy, and makes decisions based on clear policy objectives.

Improvement

- The organisation continually challenges and improves its performance. It has reviewed, or has plans to review, its services to ensure best value - an improvement programme is in place which takes account of customer and staff feedback and is readily available to citizens. It assigns responsibility, accountability and resources appropriately following improvement reviews.
- It uses the 'four Cs' (Consult, Compare, Challenge, Compete) effectively in reviewing services. Reviews are timely and the council can demonstrate improved outcomes and value for money as a result. Improvements are targeted in line with priorities, and performance indicators and satisfaction measures in reviewed areas are satisfactory or improving.
- It can demonstrate impact through improved service, or governance outcomes, and monitors and regularly reviews the quality and progress of its improvement activity.

Our self-evaluation guidance *Are we Getting it Right for Every Child, Citizen and Community?* supports the Directorate to carry out robust self-evaluation, using data from a variety of sources which informs the development of improvement actions, including those set out in section 5 of this Plan. A variety of processes are used to gather the data which informs on-going self-evaluation across the Council and is used to develop and adapt services to better meet the needs of customers.

The benchmarking information derived from the Improvement Service's Local Government Benchmarking Framework (LGBF) will also inform areas where the Directorate will focus attention and carry out further detailed internal analysis, in addition to learning from better performing councils.

Services within the Directorate have also participated in LGBF benchmarking family groups. Family groups are used to assess performance, learn from good practice, highlight the Council's own good practice to other authorities and deliver improvement across the local authorities who make up the groups.

In addition to the LGBF family groups, a number of the Directorate's service areas already participate in well-established benchmarking activity such as:

- Health and Safety
- HR policy
- Education Services' benchmarking across local and national networks
- Educational Psychology Service benchmarking with neighbouring services
- Scottish Attainment Challenge
- the Duke of Edinburgh Awards Scheme is compared on a yearly basis, for example, participation rates, success and completion

Over the years we have worked with other local authorities to help them learn from our good practice and vice versa. Education Scotland inspections show that Inverclyde schools perform very well in comparison to our comparator authorities.

The Participation Measure, which has replaced the School Leavers Destination Results, tracks the wider 16-19 year old cohort, not just those that have left school. This allows us to benchmark the proportion of our young people that are participating in education, training or employment.

In addition, the developing Scottish Improvement Framework will compare literacy and numeracy via Standardised Testing and indicators for health and wellbeing, which will allow services to benchmark to identify how well we are supporting all our children and young people.

3. Summary of Resources

The Directorate's budget for 2018/19 is outlined below.

Expenditure and FTE numbers

Resource Statement: Education and Communities

<u>Service</u>	<u>2018/19</u>		
	<u>Gross Exp</u> <u>£000's</u>	<u>Net Exp</u> <u>£000's</u>	<u>FTE</u> -
Director	146	146	1
Education	80,622	69,854	1,365
Inclusive Education, Culture & Communities	18,458	16,962	380
Education & Communities Total	99,226	86,962	1,746
Organisational Development, Policy & Communications	2,108	1,991	42
Policy & Resources Committee Total	2,108	1,991	42
Education and Communities Directorate Total	101,334	88,953	1,788

4. Self-Evaluation and Improvement Planning

The Audit Scotland Best Value Assurance Report on Inverclyde Council, which was published in June 2017, acknowledged that the Council has a positive culture of improvement and is an organisation that supports innovation. The report findings also include that Inverclyde Council uses self-evaluation consistently with clear links to improvement plans.

The Improvement Plan for the Directorate for 2018/19 is set out in section 5. It has been developed based on robust self-evaluation using both formal, such as external audit, inspection reports, validated self-evaluation and informal self-evaluation techniques, such as service self-assessment. It has also been informed by external inspection work such as the Joint Inspection of Services for Children and Young People in Inverclyde.

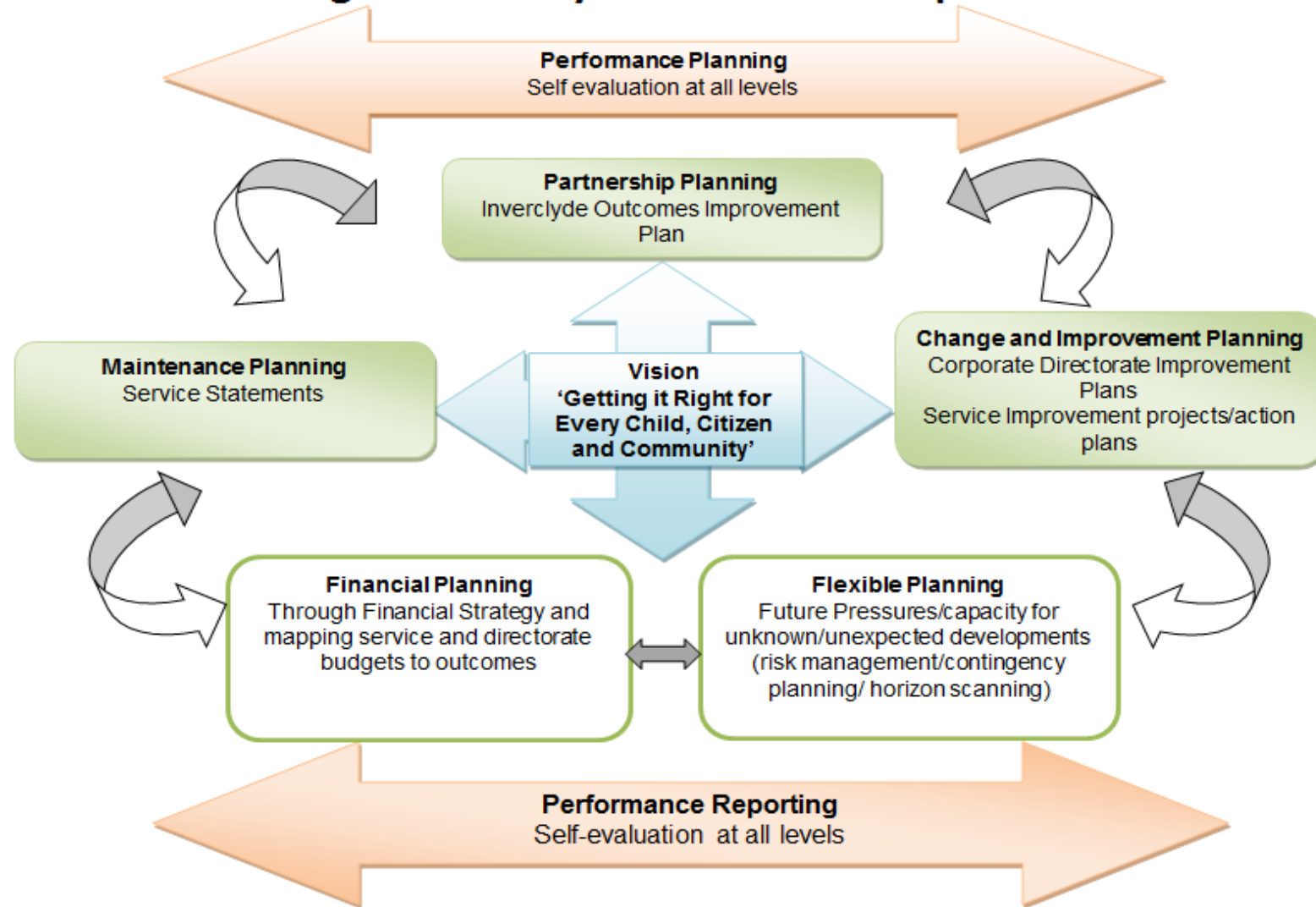
There are also a number of improvement actions contained within the Best Value Assurance Report that are relevant to the Directorate and these have been incorporated into the improvement plan in Appendix 1.

Examples of the type of self-evaluation carried out by the services in the Education, Communities and Organisational Development Directorate includes:

- **Organisational Development, Policy & Communications** – a review of performance indicators; Public Services Improvement Framework self-evaluation undertaken in 2017; general benchmarking of HR policies and practices across Scotland; gathering best practice; self-assessment against the Annual Governance Statement; national communications advisory group, employee opinion survey; using the Scottish Performance Management Forum to benchmark and peer review; the Local Government Benchmarking Framework; customer satisfaction survey; self-assessment against Audit Scotland reports and Citizens' Panel surveys.
- **Education Services** - Standards and Quality reports at both centre and at a service level, Improvement Plans at both centre and at a service level, How Good is Our School? 3 and 4, How Good is our Early Learning and Childcare? The National Improvement Framework, School and Care Commission inspection reports, self-assessment against the requirements of the Education (Scotland Bill), Insight Benchmarking toolkit, school reviews.
- **Inclusive Education, Culture and Communities** - validated self-evaluation; annual review with the senior management team members; evaluation of professional development initiatives; Education Scotland; audit of reciprocal teaching; cross-authority working; Education Scotland good practice visits; internal service self-evaluation using the Public Libraries Quality Improvement Framework Toolkit; customer engagement exercises.

The diagram on the following page sets out the planning cycle for the Council, including the various levels of planning that take place. All of this requires to be underpinned by self-evaluation. Corporate Directorate Improvement Plans sit within change and improvement planning but are underpinned by all other aspects of planning, particularly financial planning.

Planning for Delivery and to Secure Improvement



5. Education, Communities and Organisational Development Year 3 Improvement Plan

In addition to Directorate's improvement priorities, there are also aspects of our work which are on-going: work that is significant but nonetheless can be classified as *business as usual*. These areas of work are captured in the Service Statement and Standards for each service area. The improvement priorities and associated actions are very much focused on the improvements we plan to make during the final year of this plan. Monitoring of the maintenance or 'business as usual' activity is undertaken by individual Directorate and Service Management teams, as well as through the performance reporting under the Council's Statutory Performance reporting, including the Local Government Benchmarking Framework indicators. Additionally, for specific pieces of work, there are other reporting mechanisms to the Council's committees. The Year 3 Action Plan for the Directorate is set out as shown below:

Section	Actions	Page
5.1	Corporate Improvement Actions	22
5.2	Cross Directorate Improvement Actions	29
5.3	Service Improvement Actions	40
5.4	Capital Projects Improvement Actions	55

The improvement actions have been mapped to the Council's organisational priorities which are shown below.

Corporate Plan Organisational Priority	Ref
To promote Inverclyde to both residents and visitors alike, as a great place to live, work and visit	OP1
To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them	OP2
To grow our local economy in a way that creates opportunities for all our residents, including access to good quality jobs.	OP3
To reduce the prevalence of poverty in our communities, with a particular focus on reducing child poverty	OP4
To safeguard, support and meet the needs of our most vulnerable families and residents.	OP5
To improve the health and wellbeing of our residents so that people live well for longer.	OP6
To protect and enhance our natural and built environment	OP7
To preserve, nurture and promote Inverclyde's unique culture and heritage	OP8
To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources	OP9
To develop motivated, trained and qualified employees who deliver quality services that meet the current and anticipated service needs	OP10

Successful Learners

Confident Individuals



Effective Contributors

Responsible Citizens

Corporate Improvement Actions 2018-19

5.1 Corporate Improvement Actions

These actions have implications for the whole Council, or more than one Directorate, not just the Education, Communities and Organisational Development Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
CA1	Equality and Diversity	<p>Equality Outcomes were agreed in 2017 and these have to be reviewed at four yearly intervals.</p> <p>Corporate Equalities Officer in post, Corporate Equalities Group (CEG) meets regularly.</p> <p>Refugee families continue to settle in Inverclyde.</p> <p>There is a</p>	<p>There is better reporting on corporate equality actions by the CEG.</p> <p>Families are supported to live in Inverclyde, with particular support in place to help them to integrate into the local culture.</p> <p>Inverclyde better</p>	<p>Corporate Policy Officer responsible for equalities will work with CEG to develop the plan.</p> <p>Identify ways to celebrate diversity in Inverclyde. Foster good relations/ understanding with communities and new migrants.</p> <p>Work with families to tackle gender inequality.</p> <p>The Council will</p>	<p>Plan agreed at CEG.</p> <p>Delivery of ESOL and ethnic minority services.</p> <p>Staff training delivered, e.g. Refugee Council training.</p> <p>Range of events held to celebrate and encourage understanding of diversity.</p> <p>A BSL Plan is in</p>	<p>Head of Education/ Corporate Policy Officer/ Corporate Policy, Partnership and Performance Manager.</p> <p>Corporate Equality Group/ HSCP/ Education.</p> <p>Corporate</p>	<p>Within existing resources</p>	<p>Respected, Included</p>	<p>OP5 OP9</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		requirement for the Council to produce a British Sign Language (BSL) Plan.	meets the needs of customers who are BSL users.	engage with local BSL users to develop the Plan for Inverclyde (timescale October 2018).	place which has been agreed with local BSL users.	Equality Group.	Funding of £11,000 has been received from the Scottish Government		
CA2	The Community Empowerment (Scotland) Act 2015	<p>Asset Transfer and Participation Request Guidance have been agreed and first reports made to committee regarding uptake.</p> <p>An Inverclyde Outcomes Improvement Plan is in place.</p> <p>Ongoing development of locality planning.</p> <p>Participatory Budgeting funding has been agreed across the 7 Wards.</p> <p>Audit Scotland made a recommendation in the BVAR for Inverclyde to further</p>	<p>The Council and the CPP are ready for the implementation of the Community Empowerment (Scotland) Act 2015, working with partners to deliver on the statutory requirements. Each element is in place across all Services.</p> <p>There are locality profiles and plans for the agreed localities across Inverclyde, mapping assets and issues, agreed with and led on by communities.</p> <p>Services/ CPP partners and communities use these profiles to plan</p>	<p>Respond to Scottish Government guidance.</p> <p>Facilitate improved community engagement in the development of Locality Plans and community planning and the development of more robust community engagement methods, including Place Standard</p> <p>Create a community food growing strategy in partnership with the Environment Network of third sector and</p>	<p>Locality plans are available for Port Glasgow, Greenock East and Central and Greenock South and South West.</p> <p>Community Food Growing Strategy in place.</p> <p>A broader range and number of individuals and community groups are engaged and contributing to the development and delivery of Locality Plans and community planning.</p> <p>Communities are</p>	Grant McGovern/ Steven McNab/ Gerard Malone	Within existing resources	Included, Responsible	OP2

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		develop the capacity of communities, particularly around raising awareness of possibilities for communities and reviewing funding and staffing required to work with communities.	service delivery, targeting inequalities and working to reduce them All Inverclyde Alliance Partners are investing in building the capacity of communities so that they may take full advantage of their rights set out in the Community Empowerment Act.	community organisations. Through the Community Engagement Network, highlight to the Alliance Board the resources required to effectively deliver on community empowerment/ engagement and capacity building, and make recommendations to the Alliance Board.	making full use of the Community Asset Transfer, Participation Request and Participation in Public Decision-Making elements of the Community Empowerment Act.				
CA3	Engagement with young people/Youth Participation Strategy	A range of opportunities exist for young people to become active citizens in relation to their schools, services for young people and community e.g. Pupil Council, Youth Council, Clyde Conversations, Clyde Pride etc. However, there is scope for strengthening links	Young people across Inverclyde have a range of co-ordinated opportunities to be involved in decision making affecting their schools, services for young people and communities. Young people have a greater impact in determining the services available to them and positively contribute to local	In partnership with Inverclyde's young people and community planning partners, progress the action points arising from the recent Clyde Conversations 3 event; continue to host annual Clyde Conversations events to ensure positive and meaningful participation	Increased opportunities for young people to participate. Increased numbers of young people participating in Youth Consultation and Representation structures. Youth Cabinet established.	Grant McGovern/ Head of Education/ Sharon McAlees	Within existing resources	Respected	OP2

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>and for the impact of these activities to enhance engagement.</p> <p>The Council has developed the Inverclyde Youth Participation Strategy in partnership with partner agencies and young people.</p>	<p>planning.</p> <p>Young people's voices are heard and their issues taken into consideration in service development and delivery.</p>	<p>(Present – March 2019).</p> <p>Develop a new structure for Youth Representation through the establishment of a Youth Cabinet (By March 2019).</p> <p>Develop plans for nominated young people to sit on local council committees to ensure their voices are heard on an appropriate platform. (By March 2019)</p>	<p>Young people sitting on council committees.</p> <p>Decisions influenced by young people.</p>				
CA4	Corporate Workforce Planning and Development	<p>A Corporate Workforce Planning and Development Group has been established to focus on progressing the workforce planning and learning and development agenda (WP and L&D) for the Council.</p> <p>Service Workforce</p>	<p>Continue to ensure workforce planning and development is integrated into CDIPs, risk registers and associated plans to address the key workforce challenges over the next 3 years and into the longer term.</p>	<p>Analysis of workforce data and learning needs with a coordinated approach to WP and L&D solutions.</p> <p>Including future workforce requirements.</p>	<p>WP and L&D activity is prioritised and needs are met through coordinated and cost effective approaches. Appropriate WP and L&D interventions are implemented to address key workforce</p>	Steven McNab	Within existing resources	Achieving; Respected; Included	OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		Plans have been completed including longer term forecasts of workforce numbers and skills.			challenges over the next 3 years.				
CA5	Measuring Impact on Outcomes	In the Audit Scotland recent Best Value Assurance Report for Inverclyde a recommendation was to better identify the extent of impact services/partners expect to make to the overall strategic outcomes and the timeframe, with milestones at key intervals.	Inverclyde Alliance and Inverclyde Council are better able to demonstrate impact on outcomes, at various levels across services and programmes.	Working with experts and other performance management specialists, processes will be developed to better measure impact on outcomes.	In the next Best Value Assurance Report Audit Scotland are assured that Inverclyde is able to demonstrate impact on outcomes for all its children, citizens and communities.	Steven McNab/Corporate Policy, Performance & Partnership	Within existing resources	Achieving	OP9
CA6	Service Statements	Each Service has a Service Statement that provides customers with an overview of the Service and sets out the level and quality of the service that our customers can expect to receive.	The Council's Service Statements are up to date and reflect the changes made to the management structure.	Carry out a review of the Council's Service Statements	Revised service statements are updated and available for customers on the Council's website	Steven McNab/Corporate Policy, Performance & Partnership	Within existing resources	Achieving	OP9
CA7	Child Poverty Local Action Report	The Child Poverty (Scotland) Act 2017 places a duty on local authorities and health boards to	An Inverclyde Child Poverty Local Action Report is developed capturing all the work being undertaken in	Engagement with services and partners regarding work to tackle child poverty and	An Inverclyde Child Poverty Local Action Report is submitted to the	Steven McNab/Corporate Policy, Performance & Partnership	Anti-poverty EMR	All	OP4

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>report annually on activity they are taking, and will take, to reduce child poverty.</p> <p>A post has been created to take forward this work.</p>	<p>the area to tackle child poverty.</p> <p>Inverclyde Council and HSCP are working towards the mitigation of the impacts of Child Poverty</p>	<p>production of the report.</p> <p>Multi-agency work with CELCIS on neglect.</p>	<p>Scottish Government by June 2019</p>				

Cross-Directorate Improvement Actions 2018-19

1 5.2 Cross-Directorate Improvement Actions

These actions will be implemented by more than one service in the Education, Communities and Organisational Development Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
CD1	Implementation of The Children and Young People (Scotland) Act 2014	The development and implementation of Inverclyde's GIRFEC Pathway across Education and HSCP staff has been successfully supported through single and multi-agency training allowing a commonality of language and staff working confidently in partnership when planning for vulnerable children. Inverclyde's GIRFEC policy and procedures are available for customer/public access on the Council's website. Planned changes to Scottish Government legislation to address remaining concerns around information sharing across support	<p>Single and multi-agency workforce confidence in development of children's plans will continue to improve and develop.</p> <p>Evidence of quality planning both at single agency level and interagency with timely support being given to children and families to improve outcomes.</p> <p>Consistency of approach by all partners to using GIRFEC Pathways for development and implementation of plans for vulnerable children and families.</p>	<p>Continue to deliver single and multi-agency follow-up GIRFEC training as appropriate, including SEEMIS development of appropriate SEEMIS Models.</p> <p>Continue to implement quality assurance and moderation of single and multi-agency children's plans will be developed and implemented.</p>	<p>There will be a reduction in the number of referrals to the Reporter by educational establishments.</p> <p>There will be an increase in consistency, quality and development of plans which are produced both on a single agency and multi-agency level.</p> <p>There will be better planning for pupils to ensure their needs are met and support strategies are identified, including support for Looked After Children with particular emphasis on Looked After at</p>	<p>Lead Grant McGovern</p> <p>Kate Watson/ Head of Education</p> <p>Cross Directorate and Cross organisations including NHS, Police Scotland and the 3rd sector.</p>	Funding coming from Scottish Government to support implementation for 17/18 (business processes and set up).	Nurtured Safe	OP5

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>agencies. We have fully implemented the legislation as it stands at present, and are awaiting further guidance in regards to information sharing. Our GIRFEC Pathways model is in place. Interagency working between social work and education directly reflects the guidelines on our GIRFEC Pathway.</p> <p>ICT solution to secure information-sharing across agencies achieved through use of corporate email in place from May 2017. Inverclyde has signed up to upgraded security protocols.</p>	Policy and procedures in place to ensure appropriate secure IT communication solutions and protocols in place		Home				
CD2	Joint Children's Services Plan	The Inverclyde Joint Children's Services Plan is being further developed and new	Inverclyde's Joint Children's Services Plan is in place and being delivered.	The Children's Services Partnership will inform the revised plan.	Plan agreed by Education and Communities Committee and Health and Social	Grant McGovern/ Sharon McAlees	Within existing resources	All	

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>guidance has come out from Scottish Government which will inform this development.</p> <p>Further monitoring is being introduced by the Scottish Government.</p>	<p>A monitoring framework is established in response to the Scottish Government guidance.</p>	<p>The Partnership will identify where monitoring information will be sourced from and set up mechanisms to gather it.</p>	<p>Care Committee</p>				
CD3	Scottish Attainment Challenge	<p>Parental support required to improve family literacy, numeracy and well-being.</p> <p>Participating in Scottish Govt. initiatives to raise attainment.</p> <p>Completed year 2 of the Attainment Challenge. Tests of Change are being completed. Very positive evaluations; early results show significant progress with a reducing gap linked to deprivation.</p> <p>Nurturing principles are well embedded</p>	<p>Strategies identified to work through the Scottish Attainment Challenge are disseminated across all schools.</p> <p>Attainment gap linked to deprivation has decreased.</p>	<p>Continue to ensure that a co-ordinated response to family learning is taken forward with partners to ensure an impact on attainment</p> <p>Close our attainment gap linked to deprivation through targeted use of Attainment Challenge Funding and Pupil Equity Funding</p> <p>Continue to roll out professional learning which</p>	<p>Parents capacity to support their children's learning is increased.</p> <p>Our attainment gap linked to deprivation has decreased.</p> <p>Up-skilled workforce.</p> <p>An improved shared understanding of progress through a level.</p> <p>Improvements in the 2015/16 baseline figures for literacy and numeracy.</p> <p>Parent</p>	<p>Head of Education/Head Teachers</p>	<p>Scottish Government funding of £591,670 and £120,000</p>	<p>Achieving; Nurtured</p>	<p>OP4 OP5 OP9 OP10</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>in our primary schools and this good practice is being taken forward in our secondary schools.</p> <p>The Secondary Schools are now involved.</p> <p>The Council received a very positive report on Scottish Attainment Challenge in Inverclyde and its impact on families and young people, with sector leading practice highlighted.</p>	<p>Improvements in the performance for literacy and numeracy.</p> <p>Improvements being made in attendance, with most improvements in SIMD areas 1-3</p> <p>Continue to reduce exclusions</p>	<p>impacts upon play room/classroom practice through revised learning.</p> <p>Evidenced-based strategies to improve literacy and numeracy are in place across all schools. Work with schools and partner agencies, including the third sector, to ensure that children and young people are supported to attend school.</p> <p>Implement and evaluate the new attendance policy.</p> <p>Through the continued implementation and evaluation of policies such as GIRFEC and</p>	<p>networks/community groups are established and have developed their capacity to address issues of poverty and inequality (and the barriers they present to learning). Improved learning and teaching methods and approaches.</p> <p>Progress reporting against the recently published National Improvement Framework.</p>				

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
				<p>the Positive Relationships Positive Behaviour Policy, which has been updated to include national recommendations, we will maintain our high performance against national comparators and continue to reduce exclusions.</p> <p>Work with schools to identify an exit strategy to ensure continuity and we continue to close the attainment gap.</p>					
CD4	Volunteering Strategy and Action Plan	The range and scale of volunteering and the contribution it makes to the delivery of key council outcomes is not clearly understood.	<p>The quality of volunteering opportunities is increased.</p> <p>The role and contribution volunteers make to community</p>	Carry out refreshed survey of volunteering across the directorate and CLD partnership.	<p>Volunteering strategy and action plan in place</p> <p>Increased number of volunteering opportunities</p>	<p>Grant McGovern/ Head of Education</p> <p>Volunteer Centre/Third Sector Interface</p>	No resource implications	Respected Responsible	OP1 OP2

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
			planning, achieving key outcomes and the delivery of services is understood and quantified.	Partnership volunteer development event held. Findings to inform a volunteering strategy for Inverclyde Developing in tandem with CVS Inverclyde. Working group in place and work taking place with HR.	Increased number of people achieving accreditation through volunteering Stronger partnership with CVS Inverclyde and the Volunteer Centre is evident.				
CD5	Implementation of the ALIS 2020 Outcomes for Literacy	Evidence is available of good practice and improved literacy outcomes from early years to adulthood. The National Adult Literacies in Scotland 2020 Strategic Guidance is now in place. Adult Learning and Literacy Sub Group leads the coordination and development of	Working towards the delivery of outcomes set out in ALIS 2020 to identify how to evidence improved practice and outcomes for literacies across CLD.	Use of evidence-based approaches which lead to improved literacies capabilities (Links to CD2: Scottish Attainment Challenge/Raising Attainment for All and the National Improvement Framework) with a developmental focus on	Improved outcomes for literacies in the context of ALIS 2020. Increased participation in youth and adult literacies programmes Improved literacies capabilities and attainment levels Increased numbers	Grant McGovern/ Head of Education	Training costs	Achieving Included	OP2 OP3 OP4

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		community literacies		parents/early years and senior phase	achieving core skills accreditation Develop CLD plan 2018 – 21				
CD6	Developing Inverclyde's Young Workforce	<p><i>Developing the Young Workforce – Scotland's Youth Employment Strategy</i> was published in December 2014 by the Scottish Government. This Strategy shapes the work the local authority will deliver around employability until 2021.</p> <p>The DIYW Strategic Group is currently developing a 3-year plan for 2018-21.</p> <p>The ongoing developments around the senior phase will continue to focus on curriculum flexibility and individual learner needs.</p> <p>The number of</p>	<p>Schools provide a flexible, pupil-centred senior phase curriculum supporting the recommendations as proposed in the national policy document.</p> <p>The Youth Employment Activity Plan is currently being discussed by Inverclyde Regeneration and Employability Partnership (IREP) to identify the collation of provision and identify gaps.</p> <p>There is an increase in positive and sustained destinations for school leavers in Inverclyde.</p>	<p>Continue to deliver on our 3-year Developing Inverclyde's Young Workforce Strategy and ensure a progression of employability skills.</p> <p>Fully utilise the Youth Employment Activity Plan.</p> <p>Continue to review senior phase vocational curriculum including activity agreements, school based personal learning pathways, school/college liaison</p>	<p>Meet or exceed national targets and recommendations</p> <p>Actions identified on the strategic plan have been completed.</p> <p>We have developed a plan with a greater focus on sustained destinations for school leavers. Use data set for school leavers</p>	Head of Education/ Grant McGovern	Within existing school resources	Achieving Included	OP3 OP5 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		pupils sustaining positive destinations has declined.		programme					
CD7	Large-scale, informal, youth gatherings	<p>Issues with large gatherings of young people across a number of locations in Inverclyde with associated safety concerns.</p> <p>Multi-agency Tasking & Co-ordinating (MATAC) partners identified, meetings held and action plan implemented detailing several key issues across a number of sites in Inverclyde.</p> <p>The CSP Co-ordinating Group meet 8 weekly to oversee progress of CSP & MATAC action plans.</p>	<p>Clear processes, roles and responsibilities in place across partner organisations including the Council, Police and Fire and Rescue.</p> <p>Agreed action plan is completed</p>	<p>Multi-agency Tasking & Co-ordinating (MATAC) partners identified and meetings held.</p> <p>CSP action plan developed in Q4 of 2017/18 for actions in Q1/Q2 of 2018/19</p> <p>The CSP Co-ordinating Group meet 8 weekly to oversee progress of CSP & MATAC action plans.</p> <p>Upskill parents and young people of the potential risks and dangers involved by delivering a range of</p>	Reduction in the incidents related to large-scale youth gatherings.	<p>Cross organisations including Inverclyde Council, Police Scotland, Scottish Fire & Rescue, Scotrail & BTP</p> <p>Community Learning and Development Youth Services & Education Services</p>	Within existing resources	Safe Responsible	OP1 OP2 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
				educational inputs.					
CD8	Change Management	<p>Inverclyde Council, over a number of years, has sought to identify a variety of ways in which to develop and deliver its services differently.</p> <p>The BVAR recognised the Council's 'Delivering Differently' approach to change management and supported the introduction of 3 Directorate Change Management Groups.</p> <p>3 Change Management Directorate Groups have been established to review progress on all change projects on a monthly basis.</p>	ECOD services have been reviewed and where appropriate redesigned to ensure they are fit for purpose, meet customer's needs and are efficient.	<p>Continue to meet regularly and progress specific projects.</p> <p>Detailed projects are established.</p> <p>Ongoing work with the Policy and Resources Committee and Members Budget Working Group.</p>	<p>Savings are identified through change management process.</p> <p>Change Management Directorate Group meets regularly.</p>	Corporate Director	Within existing resources	Achieving	OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>The Group is chaired by the Corporate Director and consists of the DMT plus Finance & HR support. Heads of Service are accountable for promoting change management projects and taking necessary action to ensure timeous delivery. Progress reports using a RAG status are submitted bimonthly to the Corporate Management Team. Regular updates are presented to the P & R Committee.</p>							

Service Improvement Actions 2018-19

2 5.3 Service Improvement Actions

These actions will be carried out by specific Services in the Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
Education									
Ed1	Education Scotland Act 2016	<p>The Education (S) Act 2016 is in place.</p> <p>A revised Parental Engagement Strategy will be presented to the September E&C committee</p> <p>A self-evaluation exercise with parents on their involvement and engagement with schools has been undertaken.</p> <p>Regular reports on the National Improvement Framework.</p> <p>Attainment and</p>	<p>The Authority will be fully compliant with, or will have, plans to be fully compliant with all aspects of the Education Scotland Act 2016.</p> <p>There will be improved attainment for Looked After and Looked After and Accommodated Children with particular focus on children Looked After at Home.</p>	<p>Review current provision and, where necessary, set up short-life working groups to ensure the duties of the Council in relation to the Act are implemented</p> <p>Further improve consultation and communication with parents and carers and the wider community to ensure that all are fully involved in improvements through effective self-evaluation</p> <p>Continue to take forward and implement the National Improvement Framework</p>	The Council will be fully compliant with the Education Scotland Act 2016	Head of Education	Within existing resources	Achieving	OP5 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		achievement of Looked After Children is monitored through the Standards and Quality report.							
Ed2	Putting procedures in place to monitor and report on attainment in the Broad General Education	<p>Although schools track and monitor performance at all levels, we currently do not collate and report on attainment of pupils in the Broad General Education (BGE) at Authority level.</p> <p>A robust system to track children's progress is in place.</p> <p>All schools have a plan in place to use moderated assessment information to track and monitor the progress of every pupil.</p> <p>A consistent, authority-wide</p>	<p>A system is in place to be able to report on and monitor attainment in the BGE which will include facility to track and monitor pupils with barriers to their learning with particular emphasis on LAC At Home.</p> <p>A system is in place to moderate teacher judgements – increase the reliability of teacher judgements in the BGE assessment.</p>	<p>Revising the Quality Assurance Framework across the Authority.</p> <p>Continue to work with schools so they are able to articulate the rationale for their curriculum, including how they show progress for all learners through both the Broad General Education and the Senior Phase.</p> <p>Continue to develop the senior phase through enhanced pupil choice.</p>	A robust and reliable tracking system is in place to report on and monitor progress and performance of all pupils through the BGE.	Head of Education	Within existing resources	Achieving	OP4 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>data set has been established that can be used across all schools (this data set will be linked to SIMD levels to highlight any gaps linked to deprivation.</p> <p>Inverclyde is a member of the Glasgow City Regional Education Improvement Plan (West Partnership).</p> <p>Progression frameworks for understanding standards have been developed at Council level.</p>							
Ed3	Continue with the implementation of the 1+2 Modern Languages strategy	All primary schools are engaged with the 1+2 languages strategy and all pupils in primary school currently learn a second language.	All pupils should be taught a second language from P1 and a third language from P5.	All schools continue to embed L2 Pilot clusters and some other primaries continue to work informally on L3.	Continue to monitor and evaluate the implementation plan.	Head of Education/Elsa Hamilton	Within existing resources	Achieving	OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		<p>We have a 1+2 development officer.</p> <p>Work on the 5 year implementation plan continues to increase teacher confidence and to develop language teaching.</p>							
Ed4	Increasing the entitlement for early learning and childcare to 1,140 hours	<p>Initial work has been undertaken to identify location and provision to take this forward.</p> <p>Officers have attended national events to review updates on intended plans.</p> <p>The working group has established a robust plan to take forward the government requirement to provide 1,140 hours of childcare, in full consultation with</p>	By 2020 the council will be offering the entitlement of 1,140 hours of early learning and childcare.	A Working Group continues to meet to take forward and implement the plan.	1140 hours is delivered by 2020.	Head of Education/Linda Wilke	Fully funded by Scottish Government	Nurtured	OP4 OP5 OP9 OP10

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		<p>stakeholders.</p> <p>A plan is in place for early phasing of delivery.</p>							
Ed5	Leadership in educational establishments	<p>Leadership is a key driver of the Attainment Challenge. Some work has been undertaken on developing leadership and this includes participation in national qualifications through SCEL and authority run courses such as Uplifting Leadership.</p> <p>Leadership strategy and a structured programme is in place to support teachers who are actively seeking promotion.</p>	<p>Enhanced leadership at all levels will ensure that educational establishments are able to take forward and implement improvements that have a positive impact for learners.</p>	<p>Further development of leadership strategy.</p> <p>Leadership pathways and opportunities for succession planning.</p> <p>Identifying clear pathways for leadership.</p> <p>Continuing to develop a structured programme to support teachers who are actively seeking promotion.</p> <p>Monitoring and evaluating the impact of the existing programmes.</p> <p>Identify opportunities for those in promoted posts to take on further leadership roles to share knowledge & expertise</p>	<p>All teachers who are actively seeking promotion will be known and appropriate training identified.</p>	<p>Head of Education</p>	<p>Funded within existing resources and Attainment Challenge funding.</p>	<p>Respected Included</p>	<p>OP10</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
Inclusive Education, Culture and Communities									
IECC1	Additional Support Needs Review	<p>A range of services are in place to support pupils with additional support needs but these need to be more effectively structured to deliver better outcomes.</p> <p>The recommendations from the 2015 ASN Review continue to be implemented.</p> <p>Schools are now monitoring attendance, exclusion rates and attainment for looked after children</p> <p>Inverclyde's Autism Strategy is now in place and being</p>	<p>A well-developed Inclusive Support Service which will be effective and efficient in providing universal and targeted support, leading to improved outcomes for children and young people.</p>	<p>Continue to monitor and improve attendance and reduce exclusions across schools and establishments, particularly linked to deprivation, looked after children (LAC) and those with barriers to learning</p> <p>Improve the educational performance of our looked after pupils and increase the number of looked after pupils entering a positive destination upon leaving school</p> <p>As part of Inverclyde's Autism Strategy, develop Autism Friendly Schools. Locality ASN planning approaches will be piloted in one area by April 2019</p>	<p>Inclusive Support Service re-organised and reflects outcomes of review.</p> <p>Improved wellbeing outcomes for children and young people.</p> <p>Improved educational outcomes for and increased positive destinations for pupils with barriers to their learning.</p> <p>Inverclyde educational establishments include Autism friendly strategies into improvement</p>	Grant McGovern	Within existing resources	Nurtured Included Achieving	OP5 OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		implemented.		<p>A 2 year Autism Officer post will be filled shortly to ensure continuity.</p> <p>The third sector are involved in the delivery of the identified outcomes in the autism strategy.</p> <p>1 year funding projects will be in place from November 2018.</p>	planning cycle.				
IECC2	National Strategy for Public Libraries	In 2015, the Carnegie UK Trust, on behalf of the Scottish Library and Information Council (SLIC), produced a National Strategy for Public Libraries in Scotland.	<p>Inverclyde Libraries will implement the recommendations from the National Strategy, focusing on two strategic aims per year for the next 3 years.</p> <p>In 2018-9 Inverclyde Libraries will:</p> <ul style="list-style-type: none"> • Promote culture and creativity. • Provide excellent public services. 	<p>Culture and creativity: the Strategy recommends that libraries extend cultural engagement by providing opportunities in community venues.</p> <p>In 2018-19 Inverclyde Libraries will use Live Literature funding to provide 6 author events in public libraries and HMP Greenock.</p> <p>Excellent public services: the Strategy recommends that libraries develop</p>	6 events will be delivered. Attendance figures and attendee feedback will be positive.	Grant McGovern	<p>Within existing resources.</p> <p>(Live Literature events funded by Scottish Book Trust)</p>	All wellbeing outcomes.	OP1 OP8 OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
				<p>methods for reporting on the impact and outcomes of library activities through How Good Is Our Public Library Service (HGIOPLS).</p> <p>In 2018-19 Inverclyde Libraries will undertake a validated self-evaluation process on Q15 - Vision, Strategy & Continuous Improvement.</p>	Innovative methods for capturing impact & outcomes of library services will be designed. Self-evaluation will be carried out, validated by SLIC, areas for improvement will be added to 2019-20 service plan.				
IECC3	Prepare for the CLD inspection-expected 2019	We anticipate an inspection will take place in 2019.	The service is adequately prepared for the CLD inspection	CLD CIG will carry out self-evaluation in autumn 2018 to plan for the inspection	Positive inspection feedback received	Grant McGovern	Within existing resources	Achieving	OP2 OP5 OP9 OP10
IECC4	Increase numbers of young people and adults achieving qualifications	Adults and young people are gaining accreditation as part of CLD delivery, however,	Increased numbers of young people gaining qualifications. A broader range	All CLD staff are trained in Assessor/verifier qualifications Increased range of	Number of young people gaining qualifications measured within Insight.	Grant McGovern	Within existing resources	Achieving	OP2 OP5 OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
	via CLD Programmes at SCQF level 4 and below	there is scope to improve the numbers of young people involved and the range of qualifications offered to better meet the needs of individuals	of qualifications offered to better meet the needs of individuals.	qualifications offered					
IECC5	Youth work	<p>The Youth Work Team provides a range of school and community based e.g. I Youth Zone services, inputs around staying safe including healthy relationships, drug and alcohol awareness and cyberbullying. In addition, we offer targeted support to young mums, LGBT young people as well as providing summer programme and other holiday programmes.</p> <p>There is limited street work and engagement with</p>	<p>All young people in school and community based settings are effectively supported to develop the confidence and skills they need to 'stay safe' and thrive in the face of any new challenges they face.</p> <p>Increased engagement with young people in their own settings which includes street based programmes around community safety and health. Increase in street</p>	<p>Work with school colleagues to increase the number and effectiveness of school based inputs around staying safe in response to new challenges facing young people, particularly targeting S1 to S3.</p> <p>More direct engagement on the street with the Word on the Street Project</p>	<p>Number of young people in each school participating in youth work sessions.</p> <p>Programme evaluations</p> <p>No. young people engaged into positive pathways.</p> <p>No. of young people engaged via outreach and detached work. Programme evaluations.</p>	Grant McGovern /Head of Education	Within existing resources	Achieving Healthy Respected Responsible	OP2 OP6

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		young people in their own settings and 'hot spot' areas.	work and outreach activity to engage more effectively with the hardest to reach young people.						
IECC6	Develop and improve Adult Learning Pathways	A range of high quality learning opportunities are available for adults, however, pathways which keep learners engaged across service and partner programmes are not well-developed.	All adult learning provision is mapped and processes are in place to ensure no learner completes a programme without being encouraged to continue their learning.	Map all adult learning provision, process developed and agreed with providers receiving public funding to support continued engagement.	Mapping of provision completed. Process agreed and implemented.	Grant McGovern	Within existing resources	Achieving	OP2 OP5 OP9 OP10
IECC7	School Transport	Provision is currently inequitable	Equitable school transport is available across Inverclyde	Undertake and Audit of current provision Identify areas where there is current inequity Work with communities to support any implemented changes.	Equity of school transport provision across Inverclyde	Grant McGovern	Within existing resources	Safe Healthy Active	OP6 OP7 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
Organisational Development, Policy and Communications									
ODPC1	Review the Council's Corporate identity, branding and messaging	The council has an existing corporate identify manual which is active, but requires reviewed to take into account new factors including electronic communications and partnership arrangements.	A new overarching guide to how the council presents itself visually through printed, online and individual communications	Conduct a thorough review of the council's corporate identity, branding and messaging Create a new 'how we present ourselves' protocol which includes corporate identity and branding guidance. December 2018	Revised guidance agreed and in place and a consistent approach to branding and messaging across the council.	Steven McNab	Within existing resources	Achieving	OP1
ODPC2	Tourism and destination marketing	The Council is currently supporting the Tourism and Destination and Marketing portfolio of the Glasgow City Region city deal and Corporate Comms support the Chief Executive on this. There is a strategy and action plan in	Inverclyde Council supports the wider City Region in regards to tourism Boost tourism across the city region by 2023 by a million additional visitors for the city region.	Support a range of region wide initiatives. Inverclyde Council will also lead on production of an annual calendar of events across the city region; development of a communications plan for events communicating with residents; maximising opportunities for the year of coast and water in 2020, linking	The Glasgow City Region tourism strategy and action plan will report back to the cabinet on targets. Locally corporate communications will also link actions to the support to the local tourism	Steven McNab	Within existing resources	Achieving	OP1

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
		place.		with transport providers to improve connectivity and support, through the City Deal Greenock Ocean Terminal project doubling cruise ship passengers in the region.	partnership 'Tourism Inverclyde'.				
ODPC3	Health and Safety Management Monitoring System (Figtree)	The Council's current health and safety management system is largely paper based. With limited ability to follow up and monitor audits, risk assessments etc, the implementation of key action points and control measures.	Be able to record and monitor key action points and control measures which require to be implemented at Service level. Monitor and record that implementation has taken place. Integrate accident reporting function with Finance Insurance section to enable a more streamlined investigation and recording process ensuring that all documentation is readily available for use in the	Develop and test the relevant modules in the Figtree system. Change over the current incident reporting system to the Figtree system. Bring online the audit and assessment modules and pilot them in selected areas (Fire Risk Assessment, Education and Environmental and Commercial Services. Develop the reporting function to bring statistical information to the Corporate Health and Safety Committee as	Statistical information on action plan implementation is reported to the relevant bodies including the Corporate Health and Safety Committee and in the Annual Report	Steven McNab jointly with Heads of Service	Within existing resources	Safe	OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
			event of a claim.	required.					
ODPC4	Pay and Grading	The Living Wage has been implemented across the Council, resulting in pay compression and removal of differentials at the bottom end of the pay structure.	A revised pay and grading model is in place.	Models will be developed for consideration to incorporate Living Wage and other recommendations from Equality Impact Assessments. April 2019	A revised pay and grading model is in place.	Steven McNab	To be confirmed depending on pay model agreed.	Responsible	OP10
ODPC5	Care Positive Employer in Scotland	The Council currently has a Care Positive Employer in Scotland accreditation at the first stage of recognition.	The Council has achieved a higher level of award	Develop submission for award, engage with employees who are carers, ensure our policies and practices are reviewed to meet the necessary standards.	The Council has achieved a higher level of award	Steven McNab	Within existing resources	Responsible	OP10
ODPC6	Healthy Working Lives Collaboration with HSCP	The Council and HSCP independently apply for Healthy Working Lives accreditation	Joint assessment and award between the Council and HSCP for Healthy Working Lives accreditation	Submission is made jointly between HSCP and the Council to Healthy Working Lives	Accreditation is awarded to the HSCP and Council as one entity.	Steven McNab	Within existing resource	Responsible	OP6 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
ODPC7	Corporate Directorate Improvement Plans	The Environment, Regeneration and Resources Directorate and Education, Communities and Organisational Development Directorates each have Corporate Directorate Improvement plans which come to an end in June 2019.	Review guidance and engage with services to develop new CDIPs for 2019 to 2022, reflecting new Corporate Plan, new LOIP, Locality Planning and Management Restructure.	Work with CQIG to develop new guidance. Carry out workshops with Directorates to develop new plans.	New CDIPs are agreed at the August/September cycle of committees	Steven McNab/ Corporate Policy Team	Within existing resources	Achieving	OP9

Capital Projects Improvement Actions 2018-19

5.4 Capital Projects Improvement Actions

These improvement actions are related to capital project improvements which the Directorate is the leading on, for example, how the Directorate will address any slippage of capital projects.

The Education, Communities and Organisational Development Directorate acts largely as a client of the Environment, Regeneration and Resources Directorate for the delivery of capital projects.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome	Corporate Plan Organisational Priority
CP 1	Capital projects	The Directorate works in partnership with the Environment, Regeneration and Resources Directorate as a client in regard to capital projects.	Continue to work with ERR to ensure timescales are met, that slippage is kept to a minimum and plans are in place for moving in and out of buildings when required.	Client officers are liaising with ERR, and external providers and funding bodies to manage these programmes.	Progress on these are reported to Committee	Corporate Director and all Heads of Service	Within existing resources	Safe; Responsible	OP9

6. Education, Communities and Organisational Development Performance Information

Key performance measures	Performance				Target 2018/19	Lower limit/ alarm	2017/18 Rank/national average where available
	2014/15	2015/16	2016/17	2017/18			
% of Performance appraisals completed (KPI 04) source: Inverclyde Performs	83	91	93	94	92	87	90% is an outstanding achievement for completion of performance appraisals.
Equal opportunities: % of the highest paid 5% of earners among Inverclyde Council employees that are women (excluding teachers) (CORP 3b) source: LGBF Annual Return / Inverclyde Performs	50.6	53.2	52.9	Not available until publication of LGBF indicators March 2019	50.6	47	2017/18 not yet published
Libraries - total number of visits source: Libraries and Museums Records; Inverclyde Performs	401,807	419,720	418,079	428,785	423,000	395,000	
Number of visits to/usages of council-funded or part funded museums source: Libraries and Museums Records; Inverclyde Performs	72,943	78,506	70,256	57,053	70,000	65,000	
Number of adult learners achieving core skills qualifications (KPI 17) source: Inverclyde Performs	281	229	250	246	260	230	

Key performance measures	Performance				Target 2018/19	Lower limit/ alarm	2017/18 Rank/national average where available
	2014/15	2015/16	2016/17	2017/18			
Number of adult learners improving their literacies (KPI 18) source: Inverclyde Performs	562	519	601	616	590	561	
Number of tutors trained in the delivery of literacy and numeracy (across a range of accredited development and training Scottish Credit and Qualifications Framework [SCQF] levels 6-10) (KPI 19) source: Inverclyde Performs	18	26	10	40	n/a		
Number of tutors trained in the delivery of literacy and numeracy (across a range of non-accredited development and training) (KPI 20) source: Inverclyde Performs	35	68	66	88	n/a		
Attainment - S5: <ul style="list-style-type: none"> • % of pupils achieving one pass at SCQF Level 6 by the end of S5 (SPI 052diK) • • % of pupils achieving 3 passes at SCQF Level 6 by the end of S5 (SPI 052giK) • 	52.1	58.3	56.7	61.5	57	45	
	30	30.5	33.5	35	34	25	

Key performance measures	Performance				Target 2018/19	Lower limit/ alarm	2017/18 Rank/national average where available
	2014/15	2015/16	2016/17	2017/18			
<ul style="list-style-type: none"> • % of pupils achieving 5 passes at SCQF Level 6 by the end of S5 (SPI 052fiK) source: Insight	11.8	13	13.9	16.1	14	10	
Attainment - S6: <ul style="list-style-type: none"> • % of pupils achieving 3 passes at SCQF Level 6 by the end of S6 (SPI 052giK) • % of pupils achieving 5 passes at SCQF Level 6 by the end of S6 (SPI 052hiK) • % of pupils achieving one pass at SCQF Level 7 by the end of S6 source: Insight	38.1	42.8	43.4	42.8	44	25	
% Attendance rates: <ul style="list-style-type: none"> • primary schools (SPI 050aiK) • secondary schools (SPI 050biK) • additional support needs schools (SPI 050ciK) 	94.6	94.8	94.3	93.8	95	92	
	91	91.1	90.1	89.6	92	87	
	91.6	91.0	90.1	91.8	92	87	

Key performance measures	Performance				Target 2018/19	Lower limit/ alarm	2017/18 Rank/national average where available
	2014/15	2015/16	2016/17	2017/18			
source: Inverclyde Performs							
Exclusion rate per 1,000 pupils:					no targets set		
• primary	2.4	1.3	2.7	5.0			
• secondary	39.1	28.2	35.8	45.6			
• additional support needs	82.8	14.1	12.7	12.1			
• looked after children – primary	7.6	18.7	10	10.9			
• looked after children – secondary	147.4	95.7	108.9	126.1			
• Looked after children – additional support needs	50.0	41.7	47.6	55.6			
source: INSIGHT							

7. Appendix 1: Legislative framework for individual Services

The Directorate operates and delivers services within a diverse policy and legislative framework which is detailed on page 6.

There is also legislation which is specific to the Directorate's individual Services and this is outlined below.

Education Services and Inclusive Education, Culture and Communities

- Her Majesty's Inspectorate of Education reports
- The Standards in Scotland's Schools etc Act 2000
- The Education (Additional Support for Learning) (Scotland) Acts 2004 and 2009
- The Scottish Schools (Parental Involvement) Act 2006
- The Public Libraries Quality Improvement Matrix
- Creative Scotland
- Integrated Children's Services Planning (the source of most Early Years reporting)
- Scotland's Digital Future: A Strategy for Scotland
- The Public Libraries and Museums Act 1964
- Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015/20
- Audit Scotland: Managing Performance - Are you getting it right?
- Development of Scottish Government Safer Communities Policies
- Scottish Government: The Effectiveness of Public Space CCTV Review
- Implementation of the Scottish National Road Safety Targets 2011/20
- The National Youth Work Strategy 2014/19
- Youth Work Changes Lives National Outcomes
- Literacy Action Plan 2010: An Action Plan to Improve Literacy in Scotland
- Statement of Ambition for Adult Learning 2014
- Her Majesty's Inspectorate of Education reports
- Adult Literacies in Scotland 2020: Strategic Guidance
- English for Speakers of Other Languages (ESOL) Strategy for Adults in Scotland 2015
- Happy, Safe and Achieving their Potential: A Standard of Support for Children and Young People in Scottish Schools 2004
- Climate Change (Scotland) Act 2009
- Education Reform Act 1988
- Enterprise Act 2002
- European Communities Act 1972
- Health and Safety at Work etc Act 1974
- Knives Act 1997
- National Lottery etc. Act 1993

Organisational Development, Policy and Communications Service

- National Joint Council for Local Government Services: National Agreement for Pay and Conditions of Service
- The General Teaching Council for Scotland National Terms and Conditions
- The Employment Rights Act 1996
- The Employment Relations Act 2004
- Pensions Auto Enrolment
- The Parental Leave (EU Directive) Regulations 2013
- Inverclyde Council's Work Life Balance Policy 2014
- Shared Parental Leave and Statutory Shared Parental Pay from 5 April 2015
- Maternity Leave and Pay to be extended
- Review of The Working Time Regulations 1998 (Working Time Directive)
- TUPE Changes 2014
- Health and Safety at Work etc Act 1974 (and subordinate regulations)

- The Management of Health and Safety at Work Regulations 1999
- The Fire (Scotland) Act 2005
- The Fire Safety (Scotland) Regulations 2006
- The Workplace (Health, Safety and Welfare) Regulations 1992
- The Manual Handling Operations Regulations 1992
- The Provision and Use of Work Equipment Regulations 1998
- The Control of Substances Hazardous to Health Regulations 2002
- The Health and Safety (Display Screen Equipment) Regulations 1992
- The Control of Asbestos Regulations 2012
- Trade Union Act 2016
- Disclosure Scotland

Regulatory and evaluative bodies

- Education Scotland
- General Teaching Council for Scotland
- The Care Commission
- The Public Libraries Quality Improvement Matrix
- The Health and Safety Executive
- Scottish Qualifications Authority
- Proof of Age Standards Scheme (Young Scot)
- Youthlink Scotland
- Youth Scotland
- Duke of Edinburgh Awards Scheme
- Association of Directors of Education Scotland
- COSLA Society of Personnel and Development Scotland
- CLD Standards Council
- Audit Scotland
- Volunteer Scotland
- Scottish Police Authority
- Information Commissioner
- Association of Public Sector Excellence
- Scottish Social Services Commission
- Public Services Ombudsman
- Equality and Human Rights Commission

8. Appendix 2 Local Planning Outcomes and Priorities

SHANARRI Wellbeing Indicator		Reference
Safe	Protected from abuse, neglect or harm and supported when at risk. Enabled to understand and take responsibility for actions and choices. Having access to a safe environment to live and learn in.	S
Healthy	Achieve high standards of physical and mental health and equality of access to suitable health care and protection, while being supported and encouraged to make healthy and safe choices.	H
Achieving	Being supported and guided in lifelong learning. Having opportunities for the development of skills and knowledge to gain the highest standards of achievement in educational establishments, work, leisure or the community.	Ach
Nurtured	Having a nurturing place to live and learn, and the opportunity to build positive relationships within a supporting and supported community.	N
Active	Having opportunities to take part in activities and experiences in educational establishments and the community, which contribute to a healthy life, growth and development.	Act
Respected and Responsible	Respected and share responsibilities. Citizens are involved in decision making and play an active role in improving the community.	R
Included	Overcoming social, educational, health and economic inequalities and being valued as part of the community.	I

IOIP Strategic Priority	Ref
Inverclyde's population will be stable and sustainable with an appropriate balance of socio-economic groups that is conducive to local economic prosperity and longer term population growth	SP1
There will be low levels of poverty and deprivation and the gap in income and health between the richest and poorest members of our communities will be reduced	SP2
Inverclyde's environment, culture and heritage will be protected and enhanced to create a better place for all Inverclyde residents and an attractive place in which to live, work and visit.	SP3

Corporate Plan Organisational Priority	Ref
To promote Inverclyde to both residents and visitors alike, as a great place to live, work and visit	OP1
To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them	OP2
To grow our local economy in a way that creates opportunities for all our residents, including access to good quality jobs.	OP3
To reduce the prevalence of poverty in our communities, with a particular focus on reducing child poverty	OP4
To safeguard, support and meet the needs of our most vulnerable families and residents.	OP5
To improve the health and wellbeing of our residents so that people live well for longer.	OP6
To protect and enhance our natural and built environment	OP7
To preserve, nurture and promote Inverclyde's unique culture and heritage	OP8
To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources	OP9
To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs.	OP10

9. Appendix 3: Risk register

Corporate Directorate Improvement Plan: Education, Communities and Organisational Development			Risk Status as at 1/8/18 for 2018/19 Activity						
Risk category: Financial (F), Reputational (R), Legal/Regulatory (LR), Operational/Continuity (OC)									
Improvement action	Risk no	Risk category	*Description of risk concern	Impact rating (A)	L'hood rating (B)	Quartile	Risk score (A*B)	Who is responsible? (name or title)	Additional controls/mitigating actions and time frames with end dates
All	1	F	There is a risk that continually reducing resources mean that the Directorate may struggle to deliver actions, slowing down delivery on improvement.	2	3	2	6	DMT	Regular review of capacity and priorities via CDIP reports to Committee. Financial Budget has been set for 2018/19.
All	2	F R LR OC	The ability to retain and/or recruit suitably qualified staff into key roles may impact on the delivery of actions detailed within the Directorate Plan.	3	3	1	9	DMT	Regular review of capacity and priorities via CDIP reports to Committee.

Environment, Regeneration and Resources

Corporate Directorate Improvement Plan 2016/19

Annual Review 2018



This document can be made available in other languages, large print, and audio format upon request.

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Gaelic

Tha an sgrìobhainn seo cuideachd ri fhaotainn ann an cànanan eile, clò nas motha agus air teip ma tha sibh ga iarraidh.

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

Mandarin

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Polish


Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.


Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

 Corporate Director - Environment Regeneration and Resources, Inverclyde Council, Municipal Buildings, Greenock, PA15 ILY.

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1. Introduction by Corporate Director

On behalf of the Environment, Regeneration and Resources Directorate, I am pleased to present the latest refresh of our Corporate Directorate Improvement Plan (CDIP) 2016/19. The Directorate Improvement Plan was comprehensively updated in 2018 as an integral part of the Council's Strategic Planning and Performance Management Framework. Significant progress has been made in the last year. Particular highlights are:

- Delivery of a new proposed Local Development Plan for Inverclyde
- Carriageways £1.887 million spend and 4.97% of network treated in 2017/18 including 48 carriageway resurfacing/micro surfacing projects and 12 large patching projects completed.
- Footways £1.007m spend and 3.6% of network treated in 2017/18 including 44 footway resurfacing projects and 4 large patching projects completed.
- Street Lighting: 5126 new LED lanterns and 474 new columns supplied and installed
- Flood Prevention Schemes spend totalling £1.8million
- Facilities Management cleaning productivity improved Secondary and Primary schools
- Investment in Play Areas and Parks totalling £613k and new Big Lottery funded MUGA
- Produced a clean set of annual accounts for 2016/17
- Lead the financial support to a successful 2018/19 Budget Process
- Management of Wireless Infrastructure improvement plan in Schools
- Investment of over £300,000 replacing almost 900 laptop devices in the School Estate
- Cyber Essentials Accreditation
- Continued delivery of the School Estate Programme Board (SEMP)
- Refurbishment of Kilmacolm, Moorfoot and Lady Alice Primary Schools
- Completion of Glen Park Early Learning Centre and St Ninian's Primary School
- Continued delivery of the property Asset Management Plan (AMP)
- Completion of the new Vehicle Maintenance Facility at Pottery Street Depot
- Achieved our highest ever in year Council Tax Collection
- Successful implementation of Council Tax Banding Changes
- Implementation of Universal Credit Full Service
- Developed our Employer Engagement Action Plan
- Continued to expand our internal and external modern apprenticeship programme
- Re-contracted employability services
- Extended our Building Standards Verifier Status
- Improved the utilisation of local suppliers through procurement
- Achieving agreement on the Outline Business Case for the City Deal projects at Ocean Terminal and Inverkip

We continue to face the challenges in addressing the Inverclyde Alliance's vision for Inverclyde, especially regenerating the local economy and addressing the decline in local population. A particular challenge in this respect will be responding to the economic situation in consequence of the UK leaving the European Union. The short term impact on business remains uncertain and it will be important to place Inverclyde in the most favourable position as 'Brexit' progresses.

Specific challenges facing the Directorate include:

- Managing and implementing the restructure of Revenues, Benefits, Customer Service and Registrars.
- Workforce Planning due to the rollout of UC and migration of live Housing Benefit (HB) cases to UC.
- Progressing the Digital Agenda/Channel Shift
- Preparation of the Councils first Capital Strategy
- Clarifying the future of Financial Management System (FMS)
- Purchase to Pay linked to the above

Delivery of 'City Deal' is important for regeneration in Inverclyde and across the city region. City Deal is a partnership of the eight local authorities which form the Glasgow City Metropolitan area and involves an investment of £1.13bn specifically to stimulate economic growth. Funding is through £0.5bn committed by central government, £0.5bn committed by Scottish Government and £0.13bn committed by local authorities.

The projected outcomes from 'City Deal' are 28,000 new jobs and an increase in GVA of £2.2billion pa. Inverclyde will benefit directly from City Deal through £28m of funding allocated to our three key City Deal projects which through the provision of roads infrastructure will deliver new housing (at Inverkip), increased tourism (increased capacity for cruise liners at Ocean Terminal) and provide a marine focussed infrastructure opportunity (Inchgreen). Inverclyde will also benefit indirectly from City Deal through the expansion of the job market across the conurbation which will provide opportunities for Inverclyde residents.

Delivery of high quality services with reduced budgetary allocation remains a significant challenge within the timeframe of this plan.

The Directorate will continue to develop a robust approach to meet the requirements of the Best Value Assurance Audit and continues to assist in the organisational transformation of Inverclyde. As reported previously, we will help deliver a future where:

- Inverclyde is seen as an area of outstanding success with significant physical, economic, cultural and social attributes,
- The 'gap' in terms of training, attainment and prosperity, between other more successful areas and those currently in need has significantly narrowed,
- We have confident and cohesive communities where people are actively engaged in the regeneration of their areas.

We will support major initiatives including:

- Delivery of the Inverclyde City Deal projects at the former Inverkip Power Station, Ocean Terminal and Inchgreen
- Roll out various initiatives aimed at stabilising the local population
- Our physical assets and resources are efficiently and effectively managed,
- Our governance and administration arrangements are appropriate for a 21st century customer facing organisation
- We continue to implement the Flood Prevention Plan
- We will continue to implement the Roads Asset Management Plan,
- Our recycling performance meets the Scottish Government recycling targets,
- Co-ordinating the 2019/20 Budget process
- Continued implementation of the changes introduced through the Welfare Reform Act
- Implementation of the School Estate Strategy continues
- Development of the Depot Rationalisation programme continues
- Delivery of the refreshed Digital Strategy.

We continue to lead and support significant regeneration and area renewal initiatives with external partner organisations namely, Riverside Inverclyde and other organisations in the Inverclyde Alliance. We will also work alongside other Directorates and Partners to drive forward the delivery of the Inverclyde Outcomes Improvement Plan 2017/22 and the Council's Corporate Statement 2018/22. We will manage the changes introduced by the Welfare Reform agenda supporting the Registered Social Landlords and community during the transition. We will strive to deliver further efficiencies and protect front line services.

This annual review seeks to ensure that we continue to deliver against the Council's well-being indicators and support our vision of a Safe, Healthy, Achieving, Nurtured, Active, Respected and

Responsible and Included Inverclyde. We hope this Plan informs on the key activities, projects and outcomes which are core to the Environment, Regeneration and Resources Directorate.



Scott Allan - Corporate Director, Environment Regeneration and Resources

2. Strategic Overview

2.1 Purpose and scope of the Directorate

The primary role of Environment, Regeneration and Resources Directorate is to bring together those services that support the regeneration of the area together with those that deal with the development and maintenance of the Council's physical assets and infrastructure to promote integrated working and enhance service delivery. To lead and deliver modernisation and continuous improvement across the organisation enabled through robust financial planning and management.

The Directorate is committed to delivering high quality professional and efficient services which are responsive to our customers' needs. To achieve a high standard of customer care and satisfaction through the effective delivery of our services and to deliver best value services to the Council and local stakeholders which provide positive outcomes for our customers. We will continue to listen and respond to our customers ensuring continuous improvement whilst maintaining and building upon strong working relationships with our customers and communities.

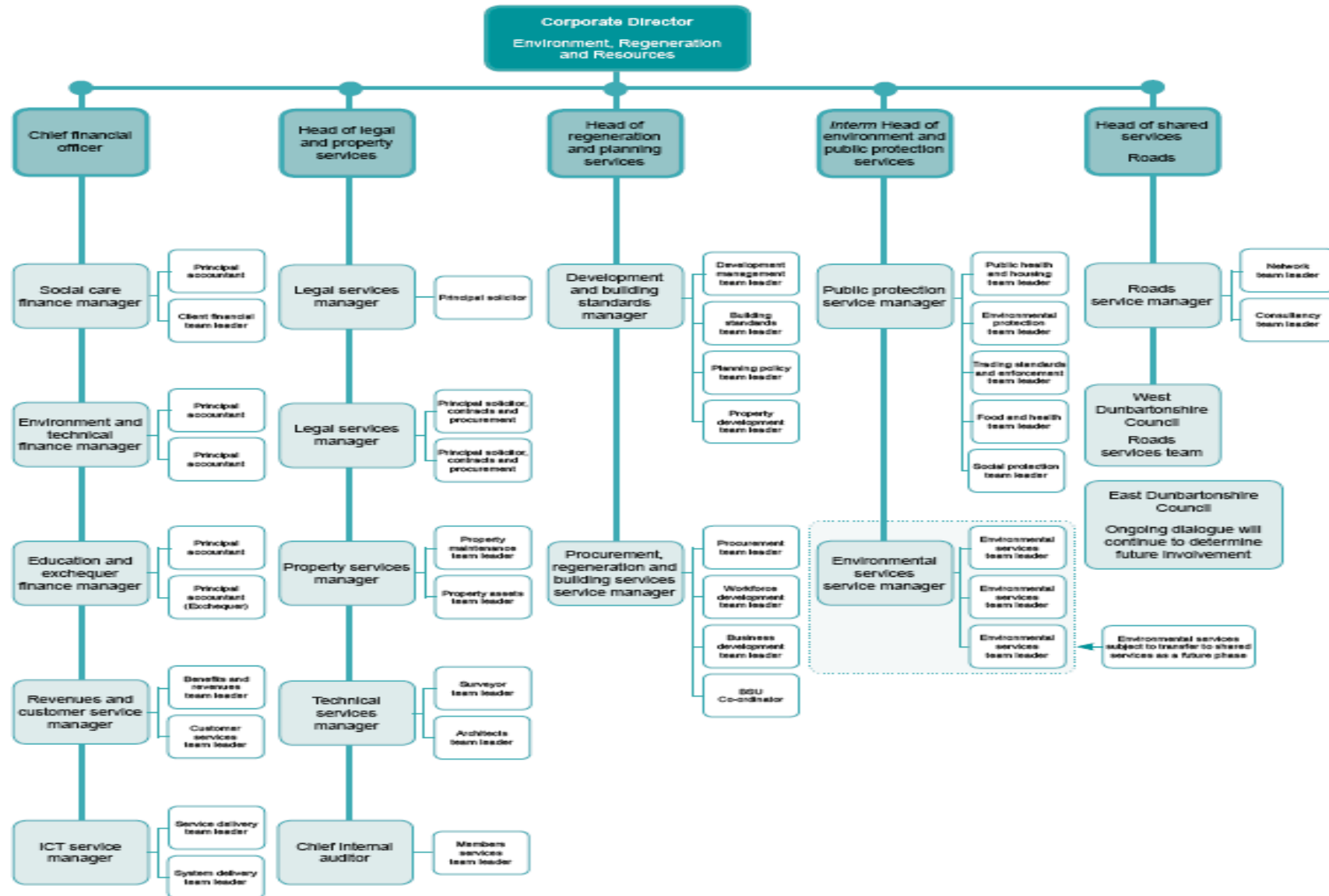
The Directorate comprises four Services:

- Finance
- Legal and Property
- Environmental and Public Protection
- Regeneration and Planning
- Roads Shared Service (in development).

These Services all sit within the Council's vision of a *Nurturing Inverclyde* where we are **Getting it Right for Every Child, Citizen and Community**, working towards the achievement of the wellbeing outcomes, where all our children, citizens and communities are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.

The Directorate's management structure is set out on the following page.

Environment, Regeneration & Resources Management Structure



2.2 National and local context

New legislation emerging from the Scottish and UK Governments will directly impact on the nature of the services that the Directorate provides over the next year. New legislation that has come into effect during the life of the Plan includes:

- The Barclay Review (non-domestic rates)
- The Scottish Social Security Act 2018

Legislation that is planned that will impact on this Plan in the coming year:

- Planning Bill
- Climate Change Bill
- Transport Bill
- Warm Homes Bill

The Environment Regeneration and Resources Directorate in common with other Directorates faces a diverse and complex range of challenges and opportunities over the period 2016/19. These will be generated from both a national and a local level. National influences that will affect service delivery include:

- Low Carbon Infrastructure Transition Programme
- The ongoing challenges to stimulate economic growth and address economic inequalities
- Scottish Planning Policy 2
- National Planning Framework 3
- Zero Waste Scotland Strategy
- The Waste (Scotland) Regulations
- Flood Risk Management (Scotland) Act 2009
- Continued support of Business Gateway function within Local Authorities.
- Welfare Reform Act 2012
- The creation of a Scottish Social Security function
- European Structural Funds Programme 2014-2020
- The continued management of Regeneration Funding, with contracted delivery of end to end and specialist employability services.
- Ongoing development of National Training Programmes, including additional resources for targeted Youth Employment activity.
- Health and Social Care Integration
- The Community Empowerment (Scotland) Act
- Nutrition (Scotland) Act
- Local and Parliament Elections (impacts on legislation as well as priorities).

Public Sector Reform

There has been significant transformation for public services in Scotland in recent years with major reforms being undertaken by the Scottish Government in local government, health, social care and the uniformed services. Public services face serious challenges ahead with the demand for services set to increase dramatically over the medium term, while public spending becomes further constrained. This means that the Council will, in effect, have to achieve more with less.

To manage this, a shift in focus is required towards reducing costs and improving performance. This is a challenging agenda for the Council and the Directorate has a key role to play in helping the Council get it right by improving the local infrastructure, providing support for businesses and developing both front line services and support services which will meet our key priorities and objectives,

The Directorate covers a disparate range of services and this is reflected in the wide range of programmes/projects and improvement actions, which link to all five strategic outcomes listed in the Corporate Plan. Local influences that will affect service delivery include:

All Services in the Directorate

- Local Outcomes Improvement Plan 2017/22
- Corporate Statement 2018/22
- Equality agenda.
- Public Sector Improvement Framework Actions
- Citizens' Panel Results.

Environment and Public Protection Services

- Play Area Strategy
- Inverclyde Council Waste Strategy
- Parking Strategy
- External funding – Coastal Communities and Heritage Lottery Fund.
- Roads Asset Management Plan
- Flood Action Plan
- Local Transport Strategy

Legal and Property Services

- The development and implementation of the Council's Internal Audit Plan
- Business Continuity Planning and Risk Management
- Office Rationalisation Programme
- Depot Rationalisation Programme
- Schools Estate Strategy.

Finance

- Digital Strategy
- ICT Strategy
- Customer Service Strategy
- Council Financial Strategy

Regeneration and Planning

- Tourism Strategy
- Inverclyde Economic Regeneration Strategy/Single Operating Plan
- Local Development Plan
- Inverclyde Employability and Inclusion Programme
- Youth Participation Measure
- Inverclyde Community Benefits programme.
- Procurement Strategy

Regulatory and evaluative bodies

- The Health and Safety Executive
- Audit Scotland
- Scottish Government
- Department of Work and Pensions
- SEPA
- SPSO/Information Commissioner
- Traffic Commissioner
- HMRC
- Ethical Standards Commissioner

These influences will impact on the work of the Directorate in the following key areas:

- The ongoing redevelopment of Inverclyde in partnership with Riverside Inverclyde and Registered Social Landlords.
- Direction of Channel Shift within Customer Services in line with the needs of the community
- The operational governance arrangements for how the Council interacts with its major service providers.
- The completion and ongoing implementation of the Council's Asset Management Plan.
- Improved linkages between social, cultural, economic and physical regeneration in Inverclyde.
- The development of the three identified City Deal projects
- The implementation of the Risk Management Strategy
- Ongoing response to Welfare Reforms

2.3 Customer focus

The customer base of the Directorate is varied and wide. It includes all Inverclyde citizens, businesses, third and public sector partners, children and their parents as well as Registered Social Landlords (RSLs). In addition, the Directorate provides support to colleagues within the Council through the functions of Finance, ICT, Legal and Property Services.

Customer engagement takes place through a number of formal and informal routes. In some areas such as the preparation and production of the Local Development Plan there is a statutory obligation to consult with developers and consultants as well as other public sector and third sectors organisations. This is done through correspondence and meetings.

There are regular meetings with the business community to promote business support products and employability opportunities, presentations delivered to local architects and surveyors on changes to planning and building legislation. Face to face engagement with Community Councils and school children to inform the planning of play areas. For all major schools projects extensive consultation takes place with staff, parents and pupils. Waste Collection has been consulting with local residents in advance and their views taken on board when redesigning services such as changes to collection days or methodology. There are a number of planned presentations and information sessions in respect of the overall waste strategy and regular feedback is encouraged and acted on.

Regular presentations and meetings take place with RSLs and third sector organisations to ensure that they are updated on changes to legislation affecting citizens on benefits and council tax reduction, this is particularly important as the changes introduced by the Welfare Reform Act 2012 are implemented. The Council's Citizens' Panel receives a questionnaire twice a year; the Directorate makes use of this consultation method, as appropriate. The Customer Service Strategy also highlighted plans to conduct surveys and questionnaires to provide feedback from the community whilst the Digital Strategy recognises the changing requirements of our customers in respect of the way they interact with the Council.

Budget consultation is now embedded and involves Community Meetings, feedback via the Council Website and the use of an on line simulator.

Specific engagement which has taken place with customers includes:

- Customer Service survey carried Sept-Oct 2017 with very positive results on customer satisfaction.
- FMS User Survey (Positive Feedback)

2.4 Equality

The Environment, Regeneration and Resources Directorate is committed to ensuring equality of opportunity in everything that it does.

Services carry out equality impact analysis (EIA) on new or significantly changing policies, strategies and procedures, as well as on budget savings. EIAs completed or planned by the Directorate include:

Completed

- EIA's were carried out in 2018 in respect of the Directorate's budget saving proposals.
- Inverclyde Core Paths Plan
- Inverclyde Local Development Plan: Main Issues Report (MIR) and post MIR
- Proposed Inverclyde Local Development Plan
- Customer Service Strategy
- Discretionary Housing Payments
- Digital Strategy

Planned

- Economic Regeneration Strategy
- Customer Services Strategy refresh

The Council also has a series of Equality Outcomes and every Service in the Directorate will continue to work towards the achievement of these during the next year. Details of the Council's Equality Outcomes can be viewed here [📄 Equality and Diversity](#).

The Council's overarching Equality Outcomes are:

1. Inverclyde Council's employees and Elected Members are able to respond confidently and appropriately to the needs of service users and colleagues
2. Inverclyde's children, citizens and communities are able to access our services and buildings with ease and confidence
3. Measures to prevent and eradicate violence against women and girls are making Inverclyde a place where all individuals are equally safe and respected and women and girls can expect to live free from such abuse and the attitudes that perpetrate it
4. There are no barriers in recruitment, training and promotion opportunities for the Inverclyde Council workforce
5. All Inverclyde residents have an opportunity to share in the area's economic growth.

In section 5 of this Plan, there are a number of improvement actions of particular relevance to delivery of the Council's duties under The Equality Act 2010. These have been gathered into the Council's Equality Outcomes document (which can be viewed via the above web link) to show how each service area is working to deliver the general and specific equality duties and work with people with protected characteristics.

The performance management of this document will help the Council to monitor how it is performing towards the achievement of its Equality Outcomes.

2.5 Sustainability of the environment

The Directorate supports implementation of the Council's flagship *Green Charter* environmental policy which aims to reduce energy and waste and promote the sustainable use of resources in the Council and across our community. For example, employees are encouraged to use the recycling facilities provided in Council premises or participate in our *Cycle to Work* scheme. The scheme is a Government-approved salary sacrifice initiative which allows staff to hire a bike and accessories to a value of £1,000 for the purpose of cycling to work (or for part of the journey). The project assists employees to reduce journey costs, traffic congestion and pollution; it also helps to support performance of one of our sustainable development performance indicators i.e. *to reduce CO₂ emissions within the scope of influence of the local authority*, also known as our *area-wide emissions*.

The Directorate's Services are encouraged to help the Council reduce its carbon emissions which in turn supports delivery of the Council's Carbon Management Plan. Employees are provided with information to help them reduce their energy consumption in the office, for example, by switching off monitors when not using PCs; turning lights off; buying recycled paper; restricting the use of colour printing; considering the environment before printing any documents and turning taps off after use.

Through the Carbon Management Team the Directorate is educating employees on the importance of recycling office waste, importance of turning off monitors and heating when not in the office. There is a sustainability assessment carried out by procurement for all goods and services over £50,000.

Considerable efforts within the Environment and Public Protection Service are contributing to the Council's and Scotland's sustainability strategies through a number of service areas such as recycling and waste reduction initiatives, newer, cleaner less polluting vehicles, electrical charging points for vehicles, lower energy street lighting, the flood action plan and reduced impact road and pavement repairs.

ICT have introduced a number of initiatives to reduce the Council's energy consumption and therefore reduce our Carbon footprint including energy efficient PCs and servers. The data centres have reduced the number of servers, included energy efficient lighting and fewer and more energy efficient air conditioning units.

ICT have also brought in new models of Multifunctional Devices (printers) – these are more efficient and reduce carbon footprint and emissions. Part of the work on desktop rationalisation is to reduce the number of stand-alone printers across the authority.

Property Services works towards improving the sustainability of the Council's Property Estate in a number of ways including improving the energy efficiency and water use in buildings, incorporating energy generation in projects, specifying timber from sustainable sources and making waste reduction plans compulsory for Council building contracts.

2.6 Risk management

The key risks that the Directorate faces include:

- financial - financial pressures are affecting all public sector agencies and the Directorate needs to closely monitor budgets to ensure service delivery remains efficient, effective and value for money;
- reputation – with such a diverse portfolio and front facing services a failure manage delivery or plan for change or could result in adverse publicity and reputational risk ;
- legal and regulatory - potential for lack of support and buy-in could lead to non-compliance with legislation particularly regarding The Equality Act 2010, The Community Empowerment (Scotland) Act and the Statutory Performance Indicators Direction 2015; and

- operational and business continuity - potential for lack of consistency regarding definitions of competitiveness, possible inconsistencies in the roll-out of corporate systems and the potential for failure to implement policies and procedures could all have detrimental impacts on operational and business continuity.

The risk management plan is attached at as Appendix 2.

2.7 Competitiveness

Competitiveness is a complex area and not simply an issue of delivering services for the least cost. In the public sector, competitiveness can perhaps be better described as *challenge* and *improvement* as this is what the Directorate requires to do to drive continuous improvement and best value.

The Audit Scotland *Best Value Toolkit 2010: Challenge and improvement* sets out the following definitions:

Challenge

- The organisation has a proven record of adjusting its services as a result of internal or external challenge, achieved with an improvement of services.
- The organisation can justify that its delivery methods, whether in-house or otherwise, offer best value, within the context of its wider objectives.
- As part of its strategic approach to procurement and commissioning it undertakes objective options appraisal to explore and optimise a wide range of contract or partnership options. The organisation understands the impact of its activities on the local economy, and makes decisions based on clear policy objectives.

Improvement

- The organisation continually challenges and improves its performance. It has reviewed, or has plans to review, its services to ensure best value - an improvement programme is in place which takes account of customer and staff feedback and is readily available to citizens. It assigns responsibility, accountability and resources appropriately following improvement reviews.
- It uses the 'four Cs' (Consult, Compare, Challenge, Compete) effectively in reviewing services. Reviews are timely and the council can demonstrate improved outcomes and value for money as a result. Improvements are targeted in line with priorities, and performance indicators and satisfaction measures in reviewed areas are satisfactory or improving.
- It can demonstrate impact through improved service, or governance outcomes, and monitors and regularly reviews the quality and progress of its improvement activity.

Our self-evaluation guidance *Are we Getting it Right for Every Child, Citizen and Community?* supports the Directorate to carry out more robust self-evaluation, using data from a variety of sources which informs the development of improvement actions, including those set out in section 5 of this Plan. A variety of processes are used to gather the data which informs ongoing self-evaluation across the Council and is used to develop and adapt services to better meet the needs of customers.

The benchmarking information derived from the Improvement Service's Local Government Benchmarking Framework (LGBF) will also inform areas where the Directorate will focus attention and carry out further detailed internal analysis, in addition to learning from better performing councils.

The Council is currently involved in a number of LGBF benchmarking family groups around the topics of (Council Tax, Waste and street cleaning). The family group process is used to assess performance, learn from good practice, highlight the Council's own good practice to other authorities and deliver improvement across the councils who make up the groups.

In addition to the LGBF family groups, a number of the Directorate's service areas already participate in well-established benchmarking activity such as:

- Environmental and Public Protection Service – APSE, SCOTS, WMON
- Finance Services – CIPFA, Treasury Management Forum, IRRV, SOCITM
- Regeneration and Planning, SLAED , HOPS, PCA and LABSS

3. Summary of Resources

The Directorate's budget for 2018/19 is outlined below.

Expenditure and FTE numbers

<u>Service</u>	<u>2018/19</u>		
	<u>Gross Exp</u> <u>£000's</u>	<u>Net Exp</u> <u>£000's</u>	<u>FTE</u>
Director	149	149	1
Property Services	5,765	3,297	35
Environmental and Public Protection	17,663	12,893	316
Regeneration and Planning	6,648	3,588	42
Roads	8,074	3,867	41
Environment and Regeneration Committee Total	38,299	23,794	435
Finance Services	40,787	7,591	150
Legal Services	2,271	1,674	28
Policy and Resources Committee Total	43,058	9,265	178
Directorate Total	81,357	33,059	613

4. Self-Evaluation and Improvement Planning

The Audit Scotland Best Value Assurance Report on Inverclyde Council, which was published in June 2017, acknowledged that the Council has a positive culture of improvement and is an organisation that supports innovation. The report findings also include that Inverclyde Council uses self-evaluation consistently with clear links to improvement plans.

The Improvement Plan for the Directorate is attached at section 5. It has been developed based on robust self-evaluation using both formal (such as external audit, inspection reports, validated self-evaluation) and informal self-evaluation techniques (such as service self-assessment). This includes but is not limited to:

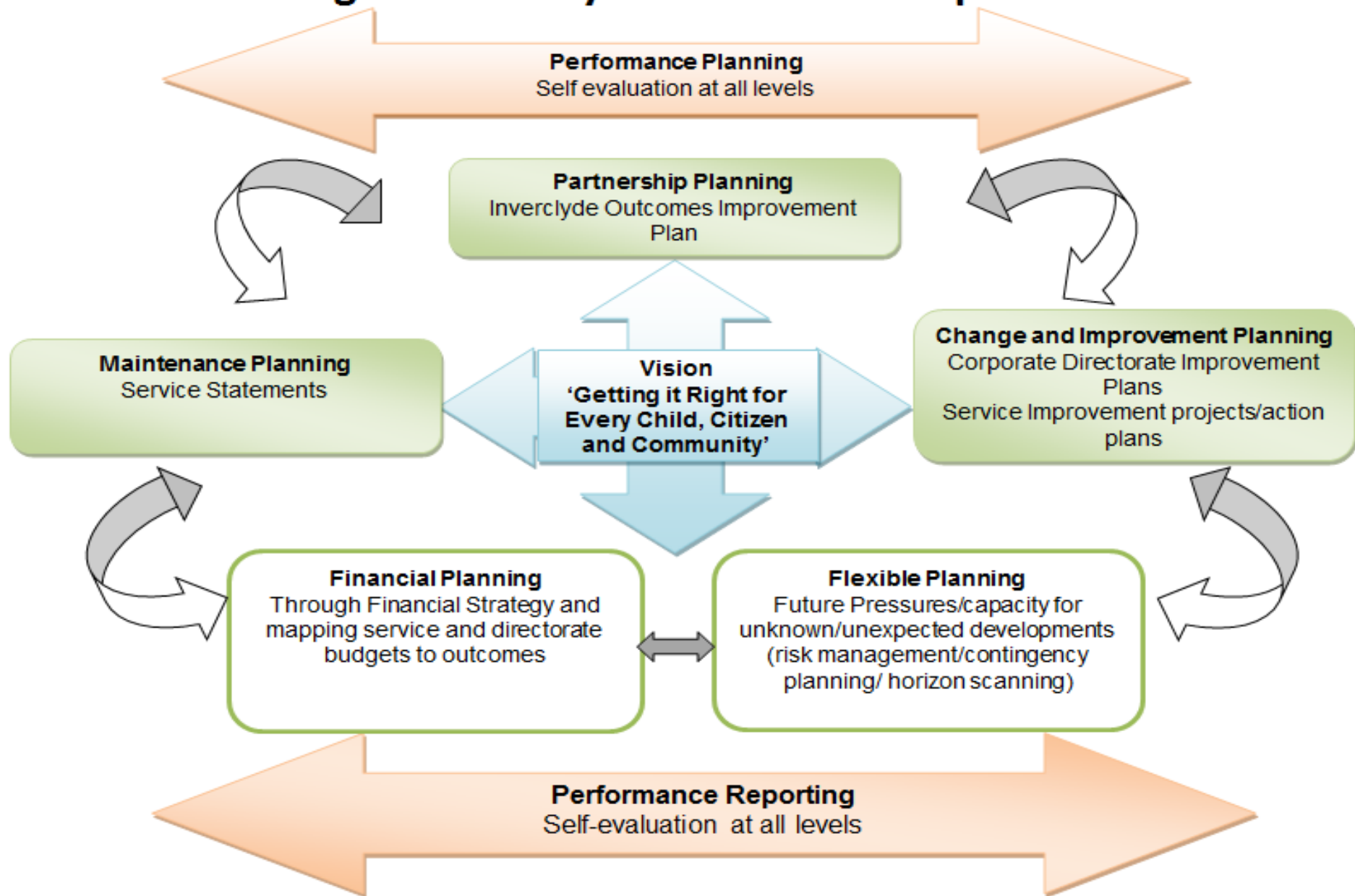
- Annual external audit of accounts.
- Customer satisfaction - performance and risk management.
- Benchmarking via LGBF and professional Benchmarking Groups.
- IRRV local authority income.
- Customers waiting survey
- Audit Scotland - Fraud and Error Report.
- Audit Scotland Benefits Risk
- Public Service Improvement Framework
- Citizen Panel Feedback
- Public Services Network and Cyber Essentials
- Annual Governance Statement - Council, ALEO's
- Police Integrity Model Gap Analysis
- National Report Studies
- Public Performance Reporting
- Quality Assurance Process - Internal Audit,
- APSE Benchmarking
- Society of Chief Officers for Transportation in Scotland
- Risk Register
- Planning Performance Report
- Building Standards Benchmarking
- SLAED Economic Evaluation
- European Commission Validation Check
- Employability Programme
- Business Gateway
- LGSE Grouping

All the Directorate services have undertaken PSIF assessments and prepared an action plan. Assessments were facilitated by trained assessors with input from a variety of staff within each Service. Through the use of our assessors we were able to ensure a high degree of consistency across each Service and building on the shared experiences both across each Service and throughout the Directorate.

By adopting the systematic approach which is embedded in the PSIF process, staff were engaged and able to articulate areas of good practice and service improvement which focused on performance in an open and productive manner.

The diagram on the following page sets out the planning cycle for the Council, including the various levels of planning that take place. All of this requires to be underpinned by self-evaluation. The Corporate Directorate Improvement Plans sit within change and improvement planning but are underpinned by all other aspects of planning, particularly financial planning.

Planning for Delivery and to Secure Improvement



5. Environment, Regeneration and Resources Directorate Three Year Improvement Plan

In addition to our Improvement Priorities, there are also aspects of our work which are ongoing – work that is significant, but nonetheless can be classified as *business as usual*. Such aspects of work are captured in the Service Statement and Standards for each service area, and therefore not included in this Plan. Monitoring of the maintenance or *business as usual* activity is undertaken by individual Directorate and Service Management Teams, as well as through the performance reporting under the Council's Statutory Performance reporting, including the Local Government Benchmarking Framework indicators. Additionally, for specific pieces of work, there are other reporting mechanisms to the Council's committees.

The Directorate Year 3 Action Plan is set out as shown below and is broken down into Corporate Improvement Actions, Service Improvement Actions, Capital Projects Improvement Actions and Corporate Governance Improvement Actions.

Section	Actions	Page
5.1	Corporate Improvement Actions	20
5.3	Service Improvement Actions	25
5.4	Capital Projects Improvement Actions	35

The improvement actions have been mapped to the Council's organisational priorities which are shown below.

Corporate Plan Organisational Priority	Ref
To promote Inverclyde to both residents and visitors alike, as a great place to live, work and visit	OP1
To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them	OP2
To grow our local economy in a way that creates opportunities for all our residents, including access to good quality jobs.	OP3
To reduce the prevalence of poverty in our communities, with a particular focus on reducing child poverty	OP4
To safeguard, support and meet the needs of our most vulnerable families and residents.	OP5
To improve the health and wellbeing of our residents so that people live well for longer.	OP6
To protect and enhance our natural and built environment	OP7
To preserve, nurture and promote Inverclyde's unique culture and heritage	OP8
To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources	OP9
To develop motivated, trained and qualified employees who deliver quality services that meet the current and anticipated service needs	OP10

Successful Learners

Confident Individuals



Effective Contributors

Responsible Citizens

5. Environment, Regeneration and Resources Improvement Plan 2018/19

**Corporate Improvement Actions
2018/19**

5.1 Corporate Improvement Actions

These actions have implications for the whole Council, or more than one Directorate, not just the Environment, Regeneration and Resources Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and /or Organisational Priority
CA1	2019/20 Revenue Budget	Significant funding gap to be closed. Officers progressing proposals for Council to consider.	Balanced revenue budget 2019/20 which reflects Council priorities	Officer savings proposals reviewed and updated by the end of September, 2018 for consideration by the MBWG.. Engagement with TUs and partners during process Balanced budget approved February/March, 2019	Regular updates to Committee, JBG, ECMT	Chief Financial Officer with significant support from CMT.	Contain within existing resources	OP10
CA2	Digital Strategy 2017/20	The Digital Strategy was approved and is being progressed	Progress towards and completion of agreed actions	2017/20 Strategy approved by Committee – June 2017 Updates on progress to every 2 nd Committee	Increase in online transactions and customer satisfaction.	Chief Financial Officer	Limited to Earmarked Reserve and Capital Funding allocations	OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and /or Organisational Priority
CA4	ICT Strategy 2017/20	The ICT Strategy was approved and is being progressed.	Progress towards and completion of agreed actions	2017/20 ICT Strategy approved by Committee – June 2017 Updates on progress to every 2nd Committee	ICT Systems and equipment meet Service requirements ICT supports DAS and National developments	ICT Service Manager	Contained within existing budgets	OP10
CA6	Procurement Strategy	New Procurement Strategy published August 2015. New Strategy will deal with new procurement regulations and aims to meet challenges set within the Procurement and Commercial Improvement Plan (PCIP)	PCIP has replaced PCA. The previous score was 62% which placed the Council on an equal footing with peers. A similar or better performance in PCIP would represent success.	The Procurement Strategy sets out goals and timescales	The first PCIP will be held in September	Corporate Procurement Manager	Contain in existing resources	OP10
CA7	Measuring Impact on Outcomes	In the Audit Scotland recent Best Value Assurance Report for Inverclyde a recommendation was to better identify the extent of impact services/partners expect to make to the overall strategic outcomes and the	Inverclyde Alliance and Inverclyde Council are better able to demonstrate impact on outcomes, at various levels across services and programmes.	Working with experts and other performance management specialists, processes will be developed to better measure impact on outcomes.	In the next Best Value Assurance Report Audit Scotland are assured that Inverclyde is able to demonstrate impact on outcomes for all its children, citizens and communities.	Corporate Director	Within existing resources	OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and /or Organisational Priority
		timeframe, with milestones at key intervals.						
CA8	Change Management	<p>Inverclyde Council, continue to identify a variety of ways in which to develop and deliver its services more efficiently.</p> <p>The BVAR recognised the Council's 'Delivering Differently' approach to change management and supported the introduction of 3 Directorate Change Management Groups.</p> <p>3 Change Management Directorate Groups have been established to review progress on all change projects on a monthly basis.</p> <p>The Group is chaired by the Corporate</p>	ERR services have been reviewed and where appropriate redesigned to ensure they are fit for purpose, meet customer's needs and are efficient.	<p>Continue to meet regularly and progress specific projects.</p> <p>Detailed projects are established.</p> <p>Ongoing work with the Policy and Resources Committee and Members Budget Working Group.</p>	<p>Savings are identified through change management process and fed into the budget setting process,</p> <p>Change Management Directorate Group meets regularly.</p>	<p>Chief Financial Officer</p> <p>Corporate Director</p>	Within existing resources	OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and /or Organisational Priority
		<p>Director and consists of the DMT plus Finance & HR support.</p> <p>Heads of Service are accountable for promoting change management projects and taking necessary action to ensure timeous delivery.</p> <p>Progress reports using a RAG status are submitted bimonthly to the Corporate Management Team.</p> <p>Regular updates are presented to the P & R Committee.</p>						

Service Improvement Actions 2018/19

5.2 Service Improvement Actions

These actions will be carried out by specific Services in the Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
Environment and Public Protection								
EPP1	EPP Waste Strategy	Recycling targets have been achieved , new diversion targets have been developed by Scottish Government	To develop our strategy and contract arrangements to meet forthcoming recycling and landfill diversion targets.	Market analysis and service provisions and contract review.	Completion of the relevant analysis and development of a procurement plan.	Head of Service	Procurement strategy will go to the market and costs will only be known at that point.	OP 7
EPP2	EPP Roads	Traffic Parking Strategy ongoing into 2018/19.	Expansion of Residents Parking Scheme within Wemyss Bay. Various minor amendments to existing Traffic Regulation Orders. Complete parking survey in Port Glasgow	Implementation of the agreed schemes within 2018/19.	Continuation and delivery of confirmed projects as detailed in update reports to Committee.	Service Manager Roads	Within allocated budgets	OP7 OP9

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
EPP3	EPP – service wide	Councils have agreed to shared services with West Dunbartonshire Council and approved a minute of agreement along with the Strategic Outline Business case and the authority to appoint a lead change officer	Appointment of a lead change officer and the production of a detailed Business Plan	Through joint collaborative working and with partner authority and the successful development of the detailed Business Plan	A staged approach for the detailed Business Plan reported to the joint Committee and tracked against timescales and targets	Lead change officer reporting through Chief Executive's and Corporate directors	Costs will be included within the detailed Business Plan	OP9
EPP4	Home energy efficiency scheme – private homes Scottish Energy Efficient Programmes – Commercial properties	IC successfully sourced funds from Scottish Government – Home Energy Efficiency Programme Scotland – Area Based Schemes (HEEPS ABS) Funding for 2017/18 of £1,225,259 has been confirmed from the Scottish Government. No successful SEEPS programmes have been identified as yet.	Continue collaborative programmes. Scottish Government introducing “Scottish Energy Efficient Programmes” SEEPS to include commercial properties in collaborative programmes	We will continue working on collaborative programmes to increase the number of properties that are energy efficient. Promote grant availability and improved energy efficiency to owners Continue to target ‘difficult to treat’ houses for investment in collaboration with RSLs. Considering pilot programme for SEEPS funding.	Overall increase in energy efficiency across all tenures	Head of Service	Funded by the Scottish Government and energy suppliers 2016-17 TBC	OP4 OP5

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
EPP5	Tobacco control	Nicotine Vapour Products (NVPs) are currently not covered by the same controls as tobacco products. This will change during 2016 as a number of controls including under-age sales are extended to NVPs.	NVPs are controlled in accordance with new legislation, particularly with regard to under-age sales of these products.	Education and enforcement regarding the new rules relating to NVPs rolled out to all businesses in Inverclyde during 2016.	Test purchase programme to measure the effectiveness of tobacco controls including NVPs in Inverclyde.	Head of Service	Within existing resources	OP6
EPP6	Trusted traders	Work was carried out in Inverclyde to encourage eligible traders to sign up to the Construction Licensing Executive scheme. Unfortunately the CLE folded leaving Inverclyde with no trader assurance scheme.	Consumers in Inverclyde can identify reputable and trustworthy traders in the area. Reputable traders can compete more effectively against rogue traders.	Implementation of a Trusted Trader/ Buy with Confidence scheme in Inverclyde. Timescale March 2019	Scheme agreed, promoted and accessible to all consumers.	Head of Service	Within existing resources	OP3 OP9
Regeneration and Planning								
RP1	Local Development Plan2	Proposed Local Development Plan	Approved Local Development Plan	Following approved timetable – anticipate approval by April 2019.	Measurement against approved timetable	Head of Service	Within existing budget	OP8

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
RP2	Improving SME and Local Supplier engagement in procurement activity	No specific policy that encourages SME or Local suppliers to bid for contracts.	Policy required on inviting SME and local suppliers to bid for quotes and encourages engagement on tendering.	On-going monitoring of the success in inviting SME and local supplier to bid for quotes and the numbers who seek the assistance of Supplier Development Programme	Increase in the number of local suppliers and SME who have bid for Council contracts.	Corporate Director Environment, Regeneration and Resources	Contain within existing budget	OP3
RP3	Regeneration	Single Operating Plan 2016/19 is in place. Review of Riverside Inverclyde to be undertaken,	Implementation of Single Operating Plan 2016/19. Review of Riverside Inverclyde completed.	Through workshops and engagement with key stakeholder groups including Riverside Inverclyde	Regular reports to Committee and Board	Corporate Director	Contained within existing budget	OP3
RP4	Regeneration	Key City Deal projects: areas have been identified and agreed and Strategic Business Case developed for <ul style="list-style-type: none"> Greenock Ocean Terminal Inverkip 	Implementation of projects in respect of Inverkip road infrastructure Implementation of the projects to create a floating pontoon and delivery of a new visitor centre at Greenock Ocean	Detailed Business Cases approval for Ocean Terminal and Inverkip – by March 2019.	Reports on progress will be delivered to the City Deal Project Board Project Monitoring Office – 4 weekly Inverclyde Council Environment & Regeneration Committee	Corporate Director	Strategic Business Case identifies costs of: Greenock Ocean Terminal £14.20m Inverkip £3.25m	OP3

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
		<ul style="list-style-type: none"> Inchgreen 	<p>Terminal</p> <p>Progress the Inchgreen project</p>	Strategic Business Case approval for Inchgreen – by December 2018.			Inchgreen £9.47m	
Finance								
FIN1	Service Accountancy	<p>Difficulties in attracting qualified accountants previously, as a result 2 Finance Officers currently going through Professional Training.</p> <p>FMS reports not always meeting budget holders needs.</p> <p>Concerns over longer term future of FMS</p>	<p>Increase value added professional support to services, improve the budget management by budget holders.</p> <p>Medium term solution for the FMS</p>	<p>Support existing employees through professional training (Summer 2019)</p> <p>Improve management information and improve budget holder self reliance.</p> <p>Continue to participate in Apprenticeship Programme. (From now to 2020)</p> <p>Explore options for extension or replacement of FMS over next 2/3 years</p>	<ul style="list-style-type: none"> Regular monitoring through CFO/Manager meetings Service Budget holder feedback Increase in Qualified employees Ongoing support for FMS or replacement system in place 	CFO/Finance Managers	<p>Training and apprenticeship - £40k/year to 2019 contained in existing budgets</p> <p>Replacement system not costed at this stage, cost will be significant, currently no allowance in capital budgets</p>	OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
FIN2	Revenues and Customer Services	Processing claims for Housing Benefit (HB) for customers not yet in scope for Universal Credit and changes in circumstances for the current HB caseload as well as processing new applications and changes in circumstances for Council Tax Reduction	Continue to manage the roll out of Universal Credit and the migration of the live load over to UC. Work force which reflects the reducing caseload and demand for SWF/DHP	Active management of vacancies and release of staff through voluntary severance. Ongoing review of impact on Benefits/CSC workload Timescale from now until 2021/22	Progress monitored via WR Board and through cyclical reports to Committee Analysis of caseload and ongoing projections of the impact of migration.	CFO and Revs and Customer Services Manager	Welfare Reform earmarked reserve is used to offset one off costs.	OP5
FIN3	Revenues and Customer Services	Billing and collection for Non Domestic Rates reliant on a reducing knowledge base due to retiral of key employee whilst managing the changes expected from the Barclay review.	Successful implementation of the Barclay Review meeting all timescales set out in the Review – Timescale from now until April 2020 Resilient & stable NDR Service via a potential collaboration with one or more councils for the delivery of NDR services	Ensuring knowledge transfer to relevant officers. Ensure that software upgrades are received, tested and implemented timeously. Participation in relevant communications with key parties and analysis of cost and capability of potential partners.	Legislative changes including software requirements, in place for annual billing and other changes as they roll out. Options appraisal and reports to CMT/Committee	CFO and Revenues and Customer Services Manager	Contained in existing budgets for Barclay changes.	OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
FIN5	Customer Interactions	Most customer interaction is via face to face or telephone contact	Move customers away from traditional costly channels of communication to digital channels	Ongoing development of alternative channels supported by CSC encouraging channel shift. Development of Citizens Access for Revenues and upgrades to KANA and associated systems (Autumn/Winter 2018)	Reduced transactional costs and shift to using electronic forms, reporting and mobile applications	Revs and Customer Services Manager, Finance Manager (ERR) and ICT Services Manager	Contained with approved budgets	OP1
Legal and Property								
LPS1	Post-Project Evaluation	The Council has developed a post-implementation review process and supporting policies designed to identify benefits realisation and identify any learning from completed projects	The implementation of Post-Project review for completed projects allows the Council to identify benefits realisation and to incorporate learning into new projects going forward.	The post-project evaluation follows a straightforward questionnaire-led approach. Six post-project reviews have commenced and the outcomes will be reported to Committee.	Outcome reports will be provided to the relevant Service Committees for projects reviewed. Port Glasgow Community Campus and St Columba's HS have been completed and 4 other reviews	Head of Legal and Property Services	For schools and non-school projects, an additional fee charge will be incorporated for consultant appointments into future project cost estimates.	OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
					nearing completion. An annual summary report will be provided to Policy and Resources Committee on evaluations.			
LPS2	REVIT	REVIT is being rolled out across projects on a planned approach. This assists the Council's progress on Business Information Management systems.	The service is able to hold information on a central system which can be accessed by all users across the network. More meaningful information being available on spend across budgets.	Server has been procured in order to accommodate REVIT storage space requirements.	More management information is available in relation to our properties. Officers from LPS can interrogate systems and extract relevant building information.	Head of Legal and Property Services.	Majority of costs are contained within existing operating budgets.	OP9
LPS3	General Data Protection Regulation	Implemented first phase of GDPR for Council-wide compliance as from 25 May 2018.	GDPR compliance across all services with robust systems for monitoring and review..	Programme of scheduled training for services and Elected Members and continued briefing updates, where relevant, during 2018/19.	Regular update and review through CMT with annual reporting to Policy & Resources Committee.	Head of Legal and Property Services.	Contained within service budgets and with specific ear marked reserve for systems procurement and training.	OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
				Programme of training for Year 1 to June 2019 being managed through Information Governance team.				

Capital Projects Improvement Actions 2018/19

5.3 Capital Projects Improvement Actions

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
CP 1	Schools Estate Management Plan	We were concluding the planned phase of investment and following the budget setting process, we are now accelerating the SEMP for completion by 2020.	Fully refurbished school estate to high quality, modern standards.	SEMP investment is fully approved and capacity will be provided by Legal and Property Services with external Hub construction projects where required. Delivery by 2020.	Regular capital programme reports through the annual SEMP review and 2-monthly reports to Service Committee.	Head of Legal and Property Services	Fully funded SEMP financial model	OP7 OP9
CP 2	EPP Roads	RAMP/Capital programme 2013/18 has been fully delivered. Funding for 2018/19 has been allocated to confirmed projects.	Delivery of RAMP/Capital Programme for 2018/19.	Further Projects to be undertaken in 2018/19 using RAMP/Capital-Programme. Programme for 2018/19 has been detailed covering specific and cost of Carriageways, footways, lighting structures, fees and staffing costs along with Core funding for Traffic Measures and details on Cycling Walking and Safer Streets.	Continuation and delivery of confirmed projects as detailed in update reports to Committee.	Service Manager Roads	Within allocated budgets	OP9 OP10

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	Wellbeing Outcome and/or Organisational Priority
CP 3	EPP Roads	Prioritise Identified Flood Prevention Projects.	Full delivery of the remaining projects.	Detailed project list has been confirmed with projects to be delivered 2018-20	Continuation and delivery of confirmed projects as detailed in update reports to Committee.	Service Manager Roads	Within allocated budget	OP9 OP10
CP 4	EPP Burials	Provision of burial space sufficient for 5 years.	Increase burial space availability to 15 years.	Extend existing cemetery within next 2 years.	Feasibility has confirmed the plan to extend Knocknairshell not feasible. Feasibility of alternative sites undertaken.	Head of Service	Subject to completion of feasibility, permissions & procurement phases.	OP9 OP10
CP 5	EPP Cremations	Cremators due for replacement.	Replace cremators while continuing to maintain a cremation service.	Replace cremators within next 3 years.	Feasibility and options appraisal completed and Procurement commenced 2018	Head of Service	Subject to completion of feasibility, options appraisal & procurement phases.	OP9 OP10

6. Environment, Regeneration and Resources Directorate Performance Information

Key Performance Measures	Performance				Target 2018/19	Lower limit/alar m	2017/18 Rank/national average (where available)
	2014/15	2015/16	2016/17	2017/18			
Council Tax – In year collection level	94.8%	95.1%	95.3%	95.5%	95.5%	93.7%	
Speed of processing changes in circumstances to Housing Benefit	4 days	5 days	4 days	4days	4 days	6 days	
Speed of Processing new claims for Council Tax Reduction (From November 2016)	N/A	N/A	36 days	30days	34 days	37 days	
CSC – Abandoned Calls - Revenue - General	N/A N/A	N/A N/A	23% 7%	25% 7%	20% 7%	25% 10%	
CSC Complaints	N/A	N/A	38	14	20	30	
CSC Compliments	N/A	N/A	58	81	63	50	
Registrars – Percentage of payments made by debit/credit card	N/A	N/A	N/A	50%	60%	52%	
Percentage of invoices sampled that were paid within 30 days	96.6%	96.5%	96.6%	96.6%	97.13%	95.5%	
ICT Service Delivery Corporate Incident SLA Attainment	94.7%	93.3%	96.74%	90.38%	95%	85%	
ICT Schools Service Delivery Schools Incident SLA Attainment	84.8%	82.4%	90.0%	91.30%	95%	85%	
Category 1 Potholes – Make safe/repair within 24 hours of identification	88%	88%	94.3%	100%	90%	85%	
Category 2 Potholes – Make safe/repair within 7 days of identification	81%	91%	74.5%	98.6%	80%*	75%	

Key Performance Measures	Performance				Target 2018/19	Lower limit/alar m	2017/18 Rank/national average (where available)
	2014/15	2015/16	2016/17	2017/18			
Street Lighting Failed Dark Lamp	87%	91%	89%	85.6%	92%	87%	
Waste Recycling (households)	56%	56%	54%	54%	50%**	47%	
Number of Business/Property Assists	20	20	28	27	25	15	
Percentage of all planning applications decided in under 2 months	89%	89%	90%	88%	90%	80%	
Percentage of householder planning applications decided in under 2 months	97%	99%	95%	96%	95%	90%	
Percentage of building warrants assessed within 20 working days of registration	99%	99%	100%	97%	95%	90%	

** Scottish Government Recycling Target – Service performance is expected to exceed this.

7. Appendix 1: Local Planning Priorities

SHANARRI Wellbeing Indicator		Reference
Safe	Protected from abuse, neglect or harm and supported when at risk. Enabled to understand and take responsibility for actions and choices. Having access to a safe environment to live and learn in.	S
Healthy	Achieve high standards of physical and mental health and equality of access to suitable health care and protection, while being supported and encouraged to make healthy and safe choices.	H
Achieving	Being supported and guided in lifelong learning. Having opportunities for the development of skills and knowledge to gain the highest standards of achievement in educational establishments, work, leisure or the community.	Ach
Nurtured	Having a nurturing place to live and learn, and the opportunity to build positive relationships within a supporting and supported community.	N
Active	Having opportunities to take part in activities and experiences in educational establishments and the community, which contribute to a healthy life, growth and development.	Act
Respected and Responsible	Respected and share responsibilities. Citizens are involved in decision making and play an active role in improving the community.	R
Included	Overcoming social, educational, health and economic inequalities and being valued as part of the community.	I

IOIP Strategic Priority	Ref
Inverclyde's population will be stable and sustainable with an appropriate balance of socio-economic groups that is conducive to local economic prosperity and longer term population growth	SP1
There will be low levels of poverty and deprivation and the gap in income and health between the richest and poorest members of our communities will be reduced	SP2
Inverclyde's environment, culture and heritage will be protected and enhanced to create a better place for all Inverclyde residents and an attractive place in which to live, work and visit.	SP3

Corporate Plan Organisational Priority	Ref
To promote Inverclyde to both residents and visitors alike, as a great place to live, work and visit	OP1
To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them	OP2
To grow our local economy in a way that creates opportunities for all our residents, including access to good quality jobs.	OP3
To reduce the prevalence of poverty in our communities, with a particular focus on reducing child poverty	OP4
To safeguard, support and meet the needs of our most vulnerable families and residents.	OP5
To improve the health and wellbeing of our residents so that people live well for longer.	OP6
To protect and enhance our natural and built environment	OP7
To preserve, nurture and promote Inverclyde's unique culture and heritage	OP8
To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources	OP9
To develop motivated, trained and qualified employees who deliver quality services that meet the current and anticipated service needs	OP10

8. Appendix 2: Risk Register

Corporate Directorate Improvement Plan: Environment Regeneration and Resources									
Risk Status 2018/2019 Activity									
Risk category: Financial (F), Reputational (R), Legal/Regulatory (LR), Operational/Continuity (OC)									
Improvement action	Risk no	Risk category	*Description of risk concern	Impact rating (A)	L'hood rating (B)	Quartile	Risk score (A*B)	Who is responsible? (name or title)	Additional controls/mitigating actions and time frames with end dates
All	1	F	There is a risk that as resources have been reduced and as more central direction is given on priorities that the Directorate may not be able to deliver actions within the resources outlined thus slowing down improvement delivery	2	3	2	6	DMT	Regular review of capacity and priorities via CDIP reports to Committee. Financial Budget has been set for 2016/2017.
All	2	F R LR OC	The ability to retain and/or recruit suitably qualified staff into key roles may impact on the delivery of actions detailed within the Directorate Plan.	3	3	1	9	DMT	Regular review of capacity and priorities via CDIP reports to Committee.
FIN1-FIN3	3	LR	There is a risk that the pace of changes within Revenues and Customer Services will change due to external factors thus leading to abortive work , duplication and uncertainty for customers and employees	3	3	1	9	CFO/ Revs & Customer Services Manager	Regular attendance at external briefings via COSLA /Professional Groups etc and sharing information with peers.

Report To:	Policy and Resources Committee	Date:	18 September 2018
Report By:	Aubrey Fawcett, Chief Executive	Report No:	PR/22/18/AF/MMcK
Contact Officer:	Miriam McKenna, Corporate Policy and Partnership Manager	Contact No:	01475 712042
Subject:	Inverclyde’s Best Value Assurance Report Improvement Plan Progress Report		

1.0 PURPOSE

1.1 The purpose of this report is to present an update on the Inverclyde Best Value Assurance Report (BVAR) Improvement Plan for Inverclyde Council to the Policy and Resources Committee.

2.0 SUMMARY

- 2.1 The Inverclyde Best Value Assurance Report (BVAR) was submitted to Inverclyde Council on 29 June 2017, with an Improvement Plan which was developed in order to address the recommendations made by Audit Scotland. The actions in the Improvement Plan have been absorbed into the Corporate Directorate Improvement Plans (CDIPs) for the Council.
- 2.2 It was agreed to provide progress reports to the Committee approximately every 6 months. This report brings together the updates on the improvement actions as reported in the Corporate Directorate Improvement Plans progress reports.
- 2.3 The current status of the 10 BVAR Improvement Plan actions is:

Status	Blue - complete	Red – significant slippage	Amber – slight slippage	Green – on track
	4	0	3	3

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee:
 - a. Notes the progress made in regard to the BVAR improvement actions, set out at appendix one
 - b. Agrees that a progress report will be submitted to the Policy and Resources Committee every six months.

Aubrey Fawcett
Chief Executive

4.0 BACKGROUND

4.1 The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. The audit approach, according to Audit Scotland, is proportionate and risk-based and is reflective of the context, risks and performance of an individual council. It also draws on intelligence from previous audit and scrutiny work.

4.2 Inverclyde Council's BVAR report resulted in an improvement plan to enable the Council to address the recommendations made by Audit Scotland.

4.3 The recommendations in the report were:

- To progress community empowerment to the level that the Act requires, the Council will need to further develop the capacity of communities it is working with. It will need to raise awareness of the possibilities for communities, and look at the level of funding and staffing required to work with communities to progress initiatives including the transfer of assets and participatory budgeting (Action BV1)
- The Council and its partners should use the Local Outcome Improvement Plan (which will replace the SOA) to develop a single set out outcomes which simplifies the strategic and planning framework (Action BV2).
- The Council should develop more detailed workforce plans and longer-term forecasts of workforce numbers and skills required (Actions BV3 and BV7).
- Actions to deliver strategic improvements should identify the difference they are expected to make to the overall strategic outcomes, with milestones at key intervals (Action BV4).
- Key corporate initiatives such as City Deal projects and shared services should be reflected in updated corporate planning documents (Actions BV5 and BV8).
- The Council should embed the recent introduction of directorate change management groups to prioritise, manage and monitor service improvement activity (Action BV6).
- The Council has experienced delays in its City Deal projects. Councillors and officers should continue to focus significant efforts on developing these projects with private sector partners (Action BV9).
- A detailed review of earmarked reserves should be undertaken with the new Council as part of the 2018-20 revenue budget development (Action BV10).
- Councillors should consider continuing with the Members' Budget Working Group, given the financial challenges that exist and the key decisions that will need to be made following the May 2017 local government election (see below).
- All service review reports should be presented to councillors at the relevant service committee, in accordance with the Council's service review guidance. Councillors should also receive progress reports on service reviews (see below).

4.4 In regard to the Members, Budget Working Group it was agreed unanimously by the Council to continue with this group, as recommended by Audit Scotland. Service review reports are reported to relevant service committees as they are completed. The timing of reporting of some service reviews is affected by the budget planning process.

4.5 Attached at Appendix 1 is a full progress report on the improvement actions set out in the BVAR Improvement Plan. Highlights of the activity which has been undertaken to deliver the Improvement Plan include:

- Service Workforce Plans have been completed including longer term forecasts of workforce numbers and skills.
- A Corporate Plan has been developed and includes a number of performance measures to support each strategic priority to make it easier to assess if the services being delivered by the Council are resulting in improved outcomes.
- Change Management Groups within Directorates are now fully operational. Meetings are minuted and all projects are tracked in detail with respect to progress and outcomes.
- All Succession Plans are complete.
- Outline Business Cases for both Ocean Terminal and Inverkip were approved initially by the Environment and Regeneration Committee and thereafter by the City Deal Project Management governance last year and the projects are now progressing to Final Business Case.

4.6 Slight slippage has occurred in three actions:

Locality Plans: these are being progressed but will not be available until December 2018 to allow for communities to be fully involved in their development and to be highlighting solutions to the issues raised in engagement.

Measuring Impact on Outcomes: it had been planned to have further work completed regarding measuring impact on outcomes by March 2018, however significant work has been undertaken to identify appropriate measures for the Inverclyde Outcomes Improvement Plan and the new Council Corporate Plan, which should demonstrate impact on outcomes.

Regeneration: outline business cases for both Ocean Terminal and Inverkip were approved initially by the Environment and Regeneration Committee. Progressing final business cases is later than originally planned due to external partner delays with a view to be onsite later in 2018.

4.7 The status of the 10 improvement actions is:

Status	Blue - complete	Red – significant slippage	Amber – slight slippage	Green – on track
	4	0	3	3

5.0 IMPLICATIONS

5.1 Financial Implications - One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a					

Financial Implications - Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

5.2 Human Resources: none at present

5.3 Legal: none at present

5.4 Equalities: none at present

5.5 Repopulation: A positive BVAR for Inverclyde Council will hopefully contribute to the work

to showcase Inverclyde as a good place to live and work.

6.0 CONSULTATIONS

6.1 n/a

7.0 CONCLUSIONS

7.1 There is good progress being made against the recommendations for improvement from Audit Scotland and these have been used to inform the self-evaluation processes used to develop improvement plans for the organisation. By embedding the improvement actions within the CDIPs, this allows the Council to ensure delivery.


8.0 LIST OF BACKGROUND PAPERS

8.1 Inverclyde Council Best Value Report 2005 <http://www.audit-scotland.gov.uk/report/inverclyde-council-the-audit-of-best-value-and-community-planning>


Inverclyde Best Value Assurance Report 2017 <http://www.audit-scotland.gov.uk/report/best-value-assurance-report-inverclyde-council>



Appendix One: Actions to address BVAR recommendations



BVAR Improvement Action Plan



Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
BV1	The Community Empowerment (Scotland) Act 2015	<p>The Council and the CPP are ready for the implementation of the Community Empowerment (Scotland) Act 2015, working with partners to deliver on the statutory requirements. Each element is in place across all Services.</p> <p>There are locality profiles and plans for the agreed localities across Inverclyde, mapping assets and issues, agreed with and led on by communities.</p> <p>Services/ CPP partners and communities use these profiles to plan service delivery, targeting inequalities and working to reduce them</p> <p>All Inverclyde Alliance Partners are investing in building the</p>	<p>Respond to Scottish Government guidance.</p> <p>Bring the improving data analysis group together to gather information around the agreed localities</p> <p>Facilitate improved community engagement in the development of Locality Plans and community planning through Wellbeing Clusters and the development of more robust community engagement methods, including Place Standard</p> <p>Timescale: October 2017</p> <p>Set up working groups to cover each element, for example, legal, environmental, community learning and development,</p>	<p>Locality plans are available for Port Glasgow, Greenock East and Central and Greenock South and South West.</p> <p>Community Food Growing Strategy in Place</p> <p>A broader range and number of individuals and community groups are engaged and contributing to the development and delivery of Locality Plans and community planning.</p> <p>The Council is ready to manage participation request and asset transfer requests</p> <p>Communities are making full use of the Community Asset Transfer, Participation Request and Participation in Public Decision-</p>	Steven McNab/Grant McGovern/ Gerard Malone	<p>Draft Locality Plans are being developed featuring a strategic needs assessment of each area, summaries of the results of the Our Place Our Future engagement by area, summaries of other relevant engagement e.g. Town Centre Charrettes and asset mapping. Engagement is ongoing with communities to identify solutions to local issues. Plans will be finalised and presented to the Alliance Board in December 2018.</p> <p>The Environment Network, a community and voluntary organisations network are keen to develop the Community Food Growing Strategy. This will be progressed through the Network in partnership with the Environment Partnership and is an action on the Environment Partnership's action plan. Draft guidance on community food growing has been</p>	 Amber – slight slippage

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
		<p>capacity of communities so that they may take full advantage of their rights set out in the Community Empowerment Act.</p>	<p>property etc. October 2017</p> <p>Create a community food growing strategy. Awaiting guidance re timescales.</p> <p>Through the Community Engagement Network, highlight to the Alliance Board the resources required to effectively deliver on community empowerment/ engagement and capacity building, and make recommendations to the Alliance Board.</p> <p>December 2017 meeting of Alliance Board.</p>	<p>Making elements of the Community Empowerment Act.</p>		<p>released by the Scottish Government.</p> <p>No participation requests or asset transfer requests have been received to date.</p> <p>Participatory Budgeting is being rolled out across the 7 Council wards, with £50,000 allocated to each.</p> <p>Further work required to identify the resources required to delivery community empowerment etc.</p>	
BV2	<p>Local Outcome Improvement Plan</p>	<p>Community engagement has taken place to help develop the new LOIP and to assess whether the current outcomes are appropriate.</p> <p>New Local Outcome Improvement Plan agreed and being</p>	<p>Carry out a strategic assessment to inform the new LOIP, including engagement with communities</p> <p>Use locality profiles to inform development of the LOIP</p>	<p>Community Engagement taken place.</p> <p>LOIP produced and agreed by all partners.</p>	<p>All IOIP Leads</p>	<p>The new Inverclyde Outcomes Improvement Plan was approved by the Alliance Board at its meeting on 11 December 2017. The LOIP has one set of outcomes, the wellbeing outcomes and 3 strategic priorities.</p> <p>A comprehensive Strategic Needs</p>	<p> Blue - complete</p>

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
		delivered. One set of outcomes is adopted by the Alliance and the Council.	Timescale: 1 October 2017			Assessment for Inverclyde has been developed and is appended to the LOIP. Work is underway to develop the Locality Plans. An analysis of the Our Place Our Future survey has been carried out at an Inverclyde and locality level. 1,310 people completed the survey which is a response rate of 1.7%. This is the highest number of respondents Inverclyde Alliance has had to an engagement process.	
BV3	Corporate Workforce Planning and Development	Continue to ensure workforce planning and development is integrated into CDIPs, risk registers and workforce plans are in place for service areas to address the key workforce challenges over the next 3 years and into the longer term.	Analysis of workforce data and learning needs with a coordinated approach to WP and L&D solutions. Including future workforce requirements. March 2018.	WP and L&D activity is prioritised and needs are met through coordinated and cost effective approaches. Appropriate WP and L&D interventions are implemented to address key workforce challenges over the next 3 years.	Steven McNab	A Corporate Workforce Planning and Development Group has been established to focus on progressing the workforce planning and learning and development agenda (WP and L&D) for the Council. Service Workforce Plans have been completed including longer term forecasts of workforce numbers and skills.	 Green – on track
BV4	Measuring Impact on Outcomes	Inverclyde Alliance and Inverclyde Council are better able to demonstrate impact on outcomes,	Working with experts and other performance management specialists,	In the next Best Value Assurance Report Audit Scotland are assured that Inverclyde is	Steven McNab	A Corporate Plan has been developed and includes a number of performance measures to support each strategic	 Amber – slight slippage

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
		at various levels across services and programmes.	processes will be developed to better measure impact on outcomes. By March 2018	able to demonstrate impact on outcomes for all its children, citizens and communities.		priority to make it easier to assess if the services being delivered by the Council are resulting in improved outcomes. The Inverclyde Outcomes Improvement Plan has also been developed with a focus on how we measure impact on outcomes.	
BV5	Key Corporate Initiatives	Key corporate initiatives are reflected in updated corporate documents, included as part of the review of the Strategic Planning and Performance Management Framework.	When drafting the new LOIP and Corporate Statement, references to City Deal and shared services will be made. By March 2018.	The LOIP and Corporate statement make reference to City Deal and shared services.	Steven McNab	The new Inverclyde Outcomes Improvement Plan includes reference to City Deal and was approved by the Alliance Board on 11 December 2017. The new Corporate Statement was presented to the Policy and Resources Committee on 6 February 2018. City Deal and shared services are referenced in the new Corporate Statement	 Blue – Complete
BV6	Change Management	Services have been reviewed and where appropriate redesigned to ensure they are fit for purpose, meet customer's needs and are efficient.	3 Change Management Directorate Groups are established to review progress on all change projects on a monthly basis. The Group will be chaired by the Corporate Director and consist of the DMT plus Finance & HR support. Heads of Service	Savings are identified through change management process. Change Management Directorate Groups meeting regularly. Bimonthly review of progress by the CMT using a RAG report.	Ruth Binks/ Louise Long/ Scott Allan	Change Management Groups within Directorates are now fully operational. Meetings are minuted and all projects are tracked in detail with respect to progress and outcomes. A standard reporting template has been developed for service reviews to ensure corporate consistency and adherence to timescales on longer change projects.	 Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
			<p>will be accountable for promoting change management projects and taking necessary action to ensure timeous delivery.</p> <p>Progress reports using a RAG status will be submitted to the Corporate Management Team. Once further work on Change Management is embedded with the new Council, in the summer of 2017, regular updates will be presented to the Policy & Resources Committee.</p>			Progress from Directorate groups is reported to the CMT.	
BV7	Succession Planning	Develop and Implement a Succession Planning programme for the Council.	<p>Develop and Introduce Succession Planning programme in consultation with key stakeholders</p> <p>December 2017</p>	A Succession Planning programme will be developed and rolled out across the Council to support the Councils workforce meet future challenges.	Steven McNab	All plans are complete.	 Blue – Complete
BV8	ECS – service wide	Appointment of a lead change officer and the production of a detailed Business Plan	Through joint collaborative working and with partner authority and the successful development of the detailed Business Plan in Autumn	A staged approach for the detailed Business Plan reported to the joint Committee and tracked against timescales and targets	Lead change officer reporting through Chief Executive's and Corporate directors	Both Inverclyde and West Dunbartonshire Councils have agreed to progress a shared Roads and Transportation Service. The first step will involve the appointment of a lead Head of Service who will	 Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
			2017			strategically manage roads and transportation services across the two Councils and lead on the development of strategic business cases for wider shared service opportunities such as ground maintenance, Waste and Fleet. Revised management structures in consequence of agreement on shared services as approved in March this year are being progressively implemented.	
BV9	Regeneration	<p>Implementation of projects in respect of Inverkip road infrastructure</p> <p>Implementation of the projects to expand the quayside and delivery of a new visitor centre at Greenock Ocean Terminal</p> <p>Progress the Inchgreen project</p>	<p>Outline Business Cases will be presented to Environment and Regeneration Committee for approval</p> <p>OBC to be ratified by The Glasgow City Region Cabinet</p>	<p>Reports on progress will be delivered to the City Deal Project Board</p> <p>Project Monitoring Office – 4 weekly</p> <p>Inverclyde Council Environment & Regeneration Committee</p>	Scott Allan	<p>Outline Business Cases for both Ocean Terminal and Inverkip were approved initially by the Environment and Regeneration Committee and thereafter by the City Deal Project Management governance last year. Progressing final business cases later than originally planned due to external partner delays with a view to be onsite later in 2018 for Ocean Terminal and early 2019 for Inverkip.</p>	 Amber – slight slippage
BV10	Reserves	A full review of earmarked reserves has been undertaken and reflects the Council's medium term financial priorities and	Members Budget Working Group will undertake review in September to December 2017 and any decisions will be taken in February	Report is available regarding the review of earmarked reserves and this complies with the Approved Reserves Policy.	Alan Puckrin	<p>Complete. A review has been undertaken and with write backs of £2.3million agreed by the Council on 21st December 2017.</p> <p>Further decisions on the</p>	 Blue - complete

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 18/09/18	Status 06/02/18
		challenges.	2018 as part of the budget.	Regular reporting of Reserves position to Committees and bimonthly review by the CMT.		use of the Council's Reserves were taken in March, 2018.	

Report To:	Policy and Resources Committee	Date 18 September 2018
Report By:	Scott Allan Corporate Director, Environment Regeneration & Resources	Report No: PR26/18//SA/BH
Contact Officer:	Brendan Hurrell, Service Manager	Contact No: 01475 712654
Subject:	Annual Procurement Report	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval to publish the Annual Procurement Report attached within Appendix 1 and provide an update on the latest spend with local and SME suppliers.

2.0 SUMMARY

- 2.1 As required under section 15 of the Procurement Reform (Scotland) Act 2014 a contracting authority must publish a Procurement Strategy by December 2016 and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority's regulated procurement activities against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year.
- 2.2 The content of this Report covers all regulated procurements completed during the period 1st April 2017 to 31st March 2018 and details how those procurements supported the objectives included within the Council's Corporate Procurement Strategy 2015 to 2018.
- 2.3 Previous procurement reports have updated this Committee on the Council's spend with Local and SME suppliers. The spend in 2017/18 with local suppliers is 29% and 59% with SMEs. The spend with local suppliers remains the same as in 2016/17 with a 1% decrease in spend with SMEs. Further comment is provided in section 5 of this report.
- 2.4 The draft Annual Procurement report is contained within Appendix 1 and contains an explanation of the Legal requirement for the report and the following items –
- Summary of regulated Procurements
 - Review of Regulated Procurement Compliance
 - Community Benefit Summary
 - Supported Business Summary
 - Future Regulated Procurements

3.0 RECOMMENDATIONS

- 3.1 That the Committee agrees that the Annual Procurement Report is published on the Councils website.
- 3.2 That the Committee notes the latest spend with SMEs and Local Suppliers.

Scott Allan
Corporate Director
Environment Regeneration and Resources.

4.0 BACKGROUND

- 4.1 The requirement to publish an Annual Procurement Report was introduced into Scottish Legislation to further the principles of openness and transparency. All public contracting authorities with spends greater than £5,000,000 must publish an Annual Procurement Report.
- 4.2 Previous reports to Committee have given annual updates on spend with Local Suppliers and with SMEs. The Council has several processes and initiatives in place to support local and SME suppliers and these are detailed within section 5 of this report.

5.0 LOCAL AND SME SPEND

- 5.1 The analysis of spend for the last financial year has now been completed. The spend in 2017/18 with SMEs has decreased by 1% to 59% while the local suppliers spend remained the same at 29%. The Council's total procurement spend is roughly £100M per year so a 1% change is equivalent to £1m.
- 5.2 In order to provide context for these figures, Inverclyde Council's spend with its local suppliers comes 14th in comparison to the same measurement at all 32 Local Authorities, the highest figure being 45% and the lowest 9%. As expected, the Local Authorities with the highest spend percentage are the largest cities with a high availability of local suppliers and also the island and rural authorities. The high costs of travel make it prohibitive for non-local suppliers to win contracts in rural and island communities. It would also be expected that large cities would have a high percentage of work being undertaken by their resident suppliers as they have the diverse range and volume of suppliers to support their requirements. Inverclyde has a higher percentage spend with local suppliers than 18 other Councils. The Councils with a higher percentage include Glasgow, Edinburgh, the Highlands and Shetland. These figures do not indicate that Inverclyde has a significant issue in terms of abnormally low spend with its local suppliers.
- 5.3 The spend achieved by Inverclyde companies with other Local Authorities is £62M including Inverclyde Council's own spend. The status quo and success of these suppliers in getting this work demonstrate the benefit in seeking work outside the area and generate competition, leading to best value. Efforts should not just be focused on giving local suppliers Inverclyde Council contracts where they could become over reliant on limited opportunities locally.
- 5.4 Further analysis of the Inverclyde spend shows that 63% comes from paying suppliers within the Strathclyde area and 70% within Scotland. The largest beneficiary local authority areas in terms of Inverclyde spend are North Lanarkshire at 12.5% and the City of London at 11.5%. The largest contributing factors in both of these are the payments to West Hub for recent school builds and the ongoing contributions to the Council's PPP contracts. In both of these examples, although the payment has been to an address outwith the authority, there has been an increase in local employment through the requirement for local labour, community benefits and the hire of local sub contractors.
- 5.5 The Council will continue to use the following policies and practices which may assist local suppliers in bidding for Council contracts –
 - Consider Lotting contracts
 - Continue to pay local suppliers early where this is requested
 - Select at least 50% of suppliers from the local area to bid for quotations
 - Refer suppliers to the Supplier Development Programme
 - Hold meet the buyer events, supplier debriefs and individual meetings
 - Inform Local Suppliers of Scotland Excel contract opportunities and lobbying

Scotland excel to lot these contracts to allow local suppliers the ability to bid.

- Simplify tender documents and ask for less repeating information
- Take local suppliers and SMEs into account when creating tender strategies
- Promote access to Public Contracts Scotland
- Use the Council's website to advertise contract opportunities and publish the Annual Report.

IMPLICATIONS

6.0 FINANCE

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

LEGAL

6.2 There are no legal issues within this report.

HUMAN RESOURCES

6.3 Nil at present however the review will make recommendations which may impact upon staffing levels

EQUALITIES

6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
√	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.0 CONSULTATION

7.1 Consultations have been held as detailed within the report.

8.0 BACKGROUND PAPERS

8.1 None.

APPENDIX 1

Inverclyde Council Annual Procurement Report

1ST APRIL 2017 –

31ST MARCH 2018

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1. Introduction

As required under section 15 of the Procurement Reform (Scotland) Act 2014 (“the Act”), a contracting authority must publish a Procurement Strategy by December 2016 and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority’s regulated procurement activities against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year.

Inverclyde Council is pleased to publish our first Annual Procurement Report. The content of this Report covers all regulated procurements completed during the period 1st April 2017 to 31st March 2018 and details how those procurements supported the objectives included within the council’s Corporate Procurement Strategy 2015 to 2018.

All actions listed on the action plan were completed within the agreed timescales.

Key benefits delivered by these actions included:

- Updating process and procedures to comply with the requirements of the new procurement rules and regulations.
- Increasing time spent on strategic aspects of procurement activities.
- Supporting the council’s overall savings targets.
- Embedding the council’s community benefits policy into all relevant and proportionate contracts delivering a greater volume and increased variety of outcomes across a wider range of commodities.
- Transitioning to the Scottish Government Procurement Journey which standardised and aligned our processes and procedures and reduced risk and duplication.

- Ensuring Small and Medium-sized Enterprises (SMEs) are provided targeted opportunities as standard within our Quick Quote process (Goods and Services under £25,000, Works under £100,000).
- Fulfilment of our procurement work plans, including the delivery of tenders supporting special projects (e.g. The Glasgow City Region City Deal)

The council was assessed as part of the national Procurement and Commercial Improvement Programme (PCIP), and achieved a score of 66% in 2016. A further PCIP assessment will take place in late 2018.

2. Summary of Regulated Procurement

Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: “a summary of the regulated procurements that have been completed during the year covered by the report”

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call offs from existing framework agreements.

In total the council completed 14 regulated procurements during the reporting period with a total value of £36,636,487.

Type	Volume	Value
Awards of New Council Contracts	9	£23,296,113
Awards from Non Council Frameworks	5	£13,340,374

Appendix 1 shows a full list of each individual procurement completed.

We also utilised the COSLA National Care Home Contract to make awards above regulated procurement with a total value of £12,500,000.

During the reporting period, we also utilised a number of legacy non council frameworks on a call off basis, meaning a large volume of low value orders were raised accumulating to more than £50,000. The 2017/18 spend is shown for each framework in Appendix 1 table 2.

Contract values are based on the total value of the contract for all years that the contract could be in place and therefore includes possible extensions.

During the same period there were instances where alternative methods of procurement were used in line with the regulations and the Council Standing Orders Relating to Contracts (e.g. where there is only one potential supplier).

3. Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

The council's Procurement Strategy for 2015 to 2018 set out how regulated procurement would be undertaken in compliance with the Act. This Strategy also set out objectives for improving the process and procedures relating to regulated procurements.

From the Strategy objectives we identified the following key compliance categories:

- Best Value
- Fairness and transparency (General Duties)
- Economic and social sustainability (community benefits)
- Environmental sustainability
- Fair work practices (including Living Wage)
- Purchase to pay efficiencies

Further information on the requirements of the Act can be seen in Appendix 2.

All regulated procurement in the council is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with the Strategy. Legal requirements are set out in the Council Standing Orders Relating to Contracts. Procedural requirements are set out in Scottish Government Procurement Journey (for general procurement best practice) and the Corporate Procurement Manual.

Throughout the reporting period, our regulated procurements were monitored on an ongoing basis. This monitoring process consisted of reviewing the key supporting documents that underpin our legislative and procedural framework including sourcing strategies, project plans, procedural documentation, scoring calculators and approval reports. The monitoring process was supplemented by post project reviews, which are undertaken after a contract is awarded as well as at the end of the contract. In addition the best value aspect of our contracts is monitored regularly as part of a robust contract management process. These combined processes ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework and, as a result, in compliance with the Strategy. The reviews have also allowed us to identify the following potential improvement areas:

- There are further opportunities to secure economic and social sustainability outcomes from non Council frameworks.
- Existing contract and frameworks can continue to be targeted in order to increase purchase to pay efficiencies.

- Continue to work with client teams on advance provision of work plans which will allow increased opportunity to deliver best value from our regulated procurements.

The council is committed to ensuring that all suppliers who are awarded business are paid within 30 days. Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions. Suppliers are required to apply the same terms and conditions with their sub-contractors who are delivering and supporting the council contract.

4. Community Benefit Summary

Section 18(2)(d) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for an annual procurement report to include “a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities “must consider whether to impose community benefit requirements as part of the procurement” when the estimated contract value is greater than or equal to £4,000,000.

The council’s own policy and manual stipulates that community benefits must be considered for inclusion in all works contracts with an estimated value greater than £1,000,000 and give consideration to include in all goods and services contracts above £50,000.

Robust processes have been developed to ensure that community benefits are considered for inclusion in all relevant contracts in line with the requirements of both the Procurement Reform (Scotland) Act 2014 and the Council’s own community benefits policy.

When initiating procurement activity, client departments are required to consider and highlight potential community benefits considerations for inclusion where relevant. Procurement staff then engage with key stakeholders and undertake market research and benchmarking activity to further explore potential opportunities and identify appropriate requirements for inclusion in the contract.

Delivery of agreed outcomes is monitored and reported internally on a quarterly basis using monitoring updates provided by suppliers..

Key community benefits outcomes secured include:

- 7 Modern Apprenticeships
- 18 New start skilled or semi-skilled posts.
- 6 educational events and or site visits

Appendix 3 provides full details of all outcomes secured and delivered during the reporting period.

5. Supported Businesses Summary

Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”.

The council’s Contract Standing Orders dictates that consideration be given to inclusion of supported businesses in all regulated procurements.

During the reporting period there were no regulated procurements awarded to supported businesses. The reason for this is that the goods, services or works associated with these procurements are not provided by existing supported businesses.

The council does have existing agreements in place with Lady Haigs Poppy Factory who are a registered Supported Business and continues to explore opportunities for other organisations to become a supported business.

6. Future Regulated Procurements Summary

Section 18(2)(f) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.” Future regulated procurements have been identified via the following means:

- Current contracts on the council register that will expire and need to be extended or re-let over the next two years.
- New procurements identified via future work plans provided by Council service teams.
- New procurements identified via anticipated work plans for special projects (e.g. The Glasgow City Region City Deal).

A full list of anticipated procurements in the next two years can be seen in Appendix 4.

Appendix 1 – Full List of Regulated Procurements

Table 1 - Awards of New Council Frameworks and Contracts

Date of Award	The Names of Suppliers	Subject Matter (Commodity)	Title of Contract	Contract Value	Contract start date	Contract End date including extensions	Type
18-Apr-17	Hub West Scotland (and CCG (Scotland)	Property Construction	Moorfoot Primary School Refurbishment	£4,717,850.00	01/08/2017	30/07/2018	New
30-May-17	Hub West Scotland (and CCG (Scotland)	Property Construction	St Ninian's Primary School New Build	£8,837,659.00	01/08/2017	30/07/2018	New
10-Jul-17	DSI Billing Services Ltd	Printing	Provision of Printing, Binding, Enveloping and Mailing	£60,000.00	01/09/2017	31/08/2019	Ongoing
20-Jul-17	Barr Environmental Ltd	Waste Management	Mini-Competition for the Treatment of Recyclable and Residual Waste	£11,000,000.00	17/08/2017	16/08/2021	Ongoing
27-Jul-17	Hub West Scotland (and CCG (Scotland)	Property Construction	Glenpark Early Learning Centre New Build	£2,807,104.00	01/08/2017	30/06/2018	New
11-Aug-17	John MacLean & Sons Electrical (Dingwall)	Street Lighting / Roads Civils	Mini-Competition via Scotland Excel Framework, Street Lighting Materials, LED Lanterns	£512,038.00	11/08/2017	26/01/2018	New
28-Sep-17	Business Development Advisers Ltd	Business Consultancy	Provision of Business Gateway Services	£60,500.00	02/10/2017	31/03/2018	Ongoing

06-Sep-17	Osiris Educational	Education Training	Services in Relation to Whole school Learning	£105,000.00	06/09/2017	07/09/2018	New
24-Jan-18	Sharp Business Systems UK plc	Furniture	Mini Competition via Scotland Excel Framework (Lot 5 Full Education Kit Out)	£114,411	26/01/2018	15/06/2018	New
12-Mar-18	Alex M Adamson LLP	Debt Recovery	FIN Provision of Sheriff Officer and Debt Recovery Collection Services	£108,000.00	01/04/2018	31/03/2022	Ongoing
15-Mar-18	AVM Impact Ltd	IT products	EDU Mini Competition via Scotland Excel Framework for Supply, Delivery and Installation of LED Touchscreens, Stands and Commercial TVs	£113,925	09/04/2018	15/06/2018	New
23-Mar-18	Inverclyde Community Development Trust, Stepwell, Inverclyde Advice and Employment Rights	Employability	Employability Services in Inverclyde	£5,000,000	01/04/2018	31/03/2020	Ongoing
26-06-17	Daycare	Social Care	Day Care Services Framework Agreement	£1,600,000	01/07/2017	30/06/2021	Ongoing

22-Mar-18	Amey OW Limited	Street Lighting / Roads Civils	Mini Competition via Crown Commercial Services Framework for Road Lighting and Traffic Sign Maintenance	£1,600,000	27/04/2018	27/04/2020	Ongoing
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Table 2 – Orders on Frameworks amounting to more than £50,000 spend in 2017/18.

Framework Owner	Framework Name	Framework Start	2017/18 Spend
Scotland Excel	Children's Residential Care	14/08/2014	£1,083,159
Scotland Excel	Street Lighting Materials	01/07/2014	£837,688
Scotland Excel	Groceries & Provisions	01/05/2016	£407,281
Scotland Excel	Care Homes for Adults (LD)	29/06/2015	£376,630
Scotland Excel	Heavy Plant	02/03/2015	£305,500
Scotland Excel	Frozen Foods	01/07/2017	£230,755
Scotland Excel	Meats - Fresh, Prepared & Cooked (inc. Fresh	01/11/2014	£172,094
Scotland Excel	Secure Care	01/04/2017	£152,163
Scotland Excel	Salt	01/07/2014	£150,877
Scotland Excel	Janitorial Products	01/03/2015	£150,819

Scotland Excel	Library Books & Textbooks	01/11/2013	£136,910
Scotland Excel	Engineering Consultancy	18/03/2017	£118,461
Scotland Excel	Domestic Furniture and Furnishings	01/11/2016	£116,230
Scotland Excel	Education Materials	01/08/2017	£112,414
Scotland Excel	Fostering	25/03/2017	£111,174
Scotland Excel	Milk	01/03/2014	£99,746
Scotland Excel	Light Vehicles	16/07/2013	£87,480
Scotland Excel	Street Lighting Bulk Renewal of Luminaires	21/07/2016	£86,859
Scotland Excel	Education And Office Furniture	01/03/2017	£80,465
Scotland Excel	Frozen Foods	01/07/2013	£78,523
Scotland Excel	Recycle and Refuse Containers	01/11/2013	£62,587
Scotland Excel	Personal Protective Equipment	01/03/2017	£59,086
Scotland Excel	Vehicle Parts	13/01/2017	£57,096
Scotland Excel	Library Books & Textbooks	01/02/2018	£55,997
Scotland Excel	Electrical Materials	01/04/2016	£51,930
Procurement Scotland	Stationery and Office Paper	01/06/2016	£129,270

Procurement Scotland	ICT Products	01/01/2016	£175,000
Procurement Scotland	Fuel	14/10/2015	£489,000
Procurement Scotland	Gas	01/04/2014	£608,000
Procurement Scotland	Electricity	01/04/2013	£1,795,000
Procurement Scotland	Water and Waste Water	01/03/2016	£390,000

Appendix 2 – Requirements of the Act

Procurement Reform (Scotland) Act 2014 asp 12 Part 2 General duties Section 8 8

General duties

- (1) A contracting authority must, in carrying out a regulated procurement— (a) treat relevant economic operators equally and without discrimination, (b) act in a transparent and proportionate manner.
- (2) A contracting authority must also comply with the sustainable procurement duty.
- (3) However, a contracting authority must not do anything in pursuance of subsection (2) that would conflict with its duty under subsection (1).
- (4) A relevant economic operator is an economic operator who is a national of, or is established in—
 - (a) a member State, or
 - (b) Iceland, Liechtenstein or Norway.
- (5) Subsection (1) does not apply in relation to an EU-regulated procurement.

9 Sustainable procurement duty

- (1) For the purposes of this Act, the sustainable procurement duty is the duty of a contracting authority—
 - (a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can—
 - (i) improve the economic, social, and environmental wellbeing of the authority's area,
 - (ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and
 - (iii) promote innovation, and
 - (b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).
- (2) The contracting authority must consider under subsection (1) only matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.

- (3) In this section—

- “small and medium enterprises” means businesses with not more than 250 employees,

- “third sector bodies” means organisations (other than bodies established under an enactment) that exist wholly or mainly to provide benefits for society or the environment.

(4) In this section, references to the wellbeing of the authority's area include, in particular, reducing inequality in the area.

Procurement Reform (Scotland) Act 2014 asp 12 Part 2 Procurement strategy and annual report Section 15

15 Procurement strategy

(1) A contracting authority which expects to have significant procurement expenditure in the next financial year must, before the start of that year—

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

(b) review its procurement strategy for the current financial year and make such revisions to it as the authority considers appropriate.

(2) Subsection (3) applies where a contracting authority—

(a) has not, in relation to a financial year, prepared or reviewed a strategy under subsection (1), and

(b) becomes aware of the likelihood of having significant procurement expenditure during that year.

(3) The contracting authority must, as soon as practicable after it becomes aware of the likelihood of having significant procurement expenditure—

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

(b) review its most recent procurement strategy and make such revisions to it as the authority considers appropriate.

(4) An authority has significant procurement expenditure in a year if the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5,000,000.

(5) The procurement strategy must, in particular—

(a) set out how the authority intends to ensure that its regulated procurements will

(i) contribute to the carrying out of its functions and the achievement of its purposes,

(ii) deliver value for money, and

(iii) be carried out in compliance with its duties under section 8, (b) include a statement of the authority's general policy on—

- (i) the use of community benefit requirements,
 - (ii) consulting and engaging with those affected by its procurements,
 - (iii) the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements,
 - (iv) promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, and
 - (v) the procurement of fairly and ethically traded goods and services,
- (c) include a statement of the authority's general policy on how it intends its approach to regulated procurements involving the provision of food to—
- (i) improve the health, wellbeing and education of communities in the authority's area, and
 - (ii) promote the highest standards of animal welfare,
- (d) set out how the authority intends to ensure that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented—
- (i) payments due by the authority to a contractor,
 - (ii) payments due by a contractor to a sub-contractor,
 - (iii) payments due by a sub-contractor to a sub-contractor,
- (e) address such other matters as the Scottish Ministers may by order specify.

(6) The Scottish Ministers may by order modify subsection (4) so as to substitute for the figure specified there for the time being such other figure as they consider appropriate.

(7) In subsection (5)(b)(iii), a “living wage” means remuneration which is sufficient to ensure an acceptable standard of living.

Appendix 3 – Community Benefit Outcomes

Theme	Outcome	Secured for Delivery
Targeted Recruitment and Training	<u>New Entrant - Modern Apprentice</u> Saint Ninians Moorfoot Lady Alice Primary	3 posts 3 posts 1 post
	<u>New Entrant – Job</u> Saint Ninians Moorfoot Lady Alice Primary Aberfoyle Nursery Watt Complex Home Energy Efficiency	6 posts 6 posts 2 posts 1 post 2 posts 1 post
Educational Support	Careers Event, Industry Awareness Days or Workshops for school pupils or college students	6 events

Appendix 4 – Future Regulated Procurements (From April 2018 to March 2020)

Subject Matter (Commodity)	Title of Contract	Contract Start Date	Estimated Total Contract Value	Type
Street Lighting / Roads Civils	LED Lantern Installation of work package 5	01/11/2018	£108,000	New
Roads Civils	Road Markings & Studs	01/11/2018	£200,000	Ongoing
Removals	Decanting and Safe Disposal of Furniture Etc.	01/08/2018	£90,000	New
Social Care	Housing Information Advice	01/10/2018	£100,000	Ongoing
Vehicles	Plant Vehicles Purchase	01/11/2018	£255,000	New
ICT products and Services	Multi-Functional Devices (Mini Competition)	01/04/2018	£1,000,000	Ongoing
Bottled Water	Water Coolers (Mini Competition)	01/09/2018	£60,000	Ongoing
Security	Security (Mini Competition)	01/04/2019	£100,000	Ongoing
Arborists/ Tree Felling	Tree Felling Framework	NEW	£60,000 per annum	New
Occupational Health	Occupational Health (Extend?)	01/01/2019	£90,000	Ongoing
Ironmongery/ Blacksmiths	Blacksmiths (Extend?)	01/10/2019	£300,000	New
Street Lighting / Roads Civils	Lighting Maintenance (extend)	27/04/2019	£900,000	Ongoing
Employability	Employability (extend)	01/04/2019	£2,500,000	Ongoing
Construction	St Mary's PS - Refurbishment & Extension	01/10/2018	£5,291,000	New
Printing	Printing Binding Enveloping and Mailing	31/08/2019	£120,000	Ongoing
Roadstone	Supply and Delivery of Coated and	31/05/2019	£1,000,000	Ongoing

	Uncoated Roadstone			
Waste Management	Residual Waste (extend)	16/08/2019	£5,500,000	Ongoing
Waste Management	Recycling of comingled recyclable material (extend)	30/06/2019	£400,000	Ongoing
Plant Hire	Hire of Surfacing Plant (extend)	02/04/2019	£800,000	Ongoing

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/87/18/AP/CM
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2019/20 Budget Strategy		

1.0 PURPOSE

- 1.1 The purpose of this report is to ask for Committee approval for various aspects of the 2019/20 Revenue Budget Strategy in order that officers can progress actions and finalise the time table for delivery of the budget.

2.0 SUMMARY

- 2.1 There are a number of inter- related issues on which decisions are required in order that a Budget Strategy can be finalised. These decisions include the period covered by the approved Revenue Budget, the timing of the approval of any potential savings, the progression of any voluntary early release exercise and whether there will be some form of public consultation undertaken.
- 2.2 Strong indications are that once again the forthcoming budget announcement from the Scottish Government will be for a single year. Whilst the UK Government has issued high level spending plan figures for the period to 2022, they have also announced that there will be a comprehensive spending review in 2019 which may impact on figures from 2020 onwards.
- 2.3 The Council has previously agreed that it wishes to view its medium term budget strategy over the length of this current Council ie. up to and including the 2022/23 Revenue Budget with the clear intention that by 2022/23 the Revenue Budget is fully balanced with recurring income matching recurring expenditure.
- 2.4 The Financial Strategy approved in June 2018 included an estimated funding gap in 2019/20 of £4.26 million prior to any decisions being taken on Council Tax increases and prior to agreement of the 2018/19 or 2019/20 pay award. The Financial Strategy also provided 3 potential scenarios for funding gaps over the period 2019/22 ranging from £2.8 million to £31 million.
- 2.5 The key decision which impacts on a number of other tasks is the timing of when Members agree a package of savings on which Officers can take action in relation to consultation with both service users and employees. The timing of this matter is not straightforward and has been made more complex in recent years with significant swings (increases) in the Local Government settlement being announced in late January/early February. Members understandably do not wish to raise unnecessary concerns within the community and the workforce and understandably may wish to delay decisions on budget savings until there is greater certainty on the Council's grant settlement.
- 2.6 The Head of OD, Communications and Policy advises that it takes approximately 190 days from the commencement of a voluntary trawl process to the day by which an employee would be released and as such it can be seen from Appendix 2 that, unless the process commences by September, then a full year saving for those employees released will not be achieved in 2019/20. The knock- on impact of this is that either more savings are required to ensure the 2019/20 Budget is balanced or that reserves are used to fund the budget shortfall prior to the release of the employees. The Members Budget Working Group (MBWG) supports delaying the commencement of any Voluntary Severance Trawl until the savings which are to be progressed are known.

- 2.7 A comprehensive public consultation specific savings proposals was carried out as part of the 2018/19 Budget. The MBWG supports the need for a less specific consultation exercise prior to Christmas including the active promotion of savings ideas from both the public and Council employees. More detail is given in Appendix 3.
- 2.8 Officers continue to identify potential adjustments which would close the funding gap and Appendix 4 contains those identified to date and Committee are asked to approve these. This will reduce the estimated funding gap to £3.93 million.
- 2.9 Negotiations in respect of the 2018/19 pay award are ongoing. The Council's 2018/19 Revenue Budget included sufficient funding to meet the cost of the "National Public Sector Pay Award" announced by the Cabinet Secretary. i.e. 3% increase for those earning under £36,500, 2% increase for those between £36,580 and £80,000 and £1600 for those over £80,000. Since this date, a pay award of 3% for all employees earning up to £80,000 for the Health Service was announced and at least one Trade Union has rejected the CoSLA offer which reflected the Cabinet Secretary's announcement. Any increase for Local Government employees and teachers above the sum announced by the Cabinet Secretary will either have to be funded by the Scottish Government or the funding gap for 2019/20 will increase commensurately.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee considers the contents of this report and agrees:
- a) that the Budget be developed on the basis of a one year (2019/20) budget with the opportunity for Members to take decisions beyond this time should sufficient information become available.
 - b) that no VER trawls or decisions on specific saving be taken until greater certainty on the overall funding gap is known.
 - c) that officers progress a Budget Consultation with the Public and Employees as set out in Appendix 3.
- 3.2 It is recommended that the Committee agrees those adjustments valued at £331,000 contained in Appendix 4.
- 3.3 It is recommended that the Committee notes the current position of the 2018/19 pay negotiations and the potential impact on the 2019/20 Funding Gap.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Policy & Resources Committee has previously confirmed that ideally the Council would set multi-year budgets to provide greater certainty in terms of the Council's finances, certainty to service users and greater certainty to employees. This approach has proven challenging in recent years due to the continuation of single year funding announcements from the Scottish Government. The Scottish Government contends that due to the considerable financial and economic uncertainty in recent years then it has not been possible to provide budget information for more than one year at an individual Council level with any degree of certainty.
- 4.2 The UK Government has provided indicative figures for the Scottish Government's overall settlement for the period to 2022 and these figures have been used within the Scottish Government's own Medium Term Financial Strategy that was reported to the August Policy & Resources Committee. However, it should be noted that the UK Government has indicated it is going to undertake a comprehensive spending review in 2019 which may impact on these figures and as such strong indications are being received from Scottish Government officials that once again Local Government will receive a single year budget settlement for 2019/20.
- 4.3 The Council undertook a significant voluntary early release trawl exercise in 2018, trawling some 700 employees and receiving a number of expressions of interest for release many of which were not able to be accepted as Members did not ultimately approve savings in those areas.
- 4.4 The Council also undertook an extensive Public Consultation exercise in early 2018 with over 1370 responses via the online budget simulator plus other contributions through public drop in sessions or direct correspondence.

5.0 DECISIONS REQUIRED

- 5.1 The Council has previously agreed its intention to ensure that by the end of this current Council period i.e. 2022/23 the Council has a fully balanced Revenue Budget whereby recurring income matches recurring expenditure i.e. no use of Reserves to finance ongoing service delivery. An approach whereby Reserves could be used to smooth the impact of any savings over the period to 2022/23 was agreed in principle as part of last year's budget process and £3 million of Reserves have been set aside to support this strategy within the Earmarked Reserves.
- 5.2 In light of the strong likelihood that the Scottish Government will only announce a single year's Grant Settlement figure in December 2018 then the Committee is asked to agree that the Council mirror this approach within its budget setting deliberations but with the option to take formal decisions covering a longer period should sufficient robust information come available.
- 5.3 The Committee is advised that there were approximately £4.7 million savings which were subject to Public Consultation which were not agreed by the Council as part of the 2018/19 Revenue Budget. In addition there were a further £6.95 million of savings for which a detailed savings sheet was prepared by Officers but which at the time the MBWG did not agree to include within the Public Consultation exercise. The MBWG has also asked Officers to investigate a number of other savings opportunities whilst officers continue to progress projects within the Delivering Differently programme to identify further potential savings.
- 5.4 The MBWG plans to review all these savings over coming months and as was the case with last year's budget, arrive at a view on which could form the basis of a balanced 2019/20 Budget. The intention at present being to report this to the Full Council on 21 February 2019.
- 5.5 Related to the identification of potential savings is the need to address any employee implications which may arise from savings ultimately agreed. Appendix 2 of the report indicates that once any areas where trawls are to be carried out are confirmed, there is a period of up to 196 days before employees are released. It can therefore be seen that unless decisions are taken in the very near future, then it would not be possible to get a full year's saving in 2019/20.

- 5.6 The net effect of this is that the Council would require to use one off funding from Reserves to fund the resultant budget shortfall until the employee could be released and the saving realised. It should be noted that this same impact will occur for those savings which do not involve employees but for which there is an unavoidable lead time in terms of their delivery.
- 5.7 The Head of OD, Communications and Policy would advise of the impact on employee morale of seeking expressions of voluntary early release interest and then advising employees that their expression of interest is not going to be progressed. Last year this situation occurred with over 100 employees and managers have reported examples where demotivation has occurred. Having considered this the MBWG would recommend that any trawl should only commence once there is far greater certainty on the savings being agreed. This clearly will have an impact on the timescale for delivering savings in 2019/20 and also the level of reserves which will need to be allocated to meet any funding gap.
- 5.8 A comprehensive public consultation on specific savings proposals was carried out as part of the 2018/19 Budget. The Members Budget Working Group supports the need for a less specific consultation exercise prior to Christmas including the active promotion of savings ideas from both the public and Council employees. More detail is given in Appendix 3.

6.0 OTHER INFORMATION

- 6.1 Officers continue to identify potential adjustments which would close the funding gap and Appendix 4 contains those identified to date and the MBWG support these proposals. If agreed, these adjustments will reduce the estimated funding gap to £3.94 million
- 6.2 One of the major unknowns in respect of both the 2018/19 Budget and also the 2019/20 Budget is in respect of the pay award. Whilst the Council made an allowance within its 2018/19 Revenue Budget to meet the "Public Sector Pay Award" announced by the Cabinet Secretary in January 2019, this pay award has not been accepted by any of the Trade Unions to date. Any increase in this sum will increase the funding gap in 2019/20.
- 6.3 As was highlighted to the Policy & Resources Committee in August, the Scottish Government's pay policy included in its Medium Term Financial Strategy indicated a continuation of the 2018/19 Pay Award as its medium assumption. It is important that Members are aware that this is greater than the amount built in to the mid-range savings gap previously reported in the Financial Strategy.

7.0 IMPLICATIONS

7.1 Finance

The financial implications are as outlined in the body of the report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Various	Various	2019/20	(325)		See Appendix 4

7.2 Legal

The legal implications are as outlined in the body of the report.

7.3 Human Resources

In order to close a funding gap of the scale of that indicated within the Financial Strategy there will undoubtedly be implications for the Council's workforce and these need to be considered at this point in time to ensure that employees are consulted with appropriately and that savings are delivered timeously. The CMT continue to meet with the Trade Unions via the Joint Budget Group.

7.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.5 Repopulation

At this point in time this report contains no implications in respect of the Councils Policy of encouraging repopulation.

8.0 CONSULTATIONS

8.1 The contents of this report have been endorsed by the Members Budget Working Group and have been discussed with the Trade Unions via the Joint Budget Group.

9.0 LIST OF BACKGROUND PAPERS

9.1 None

2019/20 Budget
Proposed Key Dates

Date	Action
18 th September	P&R Committee approve budget period, savings strategy, approach to budget consultation & budget adjustments.
October/November	Officers progress a general public and employee consultation as per the proposal in Appendix 3.
October - December	Officers update the previously discounted 2018/19 savings proposals, new potential savings and Delivering Differently projects and report as required to the MBWG.
w/c 17 th December	Expected week for the Local Government budget announcement.
January/mid- February	MBWG review all savings areas and identify options to balance the 2019/20 Budget.
21 st February	Council to approve Band D Council Tax for 2019/20 and intended Budget Setting Day.
March - June	Officers undertake VER trawls and implement approved savings.

AP/CM
14/08/18

Potential Trawl Timeline

Timescale	Proposed Action
Day 1	Proposed formal voluntary severance trawl in targeted areas. Communications out to staff.
Day 15	Responses Received from Formal Trawl
Day 22	Provisional figures requested from SPFO.
w/c day 64	Provisional figures to employees asking if they wish to proceed (subject to final budget decisions?)
Day 65 - 99	Responses from Staff confirming they wish to be released.
w/c day 106	Formal notice issued to employees (provisional?) stating release <date>
Day 196	Earliest release date for employees

Employee and Community Budget Engagement Autumn/Winter 2018

The following process is proposed to engage with and gather feedback from council employees and the wider community as part of the 2018 budget consultation.

Employee Engagement

- Develop feedback form on ICON to allow employees to submit their budget saving suggestions
- Tie in with Your Council, Your Say branding
- Request will go out to Service Managers and Team Leaders to have budget savings as a topic on all meetings, especially for those who do not have ICON access
- 4-6 week push to ask employees to submit their suggestions
- Suggestions gathered and sorted into service areas
- Corporate Directors review and filter suggestions
- CMT consider suggestions
- List submitted to Members Budget Working Group for consideration
- Potential for incentives or a new Pride of Inverclyde category for best idea, or idea which saved the most money

Public Engagement

- Review of previous budget engagement which has taken place with key themes and issues highlighted (potentially linked to Corporate Priorities)
- Suggestion form to be developed and set up on Council Website, with list of the key themes that communities have already told us of in previous engagement
- Question would be to ask 'What other ideas do you have to help us save money?'
- Suggestions gathered and sorted into service areas
- Corporate Directors review and filter suggestions
- CMT consider suggestions
- List submitted to Members Budget Working Group for consideration

Promotion & Timescales

It is proposed that both processes would be completed and reported to the MBWG in December 2018.

Mechanisms to promote the budget engagement will be similar to previous years and will include:

- Website – 'Yoursay' Branding
- Advertise in InView
- Circulate information to local organisations via CLD and CVS Inverclyde.
- Inverclyde Alliance Board
- Link with services to make sure we reach the 'hard to reach' groups and their customer base.
- Business Community

**2019/20 Budget
Adjustments as at 17.08.18**

ERR	Full Year Savings £000	Comments
1/ Vehicle Replacement Programme	26	Saving from buying 17 Electric vehicles.
2/ New Corporate Calls Contract	33	Saving per contract entered into in 2018.
	2019/20 £000	Comments
ECOD		
1/ 1 + 2 Languages	35	In core budget in error.
2/ Catering Provisions	35	Reflects 2017/18 Out-turn.
3/ Leisure Inflation Allowance	25	In core budget in error.
	2019/20 £000	Comments
HSCP		
1/		
2/		
	2019/20 £000	Comments
Corporate		
1/ Former Employee Pensions	40	Reflects 2017/18 Out-turn.
2/ Bad Debt Provision	20	Delete Sundry Debt general provision.
3/ Internal Resources Interest	100	Reflects 2017/18 Out-turn.
4/ Revised Turnover	17	Reflects review of Corporate target.

Total 331

AP/CM
31/8/18

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Chief Financial Officer	Report No:	FIN/89/18/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Council response to NDR Consultation – Barclay Review		

1.0 PURPOSE

- 1.1 The purpose of this report is to obtain Committee approval for the Council's response to the Scottish Government Consultation on proposed changes to Non Domestic Rates arising from the Barclay Review.

2.0 SUMMARY

- 2.1 The review of Non Domestic Rates in Scotland by Kenneth Barclay was published on 22 August 2017. The review made 30 specific recommendations of which 28 were accepted in full or in part by the Scottish Government who are in the process of progressing these.
- 2.2 Some of the recommendations in the Barclay report will have operational/administrative implications for the Council in its role as billing and collecting agent for the Scottish Government in Non Domestic Rates whilst others will have financial implications for the Council in its role as a rate payer. The major implication in the public sector however will fall on the assessors with the proposed move to 3 yearly revaluations as opposed to the 5 yearly revaluation. Cosla are co-ordinating input from the Assessors, Directors of Finance, IRRV and the Chief Financial Officer represents the Director of Finance section on the Implementation Advisory Group chaired by the Scottish Government.
- 2.3 The Scottish Government opened a consultation on the proposals which has a closing date of 17 September 2018 and given the importance to the Council and the impact on its wider Economic Regeneration agenda, the CMT agreed that a response be submitted via the Policy & Resources Committee.
- 2.4 Aside from the move to 3 yearly revaluations there are a number of other matters covered in the Consultation including changes to empty property relief, introducing general anti-avoidance regulations to close loopholes exploited by some rate payers, improvements to the information provided to businesses by Councils, new powers to obtain information from rate payers and removal of exemptions for a number of sectors from Non Domestic Rates. The full consultation document is attached as Appendix 1 and the Council's proposed response is attached as Appendix 2.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee considers the Council's response to the current Non Domestic Rates consultation and approves its submission to the Scottish Government no later than 19 September 2018.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Kenneth Barclay undertook a comprehensive review of Non Domestic Rates within Scotland and reported on this to the Scottish Government on 22 August 2017.
- 4.2 The report contained 30 specific recommendations ranging from relatively minor housekeeping/administrative improvements to major changes such as removal of Non Domestic Rates relief from ALEOs to the move from 5 yearly revaluations to 3 yearly revaluations.
- 4.3 The Scottish Government considered the contents of the Barclay review and accepted in full or in part 28 of the recommendations. One which was not accepted was the removal of Non Domestic Rates relief from ALEOs however restrictions on the level of relief for ALEOs have now been implemented.

5.0 CURRENT POSITION

- 5.1 An implementation advisory group has been created by the Scottish Government and has met on a number of occasions with representation from COSLA, Directors of Finance, Assessors, IRRV, and various business organisations. The purpose of the group is to review the proposals and discuss the practicalities and wider implications of implementation of the recommendations accepted by the Scottish Government. The Council's Chief Financial Officer represents Directors of Finance on this group.
- 5.2 One of the main roles of the Implementation Advisory Group has been to help form the consultation document which was issued by the Scottish Government earlier in the summer of 2018 and for which responses close on 17 September 2018. The full consultation is attached as Appendix 1.
- 5.3 Given the potential implications for the Council both as the billing and collection agent for the Scottish Government and also as the rate payer, it is important that the Council responds to this consultation and as such, the Corporate Management Team agreed a response be put before the Policy & Resources Committee on 18 September. Thereafter, the final submission should be submitted to the Scottish Government on 19 September.

6.0 IMPLICATIONS

6.1 Finance

It is clear from the proposals that there will be a requirement for administrative changes including changes to software systems and the costs of this are currently being assessed at a national level. In addition, the Council will have a greater role in carrying out inspections of properties to verify reliefs and again there is likely to be a cost involved in this role.

The financial impacts arising from changes to the reliefs have largely been mitigated in the Council by the fact that the withdrawal of the reliefs from ALEOs was not agreed by the Scottish Government, albeit a ceiling has now been placed on each Council as to the level of relief. This will impact on the Council if it wishes to expand the property footprint within Inverclyde Leisure. The other significant impact on the Council is reductions in relief for empty industrial properties however, as the bulk of public sector industrial units are now operated by Riverside Inverclyde the direct impact on the Council will be reduced. Once it becomes more apparent what the actual financial implications of any approved regulations are then these will be brought back to Members either through the budget process or through specific reports.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

6.2 Legal

The Scottish Government propose to progress primary legislation later in 2018 to implement large parts of the Barclay review whilst other aspects are being progressed outwith the legislative process due to their administrative nature.

6.3 Human Resources

The Council has an extremely limited Non Domestic Rates resource and implementing the changes proposed will be challenging. Discussions are ongoing with a number of other Councils regarding a potential Non Domestic Rates collaborative and further reports will be brought back to Committee on this matter.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

6.5 Repopulation

There are no direct implications from this consultation response and the Scottish Government aspiration through implementing these changes is that it will create an environment which will potentially help support town centres and redistribute the burden of Non Domestic Rates throughout Scotland.

7.0 CONSULTATIONS

7.1 The contents of the consultation response have been endorsed by the Corporate Management Team and the Head of Regeneration and Planning.

8.0 LIST OF BACKGROUND PAPERS

8.1 Report of the Barclay Review of Non Domestic Rates – 22 August 2017.

Barclay Implementation

A consultation on non-domestic rates reform

Ministerial Foreword



As Cabinet Secretary for Finance, I am always seeking opportunities to make Scotland a better place to do business.

That is why when the *Report of the Barclay Review of Non-Domestic Rates* was published, I not only responded quickly but also built on some of the recommendations to create a competitive advantage for Scottish ratepayers. I believe those measures along with others in the Budget strike the right balance between offering a competitive and sustainable taxation environment while delivering sufficient resources to fund the public service upon which we all rely.

On 1 April this year I introduced a number of measures to underpin that competitive advantage. The growth accelerator and 100% relief for new build properties until first occupied will support speculative development and encourage improvements to our building stock. And our new targeted nursery relief will support a sector that is vital to ensuring an inclusive workforce. These measures are unique in the UK and apply equally to the public, private and third sectors.

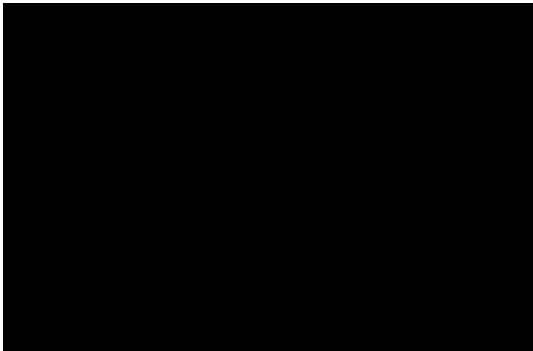
I am confident that these measures will not only attract new investment into Scotland, but also incentivise new developments and support employment.

Rates reform is a multi-faceted and multi-disciplinary piece of work, and to inform the implementation of the Barclay Review recommendations, I have convened an Implementation Advisory Group. I wish to thank the organisations represented on that Group for their work informing the drafting of this paper and their on-going work in progressing other non-legislative reforms.

Several of the Barclay recommendations require primary legislation and it is my intention to introduce a Bill during the current term of Parliament.

While the strategic direction of the reforms has been set by the Barclay Review, this consultation document seeks views on the specific details of how that legislation will work in a number of areas. This, along with the continued work of the Implementation Advisory Group and the targeted stakeholder engagement I plan to take forward over the Summer, will ensure the legislation I intend to bring forward in early 2019 not only delivers the recommendations of the Barclay Review swiftly but also efficiently and effectively.

No final decisions have yet been taken on the legislation ahead of the consultation or the final report of the Implementation Advisory Group and I would encourage all stakeholders to engage fully with this consultation process and I look forward to hearing your views.



Derek Mackay MSP

Cabinet Secretary for Finance and the Constitution

Background

1. Over the period from July 2016 to August 2017, Ken Barclay led a review into the business rates system in Scotland under the following remit -

“To make recommendations that seek to enhance and reform the non-domestic rates system in Scotland to better support business growth and long term investment and reflect changing marketplaces, whilst still retaining the same level of income to deliver local services upon which businesses rely.”
2. The Barclay review published its final report on 22 August 2017 and made 30 recommendations to The Scottish Government.
3. In a statement to Parliament¹ and accompanying publication² on 12 September 2017, the Cabinet Secretary for Finance and the Constitution responded to 25 of the recommendations, accepting the vast majority, and noting that the remaining five required further engagement and consideration. Following that engagement, a further response was confirmed on 28 November 2017 in respect of council arm’s-length external organisations (ALEOs)³.
4. On 14 December an implementation plan including substantive responses to all 30 recommendations together with the Government’s implementation actions was published⁴. That included measures which went beyond what Barclay recommended, including several that are unique within the UK.
5. The overall response, ensures that Scotland offers the most competitive package of non-domestic rates reliefs in the UK.
6. To inform delivery of our Barclay response, Scottish Government convened an Implementation Advisory Group to advise on the details of a number of Barclay recommendations. The group has met several times so far and their views have informed this consultation paper. They will continue to meet to progress administrative reforms and discuss progress of primary legislation.
7. Several Barclay recommendations can be implemented administratively but others require the Government to bring forward legislation. The detail for each recommendation is set out in the table below.

¹ <https://news.gov.scot/speeches-and-briefings/response-to-the-report-of-the-barclay-review-of-non-domestic-rates>

² www.gov.scot/Topics/Government/local-government/17999/11199/NDRministerialstatement120917

³ <https://news.gov.scot/news/sports-arts-and-community-centres-to-keep-rates-relief>

⁴ <https://beta.gov.scot/publications/barclay-review-of-non-domestic-tax-rates-implementation-plan/Barclay%20review%20of%20non-domestic%20rates%20-%20implementation%20plan.pdf?inline=true>

Summary of Barclay recommendations

Table 1: Barclay recommendations - summary

Number	Description	Status	Legislation needed
1	Business growth accelerator	Accepted -implemented 1 April 2018	Secondary legislation (completed April 2018). Option for primary legislation-informed by this consultation paper
2	Three yearly revaluations	Accepted	Primary legislation needed. Informed by this consultation paper
3	Reduction in large business supplement	Accepted	Will be implemented by secondary legislation when affordable
4	New relief for day nurseries	Accepted – implemented 1 April 2018	Secondary legislation (completed April 2018)
5 a	Expanding fresh start relief to benefit town centres	Accepted – implemented 1 April 2018	Secondary legislation (completed April 2018)
5 b	Pilot scheme to increase rates out of town	Accepted	Primary legislation needed. Informed by this consultation paper
6	Review of plant and machinery valuation	Accepted	None. Administrative change
7	Review of Small Business Bonus Scheme	Accepted	None. Administrative change
8	'Road map' for future rates changes	Accepted	None. Administrative change
9	Provision of better information	Accepted	None. Administrative change
10	Relief recipients to be published	Accepted	None. Administrative change
11	Employ rateable value finder product	Accepted	None. Administrative change
12	More transparency & consistency from Assessors	Accepted	None. Administrative change
13	Greater information gathering power for Assessors	Accepted	Primary legislation needed. Informed by this consultation paper
14	Standardised rates bills across Scotland	Accepted	None. Administrative change
15	Incentivise online billing	Accepted	None. Administrative change
16	Penalty for non-provision of information to councils	Accepted	Primary legislation needed. Informed by this consultation paper
17	Councils to make refund payments faster	Accepted	Administrative change
18	Enable quicker debt recovery from ratepayers	Accepted	Primary legislation needed. Informed by this consultation paper
19	Reform of the appeals system	Accepted	Primary legislation needed. Informed by this consultation paper
20	General Anti-Avoidance Rule (GAAR)	Accepted	Primary legislation needed. Informed by this consultation paper
21	Close empty property relief loophole	Accepted	Primary legislation needed. Informed by this consultation paper
22	Close SBBS second homes loophole	Accepted	Primary legislation needed. Informed by this consultation paper
23	All relief awards to be checked for errors	Accepted	None. Administrative change
24	Reform charity relief	Partially accepted	Primary legislation needed for part of this recommendation. Informed by this consultation paper
25	Relief restricted to properties in active occupation	Accepted	Primary legislation needed. Informed by this consultation paper
26	Reform empty property relief	Accepted	Primary legislation needed. Informed by this consultation paper
27	Sports relief for affordable community facilities	Accepted	Primary legislation needed. Informed by this consultation paper
28	All property should be on valuation roll	Will not be progressed	N/A
29	Commercial agricultural processing	Will not be progressed	N/A
30	Commercial activity on parks etc.	Accepted	Primary legislation needed. Informed by this consultation paper

Introduction and how to get involved

8. The Scottish Government continues to engage with stakeholders on the implementation of Barclay, and this consultation paper seeks your views on those Barclay recommendations (highlighted in Table 1) which require primary legislation. A glossary explaining some rating terminology is at **Annex A**.
9. The recommendations requiring primary legislation appear in the following pages set out using Barclay's numberings and respective groupings of measures to support growth, to improve administration and to increase fairness.
10. The drafting of this consultation paper has been informed by the Implementation Planning Group, the membership of which is found at **Annex B**.
11. A partial Business and Regulatory Impact Assessment (BRIA) has been produced to accompany this consultation paper.
12. All correspondence should be addressed to NDR@gov.scot

Process

13. There will be a 12 week consultation period, which will run from 25 June to 17 September 2018. All responses will be published where consent is given shortly thereafter and each response will be considered fully.
14. It is our intention to introduce primary legislation following analysis of responses to this consultation.

CONSULTATION ON BARCLAY IMPLEMENTATION

MEASURES TO SUPPORT GROWTH

Barclay recommendation 1

A Business Growth Accelerator – to boost business growth, a 12 month delay should be introduced before rates are increased when an existing property is expanded or improved and also before rates apply to a new build property.

15. Secondary legislation has delivered these policies with effect from 1 April 2018 and similar secondary legislation will be laid in all future years to which this policy applies.
16. To simplify the current application based relief, an alternative would be to create a time delay in primary legislation to ensure that increases in rateable value due to a new property being built and occupied or improvements to an existing property do not take effect for a set period. To allow future flexibility, this could include a power to enable Ministers to vary the time delay by Regulations (either increasing or decreasing the current 12 months delay period depending on prevailing circumstances and affordability). This would also have the benefit of removing the need for ratepayers to apply for relief, ensure consistency in the approach across Scotland and reduce administration of relief applications by Councils.
17. Currently, secondary legislation has delivered these policies with effect from 1 April 2018 and similar secondary legislation will be laid in all future years to which this policy applies. However, the legislation is complex and primary legislation could simplify this.
18. In addition to recommendation 1, the Scottish Government went beyond Barclay and introduced a further measure which, from 1 April 2018, will see new-build properties receive 100% relief until first occupied.
19. To remove the need for the current application based relief for new build unoccupied property primary legislation could alternatively adjust the duties of the Assessor in relation to entries in the valuation roll. This would ensure a new build property would be entered on the roll only on the date of occupation. Again, this would simplify the process for ratepayers by removing the need for applications.
20. Alternatively annual secondary legislation could have the same effect.

Question 1 – What are your views on how the growth accelerator and new unoccupied build should be treated in legislation?

Barclay recommendation 2

There should be three yearly revaluations from 2022 with valuations based on market conditions on a date one year prior (the 'Tone date').

21. In order to reflect changes that occur over time, property valuations for rates are reassessed at regular intervals as part of a process known as Revaluation. At each revaluation, the Assessors have to determine the rateable value of each property at a fixed point in time, known as the Tone date. Currently legislation sets Non-Domestic Rates revaluations at five yearly intervals with the Tone date two years prior. We will legislate to change the revaluation cycle to allow three yearly revaluations with a one year Tone date from 2022 onwards. Barclay was clear that more frequent revaluations ahead of 2022 was not possible.
22. More frequent revaluations mean the timetable for dealing with the resulting appeals is reduced by two years. As such, the Implementation Advisory Group advise that delivery of this recommendation is heavily reliant on reforms to the appeals system (Recommendation 19) to ensure appeals are dealt with timeously and the vast majority are cleared before the start of the next revaluation cycle.

Question 2 – Do you have any comments on three yearly revaluations?

Barclay recommendations 3, 4 and 5 (a) do not require primary legislation and are outwith the scope of this consultation.

Recommendation 3 is for the large business supplement to be reduced when affordable, recommendation 4 is for a new day nursery relief, which was introduced in April 2018 and 5 a) is for an expansion of Fresh Start, which came into force on April 2018.

Barclay recommendation 5 b)

A new power to enable councils to impose an additional levy on rates in certain circumstances.

23. Barclay suggested a new discretionary power for councils to apply modest rates supplements in certain circumstances from 2020 for out-of-town ratepayers or predominantly online ratepayers. The proceeds would be used to support ratepayers in town centres. This should be a pilot scheme (involving no more than three towns) and must be subject to a formal evaluation to determine whether those pilots were successful prior to any further rollout.

24. The Implementation Advisory Group acknowledges that the Scottish Government has already committed to implement these pilots, but recommend that this measure include a number of safeguards.

25. It was suggested that those safeguards could include one or more of the following:

a) A cap on the level of supplement set in legislation determined by Scottish Ministers. As an example, this could be linked to the prevailing poundage rate (e.g. no more than a set percentage of the annual poundage rate).

b) A requirement for Ministerial and/ or Parliamentary approval for each scheme. If parliamentary scrutiny is considered appropriate this could be achieved by laying of Regulations for each pilot scheme.

c) A requirement for the local Council to consult on the scheme, including with local ratepayers and to publish analysis of this consultation prior to any approach being made to the Scottish Government to take part in a pilot scheme.

d) A requirement for local ratepayers to have a say on how proceeds from the supplement are spent (similar to the Business Improvement District model).

The Implementation Advisory Group also strongly supported Barclay's view that this should only be a pilot scheme and must be formally assessed prior to any wider rollout.

Question 3 – From 2020 a small number of pilot councils will have a new power to increase rates paid by out of town or predominantly online businesses.

a) Do you agree or disagree with putting in place safeguards?

b) Please explain your response to (a) including what the safeguards should be if you agree they are required.

Question 4 - Do you have any comments on the criteria and process which should be used to assess the pilot scheme(s)?

Barclay recommendation 6 is for a review of plant and machinery valuations. This has commenced by a separate process reviewing hydro valuations. This review is currently underway and is outwith the scope of this consultation.

Barclay recommendation 7 is for an review of the Small Business Bonus Scheme (SBBS). The Scottish Government are committed to implementing this recommendation, which will commence in 2018, and findings will be available in time to inform the 2022 revaluation. This recommendation is subject to separate process and is outwith the scope of this consultation.

MEASURES TO IMPROVE ADMINISTRATION

Barclay recommendations 8 - 12 are administrative and are outwith the scope of this consultation

8 - The Scottish Government should provide a 'road map' to explain changes to the rating system and should consult whenever possible on those changes, prior to implementation.

9 - There should be better information on rates made available to ratepayers – co-ordinated by Scottish Government.

10 - A full list of recipients of rates relief should be published to improve transparency.

11 - A "rateable value finder" product should be used – to identify properties that are not currently on the valuation roll, so as to share the burden of rates more fairly.

12 - Assessors should provide more transparency and consistency of approach. If this is not achieved voluntarily, a new Scotland wide Statutory Body should be created which would be accountable to Ministers.

Barclay recommendation 13

The current criminal penalty for non-provision of information to Assessors should become a civil penalty and Assessors should be able to collect information from a wider range of bodies.

26. At each revaluation, the Assessors have to determine the rateable value of each property at a fixed point in time, known as the Tone date. Generally this involves information such as rent paid and details of rental agreements, but in certain cases may involve additional information such as construction costs or turnover.
27. Currently for certain areas or types of property the level and quality of information provided is low, meaning valuations may not be as accurate as they would otherwise be. This can result in the appeals system being used as the mechanism to correct valuations, putting undue burden on the appeal system and means the appeal process takes longer than it would otherwise.
28. The Scottish Government have committed to change primary legislation to remove the current criminal penalty for non-provision of information, which is rarely, if ever, used and replace this with a civil penalty, which will be simply to apply and enforce. This should incentivise higher information return rates and

ensure more accurate valuations. If valuations are more accurate, then fewer ratepayers should appeal resulting in less burden on the appeals system.

29. Any new penalty created will have to have a designated body that is responsible for administration and suitable provision for appeals against the penalty notice.
30. The penalty is not intended as a revenue raising measure, but rather an incentive to ensure better information from the outset and remove the need to rely on the appeal system to set valuations at the correct level.
31. The range of organisations/ individuals that the Assessors can request information from to inform valuations will also be considered for expansion.

Question 5 - What level(s) should this civil penalty be set at?

Question 6 - How should the penalty be set? Should it be a fixed penalty or proportionate to/ banded by rateable value?

Question 7 - Do you have any views on who is responsible for administering the penalty and the process for appeals against the penalty notice?

Question 8 - Which organisations/ individuals should be required to supply necessary information to the Assessors, where applicable?

Barclay recommendations 14 and 15 are administrative and will be taken forward without primary legislation and are outwith the scope of this consultation.

14 - Standardised rates bills should be introduced across Scotland.

15 - Ratepayers should be incentivised to sign up for online billing where available except in exceptional circumstances.

Barclay recommendation 16

A new civil penalty for non-provision of information to Councils by ratepayers should be created.

32. Barclay noted that it is important that Councils have up to date information on occupiers of non-domestic property to ensure that bills are accurate and relief is correctly applied.

33. This is required to prevent fraud, but also ensures the correct ratepayer is billed for the correct amount. The Scottish Government have committed to change primary legislation to create this penalty. This should ensure better information and more accurate bills issued to the correct ratepayers.
34. It is not intended to be a revenue raising exercise but penalties are intended to deter fraud and ensure information is kept up to date.
35. This runs in tandem with separate recommendations to ensure that Councils improve their services to ratepayers e.g. through faster repayment of any overpayments and better provision of information.
36. The Implementation Advisory Group believe there should be a duty for a ratepayer to inform the local council within 28 days of when they move in and move out of a non-domestic property and to provide any information on request by the Council within the same timeframe. This could include, but is not limited to, evidence of relief entitlement. The penalty could be an automatic fixed amount applied to bills or one which the Council has discretion over e.g. if there are extenuating circumstances the Council can waive the penalty.
37. Any new penalty created will have to have a designated body that is responsible for administration and suitable provision for appeals against the penalty notice.
38. The penalty is not intended as a revenue raising measure, but rather an incentive to ensure better information.

Question 9 - What level(s) should this penalty be set at?

Question 10 - How should the penalty be set? Should it be a fixed penalty or proportionate to / banded by rateable value?

Question 11 - Do you have any views on who is responsible for administering the penalty and the process for appeals against any penalty notice?

Question 12 - Should this be a mandatory penalty or one that the Council has discretion over (please indicate your preference and add any comments)?

Barclay recommendation 17 does not require primary legislation and is outwith the scope of this consultation.

17- Councils should refund overpayments to ratepayers more quickly.

Barclay recommendation 18

Councils should be able to initiate debt recovery at an earlier stage.

39. Currently debt recovery Council tax takes place earlier in the financial year than it does for rates. From 2020 the Scottish Government will bring debt recovery for both kinds of local taxation (non-domestic rates and Council tax) into line. This means a council will be able to initiate enforcement action for non-payment of rates earlier in the year to ensure fairness among all tax payers (both citizens and businesses). This may also reduce avoidance. It would also be an option to allow Councils some discretion over exceptional circumstances.
40. This runs in tandem with separate recommendations to ensure that Councils improve their services to ratepayers e.g. through faster repayment of any overpayments and better provision of information to ratepayers.
41. Ratepayers will also need to be aware that payments still need to be made regardless of whether a bill is in dispute, for example whilst an appeal is progressing. This could be achieved by including this information prominently on bills if it is not already included.

Question 13 - How should the debt recovery changes be communicated to ratepayers?

Question 14 - What are your views on whether Councils should retain a discretion over debt recovery to allow for any extenuating circumstances?

Barclay recommendation 19

Reform of the appeals system is needed to modernise the approach, reduce appeal volume and ensure greater transparency and fairness.

42. In the longer term, the functions of the current Valuation Appeal Committees (VACs) are expected to transfer to the Scottish Tribunals in 2022, noting that the functions of the VAC extend beyond those related to non-domestic valuation. Those reforms will be made under separate legislation, however one recommendation made by Barclay was that the outcome of an appeal should be to increase as well as decrease the rateable value of a property.
43. Currently the valuation appeals system is risk free for ratepayers in that the valuation may only decrease or remain the same. Whilst the majority of appeals result in no change for the ratepayer, and an appeal cannot increase the valuation even if there is new evidence to support such an outcome.

44. As noted in Recommendation 2, it is considered critical by the Implementation Advisory Group that the appeals system is reformed in order to deliver a more effective system and to support the move to three yearly revaluations.

45. It is not anticipated that this will impact on significant numbers of ratepayers, nor that it will raise significant amounts of revenue, but if during the course of an appeal it becomes apparent that a valuation is too low, this could be corrected to ensure fairness with other ratepayers.

Question 15 - How should this change be communicated to ratepayers?

Question 16 - Do you have any points about the change to allow valuation appeals to increase?

Barclay recommendation 20

A General Anti-Avoidance Rule (GAAR) should be created to reduce avoidance and make it harder.

46. There will always be those who try to avoid paying taxes to create a competitive advantage for themselves to the detriment of others.

47. Where possible, known loopholes will be closed (see recommendations 21 and 22). However, even as loopholes are closed, there will be those who look to new ways to exploit the system to create an unfair advantage.

48. The Implementation Advisory Group agrees that action should be taken to tackle those who deliberately avoid payment of taxation. A General Anti Avoidance Rule (GAAR), as used in other taxes, will also go some way to future proofing the system and allow Councils to act swiftly to tackle new avoidance tactics as they arise.

Question 17 - When the General Anti Avoidance Rule is introduced, do you have any recommendations or principles that this should encompass?

Barclay recommendation 21- *To counter a known avoidance tactic, the current 42 days reset period for empty property should be increased to 6 months in any Financial year.*

49. Currently, after a 42-day period of occupation a property can be eligible for empty property relief (e.g. 100% relief for six months for industrial property). This is open to abuse through patterns of occupation aimed at obtaining successive periods of empty relief.

50. The Scottish Government will change the rules around the eligibility for empty property relief to reduce this known avoidance tactic from 2020. This will increase the period a property must be occupied before a new period of empty property relief may be claimed from 42 days to 6 months. Barclay advised that the 6 month period should be discontinuous so as not to inhibit pop-up uses of empty premises.

51. Additional reforms to empty property relief are addressed under Recommendation 26.

Question 18 – How do we raise awareness of this change among ratepayers?

Question 19 – Do you have any further comments around the 6 month reset period for empty property relief?

Barclay recommendation 22

To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention to let for 140 days in the year and evidence of actual letting for 70 days.

52. Currently, for self-catering holiday accommodation to be entered in the valuation roll (and thereby be liable to non-domestic rates, rather than council tax), it must be made available for letting for a total of at least 140 days in the year in question. However, it need not actually be let for any period.

53. This is open to abuse, such as by owners of second homes who wish to avoid council tax, who claim a property is available to let with no actual intention of letting it. Such properties can then be eligible for 100% rates relief under the Small Business Bonus Scheme, with the outcome that no local tax is paid by the property (either non-domestic rates or council tax).

54. The requirement will be changed so that actual let for 70 days and intended let for 140 days must be evidenced by the ratepayer to allow the property to be able to be classed as a non-domestic property.

55. This could be either a mandatory requirement or one with local discretion to allow flexibility e.g. for small numbers of genuine self-catering properties where the individual property is incapable of being let for 70 days due to circumstances outwith the owners control. An example of this could be due to poor access to the property following a landslide or in the event of periods of prolonged adverse weather.

Question 20 - Should there be any local discretion in the application of this policy?

Question 21 - If your answer to question 18 is yes, under what circumstances should this discretion apply?

Barclay recommendation 23 is for the Scottish Government to check relief awarded and does not require primary legislation and is outwith the scope of this consultation.

Barclay recommendation 24

Charity relief should be reformed/restricted for a small number of recipients.

56. The Scottish Government will remove charity relief for most independent schools from April 2020 to bring independent schools into line with Council schools. However, the Scottish Government has committed that schools for children and young people with additional support needs that are in receipt of disabled persons relief or charitable relief will be able to retain that relief.

57. There may be a small number of independent schools with exceptional circumstances, such as specialist music schools that require further consideration.

58. Additional separate engagement will be undertaken with the sector.

The separate strand of this recommendation for ALEO (Arms Length External Organisations) properties is being taken forward administratively.

59. **Question 22** - How should independent schools with exceptional circumstances such as specialist music schools be treated?

Barclay recommendation 25

To focus relief on economically active properties, only properties in active occupation should be entitled.

60. This change will primarily impact on empty properties either previously occupied by charities which receive charity relief (not empty property relief) or empty properties that claim the more generous SBBS instead of empty property relief.
61. Active occupation must be defined in a way which does not give rise to avoidance so for example could include floor space used, accessibility to the public and/ or council, demonstration of accounts for a business in operation at the property. A combination of these or any other criteria could form the basis of a definition. An alternative could be for the General Anti Avoidance Rule to be utilised in cases where a property is not in active use, but claims a relief other than empty property relief.

Question 23 - How should active occupation be defined?

Barclay recommendation 26

To encourage bringing empty property back into economic use, relief should be reformed to restrict relief for listed buildings to a maximum of 2 years and the rates liability for property that has been empty for significant periods should be increased.

62. From 2020 empty listed property will receive 2 years 100% relief and thereafter receive 10% relief in line with other types of empty property. Additionally, any type of property that is empty for over 5 years, with the exception of listed property, will pay a 10% bill surcharge after 5 years. This will create incentives to bring all types of empty non-domestic property back into economic use.
63. It has been suggested by the Implementation Advisory Group that property in the planning process could be excluded from reforms, but this could have consequences if the planning system were abused with properties “parked” in the system to avoid payment of local taxation. An alternative may be to allow local discretion.
64. Additional separate engagement will be undertaken with the sector and the impact of this policy on the public sector will be considered.

Question 24 - What are your views on whether Councils should have discretion in the application of this measure for properties, so that local circumstances can be accounted for?

Barclay recommendation 27

Sports club relief should be reviewed to ensure it supports affordable community-based facilities, rather than members clubs with significant assets which do not require relief.

65. This relief is currently offered to affordable, community sports clubs and it is anticipated that 95% of current recipients of this relief will be unaffected.
66. However, a small number of clubs with very high fees and/ or membership policies which specifically exclude certain parts of the local community may lose relief as a result of reforms.
67. Options for reform could include incorporating a requirement for all beneficiaries to have inclusive and transparent membership policies, membership fees below a certain threshold, availability of the facilities to the local community or other criteria.
68. Additional separate engagement will be undertaken with the sector.

Question 25 - How should affordable/ community sports facilities be defined?

Barclay recommendations 28 and 29 will not be progressed by The Scottish Government and are outwith the scope of this consultation.

Barclay recommendation 30

Commercial activity on current exempt parks and Local Authority (council) land vested in recreation should pay the same level of rates as similar activity elsewhere so as to ensure fairness.

69. Currently public parks and land vested by the local authority in recreational purposes are exempt from entry in the valuation roll and hence commercial activity taking place on these pay no rates. From 2020 the Scottish Government will remove those exemptions and rates will become payable on the property or land within the park undertaking that activity.
70. Additional separate engagement will be undertaken with the sector.

Question 26 – How should commercial activity on parks be defined?

ANNEX A

Glossary

Appeal - The valuation appeals system allows a ratepayer to challenge the Assessors rateable value for their property. This has various stages, but initial appeals are heard by local panels.

Assessor - An independent public official who determines the rateable value of all properties entered on the valuation roll, along with other functions. Assessors must be members of the Royal Institution of Chartered Surveyors and work under a non-Statutory umbrella body called the Scottish Assessors Association.

Council Tax - a property tax levied on domestic property and used to fund local services.

Non-domestic rates - A property based tax, also known as business rates, levied on non-domestic property that is used to fund local services provided by the council, including those provided to businesses. The rating system is administered by councils.

Rateable value (RV) - For most property this is the Assessor's determination of one year's annual rent on the open market. This is determined by looking at rents for similar or nearby properties.

Ratepayer - Anyone who is liable for rates on a non-domestic property. Ratepayers include businesses, public sector, third sector and citizens.

Relief - A discount/ reduction applied to the rates bill of eligible properties. Most reliefs are funded by the Scottish Government, although councils do have discretion to create their own reliefs.

Revaluation - All properties are reassessed by the Assessors at a revaluation, the purpose of which is to redistribute the tax based on more recent market conditions. The last revaluation was in 2017, the next planned revaluation will be in 2022.

Tone date - The date at which all properties are valued by the Assessor. Currently this is 2 years before the revaluation date. Using a single date for all properties ensures fairness and allows the Assessor sufficient time to collect evidence from ratepayers. The Tone date for the 2017 revaluation was 1 April 2015.

Valuation Roll - A record of all non-domestic (business) premises valued by the Assessor, including their address, rateable value and other related data. Valuation rolls are searchable online at www.saa.gov.uk

ANNEX B

Membership of Implementation Advisory Group

The following organisations were represented on the group -

CBI Scotland

CoSLA

Federation of Small Business

Institute Revenue Rating and Valuation

Rating Surveyors Association / RICS

Scottish Assessors Association

Scottish Chambers of Commerce

Scottish Property Federation

Scottish Retail Consortium

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W W W . G O V . S C O T

Briefing Note to: Policy & Resources Committee
Subject: Barclay Implementation Consultation - Comments
Date: 18th September 2018
By: Alan Puckrin

Question 1 – What are your views on how the growth accelerator and new unoccupied build should be treated in legislation?

Answer – The Council would support primary legislation on the basis it should streamline processes for both Councils and Businesses.

Question 2 – Do you have any comments on 3 yearly revaluations?

Answer – Whilst this is clearly more a matter for Assessors there will be resource implications for both Assessors and the appeals process/system which will need to be addressed.

Question 3 – From 2020 a small number of pilot Councils will have a new power to increase rates paid by out of town or predominately online business

a) Do you agree or disagree with putting in place safeguards?

Answer – There should be safeguards but there needs to be sufficient flexibility locally for local solutions to be developed.

b) Please explain your response to a) including what safeguards should be in place if you agree they are required

Answer – The Council supports the proposals to run pilots as learning exercises however we do not see the need for parliamentary approval to be required in each case as if this is a matter for Councils then it should be left to Councils to implement.

Question 4 – Do you have comments on the criteria and process which will be used to assess the pilot schemes?

Answer – No

Question - 5,6,7,8

Answer – These are matters for the assessors to respond on.

Question 9 – What level should this penalty be set at?

Question 10 – How should the penalty be set? Should it be a fixed penalty or proportionate to/banded by rate or value?

Answer to Q9 and Q10 – The experience with Council Tax is that civil penalties are seldom used or enforced due to the relatively low value and the difficulty in collection. However if legislation was set to create a civil penalty for non-provision of information then it should be banded but not overly complex.

Question 11 – Do you have any views on who is responsible for administering the penalty and the process for the appeals against any penalty notice?

Answer – It should use the same administration and appeals process as exists for Council Tax.

Question 12 – Should this be a mandatory penalty or one the Council has discretion over?

Answer – It should be discretionary as there will be areas where it is debateable whether penalty should be applied or not and it will lead to unnecessary bureaucracy and dispute if such a charge becomes mandatory.

Question 13 – How should Debt Recovery changes be communicated to Rate payers?

Answer – There should be a multifaceted approach involving all media channels, business forums as well as communication directly with all Non-domestic rate payers through annual billing.

Question 14 – What are your views on whether the Council should retain discretion over Debt Recovery to allow for any extenuating circumstances?

Answer – A similar approach to Council Tax should be used where by normal billing and reminder processes are in force however Councils can agree an alternative repayment profile with debtor in extenuating circumstances.

Question 15 – How should this change be communicated to Ratepayers?

Answer – same answer as Q13

Question 16 – Do you have any points about the change to allow valuation appeals to increase?

Answer – The Council believes this is fair approach and will help concentrate appeals on those where there is a genuine case as well as creating a more level playing field. The knock on impact to neighbouring properties who did not appeal requires to be clarified.

Question 17 – When the general anti-avoidance rules are introduced do you have any recommendations or principle that this should encompass?

Answer – As the scale of rates avoidance is growing the anti-avoidance rules need to address the issue of “Phoenix Trading”; using shell or subsidiary companies as “tenants” for rating purposes, non-payment of rates, then dissolving the company leading to a write-off of rates due to “insolvency”. There should be a register of directors reported for “Phoenix Trading” and appropriate action requires to be taken to curtail this behaviour. Councils could have legal powers to hold parent companies liable for rates. Alternatively the responsibility for paying business rates could be placed on the owner of a property.

Rates avoidance through the Small Business Bonus Scheme should be addressed, we have experience of multiple limited companies qualifying for SBBS relief even though they have the same directors and carry out the same activity. In one case fourteen separate companies have been set up by the same directors, carry out the same activity, and qualify for SBBS at each of their fourteen properties.

Question 18 – How do we raise awareness of this change amongst Ratepayers?

Answer – same answer as Q13

Question 19 – Do you have any further comments around the six month reset period for empty property relief?

Answer - This change is to be welcomed, there is a growing trend for repeated short term periods of artificial/contrived occupancy. There should also be rules around de minimis occupancy such as “occupancy” by a Bluetooth device or minimal occupancy of a large unit by a charity at zero/minimal rent. Additionally the 6 month period should be assessed on a rolling 12 month basis and not restricted to Financial or calendar years as this creates artificial break points.

Question 20 – Should there be any local discretionary in the application of this policy?

Answer - There should not be any further local discretion over and above existing NDR hardship relief rules.

Question 21 – If your answer to Q20 is yes under what circumstances should this discretionary apply?

Answer – not applicable

Question 22 – How should independent schools with exceptional circumstances such as specialist music schools be treated?

Answer – The Council does not understand why teaching music should exempt a school from paying NDR. Surely the financial position of the school and achieving equity with public sector schools is the main requirement?

Question 23 – How should active occupation be defined?

Answer – To be in active occupation there should be a business activity or trading taking place from the premises. If the property is being occupied for storage purposes only then there should be a legitimate reason for the premises being used for this purpose. De minimis occupation or occupation by a Bluetooth device should not define a property as being actively occupied.

Question 24 – What are your views about whether the Council should have discretion in the application of this measure for properties, so that local circumstances should be accounted for?

Answer – The Council believes that it is correct to tighten up the legislation in this area and welcome separate engagement proposed in paragraph 64 of the consultation. There is also needs to be a review of the level of rateable value for derelict prominent buildings. At present it is too low for there to be incentive for owner to act to bring derelict properties back into occupation.

Question 25 – How should affordable/community sports facilities be defined?

Answer – The Council supports the proposals from paragraph 67 of the consultation.

Question 26 – How should commercial activity on parks be defined?

Answer – It is fair that business operating within parks should pay the same level of rates as similar activity elsewhere.

Report To:	Policy & Resources Committee	Date:	18 September, 2018
Report By:	Chief Financial Officer	Report No:	FIN/77/18/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Councils' Use of Arm's-Length Organisations – Report by the Accounts Commission		

1.0 PURPOSE

- 1.1 The purpose of this report is to bring to the attention of the Committee a recent report by the Accounts Commission on the use of ALEOs and to highlight relevant matters.

2.0 SUMMARY

- 2.1 Members have previously considered the contents of reports from the Accounts Commission and the Council's External Auditors on ALEOs and the governance which surround this issue. In 2011 the Committee approved a process whereby an annual report on the Governance of External Organisations (which includes ALEOs) is considered by the Policy & Resources Committee each November. This approach has been recognised as good practice by the Council's Auditors.
- 2.2 The rationale for creating an ALEO requires to be clear and be the result of an option appraisal process which sets out clear criteria and how these align with the overall Council Policy objectives. Recent changes to funding triggered by the Barclay Review of Non-Domestic Rates plus decisions by individual Councils is signalling a potential move away from ALEOs as a preferred model by Councils of arms-length service delivery.
- 2.3 The report stresses the need for Councils to meet their Following the Public Pound (FtPP) obligations when delivering services via an ALEO. This includes having documented roles and responsibilities around scrutiny, reporting and any Councillor involvement on ALEO Boards. The FtPP Code states that having Council representation on a board does not in itself achieve effective governance and that Councils should insist on regular reporting from the ALEO.
- 2.4 There are useful exhibits in the report which members may find helpful covering the rationale for Councillors being Directors of an ALEO and training and development requirements and who should deliver these. The report urges Councils to make ALEOs more accountable and there is a short checklist in paragraph 56.
- 2.5 Section 3 of the report recognises the achievements which many ALEOs are delivering including reduced costs, increased external funding and increased visitor numbers at leisure facilities. This reported performance is mirrored in respect of Inverclyde Leisure over the same period. There is less medium term data in respect of other ALEOs including those involved in Social Care. In addition, the report recognises that more needs to be done in developing qualitative measures and how these contribute to the wider social/community aims.
- 2.6 Finally, the report makes a number of recommendations which officers have assessed relative to the Council's position in respect of its two ALEOs. The Committee is asked to review the assessment and proposed actions contained in Appendix 2.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the content of the Accounts Commission report - Councils' Use of Arm's- Length Organisations and the matters the report raises.
- 3.2 It is recommended that the Committee approves the actions set out by officers in Appendix 2 and notes that progress on these actions will be reported back as part of the Annual Governance of External Organisations.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Members have previously considered the contents of reports from the Accounts Commission and the Council's External Auditors on ALEOs and the governance which surround this issue. In 2011 the Committee approved a process whereby an annual report on the Governance of External Organisations (which includes ALEOs) is considered by the Policy & Resources Committee each November. This approach has been recognised as good practice by the Council's Auditors.
- 4.2 There is no legal definition of what counts as an ALEO, however an accepted definition is that an ALEO is a separate body with its own legal identity set up by a Council to deliver services. The Council is accepted as currently having 2 ALEOs, Inverclyde Leisure and Riverside Inverclyde.
- 4.3 The latest Accounts Commission report (Appendix 1) on ALEOs is issued at a time when the context within which a number of ALEOs were created is changing and the report highlights the need to be clear about why an ALEO is the best service delivery model and the roles and responsibilities that Councils have in Following the Public Pound.

5.0 ACCOUNTS COMMISSION REPORT- KEY MESSAGES

- 5.1 The first section of the report examines how Council's use ALEOs and within this the rationale for Councils creating ALEOs in the first place. Some of the reasons include the ability to trade more widely or attract more funding added to which ALEOs have until very recently been able to access relief from Non-domestic Rates and this meant quite large potential savings for Councils, especially in the Leisure/Cultural sector. This section recognises that the climate around ALEOs may be changing with the aforementioned changes to NDR relief and also decisions by some Councils to bring certain ALEOs back in-house.
- 5.2 Overall the conclusion is that there needs to be a clear rationale, supported by Options Appraisal to create an ALEO and this rationale requires to be kept under regular review.
- 5.3 The second section examines how Councils oversee ALEOs and particularly in the context of Following the Public Pound (FtPP). The report highlights a number of key actions :
 - There need to be clear roles for Councillors and Officers in scrutinising ALEOs and holding them to account
 - Councils need formal processes to demonstrate that the use of the ALEO delivers value for money
 - Councils need to be clear on how conflicts of interest are dealt with and the report recognises this is more challenging for smaller Councils.
 - Council representatives on ALEO Boards need appropriate skills, experience and training
- 5.4 In exhibit 7 of the report, there are 6 Principles outlined and the CMT assessment of where the Council sits in respect of each is as follows:

The Council needs to have a clear purpose in funding an ALEO - The Council's two ALEOs deliver important services with funding being linked to regularly revised Business Plans which are approved by the relevant Committee.

The Council needs to set out a suitable financial regime - Again this is heavily linked to the Business Plan and in the case of Inverclyde Leisure, a separate Funding Agreement.

The Council needs to monitor the ALEO's financial and service performance – The Council has robust Governance processes in place for both ALEOs with regular meetings to discuss performance, officer attendance at Board Meetings and updates to Committee.

The Council needs to carefully consider representation on the ALEO Board – The Council has received reports over the years regarding Councillor representation on both Boards and has a protocol for selecting which members represent the Council.

The Council needs to set limits in involvement in the ALEO - The Councillors' Code of Conduct manages much of this area whilst the limitation of Council representation on the Board to under 50% ensures that the Council operates as a separate legal entity.

The Council maintains audit access to support accountability - The Chief Internal Auditor has access to undertake audits/investigations within both ALEOs and areas of risk within ALEOs form part of the assessment of Council- wide risk when the Audit Plan is being prepared.

- 5.5 The report highlights the need for ALEOs to make more information publicly available and paragraph 56 highlights some areas where this could be achieved, including making Board minutes and all governance documents available, publishing information in line with the Model Publication Scheme, complying with the Freedom of Information Act and adopting the SPSO guidelines in terms of handling complaints. An action in this regard will be included in the Action Plan in Appendix 2.
- 5.6 Section 3 of the report recognises the achievements which many ALEOs are delivering, including reduced costs, increased external funding and increased visitor numbers at leisure facilities. Inverclyde Leisure's figures are better than the Scottish average for ALEOs in all cases, added to which the Council's Management Fee continues to reduce on a like for like basis. The report recognises that there is less qualitative data on the performance of ALEOs and that more measures are required as to how ALEOs contribute social and community benefits.
- 5.7 The final section looks to the future and recognises the the role of ALEOs is evolving with some new types of ALEOs being created, eg Aberdeen Heat & Power, whilst there could be a reduction in the more traditional ALEOs given changes in NDR relief and the impact of the Living Wage etc. It is therefore important that the need and rationale for ALEOs is kept under regular review and Appendix 3 of the Accounts Commission report lists some factors for Members to consider.

6.0 ACTION REQUIRED

- 6.1 The CMT has reviewed the recommendations of the Accounts Commission report (Page 6 of Appendix 1) and has provided an update of where the Council currently sits against each issue. Actions have been highlighted where appropriate and , subject to approval of the Action Plan (Appendix 2), then progress against these actions will be reported as part of the Annual Governance of External Organisations Report due to go to Committee each November.

7.0 IMPLICATIONS

7.1 Finance

There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

7.2 Legal

All legal implications are identified within the body of the report.

7.3 Human Resources

There are no HR implications arising from this report.

7.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.5 Repopulation

High performing ALEOs which deliver benefits to the Council and the wider community will help make the area more attractive to current and potential residents.

8.0 CONSULTATIONS

8.1 The Corporate Management Team has considered the copy of this report and endorse its contents plus the actions contained in Appendix 2.

9.0 LIST OF BACKGROUND PAPERS

9.1 ALEOs – Are you getting it right? Accounts Commission, June 2011

Councils' use of arm's-length organisations



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
May 2018




The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Audit team

The core audit team consisted of: Carol Calder, Peter Worsdale and Derek Hoy, with support from other colleagues and under the direction of Ronnie Nicol.

Links

-  PDF download
-  Web link

Key facts



Number of ALEOs estimated in Scotland

130
ALEOs
turnover
£1.3bn

65
ALEOs
turnover
£550m

Number of charitable ALEOs. They receive an estimated relief of £45 million on non-domestic rates

4
councils

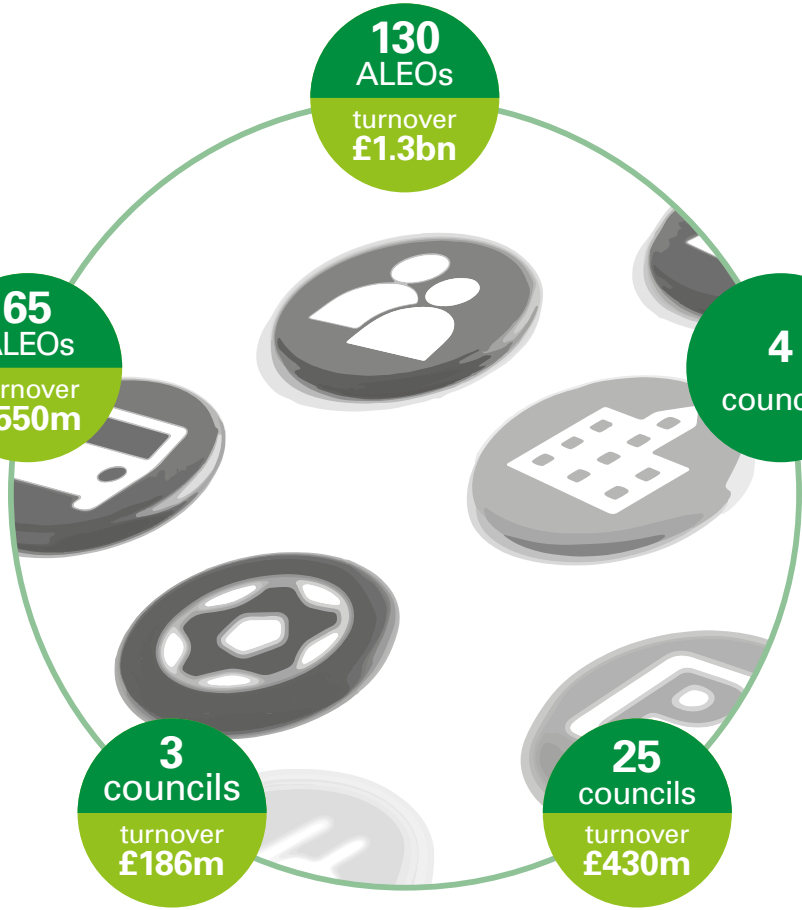
Four councils have eight or more ALEOs

3
councils
turnover
£186m

Number of councils with social care ALEOs. They employ over 5,300 FTE staff

25
councils
turnover
£430m

Number of councils with leisure and/or culture ALEOs



Summary



Key messages

- 1** Arm's-length external organisations (ALEOs) are separate organisations used by councils to deliver services. They can bring both financial and operational benefits.
- 2** Councils should consider the risks associated with ALEOs at the outset. Oversight, accountability and good management are essential. In managing ALEOs, councils should continue to apply the principles in the Following the Public Pound Code (FtPP).¹
- 3** Councils have improved and strengthened their oversight of ALEOs. They need to set clearer criteria for how councillors and officers are involved with ALEOs, and demonstrate more clearly how ALEOs secure Best Value.
- 4** Councils show improving practice in evaluating ALEOs as an option for delivering services. They could do more to involve the public and other stakeholders in the process.
- 5** Taxation advantages for registered charities have been a strong driver for councils establishing ALEOs. Following a Scottish Government review, these benefits are now less certain and some councils are exploring other options.
- 6** ALEOs have brought benefits including reduced service costs, increased uptake in sports and leisure, and improved standards of care. Councils need to better demonstrate how their use of ALEOs improves outcomes for people (by outcomes we mean the local improvements councils and their partners seek to make such as people's health and wellbeing, and a better-quality environment).
- 7** The context in which ALEOs operate is changing and cost pressures remain. Councils must have clear reasons for establishing ALEOs and consider alternatives. In doing so they should be clear on the risks involved, and work closely with local communities and businesses.

ALEOs have brought benefits but need to be managed carefully

Recommendations

We have identified the following recommendations for councils:

In deciding whether an ALEO is the best way to provide services over the longer term, while providing value for money, councils should:

- examine wider options that can bring similar benefits to ALEOs such as reorganising an existing service, sharing services with other councils, or involving the local community
- demonstrate how ALEOs help the council meet its objectives and improve outcomes for their communities
- set clear criteria for reviewing an ALEO, considering risks, performance and how it fits with council priorities.

Councils should continue to apply the Following the Public Pound (FtPP) principles ensuring that they:

- oversee the performance, financial position, and associated risks of ALEOs
- have clear reasons for appointing councillors and officers to ALEO boards, recognising the responsibilities and requirements of the role, and the risks of conflicts of interest
- provide training, support and advice from both the perspective of the council and the ALEO. This should include legal responsibilities, scrutiny and oversight, and conflicts of interest
- have processes in place to manage any potential conflict of interest of elected members and officers involved in the operation of ALEOs
- take an active role in managing their relationship with ALEOs, including their compliance to service level agreements, contracts and other obligations
- make information about ALEO funding and performance clear and publicly available.

Background

1. In local government, services can be delivered in a variety of ways. In Scotland the term arm's-length external organisation or ALEO, has come to be used where a separate body with its own legal identity is set up by a council to deliver services. Local government services are also delivered through community planning partnerships, integrated health and social care boards, valuation joint boards, and regional transport partnerships. Unlike these statutory arrangements, ALEOs can be created at the discretion of the council, within the boundaries set by local government legislation.

2. ALEO is a descriptive term for a delivery approach that can take many forms. It is not a legal definition. We describe an ALEO in [Exhibit 1](#).

Exhibit 1

What is an ALEO?



Arm's-length external organisation



An arm's-length external organisation (ALEO) is a term used to describe an organisation that is formally separate from the council but is subject to its control or influence. The level of control or influence can vary.



ALEOs can take many forms including companies, community enterprises, charitable organisations and trusts. Services they deliver include leisure, transportation, property development, and care services.



The council might own the ALEO. It might have representatives on the ALEO board. It might be the main funder or shareholder of an ALEO.



ALEOs can be set up as non-profit-making organisations and as charities to promote public benefit in areas such as health, education, recreation and equal opportunities.

Source: Audit Scotland

3. ALEOs are an established feature of local government in Scotland. Their use grew throughout the 1990s in areas such as sports and leisure and urban regeneration, and they are now used by most councils to provide a range of activities. Arm's-length organisations are also long established in England and Wales and are used in areas such as buildings management, social care, housing and children's services. Depending upon their form and functions they may be referred to as arm's-length organisations (ALEOs); local authority trading companies (LATCs); and arm's-length management operations (ALMOs).

The Accounts Commission has a continuing interest in ALEOs

4. The Accounts Commission has a strong and continued interest in how councils use ALEOs. This performance audit builds on the good governance messages of our earlier work. It also examines further the reasons councils use ALEOs, and the extent to which they are improving services and meeting their intended objectives. We will continue to examine councils' use of ALEOs in our audit work in councils.


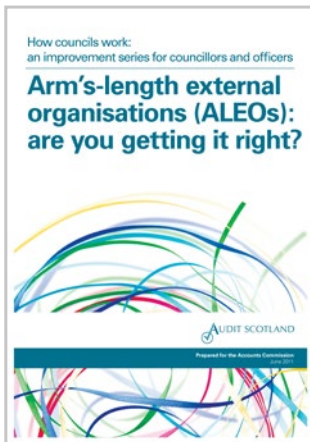
- In June 2011, the Accounts Commission published its [How councils work: Arm's-length external organisations \(ALEOs\): are you getting it right?](#) . This set out good practice and highlighted the risks and opportunities of using ALEOs ([Exhibit 2, page 8](#)). The report provided checklists and a self-assessment tool to highlight good practice for councillors and officers.

Exhibit 2

2011 How councils work ALEOs headline messages



- The Following the Public Pound principles provide the basis for sound governance
- Decisions to use ALEOs should be based on an options appraisal and sound business case
- Sound governance is needed from the outset
- Conditions attached to the use of public funds should be clear
- Clarity on roles and responsibilities is vital
- Councillors and officers require ongoing advice and training

Source: Audit Scotland

- The How councils work (HCW) report built on the principles set out in the FtPP code. This sets out how councils should manage their relationships and be accountable for ALEOs and other external bodies they are involved with. It is based on the premise that, to ensure public money is used properly, it must be possible to 'follow the public pound' across organisational boundaries.
- In March 2015, the Accounts Commission carried out follow-up work on its HCW report. This identified some improvements in councils' governance of ALEOs, and found that the standard of practice varied. The Commission wrote to all council leaders and chief executives to emphasise the need for good governance, including monitoring and reviewing the performance, costs and risks of ALEOs.

About this report

5. We have examined practice across a sample of councils to highlight messages for all councils. The audit did not focus specifically on any individual council or ALEO. We also drew on findings from our audit activity across all councils. Our audit approach is set out in [Appendix 1 \(page 39\)](#), and our audit examined the following:

- Councils' reasons for using ALEOs.
- How councils oversee and govern ALEOs.
- What ALEOs have achieved.

6. This report has four parts:

- [Part 1 \(page 9\)](#) gives an overview of ALEOs and why councils use them.
- [Part 2 \(page 17\)](#) considers councils' oversight and governance of ALEOs.
- [Part 3 \(page 27\)](#) examines what ALEOs have achieved.
- [Part 4 \(page 35\)](#) considers the future direction of ALEOs.

Part 1

How councils use arm's-length external organisations



Key messages

- 1** ALEO is not a legal definition but is a term that applies to separate organisations used by councils to deliver services. ALEOs provide many different services and can take many forms. Most councils use them to varying degrees. Around half are registered charities.
- 2** Councils need to examine a wide range of options to deliver the best outcomes for their communities. ALEOs bring the benefits of a more independent organisation, while allowing councils to retain some control or influence.
- 3** Councils show improving practice in how they plan to use ALEOs including detailed business cases. However, few have an overall policy for how they should consider options. Councils could do more to involve public and other stakeholders in the process.
- 4** Taxation advantages of charitable ALEOs have been a strong driver for their use. These are now subject to change and councils are considering other options.
- 5** ALEOs bring further benefits through their ability to trade more widely and attract new funding. They also provide a responsive and more focused operating model under the direction of a dedicated board.

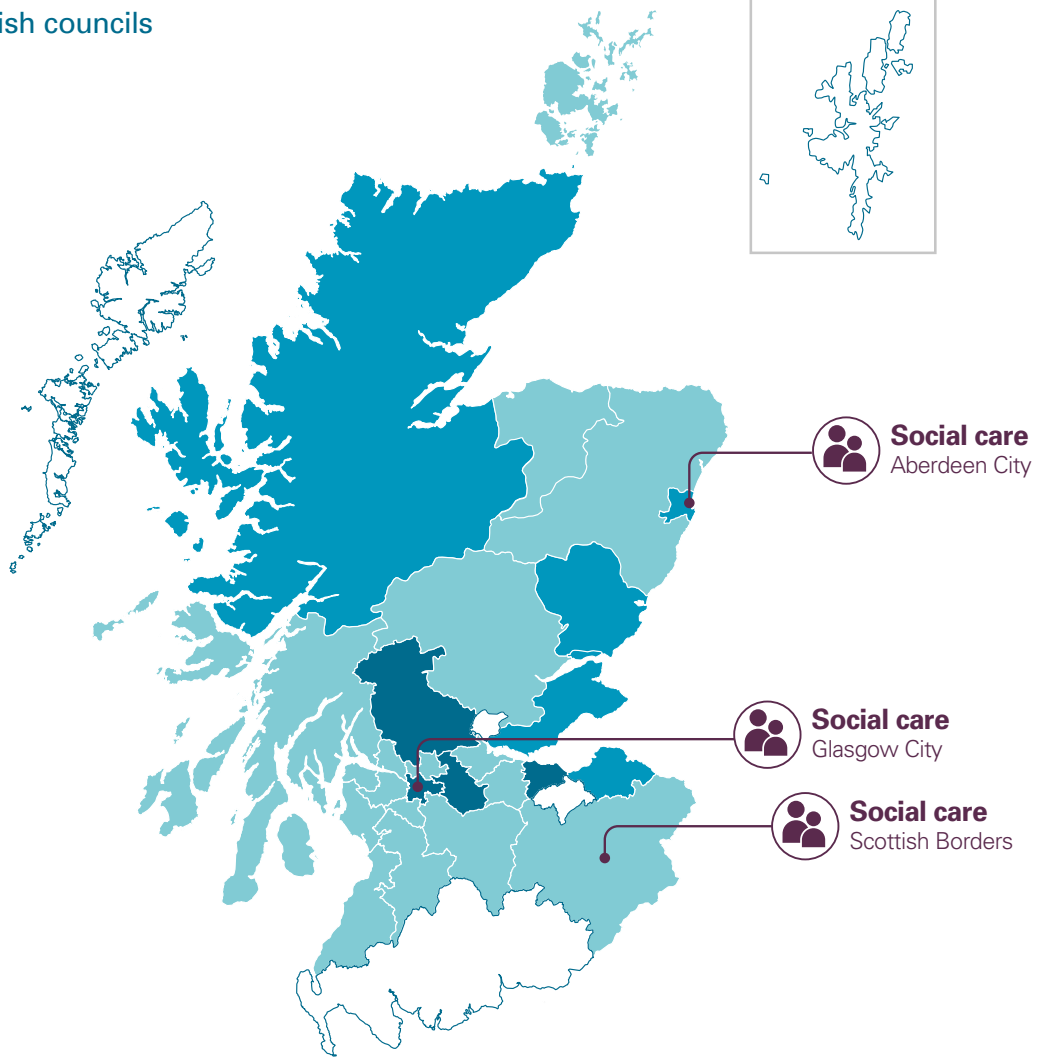
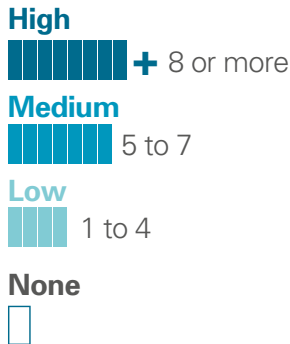
tax benefits have been a driver for ALEOs but these may change

Most councils use ALEOs and their use continues to evolve

- 7.** The range of ALEOs in Scotland is extremely diverse in size, function, and structure. Almost all Scottish councils use ALEOs to varying degrees. Larger urban councils are more likely to have a higher number of ALEOs. They are also more likely to have ALEOs that have been set up to achieve more commercial objectives, such as property development, conference facilities and marketing.
- 8.** There are inconsistencies in how councils identify ALEOs and make information about them available. Indeed, there is little consensus even on what an ALEO is. This together with ongoing changes in their use, makes it difficult to quantify the number of ALEOs. [Exhibit 3 \(page 10\)](#) shows the use of ALEOs across councils and the functions they provide. This is based on information available to us from our 2015 follow-up work on ALEOs, councils' annual accounts, and ongoing changes we are aware of across councils, the most significant of which are summarised in [Exhibit 4 \(page 11\)](#).

Exhibit 3

ALEO use across Scottish councils

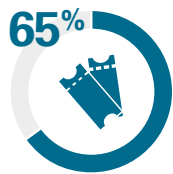


Approximate numbers of councils using ALEOs to deliver the following services:



Around 25 councils
Sport and leisure¹

Includes leisure centres, swimming pools and sports development.



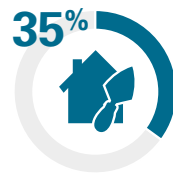
Around 20 councils
Cultural services¹

Includes museums, galleries, theatres and libraries.



Around 15 councils
Economic development and regeneration

Includes employability services, business support and physical regeneration.



Around 10 councils
Property

Includes property development, management and maintenance.



Three councils²
Social care services

Includes care homes, homecare services and day centres.

Other activities delivered through ALEOs include waste management, energy and community safety.

Notes:

- 1. Thirteen councils have joint leisure and culture ALEOs.
- 2. The three councils are Glasgow City, Aberdeen City and Scottish Borders.

Source: Audit Scotland

Exhibit 4

Recent changes with ALEOs



Recent and ongoing changes in the use of ALEOs

- The City of Edinburgh Council had consolidated its property development companies under one body – Edinburgh Development Initiative (EDI). It is now disbanding EDI to bring its property functions back into the council.
- Glasgow City Council has entered into a joint venture with the Wheatley Group to share ownership of its property maintenance ALEO, City Building.
- Glasgow City Council has wound up its city marketing ALEO and transferred its functions to its leisure and culture ALEO, Glasgow Life. It is bringing its social care and facilities management ALEO, Cordia, and its community safety ALEO back into the council.
- Some councils including Dundee and Scottish Borders have merged cultural and leisure services into a single ALEO.
- Some smaller ALEOs have been wound up, and their functions transferred to larger ALEOs, eg Dundee Ice Arena was transferred to Leisure and Culture Dundee.
- Some ALEOs are set up for a limited duration. For example, Steadfast Homes LLP is a partnership between Stirling Council and Scottish Futures Trust to provide mid-market rent properties, anticipated to operate for up to ten years.

Source: Audit Scotland

9. The diversity of financial arrangements across ALEOs makes it difficult to give a meaningful financial overview of them. In 2015, we estimated that spending through ALEOs was over £1.3 billion, with ALEOs accounting for around a quarter of the total spending for Glasgow City Council, their largest user.

ALEOs can be set up in many ways and take different legal forms

10. ALEOs are legally separate bodies from the council and can take different forms ([Appendix 2, page 40](#)) There are many possible variations within these, for example charities can operate trading subsidiaries such as a café in a museum or leisure centre.

11. Most ALEOs across our sample group of councils take the form of limited companies or limited liability partnerships and are wholly owned by the council. This means that the council is the ultimate decision-maker, with powers to wind up the ALEO or to determine board membership. It also sets the ALEO's objectives and powers. In the case of joint venture companies, third parties can also hold a stake in the ALEO, an example being property joint ventures with the council and private sector as partners.

12. We estimate that around half of ALEOs are registered charities. The majority of these provide leisure and cultural services, other examples include urban regeneration and tourism. ALEOs that have charitable status are regulated by the Office of the Scottish Charity Regulator (OSCR).² Charities must have a defined charitable purpose, for example in the areas of health, education, recreation or equal opportunities. Charities are non-profit making and are required to reinvest any surpluses to further their activities. The trustees of charitable ALEOs have duties over and above those of the directors of non-charitable ALEOs.

Councils' reasons for using ALEOs

13. We examined councils' reasons for using ALEOs, including the effectiveness of their use of options appraisal and business cases to reach decisions. The statutory duty of Best Value, within the Local Government in Scotland Act 2003 (LGISA), requires councils to secure the best options for providing services to their communities. It requires them to demonstrate continuous improvement and deliver good-quality services at reasonable cost. The legislation aims to remove barriers to innovation, but put in place safeguards that make councils accountable for how they use public money.³ The main options open to councils include:

- reorganising the way the council itself provides services
- 'outsourcing' or contracting services to private providers or the third sector such as voluntary groups and charities
- entering into partnerships with other councils or providers
- establishing 'arm's-length' bodies to deliver services
- any combination or hybrid of the above.

14. Implementing an ALEO or any other new delivery option is a complex and expensive process. It involves thoroughly appraising the options available and a sound business case. Councils must consider many detailed operational, legal, financial and commercial factors, and the risks involved. Set-up costs can be several hundred thousand pounds, and the time from the initial appraisal through to implementation can be more than a year. It follows that councils must proceed with caution when pursuing any new approach.

15. We found that councils have consistent reasons for using ALEOs. Generally, where councils provide services themselves they see direct control as an advantage. Contracting services to the private sector can save money, but reduces a council's control and influence. Councils see ALEOs as a good compromise between these two options. Though not without risk, the council can retain a degree of control or influence, and the ALEO can bring the benefits of a separate and more independent organisation. Business cases we examined identified these potential benefits of ALEOs:

- Taxation benefits of a charitable organisation including relief on non-domestic rates.
- Ability to generate income from additional services, and attract new income from funding, donations, sponsorship or loans.
- Strong service or commercial focus as a smaller more independent organisation under the direction of a dedicated board.
- Ability to involve public stakeholders in the management and direction of their services.
- Ability to foster a positive working relationship with an ALEO as a 'trusted partner'.

16. Councils saw the dedicated board of an ALEO as a strength. These can involve community and industry representatives and bring wider experience and new opportunities.

Business case assumptions may change over time

17. Many councils had established charitable ALEOs such as those for leisure and culture to benefit from relief on non-domestic rates (NDR). Some business cases we examined identified this as a way for councils to meet their savings targets without having to cut services. Business cases identify NDR relief as a specific benefit provided that the ALEO meets the requirements for charitable status. While NDR relief can bring benefits locally, it offers no net financial gain to the public sector.

18. The ALEO model is also seen to bring a more commercial focus to generate income and attract new funding. In the case of charities, their charitable status is also seen as a safeguard against an overly commercial approach. Another unique benefit of charities is their ability to attract specific funding and donations.

19. In 2017, the Barclay Review into non-domestic rates brought the availability of NDR relief into question ([Exhibit 5](#)). It estimated that overall, charitable council ALEOs save £45 million annually through relief on NDR. Had the recommendation been accepted by the Scottish Government, the impact on the viability of leisure and other charitable ALEOs would have been significant. As things now stand, the policy changes make charitable ALEOs a less attractive option for councils. We are aware of at least one council that is reconsidering its proposal to form a culture and leisure ALEO following this development.

Exhibit 5

The Barclay Review



The Barclay Review

was set up in 2017 to examine and recommend reforms to the business rates system in Scotland.

One of the Barclay Review recommendations was to end the rates relief offered to ALEOs as this was seen to be an unfair advantage in a competitive market. In its response to the review, the Scottish Government announced in November 2017 that rates relief will remain in place for qualifying facilities already operated by councils. However it indicated it would offset any further charity relief benefit for future ALEO expansion by councils, for example by limiting their grant funding.

Source: Audit Scotland

20. Councils can make a stronger business case where the benefits are clearly linked to improved outcomes for citizens and communities. That is, the choice is not based on a narrow financial advantage that may be subject to change.

21. The more recent business cases we examined do consider a wide range of financial and operational factors. Financial considerations, of NDR relief and the treatment of VAT were the most prominent features in the earlier business cases we looked at.

22. Business case assumptions may change and need to be reconsidered during the design and set-up of an ALEO. We found more effective practice where councils identified risks, and re-evaluated business case assumptions before taking a final decision.

Councils are improving how they plan for and appraise ALEOs

23. Our sample group of councils have significant experience in contracting, options appraisal and implementing change. The options appraisal and business cases we examined were comprehensive and detailed. Councils use external consultancy expertise in more complex legal and financial matters. They also draw on evidence from similar organisations that have been set up elsewhere. [Exhibit 6](#) summarises good practice we identified and highlights areas where councils could improve.

Exhibit 6

Options appraisal and business case

Effective practice



- Clearly specifying service quality, financial, operational, accountability and other factors, on which to base decisions.
- Objective process to evaluate factors for example using scoring.
- Using external expertise for more technical, legal, financial, and other operational matters.
- Including all set-up and implementation costs in the appraisal.
- Using a third party expert to verify the process and assumptions.
- Revisiting assumptions throughout the process.
- Incorporating risk management from the outset through to implementation.

Where things can improve



- Setting clear corporate guidelines for how options are to be considered.
- Being clear why the council identified its chosen range of options, and which options it may have excluded.
- Involving the public and interested communities, such as local businesses.
- Assessing the impact on local interested communities.
- Including contingency planning at the outset.

24. Councillors must provide strategic direction and understand the range of options the council is considering. Options appraisals should clearly set out the alternatives along with their respective benefits and risks. This is important as part of open and transparent decision-making and public scrutiny. We saw evidence of improving practice in this area. More recent options appraisals presented councillors with a good level of information across a range of options including contracting with private sector, or using community enterprises. However, we also found options appraisals that considered only a narrower set of options, and did not explain why options such as outsourcing had not been included.

25. Councils should also consider the risks of various options, and be clear what happens if an ALEO fails to meet its objectives. Such contingency planning should be considered at the outset. We found that while business cases tended to consider these factors in some detail, there was less evidence of contingency planning featuring at the initial options appraisal stages.

Few councils have guidelines for making service delivery choices

26. Most of our sample councils undertook options appraisals on a case-by-case basis. Few have guidelines in place to set out the council's overall approach, for example the trigger points for reviewing a service and the criteria to apply when looking at options.

27. The Highland Council has introduced its redesign review process to examine delivery options across all services. This aims to strengthen councillors' and officers' understanding of options, including ALEOs, as part of all service reviews. North Lanarkshire Council has introduced an ongoing review process to cover all its significant ALEOs over a three-year cycle. These reviews consider how the ALEO contributes to the council's priorities and offers value for money.

28. One council from our sample had expressed 'a presumption of in-house provision unless there are service performance issues' within one of its organisational change programmes. This contrasts with another council that had expressed the presumption of 'using third sector parties or ALEOs where services can be delivered safely, more cost effectively and efficiently.'

29. What is important is that councils can demonstrate that any policy position enables them to secure Best Value. This means making an objective assessment of cost, quality and other service benefits. Otherwise there is a risk the council will miss the best options to sustain or improve a service.

Councils could do more to involve communities in their choice of options

30. Councils could do more to involve local communities and businesses in their choice of options. Giving communities more say in their services is an area of growing national interest and the Community Empowerment (Scotland) Act 2015 brings new duties to public bodies. This is an area where councils are developing their practice.

31. We saw limited evidence of public opinion shaping options appraisals. The choice of option is treated mainly as a technical issue, but we would expect councils to show how they have considered the views of the public. This could include their expectations over service quality and the standard of facilities. Such dialogue can also make councils aware of options they may not have otherwise considered. [Part 4 \(page 35\)](#) of this report considers this topic further.

Some benefits may not be unique to the ALEO model itself

32. Some of the benefits associated with ALEOs may not be unique to the ALEO model itself. Councils should explore all options and understand the associated risks and alternatives. Ultimately, good management and staff commitment are key factors for success. [Appendix 3 \(page 41\)](#) outlines some of the benefits associated with ALEOs, along with alternative points to bear in mind. This provides a context for [Part 3 \(page 27\)](#) of this report which examines evidence of what ALEOs are achieving.

Part 2

How councils oversee ALEOs



Key messages

- 1** Oversight, accountability and good management are essential to deliver effective public services however councils choose to deliver them. Councils should continue to apply the principles in our Following the Public Pound Code (FtPP).
- 2** Councils have improved and strengthened their oversight of ALEOs. This includes clear roles, scrutiny that is proportionate to risk, and officers taking a stronger liaison role with ALEOs.
- 3** Councils should put in place more formal processes to demonstrate that their use of an ALEO provides Best Value. They should take steps to be more transparent about their use of ALEOs.
- 4** Councils need to set clearer criteria for councillor or officer involvement with ALEOs. These should consider the associated risks and how conflicts of interest should be dealt with. Alternative arrangements can be made to reduce the risks of conflicts of interest.
- 5** Where councils appoint representatives to ALEO boards, they should foremost consider the skills, background and experience required of the role. Training and development is important both from the perspective of the council and the ALEO.

councils have strengthened their oversight of ALEOs, but they are not without risk

Councils must apply the Following the Public Pound Code

33. Councils are ultimately accountable for how they spend public money, including the services they commission through ALEOs. This means having clear oversight and appropriate governance arrangements in place. The Following the Public Pound Code sets out the principles for how councils should do this ([Exhibit 7, page 18](#)). The Code states that having council representatives on a board as trustees or directors does not in itself achieve effective governance. Regardless of any representation on boards, councils should monitor ALEOs and insist on regular reporting from them.

Exhibit 7

Following the Public Pound



Following the Public Pound principles and ALEOs

The principles of openness, integrity and accountability apply to councils in their decisions on spending public money. These apply equally to funds or other resources which are transferred to ALEOs.

The Code sets out six principles that require councils to:

- have a clear purpose in funding an ALEO
- set out a suitable financial regime
- monitor the ALEO's financial and service performance
- carefully consider representation on the ALEO board
- establish limits to involvement in the ALEO
- maintain audit access to support accountability.

Source: Following the Public Pound Code

34. An ALEO board needs to act independently to decide how it meets its objectives including its obligations to the council. For a registered charity this means acting in the interest of the charity and promoting charitable purpose. In practice the FtPP principles require a range of measures to be in place:

- Governance documents setting out the ALEO objectives and powers, along with contractual or service agreements between the ALEO and the council.
- Ongoing performance, financial and contract monitoring; and periodic review of the ALEO's business plans and objectives by the council.
- Assurance from internal audit over the council's governance and control processes for ALEOs. ALEOs may also have their own audit or finance subcommittees.

Councils have better oversight of ALEOs, but issues can still occur

35. Councils need to understand how well ALEOs are performing, and be aware of risks and difficulties that may arise. All our sample councils had appropriate governance processes for overseeing ALEOs. More effective practice included scrutiny proportionate to the risks involved, and clear roles and responsibilities for councillor and officer oversight ([Exhibit 8, page 19](#)).

Exhibit 8

Improving practice in governance

Councils have developed governance frameworks to achieve a more proportionate level of scrutiny for ALEOs



Glasgow City Council's framework for councillor and officer oversight

Glasgow has a diverse portfolio of ALEOs. Its governance framework for ALEOs differentiates between democratic, strategic, and operational scrutiny as follows:

- Political decision-making and scrutiny: councillors oversee ALEOs through the Operational Performance and Delivery Scrutiny Committee and the Finance and Audit Scrutiny Committee.
- Strategic oversight and scrutiny: a Governance Management Group of senior officers meets with ALEO representatives on a six-monthly basis to review and discuss their financial and operational performance, business plans, and issues arising.
- There is regular liaison and monitoring between the council and ALEOs over operational issues: corporate teams within the council help to maintain the relationship between ALEOs and their client departments in the council.



Aberdeen City Council's ALEOs Assurance Hub

Aberdeen introduced a new ALEOs Assurance Hub in 2017. This draws on expertise from CIPFA and the Good Governance Institute. The Assurance Hub has a clear focus on risk management, financial management and governance.

- The council has split its ALEOs into tiers based on the level of funding they receive and the level of control the council has over them. The Hub assesses the level of oversight required for individual ALEOs and reports to the council's Audit Risk and Scrutiny Committee.
- Service directorates and committees are responsible for monitoring performance and contractual compliance.
- An ALEO Strategic Partnership Group provides advice and support to the council's ALEOs including strategic planning and resource sharing. The group comprises ALEO chief executives, and council finance, legal, and procurement officers.



North Lanarkshire Council's dedicated ALEOs committee

North Lanarkshire Council introduced a dedicated ALEOs and External Organisations Monitoring Committee in 2016. It meets in public and considers the financial management, performance, risks and governance of ALEOs.

- The frequency of ALEO monitoring reports to the committee is proportionate to risk and ranges from quarterly to annually. More detailed performance information is scrutinised by the relevant council service committee.
- Client officer roles are being reviewed, and a Monitoring Officer Working Group established to bring about consistency of approach across all areas of ALEO service delivery.

36. Councils must oversee and manage many factors and be aware of the risks associated with ALEOs. Despite evidence of improving governance, we are aware of governance or operational issues that have arisen:

- Glasgow City Council's employability ALEO faced financial pressures in 2015/16 resulting from it having been required to repay European funding. As a result, it reduced its activities significantly and shed 150 posts through voluntary severance. The body has since restructured.
- East Lothian Council and the Lothians Racing Syndicate Ltd (LRS) jointly commissioned an independent governance review to evaluate the structure, composition and constitution of the Musselburgh Joint Racing Committee, and operational matters relating to the conduct of business at the racecourse. This identified options which are being considered by the council in consultation with the LRS.
- The creation of a subsidiary in 2011 by the council's ALEO, North Lanarkshire Leisure, had not been reported to a council committee. Also, the need for, and circumstances surrounding the setting up of, the company was not approved by, or reported to, the ALEO Board. There have since been a number of changes within the ALEO and North Lanarkshire Council has significantly strengthened its approach to the governance of ALEOs.
- In Stirling Council, a tender evaluation carried out in February 2017 following an options appraisal for the provision of sports and leisure services recommended the award of the contract to an external company. However, councillors decided that neither of the two bids submitted as part of the extensive tender process met the best value criteria and, as a result, the contract award was rejected. The council is now pursuing an alternative option involving reconstituting its existing sports and leisure ALEO.

Councils must have clear reasons for their appointments to ALEO boards

37. It is up to councils to decide on the most appropriate governance arrangements. They must consider very carefully the question of council representation on the ALEO board. The main consideration is what skills or experience are required of the board and who is best placed to meet these. Where councillors or officers take such positions, they should be clear about the responsibilities and requirements of the role.

38. There are risks of conflicts of interest where councillors or council officers take board positions. The Accounts Commission has highlighted that such conflicts can become starker if an ALEO encounters difficulties. The Companies Act and Charities and Trustee Investment (Scotland) Act require board members or trustees to act in the best interests of the company or trust on which they serve, and to put these interests first ([Exhibit 9, page 21](#)). But there may be times where this requirement may conflict with councillor or officer duties in the council. This can be a difficult balance where council representatives may be privy to certain information, but are prohibited from sharing or acting on it because of their role. As a small council with fewer councillors, Stirling Council told us that it can be much more difficult to manage potential conflicts.

Exhibit 9

Duties within companies and charities law



Companies Act requirements for directors include:

- act within powers
- promote the success of the company
- exercise independent judgement
- exercise reasonable care, skill and diligence
- avoid conflicts of interest
- not accept benefits from third parties
- declare any interest in a proposed transaction or arrangement.

Charities and Trustee Investment (Scotland) Act requirements for trustees include:

- act in a manner consistent with the charity's purpose
- act with the care and diligence expected of someone managing another person's affairs
- put the interest of the charity before those of any person or organisation who appoints trustees where there is a conflict of interest, or withdraw from the decision-making involved.

Source: The Companies Act (2006); Charities and Trustee Investment (Scotland) Act 2005

39. The Councillors' Code of Conduct sets out principles that councillors must follow where they take a role on outside bodies including ALEOs.⁴ The Standards Commission's Advice Note for Councillors on ALEOs provides supplementary guidance to help clarify this area of the Code. This sets out the practice required of councillors who are also board members or trustees:⁵

- Councillors who are also ALEO board members can participate in council committees, but they must declare interests.
- The Code prohibits councillors from taking 'quasi-judicial' decisions in the council that may affect any ALEO they are involved with, for example planning or licensing decisions.
- It is considered good practice for councillors not to participate in scrutiny or funding decisions within the council that may affect the ALEO they are involved with.

40. There is an ongoing debate about the advantages and disadvantages of using councillors as board members. Councillors bring their experience as elected community representatives and their knowledge of the council and its services; however, there are potential conflicts of interest between their roles on the council and the ALEO. [Exhibit 10](#) outlines some of the main advantages and disadvantages identified by our sample group of councils.

Exhibit 10

Pros and cons of councillors or officers acting as trustees or directors

Potential advantages of council nominees as board directors or trustees



- Can improve the relationship between the ALEO and the council.
- Can bring an insight into the council and its objectives and the broader community.
- Council representatives can gain valuable first-hand experience of service issues and different sectors.

Potential disadvantages of council nominees as board directors or trustees



- Can bring additional demands to their already diverse role.
- Representatives may lack the background, skills or understanding required of the role.
- Risk of conflict of interest between their role on the ALEO and their role on the council.
- Negative impact on council decision-making where councillors withdraw from committees owing to conflicts of interest.
- Exposure to legal risks and personal liability.
- Risk to continuity if councillors lose their position if not re-elected.

Source: Audit Scotland

41. We found a range of practice for councillors and officers taking trustee and director roles across our sample group:

- Across most of our sample councils, councillors and officers can take board positions on ALEOs. However, it is becoming less common to involve officers, and in Stirling and Edinburgh, for example, council officers no longer take director positions.
- Practice varied in social care ALEOs. Councillors and council officers are appointed as board directors in Glasgow's Cordia; this contrasts with the care ALEOs in Aberdeen City and Scottish Borders where councillors are not appointed as directors. In the Scottish Borders, councillors oversee the care ALEO through a dedicated Strategic Governance Group.
- OSCR recommends that the majority of trustees in a charitable ALEO should be independent of the council; we observed this to be the case across our sample group.

42. Officers and councillors holding director positions felt they could balance their dual roles, and saw this as very much part of their job. We are not aware of any significant breaches to the Councillors Code of Conduct regarding councillors' involvement with ALEOs. Our audit work in councils has emphasised the need for clear roles and responsibilities in relation to ALEOs to risk of conflicts of interest arising.

43. The City of Edinburgh Council highlighted a previous situation where an officer had been in a difficult position concerning the sale of assets from an ALEO back to the council. As an ALEO director, his aim was to achieve the best price for the company; but as the council's chief financial officer he had a duty to achieve value for money for the council. Council officer posts are no longer nominated as directors of that company.

44. We found that few councils have policies or guidelines setting out how councillors or officers should be involved with ALEOs. Stirling Council has guidelines that aim to focus councillors on their strategic role of providing direction, oversight and challenge over ALEOs. The policy restricts councillors from participating as directors on more commercial ALEOs, but allows them to be involved if the ALEO has a clear community benefit purpose that is in line with the council's objectives. [Case study 1](#) illustrates how the council applied these guidelines in the case of a joint venture company.

Case study 1

Board representation on a joint venture (JV)



The council recognised that the board of a property development JV had an imbalance of expertise: it comprised councillors and a council officer, and property professionals from the council's private sector partner. In a governance review, the council replaced the councillors and officer with independent experts with knowledge of the commercial property market. This was to reduce the risk of conflicts of interest and to improve the knowledge and experience of the board for the benefit of both the council and its JV partner.

Source: Audit Scotland

Councils should consider other approaches to limit conflicts of interest

45. Some councils have chosen not to use council representatives as board members because of the risk of conflicts of interests. Having council nominees on boards was seen to blur the relationship between the council and the ALEO. It also brings personal liabilities to those taking such roles. Councils can achieve a much clearer separation by using secondments to ALEOs.

46. Councils need to put safeguards in place where they decide to involve a council representative in a decision-making position on an ALEO. These include procedures for dealing with conflicts of interest, making training and advice available, and personal liability insurance to protect board members in their role. Employment contracts can also be used to specify an officer's responsibilities if a conflict of interest arises, however we did not hear of this being used in practice.

47. Council representatives can take a monitoring and liaison role as an alternative to taking a board position. This allows them to oversee and advise the ALEO without taking a decision-making role on the ALEO. Most of our sample group of councils had strengthened the role of such officers to give them greater seniority and influence. Their role involves managing the relationship between the council and the ALEO, and monitoring the performance of the ALEO and its compliance with its contracts or service agreements with the council. Fife Council explained how the expertise and close involvement of its officers helps it to understand local opportunities and encourage the ALEO to improve its performance.

Council appointments to ALEOs should be driven by the requirements of the role

48. We found that councillor appointments to ALEO boards tended to reflect the political balance of the council. This differs from the approach taken by ALEOs for their other board members. These appointments tend to be made through an appointments committee based on the skills, experience and other criteria required of the role. Councils should ensure that they consider the skills or background required of the role. More effective practice in this area included The City of Edinburgh Council where officers provide political groups with guidance on making appointments.

Councils and ALEOs should provide training and support to board members

49. It is important that board members have the necessary training to perform their role effectively and understand what is required of them. Councillors we spoke to recognise that training is important from both the perspective of the council and the ALEO. All the councils we spoke to provide training, for example as part of the induction for new councillors, and more bespoke training in relation to their roles on ALEOs. In Glasgow, training is mandatory for elected members appointed to ALEO boards. OSCR provides guidance on the role of charity trustees.⁶

50. We saw good examples of training for board members, reflecting the growing maturity of councils' experience in this area. Our HCW report on roles and working relationships highlights both training and appropriate behaviours as essential to good governance.⁷ It urges councils to provide councillors with training in the essential areas of scrutiny, audit, and financial decision-making. Indeed, some councillors we spoke to felt that in the case of ALEOs, training should also cover company accounts. More effective practice is described in [Exhibit 11 \(page 25\)](#).

Councils need to provide a systematic test of Best Value

51. It is possible under certain conditions for councils to procure services directly from a third party such as an ALEO without a competitive public procurement exercise.⁸ Generally, this requires the relationship between the council and the ALEO to be the same as that between the council and one of its own directorates. The ALEO must also provide most of its core activities on behalf of the council. Councils must also continue to observe procurement and competition law as part of any changes in their relationship with ALEOs, be it through contract renewal, or changes or diversification in the ALEO's activities.

Exhibit 11

Training and development for ALEOs



Provided by the council

- ✔ The council specifies advice and any necessary training for all councillors and officers who are decision-makers, advisers or observers of an external body.
- ✔ Training explores conflict scenarios, companies and charities law, and the Councillors' Code of Conduct.
- ✔ Training involves external expertise.
- ✔ All councillors are trained in essential aspects of their role in relation to scrutiny, audit and finance.



Provided by the ALEO

- ✔ Induction workshops for all board members.
- ✔ Directors' manual setting out the ALEO's aims, and the activities, responsibilities and duties of directors or trustees.
- ✔ Development programme for board directors including corporate governance standards.
- ✔ Appraising board members, and publishing their attendance record.
- ✔ Specialist training in companies and charities law.

Source: Audit Scotland

52. Councils should be able to demonstrate that their contracts or service agreements with an ALEO offer Best Value. Councils tend to do this by assessing the annual performance of the ALEO, along with its annual report and business plan. There is scope for some councils to put stronger arrangements in place for the interim review of contract performance. For example, one council we spoke to had introduced clearer performance objectives and formal review points in its contract with a joint venture ALEO. In another example, a council had revised its service agreement with a leisure trust to set out its social benefit objectives more clearly.

Councils should take steps to make ALEOs more accountable

53. Services provided directly by councils are often seen as more accountable than services contracted with external providers such as ALEOs. Councillors direct and oversee council-provided services through council committees. Where services are delivered by ALEOs this relationship becomes less direct. The council will oversee the contract or service agreement with the ALEO, but will have less day-to-day influence over the service.

54. ALEOs bring a different kind of accountability. They are, foremost, accountable to their own boards. These can include wider stakeholders including business leaders, community and service users, and employee and trade union representatives. This can allow for a more 'user-driven' form of governance, as opposed to the more representative role that councillors take on a council committee.

55. Some councillors we spoke to felt that the council relationship with ALEOs was different from relationships with a fully outsourced service. As trusted partners they felt they could contact ALEO managers for information, and call ALEO management to committee to present evidence.

56. Making information publicly available is another important aspect of accountability. Measures we identified that can improve transparency include the following:

- ALEO websites making annual reports, board minutes, and governance documents publicly available.
- ALEOs proactively publishing as much information as possible, for example covering the categories of information identified in the Model Publication Scheme.⁹
- ALEOs acting in accordance with the Freedom of Information Act that applies to councils, by responding promptly to information requests, providing information where possible and explaining why information cannot be provided.
- ALEOs adopting customer feedback and complaints-handling standards such as the Scottish Public Services Ombudsman (SPSO) guidelines.

57. Most of the leisure ALEOs across our sample group gave useful service and pricing information. However, not all included performance or user satisfaction information or minutes of board meetings. This is an area that councils should improve and specify in their service agreements with ALEOs. We found that:

- all the ALEOs included information on pricing and concessions
- all included information on Freedom of Information
- most had clear information on how to make complaints or suggestions
- only around half made board minutes available
- only around half made annual and performance reports available.

58. A council's annual accounts are a further source of public information. The governance and financial relationship between a council and its ALEOs can be complex. The Code of Practice on Local Authority Accounting encourages councils to 'tell the story' of their activities and financial performance during the year. This should cover not only the council itself, but also other third parties it is involved with, including ALEOs where they are significant to a council in terms of their risks or their financial implications.

59. The extent to which councils provided a clear commentary on their use of ALEOs varied significantly, with some councils providing only limited information. More effective practice is for councils to give a fuller overview of the ALEOs they are involved with. This could include their purpose, the extent of council ownership if any, and the financial contribution to and from the council. Most of the accounts we reviewed did not provide this level of detail. Glasgow and Fife councils had more effective practice and provided a clearer breakdown of their interests with useful supporting commentary.

Part 3

What ALEOs are achieving



Key messages

- 1** ALEOs are diverse in their range and the services they offer. Councils have used ALEOs to sustain existing services and offer additional services through reducing costs and generating income. However, financial and market pressures remain that can impact on their performance.
- 2** ALEOs have reduced the costs of sports and leisure services to councils through taxation benefits, new funding, and increased participation. Social care ALEOs have improved their care standards and reduced the costs of these services to councils. Financial pressures remain and not all social care ALEOs are achieving their financial targets. Performance in other areas such as property development has been more mixed.
- 3** We found many good examples of ALEOs providing innovation and benefit to communities. Councils need to better demonstrate how their use of ALEOs contributes to the council's priorities and improves outcomes for people.

ALEOs have brought benefits but cost pressures remain

60. The diversity of services provided by ALEOs and their individual circumstances makes it almost impossible to draw clear patterns of performance that apply in all cases. We have examined how ALEOs have contributed to improving services across a sample of ALEO services. This includes sports and leisure services where most councils use ALEOs; and social care, a service that vulnerable people and their families rely on. Our sample also includes examples from more commercial ALEOs.

61. We have based our assessment on the following sources of information:

- The Local Government Benchmarking Framework (LGBF) performance information for leisure services that applies across all Scottish councils. We have extracted data specifically for councils that operate sports and leisure ALEOs.
- Financial returns made by ALEOs to OSCR to identify broad sources of income.
- Care Inspectorate assessments to identify the quality of care for care homes, day centres and homecare services in relation to the three social care ALEOs.
- ALEO performance information and examples from across our sample councils. These include areas of service quality, efficiencies and financial performance.

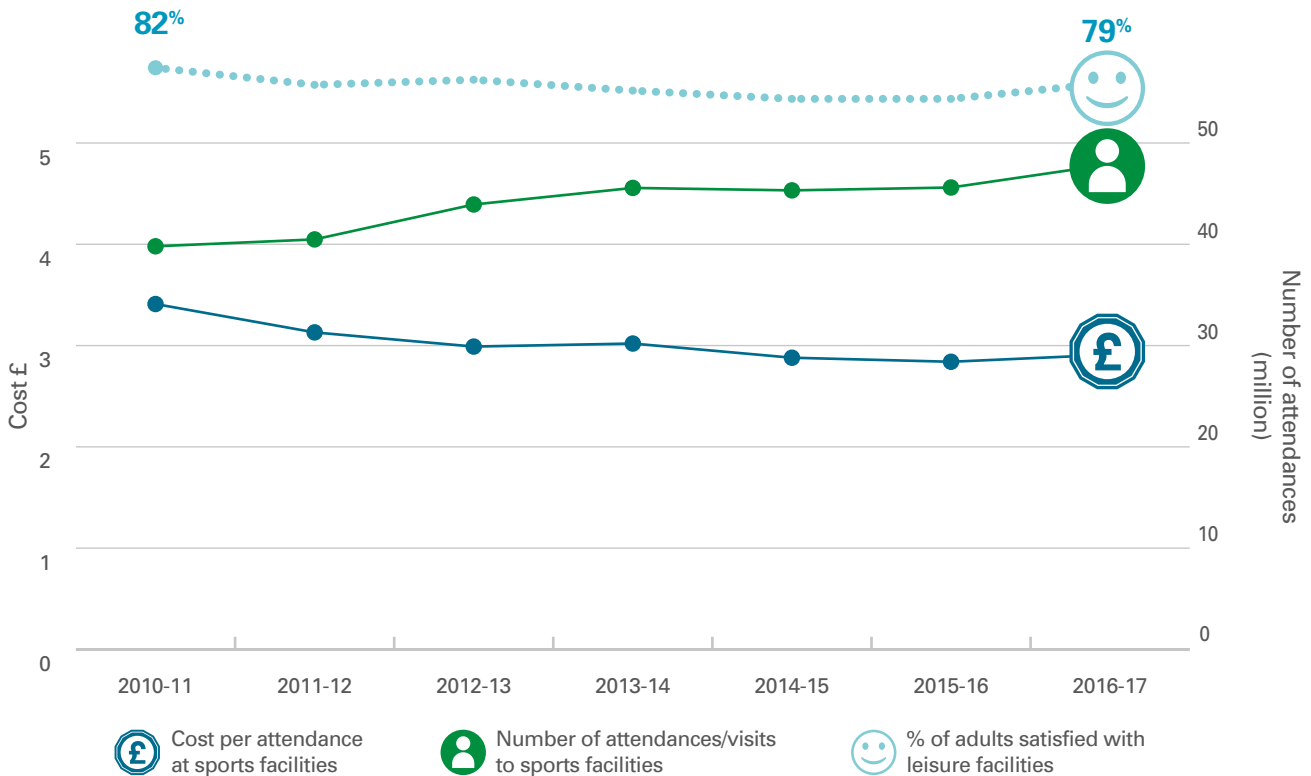
Sports and leisure ALEOs have increased uptake and reduced costs

62. In Scotland over three-quarters of councils provide sports and leisure services through an ALEO. Sports and leisure services aim to encourage sports development, physical activity and wellbeing. These are provided through facilities including sports centres, swimming pools, and outdoor sports facilities. We estimate the total turnover of leisure and culture trusts to be approximately £430 million in 2016/17. Glasgow Life is a joint leisure and culture ALEO and operates on a significantly larger scale than other ALEOS in the sector, with total turnover of around £127 million.

63. Exhibit 12 shows LGBF indicators for how the 25 ALEOs that provide sports and leisure services across Scotland have performed. This shows that from 2010/11 to 2016/17 the cost per visit to leisure facilities has fallen, while service uptake has increased. Public perceptions of the service show a slight decline:

- Net costs per visit have decreased from £3.41 to £2.91.
- Visits (per year) to sports facilities increased from 39.8 million to 47.9 million, although uptake has declined in recent years in some council areas.
- Satisfaction with sports facilities fell from around 82 per cent to 79 per cent.¹⁰

Exhibit 12 The performance of sports and leisure ALEOs



Source: Local Government Benchmarking Framework 2016/17

64. This equates to a reduction in net costs of around 15 per cent, and an increase in service uptake by 20 per cent. The trend in these broad indicators was less marked for the seven councils that directly provide sports and leisure services without using ALEOs. Here there has been a reduction in costs of nine per cent, and an increase in uptake of ten per cent; user satisfaction is lower at 66 per cent and has declined by two per cent. These councils tend to be smaller or more rural councils.

Financial benefits have been a major reason for establishing leisure ALEOs

65. Financial benefits have been a major reason for setting up charitable leisure ALEOs. This includes both taxation through NDR relief and VAT, and additional income through service uptake and new funding. We estimate that leisure and culture ALEOs generate around £61 million annually through donations, grants, fund-raising, investments, and other commercial activity.¹¹ This is equivalent to around 14 per cent of their overall income. Below are some examples of how ALEOs have reduced the costs of providing leisure services to councils include:

- The Glasgow City Council's service fee for Glasgow Life at £73 million is equivalent to around 57 per cent of the ALEO income in 2016/17, compared to around 71 per cent of income in 2008 (£69 million service fee).
- Leisure and Culture Dundee has made a cumulative saving of £15 million (2011 to 2017) allowing it to remove a £3.5 million funding gap and invest £1.2 million. Income generated by the ALEO now exceeds the funding paid by the council.
- High Life Highland has realised a saving of £9.1 million in its first five years of operation; with rates and VAT savings making up around 56 per cent of the savings, and the remainder being achieved through income and efficiencies.
- From 2008–16, Fife Council saw a 50 per cent reduction in costs, and a 50 per cent increase in service uptake for sports and leisure. The annual costs to the council fell by over £3 million, from 60 per cent of turnover to only 20 per cent.

66. Fife Council's capital investment programme has contributed to its improved performance. The council works in partnership with Fife Sports and Leisure Trust to plan and project manage this programme. This has led to £18 million of investment being targeted across sports centres and swimming pools, including easy-access changing rooms. The programme aims to ensure the investment continues to deliver financial benefits by increasing revenue as well as benefiting communities.

Councils need to improve how they measure the outcomes achieved by ALEOs

67. Measuring the impact services have on improving health, wellbeing and other outcomes is an area where the public sector is still developing its practice. It is difficult to identify the contribution of ALEOs to wider outcomes. We have therefore limited our assessment in this area to more qualitative examples of how ALEOs contribute to their social or community benefit aims.

68. As charities, ALEOs have a charitable purpose in areas such as participation in sport, health and wellbeing and encouraging volunteering. Most of our sample group of leisure or culture ALEOs were also involved in their local community planning partnership, either through subgroups or as an additional or non-statutory partner. High Life Highland (HLH) has participated as a member of the Highland Community Planning Partnership since 2015, helping to find new opportunities, for example through partnership working with the NHS. We found many good examples of ALEO initiatives to meet their wider social or community benefit aims:

- Edinburgh Leisure worked alongside a GP practice in Leith to set up referrals to a physical activity programme run by the local swimming pool, targeted at men over 50 at risk of heart disease, stroke and diabetes.
- Linking leisure and wellbeing: High Life Highland working in partnership with NHS provides physiotherapy and rehabilitation services from community leisure facilities. HLH has encouraged participation of teenage girls in exercise through its dance programme, training 300 students to lead weekly sessions involving almost 2,600 participants.
- Fife Sports and Leisure Trust introduced summer free swimming and 'Quid a Kid', an initiative which enables juniors to play racket sports for just £1.
- Leisure and Culture Dundee secured private sector sponsorship for their Park Lives outdoor activities initiative.

69. Like councils and other providers, ALEOs operate concessionary schemes. These include low-cost leisure access schemes and activities for groups such as children or older people. Some councils saw ALEOs as helping to sustain services, such as affordable swimming for school-age children, that may otherwise not be provided.

70. The ALEO model has brought benefits but challenges remain. Financial constraints are impacting on the ability of councils to fund ALEOs. In the culture sector, for example, reduced council funding has led to library closures in some communities. One leisure ALEO from our sample group was also consulting the public over the impact of reduced funding from the council. Other councils indicated that they may need to limit their funding to areas of most need. Factors we have noted that can impact on ALEOs include:

- uncertainty over future taxation and NDR benefits
- impact of reduced funding from councils on the ability of ALEOs to generate income
- need for investment in leisure facilities and their ongoing maintaining costs
- increasing competition for what are limited charitable funding opportunities.

Social care ALEOs have improved standards of care; cost pressures remain

71. The Public Bodies (Joint Working) (Scotland) Act 2014 introduced a significant programme of reform. This aims to bring health and social care services closer together, with Integration Joint Boards (IJBs) being introduced to plan and commission services in their areas. Our audit focused on the contribution of the ALEO model itself to social care services. We did not look at the wider partnership context of IJBs. Our performance audit, *Health and social care integration: Part 2*¹² will examine progress in this major reform programme including strategic planning and governance.

72. Three councils now deliver adult social care services through an ALEO. Services include older people's care, rehabilitation, and enablement to help people regain abilities they may have lost through poor health or disability:

- **Glasgow:** Cordia LLP, established 2008, about 4,000 full-time equivalent (FTE) staff.
- **Aberdeen:** Bon Accord Care Ltd, (BAC), established 2013, about 800 FTE staff.
- **Scottish Borders:** SB Cares LLP, (SBC), established 2015, about 500 FTE staff.

73. Cordia combines facilities management and catering services, along with Cordia Cares, its social care arm. Glasgow City Council has decided to bring the activities provided through Cordia back into the council. Aberdeen City and Scottish Borders councils both operate similar models for their social care ALEOs. These aim to sustain the level and quality of care services service through:

- achieving greater efficiency and flexibility through a more commercial management approach under a specialist board
- generating income through providing additional services.

74. The business cases for social care ALEOs identified potential new sources of income including providing care services as part of self-directed support (SDS), offering accredited training, and supplying aids and equipment. SDS allows clients more choice over their care services and providers, including the option to manage their own care budget.

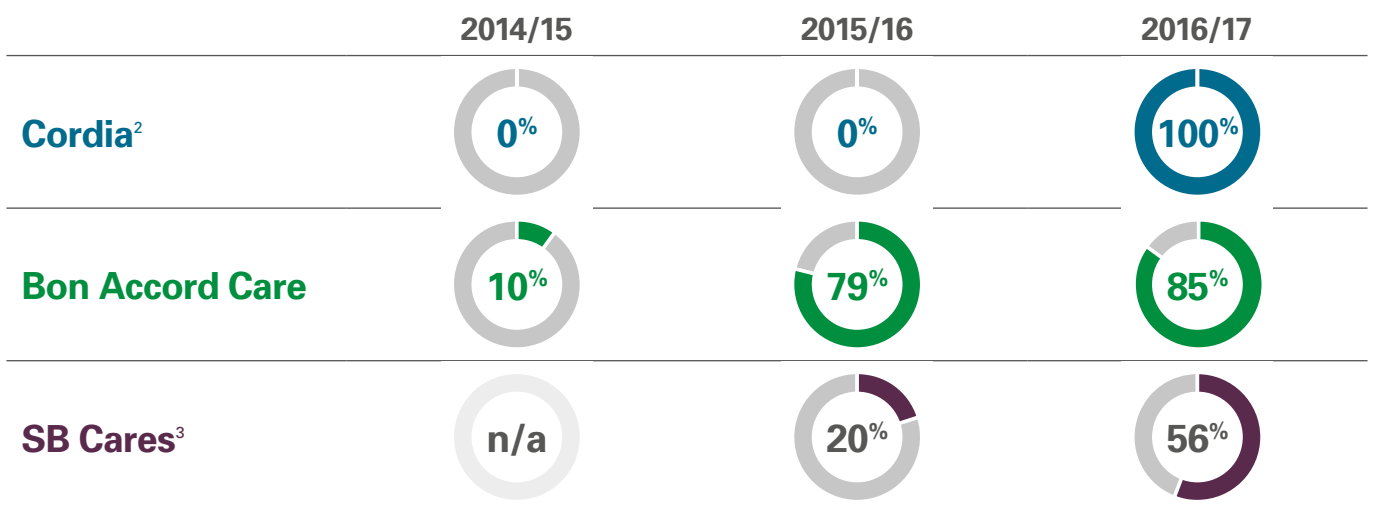
75. The councils' contracts with social care ALEOs allow for a financial contribution from the ALEO, with the ALEO setting out to achieve this through efficiencies and income generation. BAC and SBC are performing inline with their anticipated budgets. Cordia has not realised its planned contribution in recent years. This is mainly because savings from the council's transformation programme have taken longer to deliver than anticipated.

76. The social care ALEOs have increased income by offering additional services, but this is a small proportion of their total income. Social care ALEOs have not yet realised the anticipated levels of additional income from SDS.

77. The social care ALEOs have upheld and improved the quality of the services they provide. **Exhibit 13** gives an overview of Care Inspectorate (CI) grading assessments for services delivered by social care ALEOs in areas including care at home, residential care and day centres.¹³ The table summarises overall movements in the proportions of these gradings rated as good or better over the three-year period from 2014/15 to 2016/17. There has been an improving trend across the three social care ALEOs. Within this, the improvement in care at home, and care home services, is consistent with, or better than, the trend across Scotland.

Exhibit 13

Percentage of ALEO services graded as good or better across all four inspection themes.¹



Notes:

1. The CI grades registered services on four themes: Care and Support; Environment; Staffing; Management and Leadership.
2. Cordia has multiple services grouped into three area-based inspections.
3. SB Cares had no registered services until 2015/16.

Source: Care Inspectorate Datastore

78. The Scottish Health and Care Experience Survey measures user satisfaction for the parent council for the percentage of adults who:

- receive any care or support who rate it as excellent or good.
- are supported at home who agree that their services and support had an impact in improving or maintaining their quality of life.

79. The data is currently only available over two years (2014/15 and 2015/16). It shows that satisfaction levels at around 80 per cent are broadly comparable between councils that use care ALEOs and other councils.

80. We also found examples of innovative and responsive working practices across the social care ALEOs:

- Cordia worked in partnership with Glasgow City Council's education service to develop a new food policy for Glasgow schools encouraging pupils to avoid local fast food outlets.

- BAC's enablement service has trained 187 care staff to encourage greater independence among older people and reduced demand for planned care.
- SB Cares and BAC each stepped in at short notice to take on clients from independent care providers that had failed to deliver the services required of them by the partnership.
- BAC reduced its agency staff hours by 35 per cent in 2015/16 by operating an internal staff pool arrangement to allow its staff to provide cover at short notice.

81. Councils we spoke to said they see a role for social care ALEOs to help regulate a market where low profit margins can impact on the service and its staff. They saw a role for ALEOs to stimulate the market to help meet future demands. By offering accredited training ALEOs were also seen to help uphold service quality and develop employees.

82. The ALEO operating model aims to use the workforce more flexibly to develop the services they offer. This can lead to employee terms and conditions being negotiated that differ from those of the council. We found that ALEOs do put assurances in place, for example over payment of the living wage, adopting council terms and conditions and allowing employees to access local government pension schemes.

83. It is important, however, that councils continue to oversee staffing issues, including how ALEOs comply with equal opportunities and good employment practice. They should also understand how future funding pressures may impact on the workforce. Even where services are provided through an ALEO, the council can be ultimately accountable for the treatment of staff. For example, it was ruled by a Scottish court that the employees of Cordia could compare their pay packages with employees of Glasgow City Council for the purposes of equal pay claims.

84. Healthcare Improvement Scotland (HIS) and The Care Inspectorate (CI) carry out joint inspections across Scottish local authorities of older people's health and social care services. Some recent reports have highlighted concerns over service quality, leadership and governance as some health and social care partnerships adapt to the ongoing changes in how health and social care is provided.

85. The role of social care ALEOs in the context of integrated care services is continuing to evolve. Health and social care partnerships, along with their service providers, must continue to adapt and innovate. And, as we said in our report on social work services, financial and demand pressures remain a major issue.¹⁴

Other more commercial ALEO activities

86. It is difficult to comment generally on the effectiveness of the diverse range of commercial activities that ALEOs provide. We have seen both successes and areas that have not met their objectives across our sample.

87. Councils have used more commercial arrangements, including ALEOs and joint ventures for property development and buildings maintenance activities. The downturn in the commercial property market around 2012 has reduced opportunities for property development activity. Councils across our sample group have responded to these market pressures in different ways.

88. Stirling Council is reviewing its current joint venture ALEO to bring some development sites back within the council's control and align them more closely with its City Regions Deal programme. The ALEO will focus on other more commercial development opportunities. The City of Edinburgh Council has decided to wind up Edinburgh Development Initiative, its property development ALEO, and bring its activities in-house to be closer to the council's planning and development functions.

89. Examples of the activities and contribution from what is a diverse range of other commercial ALEOs are set out below. These include both financial benefits and contributions towards council and partner priorities:

- Glasgow City Building took on 70 new apprentices in 2016/17 and employs 324 apprentices in total with over 90 per cent completing their apprenticeship. Almost three-quarters of their expenditure goes to Glasgow-based small to medium enterprises. Around 100 school pupils benefited from work experience opportunities.
- Energy and waste ALEOs in Aberdeen and Fife have reduced fuel poverty for council housing residents, with Fife Resource Solutions ALEO generating renewable power equivalent to the demands of 1,250 households.

90. Business planning is an important feature of ALEOs for them to meet their objectives and contractual obligations. ALEOs need to be commercially viable in the longer term. As an example of longer-term planning, Fife Council and its waste ALEO are working together to deliver a long-term residual waste treatment solution for post-2020. This is a critical project for both parties since landfilling municipal solid waste will be prohibited from 1 January 2021.

Part 4

The future direction of ALEOs



Key messages

- 1** Councils value ALEOs as an option to help them to sustain services and innovate. Their use of ALEOs continues to change and evolve: ALEOs are being merged, disbanded, or created in new areas such as affordable energy. There is only limited use of ALEOs to deliver shared services between councils.
- 2** Some councils are exploring alternatives to ALEOs following the Scottish Government's announcement that it would limit non-domestic rates relief for any new council charitable ALEOs. In doing so, councils should work closely with local communities and businesses.
- 3** Councils need to ensure ALEOs are sustainable in the longer term. At a time of financial constraints, market uncertainty and policy reform it is even more important that councils have clear reasons for establishing new ALEOs. They should continue to review how existing ALEOs are performing and how they fit with council and communities' priorities.

**councils
must keep
ALEOs under
review and
consider
alternatives**

ALEOs remain an important option for councils

91. Councils see arm's-length bodies as an important option that gives them room to manoeuvre in what are challenging times for local government. ALEOs can help to sustain services and bring innovation, but financial and demand pressures remain.

92. However, ALEOs are falling out of favour with some councils. Glasgow City Council has decided to bring both Cordia and its community safety ALEO back in-house. This has resulted from the council's ongoing transformation programme across all activities, and its response to wider legislative changes in community planning, community empowerment, and the integration of health and social care.

Councils are exploring new ways to realise the benefits of ALEOs


93. Any decision to continue or discontinue with an ALEO must be objective and consistent with the requirements of Best Value. It should focus on outcomes not the method of delivering the service. We have emphasised that good management is a key factor for success, whatever way services are delivered.

94. The context within which any ALEO operates can and will change with time. The Barclay Review of non-domestic rates is already changing how councils think about different options. Aberdeenshire Council has found that its grant funding

would be reduced to offset NDR relief awarded, and so its proposal to create a culture and leisure ALEO is no longer viable. It is now looking at other ways to realise some of the benefits of the ALEO model to bring:

- closer involvement from businesses and communities
- innovation and faster decision-making to realise commercial or service opportunities
- expertise in service-specific areas such as marketing.

95. Possible alternatives include enhancing existing council services by creating a separate business unit, or alternatively using a different form of social enterprise to generate and reinvest income.

96. This example highlights that councils need to continue to work closely with businesses and local communities as they develop options. [Community Empowerment \(Scotland\) Act 2015](#)  brings a much stronger impetus for communities to play a stronger part in delivering services. Indeed, councils' experience with ALEOs brings lessons that could be applied to organisations that are more closely linked to communities, for example to:

- include community, business and service user representatives on boards
- protect assets by keeping them within public ownership
- allow limited liability protection for representatives taking director roles.

97. We found that some more recent options appraisals have considered community enterprises. We also saw examples where councils are involving communities more closely. Fife Council purchased a disused military site and leased it at nominal cost to a community organisation for use as a football venue. The arrangement enables community activity to take place and is self-sufficient with no revenue cost to the council. The council has also used planning contributions paid by developers to build a community sports hub. In another example, High Life Highland ALEO took a positive role in supporting community-run organisations that were facing financial difficulties.

98. Councils have also used the ALEO model to innovate and offer new services. As an example, Aberdeen City Council's Aberdeen Heat & Power ALEO has provided district heating schemes since 2002. The council is considering creating a new Energy Services Company (ESCO) to provide a wider range of energy services across Aberdeen as a whole.¹⁵

There is limited use of ALEOs to achieve shared benefits between councils

99. Councils have made limited progress in working together to provide services jointly, and we saw limited evidence of ALEOs being used in this way. Lothian Buses is the most significant example we identified ([Case study 2, page 37](#)). Others include: Dundee Energy Recycling Limited which provides service on behalf of both Dundee and Angus councils; Cordia's social care equipment service trades with neighbouring councils; and Stirling and Falkirk jointly own an ALEO that provides Geographical Information Services (GIS).

Case study 2

Lothian Buses Limited



Lothian Buses Limited is the largest municipal bus company in the UK. It carries about 120 million passengers per year, and contributes to wider transport objectives to deliver a healthy, inclusive, safe transport system.

It is owned 91 per cent by City of Edinburgh Council; and East Lothian, Mid Lothian and West Lothian councils own the remainder. Transport for Edinburgh is the holding company for Lothian Buses Limited and Edinburgh Trams Limited.

The company operates in the main a low fare, high passenger volume inclusive fares policy with a single flat fare across much of the network. As in the rest of Scotland, senior citizens travel free through a concessionary policy operated and funded by the Scottish Government.

Lothian Buses operates about 700 buses and has a vehicle replacement programme that procures vehicles that minimise emissions including hybrid and all electric vehicles. All buses are low floor and wheel chair accessible.

The company is profitable and makes a dividend payment to its constituent councils. For Edinburgh, the principle shareholder, annual dividends have risen from around £2 million in 2010 to over £6 million in 2017. The council has no restrictions on its use of the dividends; they are currently being used in part to fund the infrastructure costs of the Edinburgh Trams Project.

Source: Audit Scotland





Councils will need to consider the benefits and risks as ALEOs evolve

100. Financial constraints may reduce the funding councils provide to ALEOs. ALEO representatives have argued that funding cuts can be double edged as they reduce their ability to generate income and achieve the benefits that setting up an ALEO was meant to make possible.

101. We have seen examples of ALEOs merging to bring related services together and save costs. Mergers between leisure and culture ALEOs are an example. As ALEOs evolve and adapt, councils will need to carefully consider their viability including their ability to operate more independently. There is also a risk that 'super-ALEOs' become so large they lose the focus and flexibility that is seen to be one of their success factors. It is important that councils keep ALEOs under review and consider alternatives where they no longer meet their intended objectives.

Endnotes



- 1 [Code of guidance on funding external bodies and following the public pound](#) , Accounts Commission and Convention of Scottish Local Authorities (CoSLA), 1996. In 2005, the Code was given statutory backing in the form of a Ministerial Direction under s51(1) and (2) of the Local Government (Scotland) Act 2003 which required every local authority to comply with the FtPP Code when entering into any arrangement or agreement with a body corporate or implementing such an arrangement.
- 2 OSCR's 2015 report *Arm's-Length External Organisations* lists the charitable ALEOs identified at that time.
- 3 The LGiSA 2003, and the provisions around Best Value, Community Planning, and the power to advance wellbeing.
- 4 *The Councillors' Code of Conduct*, Scottish Government, 2010. The Standards Commission publishes guidance for councillors on how to interpret the provisions within the Code of Conduct.
- 5 *Advice for Councillors on Arm's-Length External Organisations*, The Standards Commission, September 2016.
- 6 www.oscr.org.uk/guidance-and-forms/guidance-and-good-practice-for-charity-trustees 
- 7 [How councils work: Roles and working relationships in councils: are you still getting it right?](#) , Accounts Commission, November 2016.
- 8 Under what is known as the Teckal Exemption, codified in regulation 12 of the Public Contracts Regulations (PCR) 2015.
- 9 *Model Publication Scheme*, produced and approved by the Scottish Information Commissioner on 31 May 2017.
- 10 Scottish Household Survey data.
- 11 Financial returns submitted by charitable ALEOs to OSCR.
- 12 *Health and social care integration: Part 2*. To be published autumn 2018 on behalf of the Auditor General and the Accounts Commission.
- 13 Care Inspectorate (CI) grading assessments for registered services: care homes; support services; and housing support services (from The Care Inspectorate Datastore). The CI grades registered services on four themes: Care and Support; Environment; Staffing; Management and Leadership.
- 14 [Social work in Scotland](#) , Accounts Commission, September 2016.
- 15 The Scottish Government Scottish Futures Trust identifies Energy Services Companies (ESCOs) as a model for district heating schemes and other initiatives.

Appendix 1

Audit approach



Our audit work included a sample group of nine councils that make significant use of ALEOs, covering both urban and rural areas. We included the three councils that currently operate social care ALEOs.

Sample councils and ALEOs of interest

<p>Aberdeen</p> <ul style="list-style-type: none"> • Bon Accord, delivers social care • Aberdeen Heat & Power 	<p>The City of Edinburgh Council</p> <ul style="list-style-type: none"> • Edinburgh Leisure • CEC Holdings, a range of property companies 	<p>Dundee City Council</p> <ul style="list-style-type: none"> • Leisure and Culture Dundee • Dundee Energy Recycling Ltd
<p>Fife Council</p> <ul style="list-style-type: none"> • Fife Sports & Leisure Trust • Fife Resource Solutions (waste management) • Fife Cultural Trust 	<p>Glasgow City Council</p> <ul style="list-style-type: none"> • Cordia (social care) • Glasgow Life (leisure and culture) • Jobs and Business Glasgow • City Building 	<p>The Highland Council</p> <ul style="list-style-type: none"> • High Life Highland (leisure and culture) • Beinn Tharsuinn Windfarm Community Limited
<p>North Lanarkshire Council</p> <ul style="list-style-type: none"> • Culture North Lanarkshire • North Lanarkshire Leisure Ltd • Mears Scotland LLP (property) 	<p>Scottish Borders Council</p> <ul style="list-style-type: none"> • SB Cares • Borders Sport and Leisure Trust 	<p>Stirling Council</p> <ul style="list-style-type: none"> • Active Stirling Ltd (sports and leisure) • Stirling Development Agency Ltd

The audit work comprised document review, research and interviews with representatives from the sample group. These included officers, ALEO representatives and focus groups with elected members. Much of our on-site and research work was undertaken in late 2017.

We looked at a cross-section of ALEOs from this sample group. We did not look at:







- housing associations
- public-private partnerships, private finance initiatives or other financial partnerships
- councils' funding of the numerous smaller-scale activities delivered through the third sector and other external parties
- trading operations within councils or other partnership arrangements.

Appendix 2

The common forms of ALEO



Key features

	Limited company	Can be a company limited by shares (CLS) or guarantee (CLG). The 'articles of association' set out the rules for decisions, ownership and control between the company and its 'members' who formed the company (typically the council).
	Limited Liability Partnerships (LLP)	As with a company, it is a separate legal identity that offers limited liability to its members. Governed by a partnership agreement, it offers greater flexibility than a company over internal arrangements, eg for taking decisions and the treatment of profits.
	Scottish Charitable Incorporated Organisation (SCIO)	A bespoke legal form for registered Scottish charities that has been available since 2011. SCIOs need only register with the Office of the Scottish Charity Regulator (OSCR). Limited companies can also be charities but must register with both OSCR and Companies House.
	Community Interest Company (CIC)	A form of company (limited either by shares or by guarantee) created as a 'social enterprise' to use its profits and assets to benefit the community. Related forms are community benefit societies (CBS) and cooperative societies that serve the interests of their members.
	Joint Venture (JV)	A general term for a commercial venture between partners, typically the council and the private sector. Can take different forms, eg CLS, LLP. Public-private partnerships, and private finance initiatives are also forms of JV partnerships.
	Trust	A body governed by 'trustees' through a trust deed. Unlike companies, they are not registered with a regulatory body and do not offer limited liability.

Appendix 3

Factors for councils to consider



Business case assumption

Factors for councils to consider

ALEOs bring financial benefits through tax advantages, commercial trading and new funding opportunities



ALEOs bring financial benefits through NDR relief, new funding and wider commercial trading.

Charitable status encourages donations and volunteering.

The ALEO model safeguards against contract over-pricing as any surpluses can be retained in the public sector.

However, points to bear in mind:

There are uncertainties about whether new sources of income will continue over the longer term. For example:

- Taxation benefits, eg NDR and VAT are subject to change.
- Future income is affected by market forces.
- Grants and new funding tend to be one-off, time limited or project specific; and there is increasing competition for them.

ALEOs bring strong identity, focus and responsiveness



Direction through an ALEO board can be more immediate and responsive than through a larger council body that has competing demands for attention. An ALEO's defined purpose, separate identity, and contractual obligations give a clear focus on performance. ALEO boards bring greater diversity and specialist expertise; ALEOs can compete to attract workforce talent.

However, points to bear in mind:

Councils can achieve similar benefits when ALEOs are not involved:

- Councils can create a service identity and focus, for example through setting up separate business units with a distinct brand.
- Councils already attract external expertise, eg through partnership working, and joint boards or committees.
- Outsourcing can also bring expertise and specialisms to the benefit of the service.

ALEOs can bring workforce flexibility and efficiencies




ALEOs have brought new and improved practice in areas of workforce deployment. They have negotiated more flexible employment terms, for example to extend opening hours; and make use of casual staff and volunteers.

However, points to bear in mind:

- The best performing councils also demonstrate good workforce management and practice. These features are not unique to ALEOs.
- Planned changes in an ALEO may be limited by expectations over workforce terms and conditions.
- Financial pressures in an ALEO may impact on its ability to uphold terms and conditions including access to pensions.
- If an ALEO is brought back into the council any differences in terms will need to be harmonised.

Councils' use of arm's-length organisations

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Councils' use of ALEOs - Actions

Appendix 2

<u>Issue Raised</u>	<u>Officer Response</u>	<u>Further Action/By Whom</u>	<u>Target Date</u>
1/ The Council should examine wider options that can bring similar benefits to ALEOs such as reorganising an existing service, sharing services with other councils or involving the local community.	The Council would carry out detailed options appraisal prior to any decision to create an ALEO which would consider of all these issues. The Council is currently commissioning an external review of options for Riverside Inverclyde.	No further action proposed	
2/ The Council should demonstrate how ALEOs help the Council meet its objectives and improve outcomes for Communities	These matters are picked up in the ALEO Business planning process and should reflect the most up to date priorities per the Corporate Plan	No further action proposed	
3/ The Council should set clear criteria for reviewing an ALEO, considering risks, performance and how it fits with Council priorities	These factors would be picked up in any options appraisal process and forms part of the current external review of options for Riverside Inverclyde.	No further action proposed	
4/ The Council should ensure that it oversees the performance, financial position and associated risks of ALEOs	This action is delivered via officer attendance at Board meetings, the Governance of External Organisations policy and regular reports to the relevant Committee.	No further action proposed	

5/	The Council should have clear reasons for appointing Councillors and officers to ALEO Boards, recognising the responsibilities and risks of conflicts of interest.	The Council does not appoint officers to ALEO Boards and has a clear and approved process for appointing Councillors. All Councillors attend training regarding conflicts of interests and how to fulfil their roles as an ALEO Director.	No further action proposed	
6/	Councils should provide training, support and advice from both the perspective of the Council and the ALEO. This should include legal responsibilities, scrutiny and oversight ,and conflicts of interest.	Covered by 5 above	No further action proposed	
7/	The Council should have processes in place to manage any potential conflicts of interest of elected members and officers involved in the operation of ALEOs	The Councillor Code of Governance, Council Standing Orders and Register of Interests all support Members in addressing these matters.	No further action proposed	
8/	The Council should take an active role in managing their relationship with ALEOs including their compliance to service level agreements, contracts and other obligations	ALEOs demonstrate their compliance with the requirements of the Council via regular meetings with senior officers, attendance by officers at ALEO Board meeting and reports to Committee.	No further action proposed	
9/	The Council should make information about ALEO funding and performance clear and publicly available.	Officers will investigate ways to make information about ALEOs more prominent within the Council Website and Annual Accounts	Corporate Director ECOD / Corporate Director ERR/ CFO	April, 2019

Report To:	Policy and Resources Committee	Date:	18 September 2018
Report By:	Steven McNab, Head of OD, Policy and Communications	Report No:	PR/23/18/SMcN/KB
Contact Officer:	Karen Barclay, Corporate Policy Officer	Contact No:	01475 712065
Subject:	The Fairer Scotland Duty		

1.0 PURPOSE

- 1.1 The purpose of this report is to inform the Policy and Resources Committee of the Fairer Scotland Duty. Additional information is provided in the Appendices. App 1
App 2

2.0 SUMMARY

- 2.1 The Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in Scotland in April 2018 and places a legal responsibility on public bodies in Scotland to actively consider how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.
- 2.2 Socio-economic disadvantage is focused on low income, low wealth, material deprivation and area deprivation – with communities of interest and of place as cross-cutting issues.
- 2.3 The Fairer Scotland Duty clearly links to the Child Poverty (Scotland) Act 2017, and the National Co-ordinator for Child Poverty also has a role to help public bodies implement the Duty successfully.
- 2.4 As the Fairer Scotland Duty is a part of the Equality Act 2010 there are elements in common with delivering on the Public Sector Equality Duty such as Equality Impact Assessments and paying due regard to the Duty. As such, it is recommended that the Corporate Policy Officer who has responsibility for Equalities is the ‘appropriate officer’ (to be involved with any assessment process under the Duty) with support from the temporary Corporate Policy Officer – Poverty.
- 2.5 The Scottish Government has published interim guidance which came into force in April 2018 <https://www.gov.scot/Publications/2018/03/6918>. It is interim, because the government want to develop final guidance over the next three years with public bodies, grounded on experience of working on the Duty and reflecting the good practice that is already in place.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Policy and Resources Committee:
- a. notes the contents of this report;
 - b. agrees that the ‘appropriate officer’ mentioned at paragraph 4.1 should be the Corporate Policy Officer with responsibility for Equalities, with support from the Corporate Policy Officer

– Poverty.

- c. agrees the addition of the Fairer Scotland Duty to the equalities implications section of the Council report template.
- d. agrees the integration of the Fairer Scotland Duty into the Councils current equality impact assessment process.

Steven McNab

Head of Organisational Development, Policy and Communications

4.0 BACKGROUND

- 4.1 The Fairer Scotland Duty, Part 1 of The Equality Act 2010, came into force in April 2018. The Duty places a legal responsibility on the Council to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage. The Scottish Government advise to 'have due regard' means that, in making any strategic decision, the Council must actively consider, with an open mind, whether there are opportunities to reduce inequalities of outcome cause by socio-economic disadvantage. It is also suggested that an appropriate officer must be involved in any assessment process under the Duty and it is proposed that this should be the Corporate Policy Officer who currently has responsibility for Equalities. They will be supported by the temporary Corporate Policy Officer with responsibility for Poverty.
- 4.2 The Duty applies only to strategic decisions. The Scottish Government sees the Duty as an opportunity to put tackling inequality at the heart of key decision-making. More information is provided in the diagram at Appendix One.
- 4.3 The Duty will be regulated by the Equality and Human Rights Commission. The Commission will be closely involved with monitoring and the development of best practice for the Duty, particularly in the first three years.
- 4.4 The Scottish Government has funded a National Co-ordinator Post which, while mainly focusing on the planning and reporting duties under the Child Poverty (Scotland) Act 2017, will play a key role in supporting the implementation of the Fairer Scotland Duty in two ways:
 - by supporting local authorities and health boards (and other public bodies, as required) to develop and share best practice on the Duty; and
 - by advising on how the Guidance can be developed and updated to reflect best practice and deliver results.
- 4.5 The National Co-ordinator will also run regional best practice events and make recommendations to the Scottish Government on how the Interim Guidance can be improved and tools and templates developed, based on feedback.
- 4.6 Additionally, during the first year, the Scottish Government's Chief Social Policy Adviser's Team will lead on 3-4 pilots to help inform and develop the final Guidance.

5.0 THE FAIRER SCOTLAND DUTY – INTERIM GUIDANCE FOR PUBLIC BODIES

- 5.1 Interim Guidance on the Duty has been issued by the Scottish Government. The Guidance is non-statutory and should be viewed as being advisory only. There will be a three year implementation phase for the Interim Guidance.
- 5.2 The Final Guidance - expected at the end of the three year period – will be developed with public bodies, based on their experience of working on the Duty and reflecting good practice.
- 5.3 To fulfil our obligations under the Duty, the Council must be able to meet two key requirements in each case:
 - to actively consider how we could reduce equalities of outcome in any major strategic decision we make; and
 - to publish a written assessment, showing how we have done this.

In doing this, public bodies must approach the Duty in a way that:

- is not a tick box exercise but is meaningful and influences decision making
- helps to achieve public bodies' strategic corporate and equality outcomes

- makes sense to the public body in relation to the work they do and the processes they already have in place
- makes sense to the people and communities they serve (in many cases this may need direct community participation) and
- helps bring about demonstrable change.

5.4 Aside from the key requirements outlined above, the Council can approach meeting the duty as it sees fit. The Scottish Government is encouraging innovation in how public bodies meet the Duty and welcomes different approaches. Set out at Appendix Two is an example process for meeting the Duty on a day to day basis.

6.0 DEFINING SOCIO-ECONOMIC DISADVANTAGE

6.1 The Scottish Government outline that ‘socio-economic disadvantage’ means living on a low income compared to others in Scotland, with little or no accumulated wealth, leading to greater material deprivation, restricting the ability to access basic goods and services. The guidance goes into further detail around:

- Low income compared to most others in Scotland
- Low wealth
- Material deprivation
- Area deprivation
- Socio-economic background.

7.0 DEFINING INEQUALITIES OF OUTCOME

7.1 The guidance defines inequalities of outcome as any measurable differences between those who have experienced socio-economic disadvantage and the rest of the population – for example, in relation to health and life expectancy or educational attainment. Socio-economically disadvantaged households have a higher risk of experiencing negative outcomes.

7.2 In seeking to meet the Duty, the Scottish Government expect public bodies to tackle the range of inequalities of outcome they observe in their areas or that are specifically relevant to their core functions. In some cases an effective way to do this will mean tackling socio-economic disadvantage directly by, for example, reducing poverty. This has clear links to the Community Empowerment (Scotland) Act 2015 where Community Planning Partnerships must create locality plans for those areas experiencing the greatest inequalities.

7.3 Inverclyde Council and HSCP have a strong track record of seeking to tackle inequality and poverty, and the Locality Plans being developed through Community Planning seek to improve equality and equity in the areas experiencing the greatest inequality in Inverclyde. The Community Planning Partnership, the Inverclyde Alliance, has considered at length the Fundamental Causes of Health Inequality, applying this across outcomes and priorities, and widening its scope to encompass all inequalities.

7.4 The Corporate Policy Officer – Poverty is working on mapping the activity taking place across Inverclyde which will seek to mitigate the impact of poverty on local residents and will produce the Child Poverty Local Action Report for June 2019.

7.5 The work Education Services are undertaking in relation to the Attainment Challenge seeks to improve educational outcomes for those who live in the most deprived areas of Inverclyde, closing the attainment gap between them and their more affluent peers. The Children and Young People Improvement Collaborative aims to ensure that all young people in Inverclyde get the best start in life, regardless of their socio-economic situation.

7.6 The Financial Inclusion Partnership co-ordinates the work of a wide range of agencies

delivering money advice services and support to people in poverty or having money problems. The organisations involved have helped many people access additional benefits, bringing millions of pounds into Inverclyde.

- 7.7 Employability and economic regeneration are at the heart of tackling poverty and inequality. The Inverclyde Employability Pipeline supports people into work and helps them to access training. In tandem with this, is work to generate employment opportunities by attracting businesses into the area and supporting people to access job opportunities in the wider City region. Community benefit clauses as part of building projects also provide jobs for local people.
- 7.8 All this work, and more not mentioned here, will help to inform how the Council and HSCP are meeting the Fairer Scotland Duty.
- 7.9 The Policy and Resources Committee is asked to approve the addition of the Fairer Scotland Duty to the Equalities implications section of the Council Report Template. In addition, the Committee is asked to approve the integration of the Fairer Scotland Duty into the Council's current Equality Impact Assessment process, with training delivered to services to bring this to their attention.

8.0 STRATEGIC LEVEL DECISIONS

- 8.1 The Duty applies to strategic level decisions. These would normally include strategy documents, decisions about setting priorities, allocating resources and commissioning services i.e. all decisions agreed at Corporate Management Team or Committee level. The decisions in question will have a major impact on the way in which other tactical and day-to-day operational decisions are taken, but they are not in themselves tactical or operational.
- 8.2 Examples of strategic decisions include:
- preparation of a Local Development Plan
 - City Deals or other major investment plans
 - development of new strategic frameworks
 - development of significant new policies or proposals
 - preparation of an annual budget
 - major procurement exercises
 - decisions about the shape, size and location of the Council's estate
 - preparation of a Local Outcomes Improvement Plan
 - preparation of Locality Plans
 - preparation of a Corporate Plan
 - commissioning of services.

The post mentioned at 4.4 will work with public bodies to build on the initial list of strategic decisions and highlight good practice models to follow.

- 8.3 Given the high levels of deprivation and poverty in Inverclyde, consideration of impact on socio-economic status of our population is automatically given when developing major strategies such as the Inverclyde Outcomes Improvement Plan (IOIP), the Locality Plans and the Corporate Plan. The IOIP includes a priority focused on tackling inequalities, which will be delivered through the Locality Plans, and the Corporate Plan has a priority focused on tackling poverty, and particularly child poverty.

9.0 FUNDING

9.1 The Scottish Government is encouraging public bodies to involve relevant communities, particularly people with direct experience of poverty and disadvantage. A new funding stream is available for 2018/19 which comprises a small amount of money to help public bodies set up new local 'Poverty Truth Commission' type groups, in collaboration with local authorities. Joint bids from groups of local public bodies are particularly welcome and, in the first instance, the Scottish Government is keen to support areas of Scotland where this kind of group would be a significant development. This will be explored by the Corporate Policy Officer – Poverty, but it is anticipated that engagement with people with direct experience of poverty will be undertaken via the locality planning process and the engagement with communities taking place around that.

10.0 IMPLICATIONS

10.1 Financial implications - one-off costs:

Cost centre	Budget heading	Budget year	Proposed spend this report	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial implications - annually recurring costs/(savings):

Cost centre	Budget heading	With effect from	Annual net impact	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

10.2 Human Resources: There are no direct human resources implications arising from this report.

10.3 Legal: There are no direct legal implications arising from this report.

10.4 Equalities: People with particular protected characteristics can often be subject to inequality of outcome which can have a negative impact on their socio-economic situation. Implementation of the Fairer Scotland Duty will help to tackle these negative impacts.

10.5 Repopulation: Improving the socio-economic situation of the citizens of Inverclyde will encourage them to remain in the area, and if Inverclyde becomes more affluent it will be more attractive to a wider range of potential citizens of Inverclyde.

11.0 CONSULTATION

11.1 N/A

12.0 BACKGROUND PAPERS

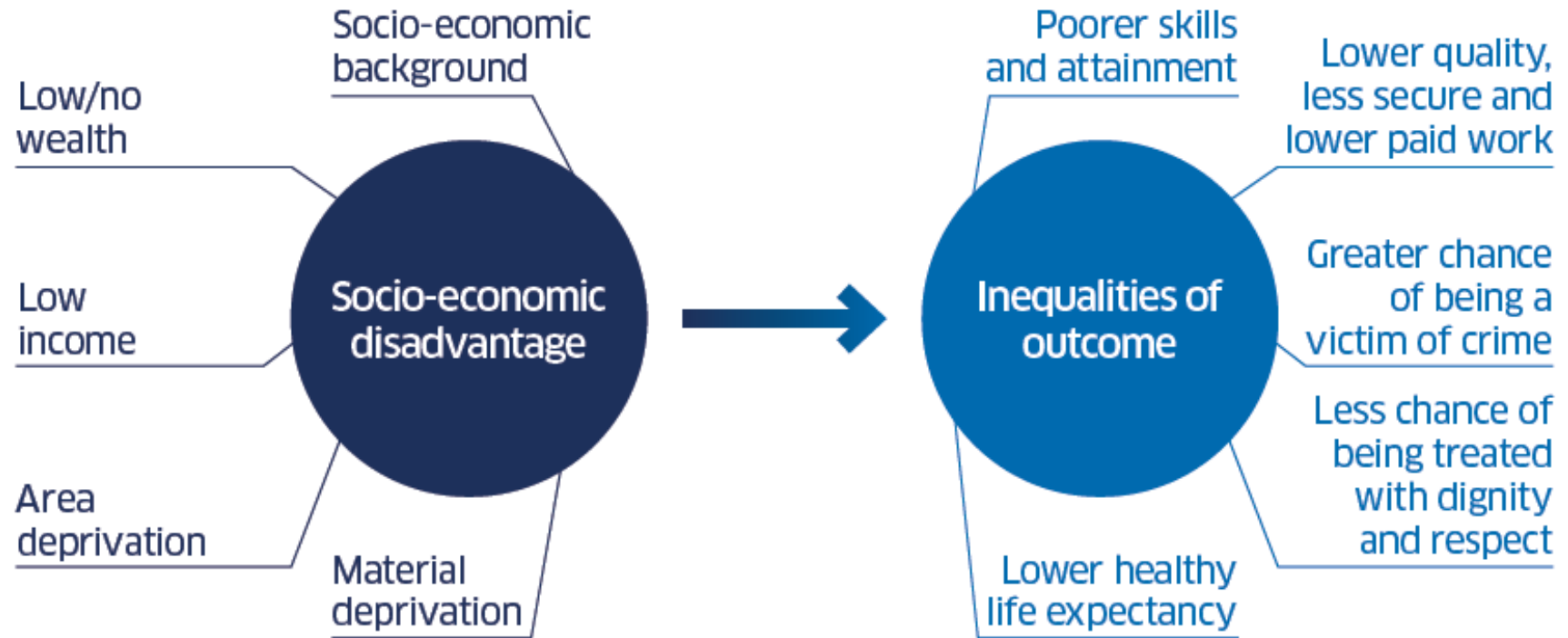
12.1 The Fairer Scotland Duty – Interim Guidance for Public Bodies <https://www.gov.scot/Publications/2018/03/6918>

13.0 CONCLUSION

13.1 Inverclyde Council has a clear Duty to actively consider, at an appropriate level, what more we can do to reduce the inequalities of outcome caused by socio-economic disadvantage, in any strategic decision making or policy development context and publish a written assessment showing how we have done this. It is suggested that Council Report templates add the Fairer Scotland Duty to the Equalities implications

section with guidance distributed to services. The Fairer Scotland Duty requirements will be integrated into the Council's current Equality Impact Assessment process to facilitate its delivery.

Appendix One – Socio-economic disadvantage and inequalities of outcome



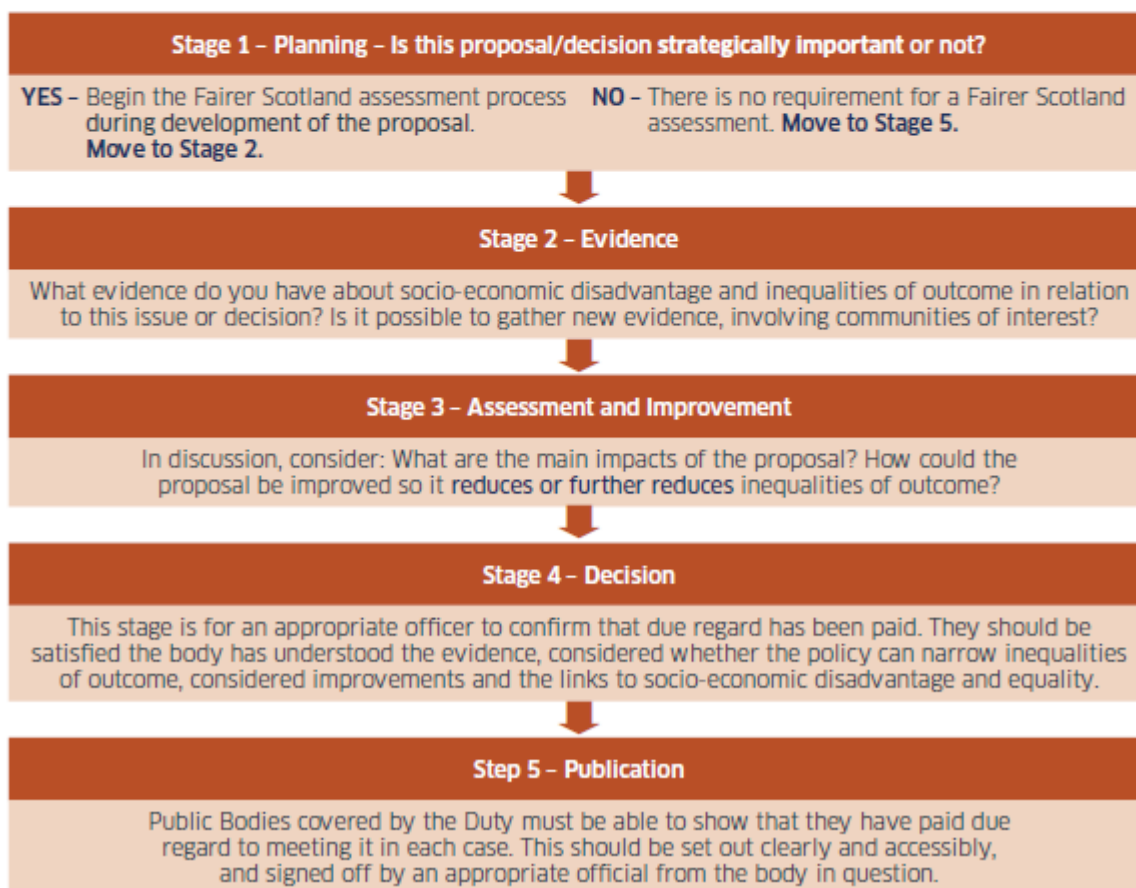
Meeting the Duty day-to-day

THIS SECTION SETS OUT AN EXAMPLE PROCESS FOR MEETING THE DUTY ON A DAY-TO-DAY BASIS.

These steps are intended to be similar to those used by many public bodies for equality impact assessment (EQIA)⁴, as part of the PSED. This should mean it's straightforward for public bodies to fit the Duty into its day-to-day processes.

Note that the PSED is currently subject to review and any findings will inform future iterations of this guidance.

A summary diagram of the process is shown below.



Report To:	Policy and Resources Committee	Date:	18 September 2018
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	PR/25/18/RB/LM
Contact Officer:	Louise McVey	Contact No:	01475 715714
Subject:	Tail o'the Bank Credit Union		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update of progress on the establishment of school based credit union accounts, and the continued development to encourage a savings mentality and positive culture in financial awareness, through the Curriculum for Excellence.

2.0 SUMMARY

The InverSavers Project was a time limited two year funded pilot (£19,000), established to promote a positive attitude to money management and to facilitate volunteering opportunities for pupils to establish their own school based credit unions.

- 2.1 The Policy and Resources Committee on 6 February 2018 - Welfare Reform Update (Proposals for Increasing Uptake of Credit Union Accounts in Schools – Para 90(4)) requested a progress report on how schools would continue to encourage a savings culture and engender self-responsibility within the Curriculum for Excellence when the InverSavers Project ended in July 2018.
- 2.2 During the two year period of the pilot project, the uptake by pupils was disappointingly low, despite the £10 financial incentive.
- 2.3 The primary schools took the opportunity to work in collaboration with the Tail o'the Bank project officer to establish links to current curriculum areas such as "The World of Work" initiative and "personal achievement awards". The InverSavers Project within some primary schools proved successful to encourage young people to become volunteers and promote positive attitudes to money management and create a savings culture
- 2.4 The secondary schools took the opportunity to work in collaboration with Tail o'the Bank project officer to create lessons and plans on a range of financial educational input. The teaching staff will build on the collaboration with Tail o'the Bank to teach pupils of the benefits of opting for low cost, ethical alternatives, such as the credit unions, to high cost lending in adult life as part of their broad general education.
- 2.5 All schools advised that they will continue to promote the use of credit union accounts, encourage a savings culture and engender self-responsibility, self-reliance and self-determination around financial education within the relevant curriculum area within the Curriculum for Excellence.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes:

- a. That all schools will continue to support and encourage the promotion of credit union accounts.
- b. That all schools will be encouraged to continue to use curriculum based activities and develop other financial initiatives and approaches to tackle child poverty across Inverclyde.

Ruth Binks
Corporate Director
Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 The InverSavers Project was initially a time limited two year funded pilot (£19,000), established to promote a positive attitude to money management and an understanding of the dangers of high cost lending by providing a financial incentive for young people in primary 7 to open an InverSavers account. The project also proposed to facilitate volunteering opportunities for pupils to run their own school based credit unions to develop financial awareness and employability/business skills.
- 4.2 The financial incentive element of the InverSavers Project encouraged 250 pupils to open an account within year 1 and 171 pupils in year 2 against the expected outcomes of 800 accounts in each year. This indicates that money was not the incentive to open an account.
- 4.3 A project officer was employed to support and offer information and advice on benefits and services that the credit union could offer schools and pupils within the school community. The project officer also supported the recruitment of pupil volunteers to implement the school based credit union.
- 4.4 The project officer has worked collaboratively with staff within schools to create lessons and plans to teach pupils on the benefits of opting for low cost, ethical alternatives, such as the credit unions, as an alternative to high cost lending in adult life as part of their broad general education.
- 4.5 Some schools have successfully established a whole school credit union and linked the project to specific financial education policies such as "The World of Work". The Tail o'the Bank and the school partnership have created an opportunity for increased savings and a positive attitude to financial management across the school community.

5.0 CURRENT POSITION

- 5.1 The schools that have established a whole school credit union are:
 - Port Glasgow High School (although no deposits made by students since March)
 - King's Oak Primary School
 - Newark Primary School
 - St Michael's Primary School
- 5.1 St Francis Primary School, St John's Primary School, Lady Alice Primary School and Notre Dame High School are discussing the possibility of establishing their school credit union after the summer holiday period 2018.
- 5.2 Since the project started in June 2016 until 30 May 2018 there has been an increase in the total number of child credit unions accounts opened, with 1092 child accounts open. 421 accounts have been opened with the financial incentive. The remaining 671 accounts have been opened as result of the whole school credit union in the 4 schools named in section 5.1.
- 5.3 The secondary schools have had challenges recruiting pupil volunteers and encouraging a savings mentality across the community compared to the primary schools. All schools are confident that they can teach and encourage young people to adopt a positive attitude towards financial management within the range of educational and numeracy programmes that are part of the Curriculum for Excellence.
- 5.4 The InverSavers Project has now ended, however discussions continue between Tail o'the Bank Credit Union and the individual schools on the continuation with support in the collection and banking of money.

6.0 IMPLICATIONS

Finance

6.1 There are no financial implications from this report

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments

6.2 **Legal**

N/A.

6.3 **Human Resources**

There are no HR implications from this report

Equalities

6.4 Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

6.5 N/A.

7.0 CONSULTATIONS

7.1 N/A.

8.0 CONCLUSIONS

8.1 The InverSavers Project has provided schools with the opportunity to collaborate with a local credit union to raise awareness and encourage young people to access credit union accounts. The schools will continue through Curriculum for Excellence to encourage a savings culture and engender self-responsibility, self-reliance and self-determination around financial education. The Tail o'the Bank Credit Union will continue to offer advice to schools that want to establish a credit union and will assist the schools with collecting and depositing money.

9.0 BACKGROUND PAPERS

9.1 N/A

Report To:	Policy & Resources Committee	Date:	18 September 2018
Report By:	Head of Legal & Property Services	Report No:	GM/LP/091/18
Contact Officer:	Gerard Malone	Contact No:	01475 712710
Subject:	European Charter of Local Self Government – Private Member’s Bill		

1.0 PURPOSE

1.1 This report outlines the Council’s possible response to the consultation invited by Andy Wightman MSP for his proposal for a Private Member’s Bill for the Scottish Parliament to consider the incorporation of a European Charter of Local Self Government into law in Scotland.

2.0 SUMMARY

2.1 It was the decision of the 8 August 2018 meeting of the Committee to remit it to me to prepare a proposed response for consideration at the September 2018 meeting and that prior to the consultation deadline of 21 September 2018.

2.2 A copy of the proposal and the relative questionnaire on support is attached for Members’ assistance at Appendix 1. The Council’s possible response is outlined in Appendix 2 and has been the subject of consultation with Group Leaders within the Council.

3.0 RECOMMENDATION

That the Committee

3.1 Considers the consultation document and relative questionnaire; and

3.2 Agrees the form of consultation response, with any modifications as decided upon, as outlined within Appendix 2.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The Committee at its September meeting remitted it to me to prepare a proposed response on the consultation for Mr Wightman's proposal for a Private Member's Bill for the Scottish Parliament to consider the incorporation of a European Charter of Local Self Government into law in Scotland.
- 4.2 A copy of the proposal and relative questionnaire on support is attached as Appendix 2. The consultation process that has been undertaken involves the lodging of any representations by the deadline of 21 September 2018. At the end of the consultation period, any responses received will be analysed and Mr Wightman will then expect to lodge a proposal in the Scottish Parliament along with a summary of responses. If Mr Wightman's proposal secures the support of at least 18 other MSPs from at least half of the political parties or groups represented in the Scottish Parliament and if the government does not otherwise indicate that it intends to legislate in the area in question, Mr Wightman will then have the right to introduce a Private Member's Bill. Following scrutiny processes, if the Private Member's Bill is passed at the end of the process, it will become an Act of the Scottish Parliament. At the present stage, there is only a draft proposal for the legislation.

5.0 THE EUROPEAN CHARTER OF LOCAL SELF GOVERNMENT

- 5.1 The consultation paper (Appendix 1) sets out the background and proposal in full. The consultation paper clarifies that the Council of Europe brings together 47 governments from across Europe and beyond to agree minimum legal standards in a range of areas. In respect of arrangements for leaving the European Union, it is noted that the UK will join the existing 19 non-European Union states which already belong to the Council of Europe.
- 5.2 The Charter itself was adopted in June 1985 and the UK ratified the Charter in April 1998. However, the Charter has never been made part of domestic law and that means in practice there is no formal recourse to ensure that its provisions are upheld. It is this fundamental position that the proposed Member's Bill now seeks to address.
- 5.3 It is CoSLA's position that the Charter may formalise and protect the role of local government within Scotland. This is reflected in CoSLA's approach to its "Democracy and Reform" Plan as adopted by the Convention for the CoSLA Plan 2017-22 and it supports CoSLA's work to strengthen inter-governmental relations especially in the context of the UK leaving the European Union.
- 5.4 The Council may wish to submit its own response to the consultation on the basis of the following key factors:-
- improving relationships between national and local government and enhancing strong partnership arrangements;
 - strengthening the constitutional protection of local government;
 - providing legal checks and balances;
 - improving and strengthening the culture and practice of local democracy by promoting partnership with the two levels of government on shared issues.

6.0 IMPLICATIONS

Finance

- 6.1 None.

Financial Implications:

One Off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Legal

6.2 The legal implications are contained in the report.

Human Resources

6.3 None.

Equalities

6.4 None.

Repopulation

6.5 None.

7.0 CONSULTATIONS

7.1 All Political Group Leaders have been consulted on the report.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

CONTENTS

Foreword by Andy Wightman MSP

How the consultation process works

Aim of the proposed Bill

- **Background**
- **The European Charter of Local Self-Government**
- **The Charter in Scotland**
- **The legal framework in Scotland**

Detail of the proposed Bill

- **Why incorporation is required**
- **What does incorporation mean?**
- **Consequences of incorporation**
- **Implementation and costs**
- **Equalities issues**
- **Sustainability development issues**

Annex I – The European Charter of Local Self-Government

Questions

How to respond to this consultation

Privacy notice

FOREWORD

The strength of free peoples lies in the municipality. Municipal institutions are to liberty what primary schools are to learning; they put it within easy reach of the people; they let it taste its peaceful exercise and accustom them to making use of it. Without municipal institutions a nation can give itself a free government, but it will not have the spirit of liberty.

Alex de Tocqueville, *Democracy in America* (1835)

Scotland's local government has a long and varied history since the 12th century when the first Royal Burghs were established. These local institutions and the later parishes, counties, districts and regions have provided the people of Scotland with the most local and continuous governance of many of the things that matter most to them.

Over the past century, however, the status, powers and freedoms of local government have been slowly eroded and marginalised. Governments of all persuasions have tended to assume that the answer to providing more effective public services is to exercise power and control from the centre. At the same time, whole spheres of local governance (such as Scotland's former 196 town councils) have been eliminated.

Over the 19 years since the Scottish Parliament was established, local democracy has been seen as the unfinished business of devolution. Whilst not all agree on the specifics, there is a growing political consensus that the challenges and opportunities facing communities across Scotland require more local solutions.

That's why I believe that we need to deepen and strengthen our system of local governance and this proposed Member's Bill is a step along that road.

As the McIntosh Commission on Local Government noted in 1999:

*"It could be said that Scotland today simply does not have a system of local government in the sense in which many other countries still do. The 32 councils now existing are, in effect, what in other countries are called county councils or provinces"*¹

In 2013, the Convention of Scottish Local Authorities (COSLA) argued that:

"Scotland is one of the most centralised countries in Europe. It is no coincidence that our European neighbours are often more successful at improving outcomes, and have much greater turn out at elections.

¹ Scottish Government (22 June 1999). *McIntosh findings published today* (news release). Available at: <http://www.gov.scot/News/Releases/1999/06/fc688349-b6fb-4ce8-800c-d05d7f59fb5b>. Accessed 21 June 2018.

“We cannot hope to emulate the success of these countries without acknowledging that these councils and their services are constitutionally protected and their funding secured by law, even with regard to national policy making.”²

It was in this context that COSLA established the cross-party Commission on Strengthening Local Democracy.³ In its final report, published in August 2014, it recommended that all of the articles of the European Charter of Local Self Government⁴ (hereafter referred to as the Charter) be incorporated into the law of Scotland.

The Charter is a Council of Europe treaty, ratified by the UK in 1998, which seeks to enshrine a series of legal rights for local government. Incorporating the Charter into Scots law would strengthen the constitutional role of local government and provide citizens with a domestic remedy in the event that the provisions of the Charter were being violated.

I am pleased, therefore, to publish this consultation for a proposed Member’s Bill to make provision for the incorporation into Scots law of the European Charter of Local Self-Government.

² Local Matters (2013). *COSLA’s Vision for Stronger Local Democracy*.

³ Commission on Strengthening Local Democracy. <https://www.localdemocracy.info/>. Accessed 21 June 2018.

⁴ Council of Europe (1984). *European Charter of Local Self-Government*. Available at: <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122>. Accessed 21 June 2018.

HOW THE CONSULTATION PROCESS WORKS

This consultation relates to a draft proposal I have lodged as the first stage in the process of introducing a Member's Bill in the Scottish Parliament. The process is governed by Chapter 9, Rule 9.14, of the Parliament's Standing Orders which can be found on the Parliament's website at:

<http://www.scottish.parliament.uk/parliamentarybusiness/17797.aspx>

At the end of the consultation period, all the responses will be analysed. I then expect to lodge a final proposal in the Parliament along with a summary of those responses. If that final proposal secures the support of at least 18 other MSPs from at least half of the political parties or groups represented in the Parliamentary Bureau, and the Scottish Government does not indicate that it intends to legislate in the area in question, I will then have the right to introduce a Member's Bill. A number of months may be required to finalise the Bill and related documentation. Once introduced, a Member's Bill follows a 3-stage scrutiny process, during which it may be amended or rejected outright. If it is passed at the end of the process, it becomes an Act.

At this stage, therefore, there is no Bill, only a draft proposal for the legislation.

The purpose of this consultation is to provide a range of views on the subject matter of the proposed Bill, highlighting potential problems, suggesting improvements, and generally refining and developing the policy. Consultation, when done well, can play an important part in ensuring that legislation is fit for purpose.

The consultation process is being supported by the Scottish Parliament's Non-Government Bills Unit (NGBU) and will therefore comply with the Unit's good practice criteria. NGBU will also analyse and provide an impartial summary of the responses received.

Details on how to respond to this consultation are provided at the end of the document.

Additional copies of this paper can be requested by contacting me at;
Andy Wightman MSP, Scottish Parliament, EDINBURGH, EH99 1SP
Email: andy.wightman.msp@parliament.scot
Tel. No. 0131 348 6368

Enquiries about obtaining the consultation document in any language other than English or in alternative formats should also be sent to me.

An on-line copy is available on the Scottish Parliament's website (www.parliament.scot) under Parliamentary Business / Bills / Proposals for Members' Bills.

AIM OF THE PROPOSED BILL

Background

This consultation paper sets out the background and rationale for a proposed Member's Bill to incorporate the Charter into Scots law. The purpose of the consultation is to seek views on:

- a. Whether you agree that the Charter should be incorporated; and
- b. Whether there are any legal questions that need to be addressed in the Bill.

This consultation paper provides some background to international treaties, the Council of Europe and the issues involved in incorporation. It then provides an outline of the proposed Bill before asking a number of questions which form the core of this consultation.

The European Charter of Local Self-Government

The Charter is a treaty of the Council of Europe.⁵ The Charter was adopted in June 1985 and it is now in force in every member state of the Council of Europe. The UK signed the Charter on 3 June 1997, ratified the Charter on 24 April 1998 and it came into force on 1 August 1998.

Article 12 of the Charter provides that each signatory "undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter" with at least ten selected from a prescribed list. Each signatory is required to notify the Secretary General of the Council which of the provisions it has selected when it ratifies the Charter. In ratifying the Charter in 1998, the UK agreed to be bound by all the Articles of Part I of the Charter (Parts II and III relate to procedural matters) in relation to all 32 councils established by the Local Government (Scotland) Act 1994. The full text of the Charter is annexed to this consultation. In summary, its ten substantive articles:

- Recognise the principles of local self-government in domestic legislation and, where practicable, in the constitution;

⁵ The Council of Europe was founded in 1949 as an international European organisation to promote democracy and protect human rights and the rule of law across the continent of Europe. The Council of Europe is an international organisation comprising 47 member states and the United Kingdom is one of the eight founding members. Of the 223 international treaties introduced by the Council of Europe, the best known is the European Convention on Human Rights and Fundamental Freedoms (ECHR). The UK is obliged to observe and implement all international treaties and the Scottish Government and Scottish Parliament have the same obligations in relation to those parts of international agreements that relate to devolved matters. Details of the Treaty are available on the Council of Europe's website at <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122>. Accessed 21 June 2018.

- Embed the rights and abilities of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population;
- Prescribe the basic powers and responsibilities of local authorities in law;
- Require prior consultation of local communities in relation to any changes in local authority boundaries;
- Enable local authorities to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management;
- Ensure that the conditions of office of local elected representatives provide for free exercise of their functions;
- Ensure that any administrative supervision of local authorities is only exercised according to procedures and in such cases as are provided for by the constitution or by statute;
- Guarantee local authorities, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers, and ensure that local authorities' financial resources are commensurate with the responsibilities provided for by the constitution and the law; and
- Entitle local authorities, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.

The Charter makes no provision for any arbitration or judicial oversight of the provisions of the treaty. Instead, the observation of the articles of the Charter is monitored by the Council of Europe's internal structures. This is now done through a programme of country by country monitoring by rapporteurs appointed by the Council's Congress of Local and Regional Authorities.

Local government across the UK has long supported the Charter, with COSLA arguing as far back as 1981 that the reforms to the fiscal autonomy of local government being taken forward by the UK Government would be in breach of the – at that point – draft Charter's provisions.⁶

⁶ See Official Report of the Sixteenth Ordinary Session of the Council of Europe Congress of Local and Regional Authorities in Europe 27-20 October 1981. The draft charter in circulation in 1981 was virtually identical to the Charter that was eventually agreed and adopted.

Congress resolution 58 (1997) identified the United Kingdom as one of the countries where major problems of local democracy existed. In response to a monitoring visit to the UK in 1998, the recommendations of the Congress included:⁷

- To increase seriously local government's financial capacities by developing a much higher share of 'own income' as compared to State grants, and by abolishing practices such as rate-capping, as well as by localising the business rate; and
- To establish that the principles accepted by the UK within the Charter should be incorporated in domestic law and considered as binding by the courts.

By 2014, following a monitoring visit by Council of Europe rapporteurs to the UK, which included a specific visit to Scotland, Congress once again expressed concern in resolution 353, that:

*"the Constitutional or legislative recognition and entrenchment of (the right to) local self-government does not exist in the United Kingdom (including in Scotland), and that the introduction of a general power for local authorities does not go far enough in satisfying the spirit of the Charter".*⁸

The Charter in Scotland

The question of the constitutional status of local government came into sharp focus with the establishment of the Scottish Parliament and concerns it would lead to a centralisation of power within Scotland to the detriment of local authorities.

In 1999, the McIntosh Commission on Local Government recommended a series of reforms to strengthen and formalise the role of local government within the new devolved arrangements.⁹

Since the establishment of the Scottish Parliament, there have been only sporadic mentions of the Charter but in recent years there has been a growing interest in the role it might play in strengthening local democracy.

During the passage of the Community Empowerment (Scotland) Bill in 2014-15, an amendment was lodged at Stage 3 by Tavish Scott MSP that would have imposed a

⁷Report on Local and Regional Democracy in the United Kingdom - CG (5) 7 Part II
<https://rm.coe.int/168071af17> Accessed 22 June 2018.

⁸ Congress of Local and Regional Authorities (2014). *Recommendation 353 (2014), Local and regional democracy in the United Kingdom*. Available at:
https://search.coe.int/congress/Pages/result_details.aspx?ObjectId=0900001680719267 Accessed 21 June 2018.

⁹ Scottish Government (22 June 1999). *McIntosh findings published today* (news release). Available at:
<http://www.gov.scot/News/Releases/1999/06/fc688349-b6fb-4ce8-800c-d05d7f59fb5b> Accessed 21 June 2018

duty on Scottish Ministers, in exercising their functions, to observe and promote the principles and provisions of the Charter.¹⁰

More recently, COSLA's Commission on Strengthening Local Democracy recommended incorporating the Charter into Scots law. In its final report, the Commission argued that, in order to strengthen and deepen local democracy, local government's existence and functions should be placed on a firmer statutory footing. Whilst it recognised that Scotland and the UK were unusual in not having a codified, written constitution, the statutory incorporation of the Charter was nevertheless viewed as a means to secure certain fundamental rights that would otherwise be provided by a constitution or basic law.

The legal framework in Scotland

Schedule 5 to the Scotland Act 1998 lists the subject-matters that are "reserved" to the UK Parliament (meaning that the Scottish Parliament cannot legislate on them), and this includes:

7. – (1) International relations, including relations with territories outside the United Kingdom, the European Union (and their institutions) and international organisations, regulation of international trade, and international development assistance and co-operation are reserved matters.

(2) Sub-paragraph (1) does not reserve –

- (a) observing and implementing international obligations, obligations under the Human Rights Convention and obligations under EU law,*
- (b) assisting Ministers of the Crown in relation to any matter to which that sub-paragraph applies.*

In other words, the Scottish Parliament can legislate for the purpose of observing and implementing international obligations so far as they relate to devolved matters. With regard to the European Convention on Human Rights (ECHR) and EU law, the Parliament has additional obligations and legislation must not be incompatible with any of the Convention rights or with Community law.

Ultimately, responsibility for complying with the terms of international obligations falls to the UK as the party to international treaties. The UK Government can be held to account in a variety of ways, including recourse to the courts, in relation to alleged breaches of Convention Rights or EU law.

¹⁰ Amendment 151 – see page 3 of the Marshalled List: [http://www.scottish.parliament.uk/S4_Bills/Community%20Empowerment%20\(Scotland\)%20Bill/b52as4-stage3-ml.pdf](http://www.scottish.parliament.uk/S4_Bills/Community%20Empowerment%20(Scotland)%20Bill/b52as4-stage3-ml.pdf). Accessed 21 June 2018. The motion was disagreed to (For 52, Against 68, Abstentions 0).

Under section 58 of the Scotland Act 1998, the Secretary of State can also, by Order, revoke secondary legislation that s/he has reasonable grounds to believe is incompatible with international obligations. S/he may also direct Scottish Ministers either to implement such obligations or to halt any action which is held to be incompatible. This power has never been used.

Both the ECHR and EU law include provisions and mechanisms that enable any person to take legal action against the UK Government, Scottish Ministers, local government and public bodies (such as Police Scotland) where they believe that Convention Rights or EU law has been breached. No such procedures or mechanisms are available in most other international obligations, including in the Charter. Citizens, thus, have no recourse to a legal remedy if they believe that the Charter has been violated by executive or legislative action. Remedying this deficiency is the purpose of this proposed legislation.

The proposed Bill would incorporate the Charter into Scots law and allow anyone to take action in Scottish courts to challenge any action by Scottish Ministers or Act of the Scottish Parliament they believed were in contravention of the Charter. Furthermore, it would provide local government with a stronger statutory framework within which its rights are guaranteed and protected against encroachment.

DETAIL OF THE PROPOSED BILL

Why incorporation is required

It can often be difficult to hold Governments to account for any breach of an international treaty unless there are provisions within the treaty itself that explicitly create some kind of legal dispute mechanism. A good example is the ECHR which, as part of its provisions, created the European Court of Human Rights where parties can take cases to uphold their human rights under the Convention.

Many international treaties, however, do not contain any specific means of dispute resolution. This does not matter to a great extent in countries with a so-called *monistic* legal system where international law is automatically incorporated into the law of the state and will have direct legal effect in domestic courts. The UK, however, has a *dualist* legal system whereby domestic law and international law are distinct and separate from each other. Broadly speaking, international law must be incorporated into domestic law by legislation in order for it to have the same legal authority as domestic law and unincorporated international law can only be used by the courts as an interpretative tool.

By incorporating the Charter into Scots law, the fundamental purpose is to make it justiciable in the courts of Scotland. In other words, if any party believed that any of the provisions of the Charter were being breached by executive actions of the Scottish Government, or by laws passed by the Scottish Parliament, they would be able to take a case to a Scottish court to have the arguments heard and decided upon.

What does incorporation mean?

There is no one, standard way to incorporate international obligations and it could be done in a number of different ways. An example of a relatively comprehensive form of incorporation is the Human Rights Act 1998.¹¹ I recognise my proposal raises a number of complex issues which would require to be reviewed fully before legislation is drafted, taking into account also interaction with existing provisions within the Scotland Act 1998. Those issues include:

- Method by which the Charter is incorporated. For example, should the Charter be incorporated in a schedule to the Act or would the Act reference the Charter? The method of incorporation would need to allow sufficient flexibility to incorporate any amendments to the Charter or changes to those provisions ratified by the UK;
- Complaints mechanism. For example, should any complaints in relation to breaches of the Charter be made through existing court processes or via a Commissioner created for the purpose; and
- Judicial remedies. What judicial remedies should be available where an executive action or legislation was found to breach the Charter? Should it be possible to declare an action or legislation incompatible with the Charter? How far might the legislation go in terms of specifying judicial remedies?

While the particular approach to be taken with my proposed Bill would require careful consideration, and a full assessment made of what might be set out there, my preference would be:

- for the Bill to incorporate the Charter's provisions in a schedule,
- for the courts be the route through which any complaint be made about incompatibility of any executive or legislative act, and
- in terms of judicial remedies, for the courts to have the power to require executive action to remedy any breaches identified and to strike down any incompatible legislation.

Consequences of incorporation

The consequences of incorporation would include:

- Enhanced status in law for local government;
- Legal guarantees of the status, powers and finances of local government;
- Providing citizens with the means by which to uphold the obligations of the Charter by empowering citizens to challenge any action of the Executive or Parliament which they consider violates the terms of the Charter;

¹¹ The Human Rights Act 1998 provides for matters relating to the interpretation, public authorities' duties, remedies, derogations as well as related rights and proceedings consequent to the ECHR.

- Fettering the discretion of the Scottish Government to exercise its executive powers and the Scottish Parliament to exercise its legislative powers in ways which violate international law as set out in the Charter;
- Incorporation of the Charter might have impacts on existing legislation or in relation to the status, powers and finances of local government; and
- Given the limited examples of where international law has been incorporated into domestic law, there may be unintended consequences. This consultation will allow for any unintended consequences to be identified and solutions highlighted.

Implementation and costs

On the one hand, the Bill would require no specific action and incur no additional costs following enactment as it simply provides a mechanism for alleged breaches of the Charter to be challenged. If a Commissioner was created to consider complaints under the Bill, however, there would be moderate costs associated with setting up that post.

On the other hand, there may be consequences (and would be some costs) where the Bill were to be used as a specific reference point for challenging an Act of the Scottish Parliament or actions of Scottish Ministers

Citizens or local authorities might consider that actions of the Scottish Government or existing legislative provisions violate the Charter or conflict with its provisions. Costs would be incurred if these parties chose to raise legal proceedings to challenge such actions of legal provisions. Where the courts did find that an Act of the Scottish Parliament or action of Scottish Ministers constituted a breach of the Charter, there would very likely be costs associated with remedying the breach.

Equalities issues

It is not anticipated that the proposed Bill would have any negative impact on any groups with protected characteristics under the Equality Act 2010.

It is noted, however, that the Bill would not be able to overcome any of the existing barriers which make it difficult for some people with learning difficulties to use the legal system to protect their rights.

Sustainable development issues

As part of the preparation for the proposed Bill, it was considered how the policy would impact on the sustainable development of the economy, society, environment and governance.

It is not considered that any issues would arise from the draft proposal which would negatively impact on the sustainable development of the economy, society, environment and governance.

European Charter of Local Self-Government

Strasbourg, 15.X.1985

Preamble

The member States of the Council of Europe, signatory hereto,

Considering that the aim of the Council of Europe is to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage;

Considering that one of the methods by which this aim is to be achieved is through agreements in the administrative field;

Considering that the local authorities are one of the main foundations of any democratic regime;

Considering that the right of citizens to participate in the conduct of public affairs is one of the democratic principles that are shared by all member States of the Council of Europe;

Considering that it is at local level that this right can be most directly exercised;

Convinced that the existence of local authorities with real responsibilities can provide an administration which is both effective and close to the citizen;

Aware that the safeguarding and reinforcement of local self-government in the different European countries is an important contribution to the construction of a Europe based on the principles of democracy and the decentralisation of power;

Asserting that this entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment,

Have agreed as follows:

Article 1

The Parties undertake to consider themselves bound by the following articles in the manner and to the extent prescribed in Article 12 of this Charter.

Part I

Article 2 – Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

Article 3 – Concept of local self-government

1 Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.

2 This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

Article 4 – Scope of local self-government

1 The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.

2 Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.

3 Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.

4 Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.

5 Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.

6 Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

1 Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.

2 The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

Article 7 – Conditions under which responsibilities at local level are exercised

1 The conditions of office of local elected representatives shall provide for free exercise of their functions.

2 They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.

3 Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

Article 8 – Administrative supervision of local authorities' activities

1 Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.

2 Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.

3 Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

Article 9 – Financial resources of local authorities

1 Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.

2 Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.

3 Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.

4 The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.

5 The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.

6 Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.

7 As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.

8 For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

Article 10 – Local authorities' right to associate

1 Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.

2 The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.

3 Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

Part II – Miscellaneous provisions

Article 12 – Undertakings

1 Each Party undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter, at least ten of which shall be selected from among the following paragraphs:

- Article 2,
- Article 3, paragraphs 1 and 2,
- Article 4, paragraphs 1, 2 and 4,
- Article 5,
- Article 7, paragraph 1,
- Article 8, paragraph 2,
- Article 9, paragraphs 1, 2 and 3,
- Article 10, paragraph 1,
- Article 11.

2 Each Contracting State, when depositing its instrument of ratification, acceptance or approval, shall notify to the Secretary General of the Council of Europe of the paragraphs selected in accordance with the provisions of paragraph 1 of this article.

3 Any Party may, at any later time, notify the Secretary General that it considers itself bound by any paragraphs of this Charter which it has not already accepted under the terms of paragraph 1 of this article. Such undertakings subsequently given shall be deemed to be an integral part of the ratification, acceptance or approval of the Party so notifying, and shall have the same effect as from the first day of the month following the expiration of a period of three months after the date of the receipt of the notification by the Secretary General.

Article 13 – Authorities to which the Charter applies

The principles of local self-government contained in the present Charter apply to all the categories of local authorities existing within the territory of the Party. However, each Party may, when depositing its instrument of ratification, acceptance or approval, specify the categories of local or regional authorities to which it intends to confine the scope of the Charter or which it intends to exclude from its scope. It may also include further categories of local or regional authorities within the scope of the Charter by subsequent notification to the Secretary General of the Council of Europe.

Article 14 – Provision of information

Each Party shall forward to the Secretary General of the Council of Europe all relevant information concerning legislative provisions and other measures taken by it for the purposes of complying with the terms of this Charter.

Part III

Article 15 – Signature, ratification and entry into force

1 This Charter shall be open for signature by the member States of the Council of Europe. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with the Secretary General of the Council of Europe.

2 This Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date on which four member States of the Council of Europe have expressed their consent to be bound by the Charter in accordance with the provisions of the preceding paragraph.

3 In respect of any member State which subsequently expresses its consent to be bound by it, the Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date of the deposit of the instrument of ratification, acceptance or approval.

Article 16 – Territorial clause

1 Any State may, at the time of signature or when depositing its instrument of ratification, acceptance, approval or accession, specify the territory or territories to which this Charter shall apply.

2 Any State may at any later date, by a declaration addressed to the Secretary General of the Council of Europe, extend the application of this Charter to any other territory specified in the declaration. In respect of such territory the Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Secretary General.

3 Any declaration made under the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a notification addressed to the Secretary General. The withdrawal shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of such notification by the Secretary General.

Article 17 – Denunciation

1 Any Party may denounce this Charter at any time after the expiration of a period of five years from the date on which the Charter entered into force for it. Six months' notice shall be given to the Secretary General of the Council of Europe. Such denunciation shall not affect the validity of the Charter in respect of the other Parties provided that at all times there are not less than four such Parties.

2 Any Party may, in accordance with the provisions set out in the preceding paragraph, denounce any paragraph of Part I of the Charter accepted by it provided that the Party remains bound by the number and type of paragraphs stipulated in Article 12, paragraph 1. Any Party which, upon denouncing a paragraph, no longer meets the requirements of Article 12, paragraph 1, shall be considered as also having denounced the Charter itself.

Article 18 – Notifications

The Secretary General of the Council of Europe shall notify the member States of the Council of Europe of:

- a any signature;
- b the deposit of any instrument of ratification, acceptance or approval;
- c any date of entry into force of this Charter in accordance with Article 15;
- d any notification received in application of the provisions of Article 12, paragraphs 2 and 3;
- e any notification received in application of the provisions of Article 13;
- f any other act, notification or communication relating to this Charter.

In witness whereof the undersigned, being duly authorised thereto, have signed this Charter.

Done at Strasbourg, this 15th day of October 1985, in English and French, both texts being equally authentic, in a single copy which shall be deposited in the archives of the Council of Europe. The Secretary General of the Council of Europe shall transmit certified copies to each member State of the Council of Europe.

QUESTIONS

ABOUT YOU

(Note: Information entered in the “About you” section may be published as part of your response except where indicated in **bold**.)

1. Are you responding as:
- an individual – in which case go to Q2A
 - on behalf of an organisation? – in which case go to Q2B
- 2A. Which of the following best describes you? (If you are a professional or academic, but not in a subject relevant to the consultation, please choose “Member of the public”.)
- Politician (MSP/MP/peer/MEP/Councillor)
 - Professional with experience in a relevant subject
 - Academic with expertise in a relevant subject
 - Member of the public

Optional: You may wish to explain briefly what expertise or experience you have that is relevant to the subject-matter of the consultation:

- 2B. Please select the category which best describes your organisation:
- Public sector body (Scottish/UK Government or agency, local authority, NDPB)
 - Commercial organisation (company, business)
 - Representative organisation (trade union, professional association)
 - Third sector (charitable, campaigning, social enterprise, voluntary, non-profit)
 - Other (e.g. clubs, local groups, groups of individuals, etc.)

Optional: You may wish to explain briefly what the organisation does, its experience and expertise in the subject-matter of the consultation, and how the view expressed in the response was arrived at (e.g. whether it is the view of particular office-holders or has been approved by the membership as a whole).

3. Please choose one of the following:
- I am content for this response to be published and attributed to me or my organisation
 - I would like this response to be published anonymously
 - I would like this response to be considered, but not published (“not for publication”)

If you have requested anonymity or asked for your response not to be published, please give a reason. **(Note: your reason will not be published.)**

4. Please provide your name or the name of your organisation. **(Note: The name will not be published if you have asked for the response to be anonymous or “not for publication”.** Otherwise, this is the name that will be published with your response.)

Name:

Please provide a way in which we can contact you if there are queries regarding your response. (Email is preferred but you can also provide a postal address or phone number. **We will not publish these details.**)

Contact details:

5. Data protection declaration

I confirm that I have read and understood the privacy notice attached to this consultation which explains how my personal data will be used.

YOUR VIEWS ON THE PROPOSAL

(Note: Information entered in the “Your views on the proposal” section may be published unless the response is “not for publication”.)

Aim and approach

1. The Charter should be incorporated into Scots law. Do you agree with this statement?

- Fully agree
 Partially agree
 Neutral (neither agree nor disagree)
 Partially disagree
 Fully disagree
 Unsure

Please explain the reasons for your response.

2. Which of the following best expresses your view on how the Charter should be incorporated into Scots law?

- The Charter should be incorporated into Scots law in the manner outlined in the consultation document
 The Charter should be incorporated into Scots law, but not in the manner outlined in the consultation document
 The Charter should not be incorporated into Scots law

Please explain the reason for your response (including, if you have chosen the second option, how you think the Charter should be incorporated into Scots law).

3. What do you think would be the advantages and disadvantages of incorporating the Charter into Scots law?

4. Which of the following best expresses your view about where complaints about a breach of the Charter should be made?

- Complaints about a breach of the Charter should be made through the courts
 Complaints about a breach of the Charter should be made through a commissioner created for the purpose
 Complaints about a breach of the Charter should be made through a commissioner in the first instance, with a right of appeal to the courts
 Complaints about a breach of the Charter should be made through a different mechanism, not the courts or a commissioner
 The Bill should not provide for any complaints mechanism

Please explain the reason for your response (including, if you have chosen the fourth option, how you think complaints about a breach of the Charter should be made).

5. What judicial remedies do you think should be available where an executive action (or proposed action) was found to be incompatible with the Charter?

- The court should be able to overturn the action and punish the public authority
- The court should be able to overturn the action (but not punish the authority)
- The court should be able to declare the action unlawful (but not overturn it or punish the authority)
- The court should have no power to declare the action unlawful (or to overturn it or punish the authority)

Please explain the reasons for your response.

6. What judicial remedies do you think should be available where legislation was found to be incompatible with the Charter?

- The court should be able to strike down the legislation
- The court should be able to declare the legislation incompatible with the Charter (but not strike it down)
- The court should have no power to declare the legislation incompatible with the Charter (or strike it down)

Please explain the reasons for your response.

General

7. Do you have any other comments or suggestions on the proposal?

Financial implications

8. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

(a) Government and the public sector

- Significant increase in cost
- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

(b) Businesses

- Significant increase in cost

- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

(c) Individuals

- Significant increase in cost
- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

Please explain the reasons for your response.

9. Are there ways in which the Bill could achieve its aim more cost-effectively (e.g. by reducing costs or increasing savings)?

Equalities

10. What overall impact is the proposed Bill likely to have on equality, taking account of the following protected characteristics (under the Equality Act 2010): age, disability, gender re-assignment, marriage and civil partnership, race, religion and belief, sex, sexual orientation?

- Positive
- Slightly positive
- Neutral (neither positive nor negative)
- Slightly negative
- Negative
- Unsure

Please explain the reasons for your response.

11. In what ways could any negative impact of the Bill on equality be minimised or avoided?

Sustainability

12. Do you consider that the proposed bill can be delivered sustainably, i.e. without having likely future disproportionate economic, social and/or environmental impacts?

- Yes
- No
- Unsure

Please explain the reasons for your response.

HOW TO RESPOND TO THIS CONSULTATION

You are invited to respond to this consultation by answering the questions in the consultation and by adding any other comments that you consider appropriate.

Format of responses

You are encouraged to submit your response via an online survey (Smart Survey) if possible, as this is quicker and more efficient both for you and the Parliament. However, if you do not have online access, or prefer not to use Smart Survey, you may also respond by e-mail or in hard copy.

Online survey

To respond via online survey, please follow this link:

<http://www.smartsurvey.co.uk/s/LocalSelfGovernment/>

The platform for the online survey is Smart Survey, a third party online survey system enabling the SPCB to collect responses to MSP consultations. Smart Survey is based in the UK and is subject to the requirements of the General Data Protection Regulation (GDPR) and any other applicable data protection legislation. Any information you send in response to this consultation (including personal data) will be seen by the MSP progressing the Bill and by staff in NGBU.

Further information on the handling of your data can be found in the Privacy Notice, which is available either via the Smart Survey link above, or at the end of this document.

Smart Survey's privacy policy is available here:

<https://www.smartsurvey.co.uk/privacy-policy>

Electronic or hard copy submissions

Responses not made via Smart Survey should, if possible, be prepared electronically (preferably in MS Word). Please keep formatting of this document to a minimum. Please send the document by e-mail (as an attachment, rather than in the body of the e-mail) to:

andy.wightman.msp@parliament.scot

Responses prepared in hard copy should either be scanned and sent as an attachment to the above e-mail address or sent by post to:

Andy Wightman MSP
Scottish Parliament
Edinburgh EH99 1SP

Responses submitted by e-mail or hard copy may be entered into Smart Survey by my office or by NGBU.

If submitting a response by e-mail or hard copy, please include written confirmation that you have read and understood the privacy notice (set out below).

You may also contact my office by telephone on (0131) 348 6367.

Deadline for responses

All responses should be received no later than **Friday 21 September 2018**. Please let me know in advance of this deadline if you anticipate difficulties meeting it. Responses received after the consultation has closed will not be included in any summary of responses that is prepared.

How responses are handled

To help inform debate on the matters covered by this consultation and in the interests of openness, please be aware that I would normally expect to publish all responses received (other than “not for publication” responses) on my website www.europeancharter.scot. Published responses (other than anonymous responses) will include the name of the respondent, but other personal data sent with the response (including signatures, addresses and contact details) will not be published.

Where responses include content considered to be offensive, defamatory or irrelevant, my office may contact you to agree changes to the content, or may edit the content itself and publish a redacted version.

Copies of all responses will be provided to the Scottish Parliament’s Non-Government Bills Unit (NGBU), so it can prepare a summary that I may then lodge with a final proposal (the next stage in the process of securing the right to introduce a Member’s Bill). The Privacy Notice (below) explains more about how the Parliament will handle your response.

If I lodge a final proposal, I will be obliged to provide copies of responses (other than “not for publication” responses) to the Scottish Parliament’s Information Centre (SPICe). SPICe may make responses available to MSPs or staff on request.

Requests for anonymity or for responses not to be published

If you wish your response to be treated as anonymous or “not for publication”, please indicate this clearly. The Privacy Notice (below) explains how such responses will be handled.

Other exceptions to publication

Where a large number of submissions is received, particularly if they are in very similar terms, it may not be practical or appropriate to publish them all individually. One option may be to publish the text only once, together with a list of the names of those making that response.

There may also be legal reasons for not publishing some or all of a response – for example, if it contains irrelevant, offensive or defamatory content. If I think your response contains such content, it may be returned to you with an invitation to provide a justification for the content or to edit or remove it. Alternatively, I may publish it with the content edited or removed, or I may disregard the response and destroy it.

Data Protection

As an MSP, I must comply with the requirements of the General Data Protection Regulation (GDPR) and other data protection legislation which places certain obligations on me when I process personal data. As stated above, I will normally publish your response in full, together with your name, unless you request anonymity or ask for it not to be published. I will not publish your signature or personal contact information. The Privacy Notice (below) sets out in more detail what this means.

I may also edit any part of your response which I think could identify a third party, unless that person has provided consent for me to publish it. If you wish me to publish information that could identify a third party, you should obtain that person's consent in writing and include it with your submission.

If you consider that your response may raise any other issues under the GDPR or other data protection legislation and wish to discuss this further, please contact me before you submit your response. Further information about data protection can be found at: www.ico.gov.uk.

Freedom of Information (Scotland) Act 2002

As indicated above, NGBU may have access to information included in, or provided with, your response that I would not normally publish (such as confidential content, or your contact details). Any such information held by the Parliament is subject to the requirements of the FOISA. So if the information is requested by third parties the Scottish Parliament must consider the request and may have to provide the information unless the information falls within one of the exemptions set out in the Act. I cannot therefore guarantee that any such information you send me will not be made public should it be requested under FOISA.

Further information about Freedom of Information can be found at:

www.itspublicknowledge.info.

Privacy Notice

This privacy notice explains how the personal data which may be included in, or is provided with, your response to a MSP's consultation on a proposal for a Member's Bill will be processed. This data will include any personal data including special categories of personal data (formerly referred to as sensitive personal data) that is included in responses to consultation questions, and will also include your name and your contact details provided with the response. Names and contact details fall into normal category data.

Collecting and holding Personal Data

The Scottish Parliamentary Corporate Body (the SPCB) processes any personal data you send to it, or that the MSP whose consultation you respond to shares with it (under a data-sharing agreement) according to the requirements of the General Data Protection Regulation (EU) 2016/679 (the GDPR) and the Data Protection Act 2018 (the DPA)

Personal data consists of data from which a living individual may be identified. The SPCB will hold any personal data securely, will use it only for the purposes it was collected for and will only pass it to any third parties (other than the MSP whose consultation you respond to) with your consent or according to a legal obligation. Further information about the data protection legislation and your rights is available here:

<https://ico.org.uk/for-the-public/is-my-information-being-handled-correctly/>

Sharing Personal Data

The data collected and generated by Smart Survey will be held by the Non-Government Bills Unit (NGBU), a team in the Scottish Parliament which supports MSPs progressing Members' Bills, and shared with the MSP who is progressing the Bill and staff in the MSP's office. Data submitted by other means (e.g. by email or hard copy) will be held by the MSP's office and shared with NGBU for the purpose of producing a summary of responses to the consultation. The MSP and NGBU are joint data controllers of the data. Under a data-sharing agreement between the MSP and the Scottish Parliament, access to the data is normally limited to NGBU staff working on the Member's Bill/proposal, the MSP and staff in the MSP's office working on the Member's Bill/proposal; but data may also be shared by NGBU with the Scottish Parliament's solicitors in the context of obtaining legal advice.

Publishing Personal Data

"Not for publication" responses will not be published and will only be referred to in the summary of consultation responses in the context of a reference to the number of "not for publication" responses received and, in some cases, in the context of a general

reference that is considered by you to be consistent with the reasons for choosing “not for publication” status for your response.

Anonymous responses will be published without your name attached, your name will not be mentioned in the summary of consultation responses, and any quote from or reference to any of your answers or comments will not be attributed to you by name.

Other responses may be published, together with your name; and quotes from or references to any of your answers or comments, together with your name, may also be published in the summary of consultation responses.

Contact details (e.g. your e-mail address) provided with your response will not be published, but may be used by either the MSP’s office or by NGBU to contact you about your response or to provide you with further information about progress with the proposed Bill.

Where personal data, whether relating to you or to anyone else, is included in that part of your response that is intended for publication, the MSP’s office or NGBU may edit or remove it, or invite you to do so; but in certain circumstances the response may be published with the personal data still included.

Please note, however, that references in the foregoing paragraphs to circumstances in which responses or information will not be published are subject to the Parliament’s legal obligations under the Freedom of Information (Scotland) Act 2002. Under that Act, the Parliament may be obliged to release to a requester information that it holds, which may include personal data in your response (including if the response is “not for publication” or anonymous).

Use of Smart Survey software

The Scottish Parliament is licensed to use Smart Survey which is a third party online survey system enabling the Scottish Parliament to collect responses to MSP consultations, to extract and collate data from those responses, and to generate statistical information about those responses. Smart Survey is based in the UK and is subject to the requirements of data protection legislation.

Any information you send by email or in hard copy in response to a consultation on a proposal for a Member’s Bill may be added manually to Smart Survey by the MSP’s office or by NGBU.

The privacy policy for Smart Survey is available here:

<https://www.smartsurvey.co.uk/privacy-policy>

While the collected data is held on SmartSurvey, access to it is password protected. Where the data is transferred to our own servers at the Scottish Parliament, access will

be restricted to NGBU staff through the application of security caveats to all folders holding consultation data.

Access to, retention and deletion of personal data

As soon as possible after a summary of consultation responses has been published, or three months after the consultation period has ended, whichever is earlier, all of your data will be deleted from Smart Survey. If, three months after the consultation period has ended, a summary has not been published, then the information that we would normally publish – including all your answers to questions about the proposal (unless your response is “not for publication”) and your name (unless you requested anonymity), but not your contact details – may be downloaded from Smart Survey to SPCB servers and retained until the end of the session of the Parliament in which the consultation took place. If the MSP lodges a final proposal, he/she is required to provide a copy of your response (unless it was “not for publication”), together with your name (unless you requested anonymity), but not your contact details, to the Scottish Parliament Information Centre (SPICe), where it may be retained indefinitely and may be archived.

Purpose of the data processing

The purpose of collecting, storing and sharing personal data contained in consultation responses is to enable Members to consider the views of respondents to inform the development of the Bill, with the support of NGBU. Personal data contained in consultation responses will not be used for any other purpose without the express consent of the data subject.

The legal basis

The legal basis for collecting, holding, sharing and publishing your personal data is that the processing is necessary for the performance of a task carried out in the public interest, or in the substantial public interest, in accordance with Art 6(1)(e) GDPR, s8(d) DPA, or Art 9(1)(g) GDPR, s10 of and paragraph 6 of Schedule 1 of the DPA. The task is the support of Members seeking to introduce Members’ Bills to the Parliament. This is a core task of the SPCB and therefore a Crown function. The adequate support of the Members Bill process and the ability to seek, use and temporarily store personal data including special category data is in the substantial public interest.

If the person responding to the consultation is under the age of 12 then consent from the parent or guardian of the young person will be required to allow the young person to participate in the consultation process (however, the legal basis for the processing of the personal data submitted remains as the public interest task basis identified above).

Your rights

Data protection legislation sets out the rights which individuals have in relation to personal data held about them by data controllers. Applicable rights are listed below, although whether you will be able to exercise data subject rights in a particular case may depend on the purpose for which the data controller is processing the data and the legal basis upon which the processing takes place. For example, the rights allowing for erasure of personal data (right to be forgotten) and data portability do not apply in cases where personal data is processed for the purpose of the performance of a task carried out in the public interest. The right to object to the processing of personal data for the purpose of a public interest task is restricted if there are legitimate grounds for the processing which override the interest of the data subject. This would be considered on a case by case basis and depends on what personal data is involved and the risks further processing of that data would pose to you. As described above, the collection, storage, sharing and publishing of personal data contained in consultation responses is a task carried out in the public interest, which means that these three data subject rights do not apply here or only in a restricted scope.

Access to your information – You have the right to request a copy of the personal information about you that we hold.

Correcting your information – We want to make sure that your personal information is accurate, complete and up to date and you may ask us to correct any personal information about you that you believe does not meet these standards.

Objecting to how we may use your information – Where we use your personal information to perform tasks carried out in the public interest then, if you ask us to, we will stop using that personal information unless there are overriding legitimate grounds to continue.

Restricting how we may use your information – in some cases, you may ask us to restrict how we use your personal information. This right might apply, for example, where we are checking the accuracy of personal information about you that we hold or assessing the validity of any objection you have made to our use of your information. The right might also apply where this is no longer a basis for using your personal information but you don't want us to delete the data. Where this right is validly exercised, we may only use the relevant personal information with your consent, for legal claims or where there are other public interest grounds to do so.

Please contact us in any of the ways set out in the *Contact information and further advice* section if you wish to exercise any of these rights.

Changes to our privacy notice

We keep this privacy notice under regular review and will place any updates on this website. Paper copies of the privacy notice may also be obtained using the contact information below.

This privacy notice was last updated on 28 June 2018.

Contact information and further advice

If you have any further questions about the way in which we process personal data, or about how to exercise your rights, please contact:

Head of Information Governance

The Scottish Parliament

Edinburgh

EH99 1SP

Telephone: 0131 348 6913 (Text Relay calls welcome)

Textphone: 0800 092 7100

Email: dataprotection@parliament.scot

Complaints

We seek to resolve directly all complaints about how we handle personal information but you also have the right to lodge a complaint with the Information Commissioner's Office:

- Online: <https://ico.org.uk/global/contact-us/email/>
- By phone: 0303 123 1113

YOUR VIEWS ON THE PROPOSAL

(Note: Information entered in the “Your views on the proposal” section may be published unless the response is “not for publication”.)

Aim and approach

1. The Charter should be incorporated into Scots law. Do you agree with this statement?

- Fully agree
 Partially agree
 Neutral (neither agree nor disagree)
 Partially disagree
 Fully disagree
 Unsure

Please explain the reasons for your response.

This this is a fundamental issue. The Council agrees this should be incorporated into Scots Law as it strengthens local democracy and promotes greater emphasis on consensus and partnership between national and local government on shared issues.

2. Which of the following best expresses your view on how the Charter should be incorporated into Scots law?

- The Charter should be incorporated into Scots law in the manner outlined in the consultation document
 The Charter should be incorporated into Scots law, but not in the manner outlined in the consultation document
 The Charter should not be incorporated into Scots law

Please explain the reason for your response (including, if you have chosen the second option, how you think the Charter should be incorporated into Scots law).

If incorporated in Scots Law, it should be incorporated appropriately as a Schedule to the Act so that there is sufficient flexibility to modify or incorporate amendments as necessary. It is appreciated, however, that there are other possible options relative to the developing of a “code of governance” or by the introduction of a duty to be placed on Scottish Ministers.

3. What do you think would be the advantages and disadvantages of incorporating the Charter into Scots law?

Its advantages include the strengthening of the role of local democracy and the promotion of consensus and partnership between levels of government on shared issues.

No significant disadvantages are identified and it is not thought that any Charter, so incorporated, would impede any legitimate routes to future decision-making.

4. Which of the following best expresses your view about where complaints about a breach of the Charter should be made?

- Complaints about a breach of the Charter should be made through the courts

- Complaints about a breach of the Charter should be made through a commissioner created for the purpose
- Complaints about a breach of the Charter should be made through a commissioner in the first instance, with a right of appeal to the courts
- Complaints about a breach of the Charter should be made through a different mechanism, not the courts or a commissioner
- The Bill should not provide for any complaints mechanism

Please explain the reason for your response (including, if you have chosen the fourth option, how you think complaints about a breach of the Charter should be made).

The courts. In terms of general implementation of the law, such a fundamental matter as the Charter should be determined by the courts. The other options, such as a Commissioner or a forum, do not provide the same formal and tried and trusted structure for resolution.

5. What judicial remedies do you think should be available where an executive action (or proposed action) was found to be incompatible with the Charter?

- The court should be able to overturn the action and punish the public authority
- The court should be able to overturn the action (but not punish the authority)
- The court should be able to declare the action unlawful (but not overturn it or punish the authority)
- The court should have no power to declare the action unlawful (or to overturn it or punish the authority)

Please explain the reasons for your response.

The court should be able to declare the action unlawful. There is no additional reason to support punitive outcomes. It will be for the public authority to resolve the breach in the light of the court's findings. It is suggested this approach respects the main purpose of the Charter in promoting effective relationships in government and that there is no need to extend the court's role beyond declaring the action unlawful.

6. What judicial remedies do you think should be available where legislation was found to be incompatible with the Charter?

- The court should be able to strike down the legislation
- The court should be able to declare the legislation incompatible with the Charter (but not strike it down)
- The court should have no power to declare the legislation incompatible with the Charter (or strike it down)

Please explain the reasons for your response.

The court should be able to declare the legislation incompatible with the Charter as this is an appropriate check and balance.

General

7. Do you have any other comments or suggestions on the proposal?

None.

Financial implications

8. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

(a) Government and the public sector

- Significant increase in cost
- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

(b) Businesses

- Significant increase in cost
- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

(c) Individuals

- Significant increase in cost
- Some increase in cost
- Broadly cost-neutral
- Some reduction in cost
- Significant reduction in cost
- Unsure

Please explain the reasons for your response.

The incorporation of the Charter is a fundamental objective in itself. Such an objective should not be financially constrained and, in practice, implementation in good faith should be broadly cost-neutral

9. Are there ways in which the Bill could achieve its aim more cost-effectively (e.g. by reducing costs or increasing savings)?

No. The implementation of the Act is a fundamental objective itself.

Equalities

10. What overall impact is the proposed Bill likely to have on equality, taking account of the following protected characteristics (under the Equality Act 2010): age, disability, gender re-assignment, marriage and civil partnership, race, religion and belief, sex, sexual orientation?

- Positive
- Slightly positive
- Neutral (neither positive nor negative)
- Slightly negative
- Negative
- Unsure

Please explain the reasons for your response.

The Charter does not have a direct effect on any of the protected characteristics. The Charter procures and promotes good relationships between levels of government.

11. In what ways could any negative impact of the Bill on equality be minimised or avoided?

Not applicable

Sustainability

12. Do you consider that the proposed bill can be delivered sustainably, i.e. without having likely future disproportionate economic, social and/or environmental impacts?

- Yes
- No
- Unsure

Please explain the reasons for your response.

As outlined above.