

**A meeting of the Policy & Resources Committee will be held on Tuesday 19 November 2019 at 3pm within the Municipal Buildings, Greenock.**

GERARD MALONE  
Head of Legal & Property Services

**BUSINESS**

1. <b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
<b>PERFORMANCE MANAGEMENT</b>	
2. <b>2019/20 General Fund Revenue Budget as at 30 September 2019</b> Report by Chief Financial Officer	<b>p</b>
3. <b>2019/23 Capital Programme</b> Report by Chief Financial Officer	<b>p</b>
4. <b>Policy &amp; Resources Committee 2019/20 Revenue &amp; Capital Budget – Period 6 to 30 September 2019</b> Report by Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	<b>p</b>
5. <b>Welfare Reform Update</b> Report by Chief Financial Officer	<b>p</b>
6. <b>Insurance Fund Position as at 30 September 2019</b> Report by Chief Financial Officer	<b>p</b>
7. <b>Treasury Management – Mid-Year Report 2019/20</b> Report by Chief Financial Officer	<b>p</b>
8. <b>Contract Awards – 1 April 2019 to 30 September 2019</b> Report by Corporate Director Environment, Regeneration & Resources	<b>p</b>
9. <b>Statutory and Key Performance Indicators Annual Report 2018/19</b> Report by Head of Organisational Development, Policy & Communications	<b>p</b>

10.	<b>Inverclyde Council Annual Complaint Handling Report 1 April 2018 – 31 March 2019</b> Report by Head of Legal & Property Services	p
11.	<b>Governance of External Organisations – Annual Update</b> Report by Chief Financial Officer	p
12.	<b>Delivering Differently in Inverclyde - Update</b> Report by Chief Executive	p
13.	<b>Audit Scotland Reports on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils</b> Report by Head of Organisational Development, Policy & Communications	p
14.	<b>Procurement – Environmental Assessments and Local SMEs</b> Report by Corporate Director Environment, Regeneration & Resources	p
<b>NEW BUSINESS</b>		
15.	<b>Data Protection Policy</b> Report by Head of Legal & Property Services	p
16.	<b>Menopause Policy and Guidance</b> Report by Head of Organisational Development, Policy & Communications	p
17.	<b>2020/23 Revenue Budget Update</b> Report by Chief Financial Officer	p
The documentation relative to the following items has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I of Schedule 7(A) of the Act as are set opposite the heading to each item.		
17(a)	<b>Appendices 1 and 2 relative to Agenda Item 17 providing a summary of options together with potential employee impacts and savings and adjustments proposals</b>	Para 1 p
18.	<b>Equal Pay Claims</b> Report by Head of Legal & Property Services on further information provided in relation to a number of equal pay claims and a Member's request	Paras 1 & 2 p
<b>REMITTS FROM COMMITTEES</b>		

**Report To:** Policy & Resources Committee      **Date:** 19 November 2019  
**Report By:** Chief Financial Officer      **Report No:** FIN/103/19/AP/AE  
**Contact Officer:** Alan Puckrin      **Contact No:** 01475 712223  
**Subject:** 2019/20 General Fund Revenue Budget as at 30 September 2019

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## **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 30 September 2019 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 2019/20 Revenue Budget in March 2019 and at this meeting agreed to utilise £0.83m of free reserves to fund the 2019/20 Pay and Grading Model.

2.2 It can be seen from Appendix 1 that as at 30 September 2019 the General Fund is projecting a £1.674 million underspend (excluding the Health & Social Directorate) which represents 0.85% of the net Revenue Budget. This is mainly due to:

- Release of non-pay inflation not required (£150,000)
- Release of pay inflation not required (£700,000)
- Projected over recovery of Internal Resources Interest (£250,000)
- Prior Years Council Tax income (£200,000)

2.3 From Appendix 1 it can be seen that the Policy & Resources and the Environment & Regeneration Committees are currently projecting underspends. The Education and Communities Committee is currently projecting an overspend within various education budgets; employee costs, NDR, Facilities Management Catering Provisions and Pupil Travel. The Health and Social Care Committee is currently projecting a small overspend, however, any resulting overspend 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 30 September 2019 expenditure totalled £2.418 million which equates to 40.53% of the planned spend in 2019/20. It can also be seen from Appendix 2 that at 30 September 2019 actual expenditure is £0.783m more 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 30 September 2019 is £6.261 million which is £2.461 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 21 March 2019 and the allocation of £500,000 to a Spend to Save reserve agreed in August 2019.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes the latest position of the 2019/20 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 2020/23 budget process.

**Alan Puckrin**  
**Chief Financial Officer**

## 4.0 BACKGROUND

4.1 The Council approved the 2019/20 Revenue Budget in March 2019. At this meeting the Council approved £0.83m use of free reserves to fund the Pay and Grading Model for 2019/20.

## 5.0 POSITION AS AT 30 SEPTEMBER 2019

5.1 It can be seen from Appendix 1 that as at 30 September 2019 the General Fund is projecting an underspend of £1.674 million which equates to 0.85% of the net General Revenue Fund Budget.

5.2 Appendix 1 shows that two Service Committees are currently projecting an underspend with Education and Communities Committee and Health & Social Care Committee projecting an overspend.

5.3 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £1,488,000 (9.45%) mainly due to release of non-pay and pay inflation contingency not required and a projected over recovery of Internal Resources Interest. Adjustments have already been made to these budgets in 2020/21 and further adjustments will be considered as part of the 2020/23 budget setting.

Environment & Regeneration – Projected underspend of £82,000 (0.34%) mainly due to additional turnover savings partially off-set by an increase in agency driver costs.

Education & Communities – Projected overspend of £192,000 (0.22%) mainly due to overspends within various education budgets; employee costs, NDR, Facilities Management Catering Provisions and Pupil Travel. Also overspends within Libraries and Museums employee costs and a projected shortfall in Library & Museum income mainly due to continued closure of Museum shop during refurbishment period.

Health & Social Care – Projected overspend of £15,000 (0.03%) mainly due to additional turnover savings offset by an overspend of client commitment costs. A surplus had been identified within the Directorate to fund the proposed Learning Disability Hub. The Integration Joint Board approved earmarking £398,000 of the underspend towards funding of LD Hub at the last Board meeting.

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 Asset Plans or Funding Models.

5.5 As at 30 September 2019 the Council has spent £2.418 million against a phased budget target of £1.635 million. This represents 40.53% of the planned spend and equates to 47.89% ahead of the phased budget to date. 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 2020 is £6.261 million which is £2.461 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken to date. As part of the budget the Council approved the allocation of £4.0 million of free reserves to various investment proposals. At the Policy and Resources Committee on 6 August 2019 the Committee approved the use of £500,000 of free reserves to set up a spend to save earmarked reserve for 20/23 budget

process. The remaining free reserve balance will be considered as part of the 2020/23 budget.

## 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.

#### Equalities

(a) Has an Equality Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
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X	NO
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(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

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 30th Sept 2019**

Committee	Approved Budget 2019/2020	Revised Budget 2019/2020	Projected Out-turn 2019/2020	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	18,225	15,750	14,262	(1,488)	(9.45%)
Environment & Regeneration	23,895	24,022	23,940	(82)	(0.34%)
Education & Communities <b>(Note 1)</b>	88,362	87,526	87,718	192	0.22%
Health & Social Care	50,529	50,329	50,344	15	0.03%
<b>Committee Sub-Total</b>	<b>181,011</b>	<b>177,627</b>	<b>176,264</b>	<b>(1,363)</b>	<b>(0.77%)</b>
Loan Charges (Including SEMP)	12,075	16,807	16,807	0	0.00%
Savings Achieved Early <b>(Note 2)</b>	46	46	0	(46)	(100.00%)
Saving Approved yet to be allocated <b>(Note 3)</b>	(128)	(128)	(128)	0	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	1,471	1,471	0	0.00%
<b>Total Expenditure</b>	<b>192,764</b>	<b>195,583</b>	<b>194,174</b>	<b>(1,409)</b>	<b>(0.72%)</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(160,575)	(164,224)	(164,224)	0	0.00%
Contribution from General Reserves	(830)	0	0	0	0.00%
Council Tax	(31,359)	(31,359)	(31,609)	(250)	100.00%
Integration Joint Board - Increase in Reserves	0	0	(15)	(15)	100.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,674)</b>	<b>(1,674)</b>	

**Note 1 - Reduction reflects loans charges and earmarked reserves.**

**Note 2 - Early achievement of savings removed from Education and Committee budget.**

**Note 3 - Approved saving to be removed from Service Committee budgets.**



**Earmarked Reserves Position Statement**

**Appendix 2**

**Summary**

<b><u>Committee</u></b>	<b><u>Total Funding 2019/20</u></b>	<b><u>Phased Budget to 30 September 2019</u></b>	<b><u>Actual Spend To 30 September 2019</u></b>	<b><u>Variance Actual to Phased Budget</u></b>	<b><u>Projected Spend 2019/20</u></b>	<b><u>Earmarked 2020/21 &amp; Beyond</u></b>
	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>
Education & Communities	1,134	259	282	23	682	452
Health & Social Care	2,601	730	1,004	274	2,243	358
Regeneration & Environment	4,659	341	411	70	1,660	2,999
Policy & Resources	2,540	305	721	416	1,381	1,159
	10,934	1,635	2,418	783	5,966	4,968

<b><u>2019/20 %age Spend Against Projected</u></b>	<b><u>2019/20 %age Over/(Under) Spend Against Phased Budget</u></b>
41.35%	8.88%
44.76%	37.53%
24.76%	20.53%
52.21%	136.39%
40.53%	47.89%

**Actual Spend v Phased Budget Ahead Phasing = £783k 47.89%**  
**Last Update (Period 4) Behind of Phasing = (£44k)**  
**Movement in spend v Phasing 827**

**Appendix 3**

**GENERAL FUND RESERVE POSITION**  
**Position as at 30/09/19**

	<u>£000</u>	<u>£000</u>
Balance 31/03/19		9087
Projected Surplus/(Deficit) 2019/20	1674	
Contribution to/(from) General Fund Reserves <b>Note 1</b>	<u>0</u>	1674
Approved Use of Free Reserves (March 2019) <b>Note 2</b>		(4000)
Approved Use of Free Reserves (August 2019)		<u>(500)</u>
Projected Unallocated Balance 31/03/20		<u><b>6261</b></u>

**Minimum Reserve required is £3.8 million**

**Note 1** No contribution from reserves was required when setting 2019/20 Revenue Budget.

**Note 2 (Use of Reserves)**

Grieve Road Community Centre	200
Youth Connections Burns Square building repairs	100
Year of Young People Legacy Fund	100
Refurbishment Wemyss Bay Community Centre	100
Incorporate 'Equally Safe'	10
Extended opening of Gourrock Pool - 2019	15
IL - PG Pool spend to save proposal	150
Clune Park Area Regeneration Plan	850
Roads Defects & Drainage	200
Purchase of King Street Carpark & Ground floor of Hector McNeil House	325
Play Area Strategy	250
Allocation for a Safer Streets Initiative	150
Seed Funding for active travel within Inverclyde	50
Establish a conservation area and listed building grant	80
Repaint and carry out essential repairs to the Comet	50
Drumshantie Road Carpark	80
Resurface Auchneagh Farm Lane	10
2019/23 Capital Programme	450
Pay & Grading Model - Funding for 2019/20	<u>830</u>
	<u><u>4000</u></u>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/106/19/AP/MT</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>2019/23 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2019/23 Capital Programme.

## 2.0 SUMMARY

- 2.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built on the previously approved 2018/21 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23. The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.
- 2.3 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. As a result the Capital Programme is reporting a deficit of £2.437m which represents 3.47% of the 2019/23 resources.
- 2.4 It can be seen from Appendix 2 that as at 30 September 2019 expenditure in 2019/20 was 32.5% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director. 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.
- 2.5 In the current year net slippage of 9.83% is currently being reported, this is an increase of 1.55% since the last Committee. This is due to slippage within the Environment & Regeneration Committee (£0.829m) and School Estate (£1.915m) offset by minor advancement within Communities (£0.175m) and the Policy & Resources Committee (£0.094m). The Corporate Director (Environment, Regeneration & Resources) leads the Capital Programme group which is examining a number of ways in which the slippage could be reduced.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee notes the current position of the 2019/23 Capital Programme.

## **4.0 BACKGROUND**

- 4.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built upon the previously approved 2018/21 Capital Programme.
- 4.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23. The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.
- 4.3 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. As a result the Capital Programme is reporting a deficit of £2.437m which represents 3.47% of the 2019/23 resources.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 2019/23 period the Capital Programme is reporting a £2.437m 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 2019/20 is as follows:

### Health & Social Care

No slippage is being reported with spend of £0.247m for the year to date.

### Environment & Regeneration

Net slippage of £0.829m (6.55%) is being reported with spend of £3.393m for the year. Slippage is projected mainly within the Cremator replacement (£1.397m), Carriageway Glazed roof (£0.470m) and Clyde square re-roofing (£0.287m) however this is partially offset by advancement within Clune Park (£0.100m), King George VI refurbishment (£0.307m), Waterfront Lifecycle Works and Inverclyde Leisure properties (£0.355m), Inverclyde Centre for Independent Living re-roofing (£0.270m) and minor advancements on various budgets across the RAMP and Property Services annual allocations.

### Education & Communities

Net slippage of £1.740m (15.81%) is being reported with spend of £3.628m for the year. The slippage being reported is in connection with the pre-construction/design stage delays experienced on the Hillend Refurbishment project and the 1140hrs projects at Larkfield and Park Farm (Rainbow) and the construction stage delays on the Gourrock Primary School extension project which have been partially offset by projected acceleration of lifecycle expenditure.

### Policy & Resources

Net advancement of £0.094m (22.65%) is being reported with spend of £0.107m for the year. Advancement is being reported within the Rolling Replacement of PC's (£0.077m) and the Server & Switch Replacement Programme (£0.023m), offset by slippage within the Modernisation Fund of £0.06m.

- 5.3 Overall in 2019/20 expenditure is 32.5% of projected spend for the year and project slippage from the programme agreed in March 2019 is £2.475 million (9.83%). The Corporate Director, Environment, Regeneration and Resources will continue to work with the rest of the corporate Capital Programme officer group to identify ways which will reduce any further slippage and potentially advance projects.

## **6.0 CONSULTATION**

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

## 7.0 IMPLICATIONS

### 7.1 Finance

#### 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					

### 7.2 Legal

There are no legal implications.

### 7.3 Human Resources

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

### 7.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

**7.5 Repopulation**

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 - 2019/20 - 2022/23

	<u>Available Resources</u>					
	A	B	C	D	E	F
	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	9,390	8,100	8,100	8,100	-	33,690
Capital Receipts (Note 1)	282	543	148	95	-	1,068
Capital Grants (Note 2)	4,549	1,500	19	-	-	6,068
Prudential Funded Projects (Note 3)	3,923	3,644	463	332	230	8,592
Balance B/F From 17/18	17,659	-	-	-	-	17,659
Capital Funded from Current Revenue	2,179	933	233	233	-	3,578
	<u>37,982</u>	<u>14,720</u>	<u>8,963</u>	<u>8,760</u>	<u>230</u>	<u>70,655</u>

Overall Position 2019/23

	<u>£000</u>
Available Resources (Appendix 1, Column G)	70,655
Projection (Appendix 2, Column B-F)	73,092
(Shortfall)/Under Utilisation of Resources	<u>(2,437)</u>

Capital Programme - 2019/20 - 2022/23

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Sales	247	543	148	95	-	1,033
Contributions/Recoveries	35	-	-	-	-	35
	<u>282</u>	<u>543</u>	<u>148</u>	<u>95</u>	<u>-</u>	<u>1,068</u>

Note 2 (Capital Grants)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Early Years	2,200	1,500	-	-	-	3,700
Town Centre Fund	660	-	-	-	-	660
Cycling, Walking & Safer Streets	129	-	-	-	-	129
SPT	1,155	-	-	-	-	1,155
HES - Watt Complex	260	-	-	-	-	260
Big Lottery Fund	-	-	-	-	-	-
Electric Vehicles	33	-	19	-	-	52
Grant - Branchton Play Area	-	-	-	-	-	-
Sustrans	112	-	-	-	-	112
	<u>4,549</u>	<u>1,500</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>5,956</u>

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	-	-	-	-	-	-
Vehicle Replacement Programme	1,021	1,768	403	272	-	3,464
Greenock Parking Strategy	-	-	-	-	-	-
Asset Management Plan - Offices	-	-	-	-	-	-
Asset Management Plan - Depots	483	1,207	-	-	-	1,690
Capital Works on Former Tied Houses	1	40	60	60	230	391
Waterfront Leisure Complex Combined Heat and Power Plant	-	-	-	-	-	-
Leisure & Pitches Strategy	-	-	-	-	-	-
Watt Complex Refurbishment	65	39	-	-	-	104
CCTV	33	-	-	-	-	33
Clune Park Regeneration	100	369	-	-	-	469
Neil Street Childrens Home Replacement - CoS	21	-	-	-	-	21
Crosshill Childrens Home Replacement	995	221	-	-	-	1,216
Modernisation Fund	-	-	-	-	-	-
Roads Asset Management Plan	1,204	-	-	-	-	1,204
Surplus Prudential Borrowing due to project savings	-	-	-	-	-	-
Reduction in Prudential Borrowing, ICT Annual allocation	-	-	-	-	-	-
Additional Prudential Borrowing to Support annual allocations	-	-	-	-	-	-
Additional Prudential Borrowing to allow return of Reserves	-	-	-	-	-	-
	<u>3,923</u>	<u>3,644</u>	<u>463</u>	<u>332</u>	<u>230</u>	<u>8,592</u>



Capital Programme - 2019/20 - 2022/23Agreed Projects

	A	B	C	D	E	F	G	H	I	J
Committee	Prior Years	2019/20	2020/21	2021/22	2022/23	Future	Total	Approved Budget	(Under)/Over	2019/20 Spend To 31/07/2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	522	509	369	363	363	-	2,126	2,126	-	107
Environment & Regeneration	53,851	11,986	19,582	6,973	6,420	230	99,042	98,885	157	3,420
School Estate	5,367	7,783	9,317	2,003	2,108	1,001	27,579	27,579	-	2,772
Education & Communities (Exc School Estate)	248	1,485	900	280	141	-	3,054	3,054	-	856
HSCP	582	1,093	186	-	-	-	1,861	1,861	-	247
<b>Total</b>	<b>60,570</b>	<b>22,856</b>	<b>30,354</b>	<b>9,619</b>	<b>9,032</b>	<b>1,231</b>	<b>133,662</b>	<b>133,505</b>	<b>157</b>	<b>7,402</b>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Executive, Corporate Director Environment, Regeneration &amp; Resources, Corporate Director Education, Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/102/19/AP/AE</b>
<b>Contact Officer:</b>	<b>Angela Edmiston</b>	<b>Contact No:</b>	<b>01475 712143</b>
<b>Subject:</b>	<b>Policy &amp; Resources Committee 2019/20 Revenue &amp; Capital Budget – Period 6 to 30 September 2019</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the 2019/20 Revenue and Capital position as at period 6, 30 September 2019.

## 2.0 SUMMARY

- 2.1 The total revised Committee budget for 2019/20 is £15,750,000. This excludes Earmarked Reserves of £2,740,000.
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £1,488,000 (9.44%), a reduction in spend of £421,000 since Period 4. Movement in projected outturn from the last Committee is mainly due to the over-recovery of Prior Years Council Tax income and less call on the Pay Inflation Contingency.
- 2.3 The main reasons for this underspend are:
- a) £150,000 projected underspend of non-pay inflation contingency
  - b) £700,000 projected underspend of pay inflation contingency
  - c) £250,000 over recovery of Internal Resource Interest
  - d) £200,000 over recovery Council Tax Previous Years
- 2.4 The Earmarked Reserves for 2019/20 totals £2,540,000 of which £1,381,000 is projected to be spent in the current financial year. To date expenditure of £721,000 (52.21%) has been incurred which is £416,000 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.
- 2.5 The Common Good Fund is projecting a surplus fund balance at 31 March 2020 of £75,130.
- 2.6 The Policy and Resources capital budget is £2.126m which means that the total projected spend is on budget. Expenditure at 30 September 2019 is 21.02% of 2019/20 projected spend. Net advancement of £94,000 (22.65%) is being reported.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes the 2019/20 Revenue Budget projected underspend of £1,488,000 as at Period 6, 30 September 2019.
- 3.2 It is recommended that the Committee notes the projected 2019/20 surplus of £48,600 for the Common Good Fund.
- 3.3 It is recommended that the Committee notes the current projected capital position.

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 the Committee of the current position of the 2019/20 Revenue and Capital budgets and to highlight the main issues contributing to the projected underspend of £1,488,000 which is an increase in the underspend reported to the last Committee of £421,000.

## 5.0 2019/20 CURRENT REVENUE POSITION

5.1 The current projection is an underspend of £1,488,000.

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

### **Finance - £404,000 underspend**

Employee Costs: £90,000 projected underspend mainly due to additional turnover savings. This is a £51,000 reduction in costs since the last Committee due to delays in recruiting finance posts.

Other Expenditure: There is an underspend of £165,000 projected, a reduction in spend of £135,000 from the last Committee. This is mainly due to an underspend in the Housing Benefits Bad Debt Provision of £120,000, not previously reported. This is offset by an under recovery in ongoing recoveries, see income below. The remaining underspend is made up of various small underspends, none of which are material, totalling £45,000.

Income: An over-recovery of £141,000 is being projected, which is an increase in income of £116,000 from last Committee. The major variances are as follows: (a) An over recovery of Council Tax prior years income, not previously reported, of £200,000; (b) An under recovery in recoveries of Housing Benefit overpayments of £130,000. This is mainly offset by an underspend in the bad debt provision, see other expenditure above. These lines will be reviewed as part of the budget process; and (c) Income received to offset additional employee costs incurred due to staff members undertaking Early Years Education courses of £27,000.

### **Legal & Property - £2,000 overspend**

Projected variances are all below £20,000.

5.3 The following relates to the Education, Communities & Organisational Development Directorate:

### **Organisational Development, Policy & Communications - £4,000 overspend**

Various projected overspends, all of which are below £10,000.

5.4 The following material variances relate to the Miscellaneous budget.

### **Miscellaneous – £1,100,000 underspend**

Non-Pay Inflation Contingency: There is a projected underspend of £150,000 based on current estimated calls on inflation contingency. This is an £100,000 reduction in underspend since the last Committee due to uncertainty on potential cost pressures arising from Brexit.

Pay Inflation: Currently projecting £700,000 underspend arising from a reduced call on Teachers Pay Inflation due to a higher Scottish Government contribution towards pay and a delay in the implementation of increases in teachers' superannuation.

Internal Resource Interest: Projecting a £250,000 over-recovery of income based on 2018/19 out-turn after a budget increase of £100,000 in 2019/20. An increase of £250,000 has already been factored into the 2020/21 Revenue Budget.

5.5 The following position relates to the Chief Executive budget.

#### **Chief Executive – £10,000 overspend**

Projected variances are all below £10,000.

### **6.0 2019/20 CURRENT CAPITAL POSITION**

6.1 Appendix 6 details the Capital position at 30 September 2019. Expenditure to date is £107,000 (21.02% of the 2019/20 projected spend).

6.2 The current budget for the period to 31 March 2023 is £2,126,000. The current projection is £2,126,000 which means the total projected spend is on budget.

6.3 The approved budget for 2019/20 is £415,000. The Committee is projecting to spend £509,000 with net advancement of £94,000 (22.65%) mainly due to advancement within the Rolling Replacement of PC's and the Server & Switch Replacement Programme.

6.4 **PC Refresh Programme** – ICT implements a six year desktop and laptop refresh strategy. Following the successful Schools Estate programme, the 2019/20 refresh programme has targeted laptop devices within the corporate estate targeting devices for staff within the Health and Social Care Partnership, particularly those staff required to work in a more flexible and mobile environment. To date in 2019/20, £73,000 has been spent through the Scottish Government National Framework for mobile devices. This represents the best overall value for the procurement of IT Equipment and guarantees supply and support of identified models for the period of the contract.

6.5 **Server and Switch Replacement** – Replacement or upgrade of the Council's central file storage services is currently being evaluated and will be implemented in line with a Cloud Migration Strategy to improve resilience and availability of systems in 2019/20. To date in 2019/20, £24,000 has been spent.

6.6 **Whiteboard Projector/Refresh** – A number of whiteboard projectors within the school estate are coming to the end of their useful lifecycle or are no longer available for replacement in the event of equipment failure. Devices are replaced "as and when" they fail and are subject to budgetary availability. Migration away from traditional projector/screen configuration to all one LED active panels, where possible, is being investigated. £5,000 has been invested in this programme with £20,000 spend to date.

6.7 **Modernisation Fund** – As previously reported, two Business Cases for investment as part of the Council's Digital Strategy have been approved. Citizens Account Revenues will allow Council Tax payers to update aspects of their account on line. It is expected to go live in January 2020. In addition a major upgrade to the CRM system is in progress. Once in place it will allow the implementation of various "book and pay" tasks on line. It is hoped that the first phase will be complete late 2019.

### **7.0 VIREMENT**

7.1 There are no virements this committee cycle.

### **8.0 EARMARKED RESERVES**

8.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding is £2,540,000 of which £1,381,000 is projected to be spent in 2019/20 and the remaining balance of £1,159,000 to be carried forward to 2020/21 and beyond. It can be seen that expenditure of £721,000 has been achieved which is £416,000 more than the phased budgeted spend to date and represents 52.2% of the annual projected spend. This is due to the Pay & Grading cost being paid earlier than phased.

A further £500,000 was agreed at the August Policy & Resources Committee for a Spend to Save Earmarked Reserve with the majority of spend being incurred in future years.

**9.0 COMMON GOOD FUND**

9.1 The Common Good Fund is projecting a surplus in 2019/20 of £48,600 which will result in a Fund Balance of £75,130 by 31 March 2020.

**10.0 IMPLICATIONS**

**10.1 Finance**

All financial implications are discussed in detail within the report above.

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**

(a) Equalities

Has an Equality Impact Assessment been carried out?

Yes	See attached appendix
X	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.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

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 That the Committee note the 2019/20 projected underspend of £1,488,000 for the Policy and Resources Committee as at Period 6, 30 September 2019.

12.2 That the Committee note the current projected Capital position.

12.3 That the Committee note the projected surplus of £48,600 of the Common Good.

13.0 **BACKGROUND PAPERS**

13.1 There are no background papers for this report.

**Policy & Resources Budget Movement - 2019/20****Period 6: 1st April - 30th September 2019**

Service	Approved Budget	Movements			Revised Budget	
	2019/20 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2019/20 £000
Finance	7,933	70			(300)	7,703
Legal	1,860	2				1,862
Organisational Development, HR & Communications	2,061	0				2,061
Chief Exec	318	0				318
Miscellaneous	6,053	(1,617)	(630)			3,806
<b>Totals</b>	<b>18,225</b>	<b>(1,545)</b>	<b>(630)</b>	<b>0</b>	<b>(300)</b>	<b>15,750</b>

**Supplementary Budget Detail**

£000

Inflation

Miscellaneous Inflation breakdown:

Miscellaneous Pay Inflation

(890)

Miscellaneous Non Pay Inflation

(727)

Finance - Various annual inflationary increases

70

Legal - Contribution to COSLA inflation

2

(1,545)Virements

Contribution from Reserves - Pay &amp; Grading Model

(630)

(630)

**Total Inflation & Virements****(2,175)**



**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 6: 1st April 2019- 30th September 2019**

2018/19 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000
9,075	Employee Costs	8,685	8,675	8,598	(77)
534	Property Costs	564	563	564	1
673	Supplies & Services	932	980	997	17
3	Transport & Plant	4	4	4	0
1,503	Administration Costs	1,345	1,298	1,272	(26)
33,812	Payments to Other Bodies	36,048	33,777	32,768	(1,009)
(32,147)	Income	(29,353)	(29,248)	(29,642)	(394)
<b>13,454</b>	<b>TOTAL NET EXPENDITURE</b>	<b>18,225</b>	<b>16,050</b>	<b>14,562</b>	<b>(1,488)</b>
	Earmarked reserves		(300)	(300)	0
<b>13,454</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>18,225</b>	<b>15,750</b>	<b>14,262</b>	<b>(1,488)</b>

2018/19 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000
7,278	Finance	7,933	8,003	7,599	(404)
1,772	Legal Services	1,860	1,862	1,864	2
<b>9,050</b>	<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,793</b>	<b>9,865</b>	<b>9,464</b>	<b>(401)</b>
2,075	Organisational Development, Human Resources & Communications	2,061	2,061	2,065	4
<b>2,075</b>	<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>2,061</b>	<b>2,061</b>	<b>2,065</b>	<b>4</b>
321	Chief Executive	318	318	328	10
2,007	Miscellaneous	6,053	3,806	2,705	(1,101)
<b>13,454</b>	<b>TOTAL NET EXPENDITURE</b>	<b>18,225</b>	<b>16,050</b>	<b>14,562</b>	<b>(1,488)</b>
	Earmarked reserves		(300)	(300)	0
<b>13,454</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>18,225</b>	<b>15,750</b>	<b>14,262</b>	<b>(1,488)</b>

	Approved Reserves £000	Revised Reserves £000	19/20 Budget £000	Projected Spend £000	Projected Carry Forward £000
Earmarked Reserves	14,994	16,764	3,992	3,711	13,053
CFCR	0	450	450	450	0
<b>Policy &amp; Resources Overall Expenditure</b>	<b>14,994</b>	<b>17,214</b>	<b>4,442</b>	<b>4,161</b>	<b>13,053</b>

**POLICY & RESOURCES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 6: 1st April 2019- 30th September 2019**

Outturn 2018/19 £000	Budget Heading	Budget 2019/20 £000	Proportion of Budget £000	Actual to 30/09/19 £000	Projection 2019/2020 £000	Over/(Under) Budget £000
	<b><u>Finance/ICT</u></b>					
5,207	Employee Costs	5,335	2,488	2,438	5,245	(90)
	Revenues - CT Income PY	(306)	0	0	(506)	(200)
(4)	Fin/Rev - Internal Income			(27)	(27)	(27)
(52)	Housing Benefits Bad Debt Provision	20	10	(61)	(100)	(120)
(121)	Housing Benefits Recoveries	(140)	(70)	(21)	(10)	130
	<b><u>Miscellaneous</u></b>					
1,651	Non-pay Inflation Contingency	1,042	667	667	892	(150)
3,423	Pay Inflation Contingency	1,742	(891)	(891)	1,042	(700)
(493)	Internal Resource Interest	(250)	0	0	(500)	(250)
<b>9,611</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>7,443</b>	<b>2,204</b>	<b>2,105</b>	<b>6,036</b>	<b>(1,407)</b>

## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy &amp; Resources

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget To Period 6	Actual To Period 6	Projected Spend	Amount to be Earmarked for 2020/21 & Beyond	Lead Officer Update
		2019/20	2019/20	2019/20	2019/20		
		£000	£000	£000	£000	£000	
Digital Strategy	Alan Puckrin	197	40	35	139	58	KANA upgarde and Revenues citizens access progressing.
Welfare Reform - Operational	Alan Puckrin	229	33	30	78	151	Being used to pay for additional temporary employees to address workload demands
Budget Development	Alan Puckrin	26	0	0	22	4	£18k to be used for the 2020/23 Budget consultation exercise.
2013/18 Revenue Contingency	Alan Puckrin	73	0	0	25	48	Projects to date include £10k Jewish Heritage Centre, £5k for Gourock Highland Games & £9k for The Great Get Together. Total uncommitted funds in 2019/20 of £22k.
Anti-Poverty Fund	Alan Puckrin	1,302	220	94	515	787	Wi Fi in Community Centres being progressed. Update on progress with other spend included in the September Welfare Reform update
GDPR	Gerry Malone	67	2	1	37	30	Estimated spend of £37k this financial year on training, ICT requirements, storage and CPD.
Develop Pay & Grading Model	Steven McNab	16	10	10	14	2	Staffing resources to assist with the development and implementation of pay and grading Model. Grade H (22.75hrs) to 31/10/19.
Pay & Grading Model - Funding for 2019/20	Alan Puckrin	630	0	551	551	79	Under utilisation of one-off EMR to fund the new Pay & Grading Model.
<b>Total Category C to E</b>		<b>2,540</b>	<b>305</b>	<b>721</b>	<b>1,381</b>	<b>1,159</b>	

**COMMON GOOD FUND****REVENUE BUDGET MONITORING REPORT 2019/20****PERIOD 6 : 1st April 2019 to 30th September 2019**

	<b>Final Outturn 2018/19</b>	<b>Approved Budget 2019/20</b>	<b>Budget to Date 2019/20</b>	<b>Actual to Date 2019/20</b>	<b>Projected Outturn 2019/20</b>
<b><u>PROPERTY COSTS</u></b>	<b>26,190</b>	<b>22,000</b>	<b>11,000</b>	<b>23,920</b>	<b>29,000</b>
Repairs & Maintenance	6,260	9,000	4,500	520	9,000
Rates	18,690	12,000	6,000	23,400	20,000
Property Insurance	1,240	1,000	500		0
<b><u>ADMINISTRATION COSTS</u></b>	<b>15,690</b>	<b>7,700</b>	<b>800</b>	<b>1,190</b>	<b>7,700</b>
Sundries	9,490	1,500	800	1,190	1,500
Commercial Rent Management Recharge	2,200	2,200	0		2,200
Recharge for Accountancy	4,000	4,000	0		4,000
<b><u>OTHER EXPENDITURE</u></b>	<b>64,940</b>	<b>79,100</b>	<b>45,200</b>	<b>43,140</b>	<b>74,100</b>
Christmas Lights Switch On	10,500	10,500	0		10,500
Gourock Highland Games	29,400	29,400	29,400	29,400	29,400
Armistice Service	6,930	8,300	0	440	8,300
Comet Festival	13,300	13,300	13,300	13,300	13,300
Fireworks	450	12,600	0		12,600
Society of the Innocents Rent Rebate	3,820	5,000	2,500	0	0
Bad Debt Provision	540				0
<b><u>INCOME</u></b>	<b>(125,960)</b>	<b>(135,440)</b>	<b>(67,800)</b>	<b>(60,420)</b>	<b>(159,400)</b>
Property Rental	(168,950)	(168,950)	(84,500)	(79,200)	(168,950)
Void Rents	43,140	34,010	17,000	18,780	45,050
Internal Resources Interest	(150)	(500)	(300)		(500)
Disposal of Land					(35,000)
<b><u>NET ANNUAL EXPENDITURE</u></b>	<b>(19,140)</b>	<b>(26,640)</b>	<b>(10,800)</b>	<b>7,830</b>	<b>(48,600)</b>
<b><u>EARMARKED FUNDS</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL NET EXPENDITURE</u></b>	<b>(19,140)</b>	<b>(26,640)</b>	<b>(10,800)</b>	<b>7,830</b>	<b>(48,600)</b>

Fund Balance as at 31st March 2019 **26,530**

Projected Fund Balance as at 31st March 2020

**75,130****Notes:****1 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.

**2 Current Empty Properties are:**Vacant since:

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

April 2015, currently being marketed  
January 2019  
August 2018  
June 2017, currently being marketed  
March 2014, currently being marketed  
September 2012

## COMMITTEE: POLICY &amp; RESOURCES

<u>Project Name</u>	1	2	3	4	5	6	7	8	9
	<u>Est Total Cost</u>	<u>Actual to 31/3/19</u>	<u>Approved Budget 2019/20</u>	<u>Revised Est 2019/20</u>	<u>Actual to 30/09/19</u>	<u>Est 2020/21</u>	<u>Est 2021/22</u>	<u>Est 2022/23</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Environment, Regeneration &amp; Resources</u></b>									
<b><u>ICT</u></b>									
Storage/Backup Devices/Minor Works and Projects	65	24	41	41	8	0	0	0	0
Rolling Replacement of PC's	611	267	267	344	73	0	0	0	0
Whiteboard/Projector Refresh	10	5	5	5	2	0	0	0	0
Server & Switch Replacement Programme	228	114	91	114	24	0	0	0	0
Annual Allocation	1,089	0	0	0		363	363	363	0
<b><u>ICT Total</u></b>	<b>2,003</b>	<b>410</b>	<b>404</b>	<b>504</b>	<b>107</b>	<b>363</b>	<b>363</b>	<b>363</b>	<b>0</b>
<b><u>Finance</u></b>									
Modernisation Fund	123	112	11	5	0	6	0		
<b><u>Finance Total</u></b>	<b>123</b>	<b>112</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>2,126</b>	<b>522</b>	<b>415</b>	<b>509</b>	<b>107</b>	<b>369</b>	<b>363</b>	<b>363</b>	<b>0</b>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/101/19/AP/CM</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Welfare Reform Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update to the Committee on current developments in relation to Welfare Reform.

## 2.0 SUMMARY

- 2.1 There is little new to report in respect of Universal Credit whilst Discretionary Housing Payments and Scottish Welfare Fund grants are within budget at this stage in the year. As part of its Brexit contingency planning the Scottish Government has allocated £7million nationally into a Rapid Poverty Mitigation Fund to meet expected increase demand for assistance. The basis of distribution is due to be agreed at the end of October and it is anticipated that the bulk of any funding will be channelled towards SWF Crisis Grants.
- 2.2 Take up of the increased eligibility for Clothing Grants and Free School Meals approved by the Council as part of the 2019/20 Budget has exceeded estimates. The increased annual cost of £30,000 will be funded by the Council's non-pay inflation contingency.
- 2.3 Officers continue to await confirmation from HMRC that the Council can reuse DWP data to optimise access to Education Benefits. The local MP has written to HMRC and this allied to the matter also being taken up at a national level is hoped will result in approval being granted.
- 2.4 Various changes to the Social Security system in Scotland have recently been or are planned to be implemented, these are detailed in Section 9 of the report.
- 2.5 Through our monitoring and review processes officers have reviewed the provision from River Clyde Homes around UC support, one-to-one digital skills and budgeting advice via Future Skills. With Citizen Advice Scotland now being responsible for UC support it is officers' recommendation that from April 2020 the digital skills training will be provided by the Community Learning & Development Team.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the various updates contained in this report.
- 3.2 It is recommended that the Committee notes the increase in take up in Education benefits approved as part of the 2019/20 Budget and that funding is in place to meet this increase.
- 3.3 It is recommended that Committee agrees that, due to the transfer of certain duties relating to UC claims to Citizens Advice Scotland, that funding previously provided to Future Skills from the Anti Poverty Fund should discontinue from 31 March 2020.

**Alan Puckrin**  
**Chief Financial Officer**

## 4.0 BACKGROUND

- 4.1 Inverclyde became one of the first areas in Scotland to implement Universal Credit Full Service (November 2016). The Committee has received reports each cycle on the impact of this and other Welfare Reforms.
- 4.2 Officers lead a multi-agency Welfare Reform Board and the updates to the Committee contain matters discussed and progressed by officers.

## 5.0 UNIVERSAL CREDIT

- 5.1 The number of people claiming UC continues to increase at a slow pace with 6021 UC claimants in Inverclyde as of August 2019 (Appendix1).
- 5.2 Officers continue to monitor DWP briefings and parliamentary announcements however no changes to UC have been introduced since the last report.
- 5.3 Citizens Advice Scotland's Help to Claim service is working well. Claimants receive help to make a claim and are contacted again by CAS at the due date of the first payment to make sure the benefit is in place and the level of award is as expected. Help is provided to resolve any concerns. The service is available every day at Jobcentre Plus and it is being trialled at the Central Library.

## 6.0 DISCRETIONARY HOUSING PAYMENTS

- 6.1 Appendix 2 shows that expenditure on the Social Sector Size Criteria up to 30 September 2019 was £1.076 million, exceeding the Scottish Government's projection by £0.044 million. The Scottish Government is committed to meeting the shortfall.
- 6.2 Expenditure on DHP for other purposes at 30 September 2019 was £93,000. New categories were introduced earlier this year to utilise an increased budget of £218,000, which includes £40,000 from the Council's own budgets. The qualifying threshold for excess income above essential expenditure is increased and more support is available for those in "exceptional circumstances" and renting in the private rented sector. To date, 15 applications have been approved in the new categories, projecting expenditure of £12,000. The new criteria will continue to be promoted throughout the Financial Inclusion Partnership.

## 7.0 SCOTTISH WELFARE FUND

- 7.1 Appendix 3 shows that expenditure on the Scottish Welfare Fund (SWF) in the 6 months to 30 September 2019 was £335,000 equalling the Scottish Government programme funding, the first time expenditure has not exceeded programme funding at this point since 2014. In addition to the Government funding the Council has allocated £100,000 from its own resources to meet any further demand. The table below compares expenditure in 2016, 2017, 2018 and 2019 showing Community Care Grant expenditure declining each year. Crisis Grants peaked in 2018 associated with the rapid expansion of Universal Credit but is now seeing a marked reduction although not to pre-UC levels.

### Scottish Welfare Fund Expenditure:

<u>Year to date:</u>	30.9.16	30.9.17	30.9.18	30.9.19
Community Care Grants	£282,801	£272,859	£256,377	£231,648
Crisis Grants	£82,096	£131,156	£135,216	£103,141
Total	£364,897	£404,015	£391,593	£334,789

- 7.2 As part of its Brexit contingency planning the Scottish Government have allocated £7million nationally into a Rapid Poverty Mitigation Fund to meet expected increased demand for assistance. The basis of distribution is due to be agreed at the end of October and it is anticipated that the bulk of any funding will be channelled towards SWF Crisis Grants.
- 7.3 The Scottish Public Services Ombudsman (SPSO) records examples of good practice identified during their investigations at stage 2 of the Scottish Welfare Fund review process. Inverclyde has had four of the nine examples of positive feedback across all councils this year so far which SPSO acknowledge as excellent performance. Inverclyde's positive feedback was connected to the recording of SWF decisions.

## **8.0 EDUCATION BENEFITS**

- 8.1 The Council agreed to expand the entitlement to free school meals (FSM) and the school clothing grant (SCG) to include those with net earnings of £915/month, an increase of £300 on the statutory earnings limit. The result of the increased earnings threshold is that by 30 September 2019, 309 additional families qualified. 464 additional pupils received a school clothing grant of £145 and 333 children in Primary 5 and above now have free school meals as a result of the enhanced policy.
- 8.2 The cost of the policy was estimated to be £100,000 when the 2019/20 Revenue Budget was approved. Demand is higher than expected and the latest projected annual cost is £130,000. The increased cost will be met from the Council's non-pay inflation contingency.
- 8.3 Since the date of the last report, Her Majesty's Revenue and Customs (HMRC) has acknowledged and sought clarity on an aspect of officers' request to reuse data received for Council Tax Reduction purposes to automate the payment of school clothing grants and remove the need for families to apply for free school meals. Ronnie Cowan MP offered support with this and has interceded with HMRC and anticipates a response in the coming weeks. DWP indicated agreement verbally to the reuse of DWP data. HMRC agreement is needed before automation can be introduced.
- 8.4 The Scottish Government asked COSLA to join their efforts to pursue a joint proposal to use DWP and HMRC data for welfare related purposes. Officers have been approached by COSLA and agreed to participate in the working group.

## **9.0 SOCIAL SECURITY SCOTLAND UPDATE**

### **9.1 Young Carers Grant:-**

Young Carer Grant (YCG) has been launch throughout September and October. The Grant is a new annual payment of £300 for young carers aged 16 to 18 who live in Scotland. It is a cash benefit which Young Carers can spend as they choose and they can apply if they are at school, in further education, employed or unemployed.

A young carer will also be eligible to receive a YCG where they care for someone who is also being cared for by someone in receipt of Carers Allowance.

### **9.2 Best Start Food payment:-**

In August new applications were opened for Best Start Food payment which replaced the Government's Health Start Vouchers in Scotland. Best Start Foods provides low income families on certain benefits with £17.00 every four weeks during pregnancy and for every child under three to spend on a range of health foods. This payment increased to £34.00 for children under one. New applications can be made via a Freephone helpline 0800 182 2222.



### 9.3 Best Start Grant payment:-

Best Start Grant payment includes Pregnancy and Baby Payment, Early Learning Payment and School Age Payment. Inverclyde's total allocation was £252,600 with £107,100 spend for Pregnancy & Baby payment, £91,500 - Early Learning Payment and £54,000 - School Age payment.

### 9.4 Funeral Support payment:-

The Funeral Support Payment is a one off payment to help people on low income benefits with a contribution towards the cost of a funeral and replaces the Department for Work and Pension's Funeral Expenses Payment in Scotland. Some improvements, in comparison to the current payment, have been introduced. These include:

- introducing a new 'nearest relative' eligibility test, along with a more sensitive assessment to determine who is responsible for the funeral cost payments. This will widen eligibility for payment by around 40%, to help reach an estimated 5,000 people each year.
- A faster process for completed applications, once all the required evidence has been received.
- Annually reviewing and uprating the flat rate element to take account of inflation

Applications for the Funeral Support Payment are accepted from the date of death, up until six months after the funeral has taken place. This means that anyone who meets the eligibility for the Funeral Support Payment and has already paid for a funeral within the last 6 months will be able to apply retrospectively, as long as they have not already received a Funeral Expenses Payment from DWP.

### 9.5 Scottish Child Payment

The Scottish Government published its 'Programme for Government 2019/2020' on September 3<sup>rd</sup>. Among the measures announced is a commitment to bring forward the date for the introduction of the Scottish Child Payment (SCP) so that payments for children under six will start to be made by Christmas 2020. Previously the commitment was to introduce the SCP for all children under six by the end of the parliamentary term. The SCP will be available to all remaining eligible families with children under 16 by the end of 2022 as set out in the previously announced timetable.

### 9.6 Motability Scheme

The Scottish Government has set out its approach to establishing an equivalent service, in advance of delivering Disability Assistance, to the Motability Scheme currently available to claimants with a qualifying benefit such as the higher rate mobility component of Disability Living Allowance or enhanced rate mobility component of Personal Independence Payment. The scheme offers cars on lease, powered wheelchairs and mobility scooters. Many of the costs of adapting a car can be included. The new Scottish scheme will be designed to ensure that disabled people receive the same standards, range of choice and levels of service as with the current Motability Scheme. The Scottish scheme will be available to claimants in the summer of 2020 in line with the introduction of Disability Assistance for Children and Young People, the first devolved disability benefit.

## **10.0 ADVICE SERVICES UPDATE**

### 10.1 Personal Independence Payment: Official Statistics to July 2019

DWP Quarterly statistics, released September 12<sup>th</sup> 2019, indicate only 15 per cent of Personal Independence Payment (PIP) mandatory reconsiderations lead to a change of award. In addition, and for the first time, DWP have included experimental statistics tracking initial decisions following a PIP assessment through to mandatory reconsideration or appeal,

covering the period April 2013 to March 2019.

HSCP Advice Service Welfare Rights Officers have provided representation at 132 PIP Tribunal hearings with a known outcome for the period January 1<sup>st</sup> 2019 – September 30<sup>th</sup> 2019. 25 (19 per cent) Tribunal hearings upheld the decision made by DWP and 107 (81 per cent) were revised in favour of the claimant, resulting in a financial PIP gain of £682,808.

## 10.2 Welfare Reform: Annual Report

The 2019 Annual Report on Welfare Reform was published by the Scottish Government on September 13<sup>th</sup>. The report focuses on the impact on Scotland of recent changes to the welfare system, and particularly on new evidence relating to the benefits freeze, universal credit work allowances and the two-child limit. The report estimates the changes will reduce welfare spending in Scotland by £500 million per year. The report notes, however, that these post 2015 welfare reforms represent a relatively small element of the larger suite of UK government cuts which have taken place over the last ten years, estimated to result in a £3.7 billion reduction in annual spend in 2020/2021.

## 10.3 Universal Credit – Severe Disability Premium

The Minister for Disabled People, Health and Work, Justin Tomlinson, has confirmed more than £37 million has been paid to claimants previously in receipt of a legacy benefit that contained a Severe Disability Premium (SDP) who experienced a cash loss on migration to Universal Credit. Responding to a written question in the House of Commons the Minister confirmed:

“As of 26 September 2019, over 13,800 claims have been paid a SDP transitional payment. HSCP Advice Service has provided assistance to universal credit claimants in Inverclyde who have received such transitional payments”.

10.4 Inverclyde HSCP Advice Services has now completed its audit for the Welfare Benefits and Money Advice Standard that are contained in the Scottish National Standards for Advice and Information Providers and officers are please to confirm that Advice Services have now been recommended for approval for the Welfare Benefit Advice and Money Advice Standards.

## 11.0 ANTI POVERTY FUND PROPOSALS

11.1 Through our monitoring and review processes officers have reviewed the provision from River Clyde Homes around UC support, one-to-one digital skills and budgeting advice via Future Skills. With Citizen Advice Scotland now being responsible for UC support it is officers recommendation that from April 2020 the digital skills training will be provided by the Community Learning & Development Team. This has been discussed with officers within RCH.

## 12.0 IMPLICATIONS

### 12.1 Finance

#### Financial Implications:

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	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
Education	Clothing Grants/ Free School Meals	2019/20	30		Funded from the Non-Pay Inflation contingency

12.2 **Legal**

There are no legal implications arising from this report.

12.3 **Human Resources**

There are no HR implications arising from this report.

12.4 **Equalities**

(a) Has an Equality Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

12.5 **Repopulation**

The Council's positive approach to the impact of Welfare Reform will assist with the Council's repopulation agenda.

13.0 **BACKGROUND PAPERS**

13.1 None

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
<b>Jun-18</b>	5240	32%	2408	135
<b>Jul-18</b>	5397	32%	2526	125
<b>Aug-18</b>	5527	32%	2607	176
<b>Sep-18</b>	5640	33%	2647	156
<b>Oct-18</b>	5718	33%	2657	127
<b>Nov-18</b>	5804	34%	2690	172
<b>Dec-18</b>	5753	35%	2725	118
<b>Jan-19</b>	5768	34%	2800	198
<b>Feb-19</b>	5597	29%	2823	151
<b>Mar-19</b>	5611	28%	2969	148
<b>Apr-19</b>	5680	28%	3098	142
<b>May-19</b>	5707	28%	3155	153
<b>Jun-19</b>	5749	27%	3134	130
<b>Jul-19</b>	5888	28%	3206	134
<b>Aug-19</b>	6021	25%	3316	169

**Notes**

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

**Discretionary Housing Payments**  
**Position 30.09.19**

<u>1/ SSSC (Bedroom Tax)</u>		
Applications Approved	1483	91.54%
Applications Not Eligible/Refused	104	6.42%
Applications Being Assessed	33	2.04%
	<u>1620</u>	
	<u>£</u>	
 Paid to Date	 1076224	 Note 1
 2019/20 Budget	 1031380	 Note 2
(Under)/Overspend	<u>44844</u>	
 <u>2/ Other DHP Cases</u>		
	<u>£</u>	
 2019/20 Budget	 218355	
less : Payments to 30/09/19	93333	Note 3
(Under)/Overspend	<u>(125022)</u>	

Notes

- 1/ Represents 99.31% of those households known to be affected by SSSC.
- 2/ Estimate of liability; Scottish Government will meet expenditure in full.
- 3/ Includes £12k Benefit Cap
- 4/ Budget includes £40k from the Council's budgets.

Finance Services  
30/09/2019

**Scottish Welfare Fund**  
**30<sup>th</sup> September 2019**

Calls Answered	5477		
Applications	3094		
Applications Granted	1649	53.30%	
Applications Refused	760	24.56%	Note 3
Applications Withdrawn	626	20.23%	
In Progress	59	1.91%	
Referrals to DWP	87		Note 2
	<u>Spend</u>	<u>Budget</u>	<u>Spend</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>
Crisis Grant paid (1179)	103	264	39.02%
Community Care Grants paid (513) (includes 44 applications paying both CCG & CG)	232	507	45.76%
	<hr/>	<hr/>	
	335	771	43.45%

**Note 1** 1<sup>st</sup> Tier Reviews awaiting decision = 1  
 1<sup>st</sup> Tier Review decisions = 38 (1.58%)  
 1<sup>st</sup> Tier Reviews upheld in customer favour = 23 (60.53%)  
 2nd Tier Reviews = 5 (as % of 1<sup>st</sup> tier decisions: (13.16%)  
 2nd Tier Reviews upheld in customers favour by SPSO = 1 (25.00%) Note 5  
 1 awaiting SPSO response

**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 low income 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** Decision was based on additional information sourced by SPSO which was not available to Discretionary Payments Team at the point of the original application or 1<sup>st</sup> tier review stage.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/105/19/AP/KJ</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Insurance Fund Position as at 30 September 2019</b>		

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### 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the Council's Insurance Fund as at 30 September 2019 and to highlight any relevant issues.

### 2.0 SUMMARY

- 2.1 The number of insurance claims received for 2018/19 was lower than for 2017/18 largely due to a reduction in the number of public liability and employer's liability claims (although these claims can arise after the year in which the incident occurred). Apart from 2017/18, the number of claims has fallen year-on-year over the last 5 years.
- 2.2 As at 30 September 2019 the Insurance Fund had a balance of £5.056 million which is £0.403 million higher than the previous year. The movement is due to contributions to the Insurance Fund exceeding charges to the Fund in year for insurance claims.
- 2.3 Estimated liabilities on claims outstanding at 30 September 2019 are £0.722 million with a provision for clawback on Municipal Mutual Insurance (MMI) claims having been made of £0.297 million leaving a balance for future claims of £4.037 million.
- 2.4 The Insurance Fund will be affected by 2 major changes advised in previous years although the impact remains unclear:
- The removal of the 3 year time bar on claims for child abuse which extended the period for such claims to include abuse suffered on or after 26 September 1964
  - The amendment to the interest rate used in the calculation of compensation payments for personal injury claims from 2.5% to -0.75% in March 2017 (which will increase the level of payments for claimants from claims requiring longer term care). The rate remains at -0.75% following a review in 2019.
- 2.5 The Insurance Fund is the subject of an independent Actuarial Review every 3 years with the 2019 review having taken place and a draft report received. The review has assessed the financial position of the Fund. Any amendments to the annual contribution to the Fund or to the Fund size will be included in the Budget process.

### 3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee notes the contents of this report and the Insurance Fund position as at 30 September 2019.
- 3.2 It is recommended that the Committee notes that any adjustment to the annual contribution to the Fund following the recent Actuarial Review will be included in the February 2020 Budget Committee Report.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 The Council's Insurance Strategy involves purchasing insurance for some types/levels of risks but also self-insuring for other risks by setting aside monies in an Insurance Fund.
- 4.2 The Strategy was approved at the September 2003 meeting of the Corporate Business Committee following a review of available options by the officers of the Council and also on advice from the Council's Insurance Brokers. This approach has delivered significant savings in both external premiums and internal recharges.

## **5.0 2018/19 PERFORMANCE**

- 5.1 The overall insurance picture for 2018/19 has, so far, seen a decrease in the number of claims received compared to 2017/18. As can be seen in Appendix A, the Council has so far received 122 claims for the 12 month period which is a 23.7% decrease on claims received for insurance year 2017/18. The decrease is largely due to fewer public liability and employer's liability claims. It should, however, be noted that claims relating to a year can be made in future years.
- 5.2 Last year the report showed 1,032 claims for the previous 5 insurance years (2013/14-2017/18) whereas Appendix A shows 868 claims when the position is moved forward a year (for 2014/15-2018/19), showing a reduction of 164 claims or 15.9% on the 5 year rolling basis.
- 5.3 The Fund balance increased by £402,600 during the year to 30 September 2019 due to contributions to the Insurance Fund exceeding the charges for insurance claims in year. The estimated outstanding liabilities have reduced from £0.921 million last year to £0.722 million this year.
- 5.4 In addition, part of the Fund has been set aside as a provision for the potential future clawback of claims relating to MMI. Further background to this issue is given in paragraph 6.3. When the estimated liabilities and the provision for the MMI clawback are taken into consideration, there is a balance of £4.037 million in the Fund for future claims as at 30 September 2019.
- 5.5 The Fund is the subject of an actuarial review every 3 years with the 2019 review having taken place and a draft report received. The review has assessed the financial position of the Fund and advises on the level of the annual contribution required to be made based on current and projected claims. Any amendments to the annual contribution or Fund size will be included in the Budget process.
- 5.6 As advised above, the Committee should note that some insurance claims may appear several years after the period to which they relate and that the claims paid in a year do not relate solely to the claims arising in that year but also cover some claims arising for previous years. The current balance on the Fund ensures that the self-insurance position remains the correct approach.



5.7 Appendix B shows that payments made by the Council’s External Insurers continue to be significantly less than the premium paid with estimated outstanding liabilities to be borne by the Insurers of around £16,600 relating to ongoing claims.

Factors affecting the premiums charged and the claims payments by Insurers include:

- (a) For Property Insurance the Insurers are effectively providing cover for the loss of a major asset and it is hoped by both parties that the Insurer will never be asked to pay out against this policy.
- (b) For Liability Insurance the Insurers deal with the longer-tailed claims such as Employer’s Liability and Public Liability claims that take longer to be generated and finalised.

5.8 High volume, low value claims for public liability continue to be dealt with in-house, whilst the Insurers deal with all other claims.

5.9 One area of particular interest relates to claims arising from road or pathway defects. The claim statistics for the last 3 insurance years are as follows:

Insurance Year	No. of Claims	% of Total Claims For Year	Claims Rejected/ Dropped	Claims Paid		Claims Outstanding	
				No. of Claims	Actual Cost of Claims	No. of Claims	Amounts Claimed **
					£000		£000
2016/17	75	47.8%	58	16	31	1	7
2017/18	73	45.6%	48	13	13	12	211
2018/19	46	37.7%	20	8	1	18	80

\*\* These amounts are subject to review as claims progress through the insurance process but are likely to reduce.

It should be noted that, whilst some claims can be resolved relatively quickly, the legal processes for dealing with claims can result in some claims taking some time to resolve.

**6.0 OTHER ISSUES**

6.1 There are ongoing issues on 4 areas affecting the Council’s insurance position:

- a. Pleural Plaques
- b. Municipal Mutual Insurance (MMI)
- c. Child Abuse Claims
- d. Personal Injury Claims – Interest Rate.

**6.2 Pleural Plaques**

The Damages (Asbestos-related Conditions) (Scotland) Act 2009 provides that asbestos-related and certain other asymptomatic asbestos-related conditions are compensable in Scotland if it can be established that the conditions were caused by negligent asbestos exposure. The Council and its insurers are currently dealing with 5 claims relating to pleural plaques.

### 6.3 MMI

MMI is a former insurer which provided insurance primarily to local authorities. As a result of financial difficulties, MMI ceased to write new insurance business in September 1992 and “went into run-off” i.e. it continues but only to pay any claims that were outstanding or any claims that have arisen/may arise.

This “run-off” involved the establishment of a “Scheme of Arrangement” under which each local authority involved essentially assumed an element of mutual ownership of the company to manage the transition. When the Scheme was established it was believed that the company had sufficient resources to meet all existing liabilities and potentially provide a final distribution to participating local authorities of any residual surplus.

MMI do not have sufficient funds to meet the cost of any new claims so, from 1 January 2014, they are only paying a percentage of the cost of claims and any claims paid prior to that date under the Scheme of Arrangement are subject to clawback (there being no underwriting or reinsurance to cover this situation). The balance of the cost of claims and the amount of the clawback is impacting on a large number of local authorities throughout the UK, including Inverclyde, who are part of the Scheme of Arrangement.

The percentage of claims being paid by MMI is now 75% (with 25% payable by the Council). The Council has included an allowance for these claims and any clawback and continues to monitor and revise the allowance using the latest information from MMI.

### 6.4 Child Abuse Claims

On 4 October 2017, the Limitation (Childhood Abuse) (Scotland) Act 2017 came into effect. The Act removed the 3 year time bar on claims for child abuse meaning that claims can be made for abuse suffered on or after 26 September 1964.

It is unclear how many claims will be forthcoming, the cost of those claims, and who will bear those costs (whether former insurers/their successors or current local authorities/organisations as successors to authorities/organisations who provided child care services from 1964 onwards).

Given the uncertainties, there could be an impact on the Insurance Fund (and also on costs to be borne by the insurers) although the extent of any impact is unknown. A small number of claims have been received, none of which have any values attached.

### 6.5 Personal Injury Claims – Interest Rate

In March 2017 the interest rate used in the calculation of compensation payments for longer term personal injury claims was reduced from 2.5% to -0.75%. The rate used previously assumed that a claimant could invest their compensation and receive interest on that sum (thereby reducing the amount of compensation that they would initially receive for their claim). The change to a negative interest rate means that compensation payments to claimants from claims requiring longer term care will increase.

Following the passing of the Damages (Investment Returns and Periodical Payments) (Scotland) Act 2019 by the Scottish Parliament, the Government Actuary reviewed the rate. It was announced in September 2019 that the rate in Scotland will remain at -0.75%.

## 7.0 THE YEAR AHEAD

- 7.1 Officers within Finance Services will continue to monitor the performance of the Insurance Strategy closely and will continue to present reports to Committee no less frequently than annually.
- 7.2 The Council's contract with its Insurance Brokers ends on 31 March 2020. The services provided assist the Council in dealing with complex insurance matters and so Officers will undertake a tendering exercise to procure continuing insurance broking services for the 3 years to 31 March 2023. The costs of these services are borne by the Council through its Insurance budget.

## 8.0 IMPLICATIONS

### 8.1 Legal

None.

### 8.2 Financial

The Fund balance as at 30 September 2019 was £5.056 million which is £0.403 million higher than the previous year.

One off Costs:

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement from	Other Comments
None					

Annually Recurring Costs/(Savings):

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement from	Other Comments
None					

### 8.3 Human Resources

None.

### 8.4 Equalities

- (a) Has an Equality Impact Assessment been carried out?

X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required
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(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**9.0 CONSULTATIONS**

9.1 None.

**10.0 LIST OF BACKGROUND PAPERS**

10.1 None.

## Appendix A

### Insurance Fund Financial Summary - Insurance Years 2017/18 - 2018/19

	Insurance Years		
	2017/2018 (1 Oct 2017 - 30 Sept 2018) £	2018/2019 (1 Oct 2018 - 30 Sept 2019) £	
<b>Fund Income in Year</b>			
Total Contributed to the Fund	622,500.00	610,000.00	
Internal Resources Interest	14,565.13	31,451.61	
	637,065.13	641,451.61	A
<b>Fund Expenditure in Year</b>			
Risk Management	5,000.00	5,000.00	
Actuarial/Property Revaluation Costs	0.00	0.00	
	5,000.00	5,000.00	
Incurred Charges to the Fund in Year	468,588.79	233,866.90	
	473,588.79	238,866.90	B
Net Surplus/(Deficit) on Fund in Year	163,476.34	402,584.71	C=A-B
<hr/>			
<b>Fund Balance</b>			
Balance As At Start of Year	4,489,556.70	4,653,033.04	D
Add:			
Net Surplus/(Deficit) on Fund in Year	163,476.34	402,584.71	C
Actual Fund Balance At End of Year	4,653,033.04	5,055,617.75	E=D+C
Less:			
Estimated Outstanding Charges on Fund	921,067.73	721,777.78	F
Provision for Clawback for MMI Claims	290,074.00	296,797.00	G
Balance for Future Years Claims At End of Year	3,441,891.31	4,037,042.97	H=E-F-G

#### Claims Information For Last 5 Insurance Years

(This information is for the number of claims received analysed by the year to which the claim relates)

	No. of Claims Received For Year	No. of Claims Settled/Resolved	No. of Claims Outstanding	Estimated Outstanding Charges On Insurance Fund £
2014/15	226	224	2	20,706.20
2015/16	203	197	6	77,722.98
2016/17	157	115	42	63,842.00
2017/18	160	134	26	327,469.00
2018/19	122	78	44	171,941.60
	868	748	120	661,681.78
Claims Pre-2014/15			8	60,096.00
TOTALS			128	721,777.78

Of the claims outstanding:

- a) 46 are Motor Vehicle claims, none of which are payable by the Insurance Fund.
- b) 5 are Employer's Liability claims relating to Pleural Plaques and are included net of amounts payable by Municipal Mutual Insurance (MMI).

## Insurance Premiums/Payments By Insurers

	Insurer	Policy Excess 2018/2019	Responsibility for Policy Excess	Insurance Year 2018/2019		Insurance Year 2017/2018		Insurance Year 2016/2017		Insurance Year 2015/2016		Insurance Year 2014/2015	
				Payments Made By Insurer For Claims	Premium Paid To Insurer (Incl. IPT)	Payments Made By Insurer For Claims	Premium Paid To Insurer (Incl. IPT)	Payments Made By Insurer For Claims	Premium Paid To Insurer (Incl. IPT)	Payments Made By Insurer For Claims	Premium Paid To Insurer (Incl. IPT)	Payments Made By Insurer For Claims	Premium Paid To Insurer (Incl. IPT)
<b>Property Policies</b>				£	£	£	£	£	£	£	£	£	£
General Properties	Travelers	}	Note 1	}									
Education Properties	Travelers	}	Note 1	}									
Professional Fees (First Loss)	Travelers	}	Note 1	}									
Removal of Debris (First Loss)	Travelers	} £1m	Note 1	}	9,611.46	154,596.96	16,151.94	144,448.74	78,869.76	139,507.82	7,323.75	141,152.51	2,831.23
Business Interruption:-	Travelers	}		}									
- Gross Revenue	Travelers	}	Note 1	}									
- Additional Expenditure	Travelers	}	Note 1	}									
Money	Travelers	£500	Note 2	}									
All Risks	Travelers	£10,000	Note 1	}									
Industrial/Commercial Property	Travelers	£250/ £1,000 for subsidence	Note 2	}									
Work In Progress (Cont. All Risks)	Travelers	£1,000	Note 2	}									
Contractors Plant	Travelers	£500	Note 2	}									
Museum & Fine Art	Axa	£1,000	Note 3		0.00	13,700.97	0.00	11,538.50	0.00	14,234.67	1,150.00	14,866.58	0.00
													14,431.92
<b>Casualty Policies (Excl Claims Handling)</b>													
Public Liability	RMP/QBE	}	Note 3	}									
Employers Liability	RMP/QBE	} £55,000	Note 3	}	14,654.00	154,596.96	48,536.96	256,657.93	0.00	229,735.33	7,554.90	200,567.59	117,249.49
Officials Indemnity	RMP/QBE	}	Note 3	}									
Libel & Slander	RMP/QBE	---	Note 3	}									
Public Health Act	RMP/QBE	---	---	}									
Hirers Liability	RMP/QBE	£100	Note 2	}									
Professional Negligence	RMP/QBE	Various	---	}	0.00	3,920.00	0.00	7,579.60	0.00	7,444.25	0.00	7,173.55	0.00
													6,545.50
<b>Other Policies</b>													
Motor (Excl Claims Handling)	RMP/QBE	£50,000	Note 4		50,434.21	60,480.00	34,957.69	98,461.44	17,330.18	86,328.00	41,830.82	80,136.00	56,084.01
Fidelity Guarantee	RMP/QBE	£50,000	Note 3		0.00	14,000.00	0.00	25,028.64	0.00	24,581.70	0.00	23,687.82	0.00
Engineering Insurance	RMP/HSB	---	---		0.00	31,201.61	0.00	3,486.04	0.00	3,423.79	0.00	2,584.68	0.00
Computer	RMP/HSB	£5,000	Note 5		0.00	7,258.89	0.00	7,099.59	0.00	6,655.30	0.00	7,547.48	0.00
School Journey	AIG Europe	Various	Note 2		1,789.00	6,190.46	3,804.48	6,651.96	851.69	6,533.18	2,917.55	6,295.61	895.00
Business Travel/PA	AIG Europe	Various	Note 2		0.00	6,872.32	0.00	5,932.27	0.00	5,839.20	0.00	5,742.56	0.00
					<b>76,488.67</b>	<b>452,818.17</b>	<b>103,451.07</b>	<b>566,884.71</b>	<b>97,051.63</b>	<b>524,283.24</b>	<b>60,777.02</b>	<b>489,754.38</b>	<b>177,059.73</b>
													<b>469,653.38</b>

Estimated Outstanding Insurers' Liabilities for Current Claims: **£16,604.00**

### Notes

Note 1 - Insurance Fund (except for first £1,000 which is met by Service).

Note 2 - Excess is met direct by Service.

Note 3 - Insurance Fund.

Note 4 - Insurance Fund (except for first £2,500 which is met by Service). Excess is £NIL for Third Party Claims.

Note 5 - Service pays excess of £1,000.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/104/19/AP/KJ</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>TREASURY MANAGEMENT – MID-YEAR REPORT 2019/20</b>		

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### 1.0 PURPOSE

- 1.1 The purpose of this report is to advise Members of the operation of the treasury function and its activities for the first six months of 2019/20 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

### 2.0 SUMMARY

- 2.1 As at 30 September 2019 the Council had gross external debt (including PPP) of £275,414,731 and investments (cash balances managed in house) of £32,938,024. This compares to gross external debt (including PPP) of £259,326,319 and investments of £18,915,222 at 31 March 2019. The movements are largely due to PWLB borrowing undertaken to provide funding for forthcoming requirements and financing maturing debt/liabilities (including £10m of PWLB borrowing which was due for repayment in October 2019).
- 2.2 The Council is projected to be underborrowed by £29,488,000 compared to its Capital Financing Requirement as at 31 March 2020. This is a decrease of £4,876,000 from the estimate of £34,364,000 in the 2019/20 Treasury Management Strategy. The under borrowing position means that the Council is using funds it currently has (such as reserves) to cash flow capital expenditure rather than bringing in new funds from borrowing.
- 2.3 The Council undertook a total of £22,000,000 of PWLB borrowing and £3,000,000 of temporary borrowing during the period. The temporary borrowing (from an English local authority and for cash flow purposes) has been repaid whilst £15,000,000 of the PWLB borrowing is being used to repay maturing debt. The projection for the remainder of the year includes a further £8,000,000 of borrowing that will only be undertaken if the funds are required and it is prudent to borrow. Any borrowing undertaken will be reported to the Committee.
- 2.4 The average rate of return achieved on investments during the first six months of 2019/20 was 0.82% which exceeds the benchmark return rate for the period of 0.66% by 0.16% and resulted in £15,700 of additional interest on investments for the Council.
- 2.5 During the first six months of 2019/20 the Council did not undertake any debt restructuring and operated within the required treasury limits and Prudential Indicators for the year set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.
- 2.6 On 9 October the PWLB announced an immediate and unexpected 1% increase in interest rates for new borrowing. It is likely that decision will lead to further lenders seeking to provide funding to Councils at lower rates than the PWLB offer or to an increase in short-term borrowing.

- 2.7 A review has been undertaken of the periods over which previous years' capital expenditure is being written-off to revenue as part of the Loan Charges budget. Following the review, a Prudential Repayment policy has been prepared (Appendix 3) and Committee approval is being sought to adopt this policy.
- 2.8 The Loan Charges review identified projects where the write-off periods currently being used should be amended to more closely match the expected life of the assets involved, in line with the proposed Prudential Repayment policy. This has resulted in a £1,400,000 saving in Loan Charge principal repayments for the period to 31 March 2019 which will be allocated to the Loan Charges Earmarked Reserve. There will also be ongoing Loan Charge repayment savings of £400,000 per year from 2019/20 through to 2035/36, following which repayments will increase as a result of the extension of the write-off periods to bring those periods more in line with the asset lives. This saving will help reduce the funding gap in 2020/21.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes the contents of the Mid-Year Report on Treasury Management for 2019/20 and the ongoing work to ensure the delivery of financial benefits for the Council.
- 3.2 It is recommended that the Committee approves the Prudential Repayment policy for Loan Charges principal repayments as shown in Appendix 3 and notes the £1,400,000 one-off and £400,000 recurring saving generated by the Loan Charges review.
- 3.3 It is recommended that the Mid-Year Report be remitted to the Inverclyde Council for approval.

Alan Puckrin  
Chief Financial Officer



## 4.0 BACKGROUND

- 4.1 The Council is required by the CIPFA Code of Practice on Treasury Management 2011 and the CIPFA Prudential Code for Capital Finance in Local Authorities to produce a mid-year treasury management review of activities and prudential and treasury indicators for 2019/20.
- 4.2 Treasury Management in this context is defined as: “The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

## 5.0 MID-YEAR REVIEW

- 5.1 The treasury management issues arising during the first six months of 2019/20 were:
- a. The Council’s debt (including PPP) has increased during the period by £16,088,412 due to borrowing undertaken to provide funding for forthcoming requirements and financing maturing debt/liabilities (including £10,000,000 of PWLB borrowing which was due for repayment on 14 October 2019).
  - b. The Council’s investments have increased by £14,022,802 due to borrowing (see item h. below) and from regular cash flow movements.
  - c. As at 31 March 2019 the Council had under borrowed against its capital financing requirement by £48,136,000. The latest projection is for the under borrowing to reduce to £29,488,000 as at 31 March 2020. Under borrowing means that the Council is using funds it currently has to cash flow capital expenditure rather than bringing in funds from borrowing. The projected level of under borrowing is considered manageable but the position is kept under review in light of Council capital financing and other funding requirements.
  - d. There remains ongoing volatility in the financial markets and economic uncertainty in the UK and around the world, impacting on rates for new borrowing and investments. The UK Bank Rate has remained unchanged at 0.75% since August 2018 but there remains uncertainty over when the next change will take place and if that change will see an increase or decrease in rates.
  - e. The latest forecast from the Council’s treasury advisers (produced in August) is for no change to the Bank Rate until an increase to 1.00% in Quarter 4 of 2020.
  - f. During the period PWLB rates for new borrowing had been expected to see slight increases of up to 0.10%. Rates actually fell, largely by around 0.20% to 0.40% for shorter periods and 0.55% to 0.59% for longer borrowing. The volatility during the 6-month period resulted in spreads between the high and low rates for some loan periods of up to 0.96% (e.g. borrowing rates for 12 years of 1.43% at the end of September had been 1.24% earlier in September and at 2.20% in April).
  - g. On 9 October the PWLB announced an immediate and unexpected 1% increase in interest rates for new borrowing. It is likely that decision will lead to further lenders seeking to provide funding to Councils at lower rates than the PWLB offer or to an increase in short-term borrowing. This decision aside, the Council’s treasury advisers expect PWLB rates to rise very gently during the rest of the year but the extent and speed of increase will depend on economic factors affecting the UK and global markets.
  - h. During the period the Council undertook the following borrowing:
    - a) £2,000,000 from PWLB at 2.21% in April 2019 for 43½ years. The borrowing was at a reduced Local Infrastructure Rate allocated for individual projects approved by HM Treasury, in this case the Extension to Gourock Primary School.
    - b) £3,000,000 of temporary borrowing at 0.80% between April 2019 and May 2019 from an English local authority. The borrowing was for cash flow purposes and has been repaid.
    - c) £20,000,000 from PWLB in September 2019 (£10m at 1.21% for 10 years and £10m at 1.40% for 13 years). This borrowing provided funding for £5m of PWLB debt that matured in July 2019 and £10m that matured in October 2019.

- i. The projection for the remainder of the year includes a further £8,000,000 of borrowing that will only be undertaken if the funds are required and it is prudent to borrow. Any borrowing undertaken will be reported to Committee.
- j. The Council did not undertake any debt restructuring during the first six months of 2019/20 and remained within its Prudential Indicator and Treasury Management limits.
- k. Investment returns were expected to remain relatively low and have remained so during the period.
- l. The Council's investments earned a rate of return of 0.82% during the period and outperformed the benchmark return of 0.66% resulting in additional income to the Council of £15,700.
- m. All investments were in accordance with the Council's investment policy and no institutions with which investments were made had any difficulty in repaying those investments and interest in full during the period.
- n. The Council's investment performance is due to undertaking fixed term investments at interest rates that were above the benchmark with counterparties that have high creditworthiness (the Bank of Scotland and Santander UK) and in accordance with the Council's investment strategy. The outturn is reduced due to having previously used investments to repay maturing debt and thereby saving the Council the cost of borrowing at rates higher than being earned from using investment funds.

5.2 The Council's debt position was as follows:

	At 31 March 2019	At 30 September 2019
	£	£
Total Excluding PPP	196,843,319	213,786,731
PPP Debt	62,483,000	61,628,000
Total Including PPP	259,326,319	275,414,731

Further detail is given in the following table:

	At 31 March 2019		At 30 September 2019		Movement In Period
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	97,260		114,180		16,920
- Market *	56,000		40,000		See * Below
	153,260	3.94%	154,180	3.51%	16,920
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	43,400		59,400		See * Below
- Temporary #	183		207		(26)
	43,583	4.93%	59,607	4.89%	(26)
Total Debt (Excl PPP)	196,843	4.16%	213,787	3.89%	16,894
PPP Debt	62,483		61,628		(855)
Total Debt (Incl PPP)	259,326		275,415		16,039

\* - Market Loans are shown as variable when they have less than 1 year to go until their next call date. The total value of Market Loans has not changed between financial years, just the split between fixed and variable.

# - Temporary Loans include funds held by the Council on behalf of the Common Good and Trust Funds that are treated as borrowing for Treasury Management purposes.

5.3 The Council's investment position was as follows:

	At 31 March 2019		At 30 September 2019		Movement In Period
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	10,000	1.00%	5,000	0.85%	(5,000)
- Notice Accounts	0	-	5,000	0.95%	5,000
- Deposit Accounts	8,915	0.75%	22,938	0.65%	14,023
Totals	18,915	0.88%	32,938	0.73%	14,023

Maximum level of investments in Period: £41,765,824 on 17 September 2019

Minimum level of investments in Period: £ 7,145,523 on 26 July 2019

Daily average for the period: £19,581,276

An analysis of the above investments is shown in Appendix 1.

In addition to the above cash balances managed in-house, the Council has other transactions/balances required to be treated as investments under Investment Regulation 31. Appendix 2 includes these transactions/balances along with estimates for 2019/20.

5.4 2019/20 Latest Projection Compared to Estimates in 2019/20 Strategy

The latest 2019/20 projection compared to the estimates in the 2019/20 strategy:

	2019/20 Estimate	2019/20 Latest Projection
	£000	£000
<u>Borrowing Requirement</u>		
New borrowing	5,000	5,000
Alternative financing requirements	0	0
Replacement borrowing	25,000	25,000
TOTAL	30,000	30,000
<u>Prudential/Treasury Management Indicators</u>		
	£000	£000
Gross external debt including PPP (As at 31 March 2020)	277,456	272,473
Capital financing requirement (As at 31 March 2020)	311,820	301,961
(Under)/over borrowing against CFR	(34,364)	(29,488)
	£000	£000
Gross Capital Expenditure	34,226	22,972
Ratio of financing costs (including PPP) to net revenue stream	14.75%	13.91%
Ratio of net debt (debt and PPP less investments) to net revenue stream	137.0%	128.5%

5.5 2019/20 Mid-Year Position Compared to Limits in 2019/20 Strategy

The 2019/20 mid-year position compared to limits in the 2019/20 strategy:

	2019/20 Limits	2019/20 Mid-Year Actual Position		
<u>Prudential/Treasury Management Indicators</u>				
Authorised limit for external debt	£000	£000		
• Borrowing	249,000	213,787		
• Other long term liabilities	63,000	61,628		
	312,000	275,415		
Operational boundary for external debt	£000	£000		
• Borrowing	239,000	213,787		
• Other long term liabilities	63,000	61,628		
	302,000	275,415		
Upper limit on sums invested for periods longer than 365 days (Actual is maximum in period)	£000 10,000	£000 0		
Upper limits on Fixed/Variable borrowing maturing in each period (LOBOs included based on call dates and not maturity dates) at 31 March 2019				
	Fixed	Var.	Fixed	Var.
• Under 12 months	45%	35%	7.1%	27.9%
• 12 months and within 24 months	45%	35%	-	-
• 24 months and within 5 years	45%	35%	11.8%	-
• 5 years and within 10 years	45%	35%	5.3%	-
• 10 years and within 30 years	45%	35%	8.2%	-
• 30 years and within 50 years	45%	35%	21.0%	-
• 50 years and within 70 years	45%	35%	18.7%	-
<u>Council Policy Limits</u>				
Maximum Percentage of Debt Repayable In Year	25%		18.7%	
Maximum Proportion of Debt At Variable Rates	45%		27.9%	
Maximum Percentage of Debt Restructured In Year	30%		0.0%	

5.6 The forecast from the Treasury Advisors in the 2019/20 Strategy for the Bank Rate as at 31 March and the latest forecast for the Bank Rate are:

	Forecast Per 2019/20 Strategy	Latest Forecast
2019/20	1.25%	0.75%
2020/21	1.50%	1.00%
2021/22	2.00%	1.25%

5.7 The Council's investment policy for the year is governed by Scottish Government Investment Regulations, which was implemented in the annual investment strategy approved by the Council on 21 February 2019. This policy sets out the approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks, credit default swaps, bank share prices etc.

- 5.8 All investments were in accordance with the policy and no institutions with which investments were made had any difficulty in repaying investments and interest in full during the period.

The result of the investment strategy undertaken by the Council in the first six months of 2019/20 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID uncompounded)
£19,581,276	0.82%	0.66%

The Council have outperformed the benchmark by 0.16% resulting in additional income to the Council of £15,700. Opportunities for the Council to out-perform the benchmark rate are becoming fewer due to more standardisation of rates and periods offered.

## 6.0 LOAN CHARGES REVIEW AND PRUDENTIAL REPAYMENT POLICY

- 6.1 Following Audit Scotland changes to their advice to applying Scottish Government guidance on Loan Charges earlier this year, a review was undertaken of the periods over which previous years' capital expenditure is being written-off to revenue as part of the Loan Charges budget.
- 6.2 The purpose of the review has been:
- To produce a proposed Prudential Repayment policy for capital expenditure for the maximum periods over which that expenditure will be written-off to revenue through Loan Charges. Committee approval is being sought to adopt the policy which is attached as Appendix 3.
  - To identify projects where the write-off periods currently being used should be amended to more closely match the expected life of the assets involved, in line with the proposed Prudential Repayment policy. The projects and changes identified are shown in Appendix 4.
- 6.3 The financial impact of the review is that:
- A £1,400,000 saving has been identified in Loan Charge principal repayments for the period to 31 March 2019. This will be credited to the Loan Charges Earmarked Reserve.
  - There will also be ongoing Loan Charge repayment savings of £400,000 per year from 2019/20 through to 2035/36. After this, the Loan Charge principal repayments will increase as a result of the extension of the write-off periods to bring those periods more in line with the asset lives.
  - The reduction in annual Loan Charge principal repayments means that, compared to now and through to 2035/36, the Council's Capital Financing Requirement and the Council's level of under-borrowing will be higher than would have been the case. The Authorised Limit and Operational Boundary will need to be adjusted accordingly.

## 7.0 IMPLICATIONS

### 7.1 Legal

None. Any borrowing or lending is done under the Council's legal powers.

### 7.2 Finance

Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £15,700. The Council utilises Treasury Management as part of the overall Financial Strategy. Officers will continue to

investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

### 7.3 Human Resources

None.

### 7.4 Equalities

#### Equalities

(a) Has an Equality Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

### 7.5 Repopulation

None.

## 8.0 CONSULTATIONS

8.1 This report has been produced based on advice from the Council's treasury advisers (Link Treasury Services Limited).

## **9.0 LIST OF BACKGROUND PAPERS**

- 9.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition  
Inverclyde Council – Treasury Management Strategy and Annual Investment Strategy 2019/20-2022/23.

**CASH BALANCES MANAGED IN-HOUSE  
ACTUAL AS AT 31 MARCH 2019 AND 30 SEPTEMBER 2019**

The following is an analysis of cash balances managed in-house as at 31 March 2019 and at 30 September 2019:

	<b>As At 31 March 2019</b>	<b>As At 30 September 2019</b>
	£	£
<u>Fixed Term Deposits</u>		
Bank of Scotland	10,000,000	5,000,000
Santander UK	0	0
	10,000,000	5,000,000
Average Interest Rate	1.00%	0.85%
<u>Notice Accounts</u>		
Bank of Scotland	0	5,000,000
Santander UK	320	321
	320	5,000,321
Average Interest Rate	0.60%	0.95%
<u>Deposit Accounts</u>		
Bank of Scotland	8,914,400	22,937,200
Santander UK	502	503
	8,914,902	22,937,703
Average Interest Rate	0.75%	0.65%
<b>TOTAL</b>	<b>18,915,222</b>	<b>32,938,024</b>
Average Interest Rate	0.88%	0.73%



**FORECAST OF INVESTMENT BALANCES  
ESTIMATE FOR 2019/20 AND ACTUAL AT 30 SEPTEMBER 2019**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2019/20 and the actual as at 30 September 2019 are:

	<b>2019/20 Estimate For Year</b>	<b>2019/20 Actual For 1 April 2019 To 30 September 2019</b>
	£000	£000
Cash balances managed in-house		
- At Start of Year	25,000	18,915
- At End of Year/Period	19,426	32,938
- Change in Year/Period	(5,574)	14,023
- Average daily cash balances	22,213	19,581
Holdings of shares, bonds, units (includes local authority owned company)		
- At Start of Year	2	2
- Purchases	0	0
- Sales	0	0
- At End of Year/Period	2	2
Loans to local authority company or other entity to deliver services		
- At Start of Year	483	483
- Advances	0	0
- Repayments	42	19
- At End of Year/Period	441	465
Loans made to third parties (Largely BPRA) #		
- At Start of Year	2,128	2,139
- Advances	0	4
- Repayments	22	13
- At End of Year/Period	2,106	2,129
Total of all investments		
- At Start of Year	27,613	21,539
- At End of Year/Period	21,975	35,534
- Change in Year/Period	(5,638)	13,995

# - This includes the £50,000 investment made with the Shared Interest Society Limited in August 2017.

**LOAN CHARGE PRINCIPAL REPAYMENTS  
PROPOSED PRUDENTIAL REPAYMENT POLICY**

1. The maximum repayment periods for capital expenditure:
  - a. Computers/Network Equipment
    - Software 5 years
    - PCs 6 years
    - Servers 7 years
  - b. Vehicles
    - 5 years or 7 years depending on type of vehicle
  - c. 3G Pitches
    - Up to 15 years
  - d. Repairs and Renewal Work (e.g. Window Replacement, Reroofing)
    - 20 years
  - e. Roads Carriageway Upgrades
    - 20 to 25 years
  - f. Footway Upgrades
    - 30 years
  - g. Major Refurbishment Work
    - 30 years
  - h. New Buildings (including schools)
    - 40 years
  - i. Major Regeneration Works
    - 60 years
  - j. Purchase of Land
    - 100 years
  - k. Development Sites
    - 100 years
2. The repayment periods for individual items are to be applied on a prudent basis and be based on the expected useful life of the assets/expenditure involved.
3. Repayments are currently calculated using the annuity method (in which repayments increase each year during the write-off period). This method has been used for many years and will be used for calculating repayments on capital expenditure incurred up to 2020/21. For new capital expenditure from 2021/22 onwards, the Council is required to select its calculation method from options set by the Scottish Government. Of those available, it is proposed to use the equal instalment method (where repayments start higher than under the annuity method but do not change during the write-off period).

Finance Services,  
October 2019.

**LOAN CHARGE REVIEW  
CHANGES TO PERIODS CURRENTLY BEING USED, IN LINE WITH PROPOSED POLICY**

The main projects and changes identified from the Loan Charges review are:

Project	Write-Off Period Adjustment (Years)
a. Depots AMP	From 20 to 40
b. Offices AMP	From 20 to 30
c. Gourock Central Development	From 20 to 60
d. Broomhill Regeneration	From 20 to 60
e. Clune Park Regeneration	From 20 to 100
f. Leisure Strategy	From 30 to 40

These changes are being made to more closely match the expected life of the assets involved, in line with the proposed Prudential Repayment policy.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>LP/117/19</b>
<b>Contact Officer:</b>	<b>Emma Peacock</b>	<b>Contact No:</b>	<b>01475 712115</b>
<b>Subject:</b>	<b>Contract Awards – 1 April 2019 to 30 September 2019</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise the Committee of contracts awarded for the supply of goods or materials, provision of services and execution of works during the period 1 April 2019 to 30 September 2019.

## **2.0 SUMMARY**

- 2.1 The Policy & Resources Committee at the meeting held on 20 May 2014 agreed that six monthly reports on contract awards be submitted to the Committee by the Head of Legal & Property Services (min ref 2014 para 371(2)).
- 2.2 Appendix 1 provides details of contracts awarded for the period 1 April 2019 to 30 September 2019.
- 2.3 Appendix 1 has been updated to include details of the size of the supplier who has been awarded the contract.
- 2.4 Appendix 2 includes, for the period 1 April 2019 to 30 September 2019, the outcome of any blacklisting protocol applications.

## **3.0 RECOMMENDATION**

- 3.1 That the Committee notes the contracts awarded by the Council during the period 1 April 2019 to 30 September 2019.

**Gerard Malone**  
**Head of Legal & Property Services**

## 4.0 BACKGROUND

4.1 The Policy & Resources Committee of 20 May 2014 agreed that six monthly reports on contract awards be submitted to the Committee by the Head of Legal & Property Services (min ref 2014 para 371(2)).

4.2 Appendix 1 provides details of those contracts not otherwise reported to the relevant committee awarded during the period 1 April 2019 to 30 September 2019 for:

- the supply of goods or materials where the estimated price of the contract exceeds £25,000 and within the £500,000 limit
- the provision of services where the estimated price of the contract exceeds £25,000 and within the £500,000 limit
- the execution of works where the estimated price of the contract exceeds £100,000 and within the £500,000 limit
- collaborative purchasing contracts secured through collaborative purchasing (in terms of Contract Standing Order Clause 6.6) where the estimated price of the contract exceeds £25,000 for the supply of goods/materials/services and exceeds £100,000 for the execution of works

in accordance with the thresholds set out in Contract Standing Order 6.1 and the £500,000 limit set out in Contract Standing Order 17.3(i).

4.3 Appendix 2 provides the outcome of any blacklisting protocol applications during the period 1 April 2019 to 30 September 2019, as requested by the Committee at its meeting on 17 May 2016.

## 5.0 IMPLICATIONS

### Finance

5.1 There are no direct financial implications arising as a result of this report however the financial implications in respect of each of the contract awards detailed in Appendix 1 are reported to the appropriate service committee as necessary.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

### Legal

- 5.2 There are no legal implications arising as a result of this report. Any legal implications in respect of each of the contract awards will be reported to the relevant service Committee.

### **Human Resources**

- 5.3 There are no direct human resources implications arising as a result of this report.

### **Equalities**

- 5.4 There are no direct equalities implications arising as a result of this report. In accordance with Contract Standing Order 31, however, no contract is awarded without the relevant Head of Service having obtained from the tenderer confirmation in writing that, to the best of the tenderer's knowledge and belief, the tenderer has complied with all statutory requirements relating to equal opportunities in employment and is not unlawfully discriminating within the meaning and scope of the Equality Act 2010 and has obtained satisfactory information from the tenderer in relation to their statutory obligations under the Equality Act 2010.

### **Repopulation**

- 5.5 While there are no direct repopulation implications arising as a result of this report many of the contracts awarded will enhance the area or facilities provided and operated by the Council which may help to stabilise and grow the population of Inverclyde.

## **6.0 CONSULTATIONS**

- 6.1 The Corporate Procurement Manager was consulted during the preparation of this report.

## **7.0 LIST OF BACKGROUND PAPERS**

- 7.1 None.

DATE OF AWARD	TITLE	NAME OF SUCCESSFUL TENDERER	LOCATION OF SUCCESSFUL TENDERER	CONTRACT AMOUNT	SME YES/NO	PROCUREMENT STRATEGY AIMS MET - YES/NO	CONTRACT LOTTED YES/NO
09-May-19	PRO0768 Greenock Town Hall and Saloon Replacement Floor	WH Kirkwood Ltd	Greenock	124,645.84	YES	YES	NO
22-May-19	ENV0319 Surface Pressing on Carriageways Within Inverclyde	Kiely Bros Ltd	Birmingham	113,145	NO	YES	NO
24-May-19	PRO0767 Waterfront Boiler Replacement	ECG Building Maintenance Ltd	Blantyre	488,148	YES	YES	NO
31-May-19	ENV0325 Mini-Comp Scotland Excel Lot 2- Organic Garden Waste	Enva Organics Recycling Ltd	Paisley	Schedule of Rates	YES	YES	NO
05-Jun-19	ENV0324 Bogston Ramp Barrier Replacement	Chemcen Scotland Ltd	Falkirk	108,363	YES	YES	NO
11-Jun-19	PRO0761 Kilmacolm Primary School - Outdoor Classroom	Dab Den Ltd	Banchory	120,584.45	YES	YES	NO
11-Jun-19	PRO0762 Wemyss Bay Primary School - Outdoor Classroom	Dab Den Ltd	Banchory	120,584.45	YES	YES	NO
18-Jun-19	PRO17/023 Project Management Greenock Cremator Replacement and Associated Works	Rose Project Management Ltd	Edinburgh	77,317.50	YES	YES	NO
19-Jul-19	CPO344/FIN Provision of Printing Binding, Enveloping and Mailing Services LPBFM	CFH Docmail Limited	Livingston	Schedule of Rates	YES	YES	NO
07-Aug-19	CPO342/FIN Treasury Consultancy Services	Link Treasury Services Ltd	London	43,500.00	YES	YES	NO
14-Aug-19	ENV0334 Principal Inspections- Bridges Inverclyde - Mini Comp via Scotland Excel	Sweco UK Limited	Leeds	47,845.00	NO	YES	NO
16-Aug-19	Estate Condition Surveys	Hub West Scotland (and Aecom Limited)	Glasgow	157,175.13	YES	YES	NO
26-Aug-19	ENV0326 Scotland Excel Mini-Competition Lot 8- Treatment of Shredded and Non-Shredded Wood	Lowmac Alloys Limited	Irvine	Schedule of Rates	YES	YES	NO
04-Sep-19	PRO0076 Renewal of Roof Covering and Internal Alterations at Centre for Independent Living	City Gate Construction (Scotland) Limited	Paisley	203,459.47	YES	YES	NO
16-Sep-19	CPO340 Business Gateway Services in Inverclyde	Business Development Advisers Ltd	Hillington	179,413.00	YES	YES	NO





**Report To:** Policy & Resources Committee      **Date:** 19 November 2019

**Report By:** Steven McNab  
Head of Organisational  
Development, Policy &  
Communications      **Report No:** PR/27/19/KM

**Contact Officer:** Louise McVey  
Corporate Policy, Performance  
and Partnership Manager      **Contact No:** 2042

**Subject:** Statutory and Key Performance Indicators Annual Report 2018/19

**1.0 PURPOSE**

1.1 The purpose of this report is to present the Policy and Resources Committee with the Council's Statutory and Key Performance Indicators Annual Report 2018/19. The report details the progress made in the last year towards the achievement of our SPI performance targets.

**2.0 SUMMARY**

- 2.1 Inverclyde Council has a statutory duty to publish how well it is performing across a range of service areas. The range of information that councils are expected to publish is set out in the Accounts Commission SPI Direction 2018.
- 2.2 To ensure that the Council meets the requirements of the new SPI Direction, a review of the SPI framework was carried out earlier in the year and a new framework approved by the CMT. The refreshed SPI framework consists of a smaller, more focused indicator set that is aligned with the Corporate Plan 2018/22 organisational priorities.
- 2.3 Full details of SPI/KPI performance in 2018/19 can be found in appendix 1. A summary of performance achieved is shown below for those indicators where a RAG status is available. As the framework contains a number of new or amended indicators, a comparison with performance in previous years is not available for this first year of reporting.

	<b>Green – target met or exceeded</b>	<b>Amber – target not achieved but performance is within set tolerance level</b>	<b>Red – performance is below set tolerance level</b>
<b>2018/19</b>	23 (64%)	9 (25%)	4 (11%)

2.4 Due to the nature of the service being provided, there are nine indicators that do not have a performance target or RAG status. In addition, the following four new indicators (i) Channel Shift (ii) the assessment rating of Inverclyde Council's website (iii) the percentage of looked after children with a permanence plan within 6 months of being accommodated and (iv) the percentage of child protection case conferences taking place within the first three months of registration, do not have a RAG status as this is the first year of gathering data in the current format. Performance targets for 2019/20 have been established however for these four indicators, using 2018/19 data as the baseline for improvement.

- 2.5 The Committee will be aware that the Local Government Benchmarking Framework (LGBF) is due to be published by the Improvement Service in January 2020 and will include details of Inverclyde Council's ranking relative to other Scottish councils. All councils in Scotland are required to submit an LGBF performance return for those measures where the data is held on the council's own systems, such as, sickness absence levels and the percentage of female employees in the top 5% of earners.
- 2.6 A full report detailing Inverclyde Council's LGBF performance will be reported to this Committee on 24 March 2020. In the meantime, the information submitted as part of the LGBF performance return 2018/19 is included in this report as Appendix 2 and a summary is provided below.

	<b>Green – target met or exceeded</b>	<b>Amber – target not achieved but performance is within set tolerance level</b>	<b>Red – performance is below set tolerance level</b>
2018/19	9 (82%)	2(18%)	0 (0%)
2017/18	8 (73%)	2(18%)	1 (9%)
2016/17	8 (67%)	2(17%)	2 (17%)

\* 2016/17 indicator set included a domestic noise indicator which was subsequently removed in 2017/18

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Committee:

- a. Considers the Statutory and Key Performance information for financial year 2018/19.
- b. Notes that a separate report on the LGBF indicators will be brought to the Committee once the performance information has been published, setting out details of Inverclyde Council's performance relative to other Scottish local authorities.

**Steven McNab**  
**Head of Organisational Development, Policy and Communications**

## 4.0 BACKGROUND

- 4.1 Inverclyde Council has a statutory duty under the Local Government Act (Scotland) 1992 to publish how well it is performing across a range of service areas. The range of information that councils are expected to report on is set out in the Accounts Commission SPI Direction, the most recent of which was published in December 2018. The SPI 1 and 2 criteria are set out below:

### **SPI 1:**

- Performance in improving local public services provided by the council itself and in conjunction with its partners and communities.
- Progress against the desired outcomes agreed with its partners and communities.

Councils are required to report on information drawn from the Local Government Benchmarking Framework and other benchmarking activities.

### **SPI 2:**

- The council's assessment of how it is performing against its duty of Best Value, and how it plans to improve against this assessment.
- Audit assessments of its performance against its Best Value duty, and how it has responded to these assessments.

In particular, how the Council (in conjunction with its partners as appropriate) has engaged with and responded to its diverse communities.

- 4.2 The SPI Direction places a strong emphasis on councils' responsibilities in relation to public performance reporting, which should be fair, balanced and engaging.
- 4.3 The main way in which Inverclyde Council reports its performance to the public is via the performance page on its website, which can be viewed here: <https://www.inverclyde.gov.uk/council-and-government/performance>
- 4.4 The performance information contained within this report has been extracted from the Council's performance management system, Inverclyde Performs. The system uses a balanced scorecard approach and allocates each performance indicator a RAG (red/amber/green) status based on two sets of values, a target and alarm. The target is the point at which the status of the indicator turns green, indicating the desired level of performance has been achieved and the alarm is the point where the status will turn red, indicating that performance has declined by more than the set tolerable amount. Anything in between the target and alarm value is designated as amber (i.e. within tolerance).

## 5.0 STATUTORY AND KEY PERFORMANCE INDICATORS 2018/19

- 5.1 Following the publication of a new SPI Direction in December 2018, Inverclyde Council carried out a review of its statutory and key performance indicators early in 2019. The aim of the review was to identify a set of measures that would help to demonstrate improved service delivery, linked to the achievement of the Council's Corporate Plan organisational priorities and the delivery of outcomes. The refreshed framework is set out in Appendix 1.
- 5.2 This Annual Report is just one element of the Council's public performance reporting. Other elements include, but are not limited to, the Best Value Assurance Report Improvement Plan progress reports, Inverclyde Outcomes Improvement Plan Annual Report, the Inverclyde Council Corporate Plan Annual Report, the Local Government Benchmarking Framework (LGBF) and the CDIP performance reports that are considered at every second Committee meeting.

## 6.0 OVERVIEW OF SPI/KPI PERFORMANCE 2018/19

6.1 A summary of the overall performance for the year is shown below, where a RAG status is available for the performance indicator. As the framework contains a number of new or amended indicators, a comparison with performance in previous years is not available for this reporting year.

	<b>Green – target met or exceeded</b>	<b>Amber – target not achieved but within set tolerance level</b>	<b>Red – performance is below set tolerance level</b>
<b>2018/19</b>	23 (64%)	9 (25%)	4 (11%)

6.2 Due to the nature of the service being provided, there are nine indicators that do not have a performance target or RAG status. In addition, the following four new indicators do not have a RAG status as this is the first year of gathering data in this format:

- (i) Channel Shift
- (ii) the assessment rating of Inverclyde Council's website
- (iii) the percentage of looked after children with a permanence plan within 6 months of being accommodated
- (iv) the percentage of child protection case conferences taking place within the first three months of registration

Performance targets for 2019/20 have been set however, using 2018/19 data as the baseline for improvement.

6.3 Indicators that achieved maximum performance in 2018/19 are as follows:

- 100% of high priority public health complaints were attended by the next working day
- 100% accuracy was achieved in the calculation of benefits
- 100% of category 1 potholes were made safe within 24 hours of notification
- 100% of children issued with a new supervision requirement were seen by a Supervising Officer within timescale.

Very high performance (99.3%) was also achieved for the percentage of pest control service requests attended within 5 working days, despite the service handling an additional 108 requests more than in the previous year.

6.4 More than 60% of all indicators had a green status in 2018/19. Examples of these indicators are listed below.

- **Number of adults improving their literacies**

The number of adults improving their literacies increased from 616 to 750 in 2018/19.

- **Percentage of S3 pupils achieving fourth level or better in numeracy**

The percentage of S3 pupils that achieved fourth level or better in numeracy increased from 42.2% in 2017/18 to 50.3% in 2018/19. The pupil achievement data for this indicator is based on teachers' professional judgement and, as such, there may be fluctuations in the data.

- **Bed days occupied by delayed discharge patients aged 75+ per 1,000 population**

There was a further improvement in the delayed discharge bed rate per 1,000 population aged 75 and over, falling to a rate of 87 per 1,000 population, the lowest rate in Scotland.

- **The gross benefits administration cost (£) per case**

The gross administration cost per benefits case fell by £7.60 to £37.77 in 2018/19. The reduced cost is due to staff reductions within the team arising from budget savings.

- **Procurement and Commercial Improvement Programme (PCIP)**

Inverclyde Council achieved a PCIP score of 70% in 2018, placing the Council in the top performance band.

- **Performance appraisals completed in the year and individual development plans agreed**

The percentage of performance appraisals completed in the year and the individual development plans agreed increased by 3%, rising to 97% in 2018/19.

6.5 4 indicators have a red status. These measures are detailed below.

- **The percentage of respondents who noticed a reduction in anti-social behaviour in the last 12 months**

The information for this indicator is obtained from the Citizens' Panel. Panel respondents were last asked about their experience of anti-social behaviour in 2018. The number of people who noticed a reduction in anti-social behaviour in the previous 12 months dropped from 33% (in the 2016 survey) to 10% in 2018. It should be noted however, that almost half, 49%, of Citizens' Panel members said that anti-social behaviour is not an issue in their neighbourhood.

- **The percentage of S3 pupils achieving fourth level or better in literacy (based on reading, writing, talking and listening)**

The percentage of S3 pupils achieving fourth level or better in literacy, based on reading, writing, talking and listening fell from 42.8% to 38%. The pupil achievement data for this indicator is based on teachers' professional judgement, and as such there may be fluctuations in data. All other S3 measures showed an improvement. The Service has identified that further work on the moderation of teacher judgement is required to identify if the drop in performance at fourth level in literacy overall is an accurate reflection of performance.

- **The percentage of service users waiting no longer than 3 weeks from referral to receive appropriate drug or alcohol treatment that supports their recovery**

The percentage of service users waiting no longer than 3 weeks from referral to receive appropriate drug or alcohol treatment that supports their recovery remained increased by 6% from 75% to 81%, however the national target of 90% was not achieved. Inverclyde's performance need to be considered against the backdrop of the area having the highest prevalence rate for problematic drug misuse in Scotland and some of the highest rates for alcohol related harm, along with drug related deaths in Inverclyde being the third highest in Scotland in 2018.

- **Completion certificates: responses to requests within 10 working days**

The percentage of completion certificates that were responded to within 10 working days has fallen from 91% to 85.1% in 2018/19. The fall in performance is attributable to staff shortages due to recruitment difficulties. To address this, the Council has entered into a short-term partnership with Argyll and Bute Council to assist in the plan checking of building warrants. This enables Inverclyde Council officers to allocate more resource to site inspection work and will

reduce the time taken in accepting completion certificates. The service continues to perform well compared to other local authorities.

6.6 Full details of performance for all the SPIs is provided in Appendix 1.

## 7.0 THE LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2018/19

7.1 The Committee will be aware that the Local Government Benchmarking Framework (LGBF) is due to be published by the Improvement Service in January 2020 and will include details of Inverclyde Council's ranking relative to other Scottish councils. As part of the LGBF, all councils in Scotland are required to submit an LGBF performance return for those measures where the data is held on the council's own systems, such as, sickness absence levels and the percentage of female employees in the top 5% of earners.

7.2 A full report detailing Inverclyde Council's LGBF performance will be reported to this Committee on 24 March 2020. In the meantime, the information submitted as part of the LGBF performance return 2018/19 is included in this report as Appendix 2 and a summary of the status of the indicators, together with that of the previous two years, is provided below:

7.3	Green – target met or exceeded	Amber – target not achieved but within set tolerance level	Red – performance is below set tolerance level
2018/19	9 (82%)	2 (18%)	0 (0%)
2017/18	8 (73%)	2 (18%)	1 (9%)
2016/17*	8 (67%)	2 (17%)	2 (17%)

\* 2016/17 indicator set included a domestic noise indicator which was subsequently removed in 2017/18

The data in the table shows that there was an increase in the number of indicators with a green status, and two indicators have an amber status. No indicators have a red status.

7.4 One indicator with an amber status relates to the number of visits to the museum service and the lower level of performance is attributable to the museum being closed for the whole of 2018/19. The performance figure therefore is a count of the number of online visits. It is worth noting that although the target for 2018/19 was not achieved, the number of online visits to the museum has increased by 12,721 in two years, rising from 44,355 in 2016/17 to 57,076 in 2018/19.

7.5 The second indicator with an amber status is the percentage of invoices sampled and paid within 30 days, which was 95.9%, a 1.2% decrease compared to 2017/18 performance levels. Inverclyde traditionally has been in the top quartile of all performers for this indicator and in 2017/18 was the top performing local authority in Scotland. As performance remains very high it is expected that Inverclyde will still rank in the top quartile in 2018/19.

## 8.0 IMPLICATIONS

### 8.1 Finance

There are no financial implications associated with this report.

#### Financial Implications:

One off costs

Cost Centre	Budget Heading	Budget Year	Proposed spend from this report	Virement from	Other Comments
N/A					

Financial implications: Annually recurring costs

Cost Centre	Budget Heading	Budget Year	Proposed spend from this report	Virement from	Other Comments
N/A					

**8.2 Legal**

The Council has a statutory obligation under the Local Government (Scotland) Act 1992 to report a range of performance information that demonstrates the delivery of Best Value. The performance information provided in this report has been developed with due recognition to the Audit Scotland SPI Direction, published in December 2018.

**8.3 Human Resources**

There are no direct human resource implication arising from this report.

**8.4 Equalities**

Equalities

(a) Has an Equality Impact Assessment been carried out?

YES

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

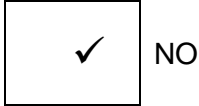
YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.

NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.



## 8.5 Repopulation

The provision of services that are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde supports the Council's priority of retaining and enhancing the local population.

## 9.0 CONSULTATION

9.1 The commentaries on service performance in the appendices have been provided by the appropriate service.

## 10.0 LIST OF BACKGROUND PAPERS

10.1 There are no background papers relative to this report.

## 11.0 CONCLUSION

11.1 This Statutory and Key Performance Indicators Annual Report 2018/19 is one element of the Council's overall approach to public performance reporting and is presented for the consideration of the Policy and Resources Committee. The Committee is asked to note that a separate performance report will be prepared in early 2020 following the publication of the national LGBF 2018/19 report, once Inverclyde Council's performance in relation to other Scottish local authorities is known.



## Inverclyde Council's Statutory and Key Performance Indicators Annual Report 2018/19

Inverclyde Council has a statutory duty to capture and record how well it is performing and publish this information for the public. In early 2019, the council reviewed its set of statutory and key performance indicators to ensure that its performance reporting met the requirements of the Audit Scotland SPI Direction, published in December 2018.

In publishing our performance information, we aim to ensure that stakeholders and the public can access a range of information that is balanced; that provides an understanding of how services provided by the council are performing; any changes in performance over time; and whether the council is helping to deliver better outcomes for the residents of Inverclyde.

Each performance indicator has been allocated a status, depending on performance in 2018/19. The status column indicates whether performance is considered to be:

*green – target has been met or exceeded*    *amber – target not achieved but within set tolerance level*    *red – performance is below set tolerance level*

Also included is information on whether performance has improved or declined over time.

This report is one component of the council's approach to the reporting of its Statutory Performance Indicators. Another element is the Local Government Benchmarking Framework, which will be published nationally in January 2020. More detail on the LGBF is provided in Appendix 2.






Our SPI framework is linked to the delivery of our Corporate Plan 2018/22 organisational priorities, shown below:

Organisational Priority 1: To promote Inverclyde to both residents and visitors alike, as a great place to live, work, study and visit
Organisational Priority 2: 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
Organisational Priority 3: To grow the local economy in a way that creates opportunities for all our residents including access to good quality jobs and lifelong learning
Organisational Priority 4: To reduce the prevalence of poverty and in particular child poverty, in our communities
Organisational Priority 5: To safeguard, support and meet the needs of our most vulnerable families and residents
Organisational Priority 6: To improve the health and wellbeing of residents so that people live well for longer

Organisational Priority 7: To protect and enhance our natural and built environment
Organisational Priority 8: To preserve, nurture and promote Inverclyde's unique culture and heritage
Organisational Priority 9: To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources
Organisational Priority 10: To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs

You can also find information on how the council is performing in the delivery of its Best Value Improvement Plan, its Corporate Plan 2018/22 and the Corporate Directorate Improvement Plans 2019/22 on the performance page of the council's website: <https://www.inverclyde.gov.uk/council-and-government/performance>

## Performance Summary

Performance Summary		Status	
Corporate Plan Organisational Priority 1	To promote Inverclyde to both residents and visitors alike, as a great place to live, work, study and visit		
Percentage of residents satisfied or very satisfied with their neighbourhood as a place to live		green – improved	
Percentage of school leavers achieving 1 or more awards at SCQF level 6 or better		green – improved	
Percentage of school leavers achieving 5 or more awards at SCQF level 6 or better		amber – performance maintained, target not achieved	
Percentage of school leavers achieving SCQF level 5 or better in literacy		amber – target not achieved	
Percentage of school leavers achieving SCQF level 5 or better in numeracy		amber – target not achieved	

### 1a. Indicator detail: Resident satisfaction

Percentage of Inverclyde residents satisfied or very satisfied with their neighbourhood as a place to live			
2014	2016	2018	Target
85%	81%	86%	84

**What the data tells us:** The data for this performance measure is obtained from the Inverclyde Citizens' Panel. It is encouraging to note that the percentage of residents satisfied with their neighbourhood as a place to live rose by 5% between 2016 and 2018, which means that the target was exceeded. This Citizens' Panel is due to be asked this question again in 2020.

**Further information:** Citizens' Panel questionnaires are distributed to a representative sample of 1,000 Inverclyde residents. Questions are repeated periodically to allow the council to assess whether improvement has been achieved.

Satisfaction with the local neighbourhood as a place to live has an important influence on the overall quality of our lives, feelings of wellbeing and happiness. Satisfaction and dissatisfaction levels are governed by a wide range of factors including the local physical environment; the convenience of services such as shops and public transport; the behaviour of others in the neighbourhood and perceptions of personal safety.

The council aims to continue to increase the number of residents that are satisfied or very satisfied with their local neighbourhood linked to the wider aim of encouraging residents to remain in Inverclyde. As part of the work focusing on stemming population decline, the council and its partners in the Inverclyde Alliance have approved a Repopulation Strategy and Action Plan, with a range of actions that aim to promote Inverclyde as a great place to live, work, study and visit.

**1b. Indicator detail: School leaver attainment**

<b>Percentage of school leavers achieving 1 or more awards at SCQF level 6 or better</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
64.8%	68%	72%	70%

<b>Percentage of school leavers achieving 5 or more awards at SCQF level 6 or better</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
32.5%	35.6%	35.6%	36%

<b>% of leavers achieving SCQF level 5 or better in literacy</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
81.2%	83.2%	84.9%	86%

<b>% of leavers achieving SCQF level 5 or better in numeracy</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
71.6%	73.9%	73.5%	76%

**What the data tells us:** There was a further improvement in the percentage of school leavers achieving 1 or more awards at SCQF level 6 or better, with 72% of pupils achieving this standard, meaning that the target was achieved. The percentage of school leavers achieving 5 plus awards at level 6 or better remained steady in academic year 2018/19 at 35.6%, and is more than 3% higher than performance levels in 2016/17. The target of 36% was narrowly missed however by just 0.4%.

There was a slight increase of 1.7% in the percentage of leavers achieving SCQF level 5 or better in literacy, rising to 84.9%, however the ambitious target of 86% was not achieved. There was a small decrease of 0.4% in the percentage of leavers achieving SCQF level 5 or better in numeracy, meaning that the target was not achieved.

**Further information:** Literacy and numeracy skills are essential skills for any school leaver. Pupils can achieve literacy or numeracy at a certain level by passing the relevant Scottish Qualifications Authority (SQA) literacy or numeracy units at National 3, 4 and 5. These units are included within a range of courses at these levels. Published national data is currently only available for academic year 2016/17, however the comparable performance data for Scotland for literacy is 80.8% and 68.8% for numeracy, both below performance locally. As part of the Inverclyde Literacy and Numeracy strategies, ambitious targets have been set for the percentage of pupils leaving school with National 5 in English and Mathematic and very good progress is being made in the delivery of this.

Inverclyde Council has made a massive investment in its school estate to deliver brand new or fully refurbished schools across the whole of Inverclyde. The provision of high quality school estate and high quality education plays a vital role in making Inverclyde an attractive place in which to live, work and study and the quality of education provided will be a key consideration for families when considering relocating to Inverclyde. This year Inverclyde pupils achieved their highest ever level of S6 results and more pupils than ever before achieved 5As in their Highers.

		Status	
Corporate Plan Organisational Priority 2	To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents influence and control over the things that matter to them		
Number of adults improving their literacies		●	green – improved
Percentage of residents that agree that the Council works with them to solve problems		●	amber – performance maintained, target not achieved
Percentage of respondents reporting a reduction in anti-social behaviour in behaviour in the last 12 months		●	red – performance declined
Attendance rates in Inverclyde schools: a) Primary b) Secondary c) ASN		●	amber – improved attendance across 2 out of 3 sectors but targets not achieved

## 2a. Indicator detail: Adult literacy

Number of adults improving their literacies			
2016/17	2017/18	2018/19	Target
601	616	750	590

**What the data tells us:** The data shows that for the second consecutive year there has been an increase in the number of adults improving their literacy skills, rising from 616 in 2017/18 to 750 in 2018/19.

**Further information:** The consequences of having low literacy skills can be far reaching; lower levels of literacy tends to be more concentrated in areas where there is a higher level of deprivation and consequently has a serious impact on people's lives. Recognising that improved literacy supports increased educational attainment, employability skills and sustainable communities, the council's CLD service has included improvement actions focusing on raising attainment and achievement and developing literacies to support people into, or back to the labour market, within its 3 year plan (2018/21) for Inverclyde. The CLD 3 year plan is available here: <https://www.inverclyde.gov.uk/community-life-and-leisure/community-learning-development>

## 2b. Indicator detail: Working with communities

Percentage of residents that agree that the council works with them to solve problems			
2013	2015	2018	Target
Not asked in this year	46%	46%	48%

**What the data tells us:** The data for this performance measure is obtained from the Inverclyde Citizens' Panel. The data shows that the percentage of residents that agree that the council works with them to solve problem remained steady in 2018. The target however was not achieved. It is worth noting that of the other responses to this question, 38% of respondents had no opinion while 17% of respondents disagreed with the statement.

**Further information:** The Community Empowerment (S) Act 2018 is aimed at helping communities do more for themselves and having more say in the decisions that affect them. The Best Value Assurance Report on Inverclyde Council found that the council has good examples of actively seeking the views of the community and involving the community in decision making. The council is currently building on this strong foundation to ensure that we are meeting the more demanding requirements of the Act.

At present, the council is using the findings of the Inverclyde wide 'Our Place, Our Future' survey to initiate conversations with communities about the things that matter to them. The 'Our Place Our Future' survey delved into a wide range of themes including work, care, housing and local amenities. 1,393 residents completed the survey, which was the highest number of respondents to an engagement process locally. The feedback received has been used to inform the development of locality plans, which are aimed at improving the lives of those in Inverclyde experiencing the greatest inequality. In addition, the council is currently considering a number of improvement actions with the aim of strengthening our understanding of what residents feel are the barriers to being involved in decision making locally. The council will also continue to use existing participation and engagement vehicles, such as the annual Clyde Conversations Conference, where change can be evidenced as a result of meaningful engagement with our young people, in order to build community capacity from an early age.

## 2c. Indicator detail: Reducing anti-social behaviour

Percentage of residents reporting a reducing in anti-social behaviour in the previous 12 months			
2014	2016	2018	Target
13%	33%	10%	35%

**What the data tells us:** The data for this performance measure is obtained from the Inverclyde Citizens' Panel. The data shows that the percentage of residents reporting a reduction in anti-social behaviour in the previous 12 months fell substantially between the 2016 and 2018 Citizens' Panel Surveys. It should be noted however that almost half, 49%, of respondents replied that anti-social behaviour is not an issue in their neighbourhood.

**Further information:** The information for this measure is taken from the Inverclyde Council Citizens' Panel. Following a huge increase between 2014 and 2016, the 2018 response rate of 10% is in line with that in 2014, taking into account that the survey has a margin of error of +/-5%. The council recognises that anti-social behaviour affects the quality of life of individuals, families and communities and works with partners to continue to tackle and promote the anti-social behaviour helpline as well as wider services, such as community mediation and environmental enforcement. More information on how to report anti-social behaviour is available here: <https://www.inverclyde.gov.uk/community-life-and-leisure/antisocial-behaviour>

## 2d. Indicator detail: School attendance

School attendance rate				
	2016/17	2017/18	2018/19	Target
Primary	94.3%	93.8%	94.2%	95%
Secondary	90.1%	89.6%	89.8%	92%
Additional Support Needs	90.1%	91.8%	91.5%	92%

**What the data tells us:** The data shows that there was a small improvement in the attendance rates in primary school and secondary schools in 2018/19, 0.4% and 0.2% respectively. There was however a small drop in the attendance rates at additional support needs schools. The attendance targets for all three sectors were not achieved in 2018/19.



**Further information:** Research has shown that high levels of school attendance is not only linked to academic success, but is also important in helping children feel more connected to their community, as well as helping develop important social skills and friendships which helps to set them up in the future.

Inverclyde Council monitors and strives to improve the attendance of all pupils in Inverclyde. An Attendance Policy is in place and schools proactively take steps to monitor and follow up attendance. Attendance is monitored across all schools and establishments, with particular monitoring of attendance levels linked to deprivation, looked after children and barriers to learning.

More information on the performance of Education Services can be found in the Education Services Standards and Quality Report 2018/19, which you can find here: <https://www.inverclyde.gov.uk/education-and-learning>

		Status	
Corporate Plan Organisational Priority 3	To grow the local economy in a way that creates opportunities for all our residents, including access to good quality jobs and lifelong learning		
Number of adults achieving core skills qualifications		●	green – improved
Number of business / property assists		●	green – performance maintained
Number of employability clients who gain a partial/ full vocational qualification		●	green – performance declined but above target

### 3a. Indicator detail: Adults achieving core skills qualifications

Number of adult learners achieving core skills qualifications			
2016/17	2017/18	2018/19	Target
250	246	261	260

**What the data tells us:** The number of adults achieving a core skills qualification improved by 15 in 2018/19 and was slightly higher than the target.

**Further information:** Core skills are the skills considered to be essential if individuals are to meet their personal needs and the needs of society. These skills are important because they help learners to be effective in almost everything that they do helps to improve career prospects. Inverclyde Council's CLD service offers a wide range of accredited learning opportunities to all learners and all qualifications offered to learners are mapped to the Scottish Credit and Qualification Framework (SCQF). Core skills accreditation is the most popular qualification within the adult groups.

## 3b. Indicator detail: Business / Property Assists

Number of business property assists			
2016/17	2017/18	2018/19	Target
28	27	27	25

**What the data tells us:** The data shows that the number of business and property assists in 2018/19 was the same as in 2017/18. The target for the year was achieved.

**Further information:** Small businesses help to foster local economies, create local jobs and are a valuable asset to the local community. The council provides integrated support to small and medium size businesses in Inverclyde ranging from advice on business development, property and marketing through to financial assistance in the form of grants and loans.

Financial assistance via the council's Small Business Property Grant Scheme (SBPGS) offers support of between 20% and 50% of approved building costs, up to a maximum of £10,000, for general and security improvements to business properties. Proposals must be for premises which are in company ownership or are on a long lease. Where the total project costs are more than £50,000, grants of up to £10,000 may be considered.

More information on the Council's Business Development Service can be found here: <https://www.inverclyde.gov.uk/business-and-trade/business-development>

## 3c. Indicator detail: Employability clients gaining a qualification

Number of employability clients who gained a partial/full qualification			
2016/17	2017/18	2018/19	Target
327	447	366	360

**What the data tells us:** The number of employability clients gaining a qualification in 2018/19 fell by 81 in 2018/19, however performance achieved was higher than the target for the year.

**Further information:** The Inverclyde Employability Pipeline provides a range of employability support to local residents looking for work, or looking to improve their employment situation. The attainment of accredited qualifications is one way for unemployed or underemployed clients to improve their employment prospects. A reduction in funding however, including from the European Social Fund Youth Initiative, has resulted in a reduced number of employability clients achieving a formal qualification between 2017/18 and 2018/19.

		Status	
<b>Corporate Plan Organisational Priority 4</b>	<b>To reduce the prevalence of poverty and in particular child poverty in our communities</b>		
Percentage of primary pupils (P1,P4 and P7 combined) achieving expected levels or better in literacy (based on reading, writing and talking and listening)	●	amber – performance slightly declined	
Percentage of primary pupils (P1,P4 and P& combined) achieving expected levels or better in numeracy	●	amber – performance slightly declined	
Percentage of S3 pupils achieving third level or better in literacy (based on reading, writing and talking and listening)	●	green – performance improved	
Percentage of S3 pupils achieving third level or better in numeracy	●	green – performance improved	
Percentage of S3 pupils achieving fourth or better in literacy (based on reading, writing and talking and listening)	●	red – performance declined	
Percentage of S3 pupils achieving fourth or better in numeracy	●	green – performance improved	

**4a. Indicator detail: Achievement of Curriculum for Excellence Benchmarks**

% of Primary pupils (P1, P4 and P7 combined) achieving expected levels or better in literacy (based on reading, writing and talking and listening)			
2016/17	2017/18	2018/19	Target
-	73.5%	72.4%	75%

% of Primary pupils (P1, P4 and P7 combined) achieving expected levels or better in numeracy			
2016/17	2017/18	2018/19	Target
-	80%	78.9%	82%

% of S3 pupils achieving the 3rd level or better in literacy (based on reading, writing and talking and listening)			
2016/17	2017/18	2018/19	Target
-	90.5%	91.2%	91%

% of S3 pupils achieving the 3 <sup>rd</sup> level or better in numeracy			
2016/17	2017/18	2018/19	Target
-	85.6%%	91.9%	89%

% of S3 pupils achieving the 4 <sup>th</sup> level or better in literacy (based on reading, writing and talking and listening)			
2016/17	2017/18	2018/19	Target
-	42.8%	38%	45%

% of S3 pupils achieving the 4 <sup>th</sup> level or better in numeracy			
2016/17	2017/18	2018/19	Target
-	42.2%	50.3%	45%

**What the data tells us:** The data shows that there has been a small decrease in the percentage of primary pupils (P1, P4 and P7 combined) that achieved the expected levels or better in literacy and numeracy.

There has been an increase in both the percentage of S3 pupils achieving third level or better in both literacy and numeracy and the target was achieved for both indicators. There was also an increase in the percentage of S3 pupils achieving fourth level of better in numeracy however the target for S3 pupils achieving fourth level or better in literacy fell in 2018/19 and the target was not achieved.

The data is based on teacher judgements of pupils achieving Curriculum for Excellence levels and as such, there is likely to be fluctuations in the data, particularly as this measure is now only in its third year of reporting. The Service has identified that further work on moderation of teacher judgement is required to identify if the drop in performance at 4<sup>th</sup> level in literacy overall is an accurate reflection of performance.

**Further information:** It has been recognised nationally that there is a clear and persistent gap in attainment between pupils living in Scotland's most and least deprived areas. Educational attainment affects employment prospects later in life and in turn, the risk of future poverty. Differences in educational attainment can be a consequence of poverty but can also drive it too. Improving educational attainment is therefore a key element in the drive to reduce child poverty.

These literacy and numeracy performance measures reported here are reported on by all councils in the West Partnership Regional Improvement Collaborative (referred to as the West Partnership). The West Partnership comprises of 8 councils in the west of Scotland who are working together to enhance and support educational improvement through collaborative working. A number of high level indicators have been agreed as the measures that will allow the Partnership to report on the impact of its work.

Within Inverclyde, assessment of progress also includes a range of evidence on what children learn and achieve throughout their school career. This includes Curriculum for Excellence levels, skills, qualifications and other awards.

The data does not necessarily reflect fully the improvements that are being made in closing the attainment gap as there are different challenges in achieving the appropriate levels e.g. in primary one to primary seven attainment in numeracy and mathematics has increased between 2015/16 and 2018/19 with primary 4 attainment having the greatest increase of 19.7% in that period.

Inverclyde Council was inspected during May 2018 to assess "How well is Inverclyde Council improving learning, raising attainment and closing the poverty-related attainment gap?". The inspection team identified that Inverclyde Council is making very good progress in improving learning, raising attainment and narrowing the poverty-related attainment gap. The full report is available here: <https://www.inverclyde.gov.uk/news/2018/oct/inverclyde-leads-the-way-in-closing-the-attainment-gap>

More information on what Inverclyde Council and its partners are doing to tackle child poverty can be found in the Inverclyde Local Child Poverty Action Report 2018/19 which is available on the council's website <https://www.inverclyde.gov.uk/council-and-government/community-planning-partnership/every-child-every-chance>

		Status	
<b>Corporate Plan Organisational Priority 5</b>	<b>To safeguard, support and meet the needs of our most vulnerable families and residents</b>		
Percentage of looked after children with a permanence plan within 6 months of being accommodated	No target was set for these indicators in 2018/19 due to first year of data.		
Percentage of Child Protection review case conferences taking place within the first 3 months of registration			
Percentage of children issued with a new supervision requirement seen by a supervising officer within timescale	●	green – performance improved	
Percentage of criminal justice interviews whose induction / first meeting with a supervising officer took place within 5 working days	●	green – performance improved	
Percentage of Criminal Justice work placements within 7 working days	●	green – performance improved	
Total percentage of carers who feel supported to continue in their caring role	●	amber – performance is below target	
Percentage of homelessness cases (Housing Options) that progressed to a full homelessness assessment	No target has been set for these indicators		
Homelessness: average time in weeks between presentation and completion of duty by the council for cases assessed as unintentionally homeless or unintentionally homeless			
Exclusions from school: primary schools pupils	No target has been set for these indicators		
Exclusions from school: secondary schools			
Exclusions from school: pupils with additional support needs			



## 5a. Indicator detail: Looked after children with a permanence plan

% of Looked after children who have a permanence plan within 6 months of being accommodated			
2016/17	2017/18	2018/19	Target
Not available	Not available	Not yet available	80% (May 2020)

**What the data tells us:** This is a new indicator to the SPI framework and data is being gathered for the first year of reporting in 2019/20.

**Further information:** Permanence is the long term plan for the child's upbringing, with the objective of ensuring that a child has a secure, stable and loving family to support them through childhood and beyond to give them a sense of security, continuity, commitment, identity and belonging.

In May 2019, Inverclyde joined the CELCIS PACE (Permanence and Care Excellence) programme which is sponsored by the Scottish Government. This work promotes a whole systems approach designed to better understand and address sources of drift and delay from across all the agencies working with looked after children. Prior to joining the PACE programme, Inverclyde only reported on permanence for those children progressing towards adoption or permanent fostering. The Inverclyde PACE team has put in place the following improvement aim:

- *By May 2020, 80% of children accommodated after 31 May 2019 will have a recommendation for permanence (from a statutory LAC review) within 31 weeks of becoming looked after.*

Improvement tests are underway with practitioners and their supervisors supporting newly accommodated children which are on target. This is the first stage in delivering improvements which will facilitate the achievement of the HSCP performance indicator of 26 weeks within the next 18 months.

## 5b. Indicator detail: Child Protection Case Conferences

% of Child protection review case conferences taking place within the first 3 months of registration			
2016/17	2017/18	2018/19	Target
New indicator	New indicator	35%	-

**What the data tells us:** The data shows that the timescale of 3 months is not achieved in the majority of cases. This is a new indicator and therefore data for 2018/19 is baseline data.

**Further information:** A child protection review case conference reviews the circumstances of the child or children whose name is already on the child protection register. A 12 week timescale for the review to take place from the initial Child Protection Case Conference helps to ensure that momentum is maintained in the process of safeguarding and promoting the welfare of the child and that the best possible outcomes for the child are achieved.

The performance figure of 35% is baseline data at this stage as the definition of 3 months (93 days) has not been applied when scheduling review conferences. At present, the frequency of the review meetings is at the discretion of the Chair. Plans have been developed to carry out a 'test of change', applying a 93 day timescale and it is anticipated that improvements will be observed within a short period of time, which will enable an appropriate target to be set going forward.

**5c. Indicator detail: Children’s supervision requirements**

% of children issued with a new supervision requirement seen by a Supervising Officer within timescale			
2016/17	2017/18	2018/19	Target
98.3%	84.4%	100%	95%

**What the data tells us:** There was a significant improvement, 15.6%, in the percentage of children issued with a new supervision requirement seen by a Supervising Officer within timescale. Maximum performance was achieved for the year.

**Further information:** This indicator is a measure of how quickly a child is seen by a social worker following a decision at a children’s hearing to place the child on a statutory Supervision Order. Performance is affected by the small number of new Supervision Requirements.

Social Workers are routinely ensuring that children subject to a Child Supervision Requirement are seen following a hearing. The purpose of this visit is to review the support plan and engagement required under the order. This is a standard that the HSCP will continue to prioritise and maintain.

## 5d. Indicator detail: Criminal justice

% of Service users who had a criminal justice interview whose induction/first meeting with a Supervising Officer took place within 5 working days			
2016/17	2017/18	2018/19	Target
93%	83%	85%	85%

% Service users who began their first work placement within 7 working days of imposition of court order			
2016/17	2017/18	2018/19	Target
83%	85%	86%	85%

**What the data tells us:** There has been an improvement in the percentage of service users who had a criminal justice interview whose induction or first meeting with a Supervising Officer took place within 5 days, rising from 83% to 85%. The service was recently formally inspected and it was noted in the inspection report that the service is meeting its performance target in this area.

There was also an improvement in the percentage of service users who began their first work placement within 7 days of imposition of court order, rising to 86%, which meant that the target was achieved in 2018/19.

**Further information:** A total of 242 Community Payback Orders (CPOs) were made during 2018/19, approximately 16.9% of which were imposed by Courts outwith Inverclyde.

The first indicator is a measure of performance regarding inductions/first meetings which took place within five working days of the Order being made. It relates to both supervision and unpaid work requirements which can form part of a CPO, either individually or collectively. Performance in 2018/19 was up 2% on the previous year. As noted in last year's report the methodology has changed (i.e. it now includes CPOs imposed from Court out with Inverclyde) and consequently is now more demanding. By way of context, performance of this indicator can be impacted by factors both within and out with the Service's control; an example of the former would be staff availability and, for the latter, non-attendance by the individual as a result of non-compliance. Notably in no cases this year, were the circumstances which gave rise to the late induction within the Service's control. In addition, performance when benchmarked against the most recently published national data (2017/18) exceeds the Scottish average of 79%.

The second indicator is a measure of performance relating to the commencement of work placements within seven working days of the Order being imposed. There was an improvement on the 2017/18 performance and the local target of 85% was exceeded. As with previous measures, performance can be impacted by factors both within and out with the Service's control. Notably in less than 1% of cases, were the circumstances which gave rise to the delay in commencing placement within the Service's control. In addition, performance when benchmarked against the most recently published national data (2017/18) well exceeds the Scottish average of 68.4%.

The above performance also requires to be seen within the context where approximately 81% of individuals on community sentences, within Inverclyde, currently have first-hand experience of among the highest levels of deprivation in Scotland. This is up 6% on the previous year's figure and, constitutes a significant issue for the delivery of Criminal Justice Social Work Services as these individuals are likely to be in greater need in terms of the support they require both in commencing and successfully completing their Court Orders.

The Service is committed to ensuring that addressing the impact of poverty and its associated health inequalities are a core part of our offer to those on community sentences and in particular such issues are not barriers to individuals completing their sentence. In 2018/19 the Service worked in partnership with a number of agencies in an effort to be more effective in improving outcomes for the individuals we work with.

**5e. Indicator detail: Carers**

<b>Total combined % of carers who feel supported to continue in their caring role</b>			
<b>2014</b>	<b>2016</b>	<b>2018</b>	<b>Target</b>
47%	43%	40%	<b>To increase performance from 2016 level</b>

**What the data tells us:** The data shows that there has been a decline in the percentage of carers in Inverclyde who gave a positive response to the question 'I feel supported to continue caring'. It is worth noting that in response to the survey question 'I feel supported to continue caring' 40% of respondents in Inverclyde provided a neutral response, whilst 21% responded negatively to the question.

The data for this performance measure is taken from the Health and Care Experience Survey 2017/18. The survey is sent to a randomly selected sample of people who were registered with a GP in Scotland in October 2017 and asks about people's experiences of caring responsibilities and related support. The comparable positive response figure for Scotland in 2018 was 37%, which is lower than the Inverclyde figure of 40%. It is worth noting that a change in the methodology was applied to the 2017/18 results. We would expect the percentage of carers that feel supported to increase in future years following Inverclyde's early response to the implementation of The Carers (Scotland) Act 2016.

**Further information:** A carer is anyone who looks after another individual, including a neighbour, friend, partner or child with a long term condition/ illness or disability on an unpaid basis. Inverclyde HSCP works closely with Inverclyde Carers Council, a voluntary organisation consisting of carers and former carers representing carers throughout the area. Inverclyde Carers Centre Ltd is a partner organisation, commissioned to delivery advice information and support for carers, as well as arranging short breaks, stress management, counselling and support groups for carers in a variety of caring situations. Inverclyde HSCP has also signed up to the Equal Partners in Care (EPiC) principles.

An Inverclyde Carer and Young Carer Strategy 2017-22 has been developed with the purpose of identifying the priorities for developing support networks and options for carers who provide unpaid caring responsibilities to family, relatives, friends or neighbours regardless of age. More information on support for carers and the Inverclyde Carer and Young Carer Strategy 2017-22 can be found here: <https://www.inverclyde.gov.uk/health-and-social-care/support-for-carers>

Whilst HACE is a nationally commissioned survey, members of the Inverclyde Citizens' Panel were also asked about their caring experience in the Citizens' Panel Winter 2018/19 survey. 30% of respondents said that they were a carer and of this number, 55% of respondents agreed that they received enough support in their caring role.

**5f. Indicator detail: Homelessness**

<b>Homelessness: % of prevention cases (Housing Options) that progressed to a full homelessness assessment</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
New indicator	New indicator	<b>28.1%</b>	-

<b>Homelessness: average time in weeks between presentation and completion of duty by the Council for cases assessed as unintentionally homeless or unintentionally threatened by homelessness</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
20.78 weeks	22.18 weeks	<b>27.8 weeks</b>	-

**What the data tells us:** In 2018/19, of the 698 number of households that approached the Service for assistance (prevention work), 196 (28.1% of all approaches) then progressed to a fuller homelessness assessment. This move can be either assessed as appropriate by the worker (Assessment Support Officers) or can be requested by the Service User under the homelessness legislation.

For all full assessment cases completed during the financial year 2018/19, the average time in weeks between presentation and completion of duty by the Council for cases assessed as ‘unintentionally homeless’ or ‘unintentionally threatened with homelessness’ increased by just under 6 weeks, reflecting the complexity and challenges faced by our service users.

**Further information:** Emphasis remains on the prevention of homelessness and the Housing Options approach which is an information and advice process that the Homelessness Service use when someone approaches them with a housing problem. It aims to prevent homelessness wherever possible. A target has not been set for the average time between presentation and completion of duty because the type of services provided and assistance offered is dependent upon the applicant’s housing need at the time of approach and the nature of homelessness experienced by the applicant. Resolving homelessness is complex and often involves a multi-agency approach to ensure that someone is ‘tenancy ready’ and this can cause significant delays in re-housing people. Of these specific cases, 152, completed during the year, 21 (13.8%) were open for at least 1 year and 88 (57.9%) were open for less than 6 months.

**5g. Indicator detail: School exclusions**

<b>Exclusions from school: Primary (rate per 1,000 pupils)</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
All primary pupils	2.7	5.0	<b>3.2</b>	-

<b>Exclusions from school: Secondary (rate per 1,000 pupils)</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
All secondary pupils	35.8	45.6	<b>40.0</b>	-

Exclusions from school: Additional Support Needs (rate per 1,000 pupils)				
	2016/17	2017/18	2018/19	Target
All ASN pupils	12.7	12.1	93	-

**What the data tells us:** The data shows that there was a decrease in the rate of exclusion rate in the primary and secondary sector (per 1,000 pupils). There was however a large increase in the rate of Additional Support Needs exclusions per 1,000 pupils. Looking at the increase, the previous years' figures are significantly lower than the national average and the change in data could be attributable to a change in methodology for this reporting year e.g. previous years not taking into account informal exclusions. It should be noted that the exclusion rate is still lower than the national average as shown below.

Performance Measure - Exclusion Rate per 1000 pupils		
Sector	Inverclyde 2017 / 18	National 2017 / 18
Primary	5.0	11.0
Secondary	45.6	47.4
Additional Support Needs	12.1	93.5
LAC – Primary	10.9	No data
LAC – Secondary	126.1	No data
LAC – ASN	55.6	No data

Whilst no target has been set for these indicators, the council aims to achieve a downward trend in the exclusion rate.

**Further information:** In 2018/19 there was a lower number of exclusion incidents in both primary and secondary schools, leading to a fall in the overall exclusion rate, per 1,000 pupils. Conversely, the number of ASN exclusion incidents increased, resulting in a higher exclusion rate in 2018/19. The average length of exclusion in all three sectors; primary, secondary and ASN schools, reduced in 2018/19.

The Scottish Government publishes national data for all councils every 2 years, with the last year of publication being 2017/18. The table provided above provides a comparison of exclusions at Inverclyde schools against the national average and shows that in previous years, Inverclyde schools perform strongly compared to the national average.

		Status	
Corporate Plan Organisational Priority 6	To improve the health and wellbeing of residents so that people live well for longer		
Delayed discharge from hospital: bed days occupied by delayed discharge patients aged 75+ per 1,000 population	No target has been set for these indicators		
Average length of stay in care homes			
Number of adults in long term care as at 31 March			
Number of clients with a self-directed support package (split by options)			
Percentage of clients waiting no longer than 3 weeks from referral to receive appropriate drug or alcohol treatment that supports their recovery	●	red – below target	
High priority public health complaints: percentage attended by the next working day	●	green – performance improved	
Food hygiene inspections: percentage of premises broadly compliant	●	green – performance improved	

#### 6a. Indicator detail: Delayed Discharge

Delayed discharges: bed days occupied by delayed discharge patients aged 75+ per 1,000 population			
2016/17	2017/18	2018/19	Target
263	172.1	87	-

**What the data tells us:** The data shows that there has been a further improvement in the delayed discharge bed day rate per 1,000 population aged 75 and over in Inverclyde, falling to a rate of 87 per 1,000 population in 2018/19, the lowest rate of any authority area in Scotland.

**Further information:** A delayed discharge occurs when a patient, clinically ready for discharge, cannot leave hospital because the other necessary care, support or accommodation is not readily accessible and / or funding is not available. The vast majority of delayed discharge patients are aged 75 and over.



In the last few years Inverclyde has had a history of low numbers of delayed discharges due to the successful integration and partnership working between the Inverclyde HSCP and Inverclyde Royal Hospital, particularly through the award winning Home 1st team.

Inverclyde currently has the lowest delayed discharge bed day rate per 1,000 population aged 75 and over in Scotland, with a rate of 87 days compared to a Scottish average rate of 793 days.

**6b. Indicator detail: Residential Care**

Average length of stay in care homes			
2016/17	2017/18	2018/19	Target
-	2.65 years	2.62 years	-

Number of adults aged 65+ in long term care as at 31 March			
2016/17	2017/18	2018/19	Target
588	544	561	-

**What the data tells us:** The average length of stay in care homes has remained relatively steady between 2017/18 and 2018/19. The number of adults in long term care increased by 17 in 2018/19.

It would not be appropriate to set a target for either of these indicators due to the nature of the service provided. Instead, the Service is working on achieving a downward trend in the number of clients requiring residential support.

**Further information:** The Inverclyde HSCP works towards a Home 1st Strategy, ensuring service users are able to live as independently as possible in their own homes. The effectiveness of this is evidenced by the number of individuals over 65 who live in a care home setting on a permanent basis. The above figures identify the total number of people over the age of 65 who are permanently residing in a long term care home as at 31 March each year.

## 6c. Indicator detail: Self-directed Support

Self-directed support: number of clients in receipt of a self-directed support package				
	2016/17	2017/18	2018/19	Target
<b>One option</b>	3,824	2,797	2,806	-
<b>Combination of options</b>	271	131	95	-

**What the data tells us:** There was a very small increase, of 9 in the number of clients in receipt of one SDS option, whilst the number of clients in receipt of a combination of option decreased by 36 in 2018/19. It would not be appropriate to set a target for this measure due to the nature of the service provided.

**Further information:** The Social Care (Self-Directed Support) (Scotland) Act 2013 imposes a duty on local authorities to offer greater choice and control over the support package provided for the cared-for person. The data tells us about the choice of how care is provided for the cared-for person during the previous three years.

The combined Option figure refers to service users who have chosen a combination of how they are supported and evidences that service users are exercising greater choice and control. Four options are available to clients:

- Option 1      Direct payment
- Option 2      Individual Service Fund
- Option 3      Service arranged and provided by the local authority
- Option 4      A combination of all of the above.

An indicator focusing on self-directed support spend is also included in the Local Government Benchmarking Framework, which will be published in January 2020. You can find more information on the performance of Scottish councils here: <http://www.improvementservice.org.uk/benchmarking/explore-the-data.html>

## 6d. Indicator detail: Drug or alcohol treatment services

% of Service users waiting no longer than 3 weeks from referral to receive appropriate drug or alcohol treatment that supports their recovery			
2016/17	2017/18	2018/19	Target
90%	75%	81%	90%

**What the data tells us:** The data shows that there was a 6% increase in the percentage of drug or alcohol treatment users who waited no longer than 3 weeks from referral to receive appropriate drug or alcohol treatment. Inverclyde's performance of 81% which is below the national JHEAT standard target of 90% needs to be considered against a backdrop of Inverclyde having the highest prevalence rates for problematic drug misuse in Scotland and some of the highest rates for alcohol related harm along with drug related deaths in Inverclyde being the third highest in Scotland in 2018.

**Further information:** A national target has been set by the Scottish Government of "90% of clients will wait no longer than 3 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery". Seeing people quickly gets them on to a journey or recovery sooner, thus leading to better outcomes.

Over the last few years the number of people being referred into the addictions services has:

- Increased by 30% for drug services between 2017/18/and 2018/19.
- For alcohol services there was a 5% increase over the same period.

In total, there were 880 referrals to drug and alcohol treatment services in 2018/19. By reviewing the alcohol and drug services we are developing in Inverclyde there has been an expansion in the range of options available with a greater emphasis on recovery services so that we can best serve the needs of the people who use this service.

## 6e. Indicator detail: Public Health

Public health complaints: % of high priority service requests attended by the next working day			
2016/17	2017/18	2018/19	Target
100%	94.4%	100%	95%

**What the data tells us:** In 2018/19, the Council achieved maximum performance in terms of the number of public health high priority service requests that were attended by the next working day. This was an improvement of 5.6% on performance levels in 2017/18.

**Further information:** In 2018/19, the council received nine public health complaints which required attendance by the next working day, all of which were responded on time. Inverclyde Council has a duty to investigate and take necessary action on any situation which may result in a statutory nuisance. Complaints about nuisances are investigated via the powers in The Environmental Protection Act 1990. More information on public health nuisances can be found here: <https://www.inverclyde.gov.uk/environment/environmental-health/public-health-and-nuisances>

#### 6f. Indicator detail: Food Hygiene Inspections

Food safety hygiene inspections: % of premises which are broadly compliant			
2016/17	2017/18	2018/19	Target
82.3%	84.4%	86.2%	85%

**What the data tells us:** In 2018/19, the number of premises compliant with food safety hygiene regulations rose by 1.8%, taking performance to above target.

**Further information:** Councils are responsible for enforcing food hygiene laws and this performance indicator is based on Inverclyde Council's annual return to the Food Standards Agency: the Local Authority Enforcement Monitoring System (LAEMS) return. The document outlines the Council's performance against its inspection programme. The inspection programme for LAEMS is based on the risk rating of the premises (A-E), with inspection of premises due at intervals based upon that risk rating. In 2018/19 there were 638 liable premises, 8 less than in 2017/18. The number of premises that were broadly compliant in 2018/19 was 550 compared to 545 in the previous year.

		Status	
Corporate Plan Organisational Priority 7	To protect and enhance our natural and built environment		
Total CO <sub>2</sub> emissions within the scope and influence of the council		●	green – improved
Percentage of building warrants assessed within 20 working days of registration		●	green – slight decline but target achieved
Responses to completion certificates within 10 working days		●	red – below target
Percentage of category 1 potholes made safe within 24 hours of notification		●	green – improved

#### 7a. Indicator detail: Inverclyde's 'area-wide' carbon emissions

SPI 022K	CO <sub>2</sub> emissions within the scope of influence of the local authority, per capita, in CO <sub>2</sub> tonnes		
2015	2016	2017	Target
4.5t	4.3t	4.2t	4.2

**What the data tells us:** Inverclyde's 'area-wide' emissions decreased by 0.1 tonnes per capita between 2016 and 2017 (2017 is the most recent data available), which meant that the target was achieved.

**Further details:** This indicator calculates emissions from the use of gas, electricity and other fuels by the industrial and commercial, agricultural and domestic sectors, along with emissions from the transport sector. Inverclyde's emissions have been consistently lower than the Scottish average since 2005.

CO <sub>2</sub> emissions within the scope of influence of the local authority, per capita, in CO <sub>2</sub> tonnes				
Year	Inverclyde total	Scotland total	Difference	Inverclyde population estimate used in calculation
2015	4.5	5.7	-1.2	79,500
2016	4.3	5.5	-1.2	79,160
2017	4.2	5.3	-1.1	78,760

To find out more about 'area wide' emissions please visit: <https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2017>

## 7b &amp;c. Indicator detail: Planning

Building warrants: % assessed within 20 working days of registration			
2016/17	2017/18	2018/19	Target
99.8%	96.7%	95.1%	95%

Completion certificates: responses to requests within 10 working days			
2016/17	2017/18	2018/19	Target
98.7%	91%	85.1%	95%

**What the data tells us:** There was a decrease in the percentage of building warrants assessed within 20 working days of registration in 2018/19. The target of 95% was however still achieved. The percentage of completion certification responded to within 10 days fell by 5.9% in 2018/19 to 85.1%, meaning that the target was not achieved.

**Further details:** Whilst there was a small decrease in performance for the percentage of building warrants assessed within 20 working days of registration, this was the result of significant resource challenges as a result of staff shortages that were faced during the year. In view of this, the service is pleased that performance has remained above target.

The council has entered into a short-term partnership with Argyll and Bute Council to assist in the plan checking of building warrants. This enables Inverclyde Council officers to allocate more resource to site inspection work and will reduce the time taken in accepting completion certificates.

## 7d. Indicator detail: Roads

% of Category 1 potholes made safe within 24 hours of notification			
2016/17	2017/18	2018/19	Target
94.3%	100%	100%	90%

**What the data tells us:** The data shows that for the second consecutive year, the Council achieved maximum performance in terms of the number of Category 1 potholes that were made safe within 24 hours of notification.

**Further information:** A category 1 pothole refers to emergency defects that should be corrected or made safe at the time of inspection, where this is practicable. In 2018/19, there were nine Category 1 potholes in the area, all of which were made safe within 24 hours of the council being notified.

Inverclyde Council's is responsible for the maintenance of approximately 369km of carriageway. Historically, the area had a high percentage of roads, footways and street lighting which required maintenance treatment. In 2012, Inverclyde Council invested £29 million in a five year improvement programme and as a result, 220 km of roads and pavements have been treated and upgraded, which has resulted in a reduction in the number of Inverclyde's roads which require maintenance treatment. A subsequent £15 million investment programme was also agreed in 2017, with the aim of achieving more positive results in the improvement of the road network. 2018/19 performance figures for the roads network show that 37.5% of Inverclyde's roads network should be considered for maintenance treatment, compared to 49% in 2012/13.

<b>Corporate Plan Organisational Priority 8</b>	<b>To preserve, nurture and promote Inverclyde’s unique culture and heritage</b>	<b>Status</b>
The SPI / KPI performance indicators for the number of visits to the Museum and Libraries are reported through the LGBF performance figures contained in Appendix 2.		

<b>Corporate Plan Organisational Priority 9</b>	<b>To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources</b>	<b>Status</b>
Benefits administration: gross cost per case (£)		● green – performance improved
Accuracy of benefits processing		● green – performance improved
Digital transactions: % of digital transactions	No target was set for these indicators in 2018/19 due to first year of data.	
Rating of the Council’s website		
PCIP score	●	green – performance improved
The percentage of pest control services attended within 5 working days	●	green – slight decline but above target
The percentage of consumer complaints completed within 14 days	●	amber – performance slightly declined

**9a&b: Indicator detail: Benefits processing**

<b>Benefits: gross administration cost per case in £</b>			
2016/17	2017/18	2018/19	Target
£39.64	£45.37	£37.77	£45.00



Benefits: accuracy of processing - % of cases where the calculation of Benefit due was correct			
2016/17	2017/18	2018/19	Target
99.6%	99.6%	100%	99%

**What the data tells us:** The data shows that the gross administration cost per benefit case in 2018/19 fell by £7.60. The cost per case is now at its lowest amount since 2012/13.

Maximum performance (100%) was achieved in terms of the accuracy of benefits payments calculations, with performance exceeding the target.

**Further information:** The decrease in the gross administration cost per case for Housing Benefit is due to staffing reductions arising from approved savings which outstripped the decreasing case load. A saving was agreed as part of the 2018/19 Budget which has helped to reduce costs in this year. Other costs are out with the control of the Benefits service and recharges such as accommodation charges have an impact on costs. The Benefits service does, however, have controls in place to ensure controllable costs are kept to a minimum.

Achieving accuracy in benefits processing is a priority for the council. The council is committed to paying the right benefit, to the right person, every time. The consistently high level of accuracy of Benefits payments reflects the robust quality assurance measures in place within the Benefits service; this is an example of the effective management and hard work delivered by the service.

### 9c. Indicator detail: Digital Access and Channel Shift

The percentage of transactions that are digital (as a percentage of all transactions)			
2016	2017	2018	Target
New indicator	New indicator	6.5%	Baseline data 2018/19 10% (2019/20)

**What the data tells us:** In 2018 6.5% of transactions with Inverclyde Council were made via the Inverclyde Council mobile app or website. This indicator has been included in this SPI / KPI Annual Report for the first time and the 2018 performance figure provides the baseline data from which a future performance target has been set. The target for this indicator is for 10% of interactions with the Council to be without intervention at the Customer Service Centre by 2019/20, by utilising the web or mobile app for self-service in respect of general enquiries and service requests.

**Further information:** There is a demand for faster, easier contact as ways of working and communicating. As such, Channel Shift is a key priority for the council and progress is tracked through the Digital Strategy Action Plan as well as the Customer Service Action Plan.

Currently, the 3 primary methods of contacting the council are by telephone, face to face and by email. The number of customers using electronic means of contact such as the mobile app remained small in the past year, however it is anticipated that the increase in the availability of self service to customers, for example, to book and pay for bulky uplifts, together with developments underway as part of the Digital Strategy to implement Revenues Citizens Access and the roll out of MyAccount, will help drive the shift to more digital channels of contacting the council.

When selecting channels of contact, it is important to understand citizens’ access to technology, the type and complexity of the contact, their personal preference as well as their skill set. This is particularly relevant locally given the levels of deprivation and vulnerability and the council recognises 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.

**9d. Indicator detail: Rating of the council’s website**

<b>Website accessibility: BetterConnected+ website score</b>			
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Target</b>
-	-	4.6	<b>Baseline data 2018/19</b> <b>5.5 (2020)</b>

**What the data tells us:** This is a new SPI indicator which has been introduced in recognition of the importance of having a website that is accessible and user friendly, particularly as the range of services that are available online increases. In 2019, Inverclyde Council achieved an independent website rating score of 4.6 /10.

**Further information:** A new approach to the assessment of councils’ websites was implemented following the partnership of SOCITM (Society for innovation technology and modernisation) and Sitemore. Automated assessments are carried out on the first visited 125 HTML pages and 10

PDFs on a council's website and a report is compiled on the council's compliance with accessibility standards. The assessment of Inverclyde Council's website was carried out in January 2019.

Councils' websites are awarded a score out of 10, whereas in previous year, the assessment resulted in a star rating out of 4, meaning that it is not possible to compare performance in 2019 with previous years. The site score is calculated with the results from the PDF score; Spelling Score; Performance Score; Metadata Score; Accessibility Score. Councils are provided with a report on the assessment findings.

As with the Channel Shift measure above, this is a new performance indicator in the SPI/ KPI Annual Report and the target that has been set is for 2020, using the 2019 performance score as the baseline for improvement.

**9e: Indicator detail: PCIP score**

2015	2016	2018	Target
Not available.	66%	70%	68%

**What the above data tells us:** The data shows the council's PCIP score improved by 4% between 2016 and 2018, meaning that the target was exceeded. The council's score of 70% means that performance falls into banding F1, which is the highest performance band.

**Further information:** The former Procurement Capability Assessment (PCA) was replaced in 2016 with the Procurement and Commercial Improvement Programme (PCIP) which has a different criteria and scoring mechanism. Under the new PCIP framework the organisations are assessed every two years, covering leadership and governance; development and tender; contract; and purchasing processes.

The second audit of the Council's procurement service under the PCIP was carried out on late in 2018 by Scotland Excel, the Centre for Procurement Expertise for Scotland. Inverclyde Council's performance compares favourably with other local authorities.

You can find more information on procurement in Inverclyde Council here: <https://www.inverclyde.gov.uk/business-and-trade/procurement>

## 9f. Indicator detail: Pest control

Pest control: service requests - % attended within 5 working days			
2016/17	2017/18	2018/19	Target
98.1%	99.8%	99.3%	95%

**What the data tells us:** Between 2017/18 and 2018/19, there was a very small decrease (of 0.5%) in the number pest control service requests that were attended within five working days. Despite this, performance remains very high and above target.

**Further information:** In 2018/19, the council received 539 pest control service requests which required attendance within five working days, only four of which were not responded to within that timescale. This was 108 more requests than in 2017/18.

Public health relates to the health and well-being of the whole community and is a key area of commitment for Inverclyde Council. The Council has a duty to investigate and take necessary action on situations which may result in a statutory nuisance. Complaints about pests are investigated under powers included in The Environmental Protection Act 1990. To find out more about the Council's pest control service visit: <https://www.inverclyde.gov.uk/environment/environmental-health/pest-control>

## 9g. Indicator detail: Trading Standards

Trading standards: % of consumer complaints completed within 14 days			
2016/17	2017/18	2018/19	Target
95%	92.1%	90.9%	95%

**What the data tells us:** There was a decrease in the number of trading standards complaints completed within 14 days in 2018/19, down 1.2%. The target was not achieved.

**Further information:** In 2018/19 164 consumer complaints were received, the same number as in 2017/18. 149 were completed within 14 days in 2018/19 compared to 151 in 2017/18, which accounts for the small difference in performance.

## Appendix 1

All consumer advice for Inverclyde residents is given by Advice Direct Scotland (ADS). Complaints from the CAS are categorised as *notifications* and *referrals*. The bulk of customer complaints come to Trading Standards as *notifications* i.e. the CAS has provided advice and there is no further action required; these are not included in the performance indicators but are monitored for any underlying trends. *Referrals*, usually where there is a suspicion of illegal trading, form the basis of these performance indicators. In these cases, Trading Standards Officers will investigate further.

You can find more information on trading standards here: <https://www.inverclyde.gov.uk/business-and-trade/trading-standards>

		Status	
Corporate Plan Organisational Priority 10	To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs		
The number of abandoned calls made to the Customer Service Centre (i) revenues and benefits enquiries (ii) other council services		●	green – performance improved
The percentage of performance appraisals completed in the year and individual development plans agreed		●	green – performance improved

#### 10a. Indicator detail: Customer Service Centre calls

Customer Service Centre: % of abandoned calls – Revenue and Benefits enquiries				
	2016/17	2017/18	2018/19	Target
Revenues and Benefits	23%	25%	18%	20%
Other council services	7%	7%	6%	7%

**What the data tells us:** There was an improvement in the percentage of abandoned calls to the customer contact centre in 2018/19 for both revenues and benefits and other council services. The targets for both measures was achieved.

Abandoned call levels for Revenues and Benefits improved from 25% in 2017/18 to 18% in 2018/19. This is a credible performance given that the team lost 3 experienced members of the Revenues and Benefits team at the end of 2018 and intensive training was required for the new members of staff. For other council services, the abandoned call level improved slightly from 7% in 2017/18 to 6% in 2018/19.

**Further information:** The number of calls to revenues and benefits and other council services decreased by 15% and 7% respectively between 2017/18 and 2018/19. The total number of contacts to both also decreased over the same period.

For Revenues and Benefits, the average time that customers had to wait for their call to be answered improved from just over 2 minutes in 2017/18 to just under a minute in 2018/19. The number of customers interviewed decreased by 3% in 2018/19 compared to a 12% reduction in 2017/18. It had been expected that this figure would continue to drop year on year as Universal Credit rolls out, however the delays to the

planned migration of Universal Credit means that the Housing Benefit caseload is not reducing at the rate predicted. The migration to Universal Credit is not expected to be fully rolled until 2024.

**10b. Indicator detail: Performance Appraisal**

<b>% of performance appraisals completed in the year and individual development plans agreed</b>			
<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Target</b>
93%	94%	<b>97%</b>	<b>95%</b>

**What the data tells us:** There was a 3% increase in the number of performance appraisals that took place in 2018/19 and individual development plans agreed, taking performance achieved in the year to above target.

**Further information:** Inverclyde Council is focused on having and developing a workforce which is skilled and driven to deliver excellent services, as well as being satisfied at work. This can partly be achieved by working with employees to ensure that their performance is recognised, rewarded and developed over time and performance appraisals are part of a wider plan to ensure this happens. The appraisals are an opportunity for employees and their managers to consider how they carry out their work against agreed core competencies which reflect current and future council priorities, with the aim of identifying what they do well, as well as areas of their work which may benefit from development.

A key part of the performance appraisal process is to identify training needs now and for the future and the creation of individual development plans to meet these needs. Refresher training is available for employees and managers and guidance has been issued and promoted to ensure our performance appraisal process is as effective as possible and supports succession planning across the council.

Every employee has an important role to play in helping the council achieve its corporate aims, objectives and outcomes which are set out in the Corporate Plan 2018/22 and the Corporate Directorate Improvement Plans 2019/22 and it is important that performance appraisals show the contribution that employees make to the achievement of these corporate priorities, so that all employees know how they are helping to make Inverclyde Council a better organisation and achieve the council's vision of getting it right for every child, citizen and community.

## Inverclyde Council Statutory and Key Performance Indicators Annual Report 2018/19

### Local Government Benchmarking Framework Indicators

Inverclyde Council has a statutory duty to capture and record how well it performs in relation to a wide range of performance information, in accordance with the Audit Scotland SPI Direction 2018.

One component of the SPI Direction is the Local Government Benchmarking Framework (LGBF), details of which will be published by the Improvement Service in January 2020, including the Council's ranking in comparison to other Scottish local authorities. In the meantime however, the performance data submitted to the Improvement Service to assist in the compilation of some of the LGBF indicators is provided here in this Appendix. You can view historical LGBF performance data here: <http://www.improvementservice.org.uk/benchmarking/index.html>

The status column indicates where performance is:-





green – target has been met or exceeded      amber – target not achieved but within tolerance      red – performance is below set tolerance level

Some of the information provided by Councils is contextual and is used by the Improvement Service to calculate the final indicators. On that basis therefore, it is not considered appropriate to include in this Appendix performance information for the following indicators.

Sport and Leisure Management (indicator reference: C&L1)	<p><i>Number of attendances at all pools</i>  <i>Number of attendances at indoor sports facilities excluding pools in a combined complex</i>  <i>Number of attendances at outdoor sport and leisure facilities</i></p> <p>These attendance figures are used to calculate the cost per attendance at sports facilities</p>
Council Tax Income (indicator reference: Corp 7)	<p><i>Income due from council tax for the year excluding relief and rebates</i></p> <p>This figure is used in the calculation of the overall percentage of council tax that was received for the year</p>
Refuse Collection (indicator reference: ENV1a)	<p><i>Number of premises for refuse collection (household and commercial)</i></p> <p>The figure is used in the calculation of the cost per premise.</p>



		<b>Status</b>	
<b>Sickness absence</b>			
<b>CORP 6</b>	Sickness absence: the average number of working days per employee lost through sickness absence - Inverclyde Council teachers	●	Green – improved performance
<b>CORP 6</b>	Sickness absence: the average number of working days per employee lost through sickness absence - all other Inverclyde Council employees	●	Green – improved performance
<b>Equal opportunities</b>			
<b>CORP 3b</b>	Equal opportunities policy: the % of the highest paid 5% among Inverclyde Council employees that are women (excluding teachers)	●	Green – improved performance
<b>Corp 3c</b>	Equal opportunities policy: the gender pay gap between the average hourly rate of pay for male and female Inverclyde Council employees	●	Green – improved performance
<b>Council Tax</b>			
<b>CORP 4</b>	Council Tax: collection - cost of collecting Council Tax in £ per dwelling (all dwellings, not just chargeable)	●	Green – improved performance
<b>CORP 7</b>	Council Tax income: % of income due for the year that was received by the end of the year	●	Green – improved performance
<b>Payment of invoices</b>			
<b>CORP 8</b>	Payment of invoices: % of invoices sampled and paid within 30 days	●	Amber –slight decrease in performance and is below target

<b>Asset management</b>			
<b>CORP ASSET 1 &amp; 2</b>	Asset management: gross internal floor (GIA) area of operational buildings - % proportion of the GIA that is in a satisfactory condition		Green – improved performance
<b>CORP ASSET 1 &amp; 2</b>	Asset management: operational buildings - % that are suitable for their current use		Green – improved performance
<b>Museum services</b>			
<b>Culture &amp; Leisure 3</b>	Museum services: number of visits to/usages of Inverclyde Council-funded or part-funded museums		Amber – performance has a slight improvement but is below target
<b>Use of libraries</b>			
<b>Culture &amp; Leisure 2</b>	Use of libraries: number of visits to libraries		Green – improved performance

## a. Indicators detail: Sickness absence

CORP 6	Sickness absence: the average number of working days per employee lost through sickness absence - Inverclyde Council teachers		
2016/17	2017/18	2018/19	Target
5.2 days	5.2 days	4.9 days	9 days

CORP 6	Sickness absence: the average number of working days per employee lost through sickness absence - all other Inverclyde Council employees		
2016/17	2017/18	2018/19	Target
10.9 days	10.6 days	10.4 days	9 days

**What the above data tells us:** The data shows that there has been an improvement (0.3 days) in both the sickness absence rate of teachers and the sickness absence rate of all other Inverclyde Council employees (0.2 days). The sickness absence rate for teachers is now well below the target of 9 days.

Despite an improvement in the overall number of sickness absence days lost for all other local government employees, the target of 9 days was not achieved, although sickness absence days is at its lowest rate for all three years shown.

Inverclyde Council's performance for these indicators compared to other Scottish Councils will be published in January 2020.

**Further information:** Employee costs form a large proportion of the council's budget and it is recognised that high levels of absence represent a significant cost that the council must reduce. The council has in place a challenging absence rate of nine work days per full-time equivalent employee and robust absence management procedures are in place to support employees and reduce the level of absence.

In support of reducing sickness absence, the council works closely with its occupational health provider to ensure that absent employees are given the necessary support to enable them to return to work as soon as possible. We also have an on-line supporting attendance form which has made the escalation of absence cases to HR more efficient and easier for council services.

In addition to the above, the council has undertaken a targeted response to absence management where areas of concern have been identified this has ensured attendance management has been brought to the top of the agenda in a variety of ways:

- real time information is available is available to managers via the automated HR/Payroll system;
- HR produce and distribute attendance at regular intervals by section, establishment and employee;
- the Local Negotiating Committee for teachers and head teacher meetings are attended by HR where attendance is discussed;
- attendance is an established item at the Trades Union Liaison meetings and HR attends Directorate Management Team meetings on a regular basis to discuss this; and
- training on supporting attendance includes lunch time drop-in type meetings, where managers can meet an HR representative to discuss attendance issues.

The council uses an electronic data collection and extract all statistics from the Council's HR/Payroll management system. Council Services have access to absence reports which allow them to monitor absence on a continuous basis, ensuring Services take ownership of absence. Directorates are also sent quarterly absence information as part of their quarterly Workforce Information Activity Reports.

Maximising employee attendance is a key area of focus in the People and Organisational Development Strategy 2017/20. The council also has a Managing Attendance Policy and a Supporting Employee Attendance Policy which are refreshed on a regular basis to reflect legislative changes and best practice.

## b. Indicator detail: Equal opportunities policy

CORP 3b	Equal opportunities policy: the % of the highest paid 5% of earners among Inverclyde Council employees that are women (excluding teachers)		
2016/17	2017/18	2018/19	Target
52.9%	53.9%	58.7%	55%

CORP 3c	Equal opportunities policy: the % gender pay gap between the average hourly rate of pay for male and female Inverclyde Council employees		
2016/17	2017/18	2018/19	Target
9.3%	8.7%	8.2%	Reduce gap

**What the above data tells us:** There was a 4.8% increase in the percentage of Inverclyde Council employees who are female and in the top 5% of earners. In 2018/19, 115 women fell into the category of the top 5% of earners, compared to 110 in the previous year.

The gender pay gap indicator was introduced by the Improvement Service in 2015/16. The data shows that the gender pay gap in Inverclyde Council fell again by 0.5% in 2018/19, which represents an improved performance.

Inverclyde Council's performance for these two indicators compared to other Scottish councils will be published in January 2020.

**Further information:** The gender pay gap indicator was introduced to the Local Government Benchmarking Framework to provide a broader view of the gender pay balance across all employees in the Council, as well as a better representation of the progress Scottish local authorities are making in improving equality outcomes. The gender pay gap in Scotland in 2018 was 15%, compared to 17.9% in the United Kingdom.

Organisations like Inverclyde Council are required to produce an annual Gender Pay Gap Report and explore any grade issues which emerge. These are often reasons for such issues including, for instance, cases when new employees from one gender are usually appointed to particular posts at the starting point of a grade; examples of such posts include catering and cleaning appointments.

Following approval by the Policy and Resources Committee on 26 March 2019, the Council published its Equality Mainstreaming Report 2019, Progress on Equality Outcomes 2017/21 and Equal Pay Statement 2019. To view the information, visit: <https://www.inverclyde.gov.uk/council-and-government/equality-and-diversity>

## c. Indicator detail: Council Tax

CORP 4	Council Tax: collection - cost of collecting Council Tax in £ per dwelling (all dwellings, not just chargeable)		
2016/17	2017/18	2018/19	Target
£12.60	£12.73	£9.99	£16.00

CORP 7	Council Tax income: % of income due for the year that was received by the end of the year		
2016/17	2017/18	2018/19	Target
95.3%	95.5%	95.7%	95.5%

**What the above data tells us:** Following a small increase in the cost of council tax collection between 2016/17 and 2017/18, costs fell to £9.99 in 2018/19, which is the lowest level to date.

There has been a year on year improvement in the Council Tax collection rate and in 2018/19 the percentage of council tax income that was collected reached its highest ever level collection rate and exceeded the target of 95.5%.

The reduction in the cost of collection of Council Tax is due to a combination of reductions in staffing numbers and a review of central allocation costs to more accurately reflect usage.

Inverclyde Council's performance for these indicators compared to other Scottish councils will be published in January 2020.

**Further information:** The amount of income due to the Council from council tax increased from £29,958,870 in 2017/18 to £30,946,147 in 2018/19 and of this, £29,607,091 was received by the end of the year, representing a collection rate of 95.7%.

The percentage of Council Tax income received by the end of the year is an area that is constantly monitored and fresh initiatives implemented where it is identified that collection levels could be improved. Quarterly performance information is reported through the progress reports on the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2019/22; to view the Plan please visit:

<https://www.inverclyde.gov.uk/council-and-government/strategies-policies-and-plans/directorate-and-service-planning/environment-regeneration-and-resources>

## d. Indicator detail: Payment of invoices

CORP 8	Payment of invoices: % of invoices sampled and paid within 30 days		
2016/17	2017/18	2018/19	Target
96.64%	97.1%	95.9%	97%

**What the above data tells us:** There was a 1.2% decrease in the percentage of invoices that were paid within thirty days. The target of achieving the same performance level as the previous year was not achieved. Last year Inverclyde was the top ranked local authority in Scotland and is still expected to rank in the top performance quartile in 2018/19.

Inverclyde Council's performance for this indicator compared to other Scottish councils will be published in January 2020.

**Further information:** The council is constantly looking to see where it can improve efficiency and this is an area where efficiencies have been made, for example, the Creditors' Team has reduced in size as council services and Finance work together to maintain performance.

The council's focus is to maintain performance and look to see where we can improve payment times to local suppliers to 20 days rather than the statutory 30 days. While this will not make a difference to this indicator, it will improve cash flow to local businesses.

This information is reviewed annually through the Directors of Finance performance indicators. Performance is also monitored on a monthly basis and reported in progress reports on the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2019/22.

## e. Indicator detail: Asset Management

CORP ASSET 1 & 2	Asset management: gross internal floor (GIA) area of operational buildings - % proportion of the GIA that is in a satisfactory condition		
2016/17	2017/18	2018/19	Target
91.1%	91.4%	92%	92%

CORP ASSET 1 & 2	Asset management: operational buildings: % that are suitable for their current use		
2016/17	2017/18	2018/19	Target
90.2%	92.4%	92.9%	92.7%

**What the above data tells us:** The data shows that there has been a year on year improvement in both the proportion of the internal floor area of operational buildings that is in a satisfactory condition and the percentage of operational buildings that are suitable for their current use. The target was met or exceeded for both indicators.

Inverclyde Council's performance for these indicators compared to other Scottish councils will be published in January 2020.

**Further information:** Between 2017/18 and 2018/19 the Council reduced its total number of operation buildings by 4, from 131 to 127. In 2018/19, 118 of these 127 buildings (92.9%) were suitable for their current use.

Over recent years, condition surveys have been carried out on the majority of the Council's operational property portfolio. On receipt of these surveys, all essential/urgent works were completed and a programme of planned maintenance established. In 2018/19, Inverclyde Council continued with its upgrade of the school estate, including:

- the refurbishment of Moorfoot Primary School was completed and become operational in early June 2018
- the new build Glenpark Early Learning Centre was complete and become operational in late June 2018
- The refurbishment of the former Aberfoyle Road offices for Glenbrae Children's Centre was complete and became operational in mid-July 2018
- The new build at St Ninian's Primary School was complete and become operational in August 2018
- The refurbishment and extension of St. Mary's Primary School commenced on site in November 2018
- The extension to Gourock Primary School commenced on site in February 2019

In addition to the above, the council has continued to progress its office and depot rationalisation programme.

The suitability of operational accommodation is measured through the use of questionnaires. Questionnaires are issued to all occupiers as they are best placed to advise on the suitability of the property for their council service. The questionnaires are broken down into sections which



analyse a number of factors and council services are asked to grade each question. All properties are broken down into sections which analyse a number of factors and council services are asked to grade each question. All properties receiving an overall ‘A’ or ‘B’ rating are considered suitable, those with a ‘C’ or ‘D’ rating not.

Once questionnaires are returned from service users, the appropriate overall percentage of properties suitable for their current use is calculated. New questionnaires are issued every five years, or earlier if there has been a significant change to the property, or if the service user changes. The questionnaires were compiled following discussion with other Scottish councils therefore all returns should be on roughly the same basis. Results are also benchmarked at the Association of Chief Estate Surveyors’ meetings. The council is currently developing a new Asset Management Strategy.

**f. Indicator detail: Museum Services**

C&L 3	Museum services: number of visits to/usages of Inverclyde Council-funded or part-funded museums		
2016/17	2017/18	2018/19	Target
70,256	57,053	57,076	65,000

**What the data tells us:** The data shows that museum visitor numbers in 2018/19 was on a par with 2017/18 visitors. The reason for the substantial fall in the numbers since 2016/17 is due to the closure of the Watt Institution, which comprises the McLean Museum and the Watt Library to allow an extensive programme of fabric repairs to the building to take place. The number of visitors shown therefore refers to the number of online visits only.

Inverclyde Council's performance for this indicator compared to other Scottish councils will be published in January 2020.

**Further information:** The main focus of the Museum service in 2018/19 was to facilitate the major repair works in the Watt institution and provide curatorial assistance to commercial removers tasked with moving exhibits and cases at different stages. With the closure of the Museum for the whole of 2018/19, the visitor figures shown above represent the number of online visits to the Museum’s database *Collections Online*. The physical visits made to the Heritage Hub have been included in the library visitor numbers for the period that it was in operation during August 2017 - December 2018 and are not included here.

Considerable investment of time and effort has been made in expanding the online presence of the Museum’s collections, giving access to enquiries worldwide. The McLean Museum is also a significant partner in the National Museums of Scotland’s current Ancient Egypt and East Asia Programme. The Museum’s online collections can be viewed here: <https://mcleanmuseum.pastperfectonline.com/randomimages>

**g. Indicator detail: Use of libraries**

C&L 2	Use of libraries: number of visits to libraries			
	2016/17	2017/18	2018/19	Target
	418,079	428,785	671,212	423,000

**What the data tells us:** There has been a substantial increase in the number of visits to libraries over the period 2018/19. This is due to the number of visits to libraries including virtual visits for the first year.

Inverclyde Council’s performance for this indicator compared to other Scottish Councils will be published in January 2020.

**Further information:** Inverclyde Libraries provide services to anyone who lives, works or visits Inverclyde, this included access to books, reading and authors; free internet access, support to use technology; learning opportunities and events and activities. In 2018/19:

- There were 671,212 visitors across libraries service points, borrowing 162,730 items. Of the 671,212 visitors, 256,465 were in person and 414,747 were online visits.
- 35,220 people attended 1,931 events and activities, from Bookbug sessions, to author events and IT classes and local history talks.

Service delivery continued to evolve over the year to ensure that it stayed relevant to local communities as well as introducing new aspects to the service. Inverclyde libraries continues to work in partnership with Community Learning and Development service by hosting basic computing courses and work clubs, aimed at enhancing the employability skills of jobseekers. Over 1,000 participants attended the sessions throughout the year. More information on the work carried out by Inverclyde Council’s Cultural Services, which incorporates Libraries and the Museum, can be found in the Cultural Services Annual Report 2018/19. To find out more about the range of services offered by Inverclyde libraries, visit <https://www.inverclyde.gov.uk/community-life-and-leisure/inverclyde-libraries>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Gerard Malone, Head of Legal and Property Service</b>	<b>Report No:</b>	<b>LP133/19</b>
<b>Contact Officer:</b>	<b>Carol Craig-McDonald, Information Governance &amp; Complaint Officer</b>	<b>Contact No:</b>	<b>01475 712725</b>
<b>Subject:</b>	<b>Inverclyde Council Annual Complaint Handling Report 1 April 2018 – 31 March 2019</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Policy & Resources Committee of the annual performance of all complaints received and handled by Inverclyde Council, Health and Social Care Partnership (HSCP), and both Arms-Length Organisations (ALEOs), Inverclyde Leisure and Riverside Inverclyde between 1 April 2018 and 31 March 2019.
- 1.2 The Scottish Public Services Ombudsman (SPSO) requires Inverclyde Council to include ALEOs and HSCP complaint statistical information in the quarterly and annual reports. It should be noted that oversight and day-to-day matters relating to complaints are supported separately.

## 2.0 SUMMARY

- 2.1 This is the annual complaint handling statistical report (Appendix 1) for the period 1 April 2018 to 31 March 2019 from the Information Governance Team. The report provides the following information:
  - i. Performance Information
  - ii. Analysis of complaint activity
  - iii. Update on learning from complaints
- 2.2 Inverclyde Council (including HSCP, Inverclyde Leisure and Riverside Inverclyde) received 342 complaints and closed 316 complaints in the period. Services must maintain focus on ensuring complaints received are recorded and that the complaint handling procedure is followed by officers, in particular with regard to timescales to resolve complaints at stage one and stage two of the complaint handling procedure.
- 2.3 The table contained within Appendix 1 – section 2.2 - contains a breakdown of complaints received within each service covering the period 1 April 2018 to 31 March 2019.
- 2.4 The tables contained within Appendix 1 – section 2.3 - contain a summary of complaint handling timescale management across the various stages of the complaint handling procedure within Inverclyde Council, HSCP, Riverside Inverclyde and Inverclyde Leisure covering the period 1 April 2018 to 31 March 2019.
- 2.5 When comparing in isolation Inverclyde Council's complaint handling performance we have seen timescales to resolve complaints increase in both stage one and stage two investigations which impacts the average number of days to resolve a complaint. The HSCP's frontline resolution complaint handling has increased the average number of days to deal with a complaint which is an area that will need attention.

- 2.6 The charts and tables contained within Appendix 1 – section 2.4 - outline the outcome of complaint investigations at each of the complaint stages and show the outcome reached following the complaint investigation. There were 50% of complaints not upheld (159 complaints), 31% of complaints upheld (97 complaints) and 19% of complaints were partially upheld (60 complaints). The themes from complaints handled were examined and these are contained within Appendix 1 – section 2.5.
- 2.7 A selection of service improvements made in the year is contained within the Annual Complaint Handling report (Appendix 1 – section 2.6), a brief overview of the type of complaints received together with an update on the service improvements that have been implemented during the reporting period, to demonstrate the Council's learning from complaints. Service improvement tracking requires to be developed for both ALEOS and the HSCP as this is not in place currently.
- 2.8 Both ALEOs have implemented the Council's complaint handling procedure and both organisations have supplied their complaint handling statistical information for inclusion into the Council's reporting. The Council is now adhering to the reporting expectations set by the SPSO and this is the first annual report that includes statistical information for both ALEOs.
- 2.9 The annual letter from the SPSO was received on 17 October 2019 which notes a decrease in complaints received about local authorities compared to last year. The decrease in cases is likely attributable to a combination of effective complaint handling within local authorities and services now being delivery by Health and Social Care Partnerships for which the SPSO has seen a large increase in complaints.
- 2.10 Inverclyde Council has had 15 complaints taken to the SPSO for review. There were no complaints taken through to full investigation. This is a reduction in investigations undertaken when compared against the same period last year. The HSCP had 6 complaints taken to the SPSO for review and there was one case which went through to full investigation and the complaint was not upheld.
- 2.11 The SPSO has consulted with all 32 Scottish Local Authorities on the changes that it is looking to introduce in April 2020. Inverclyde Council and the HSCP have provided their input on their draft model procedure. The Council will have to prepare for these changes to ensure that they are rolled out within Inverclyde Council, HSCP, Inverclyde Leisure and Riverside Inverclyde for those involved in complaint handling.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes the annual performance of Inverclyde Council's complaint procedure and comments as required.

**Gerard Malone**  
**Head of Legal and Property Services**

## **4.0 BACKGROUND**

- 4.1 In April 2013 the Council introduced a revised complaints handling procedure moving from a three stage to a two stage process in line with the guidance by the Scottish Public Services Ombudsman (SPSO). At the same time a new corporate wide system for recording complaints through Lagan was rolled out across the Council.
- 4.2 In 2015 an audit was undertaken to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding a number of key risks faced by both the Council and Inverclyde HSCP regarding complaints. There was a requirement to improve on a number of areas.
- 4.3 A corporate working group was established following the audit with representation across all services and chaired by a Corporate Director. The purpose of the working group was to address areas in the Council's complaint handling.
- 4.4 The Council's internal objectives to address issues that were identified in historic complaint handling were agreed to ensure that the Council has a robust approach to complaint handling. The complaint officer post has strengthened the robustness of the Council's complaint handling approach in the following areas:
  - Increased awareness of the Council's complaint handling procedures.
  - Ensuring training needs of staff with responsibility for complaint handling are identified and addressed.
  - Improved corporate oversight of the complaints process.
  - Improved monitoring of complaints.
  - Regular review of the Council's complaint handling procedures for effectiveness.
- 4.5 The local authority complaint handler network (LACHN) is a national forum for local authority complaint handlers to meet quarterly to assist in the development of professional practice in relation to complaint handling. Inverclyde Council is represented at this forum by the complaint officer alongside representatives from 32 Scottish Local Authorities. The SPSO attend these meetings to support the ongoing development of complaint handling within local authorities and to achieve consistency in approach.
- 4.6 The SPSO through LACHN network issued a survey to all local authorities to complete regarding complaint handling reporting being submitted to the network to review prior to formal reporting being issued to SPSO. The survey questions highlighted the requirements for Councils to report complaint handling performance for ALEOs. Inverclyde Council has two ALEO's they are Inverclyde Leisure Trust and Riverside Inverclyde and they are required to adhere to reporting on complaints handled although they were not included at the time of the implementing the model complaint procedure. Actions have been taken to address this and Inverclyde Council is now adhering to the reporting requirements set out by the SPSO.
- 4.7 Following the results of the survey that was completed by all of the local authorities, the SPSO confirmed that they would be moving to a quarterly submission of complaint handling statistical data from all Councils. This was intended to ease the collation of management information on annual basis. Inverclyde Council agreed to supply this statistical data each quarter, as it is currently prepared for the CMT on a quarterly and annual basis. The draft report is issued to the LACHN for discussion at the network meeting and any inconsistencies in data interpretation and analysis is resolved before the formal annual submission to the SPSO each year.

## **5.0 ANNUAL COMPLAINT HANDLING PERFORMANCE**

- 5.1 Inverclyde Council (including HSCP, Inverclyde Leisure and Riverside Inverclyde) received 342 complaints and closed 316 complaints in the period. Services must maintain focus on ensuring complaints received are recorded and that the complaint handling procedure is followed by officers, in particular with regard to timescales to resolve complaints at stage one and stage two of the complaint handling procedure.

- 5.2 The table contained within Appendix 1 – section 2.2 - contains a breakdown of complaints received within each service covering the period 1 April 2018 to 31 March 2019.
- 5.3 The tables contained within Appendix 1 – section 2.3 - contain a summary of the timescale management within Inverclyde Council, HSCP, Riverside Inverclyde and Inverclyde Leisure covering the period 1 April 2018 to 31 March 2019.
- 5.4 When comparing in isolation Inverclyde Council's complaint handling performance we have seen timescales to resolve complaints increase in both stage one and stage two investigations which impacts the average number of days to resolve a complaint. The HSCP's frontline resolution complaint handling has increased the average number of days to deal with a complaint which is an area that will need attention.
- 5.5 The charts and tables contained within Appendix 1 – section 2.4 - outline the outcome of complaint investigations at each of the complaint stages of the complaint investigation and show the outcome reached following the complaint investigation. There were 50% of complaints not upheld (159 complaints), 31% of complaints upheld (97 complaints) and 19% of complaints were partially upheld (60 complaints). The themes from complaints handled were examined and these are contained within Appendix 1 – section 2.5.
- 5.6 A selection of service improvements made in the year is contained within the Annual Complaint Handling report (Appendix 1 – section 2.6), a brief overview of the type of complaints received together with an update on the service improvements that have been implemented during the reporting period, to demonstrate the Council's learning from complaints. Service improvement tracking requires to be developed for both ALEOS and the HSCP as this is not in place currently.
- 5.7 Both ALEOs have implemented the Council's complaint handling procedure and both organisations have supplied their complaint handling statistical information for inclusion into the Council's reporting. The Council is now adhering to the reporting expectations set by the SPSO and this is the first annual report that includes statistical information for both ALEOs.
- 5.8 The annual letter from the SPSO was received on 17 October 2019 which notes a decrease in complaints received about local authorities compared to last year. The decrease in cases is likely attributable to a combination of effective complaint handling within local authorities and services now being delivery by Health and Social Care Partnerships for which the SPSO has seen a large increase in complaints.
- 5.9 Inverclyde Council has had 15 complaints taken to the SPSO for review. There were no complaints taken through to full investigation. This is a reduction in investigations undertaken when compared against the same period last year. The HSCP had 6 complaints taken to the SPSO for review and there was one case which went through to full investigation and the complaint was not upheld.
- 5.10 The SPSO has consulted with all 32 Scottish Local Authorities on the changes that it is looking to introduce in April 2020. Inverclyde Council and the HSCP have provided their input on their draft model procedure. The Council will have to prepare for these changes to ensure that they are rolled out within Inverclyde Council, HSCP, Inverclyde Leisure and Riverside Inverclyde for those involved in complaint handling.

## **6.0 IMPLICATIONS**

### **6.1 Finance**

None

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

6.2 **Legal**

None

6.3 **Human Resources**

None

6.4 **Equalities**

Equalities

(a) Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES
<input checked="" type="checkbox"/>	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

<input type="checkbox"/>	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
<input checked="" type="checkbox"/>	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

<input type="checkbox"/>	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
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NO

**6.5 Repopulation**

None

**7.0 CONSULTATIONS**

7.1 None

**8.0 BACKGROUND PAPERS**

8.1 None



**Inverclyde Council  
Annual Complaints Report  
1 April 2018 – 31 March 2019**

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## 1. Background

In April 2013 the Council introduced a revised complaints handling procedure moving from a three stage to a two stage process in line with the guidance by the Scottish Public Services Ombudsman (SPSO). At the same time a new corporate wide system for recording complaints through LAGAN was rolled out across the Council.

In 2015 an audit was undertaken to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding a number of key risks faced by both the Council and Inverclyde HSCP regarding complaints. There was a requirement to improve on a number of areas.

A corporate working group was established following the audit with representation across all services and chaired by a Corporate Director. The purpose of the working group was to address areas in the Council's complaint handling.

The Council's internal objectives to address issues that were identified in historic complaint handling were agreed to ensure that the Council has a robust approach to complaint handling. The complaint officer post has strengthened the robustness of the Council's complaint handling approach in the following areas:

- Increased awareness of the Council's complaint handling procedures.
- Ensuring training needs of staff with responsibility for complaint handling are identified and addressed.
- Improved corporate oversight of the complaints process.
- Improved monitoring of complaints.
- Regular review of the Council's complaint handling procedures for effectiveness.

The local authority complaint handler network (LACHN) is a national forum for local authority complaint handlers to meet quarterly to assist in the development of professional practice in relation to complaint handling. Inverclyde Council are represented at this forum by the complaint officer alongside representatives from 32 Scottish Local Authorities. The SPSO attend these meetings to support the ongoing development of complaint handling within local authorities and to achieve consistency in approach.

Inverclyde Council uses Inverclyde Leisure to deliver council services in the leisure industry and Riverside Inverclyde for urban regeneration within the area. While these organisations are separate to the Council they are subject to its control and the Council is responsible for ensuring the services provided meet the required standards and adhere to the complaint handling procedure. In doing this we must establish mechanisms to identify and act on complaint handling performance issues found.

The SPSO through LACHN network issued a survey to all local authorities to complete regarding complaint handling reporting being submitted to the network to review prior to formal reporting being issued to SPSO. The survey questions highlighted the requirements for Council's to report complaint handling performance for ALEOs. Inverclyde Council have two ALEO's they are Inverclyde Leisure and Riverside Inverclyde and they are required to adhere to reporting on complaints handled although they were not included at the time of the implementing the model complaint procedure. Actions have been taken to address this and Inverclyde Council are now adhering to the reporting requirements set out by the SPSO.

Following the results of the survey that was completed by all of the local authorities, the SPSO confirmed that they would be moving to a quarterly submission of complaint handling statistical data from all Councils. This was intended to ease the collation of management information on annual basis. Inverclyde Council agreed to supply this statistical data each quarter, as it is currently prepared for the CMT on a quarterly and annual basis. The draft report is issued to

the LACHN for discussion at the network meeting and any inconsistencies in data interpretation and analysis is resolved before the formal annual submission to the SPSO each year.

## 1.2 Current Procedures

Inverclyde Council co-ordinates the reporting of complaints to the SPSO this includes the HSCP, ALEOs, Inverclyde Leisure and Riverside Inverclyde. Each area is responsible for recording their complaints and providing their management information to Inverclyde Council to enable the consolidated statistical report to be produced quarterly and annually.

Inverclyde Council, the HSCP and both ALEOs, Inverclyde Leisure and Riverside Inverclyde follow the Model Complaint Handling procedure although there are slight differences between the health and social work complaints, the procedure provides a quick, simple, streamlined process with a strong focus on local, early resolution. This enables issues or concerns dealt with close to the event which gave rise to the complainant making the complaint.

As far as possible the complainant should be actively and positively engaged with the process from the outset.

**Frontline resolution stage one:** Frontline resolution should be attempted where there are straightforward issues potentially easily resolved with little or no investigation. This should be completed within 5 working days.

**Investigation stage two:** Where complaints cannot be resolved at the frontline stage or those which are complex, serious or high risk, a thorough investigation will be undertaken. This typically requires more thorough examination in order to establish facts prior to reaching conclusion. This should be completed within 20 working days.

**Escalated investigation stage two:** Where the complainant remains dissatisfied with the way the Council dealt with their complaint at frontline resolution, the complainant can request a detailed investigation under stage two of our complaints handling procedure. This must be undertaken before the complainant can take their complaint to the SPSO to review.

**Scottish Public Service Ombudsman:** Appeals of complaint outcomes are reviewed by the SPSO.

## 1.3 Governance Arrangements

Governance arrangements are in place to report and analyse complaints within Inverclyde Council as follows:

Heads of Service Meetings  
Service Review Meetings  
Corporate Management Team Meetings

Inverclyde Council and HSCP log their complaints into LAGAN system. Health and social work complaints are logged in two systems – datix for health complaints and LAGAN for social work complaints. Inverclyde Leisure and Riverside Inverclyde record their complaints on a complaint log spreadsheet.

This is supported by the Information Governance and Complaint Officer who promotes the complaint handling procedure and provides strategic direction for complaint handling to ensure a responsive, efficient and improved complaint handling service which meets the regulatory standards. Oversight and monitoring of complaint handling performance is undertaken to ensure the feedback mechanism is delivering continuous improvement. Quarterly recommendations on improvement areas are discussed with the Corporate Management Team.

**2. Summary of Performance**

**2.1 Number of complaint received and closed**

In the reporting period 1 April 2018 – 31 March 2019 Inverclyde Council, Inverclyde Leisure and the HSCP received and handled **342** complaints in the period and closed **316** complaints within this period.

The SPSO requires Inverclyde Council to include ALEOs and HSCP complaint statistical information in the quarterly and annual reports. It should be noted that oversight and day to day matters relating to complaints are supported separately.

This is the first year that the Council have reported a collective report on complaint handling performance that includes Inverclyde Council, HSCP, Inverclyde Leisure and Riverside Inverclyde.

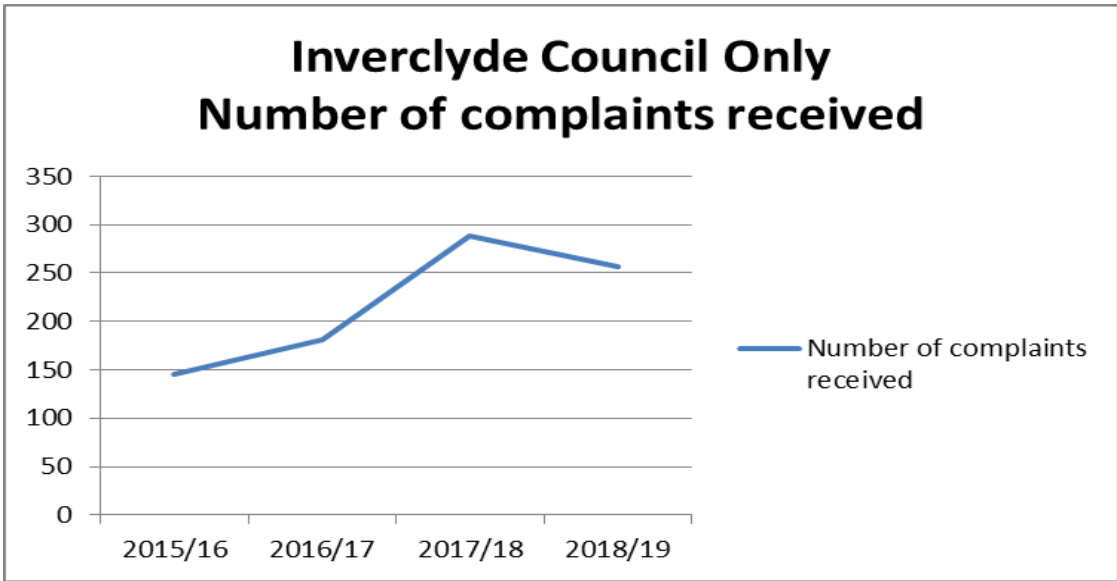
Inverclyde Leisure had a loss of data for the period 1 January 2018 – 31 March 2018 this is a low volume based on their average number of complaints received; however impacts the extent of complaint finally recorded in 2017/18.

	Number complaints received			
	2018/19	2017/18	2016/17	2015/16
Inverclyde Council	256	288	181*	146
HSCP	44	55		
Inverclyde Leisure	29**	8		
Riverside Inverclyde	13			

\*Members are reminded that essential changes were made to the LAGAN in order to improve the complaint management system in preparation for it to be adopted as the universal complaint recording system for the Council. During this process closed complaint data was lost which impacts on the extent of complaints finally recorded in 2016.

\*\* Inverclyde Leisure had a loss of data for the data covering the period 1 January 2018 to 31 March 2018 which will have will have impacted the extent of complaints finally recorded in 2018/19 the collective reporting of complaints.

Inverclyde Council's and the HSCP's complaints received volumes have decreased when comparing to the complaint data for 2018/19 and 2017/18 as outlined in the graph below. The period 2018/19 reflects a full year of accurate recording of complaints which will support accurate benchmarking of future years.



The table below outlines closed complaint breakdown by investigation stage and comparable data volumes for the periods in 2019/18 to 2016/17 inclusive.

Closed complaint breakdown by investigation stages									
	No of frontline resolution stage 1			No of investigations of complaint stage 2			No of escalated investigations stage 2		
	2018/19	2017/18	2016/17	2018/19	2017/18	2016/17	2018/19	2017/18	2016/17
Inverclyde Council	214	225	121	8	17	23	13	21	7
HSCP	17	33	31	22	26	25	0	0	0
Inverclyde Leisure	29	7	1	0	0		0		
Riverside Inverclyde	12			1			0		

In respect of the complaints received there are occasions where they partially investigated and either withdrawn or are found not be appropriate for the complaint handling procedure and removed from the overall numbers. These are noted in the table below which is largely evidential in the Council's handling of complaints.

Complaints removed from the overall volumes									
	Service requests			Withdrawn			Not Council related / Invalid		
	2018/19	2017/18	2016/17	2018/19	2017/18	2016/17	2018/19	2017/18	2016/17
Inverclyde Council	7	6	8	19	25	8	10	4	13
HSCP	0	0	0	0	0	0	0	0	
Inverclyde Leisure	0	0		0	0		0	0	
Riverside Inverclyde	0			0			0		

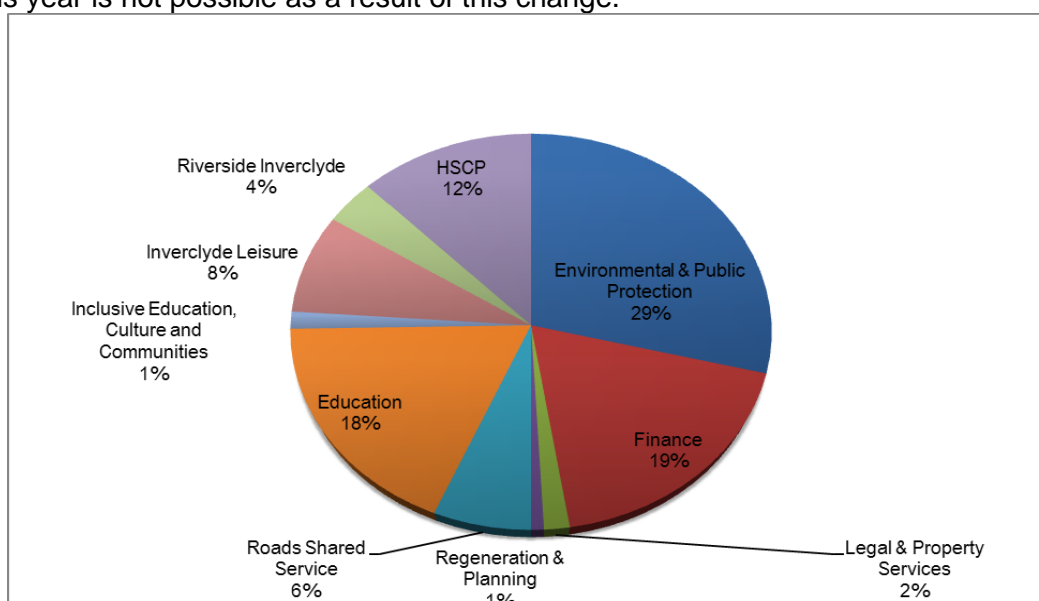
## 2.2 Complaint Trends

The table below provides a monthly breakdown of complaints received within each service over the period 1 April 2018 to 31 March 2019. For Inverclyde Leisure, Riverside Inverclyde and HSCP the breakdown is only provided for the annualised volumes.

	April 18	May 18	June 18	July 18	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Totals
Chief Executive Office	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental & Public Protection	5	9	17	13	10	12	5	5	12	6	6	4	104
Finance	3	4	4	5	8	5	2	7	6	5	3	10	67
Legal & Property Services	0	0	0	0	0	1	2	0	0	2	0	1	6
Regeneration & Planning	0	0	0	1	0	0	1	0	1	0	0	0	3
Roads Shared Service	5	4	0	0	2	1	4	2	0	1	0	4	23
Education	1	8	6	0	3	7	3	8	3	10	7	10	66
Inclusive Education, Culture and Communities	1	0	0	0	0	0	1	1	0	1	1	0	5
Org Develop Policy & Communications	0	0	0	0	0	0	0	0	0	0	0	0	0
Inverclyde Leisure													29
Riverside Inverclyde													13
HSCP													44

Outlined in the chart below is the percentage of complaints received by each service compared against the total number of complaints received. The Chief Executive office and the Organisational Development, Policy and Communications Service did not receive any complaints in the period.

Following the restructuring within Services earlier in 2018 this has brought the Environment and Commercial Service and the Public Protection Service came under the one Service. The Roads Shared Service team has also been reported on their own. Therefore the overall percentage of complaints reported within the Environment and Public Protection Service has increased as a result of the merging of the teams into the service and the Roads Shared Service now stands alone for reporting purposes. It should be noted that comparable data for the same period the previous year is not possible as a result of this change.



Complaint data for year on year comparison will be formulated going forward to enable trends on incoming volumes to be tracked and compared for Inverclyde Council, HSCP and both ALEOs, Inverclyde Leisure and Riverside Inverclyde.

**2.3 Timescales**

The Council aim to resolve complaints quickly and close to where we provided the service. Where appropriate this could mean an on-spot-apology and explanation if something has clearly gone wrong and immediate action to resolve a problem. We have 5 working days to respond to your complaint within the stage one process.

Sometimes we will have to make some enquiries before we can respond to complaints if we cannot resolve the complaint at this stage, we will explain why, we may decide it is appropriate to extend the time to deal with the complaint by a further five days or we move to stage two investigation if this is felt to be appropriate. In either scenario we will keep you informed and manage your expectations on timescales.

Stage two deals with two types of complaint: those that have not been resolved at stage one and those that are complex and require a more detailed investigation.

Where you have escalated your complaint to stage two because you remain dissatisfied with the outcome of our handling of your complaint, we refer to this as Escalated Investigation.

When handling a complaint using stage two we will

- Acknowledge receipt of your complaint within three working days;
- Where appropriate, discuss your complaint with you to understand why you remain dissatisfied and seek clarification on what outcome your looking for; and
- Provide you a full written response to your complaint as soon as possible and within 20 working days.

If our investigation is likely to take longer than 20 working days, we will agree revised time limits with you and keep you updated on progress.

Investigating officers are advised of the required dates for timescales on receipt of the complaint. Additional reminders are in place to support timely completion.

The table below outlines the Inverclyde Council's collective performance measures on timescales management across all stages of the complaint procedure.

Performance measures	Collective Inverclyde Council 2018/19
No of complaints – closed at stage 1 within 5 days	222
% Complaints Meeting timescale	81.6%
Ave working days taken stage 1 complaints	4.1 days
No of complaints – closed at stage 2 within 20 days	21
% Complaints Meeting timescale	67.7%
Ave working days taken stage 2 complaints	18.1 days
No of complaints – closed at escalated stage 2 within 20 days	13
% Complaints Meeting timescale	100%
Ave working days taken escalated stage 2 complaints	14 days



The table below outlines the management of complaints within the prescribed timescale broken down by each areas complaint. The comparable data is not available for Inverclyde Leisure as they have adopted the reporting of complaints within the period 2017/18.

		Inverclyde Council Consolidated		Inverclyde Council Only			HSCP		
Stage	Performance Area	2018 /19	2017 /18	2018 /19	2017 /18	2016 /17	2018 /19	2017 /18	2016 /17
Stage 1 Frontline resolution	No of complaints – closed at stage 1 within 5 days	222	214	171	182*	104	12	22	30
	% Complaints Meeting timescale	82%	81%	80%	78%	86%	71%	88%	96%
	Ave working days taken stage 1	4.1	4.4	4.4	3.81	3	7.5	4.1	N/A
Stage 2 Investigation	No of complaints – closed at stage 2 within 20 days	21	31	7	9**	20	13	18	15
	% Complaints Meeting timescale	68%	78%	88%	90%	86%	59%	79%	60%
	Ave working days taken stage 2	18.1	15.5	18.4	16.3	11.7	18.2	18.2	N/A
Stage 2 Escalated Investigation	No of complaints – closed at esc stage 2 within 20 days	13	18	13	18	0	0	0	0
	% Complaints Meeting timescale	100%	85.7%	100%	85.7%	0	0	N/A	0
	Ave working days taken esc stage 2	14.0	13.8	14.00	13.8	0	0	0	N/A

\*One complaint has been included within stage one resolution as time extension was granted allowing 10 days for the complaint to be resolved and reported within timescales.

\*\* Two complaints have been included in the stage two resolutions as time extension was granted allowing 25 days for the complaint to be resolved and reported within timescales

		Inverclyde Leisure***		Riverside Inverclyde****
Stage	Performance Area	2018 /19	2017 /18	2018/19
Stage 1 Frontline resolution	No of complaints – closed at stage 1 within 5 days	29	5	12
	% Complaints Meeting timescale	100%	83%	100%
	Ave working days taken stage 1	1	3	1.6
Stage 2 Investigation	No of complaints – closed at stage 2 within 20 days	0	2	1
	% Complaints Meeting timescale	0	67%	100%
	Ave working days taken stage 2	0	13.3	14
Stage 2 Escalated Investigation	No of complaints – closed at esc stage 2 within 20 days	0	0	0
	% Complaints Meeting timescale	0	N/A	0
	Ave working days taken esc stage 2	0	0	0

\*\*\* Inverclyde Leisure data only available from the period 2017/18

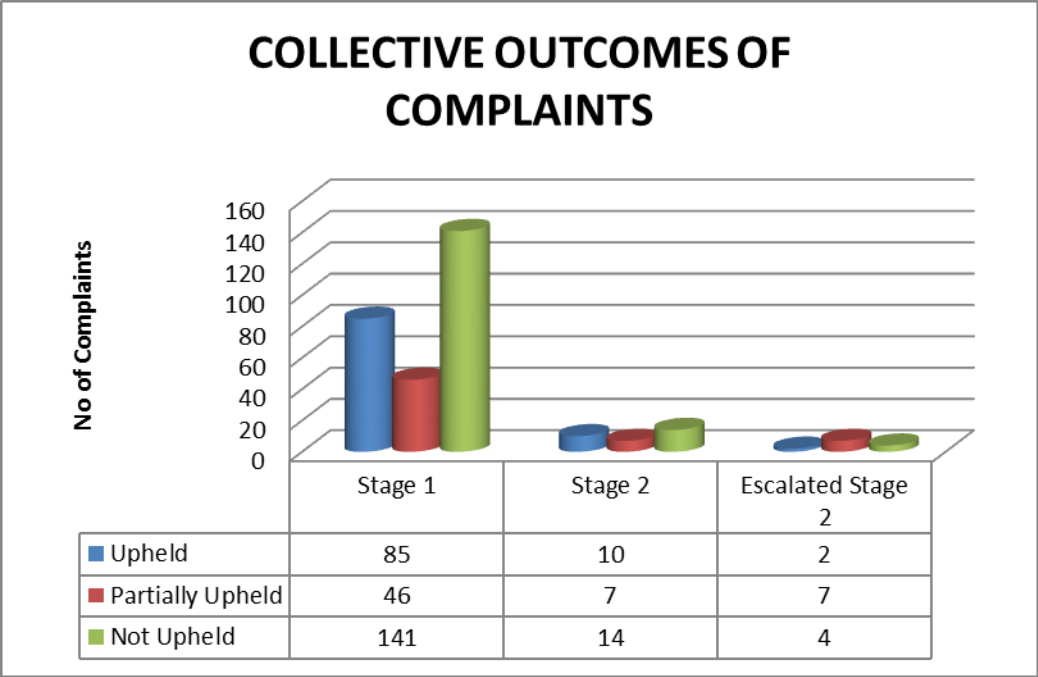
\*\*\*\*Riverside Inverclyde data only available from the period 2018/19

Services must maintain focus on ensuring complaints received are recorded and that the complaint handling procedure is followed by officers, in particular with regards to timescales to resolve complaints at stage one and stage two. When comparing in isolation Inverclyde Council's complaint handling performance we have seen timescales to resolve complaints

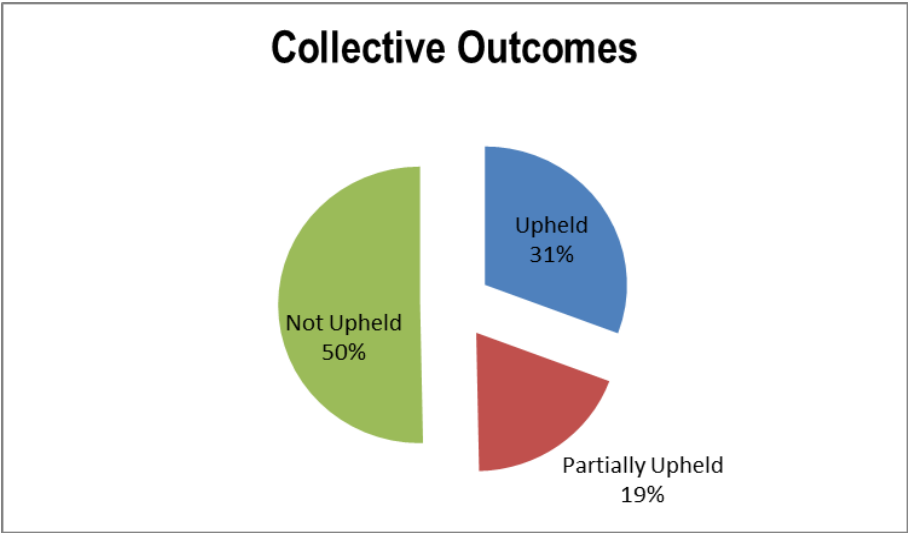
increase in both frontline resolution stage one complaints and stage two complaints investigations which impacts the average days. HSCP’s frontline resolution complaint handing has increased the average number of days to deal with a complaint which is an area that will need attention.

**2.4 Complaint Outcomes**

The graph below outlines the outcomes of investigations of all collective complaints following complaint investigation at each of the 3 stages a complaint may be taken through.



The pie chart outlines the collective outcomes of all complaint investigations as a percentage of all complaints received.

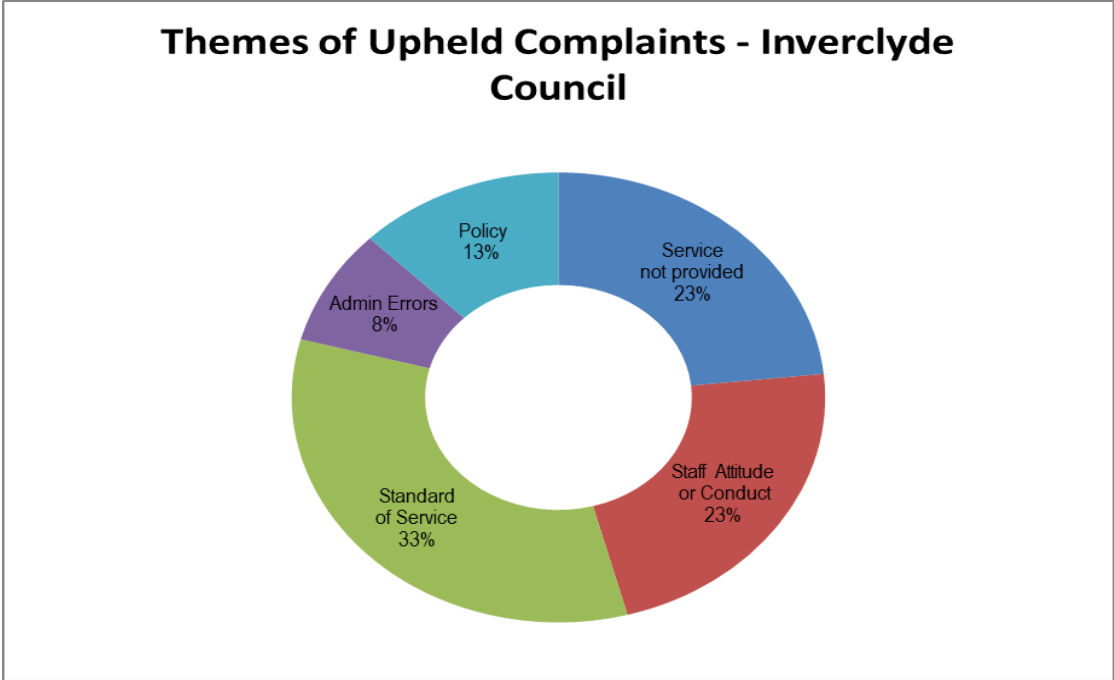


**2.5 Complaint themes**

Of the complaints which were upheld or partially upheld, they were examined for key themes. In some situations the complexity of some complaints were multi faceted although the true root cause was used to define this into a single theme. In doing this we have only included the

complaints from Inverclyde Council and HSCP only, as this level of information is recorded in the complaint handling system.

The top complaint theme was for these complaints was where the service delivered was below the expected standards at 33% of all complaints received.



**2.6 Learning from complaints**

Inverclyde Council is committed to reflecting on occasions when we may not get it right in order to highlight opportunities for improvement. As such, where a complaint has been upheld or partially upheld, the service determines what actions are required to support continuous improvement and prevent a repeat of circumstances that led to the complaint.

Service improvement recording commenced in November 2016 for Inverclyde Council only. Service improvement tracking requires to be developed for both ALEOs and the HSCP as this is not currently in place.

The Service Improvement table overleaf provides a selection of complaints across Services on the type of complaints received together with a update on the service improvements that have been implemented during the reporting period.

Service	Improvements Made
Environmental & Public Protection	<p>A Disabled Person Parking Permit (DPPP) had been granted to a resident although the customer was not happy with the delays to complete road markings on the disabled parking bay; the complainant raised a complaint about the time taken to put the road markings on the disabled bay.</p> <p>During the complaint investigation the Council established improvements were required to the letters that we issued as they were not clearly stating the timescales for marking out of the disabled bay.</p> <p>Learning was taken from this complaint and the letters have been reviewed and improved to make the timescales involved clearer.</p>

Finance	<p>A customer's son had contacted the Council Tax office to arrange for his father's account to be closed due to the sale of his father's property. He requested that the billing address for future correspondence be sent to him as he holds Power Of Attorney for his father. A Council Tax Reminder was issued to his father's address in error. A complaint was received as the Council had not actioned his request.</p> <p>Learning has been taken from this complaint; procedures have been reviewed and enhanced to prevent re-occurrence. Staff guidance has been updated and a team briefing completed with relevant staff.</p>
Education	<p>A complaint was received from parent enquiring about the right of exclusion in relation to a matter that arose at school.</p> <p>The investigation into this matter established that incorrect advice was given. On discovery of this the Council apologised and provided the correct advice.</p> <p>Learning was taken from this complaint and the feedback was shared with the relevant staff involved for future use.</p>
Roads – Shared	<p>A complaint was received from a concerned resident about the positioning of road signs on the pavement of a busy road where roads works were being carried out. The positioning of the road signs were creating an obstruction and caused concerns for the safety of pedestrians. When dealing with the matter within the Council there were breakdowns in communication between services which hindered timely resolution and understanding of the matter.</p> <p>Learnings have been taken from this complaint and revised information on planned road works will be shared within Roads and Customer Services to ensure the awareness of works underway is available to answer resident queries. The positioning of the signs was addressed with our supplier and actions were taken on discovery of the hazard to move the signs to prevent the issues that this posed for pedestrians.</p>
Environment & Public Protection	<p>A complaint was raised by a resident who was unhappy with the standard of grass cutting completed on communal ground that the Council is responsible for. An inspection of the location was undertaken and the Council agreed that the standard of the job was not to the expected standard. The job was reallocated and the grass was cut to the expected standard and the resident was satisfied with the action taken.</p>
Legal & Property Services	<p>A complaint was received about an issue with an alarm going off in one of the schools on numerous occasions late at night over a 3 month period of time.</p> <p>The complainant was dealing with an officer in the Property service prior to raising the complaint to overcome the issues encountered. The officer reported the matter to school to raise the matters directly with the alarm firm. However, a further instance of the alarm going off on a Saturday morning occurred and the time to resolve was lengthy following this the complaint was raised.</p> <p>The Council arranged for an Engineer to attend the school to investigate the cause of the activations which was confirmed as a faulty door contact. The fault with the door was repaired. The external security firm who assist with alarm response and key holding at the weekend should have responded within quicker timescale than they did. This matter has been addressed through the internal process &amp; the issues have been resolved.</p>

Finance	<p>A complaint was received from a customer wanted to renew their parking permit. They felt that the officer dealing with their query sounded impatient and was not listening to their concerns.</p> <p>Our investigation established that the appropriate advice was not given on how to renew your permit online and the service delivered was not to the Council's high standards.</p> <p>Learning was taken from this matter and discussed with the officer concerned.</p>
Environment & Public Protection	<p>A service user sent emails which were not responded to timely resulting in delays with a service request for overgrown trees being assessed and appropriate action taken following the advice provided.</p> <p>The service is reviewing their internal procedure to ensure requests are actioned timely and expectations are managed effectively.</p>
Education	<p>A complaint was received in connection with delays in the communication of an alleged incident that happened in the school.</p> <p>On further investigation into this matter learnings were identified with the recording of the incident.</p> <p>A review of procedures has been completed and incidents will now be recorded in the school's electronic system. Additional training has been provided to relevant staff.</p>
Roads – Shared	<p>A complaint was received about errors made when processing an appeal for a Penalty Charge Notice.</p> <p>A review of the process was undertaken by the third party provider and where there is dubiety over the contact details they will append a note to the system in order that an informative update can be obtained.</p> <p>A reminder was issued to staff around the importance of attention to detail to minimise errors.</p>

The SPSO has highlighted in its annual letter to the Council the importance of ensuring a robust stage two investigation is completed by the complaint handler and that the complainant is provided with all of the relevant information before they are referred to the SPSO to investigate their complaint. Whilst Inverclyde Council have not had any complaints this year where this has been an issue it is an important reminder. It is equally important, to ensure that when the SPSO requests information at the investigation stage of the complaint that they are provided with full information at his point rather than waiting to provide this at the provisional decision stage.

The SPSO has also highlighted that it is important that the Council responds to provisional decisions, if only to say we have no comments to add, as it can make a difference to the outcome and wording of the SPSO's final decision. In circumstances where a complaint is upheld, the SPSO has reminded the Council to confirm to the SPSO whether it has agreed with its final recommendations as this will be reflected in their final decision. Not only does it demonstrate positive outcomes and approaches, it also helps the Council to display its commitment to learning from complaints.

## 2.7. Scottish Public Services Ombudsman right to appeal

Following a stage two investigation and written response, if a complainant remains dissatisfied with the outcome they have the right to appeal that decision with the Scottish Public Services Ombudsman (SPSO).

The table below outlines the number complaints received at the SPSO for Inverclyde Council and HSCP.

	Complaints received at the SPSO		
	2018/19	2017/18	2017/16
Inverclyde Council	15	15	21
HSCP	6		

### 2.7.1 SPSO Reviews

The Ombudsman did not investigate any complaints for Inverclyde Council during the period 2018/19.

There were 7 complaints that were taken forward at the Early Resolution stage and 8 at the Advice stage. The decisions reached on these are noted below and did not progress to a full investigation following the SPSO's review of the complaint.

Early Resolution	Out of jurisdiction (discretionary)	0
	Out of jurisdiction (non-discretionary)	1
	Outcome not achievable	2
	Premature	0
	Proportionality	3
Advice	Not duly Made or withdrawn	4
	Out of jurisdiction (discretionary)	0
	Premature	4

The Ombudsman reviewed one complaint for the HSCP. The complaint was not upheld following their investigation into the complaint.

There were 2 complaints that were taken forward at the Early Resolution stage and 3 at the Advice stage. The decisions reached on these are noted below and did not progress to a full investigation following SPSO's review of the complaint.

Early Resolution	Out of jurisdiction (discretionary)	0
	Out of jurisdiction (non-discretionary)	0
	Outcome not achievable	0
	Premature	0
	Proportionality	2
Advice	Not duly Made or withdrawn	3
	Premature	0

### 3.0 Developments

The SPSO has introduced a change in practice in respect of the way decisions on cases are reviewed by the SPSO. This change was introduced during February and April 2019. This is a change in practice in respect of the way decisions on cases reviewed by the SPSO are dealt with. The change follows the principles of natural justice and fairness regarding the issuing of decisions and the need to provide local authorities with the opportunity to comment on the draft decisions before a final decision is issued.

This is known as a preliminary decision. The preliminary decision will be issued to both the complainant and the Council providing them both with an opportunity to highlight any factual errors or provide new information that they think will influence the outcome of the complaint. This may allow contractors and former employees to also comment on the provisional decision; the change also amends the format of the decision letters that are issued. Anonymised decision notices will be issued along with a covering letter to each party, ensuring that individuals cannot be identified from the decision itself. A review of the decision by the Ombudsman will still be possible following the issue of the decision.

Additionally a new Support & Intervention Policy was introduced in April 2019. The intention behind the policy is to encourage learning and support for all Local Authorities. The policy will address issues arising with complaint handling, engagement with the SPSO and the Scottish Welfare Fund Independent Review Service. There will be 5 levels of support & intervention:

1. Officer level drawing attention on trends
2. Arranging meetings with Local Authorities
3. Creation of a tailored Support Plan(s)
4. Ombudsman Intervention
5. Report sent before Scottish Parliament

The SPSO has recommended that all Local Authorities should be completing customer satisfaction surveys regularly to gain true insight on how well they are handling complaints. They are creating a model satisfaction survey which we are looking to introduce as part of our ongoing quality assurance of complaint handling. This will provide valuable insight on how well we are managing our complaint handling procedure and highlight opportunities to strengthen our approach.

The SPSO are planning further changes in the coming year. From 1 October 2019 the format of the decision letter that the SPSO issues will change following feedback from local authorities on the changes introduced earlier this year. The SPSO will issue an identical anonymised "decision notice" setting out their reasoning, conclusions and recommendations, with a tailored covering letter to each party for both provisional and final decisions. The new letters will continue to outline the background and context, for the complaint that they accepted for investigation, a description of their investigation and what they found in relation to each head of complaint. It will also set out evidence on which they relied on to make their decision, including where appropriate, independent professional advice, and relevant policies and guidance. This move to decision notices removes personal data from the decision itself and supports the "privacy by design" approach in line with Data Protection legislation.

The SPSO has confirmed that they will be working to assess the effectiveness of the model complaint handling procedures in place across the public sector in Scotland in the coming year. The Council have provided feedback on areas where the procedure works well and where it may be improved. The SPSO have drafted a revised model complaint handling procedure which brings some changes to the current practices and reporting that this is provided. It is expected that the revised procedure will be implemented in April 2020.

The SPSO has highlighted in its annual letter to the Council that the complaint handlers need to ensure that a robust stage two investigation is completed ensuring that all relevant information

has been provided to the complainant before the complainer referred to the SPSO to investigate their complaint. Whilst Inverclyde Council have not had any complaints this year where this has been an issue it is an important reminder. It is equally important to ensure that when the SPSO requests information at the investigation stage of a complaint that they are provided with full information at this point, rather than waiting to provide this at the provisional decision stage.

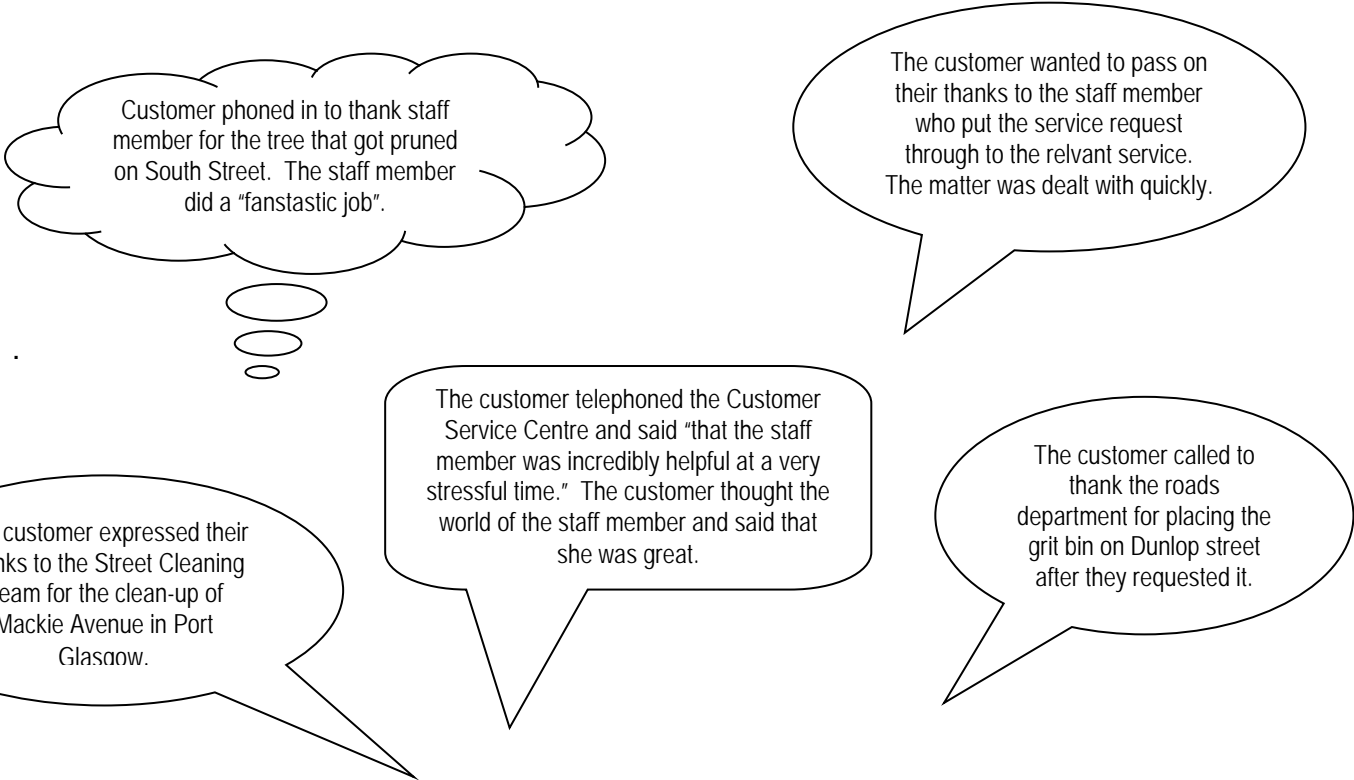
The SPSO has also highlighted that it is important that the Council responds to provisional decisions, if only to say we have no comments to add, as it can make a difference to the outcome and wording of the SPSO's final decision. In circumstances where a complaint is upheld, the SPSO has reminded the Council to confirm to the SPSO whether it has agreed with its final recommendations as this will be reflected in their final decision. Not only does it demonstrate positive outcomes and approaches, it also helps the Council to display its commitment to learning from complaints.

Inverclyde Council will be publishing the complaint handling statistical reports on a quarterly basis which meets the expectations and standards set by the SPSO and phasing in of Satisfaction Surveys for Complaint Handling. These are all developments that will be implemented in the coming year.

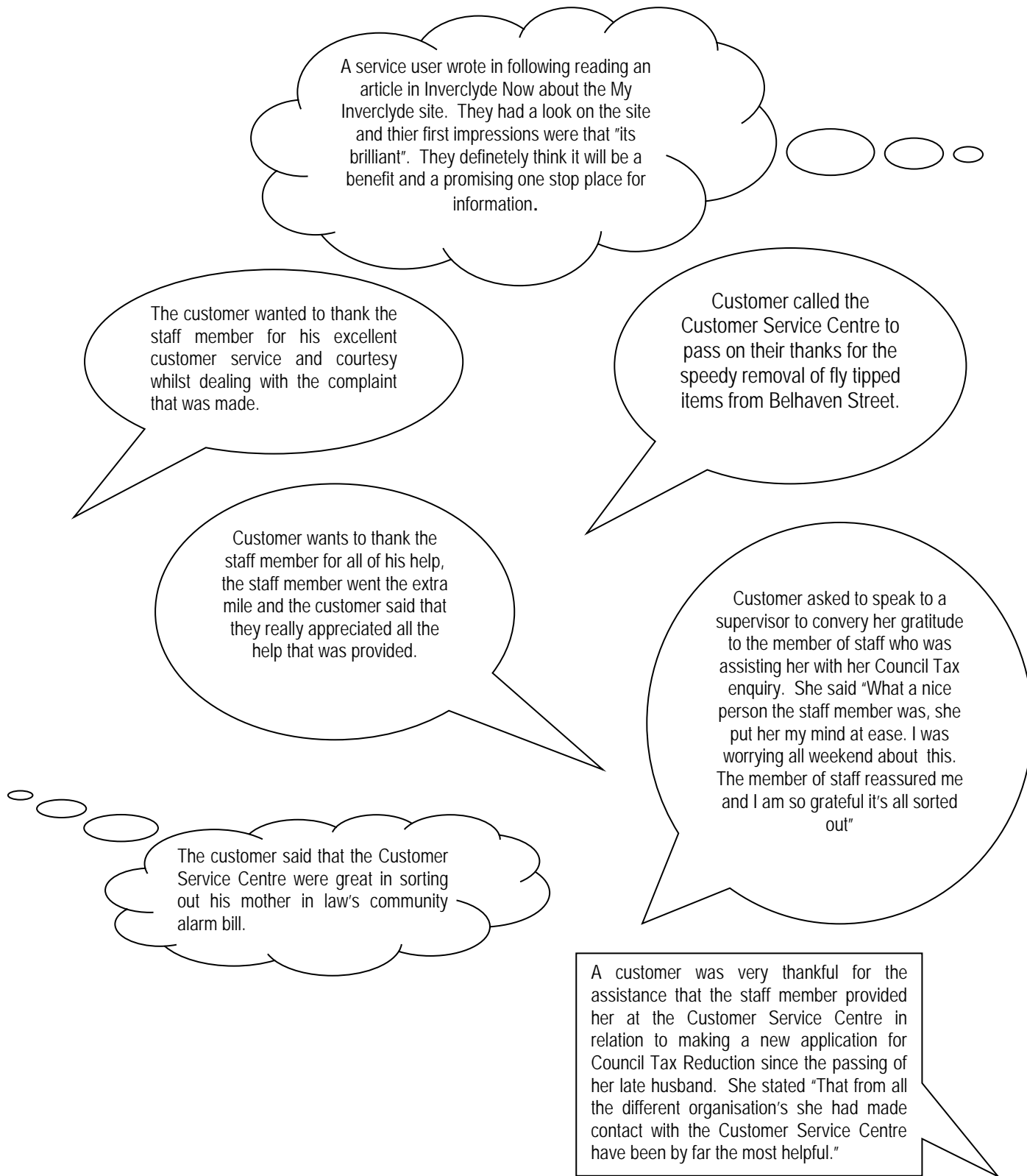
The complaint handling procedure was implemented into the Council's Educational Establishments on 21 October 2019. In preparation for this, training has been undertaken for staff members investigating complaints and for the support staff who will be responsible for the administration of the complaints using the complaint handling procedure. The Education establishments will be handling the stage one complaints and any stage two complaint investigations will continue to be handled by Education Headquarters.

**4.0 Positive Comments**

A selection of positive comments and compliments that the Council has received from Service User across Services are noted below. This reflects the positive gratitude that service users have expressed from their experience with Council staff in the delivery of services.







## 5.0 Conclusion

Inverclyde Council is committed to investigating, learning from and taking action as a result of individual complaints where it is found that standards have fallen below the level we expect and where services could be improved. By listening to the views of service users who make a complaint, we can improve our services.

The SPSO has noted that there has been a decrease in complaints received about Local Authorities when comparing against last years performance. This has been attributable to a combination of effective complaint handling within local authorities and services now being

delivered by Health and Social Care partnerships for which the SPSO have seen a large increase in complaints.

Going forward, additional reporting requirements from the SPSO will require complaint information to be published on a quaterly basis which will focus on learning across Inverclyde Council

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November, 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/91/19/AP/CM</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Governance of External Organisations – Annual Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the annual update in respect of the governance of external organisations.

## 2.0 SUMMARY

- 2.1 In May 2011, the Council approved a risk based approach to the governance of those external organisations with whom the Council had a significant financial relationship. The Accounts Commission have published reports which highlight good practice and governance when delivering services through Arm's Length External Organisations and the Council has extended this to other organisations which meet certain criteria.
- 2.2 As part of the Council's approved framework, reports for relevant organisations are presented to the relevant Service Committee throughout the year giving updates and assurances in terms of performance and governance whilst an annual report is presented to the Policy & Resources Committee summarising progress and highlighting any areas where the agreed governance actions have not been delivered.
- 2.3 Overall, the Council's approach to the governance of external organisations is operating well with regular detailed reports going to the Health & Social Care Committee combining both qualitative and governance issues, whilst reports are presented to the Education & Communities and Environment & Regeneration Committees. The annual review has highlighted a number of cases where governance meetings have not taken place in the frequencies required by the Governance Framework. These will be picked up by the next Committee cycle. These are shaded in Appendix 1.
- 2.4 Additionally this year there are a small number of organisations which have ceased trading or which did not transact with the Council and hence the Governance meetings were not required. These are also shaded.
- 2.5 The matrix used to appraise the level of governance required is in Appendix 2 and has been reviewed by the CMT. The list of external organisations that are proposed will form part of this framework for 2019/20 are shown in Appendix 3. Based on last year's expenditure, over £40 million was allocated to/spent with these organisations in 2018/19.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the last 12 months performance in respect of the governance of external organisations as shown in Appendix 1 and that any outstanding issues will be addressed by the next cycle of Committees.

3.2 It is recommended that the Committee approves the list of external organisations that will form part of this framework for the period October 2019 – September 2020 as shown in Appendix 3.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 In May 2011, the Committee approved a framework for monitoring the governance of key external organisations with whom the Council has a significant financial relationship.
- 4.2 The purpose of this framework was to provide a formal mechanism for feeding back to the relevant Committee on the organisations' performance and to highlight any issues in respect of governance, financial stability or overall performance. This approach was recognised by the Council's External Auditors at the time as being an example of good practice.
- 4.3 Over the years the Accounts Commission has published various reports on Arm's Length External Organisations (ALEOs) as part of their series of improvement reports for Councillors and Officers, in addition to which several years ago the Council's External Auditors carried out a targeted audit on how the Council has responded to these national performance reports. An updated report from the Accounts Commission on ALEOs was considered by the Policy & Resources Committee in September 2018 and one specific action was approved.
- 4.4 The Corporate Management Team recognise that as resources become more scarce it is even more important that officers monitor those organisations which are reliant on Council funding and which provide vital services to the Council.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows the position of the 2018/19 organisations from where it can be seen that for the majority the framework has been fully delivered. There are however a number of instances where officers have not managed to fully adhere to the number of meetings required. This will be addressed during the next Committee cycle. These circumstances are highlighted by shading in Appendix 1.
- 5.2 Additionally this year there are a small number of organisations which have ceased trading or which did not transact with the Council and hence the governance meetings were not required.
- 5.3 The process continues to have a positive impact on the relationship between organisations and the Council and in particular strengthening the relationships between Care Providers and the Council. This will further support the alternative delivery models available to the community and the Health and Social Care Partnership (HSCP).
- 5.4 Whilst the lower threshold to meet the qualifying criteria is £30,000, where officers become aware of potential problems with an organisation, appropriate governance oversight and support will take place irrespective of this threshold. Appendix 3 lists those organisations proposed for inclusion in 2019/20.
- 5.5 As the Council's service delivery landscape becomes more complex, the need for sound governance processes to manage quality and monitor signs of potential financial stress becomes more important and this was also picked up as part of the 2018 Best Value Audit. It is clear that a number of organisations are finding the current financial environment challenging and officers will continue to positively support organisations where financial difficulties become apparent.

## **6.0 CONCLUSIONS**

- 6.1 The Council's approach to the governance of external organisations is working well and has resulted in strengthening relationships with organisations and the Council. After eight years, the process has matured in all areas of the Council and the Corporate Management Team is keeping an overview of compliance with the framework.

6.2 The Chief Financial Officer will continue to co-ordinate the monitoring of overall performance and report to Committee on an annual basis.

## 7.0 IMPLICATIONS

### 7.1 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**

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 equalities implications arising from this report.

(a) Has an Equality Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**7.5 Repopulation**

Whilst there are no direct impacts in respect of repopulation, the Council's approach to the governance of external organisations should provide early warnings of problems within organisations and therefore provide greater stability to these organisations with a resultant impact on job security.

**8.0 CONSULTATION**

8.1 The report has been approved by the Corporate Management Team.

**9.0 BACKGROUND PAPERS**

9.1 None

	Supplier / Provider	Payments	Service	Last or Planned Governance Monitoring Date	Date Reported to Committee	Nature of Payments	Total	Comments
1	RIVERSIDE INVERCLYDE	£901,749.13	E&R	Sept 19	June 19	Single Operating Plan	24	Council ALEO
2	ICDT LTD	£3,828,495.75	E&R	Sept 19	Oct 19	Tendered	24	
3	CRAIGEND RESOURCE CENTRE	£136,982.37	E&C	Aug 19	Oct 18	Grant - no SLA	24	Head of Term in place
4	EVERGREEN HOME SUPPORT	£366,633.99	HSCP	Apr 19	Sep 19	Tendered	24	
5	GIBSHILL COMMUNITY CENTRE	£30,328.00	E&C	Jul 19	Oct 18	Grant - no SLA	24	Head of Term in place
6	BALCLUTHA COURT	£1,742,360.70	HSCP	May 19	Sep 19	Commissioned no tender	24	
7	INVERCLYDE LEISURE	£1,655,819.73	E&C	Sep 19	Oct 18	Funding Agreement	24	Council ALEO
8	KEY HOUSING ASSOCIATION LTD	£1,417,028.83	HSCP	Apr 19	Sep 19	Commissioned no tender	24	
9	ALT-NA-CRAIG LIMITED	£930,044.36	HSCP	Sept 19	Sep 19	Commissioned no tender	24	
10	CARE CONCERN LIMITED (NOW MARCHMONT CARE)	£822,797.02	HSCP	Sept 19	Sep 19	Commissioned no tender	24	Only one meeting rather than two
11	MUIRSHIEL CENTRE	£274,367.19	HSCP	Nov 19	Sep 19	Tendered	24	Meeting scheduled 01/11/19. Should meet twice annually.
12	INVERCLYDE CARERS CENTRE LTD	£225,280.00	HSCP	Jul 19	Sep 19	Grant no SLA	24	
13	PARKLEA BRANCHING OUT	£164,049.76	HSCP	Sept 19	Sep 19	Commissioned no tender	24	
14	YOUTH CONNECTIONS	£126,012.00	E&C	Mar 19	Oct 18	Grant no SLA	24	Head of Term in place
15	BRANCHTON COMMUNITY CENTRE	£99,844.00	E&C	Jun 19	Oct 18	Grant no SLA	24	Head of Term in place
16	SIR GABRIEL WOOD'S MARINERS HOME	£511,950.08	HSCP	Apr 19	Sep 19	Commissioned no tender	24	
17	THE BEACON	£254,466.21	E&C	Sep 19	May 19	Commissioned no tender	24	Funding agreement currently being revised
18	YOUR VOICE	£214,599.92	HSCP	Jan 19	Sep 19	Commissioned no tender	22	Next meeting scheduled 07/11/19.
19	KNCC	£78,375.00	E&C	Mar 19	Oct 18	Grant no SLA	22	Head of Term in place
20	INVERKIP COMMUNITY INITIATIVE	£50,820.85	E&C	Jul 19	Oct 18	Commissioned no tender	22	
21	RIVER CLYDE HOMES	£754,321.00	E&C/HSCP	May 19	Sep 19	Grant with SLA	20	
22	CIRCLES NETWORK	£108,342.00	HSCP	Feb 19	Sep 19	Tendered	18	
23	TRUST HOUSING ASSOCIATION LIMITED	£270,997.83	HSCP	Aug 19	Sep 19	Commissioned no tender	18	
24	CORA FOUNDATION	£456,683.82	HSCP	Jul 19	Sep 19	Commissioned no tender	18	
25	CONFIDENT CARE LTD	£260,738.18	HSCP	Apr 19	Sep 19	Tendered	18	
26	CVS INVERCLYDE	£78,918.98	E&C			Grant - no SLA	18	Meeting scheduled for November, 2019
27	ANGEL CARE SERVICES SCOTLAND LTD	£62,533.36	HSCP	Nov 18	Sep 19	Tendered	18	
28	FLAGSHIP TOWER (GREENOCK) LIMITED	£2,043,460.11	HSCP	Apr 19	Sep 19	Commissioned no tender	18	
29	HC ONE LIMITED	£1,152,893.48	HSCP	Jan 19	Sep 19	Commissioned no tender	18	
30	GREENOCK MEDICAL AID SOCIETY	£1,019,501.92	HSCP	Apr 19	Sep 19	Commissioned no tender	18	
31	KINCAID HOUSE	£1,803,664.97	HSCP	Jun 19	Sep 19	Commissioned no tender	18	
32	SILVERLINE CARE CALEDONIA LTD	£1,384,404.58	HSCP	May 19	Sep 19	Commissioned no tender	18	
33	BARNARDOS	£1,144,179.87	HSCP	Aug 19	Sep 19	Commissioned no tender	18	
34	MEALLMORE LODGE LIMITED	£962,762.10	HSCP	Nov 18	Sep 19	Commissioned no tender	18	
35	IN-WORK LTD	£370,943.00	HSCP	(see No.37)		Commissioned no tender	18	Part of Inv Assoc for Mental Health (see No.37 below)
36	MARGARET BLACKWOOD HOUSING ASS	£546,126.20	HSCP	Jan 19	Sep 19	Commissioned no tender	18	
37	INVERCLYDE ASS FOR MENTAL HEALTH	£465,498.01	HSCP	Jun 19	Sep 19	Tendered	18	
38	LITTLE SISTERS OF THE POOR	£464,526.71	HSCP	May 19	Sep 19	Commissioned no tender	18	
39	CAPABILITY SCOTLAND	£285,314.85	HSCP	Oct 18	Sep 19	Commissioned no tender	18	
40	STEPWELL CONSULTANCY LIMITED	£204,882.00	E&R			Tendered	18	
41	THE ABBEYFIELD STRATHGRYFFE SOC LTD	£84,038.90	HSCP	Nov 18	Sep 19	Commissioned no tender	18	
42	MIND MOSAIC	£48,540.00	E&C	None	None	Commissioned no tender	18	Meeting to be set up
43	INVERCARE SERVICES LTD	£285,491.94	HSCP	Jun 19	Sep 19	Commissioned no tender	16	
44	GREENOCK MORTON COMMUNITY TRUST	£34,263.43	E&C	None	None	Grant - no SLA	16	Meeting to be set up
45	QUARRIERS	£3,175,010.60	HSCP	Aug 19	Sep 19	Tendered	16	
46	ALLIED HEALTHCARE GROUP LIMITED	£824,166.89	HSCP	May 19	Sep 19	Tendered	16	
47	COTTAGE CARE SERVICES SCOTLAND LTD	£206,949.38	HSCP	Nov 18	Sep 19	Tendered	16	
48	DANSHELL GROUP	£60,990.64	HSCP	No longer used		Commissioned no tender	16	No longer used
49	ERSKINE HOSPITAL	£186,040.25	HSCP	Jul 19	Sep 19	Commissioned no tender	16	
50	FINANCIAL FITNESS	£44,010.00	HSCP	Oct 19	Sep 19	Grant - no SLA	16	
51	ARDGOWAN HOSPICE	£31,952.64	HSCP	Sept 19	Sep 19	Grant - no SLA	16	
52	TURNING POINT SCOTLAND	£2,280,889.68	HSCP	Sept 19	Sep 19	Tendered	16	
53	THE RICHMOND FELLOWSHIP SCTLND	£1,861,216.78	HSCP	Apr 19	Sep 19	Tendered	16	
54	KARMA HEALTHCARE	£1,466,229.25	HSCP	May 19	Sep 19	Tendered	16	
55	SCOTT ASSOC FOR MENTAL HEALTH	£889,794.18	HSCP	Jun 19	Sep 19	Tendered	16	
56	SPARK OF GENIUS	£465,175.98	HSCP	Mar 19	Sep 19	Commissioned no tender	16	
57	SCOTTISH MASONIC HOMES LIMITED	£233,932.47	HSCP	Jan 19	Sep 19	Commissioned no tender	16	
58	KIBBLE EDUCATION AND CARE CENTRE	£217,289.00	HSCP	Feb 19	Sep 19	Commissioned no tender	16	
59	WOODSIDE CARE	£185,789.18	HSCP			Commissioned no tender	16	No longer used - home closed
60	OCHIL TOWER SCHOOL	£179,782.00	HSCP	Jun 19	Sep 19	Commissioned no tender	16	
61	INVERCLYDE WOMENS AID	£167,701.93	HSCP	Jun 19	Sep 19	Commissioned no tender	16	
62	ALZHEIMERS SCOTLAND	£295,812.00	HSCP	May 19	Sep 19	Commissioned no tender	16	
63	CAREWATCH (INVER & NTH AYRSH)	£137,079.92	HSCP	Apr 19	Sep 19	Tendered	16	
64	ENCHANTED FOREST NURSERY	£116,220.13	E&C	Sep 19	Oct 18	Commissioned no tender	16	
65	BIELD HOUSING ASSOCIATION	£107,943.48	HSCP	N/A	N/A	Commissioned no tender	16	No longer used
66	MOVING ON (INVERCLYDE)	£85,500.00	HSCP	Feb 19	Sep 19	Commissioned no tender	16	
67	ABERLOUR CHILD CARE TRUST	£82,011.60	HSCP	Oct 18	Sep 19	Commissioned no tender	16	No meeting has taken place
68	UNITY ENTERPRISE	£79,929.59	HSCP	Apr 19	Sep 19	Commissioned no tender	16	
69	INVERCLYDE ADVICE & EMPLOYMENT RIGHTS	£64,083.30	E&R	Sept 19	Oct 19	Commissioned no tender	16	
70	PACIFIC CARE	£61,289.57	HSCP	May 19	Sep 19	Commissioned no tender	16	
		<b>£42,381,003.99</b>						



External Organisations Governance

Matrix

1/	<u>Annual Payment to the Organisation (Ex-Vat)</u>	<u>Points</u>
	Payment over £250,000	6
	Payment £50,000 to £250,000	4
	Payment £30,000 to £49,999	2
	Payment £29,999 and below	Exclude
2/	<u>Proportion of turnover funded by Council</u>	<u>Points</u>
	51% to 100%	8
	26% to 50%	6
	10% to 25%	4
	Below 10%	2
3/	<u>Nature of Payment to Organisation</u>	<u>Points</u>
	Grant – No SLA	8
	Grant – With SLA	6
	Commissioned – No Tender	6
	Tendered	4
4/	<u>Council Representation at Meetings</u>	<u>Points</u>
	Member on Board	6
	No Council Presence	4
	Officer's attendance allowed	2

Note –

Formal Council Arms Length External Organisations, (ALEOs) are part of this Framework irrespective of the points scored.

Governance Oversight

Points

22 plus

- a) Annual Accounts received by Service and reviewed by Finance.
- b) Briefing prepared where appropriate for Council Board Member in advance of any Board Meetings.
- c) Minutes circulated by attendee to Corporate Director, Head of Service, Finance and Procurement.
- d) Half yearly documented Governance meetings with organisations.
- e) Annual Committee report covering performance and quality issues.
- f) The Council identify, review and monitor specific governance, finance and performance indicators which will give early warning of any potential problems and acts accordingly.
- g) Evidence that risks associated with these organisations are considered as part of the Service/Directorate risk register.
- h) Contingency Plans are in place within the service to ensure continuity of service delivery if the agreement ends.
- i) Where services are delivered through ALEOs, the Council has well-developed and sound based strategy for the delivery of services which is linked to the wider Council's strategic objective and priorities

20 - 16

- a) As above
- b) Optional
- c) Optional
- d) Annual documented Governance meetings
- e) As above
- f) As above
- g) Optional
- h) As above
- i) Not Applicable

Under 16

- a) No action

Note: 1. The above are the minimum requirements however Services may decide on more frequent meetings / reporting based on specific risks / intelligence.

Supplier / Provider	Payments	Service	Payment Points	Proportion of Turnover	Nature of Payments	Nature of Payments score	Council Representation at Meetings	Total
1 INVERCLYDE LEISURE	£1,845,106.55	E&C	6	6	Commissioned no tender	6	6	24
2 ICDT LTD	£1,814,562.22	E&R	6	8	Tendered	4	6	24
3 KEY HOUSING ASSOCIATION LTD	£1,879,528.38	HSCP	6	8	Commissioned no tender	6	4	24
4 ALT-NA-CRAIG LIMITED	£967,699.80	HSCP	6	8	Commissioned no tender	6	4	24
5 CARE CONCERN LIMITED	£946,357.57	HSCP	6	8	Commissioned no tender	6	4	24
6 EVERGREEN HOME SUPPORT	£515,675.32	HSCP	6	8	Tendered	4	6	24
7 SIR GABRIEL WOOD'S MARINERS HOME	£445,983.74	HSCP	6	6	Commissioned no tender	6	6	24
8 MUIRSHIEL CENTRE	£332,050.00	HSCP	6	8	Tendered	4	6	24
9 YOUR VOICE	£307,011.84	HSCP	6	8	Commissioned no tender	6	4	24
10 INVERCLYDE CARERS CENTRE LTD	£215,280.00	HSCP	4	8	Grant no SLA	8	4	24
11 PARKLEA BRANCHING OUT	£171,292.50	HSCP	4	8	Commissioned no tender	6	6	24
12 YOUTH CONNECTIONS	£132,100.00	E&C	4	8	Grant no SLA	8	4	24
13 BRANCHTON COMMUNITY CENTRE	£118,611.00	E&C	4	8	Grant no SLA	8	4	24
14 CRAIGEND RESOURCE CENTRE	£118,338.07	E&C	4	8	Grant - no SLA	8	4	24
15 INVERCLYDE VOLUNTARY COUNCIL	£112,865.37	HSCP	4	8	Grant no SLA	8	4	24
16 THE KILMACOLM NEW COMMUNITY CENTRE COMPANY LIMITED	£69,293.00	E&C	4	8	Grant no SLA	8	4	24
17 GIBSHILL COMMUNITY CENTRE	£32,015.00	E&C	2	8	Grant - no SLA	8	6	24
18 THE BEACON	£402,592.48	E&C	6	6	Commissioned no tender	6	6	24
19 INVERCLYDE ASSOC FOR MENTAL HEALTH	£374,327.01	HSCP	6	8	Tendered	4	4	22
20 DRIVE DEVILBISS HEALTHCARE LTD	£120,879.43	HSCP	4	8	Commissioned no tender	6	4	22
21 INVERKIP COMMUNITY INITIATIVE	£57,830.00	E&C	4	8	Commissioned no tender	6	4	22
22 WELLINGTON PLAYGROUP	£56,336.57	E&C	4	8	Commissioned no tender	6	4	22
23 RIVER CLYDE HOMES	£890,750.21	HSCP	6	2	Grant with SLA	6	6	20
24 CIRCLES NETWORK	£108,340.00	HSCP	4	8	Tendered	4	4	20
25 MADEIRA NURSERY	£45,532.59	E&C	2	8	Commissioned no tender	6	4	20
26 BALCLUTHA COURT	£2,125,796.83	HSCP	6	2	Commissioned no tender	6	4	18
27 FLAGSHIP TOWER (GREENOCK) LIMITED	£2,735,793.31	HSCP	6	2	Commissioned no tender	6	4	18
28 SILVERLINE CARE CALEDONIA LTD	£2,254,090.41	HSCP	6	2	Commissioned no tender	6	4	18
29 KINCAID HOUSE	£2,046,727.36	HSCP	6	2	Commissioned no tender	6	4	18
30 GREENOCK MEDICAL AID SOCIETY	£1,294,099.23	HSCP	6	2	Commissioned no tender	6	4	18
31 HC ONE LIMITED	£1,169,665.60	HSCP	6	2	Commissioned no tender	6	4	18
32 BARNARDOS	£1,118,274.13	HSCP	6	2	Commissioned no tender	6	4	18
33 MEALLMORE LODGE LIMITED	£1,055,254.66	HSCP	6	2	Commissioned no tender	6	4	18
34 MARGARET BLACKWOOD HOUSING ASS	£1,023,823.19	HSCP	6	2	Commissioned no tender	6	4	18
35 LITTLE SISTERS OF THE POOR	£596,291.98	HSCP	6	2	Commissioned no tender	6	4	18
36 CORA FOUNDATION	£563,473.54	HSCP	6	2	Commissioned no tender	6	4	18
37 IN-WORK LTD	£393,996.59	HSCP	6	2	Commissioned no tender	6	4	18
38 CONFIDENT CARE LTD	£337,161.72	HSCP	6	4	Tendered	4	4	18
39 SPARK OF GENIUS	£334,051.26	HSCP	6	2	Commissioned no tender	6	4	18

40	ALZHEIMERS SCOTLAND	£295,844.80	HSCP	6	2	Commissioned no tender	6	4	18
41	CAPABILITY SCOTLAND	£269,556.26	HSCP	6	2	Commissioned no tender	6	4	18
42	TRUST HOUSING ASSOCIATION LIMITED	£257,269.88	HSCP	6	2	Commissioned no tender	6	4	18
43	STEPWELL CONSULTANCY LIMITED	£216,052.64	E&R	4	6	Tendered	4	4	18
44	FINANCIAL FITNESS	£99,403.48	HSCP	4	2	Grant - no SLA	8	4	18
45	THE ABBEYFIELD STRATHGRYFFE SOC LTD	£95,325.30	HSCP	4	4	Commissioned no tender	6	4	18
46	ANGEL CARE SERVICES SCOTLAND LTD	£87,099.60	HSCP	4	6	Tendered	4	4	18
47	CVS INVERCLYDE	£81,853.44	HSCP	4	2	Grant - no SLA	8	4	18
48	MIND MOSAIC	£40,000.00	E&C	2	6	Commissioned no tender	6	4	18
49	TURNING POINT SCOTLAND	£2,535,619.98	HSCP	6	2	Tendered	4	4	16
50	THE RICHMOND FELLOWSHIP SCTLND	£2,352,512.90	HSCP	6	2	Tendered	4	4	16
51	KARMA HEALTHCARE	£1,678,783.26	HSCP	6	2	Tendered	4	4	16
52	ALLIED HEALTHCARE GROUP LIMITED	£894,615.86	HSCP	6	2	Tendered	4	4	16
53	SCOTT ASSOC FOR MENTAL HEALTH	£708,178.76	HSCP	6	2	Tendered	4	4	16
54	CARE VISIONS RESIDENTIAL SERVICES	£231,391.35	HSCP	4	2	Commissioned no tender	6	4	16
55	ERSKINE HOSPITAL	£225,782.53	HSCP	4	2	Commissioned no tender	6	4	16
56	COTTAGE CARE SERVICES SCOTLAND LTD	£224,547.77	HSCP	4	4	Tendered	4	4	16
57	KIBBLE EDUCATION AND CARE CENTRE	£218,206.00	HSCP	4	2	Commissioned no tender	6	4	16
58	SCOTTISH MASONIC HOMES LIMITED	£212,679.27	HSCP	4	2	Commissioned no tender	6	4	16
59	OCHIL TOWER SCHOOL	£202,179.00	HSCP	4	2	Commissioned no tender	6	4	16
60	INVERCLYDE ASS FOR MENTAL HEALTH	£191,841.70	HSCP	4	2	Tendered	4	6	16
61	INVERCLYDE WOMENS AID	£163,561.16	HSCP	4	2	Commissioned no tender	6	4	16
62	ENCHANTED FOREST NURSERY	£159,535.13	E&C	4	2	Commissioned no tender	6	4	16
63	HILLSIDE SCHOOL (ABERDOUR) LTD	£125,884.61	HSCP	4	2	Commissioned no tender	6	4	16
64	CAREWATCH (INVER & NTH AYRSH)	£103,105.45	HSCP	4	4	Tendered	4	4	16
65	UNITY ENTERPRISE	£87,279.06	HSCP	4	2	Commissioned no tender	6	4	16
66	WOODSIDE CARE	£86,311.72	HSCP	4	2	Commissioned no tender	6	4	16
67	THISTLE HEALTHCARE LTD	£85,620.21	HSCP	4	2	Commissioned no tender	6	4	16
68	INVERCLYDE ADVICE & EMPLOYMENT RIGHTS	£78,274.92	E&R	4	2	Commissioned no tender	6	4	16
69	MOVING ON (INVERCLYDE)	£71,500.00	HSCP	4	2	Commissioned no tender	6	4	16
70	SCOTTISH MARRIAGE CARE	£64,500.00	HSCP	4	2	Commissioned no tender	6	4	16
71	ENABLE SCOTLAND	£57,151.75	HSCP	4	2	Commissioned no tender	6	4	16
72	MARINER SUPPORT ASSOCIATES LTD	£55,845.00	HSCP	4	2	Commissioned no tender	6	4	16
73	PACIFIC CARE	£55,700.29	HSCP	4	2	Commissioned no tender	6	4	16
74	EMBRACE (COMBINED) LIMITED	£52,912.91	HSCP	4	2	Commissioned no tender	6	4	16
75	LIVING AMBITIONS	£50,558.40	HSCP	4	2	Commissioned no tender	6	4	16
76	GREENOCK MORTON COMMUNITY TRUST	£32,395.76	E&C	2	2	Grant - no SLA	8	4	16
77	RIVERSIDE INVERCLYDE	£1,050,200.00	E&R	6	6	Single Operating Plan	6	6	24
		<b>£42,627,938.61</b>							

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Aubrey Fawcett, Chief Executive</b>	<b>Report No:</b>	<b>FIN/94/19/AP/LA</b>
<b>Contact Officer:</b>	<b>Chief Financial Officer</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Delivering Differently in Inverclyde - Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Committee an update on the Delivering Differently programme.

## 2.0 SUMMARY

- 2.1 The Committee received a comprehensive report in January 2017 setting out the progress made in terms of Transformation to date and the plans for the future. This future programme of work was called "Delivering Differently".
- 2.2 There are 3 Directorate Change Boards which meet monthly to monitor progress in the delivery of savings and projects which involve approved or potential changes in service delivery. Every 2 months the CMT reviews progress using a RAG status approach. The areas where there is the greatest potential change in service delivery are collated into a Delivering Differently programme which is reported annually to the Policy & Resources Committee.
- 2.3 Given that many of the Delivering Differently projects will impact on the workforce, progress on the programme is discussed with the Trades Unions at the Joint Budget Group supported by Trades Union liaison at individual project level.
- 2.4 During 2019 the Change Board process was subject to an audit which highlighted a few housekeeping improvements all of which have been actioned. In addition the Change Board action arising from the Best Value Audit has been signed off by the Council's External Auditors as complete.
- 2.5 Appendix 1 summarises the current status of the 20 projects which currently make up the Delivering Differently programme. Potential savings and employee impacts plus reporting timescales are shown. From Appendix 1, it can be seen that 1 of the projects has been completed during the last 12 months and will therefore be dropped from future updates.
- 2.6 The Committee will also note that all of the projects where savings are currently shown have been agreed as part of the current or previous budgets. Officers are working to identify potential savings in other projects in order that they can be reported for potential inclusion in future budgets. The Committee should note however that some of the projects will not deliver savings but, rather, are aimed at reducing cost pressures.
- 2.7 In developing potential savings for the period 2020/23 the CMT would recommend that these would be better suited to be included in the Delivering Differently programme in order to allow more time for consultation and development of proposals prior to reporting to the relevant Committee. These projects are listed in Appendix 2. The Committee is asked to agree that these be added to the programme.

- 2.8 In order to inform the development of some of the proposals within Appendix 2 it would be useful to gather intelligence on employee intentions where reductions in numbers may be required to deliver the proposals being developed. In line with a similar approval granted last year, the Committee is asked to grant delegated powers to the Chief Executive to conduct Voluntary Early Release Trawls where required for these projects but on the proviso that no decisions are taken without a report to the relevant Committee.
- 2.9 Outwith the projects listed in Appendices 1 and 2 progress has been made in relation to other significant Council priorities aligned with this programme. An update is provided in the body of the report.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee:
- a) Notes the progress made to date on the Delivering Differently programme.
  - b) Agrees that delegated powers are given to the Chief Executive to conduct Voluntary Early Release Trawls where required for those projects in Appendix 2 but on the proviso that no decisions are taken without a report to the relevant Committee.
  - c) Agrees that the projects listed in Appendix 2 be added to the Delivering Differently programme.

**Aubrey Fawcett**  
**Chief Executive**

## **4.0 BACKGROUND**

- 4.1 Audit Scotland, in their 'Overview of local government in Scotland 2016' report, highlighted that local authorities have depended on incremental changes to services, increasing charges and reducing employee numbers in order to make savings. Audit Scotland views that these are neither sufficient nor sustainable solutions to the challenges facing councils. They set out that what is required is a more strategic approach, longer term planning and a greater openness to alternative forms of service delivery.
- 4.2 The Committee received a comprehensive report in January 2017 setting out the progress made in terms of Transformation to date and the plans for the future. The programme of work was called "Delivering Differently" and this report provides an update on progress.

## **5.0 CURRENT POSITION & PROGRESS TO OCTOBER, 2019**

- 5.1 There are 3 Directorate Change Boards which meet monthly to monitor progress in the delivery of savings and projects which involve changes in service delivery. Every 2 months the CMT reviews progress using a RAG status approach. The areas where there is the greatest potential change in service delivery are collated into the Delivering Differently programme which is attached as Appendix 1.
- 5.2 During 2019 the Change Board process was subject to an audit which highlighted a few housekeeping improvements all of which have been actioned. In addition the Change Board action arising from the Best Value Audit has been signed off by the Council's External Auditors as complete.
- 5.3 Appendix 1 summarises the current status of the 20 projects which currently make up the Delivering Differently programme. Potential savings and employee impacts plus reporting timescales are shown. From Appendix 1, it can be seen that 1 of the projects has been completed during the last 12 months and will be dropped from future updates.
- 5.4 The Committee will also note that all of the projects where savings are currently shown have been agreed as part of the current or previous budgets. Officers are working to identify potential savings in other projects in order that they can be reported for potential inclusion in future budgets. The Committee should note however that some of the projects will not deliver savings but, rather, are aimed at reducing cost pressures.
- 5.5 The main achievements in those areas included within or which support the Delivering Differently programme over the last 12 months include:
  - Revenue Budget – The Council approved savings with a recurring value of approximately £2.052 million in March 2019 as part of the 2019/20 Revenue Budget. A number of these have required changes to service delivery the implementation of which is monitored through the Change Boards. At present, there are no savings where material concerns exist regarding delivery although a small number will be delayed slightly and are being contained in the approved Budget.
  - Digital Strategy – The delivery of the 3 year Strategy 2017/20 approved is reported to every second Policy & Resources Committee. The development of on line services has been progressing with the first phases due to go live in coming weeks. A new Strategy will be developed in 2020.
  - The Learning Disability Service has redesigned its day provision as part of transformation of the learning disability service. The two centres have moved to one, achieving significant saving and delivering improved outcomes for people using the service. Phase 3 involves developing the new build to support development of a hub. Two sites are being investigated in more detail with decisions expected early 2020.

- New pressures within the system have been created through the change in legislation which places a statutory duty on the Council to support care leavers until the day before their 26<sup>th</sup> birthday. Inverclyde's continuing care model is a pilot with new flats attached to children's houses for older young people and staff to support young people living in care. Proposals to address the pressures in this area are being considered over coming months.
- Shared Services opportunities continue to be explored and developed with opportunities being identified within the existing Roads Shared Service and approval to move towards an expanded Shared Service to include Environmental Services from April, 2020. In addition a Shared Management approach for Internal Audit has also been agreed with West Dunbartonshire Council and will commence in January, 2020.
- The annual audit report from Audit Scotland which was reported to Inverclyde Council on 26 September 2019 indicated that "The Council has made good progress in progressing the Best Value Assurance Report Improvement Plan." It was highlighted within the report that the recent introduction of Change Management Groups, which oversee the Delivering Differently projects, are now embedded within directorates and are used to prioritise, manage and monitor service improvement activity. Three Change Management Groups have been established to review progress on all change projects on a monthly basis.
- A report to the Policy and Resources Committee in February 2019 highlighted some priority workforce planning actions being progressed to address the projected funding gap and support the progression of projects under the Delivering Differently programme. Detailed workforce profiling has been undertaken in areas under review and service workforce and succession plans have been developed which support services to take the necessary steps to ensure they have a workforce to meet future service delivery challenges. These plans support the Delivering Differently programmes and cover key areas of organisational development, leadership & employee skills development and recruitment & retention.
- The Council's Workforce Planning & Development Group will continue to contribute to the development and monitoring of the key actions outlined above and within the wider People and Organisational Development Strategy. Progress reports will continue to be brought to the Corporate Management Team and the Policy and Resources Committee.

## **6.0 GOING FORWARD – DELIVERING DIFFERENTLY IN INVERCLYDE**

- 6.1 In developing potential savings for the period 2020/23 the CMT identified several proposals where they would recommend that these would be better suited to be included in the Delivering Differently programme in order to allow more time for consultation and development of proposals prior to reporting to the relevant Committee. These projects are listed in Appendix 2. The Committee is asked to agree that these be added to the programme.
- 6.2 Transformation can be used to ameliorate the impact of service cuts, and develop services that still meet the needs of the local population. All opportunities should be explored to attempt to mitigate any service reduction. The challenge going forward is how to keep the pace of change going in a context where there continues to be reductions in officer capacity driven by the reduction in resources.

## **7.0 IMPLICATIONS**

### **7.1 Finance**

Whilst it is believed that savings can be made by continuing and expanding the Delivery Differently Programme, including areas such as sharing services and working alongside our communities to deliver services, it is not expected that this will be sufficient to close the medium term funding gap.



The Committee approved the creation of a £500,000 Spend to Save Fund for projects which require one off initial funding on the basis of delivering future savings. Proposals for this Fund are considered by the CMT and there are currently 3 proposals delivering £52k annual savings agreed as part of the 2020/21 Budget which are expected to utilise some of the Fund.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserves	Spend to Save Fund	From 2019/20	500		Approved by August P&R Committee

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**

None at present.

**7.3 Human Resources**

In order to inform the development of some of the proposals it would be useful to gather intelligence on employee intentions were reductions in numbers required. To this end, the Committee is asked to give delegated powers to the Chief Executive to conduct Voluntary Early Release Trawls where required to the projects identified in Appendix 2 but on the proviso that no decisions are taken without a report to the relevant Committee

**7.4 Equalities**

(a) 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.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.

NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

x

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

**7.5 Repopulation**

None at present.

**8.0 CONSULTATIONS**

8.1 The CMT has endorsed this update to the Committee and the Delivering Differently programme is discussed with the Trades Unions on a regular basis at the Joint Budget Group.

**9.0 LIST OF BACKGROUND PAPERS**

9.1 None

### Delivering Differently - 25th October 2019

Proposal		Directorate	Current Position - 25.10.19	Key Milestones	Potential Savings/(Costs) £000	Estimated FTE Impact
1/	On line School Payments expansion.	ECOD	Primary Schools live for cashless payments from August 2019	Primary Schools to become cashless- Aug 2019. Review implementation in Secondary Schools by Aug 2020	N/A	N/A
2/	1140 hours delivery - Workforce and Buildings.	ECOD	2019/20 update to September 2019 E&C Cottee. Some slippage in capital delivery. 2nd college course for internal employees commenced in Feb 2019.	Update to E&C Cottee, Sept 2019 , next scheduled update, April,2020	Funded by SG Grant	N/A
3/	Participatory Budgeting.	ECOD	Phase 2 of PB proposals due at CMT October and thereafter P&R Committee November,2019	October, 2019- CMT, November P&R Committee	tbc	N/A
4/	Revisions to DMR process	ECOD	Working groups set up to look at devolved school management guidelines for schools and management structures in secondary schools	SM guidelines produced by June 2020 - revised LNCT guidelines on management structures in secondary schools.	tbc	tbc
5/	School Transport	ECOD	Education & Communities Committee approved the Transport Policy in September 2019 which included Free Transport for Secondary School pupils in receipt of Free School Meals who live between 1-2 miles from their school. The cost of this estimated to be around £70k/year. Funding approved by P&R Committee. Operational implementation proposals agreed by CMT	Education & Communities Committee - May, 2019 & September 2019 Implementation August,2020	(238)	N/A
6/	Digital Access/ Modernisation	ERR	Both main projects have been delayed due to software issues. Planned for Bulk Uplifts to be the 1st area of on line booking from late autumn,2019. Citizens Access Revenues (CAR) ready to go live in the Back Office with the public facing side expected January, 2020. Next wave of investment to be identified later in 2019/20.	Kana Upgrade late 2019. CAR self service due early 2020.	Contain in existing Budgets	Linked to 2020/21 savings proposal 1.0
7/	Clyde Muirshiel Park Review	ERR	Review required in light of the potential change to the 3 Council funding model. Budget savings for 2019/20 agreed June 2019. Renfrewshire progressing future SLAs and financial plans for 2020/21	Report for CMPA on Budget June 2019 . Governance and Budget options (Led by Renfrewshire) by December,2019	29	N/A
8/	Review of the RI Operating Plan	ERR	Agreed to operate a single Regeneration team and implemented from July,2019. <b>Complete</b>	New RI operating model operational by 1.7.19	0	-4.0

9/	Environmental Shared Services	ERR	Wider Environmental Shared Service proposal approved by E&R Committee August 2019 based on an implementation by April 2020. Savings target to be considered by P&R Committee , November, 2019	Update to Joint Committee Oct,2019 following the report to August Environment and Regeneration Committee. Implement arrangements from April, 2020.	91	1.5
10/	Property Services Fee Reduction Restructure	ERR	Significant drop off in fee income identified from 2021. A review of resources requires to be undertaken to ensure budget remains in balance. Need to match capital programme projects and timescales to Property staffing resources.	Service Review to be undertaken with input from HR/Finance Services by December 2019.	0	tbc
11/	Implementation of Green Waste Charges	ERR	Saving to be implemented 2020/21, although permits will be sold from January, 2020. Recruitment of new post being progressed following visits to Councils which have already implemented the scheme.	Post estimated to be recruited December 2019 New service implemented March,2020	237	-1.0
12/	Revised Parking Charges	ERR	Report approved by E&R Committee August 2019. Given the process which new parking charges require to follow, there is a risk that the April 2020 date will not be achieved.	Report to E&R Cttee August, 2019 followed by TRO process. Implementation April,2020	100	N/A
13/	IL Estate AMP	ERR	Condition survey of IL properties being progressed and to be aligned with the IL 3 Year Plan	Report to CMT Nov,2019, MBWG December, 2019 Report to E&C Cttee, Jan 2020	tbc	tbc
14/	Shared Services (Other Areas)	ERR	Proposal for shared management of Internal Audit approved by September P&R. CIA to transfer to West Dunbartonshire Council from January, 2020.Further areas being discussed with W Dun Council .	P&R Report - Sept,2019. Phased implementation for audit commences January,2020	60	1.0
15/	Learning Disabilities Service Review-New Build	HSCP	Options appraisal reported to CMT 25.7.19 and agreed to investigation of 2 sites. Report back to CMT late 2019. Financial implications require to be considered as part of the 20/23 budget process.	Regular updates to H&SC Committee. Next Update - H&SC Committee January, 2020	tbc but running costs to be contained by HSCP	tbc
16/	Social Transport Review	HSCP	Phase 1 has looked at Learning Disabilities and delivered an £11k saving. Work on going reviewing external providers and overlaps with internal service. Draft HSCP transport policy developed and to be presented to the CMT	H&SC Committee October 2019	11	N/A
17/	SWIFT System Replacement	HSCP	Scotland Excel Framework now tendered and Council participating in the evaluation. OBC to CMT in October,2019.	Report CMT on Business Case October 2019 Accept tender for new system, March,2020	Maintenance costs to be contained within existing budgets and planned savings. Capital costs tbc	2.0

18/	Homelessness Service Review	HSCP	Consultants report received and report considered by Committee in January,2019. Programme Board established to implement proposals. Project no longer expected to be funded from RRTP monies. Alternative approach being developed	H&SC Committee January,2019 . Next update October 2019. Proposals on medium term strategy to CMT by March, 2020	tbc	tbc
19/	Continuing Care	HSCP	Developing proposals for a delivery of a model of continuing care that is sustainable. Future costs being clarified and recruitment on going. Proposals to come to CMT October,2019.Cosla have now identified Continuing Care as a national pressure	CMT- January 2019 - Report back to CMT- October 2019 H&SC Committee January, 2020	tbc	-9.0
20/	Criminal Justice Grant Reduction 2020/22	HSCP	Report on future year reconfiguration to ensure it is within Scottish Government Grant. Concerns around delivery of the saving and funding the pay award from within the reducing Grant. Issue raised with Cosla	CMT June 2019 H&SC/IJB October/November 2019.	Funding gap currently £180k	tbc
<b>Totals</b>					<b>290</b>	<b>-8.5</b>

**Delivering Differently**  
**Proposed Additions**

Directorate	Summary of proposed review
ECOD	It is proposed to review potential amendments to existing terms and conditions in consultation with the Trades Unions and thereafter present a report to the Policy & Resources Committee. The review will include the potential removal of paper payslips.
ECOD	It is proposed to pilot the sharing of janitorial resource between Primary Schools. The proposal will be reported to the Education & Communities Committee and the results of the pilot reported back thereafter.
ERR	Consultants have been carrying out a review of the main Campus office accommodation. Allied with this it is proposed to develop proposals for a utilities invest to save project. Proposals would be considered by the Environment & Regeneration Committee
HSCP	It is proposed to carry out a review of the resource requirements for the Alcohol & Drugs Recovery Service. The resulting proposals will be reported to the Health & Social Care Committee.
HSCP	The Health & Social Care Committee have approved an external review of the Mental Health Officers Service.

AP/CM  
4/11/19

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Head of Organisational Development, Policy and Communications</b>	<b>Report No:</b>	<b>PR/26/19/SMcN/KB</b>
<b>Contact Officer:</b>	<b>Karen Barclay, Corporate Policy Officer</b>	<b>Contact No:</b>	<b>01475 712065</b>
<b>Subject:</b>	<b>Audit Scotland Reports on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils</b>		

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## **1.0 PURPOSE**

1.1 The purpose of this report is to summarise the main points of Audit Scotland's 2019 Best Value Assurance Reports (BVARs) on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils.

## **2.0 SUMMARY**

2.1 A summary of the key issues from Audit Scotland's Reports on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils is set out at sections 5, 6, 7 and 8, while details of potential improvement actions for implementation by Inverclyde Council are outlined at section 9.

2.2 Areas highlighted at the four local authorities include:

- the Councils' visions and strategic directions;
- performance; and
- improvement.

## **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Committee:

- a. notes the content of Audit Scotland's BVARs on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils and takes cognisance of the recommendations made in respect of those local authorities; and
- b. notes that Officers are considering implementing a number of proposed improvement actions, as outlined at section 9.

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

## 4.0 BACKGROUND

- 4.1 The findings of relevant Audit Scotland reports on local authorities are presented initially to the Corporate Management Team (CMT) and thereafter to the Policy and Resources Committee, together with details of potential improvement actions for implementation by Inverclyde Council, as appropriate. Consideration of such reports ensures that we are kept updated about issues raised by Audit Scotland regarding other Councils; additionally, this information provides us with the opportunity to explore how we might learn from other local authorities with the aim of improving local service delivery.
- 4.2 Summaries of the key issues and recommendations in the BVARs on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils are set out at sections 5, 6, 7 and 8, while section 9 outlines potential improvement actions from those reports for possible implementation by Inverclyde Council.
- 4.3 The documents reviewed in this report are the new BVARs which aim to offer a rounded and comprehensive analysis of a Council's performance. A BVAR will be produced for each local authority at least once every five years. The reports cover:
- the clarity of a Council's priorities and the quality of long-term planning to achieve these;
  - how effectively Councils are evaluating and implementing options for significant changes in delivering services;
  - how effectively Councils are ensuring that Elected Members and Officers have the right knowledge, skills and time to lead and manage delivery of Council priorities;
  - how effectively Councils are involving citizens in decisions about services; and
  - the quality of Councils' Public Performance Reporting to help citizens gauge improvement.
- 4.4 As the Committee will be aware, Inverclyde Council was the first local authority to be audited by Audit Scotland as part of its new process of Best Value Audit. Inverclyde's BVAR was published on 1 June 2017 and a report on its contents, together with an Improvement Plan, was submitted to Inverclyde Council on 29 June 2017.

Min. Ref.  
Inv. Coun.  
29.6.17  
Para 361

## 5.0 MIDLOTHIAN COUNCIL: BEST VALUE ASSURANCE REPORT

- 5.1 Midlothian Council's BVAR was published on 4 July 2019. The key areas of focus were:
- leadership and strategic direction;
  - performance and outcomes;
  - change and improvement plans;
  - process and results of self-evaluation;
  - financial management and financial planning;
  - workforce planning;
  - community and citizen engagement; and
  - transformational change and service redesign.

### 5.2 Midlothian Council – Key messages

Since its last Best Value Report in 2012, Midlothian has delivered a number of ambitious, high profile projects including schools, community campuses, housing and transport. However, there is a mixed picture in terms of the overall pace of improvement.

- 5.3 Audit Scotland said that the Council still needs to focus on some of Best Value's key requirements including financial sustainability, financial management and transformation. Audit Scotland also noted that, since 2016, Midlothian has used its reserves rather than make some difficult budget decisions.



- 5.4 Limited progress has been made with the delivery of the Council's corporate transformation programme, something which has contributed to Midlothian's difficulties in reaching a sustainable financial position. Audit Scotland said that the Council has a lot of work to do to address the challenges ahead and to deliver continuous improvement.
- 5.5 While Midlothian's focus is on key priorities, there are risks around the successful delivery of change because of its past track record and the scale of the challenge it faces; for example, it needs to address a £14.5 million budget shortfall by 2022/23.
- 5.6 The local area has the fastest growing population in the country (with a 13% increase to 100,410 expected by 2026). As well as an increasing funding gap, this means that the Council is facing significant medium- and longer-term challenges. While it has devised plans for delivering education and housing to meet its increasing population, Audit Scotland noted that Midlothian has still to agree and implement its Medium-Term Financial Strategy. (*The Strategy was agreed at a meeting of the Full Council on 25 June 2019.*)
- 5.7 In recent years, Midlothian has experienced a number of changes in political leadership. Since 2012, a Minority Administration has been in place and Officers and Elected Members have had to adapt and work in different ways. Audit Scotland noted that some tensions in relationships can impact on the effectiveness of the Council's business, adding that there needs to be an improvement in political leadership through a shared responsibility to deliver the Best Value agenda. Audit Scotland also highlighted the need for Elected Members to work together to agree without delay the Medium-Term Financial Strategy and Transformation Programme which are required to address the challenges the Council faces.
- 5.8 There is a mixed picture around performance across Midlothian's services, with the Council placed alongside other middle performing local authorities in terms of benchmarking indicators. Evidence exists, however, of improvement in some of the Council's priority areas, including outcomes for children and young people. Additionally, the Council makes good use of data to understand and improve performance.
- 5.9 On a further positive note, Audit Scotland said that partnership working is strong at Midlothian. The Council works well with its Community Planning Partners and the IJB. Additionally, Midlothian and its Partners have a joint vision for the area: the Single Midlothian Plan 2019/20.
- 5.10 While Midlothian is working with local residents to deliver improvements, it needs to build on this by involving communities to a greater extent. However, Audit Scotland noted that the Council is taking action to further improve its relationships with the third sector.
- 5.11 Midlothian Council – Recommendations

Audit Scotland made a number of recommendations for Midlothian Council, advising that it should:

- ensure that, without delay, Officers and Elected Members work together to develop and agree its Medium-Term Financial Strategy and progress its transformation plans;
- take action to develop and sustain more constructive relationships between Elected Members and between Elected Members and Officers;
- implement effective cross-Party governance arrangements with the aim of ensuring the delivery of its Medium-Term Financial Strategy and transformation plans;

- ensure that its workforce planning reflects its Medium-Term Financial Strategy;
- review its Capital Programme to ensure its delivery timeframes are achievable;
- enhance the Capital Programme's monitoring and reporting mechanisms to drive more accurate analysis and planning around capital work;
- continue to implement its financial planning arrangements to address budget gaps, a process which should be underpinned by robust financial budgeting and monitoring arrangements;
- refine its vision in light of the outcome of consultation work through the *Services with Communities* transformation work stream and ensure it focuses its activity most effectively;
- ensure that Elected Members perform their scrutiny role at all times, as appropriate;
- ensure that Elected Members take ownership of their Personal Development Plans, and take advantage of relevant training opportunities; and
- continue to build on the positive elements of community empowerment and explore how it might increase community ownership of local Neighbourhood Plans, and work with communities to improve how they monitor progress against delivery of the Plans.

## **6.0 PERTH AND KINROSS COUNCIL: BEST VALUE ASSURANCE REPORT**

6.1 Perth and Kinross Council's BVAR was published on 22 August 2019. The key areas of focus were:

- the Council's vision and strategic direction;
- performance;
- use of resources;
- partnership working; and
- continuous improvement.

### **6.2 Perth and Kinross Council – Key messages**

Audit Scotland said Perth and Kinross has clear strategic objectives that have remained stable over a period of time. There is strong leadership from both Elected Members and Officers, as well as appropriate levels of challenge and scrutiny. A review of the Council's governance arrangements is currently underway, with a view to streamlining and further improving decision-making.

6.3 The Council has steadily improved since its 2008 Best Value Report; overall, outcomes for the local community are improving.

6.4 Elected Members and Officers are positive about the *Perth and Kinross Offer* – a proposed approach to service design and development co-designed with local citizens and communities. Welcomed by Elected Members and Officers, its aim is to effect a cultural change, from seeing citizens and partners as service users to seeing them as co-creators. While it is still at an early stage, Audit Scotland commended the Council on having the vision to devise the initiative which has the potential to bring about a step-change in the levels of community engagement and the pace of improvement.

6.5 Audit Scotland found Perth and Kinross's financial planning and management arrangements to be robust, including effective monitoring and reporting and medium-term financial planning. While, in common with other Scottish local authorities, the financial

outlook is challenging, Audit Scotland's view is that the Council is well-placed to address its projected funding gaps through savings from its Transformation Programme and Medium-Term Financial Plan. The Council approves a three-year Revenue Budget and Budget Flexibility Scheme which encourages longer-term planning. However, Audit Scotland suggested that Perth and Kinross should consider building on this by developing a longer-term Financial Plan which would cover a five to 10 year period.

- 6.6 Good progress has been made at Perth and Kinross around the provision of online access to services. Audit Scotland noted that the Council is currently reassessing its use of information and technology and plans to update its Digital Strategy, following completion of its digital maturity assessment. Indeed, Perth and Kinross's ambition is to become the most digitally innovative Scottish local authority.
- 6.7 While the Council carries out self-evaluation - and is receptive to third-party evaluation and inspection – Audit Scotland said its self-evaluation could be more explicit about improvement plans. Although performance management information and reporting is used to drive continuous improvement at service level, Audit Scotland suggested that annual public performance reporting should be more balanced. Additionally, more work is required to consistently demonstrate that performance management drives change and improvement.
- 6.8 On a positive note, Audit Scotland said that satisfaction levels with Perth and Kinross's services are higher than the Scottish average. The Council has received a number of positive inspection reports in the last few years and examples exist of services being delivered in innovative ways, making savings and improving outcomes for vulnerable service users.
- 6.9 While Audit Scotland acknowledged that the Council works well with Partners, it also said that the Community Planning Partnership needs to take a more active role in leading partnership working and strategic change.
- 6.10 Historically, relationships between the Council, NHS Tayside and the IJB have been challenging. A new leadership team is now in place and, during the last year, there have been improvements in the effectiveness of working arrangements with the IJB.
- 6.11 While there are good examples of community engagement at service level, Perth and Kinross could do more to involve communities at an earlier stage in strategic planning discussions. The Council should also take steps to better demonstrate the outcome of engagement. However, Audit Scotland noted that the Council is aware that it needs to do more to embed community engagement in the way it and the local community works together.
- 6.12 Perth and Kinross Council – Recommendations

Audit Scotland made a number of recommendations for Perth and Kinross Council, advising that it should:

- maintain the pace of development of the *Perth and Kinross Offer*;
- revise its Digital Strategy;
- consider simplifying arrangements to improve decision-making (as part of the ongoing governance review);
- consistently demonstrate how it uses performance management and reporting to drive continuous improvement;
- take steps to make public performance reporting more transparent, clear and balanced;

- ensure its Annual Performance Report includes ambitious targets and is clear about the reasons for underperformance and planned improvement actions;
- build on its strong financial management and consider developing a longer-term Financial Plan (covering a five to 10 year period), as part of its modernisation agenda;
- ensures its ongoing review of the Community Planning Partnership is wide-ranging and includes the effectiveness of the Community Planning Partnership Board, Outcome Delivery Groups and the Local Action Partnerships; and
- improves how it involves communities, for example, earlier involvement in strategic planning processes, more involvement in budgeting processes and better promotion of The Community Empowerment (Scotland) Act 2015.

## **7.0 STIRLING COUNCIL: BEST VALUE ASSURANCE REPORT**

7.1 Stirling Council's BVAR was published on 25 April 2019. The key areas of focus were:

- the Council's vision and priorities, as developed with Community Planning Partners;
- managing performance, self-evaluation and measuring outcomes;
- planning the use of resources;
- delivering services with Partners; and
- continuous improvement programmes.

### **7.2 Stirling Council – Key messages**

Audit Scotland found that Stirling has a clear strategic vision and a strong sense of collective purpose. The performance of the majority of Council services is above the Scottish average and improving. However, because Stirling has an inconsistent approach to self-evaluation and continuous improvement, it cannot demonstrate that it is achieving all aspects of Best Value. Audit Scotland therefore suggests that a more systematic approach is required.

7.3 Stirling Council's last Best Value Audit was carried out in 2011. Since then, there has been a lack of effective leadership from both Officers and Elected Members around a focus on improvement against priorities. Additionally, progress has been slow on the development of an effective performance management framework. Although performance at Stirling is reported, the Council does not provide its Elected Members or local citizens with a clear summary of performance against all of its priorities or key performance measures. It is therefore encouraging to note that this situation has been acknowledged by the Council and plans are in place to address it this year.

7.4 Audit Scotland noted that there have been a number of structural and personnel changes at Stirling in the last few years, together with the resignation of the previous Chief Executive last Summer. These changes in senior management led to the slowing down of the pace of improvement at the Council, together with a loss of corporate experience, the result of which has been unsettling for some staff. Audit Scotland said that, while Stirling's existing CMT acknowledges this situation and is now operating more effectively, a period of stability is required for the leadership to deliver improvements.

7.5 Audit Scotland found financial management at Stirling to be effective. During the last five years, the Council's budget process approved £38 million of savings while, for the five years to 2023/24, Stirling's medium-term financial plan estimates a cumulative funding gap of £32 million. Audit Scotland said that innovative service reform via transformation programmes will be required to achieve this and secure the sustainability of services.

- 7.6 On a positive note, Audit Scotland commented that Stirling has effective workforce planning arrangements, together with a rolling five-year Workforce Plan 2018/23 that is linked to its Budget and five-year Business Plan 2019/24. This demonstrates the Council's strategic workforce priorities and is monitored by the CMT.
- 7.7 Audit Scotland note that, while evidence exists at Stirling that community engagement influences service delivery, the Council and its Partners have been slow to progress elements of The Community Empowerment (Scotland) Act 2015, including the publication of Locality Plans. However, Stirling is now progressing an action to learn from other local authorities about how it can further improve engagement with local residents.
- 7.8 Partnership working at Stirling is good, including with City Region Deal Partners who are working to boost economic growth. While the Community Planning Partnership (CPP) has a shared plan – known as the *Stirling Plan* – reporting structures require improvement and performance against outcomes needs to be reported. It is worth noting that the Integration Joint Board (IJB) at Stirling is unique in Scotland in that it is the only one that covers three statutory organisations (Stirling and Clackmannanshire Councils, together with NHS Forth Valley) which means that its size and complexity makes decision-making challenging.
- 7.9 There are no potential improvement actions for Inverclyde Council arising from Stirling Council's BVAR.
- 7.10 Stirling Council – Recommendations

Audit Scotland made a number of recommendations for Stirling Council, advising that it should:

- introduce a structured approach to self-evaluation with the aim of delivering continuous improvement;
- refine its Performance Management Framework to identify and prioritise areas for improvement in line with its priorities;
- demonstrate that it uses benchmarking and customer satisfaction information to identify areas for improvement, as well as other Councils that they could discuss best practice with;
- refine the performance reports that are submitted to Elected Members, ensuring that they include key indicators which show performance over time against priorities;
- improve its public performance reporting to show a summary of performance against its business plan objectives;
- identify and agree on actions to increase Elected Members' attendance at training courses;
- consider devising Personal Development Plans for Councillors;
- develop a more regular and structured approach around the engagement and consultation with its employees;
- ensure it carries out a Residents' Satisfaction Survey this year – given that the last one was conducted in 2011 - and thereafter demonstrates how the results are used to inform Council decisions;
- takes steps to immediately approve and publish the three outstanding Locality

Action Plans to help improve outcomes for its most disadvantages areas (and to comply with the requirements of The Community Empowerment [Scotland] Act 2015);

- ensure that the CPP completes its review of reporting structures and reports performance against local outcome indicators; and
- review and report on whether the structure of its 12 Arm's Length External Organisations – which provide a range of services including those around sport, physical activity and healthy living, as well as employability and skills training - remains fit for purpose.

## **8.0 NORTH LANARKSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT**

8.1 North Lanarkshire Council's BVAR was published on 23 May 2019. The key areas of focus were:

- the Council's vision and strategic direction;
- performance;
- use of resources;
- partnership working; and
- continuous improvement.

### **8.2 North Lanarkshire Council – Key messages**

Since its last Best Value Report in 2008, Audit Scotland found that North Lanarkshire has demonstrated improvement in most areas. At present, the Council is experiencing a period of change following the appointment of its new Chief Executive last Autumn. A new vision has been developed for the area which has presented the opportunity to increase the pace of change.

- 8.3 North Lanarkshire's ambitious vision incorporates significant digital, town centre and housing transformation during the long-term. The vision – outlined in *The Plan for North Lanarkshire* – is underpinned by a place-based planning approach which is reflected in the Council's Local Development Plan. Detailed plans are being developed for the vision, which has the support of the Council's employees and Partners.
- 8.4 Audit Scotland note that, while North Lanarkshire has improved performance in three of its five priority areas, the performance of more than 25% of its service indicators is below target. Improvement in educational attainment follows national trends, supported by initiatives such as *Club 365* (which provides free meals and activity-based learning for children during weekends and school holidays), as well as investment from the Scottish Attainment Challenge (SAC). Audit Scotland said there have been recent improvements in performance reporting at North Lanarkshire, adding that a Strategic Performance Framework and reporting schedule are now in place.
- 8.5 While satisfaction levels have declined in some services, Audit Scotland note that they are very good in housing. Progress is being made around the transformation of health and social care at the Council, while investment is also being made in reablement with the aim of sustaining the high levels of care at home for people aged 65 years or over.
- 8.6 Audit Scotland said that North Lanarkshire is well placed to tackle future financial challenges, adding that it has a good medium-term financial plan, low borrowing and a track record of delivering savings.
- 8.7 On a slightly less positive note, while the Council has a workforce strategy – which considers the North Lanarkshire economy and employment as a whole – Audit Scotland note that some of the plans to support it have yet to be finalised.

8.8 On a positive note, Audit Scotland found that North Lanarkshire has a clear focus on partnership working. Additionally, there are a number of good examples of effective engagement across the Council, and a more strategic approach is currently being developed. However, it is noted that progress around Locality Plans – a requirement of The Community Empowerment (Scotland) Act 2015 - has been slow.

8.9 While North Lanarkshire's approach to self-evaluation is good, it needs to ensure that the actions identified in self-evaluation exercises are clear and measurable. Additionally, Audit Scotland note that evidence exists of service reviews and improvements being made to identify efficiencies and improve services.

#### 8.10 North Lanarkshire Council – Recommendations

Audit Scotland made a number of recommendations for North Lanarkshire Council, advising that it should:

- develop revised strategies, policies and plans to deliver the programme of work that underpins its vision, based on its five priorities (*Improve economic opportunities and outcomes; Support all children and young people to realise their full potential; Improve the health and well-being of our communities; Enhance participation, capacity and empowerment across our communities; Improve North Lanarkshire's resource base*);
- implement its recently-approved Performance Management Framework and reporting schedule, with the aim of supporting delivery of *The Plan for North Lanarkshire* and its scrutiny by Elected Members;
- ensure that performance information on its website is kept up-to-date to improve accountability to members of the public;
- investigate and better understand the background to the decline in satisfaction levels, especially for care services, and investigate if it can apply learning from the high satisfaction levels in housing;
- finalise the workforce plans to outline its existing and future workforce requirements and evidence how this supports other strategies;
- complete its planned Investors in People initiative and establish how engagement with its employees will be maintained;
- in conjunction with its Partners, develop Locality Plans for the 16 planning priority areas; and
- include measurable actions and clear deadlines in the improvement plans devised from the self-evaluation exercises.

#### **9.0 POTENTIAL IMPROVEMENT ACTIONS FOR INVERCLYDE COUNCIL**

9.1 There are no potential improvement actions for Inverclyde Council arising from the BVARs on Midlothian and Stirling Councils.

9.2 Audit Scotland commended Perth and Kinross Council on its *Offer* (details of which are included at paragraph 6.4 of this report). Although the initiative is an early stage, Audit Scotland's view is that the *Offer* has the potential to achieve a step-change in the pace of continuous improvement at Perth and Kinross. Inverclyde Council Officers will therefore contact that Council to find out more about its proposed approach to service design and development which will be co-designed with citizens and communities.

9.3 Perth and Kinross Council's ambition is to become the most digitally innovative local

authority in Scotland. As reported to the Policy and Resources Committee last month, we are looking towards new and distinct methods of allowing our customers to interact with Council Services. Inverclyde Council Officers will therefore contact Perth and Kinross to discuss its use of information and technology, together with plans to update its Digital Strategy.

9.4 North Lanarkshire Council's workforce strategy considers the area's economy and employment as a whole. The document has a wide focus when considering workforce requirements and looks beyond the Council's own workforce and considers the workforce of the local area as a whole, in the context of the local economy. Our People and Organisational Development Strategy 2017/20 was approved by the Policy and Resources Committee in 2016 and is currently being refreshed. As the Strategy's focus is exclusively on our workforce, Officers may widen its scope with a view to also considering the future workforce needs of the Inverclyde area.

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## 10.0 IMPLICATIONS

### 10.1 Finance

#### 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

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

10.2 **Legal:** There are no direct legal implications arising from this report.

10.3 **Human Resources:** There are no direct human resources implications arising from this report.

### 10.4 Equalities

#### Equalities

(a) Has an Equalities Impact Assessment been carried out?

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

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic direction:-



Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	Yes. A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	No.

(c) Data Protection

Has a Data Protection Assessment been carried out?

	Yes. This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	No.

## 10.5 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 aims of retaining and enhancing the area's population.

## 11.0 CONSULTATION

11.1 There was no requirement to consult on the contents of this report.

## 12.0 CONCLUSION

12.1 The BVARs on Midlothian, Perth and Kinross, Stirling and North Lanarkshire Councils were published between April and August 2019; the main findings of the documents are summarised in this report. While Inverclyde Council was the first in Scotland to be audited under the new Best Value process, we recognise the importance of keeping abreast of the BVARs of subsequent local authorities to be audited.

## 13.0 LIST OF BACKGROUND PAPERS

13.1 Midlothian Council – BVAR, 4 July 2019.

Perth and Kinross Council – BVAR, 22 August 2019.

Stirling Council – BVAR, 25 April 2019.

North Lanarkshire – BVAR, 23 May 2019.

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration and Resources</b>	<b>Report No:</b>	<b>PR/28/19/BH</b>
<b>Contact Officer:</b>	<b>Brendan Hurrell</b>	<b>Contact No:</b>	<b>01475 712098</b>
<b>Subject:</b>	<b>Procurement – Environmental Assessments and Local SMEs</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to fulfil a request from the September Policy and Resources Committee to address (a) measures the Council can take that better include environmental impacts as a result of the Council's Procurement Policy, eg environmental weighting, and (b) measures that can result in more locally based SMEs and Inverclyde workers being successful in being awarded Council contracts.

## 2.0 SUMMARY

- 2.1 There is no doubt that there are economic and social benefits in spending Inverclyde's budget locally and within Inverclyde. Where contracts are awarded to local suppliers this will lead to more likelihood of local Inverclyde residents being employed on those contracts. The profits obtained by these companies may also be reinvested in Inverclyde. The Council also needs to be compliant with its legal obligations and with the requirement to achieve best value.
- 2.2 In order to understand the ability to award a contract to a local supplier, the latitude to do this, as well as the constraints of the legislation and the associated budgetary impact, must be considered. The law means that Inverclyde Council cannot discriminate in favour of local suppliers but the Council's policy has been to seek ways to ensure that they are given every encouragement to compete for contracts.
- 2.3 Where the Council has a requirement for a contract, the accepted position is that consideration must be given as to whether the requirement can be fulfilled either by directly purchasing from a National Framework or by conducting a mini tender (competition). The Contract Standing Orders oblige officers to use Scotland Excel, Scottish Government and UK Government Frameworks unless a Head of Service justifies an alternative to the relevant Committee. Where a National Framework exists, the accepted position has been that these Frameworks are both legally compliant as they have been tendered under the relevant rules and offer best value due to the economies of scale that are available.
- 2.4 Section 5 of this report summarises the work that is already underway and what more can be done in terms of (a) measures the Council can take that better include environmental impacts as a result of the Council's Procurement Policy, eg environmental weighting, and (b) measures that can result in more locally based SMEs and Inverclyde workers being successful in being awarded Council contracts.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the work that is undertaken to include environmental impacts in terms of procurement, what can be done in future and the measures that are being taken to assist locally based SMEs and Inverclyde workers in being successful in being awarded Council contracts.

## **4.0 BACKGROUND**

- 4.1 The ability for Local Authorities to award contracts to local suppliers has been the matter of some debate within all Local Authorities in the United Kingdom for a long period of time due to legal and financial issues that minimise the possibility of simply awarding contracts to local suppliers.
- 4.2 The legal constraints are in place due to the Council's obligations to remain compliant with procurement legislation. The relevant legislation is the Public Contracts Scotland Regulations 2015 and the Procurement Reform Scotland Act 2014. The intention of the legislation is to stop EU member states from taking the advantages of being an EU member state but at the same time not allowing free trade. In a UK and Scottish national sense, as well as within Inverclyde, this means that we must tender contracts above a certain value and allow bids from interested suppliers from all member states, all UK companies and all Scottish companies. If the Council does not follow the procurement laws, it can be taken to court. If the Court finds that the Council has not acted within the law then it can lead to contracts being nullified, damages being awarded to aggrieved suppliers, fines and reputational damage.
- 4.3 Contracts are now regulated above £50,000 for goods and services and £2m for works. These are the values above which the Council must adhere to the laws set down within the Procurement Scotland Act. The current EU tendering thresholds are £181,000 for goods and services contracts and £4,500,000 for works contracts.
- 4.4 In terms of finance and budget, the Council must consider Best Value when conducting any procurement exercise. Inverclyde Council spends in the region of £100m per year with suppliers. On average, 30% of this is spent with suppliers with addresses within Inverclyde. Around 65% is spent with SMEs.
- 4.5 The Council uses 64 Frameworks that have been put in place by Scotland Excel and pays an annual fee of £65,000 for this Service as well as some softer services that assist the Council in its management of Procurement. In addition to Scotland Excel contracts, the Council uses contracts that have been put in place by Procurement Scotland and the UK Government. The Scottish national contract for care homes is put in place by COSLA and the Council also takes part in this. SPT tender our school transport contracts. The total spend on National collaborative contracts is now around £30m per annum.
- 4.6 The Sustainable Procurement Duty outlined in the Procurement Reform (Scotland) Act 2014 requires that an organisation must think about how it can improve the Social, Environmental and Economic wellbeing of the area in which it operates, with a particular focus on reducing inequality. Statutory Guidance has been published on the Sustainable Procurement Duty. The Sustainable Procurement Duty outlined in the Procurement Reform (Scotland) Act 2014 requires that an Organisation must think about how it can improve the Social, Environmental and Economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.
- 4.7 Where the Council has a requirement for a contract, the accepted position is that consideration must be given as to whether the requirement can be fulfilled either by directly purchasing from a National Framework or by conducting a mini tender (competition). The Contract Standing Orders oblige officers to use Scotland Excel, Scottish Government and UK Government Frameworks unless a Head of Service justifies an alternative to the relevant Committee. Where a National Framework exists, the accepted position has been that these Frameworks are both legally compliant as they have been tendered under the relevant rules and offer best value due to the economies of scale that are available.

## **5.0 CURRENT STATUS AND POSSIBLE FUTURE MEASURES**

- 5.1 As detailed within the background above, the Council pays an annual fee to Scotland Excel of £65,000 and at present this covers 64 frameworks. If the Council were to procure these contracts itself with the view that the local economic benefit outweighed the budget savings available through use of the Scotland Excel framework supplier, this would require the Council to spend more in employing staff to tender these contracts by itself. The contracts would cost more as the accepted economies of scale would not be available.

- 5.2 Due to the size of these National Frameworks, there may be barriers or perceived barriers for smaller suppliers to win a place on the frameworks. There may be financial criteria in relation to possible contract value to turnover ratios which may mean smaller suppliers would not qualify for a place on the framework. However, Councils (including Inverclyde) have been lobbying for this to change and there are now more frameworks being procured that make allowance for smaller suppliers to be awarded a place on these frameworks. There are now 4 local suppliers on Scotland Excel frameworks.
- 5.3 Aside from considering whether whole contracts could be tendered, the question of whether elements of a contract could be subject to a separate procurement or lotted may also be considered. The Council's procurement policy demands that officers consider lotting. However, it should be noted that if the value of the separate contract or lot is more than £50,000, in terms of goods and services, it is regulated and therefore must be tendered on an open and transparent basis and any supplier who is interested in bidding must be allowed to put a tender forward. There is still, therefore, a chance that suppliers outwith the area could win contracts of this type.
- 5.4 The average procurement spend for Inverclyde Council is £100m. The table below lists the types of spends or contracts where there is already a local supplier, no local presence or supplier capable or servicing a contract.

Type of Spend or Contract	Average Spend
Already Local	£30M
PPP Contract	£9M
Utilities	£4M
Waste Processing	£4M
ICT Software and Hardware	£4M
Roadstone and Civils Contractors	£6M
Fleet and Environmental Capital	£3M
Total	£60M

- 5.5 On average 30% or £30m is already spent locally year on year. It is also worth noting that our local suppliers are gaining millions of pounds in contracts from other public sector bodies outwith the area. Should we decide to only award contracts to our local suppliers and other local authorities followed suit our local suppliers would suffer more and may not be sustainable as a result. There is an ongoing contractual obligation to spend £9m on the Council's legacy PPP contracts and this cannot be influenced and changed to a spend with a local supplier. Assuming there is agreement that we cannot produce and sell utilities or process our own waste this removes a further £7m, as this is the spend associated with these contracts. There is also no local provision for ICT software and hardware which has a spend of around £4m, Roadstone and Civils contractors at around £6m and fleet and environmental capital spends of £2.9m have no local supply chain presence. All of these contracts equate to around £60m of spend that is either already sourced locally or there is no definite mature and existing local supply source that the Council could rely on with minimal supply risk.
- 5.6 In addition to these contracts and further considering the value of opportunity to switch to local supply, there may be some merit in looking at how we categorise care homes and other care suppliers who have payment addresses outwith Inverclyde. Inverclyde Council uses a number of social care providers who all have payment addresses outwith Inverclyde and are paid over £20m in total. These providers will all require service delivery by local employees and use local buildings. Although the spend appears to be going out with Inverclyde we are seeing the economic and social benefits. There are elements of the spend that may go outwith the area such as administrative costs and profit, but this total should be recognised as a local spend. Doing this would bring our spend with local suppliers to 50%. If we remove the legacy PPP contract, as this cannot be influenced, our local spend percentage would increase again to around 55%.
- 5.7 The opportunity to 'localise' spend is then based on the remaining £40m and on the basis that there is agreement that all Scotland Excel contracts are out of scope to provide locally, the figure reduces to £33m. The vast majority of the value of this spend will be capital with other goods and service contracts making up the balance.

5.8 As detailed at previous committees, the Council's procurement policy means that officers already consider the following initiatives when tendering these contracts:—

- 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
- 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
- Ensure that 50% of the number of suppliers chosen to bid for quotations are local
- Include community benefits where appropriate

These initiatives and processes as part of agreed policy already address the measures the Council can take that better include environmental impacts as a result of the Council's Procurement Policy and include measures that already result in more locally based SMEs and Inverclyde workers being successful in being awarded Council contracts.

5.9 Furthermore, officers already consider the inclusion of an environmental weighting where it is appropriate on a case by case basis. These weightings must, by the proper application of the procurement laws, be proportionate to the contract. For example, a 20% total weighting attributed to environmental impact would be disproportionate on a tender for consultancy services where there was minimal use of transport or goods such as paper in the delivery of the contract. Care must also be taken to ensure that the inclusion of an environmental weighting does not have a disproportionate and negative impact on local suppliers who could bid. An example of this would be a local supplier who may use diesel vehicles and have no policy on using a vehicle tracking system that allows them to reduce mileage as compared to a non-local supplier who uses electric vehicles and has a vehicle tracking system.

5.10 Another consideration may be that a local supplier may source products from the Far East or Asia whereas a non-local supplier may source from the UK or Scotland. The local supplier then is at a disadvantage in terms of any environmental considerations. The Committee could consider creating a procurement policy that mandated a certain minimum percentage being allocated to environmental considerations but this would not be advised due to the requirement to be proportionate and compliant with the procurement laws. The advantage in assessing each contract on a case by case basis prior to forming a tender strategy is that officers can then consider each of these possibilities rather than taking a broad approach that may not fit each contract and may then be detrimental to local suppliers. Members have the opportunity to scrutinise and approve contract awards as part of the Council's governance procedures and through regular reports on contracts that are awarded.

5.11 In order for more locally based SMEs and Inverclyde workers being successful in being awarded Council contracts, there is a requirement for further supplier development and growth. This activity is already underway given that the procurement, business development and workforce development functions of the Council are now under the remit of one manager within the Regeneration and Planning Service.

5.12 This structure will drive a commitment to investigate ways to grow the local supplier market to assist the Council's aims and also create profitable and sustainable business within Inverclyde. Work is underway to engage with established supplier groups such as the Construction Forum, the Chamber of Commerce and Connecting Women in Inverclyde. The objective of these meetings is to establish connections with public spend opportunity with existing suppliers who are part of these groups and to use the suppliers' knowledge to create innovative spend opportunities that may not already exist. These groups will continue to be supported by the Supplier Development programme and by the Council's Business Development service. Further work is also underway to establish links with University research projects that may be able to assist the Inverclyde area in harnessing better ways for new and existing suppliers to engage with the public and private sector and create growth and job opportunities.

## 6.0 IMPLICATIONS

### 6.1 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

### 6.2 Legal

The legal implications are as detailed in the report.

### 6.3 Human Resources

There are no Human Resources implications.

### 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 repopulation implications.

## 7.0 CONSULTATIONS

7.1 Consultation has taken place with Legal Services in connection with the content of this report

## 8.0 BACKGROUND PAPERS

8.1 None

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Head of Legal &amp; Property Services</b>	<b>Report No:</b>	<b>LP/136/19</b>
<b>Contact Officer:</b>	<b>Andrew Greer</b>	<b>Contact No:</b>	<b>01475 712498</b>
<b>Subject:</b>	<b>Data Protection Policy</b>		

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## 1.0 PURPOSE

1.1 The purpose of this report is to provide the Policy & Resources Committee with an overview of the amended Data Protection Policy in the **Appendix**; and to seek the Committee's approval of this amended Policy.

## 2.0 SUMMARY

2.1 Data Protection Legislation has recently undergone significant changes with the introduction of the General Data Protection Regulation and the Data Protection Act 2018.

2.2 These changes have been incorporated into the Data Protection Policy which had previously been approved by the Committee on 5 February 2013.

2.3 The Policy sets out the Council's commitment to ensuring that any personal data, including special category personal data, which the Council processes, is carried out in compliance with the data protection legislation.

2.4 Given that this area of law is undergoing regular changes, the Policy will be reviewed in November 2020.

## 3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee approves the amended Data Protection Policy.

## **4.0 BACKGROUND**

- 4.1 Data protection legislation changed significantly with the introduction of the Data Protection Act 2018 on 23 May 2018 and the General Data Protection Regulation on 25 May 2018. The data protection legislation sets out requirements on how organisations need to handle personal data and has enhanced the rights of individuals whose data is held and gives them more control over what happens to their data.
- 4.2 These changes have been incorporated into the Data Protection Policy, which had previously been approved by the Committee on 5 February 2013.
- 4.3 As well as ensuring compliance with the data protection legislation, the Policy will provide Services with updated guidance outlining the responsibilities of employees.
- 4.4 This report provides a summary of the main changes to the Council's Data Protection Policy.

## **5.0 NEW SECTIONS OF THE DATA PROTECTION POLICY**

### 5.1 Definitions

- 5.2 A new definitions section has been created to assist employees with interpretation of key concepts of data protection. The key definitions remain largely the same as the previous legislation with the exception of Personal Data which has been expanded, and Special Category Data, previously known as Sensitive Personal Data.

### 5.3 Senior Information Risk Owner (SIRO)

- 5.4 Whilst not a new change brought about by the data protection legislation, the role of the Council's Senior Information Risk Owner (SIRO) has been included in the Policy to assist clarification. The SIRO has overall responsibility for Information Management and Information Risk Management within the Council.

### 5.5 Role of Data Protection Officer

- 5.6 The data protection legislation introduced a mandatory requirement for the Council to have a Data Protection Officer (DPO). The Policy provides a summary of the role of the DPO.

### 5.7 Special Category Data

- 5.8 As advised in paragraph 5.2, Special Category Data replaces the category of sensitive data and now consists of:

- Racial or ethnic origin.
- Political Opinions.
- Religious or philosophical beliefs.
- Trade Union membership.
- Genetics.
- Biometrics (where used for ID purposes).
- Health.
- Sex Life.
- Sexual Orientation.

### 5.9 Data Protection Fee

- 5.10 Previously the Council was required to register as a Data Controller with the Information Commissioner's Office (ICO) and pay a fee of £500. The Council no longer requires to register, however, the Council does require to pay a data protection fee of £2,900 on a corporate basis and the Head of Legal and Property Services will arrange payment of this fee on behalf of the Council.



5.11 Under the new legislation, Elected Members no longer require to register and are exempt by law from the data protection fee.

#### 5.12 Documentation of Processing Activities

5.13 There is a legal requirement to document processing activities under the data protection legislation. The Council has an Information Asset Register (IAR) which forms the basis of the Council's documentation of processing activities. It is the responsibility of each Service to update the IAR and ensure that the information relevant to their Service is accurate at all times.

#### 5.14 Contracts

5.15 The data protection legislation introduced a mandatory requirement that the Council, when acting as Data Controller, must have a written contract in place with a Data Processor (the supplier), when processing personal data on behalf of the Council. For example:

- IT system purchased to store personal data;
- Shredding company hired to destroy personal data;
- An organisation contracted to carry out an administrative function on behalf of the Council.

5.16 This has been included in the Policy to ensure Services are aware of this important step.

#### 5.17 Data Sharing

5.18 The Policy explains when there will be a need for a data sharing agreement, focusing on systematic or large scale data sharing, and directs Services to the Information Sharing Protocol available on ICON.

#### 5.19 Data Protection Impact Assessments

5.20 The Policy explains when a Data Protection Impact Assessment may be required, focusing on minimising risks, and directs Services to the Data Protection Impact Assessment Guidance on ICON.

#### 5.21 Appropriate Policy Document

5.22 The data protection legislation requires Data Controllers who process Special Category (or Personal Data relating to criminal convictions and offences) to have an "appropriate policy document" in place setting out a number of additional safeguards for this data. The Council's Appropriate Policy Statement is provided for in the Data Protection Policy Appendix 2.

#### 5.23 **CHANGES TO EXISTING SECTIONS OF THE DATA PROTECTION POLICY**

##### 5.24 Rights of Data Subjects

In addition to the extension of existing rights, the new data protection legislation introduces:

- Right of erasure in certain circumstances;
- Right to object to certain Processing; and
- Right to data portability.

These have been included in the Policy.

##### 5.25 Data Breaches

5.26 The data protection legislation introduces far more strict timescales for reporting and completing any actions, and lowered the threshold for reporting data breaches to the ICO. The Policy makes reference to the Council's Data Breach Management Protocol to assist services manage data breaches effectively and timeously.

## 5.27 **OTHER CHANGES TO THE DATA PROTECTION POLICY**

- 5.28 All other changes are minor and include operational changes such as reference to the Information Governance Team; and additional changes introduced by the data protection legislation such as the Council demonstrating compliance with the data protection principles.
- 5.29 Given this area of law has recently undergone significant changes, the Data Protection Policy will be reviewed again in November 2020 to ensure that it continues to be relevant and accurate.
- 5.30 The Data Protection Policy will be the subject of briefings to members of the Extended Management Team during November/December 2019 and any practical items arising from implementation will be noted and reported upon for the November 2020 review, above.
- 5.31 In addition to the amended Data Protection Policy, the Information Governance Team has produced guidance on Subject Access Requests (SAR), which is the right of access by an individual to information held about them by the Council. The SAR Service Officers and the Information Governance Steering Group have been consulted and their feedback has been incorporated into the Guidance. SAR training will be delivered in May 2020 and the guidance on SARs will be readily available to all relevant officers.

## 6.0 **IMPLICATIONS**

### 6.1 **Finance**

Financial Implications:

One off Costs

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report</b>	<b>Virement From</b>	<b>Other Comments</b>
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (if Applicable)</b>	<b>Other Comments</b>
Council-wide Data Protection Fee	Data Protection Fee	25 <sup>th</sup> May 2019	£2,900	N/A	New fee for Council Data Controller responsibilities.

### 6.2 **Legal**

The Council requires to take the steps as identified in this report to comply with data protection legislation.

### 6.3 **Human Resources**

There are no direct HR implications on this report.

### 6.4 **Equalities**

There is no direct effect upon equalities within this report.

- (a) Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required
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(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
--	--

X	NO
---	----

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
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X	NO
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## 6.5 Repopulation

There is no implication for repopulation within Inverclyde.

## 7.0 CONSULTATIONS

7.1 The Information Governance Steering Group was consulted on the contents of the Policy and their input has been incorporated into the Policy.

7.2 The Corporate Management Team was briefed on the Policy on 23 October 2019 and endorses this report.

## 8.0 BACKGROUND PAPERS

8.1 Policy and Resources Committee Report – 2 February 2013 - <https://www.inverclyde.gov.uk/meetings/meeting/1565>

# DATA PROTECTION POLICY

Version 02.2

*Produced by:*  
*Information Governance Team*  
*Inverclyde Council*  
*Municipal Buildings*  
*GREENOCK*  
*PA15 1LX*

October 2019



**INVERCLYDE COUNCIL IS AN EQUAL OPPORTUNITIES EMPLOYER  
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**DOCUMENT CONTROL**

<b>Document Responsibility</b>		
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Information Governance Team	Data Protection Policy	Legal and Property Services
<b>Change History</b>		
<b>Version</b>	<b>Date</b>	<b>Comments</b>
01.0	October 2012	Information Governance Officer
02.0	July 2019	Major amendments to reflect GDPR and DPA 2018
02.1	October 2019	Minor amendments from Legal
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<b>Distribution</b>		
<b>Name/ Title</b>	<b>Date</b>	<b>Comments</b>
Legal Services	August 2019	Clarifying matters including role of Data Processors
Information Governance Steering Group	15 <sup>th</sup> – 22 <sup>nd</sup> October 2019	Minor amendments regarding structure.
Corporate Management Team	24 <sup>th</sup> October 2019	Minor amendments.
Extended Management Team	November/December 2019	
Policy and Resource Committee	19 <sup>th</sup> November 2019	

*Distribution may be made to others on request*

<b>Policy Review</b>			
<b>Updating Frequency</b>	<b>Review Date</b>	<b>Person Responsible</b>	<b>Service</b>
3 years unless required earlier	November 2020 (earlier review date to assess policy given new legislation)	Information Governance Team	Legal & Property Services

<b>Document Review &amp; Approvals: this document requires the following approvals:</b>			
<b>Name</b>	<b>Action</b>	<b>Date</b>	<b>Communication</b>
Policy and Resources Committee		November 2019	
<b>Linked Documentation</b> <i>(Documents that you have linked or referenced to in the text of this document)</i>			
<b>Document Title</b>		<b>Document File Path</b>	

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## Official

### 1.0 Introduction and Policy Statement

- 1.1 Inverclyde Council ('the Council') collects and processes personal information about its customers, employees and others to allow the Council to carry out many of its functions and responsibilities. This personal information, however it is acquired, held, processed, released or destroyed, must be dealt with lawfully and appropriately in accordance with Data Protection Legislation.
- 1.2 Dealing appropriately with personal information will not only ensure that the Council complies with its legal obligations but will contribute to maintaining the confidence of customers, employees and others.
- 1.3 This Policy sets out the Council's commitment to ensuring that any Personal Data, including Special Category Personal Data, which the Council processes, is processed in compliance with Data Protection Legislation. The Council seeks to ensure that good data protection practice is embedded in the culture of the Council and its employees.
- 1.4 This Policy sets out appropriate guidance and safeguards to ensure compliance with Data Protection Legislation.
- 1.5 The Council will ensure that all employees who handle Personal Data on its behalf are made aware of their responsibilities under this Policy and other relevant data protection and information security policies and that adequate training and supervision is provided.

Other key Council documents which are complementary to and which should be considered alongside this Policy include:

1. Acceptable Use of Information Systems Policy
2. Records Management Policy
3. Policy for Retention and Disposal of Records
4. Records Management Plan
5. Data Protection Breach Management Protocol
6. Data protection Impact Assessment Guidance
7. GDPR Employee Guide
8. Privacy Notices and Privacy Notice Guidance

- 1.6 To comply with Data Protection Legislation, information about individuals must be:

- collected lawfully;
- used fairly;
- accurate and kept up to date;
- stored safely and securely;
- retained no longer than is necessary and;
- not disclosed to any third party unlawfully.

The Council will inform individuals about the Processing that it undertakes, through privacy notices and direct contact, and will make it clear to individuals what is happening with and to their Personal Data.

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**2.0 Definitions**

2.1 The table below outlines key definitions that are referred to within this Policy and Data Protection Legislation

Personal Data	<p>This is data which relates to a living individual (“Data Subject”) who can be identified:</p> <ul style="list-style-type: none"> <li>• from the data.</li> <li>• from the data and other information which is in the possession of, or is likely to come into the possession of, the Data Controller.</li> </ul> <p>This includes the name, address, telephone number, national insurance number as well as any expression of opinion about the individual and any indication of the intentions of the Data Controller or any other person in respect of the individual.</p>
Special Category Personal Data	<p>This is Personal Data consisting of information as to any of the following:</p> <ul style="list-style-type: none"> <li>• Racial or ethnic origin.</li> <li>• Political opinions.</li> <li>• Religious or philosophical beliefs.</li> <li>• Trades Union membership.</li> <li>• Genetics.</li> <li>• Biometrics (where used for ID purposes).</li> <li>• Health.</li> <li>• Sex Life.</li> <li>• Sexual Orientation.</li> </ul>
Record	<p>A record is recorded information, in any form, including data in systems created, received and maintained by the Council and kept as evidence of such activity.</p>
Subject Access Request	<p>This is a right of access by individuals to their Personal Data held by the Council.</p>
Records Management	<p>The control of the Council records during their lifetime, from creation to storage until archiving or destruction.</p>
Processing	<p>The definition of Processing covers everything from obtaining and gathering in information to using the information and, eventually, destroying the information.</p>
Data Controller	<p>A Data Controller is a person or organisation who decides how any personal information can be held and processed, and for what purposes.</p> <p>Inverclyde Council is a Data Controller.</p> <p>In addition, individual Elected Members can be Data Controllers.</p>
Data Processor	<p>This role is carried by any person other than a Council employee (for example, contractors and agents) who process personal information on behalf of the Council.</p>
Data Protection Legislation	<p>The General Data Protection Regulation EU 2017/679 (GDPR) and the Data Protection Act 2018.</p>

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**3.0 Scope**

- 3.1 This Policy applies to all employees and Elected Members of the Council. Any breach of Data Protection Legislation or this Policy may result in disciplinary action for an employee, referral of an Elected Member to the Standards Commission and may also constitute a criminal offence.
- 3.2 Other third parties, including but not limited to, agencies, consultants, contractors, volunteers, agents or any other individual Processing Personal Data on behalf of the Council, are required to comply with this Policy.
- 3.3 This Policy applies to all situations where the Council processes (collects, stores, uses, shares) Personal Data about living individuals. It includes information stored in any format including but not limited to Personal Data held:
- electronically;
  - on paper;
  - on CCTV;
  - in photographs; and
  - on audio equipment.
- 3.4 Appendix 1 sets out the Data Protection Principles ('the Key Principles') defined in the Data Protection Legislation.

**4.0 Responsibilities**

- 4.1 The Council is the Data Controller under Data Protection Legislation.
- 4.2 The Corporate Management Team, Chief Officers and Service Managers are responsible for ensuring their teams and employees are aware of this Policy and for developing and encouraging robust information handling practices.
- 4.3 Compliance with Data Protection Legislation is the responsibility of all employees and Elected Members who process personal information.
- 4.4 Each Service and its senior management will retain a service responsibility for compliance with the provisions of the Data Protection Legislation and this Policy.
- 4.5 All Services will nominate an officer whose role will be to:
- monitor compliance within their Service;
  - pass on advice and training;
  - maintain the accuracy of their Service's input into the Council's Information Asset Register (IAR) and;
  - to ensure that Subject Access Requests are properly and timeously processed.
- 4.6 All employees will be responsible for following procedures and systems for maintaining appropriate security of the Personal Data to which they have access.
- 4.7 From time to time, Services will monitor their compliance with the Council's policies, procedures and guidelines and review their security arrangements.
- 4.8 The Corporate Management Team will ensure that employees are provided with guidance, training and procedures to promote a culture of compliance with the Data Protection Legislation and with this Policy.
- 4.9 The Council's Senior Information Risk Owner (SIRO) sits on the Corporate



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Management Team and has overall responsibility for Information Management and Information Risk Management within the Council.

The SIRO:

- Acts as an advocate for information risk at the Corporate Management Team;
- Drives culture change regarding information risks in a realistic and effective manner;
- Is consulted on matters arising from information incidents; and
- In liaison with the Chief Executive and Directors, ensures the Information Asset Owner and supporting roles within Services are in place to support the SIRO role.

The Council's SIRO is the Corporate Director of the Inverclyde Health and Social Care Partnership (HSCP).

4.10 The Council's Data Protection Officer (DPO) has corporate responsibility to:

- Inform and advise the Council and its employees about their obligations to comply with the Data Protection Legislation and other data protection laws;
- Monitor compliance with Data Protection Legislation and other data protection laws, including the assignment of responsibilities, raising awareness, developing training, training employees involved in the Processing areas and working on audit related matters;
- Provide advice about Data Protection Impact Assessments (explained further in section 12) and monitor their performance;
- Co-operate with the supervisory authority (the Information Commissioner's Office); and;
- Act as a point of contact for the Information Commissioner's Office on issues related to the Processing of Personal Data.

The Council's DPO is:

Andrew Greer  
Data Protection Officer  
Inverclyde Council  
Municipal Buildings  
Greenock PA15 1LY  
[dataprotection@inverclyde.gov.uk](mailto:dataprotection@inverclyde.gov.uk)  
Tel: 01475 712498

## **5.0 Special Category Personal Data**

5.1 The Council processes Special Category Personal Data of employees, service users and third parties as is necessary to carry out its many functions and responsibilities.

5.2 Special Category Personal Data is subject to much stricter conditions of Processing.

5.3 Appendix 2 sets out the Council's policy statement and additional safeguards on Processing Special Category Data and Personal Data relating to criminal convictions and offences.

## **6.0 Implementation of Key Principles**

6.1 In complying with the key principles of the Data Protection Legislation set out in Appendix 1, the following practices will be applied:-

- a) The Council will ensure that the legal basis for Processing Personal Data is identified in advance and that all Processing is in compliance with the Data

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Protection Legislation;

- b) The Council will ensure that all sharing of Personal Data with other organisations will be appropriately documented;
- c) When Personal Data is collected the Data Subject will be provided with a Privacy Notice, providing information about what the Council collects, why this information is needed and how it will be processed. Any exceptions to this will be documented;
- d) The Council will identify and collect the minimum amount of information that is necessary for the purpose. If it becomes necessary to hold or obtain additional information about certain individuals, such information will only be collected and recorded in relation to those individuals;
- e) The Council will adopt policies that ensure that all relevant information is kept accurate and up to date. Where the Council identifies an inaccuracy or a Data Subject indicates that information held by the Council or a business partner is inaccurate, the error will be rectified by the owner of the data;
- f) The Council will implement procedures in relation to the retention and disposal of Personal Data in accordance with the Policy for Retention and Disposal of Records;
- g) The Council has processes in place to ensure that requests made by an individual to exercise their rights under Data Protection Legislation can be facilitated;
- h) The Council will ensure that appropriate security measures are in place so that Personal Data can only be accessed by those who need to access it and that it is held and transferred securely;
- i) Personal data will be appropriately safeguarded from accidental destruction, theft or any other loss; and
- j) Where there is a requirement to take Personal Data off-site, procedures will be adopted to ensure the safe keeping of that data.

## **7.0 Data Subject Rights**

7.1 Data Subjects have the following rights regarding data Processing and the data that is recorded about them:

- Right to be informed;
- Right of access;
- Right to rectification of inaccurate data;
- Right to erasure in certain circumstances;
- Right to object to certain Processing, including the right to prevent Processing for direct marketing;
- Right to prevent automated decision-making;
- Right to data portability; and
- Right to claim compensation for damages caused by a data breach.

7.2 The Council will ensure that the rights of Data Subjects are respected. Advice can be sought by contacting the Information Governance Team by email: [dataprotection@inverclyde.gov.uk](mailto:dataprotection@inverclyde.gov.uk) or by telephone: 01475 712498.

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**8.0 Data Protection Fee**

- 8.1 The Data Protection (Charges and Information) Regulations 2018 requires organisations that process personal information to pay a fee to the Information Commissioner's Office (ICO), unless exempt. The Information Commissioner maintains a public register of notified Data Controllers. Payment of the data protection fee on behalf of the Council is the responsibility of the Head of Legal & Property Services.
- 8.2 Individual Elected Members are exempt by law from payment of the data protection fee.

**9.0 Documentation of Processing Activities**

- 9.1 There is a legal requirement to document Processing activities under the Data Protection Legislation. The Council has an Information Asset Register (IAR) which forms the basis of the Council's documentation of Processing activities. It is the responsibility of each Service to update the IAR and ensure that the information relevant to their Service is accurate at all times.

**10.0 Contracts**

- 10.1 Where an organisation processes Personal Data on behalf of the Council there must be a contract in place that contains the Council's Terms and Conditions, which includes the Council's standard data protection clauses.

**11.0 Data Sharing**

- 11.1 Data sharing takes place when Personal Data is shared with another organisation for its own purposes. This is separate from when the organisation is Processing the Personal Data on behalf of the Council.
- 11.2 An appropriate written agreement for the sharing of Personal Data (known as a data sharing agreement or an Information Sharing Protocol) must be in place before any systematic or large scale Personal Data sharing takes place. Legal and Property Services must be consulted prior to any such agreement being made. The Council's Information Sharing Protocol is available on ICON.
- 11.3 Completed Data Sharing Agreements should be sent to [dataprotection@inverclyde.gov.uk](mailto:dataprotection@inverclyde.gov.uk). A register of completed Data Sharing Agreements and Information Sharing Protocols is maintained by Legal and Property Services.

**12.0 Data Protection Impact Assessments**

- 12.1 A Data Protection Impact Assessment (DPIA) will be undertaken to identify and minimise the privacy risks of any new project or policy that will involve Processing Personal Data. The lead officer for the project or policy will be responsible for ensuring that the DPIA is undertaken. The DPO will assist Services to identify the need for a DPIA, provide guidance for the assessment process, and make recommendations to ensure the Council's compliance with the Data Protection Legislation.
- 12.2 Completed DPIAs should be sent to [dataprotection@inverclyde.gov.uk](mailto:dataprotection@inverclyde.gov.uk). A register of completed DPIAs is maintained by Legal and Property Services.

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**13.0 Data Breaches**

- 13.1 The Council has a legal responsibility to ensure that Personal Data is processed securely, held confidentially and with integrity and accessed by only those who have a justified right of access. Despite the security measures taken to protect Personal Data held by the Council, a breach can happen.
- 13.2 The Council has a Data Breach Management Protocol which is to be followed in the event of a data breach.
- 13.3 It is a criminal offence under Data Protection Legislation to knowingly or recklessly obtain, disclose or procure Personal Data without the consent of the Data Controller and the Council reserves the right to report any such incidences to the Information Commissioner's Office and/or Police Scotland.

**14.0 Governance**

- 14.1 The Information Governance and Steering Group (IGSG) will act as the forum for the consideration of any matters related to Data Protection Legislation and Policy. This Policy will be reviewed at least every 3 years.
- 14.2 Services will identify key contacts to comprise of the membership of the IGSG.

**15.0 Conclusion**

- 15.1 The Council subscribes to the principles of the Data Protection Legislation and will continue to develop policies, procedures and guidelines to ensure compliance with its legal obligations.

## Appendix 1

### Data Protection Key Principles

- (1) Personal data shall be processed fairly, lawfully and in a transparent manner.
- (2) Personal data shall be processed only for the purposes for which it was obtained.
- (3) Personal data shall be adequate, relevant and not excessive.
- (4) Personal data shall be accurate and kept up to date where necessary.
- (5) Personal data shall be kept in a form which permits identification of Data Subjects for no longer than is necessary for the purposes for which the personal data was processed.
- (6) Personal data shall be processed in a manner that ensures appropriate security of the Personal Data.

As a Data Controller, the Council is responsible for, and must be able to demonstrate compliance with, these key principles.

## Appendix 2

### **Inverclyde Council – policy statement and additional safeguards on Processing Special Category Data and Personal Data relating to criminal convictions and offences**

#### **Introduction**

With effect from 25 May 2018, Data Protection Legislation requires Controllers who process Special Category (i.e. sensitive) Personal Data, (or Personal Data relating to criminal convictions and offences) under various parts of the Data Protection Act 2018 to have an “appropriate policy document” in place setting out a number of additional safeguards for this data.

More specifically, the law states that:

“The Controller has an appropriate policy document in place in relation to the Processing of Personal Data... if the Controller has produced a document which –

- (a) explains the Controller’s procedures for securing compliance with the principles in Article 5 of the GDPR (principles relating to Processing of Personal Data) in connection with the Processing of Personal Data in reliance on the condition in question, and
- (b) explains the Controller’s policies as regards the retention and erasure of Personal Data processed in reliance on the condition, giving an indication of how long such Personal Data is likely to be retained.”

This document is the policy adopted by Inverclyde Council in relation to this Processing and fulfils the above test.

#### **Policy Statement**

1: Lawfulness, fairness and transparency:

All data which flows into and out of the Council has been assessed to determine the legal basis under which that data is processed and the results of the assessment have been documented in an Information Asset Register. The Council is satisfied that it has a legal basis for holding Personal Data, and that it also has a valid legal basis for disclosing this Personal Data to third parties where this takes place. Privacy notices have been prepared to comply with GDPR requirements (and to reflect the legal basis of Processing). Please see <https://www.inverclyde.gov.uk/privacy> for further details.

2: Purpose limitation:

The purposes for which data are collected are clearly set out in the relevant privacy notices. A limited set of data is required for research and archiving purposes; the Council has put in place appropriate safeguards for these activities as required by Article 89 of the GDPR.

3: Data minimisation:

In assessing the data flows, the Council has also taken the opportunity to assess the need for each of the data fields in question and will cease to capture unnecessary data.

4: Accuracy:

The Council checks data for accuracy and, where any inaccuracies are discovered, these are promptly corrected and any third party recipients of the inaccurate data notified of the correction.

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5: Storage limitation:

The Council only keeps personal information for the minimum period necessary. Sometimes this time period is set out in the law, but in most cases it is based on business need. The Council maintains a Records Retention and Disposal Schedule which sets out how long the Council holds different types of information for. You can view this on the Council's website at <https://www.inverclyde.gov.uk/law-and-licensing/freedom-of-information>.

Ongoing management of the Council's records and information is subject to the provisions of the Council's Records Management Plan, which was developed in terms of the Public Records (Scotland) Act 2011 and approved by the Keeper of the Records of Scotland. This is available online at <https://www.inverclyde.gov.uk/council-and-government/strategies-policies-and-plans/records-management-plan>. The Records Management Plan sets out, in much greater detail, the provisions under which the Council complies with its obligations under public records legislation, data protection and information security and is complementary to this policy statement.

6: Integrity and confidentiality:

The Council has Security Guidelines which provides employees with guidance on how to keep personal, commercial and sensitive information secure and to share only in so far as is operationally necessary. In addition, the Council has an Acceptable Use of Information Systems Policy. All employees are required to complete information security training. The Council's ICT systems have appropriate protective measures in place incorporating defence, and the systems are subject to external assessment and validation. Policies and procedures are in place to reduce the information security risks arising from use of hard copy documentation.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Head of Organisational Development, Policy &amp; Communications</b>	<b>Report No:</b>	<b>HR/18/19BMcQ</b>
<b>Contact Officer:</b>	<b>Barbara McQuarrie</b>	<b>Contact No:</b>	<b>2845</b>
<b>Subject:</b>	<b>Menopause Policy and Guidance</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update the Policy and Resources Committee on the development of a Menopause Policy and seek its approval to implement the attached Policy. The Policy and Guidance will sit within the provisions of the current Supporting Employee Attendance Policy.

## 2.0 SUMMARY

- 2.1 A wide range of organisations have been reporting the need for greater guidance on personal and professional issues faced by women relating to the menopause. These include the Government, NHS employers, the Chartered Institute of Personnel and Development and many trade union organisations. It is a health issue which will affect all women. In 2017 a government report – [Menopause transition: effects on women's economic participation](#) – highlighted not only that significant numbers of women experience problems at work from their symptoms and consider leaving as a result, but also that there is no uniform experience.
- 2.2 It is important that the Council understands the difficulties and anxieties which are faced by women going through this change and that it manages these issues by raising awareness, offering support measures where practicable, and providing training and development for line managers. Women in the workplace should be given information on how they may get support for issues that arise as a result of the menopause, creating a confidence in the employee to raise issues about their symptoms and request reasonable adjustments where appropriate.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that The Policy and Resources Committee:
- Approves the Menopause Policy attached at Appendix 1.

**Steven McNab**  
**Head of Organisational Development,  
Policy and Communications**



## 4.0 BACKGROUND

4.1 The menopause is a natural part of ageing that usually occurs between 45 and 55 years of age, as a woman's oestrogen levels decline. In the UK, the average age for a woman to reach the menopause is 51. However, around 1 in 100 women experience the menopause before 40 years of age. The menopause generally lasts from four to eight years, with up to 60 per cent of women experiencing physical or psychological symptoms. These can include hot flushes, night sweats, sleep disruption, fatigue and difficulty concentrating.

4.2 Many organisations have introduced a Menopause Policy in order to ensure employees know their employer has a positive attitude to the issue and that it is not something women should feel embarrassed about discussing. More than 76 per cent of Inverclyde Council's employees are female, while the average age of workers is 47, meaning the menopause could be a daily part of life for a large section of the workforce.

4.3 Inverclyde Council is committed to ensuring that all individuals are treated fairly and with dignity and respect in their working environment. The Council is committed to improving the well-being of its employees and as an employer has a duty to manage related issues effectively.

4.4 The Inverclyde Council Menopause Policy aims to:

- Ensure all line managers are aware and understand how the menopause can affect their employees at work, enabling them to provide guidance and support, where practicable, to those affected and ensure reasonable adjustments are considered where possible to support those women who are experiencing the menopause;
- Ensure all women in the workplace are given information on how they can request support for any issues that arise as a result of the menopause, creating a confidence in the employee to raise issues about their symptoms and seek any reasonable adjustments that may assist;
- Assist line managers in considering such reasonable support where necessary and enable employees to remain at work where previously they may have reported absent and promote guidance for those affected indirectly, for example, colleagues.

4.5 Measures of Support

Specific advice is already contained in the Council's Supporting Attendance Policy Guidance for managers. This highlights examples of reasonable adjustments which may be requested and/or considered by managers including flexible working, adjusting working times, providing the flexibility to take breaks during the working day to accommodate personal need, more comfortable clothing allowed if uniforms normally worn (it may be appropriate to issue more uniforms, particularly if the uniform is made from synthetic fibres which is less comfortable than natural fibres), adjusting the office environment, for example, in relation to temperature particularly through the issue of things such as personal fans that do not have a substantial impact on the comfort of others in the office, or offering a quiet space where possible to work at particular times of day or week.

Flexible working may assist with sleeping difficulties and low mood. Anxiety and panic attacks may be addressed through employee counselling and mindfulness and meditation.

Support will be considered on an individual basis based on reasonableness, cost, size of team, operational exigencies etc. Particular issues may need to be considered in respect of front line employees or those who work outdoors.

## 5.0 IMPLICATIONS

### Finance

5.1 N/A

#### 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					

### Legal

5.2 Legislation

The Equality Act 2010 protects women against workplace discrimination on the basis of sex or age, whilst other pieces of legislation place a general duty on employers around Health and Safety and welfare for workers.

### Human Resources

5.3 As outlined in the Report and Policy.

### Equalities

5.4 Has an Equality Impact Assessment been carried out?

**To follow.** The Menopause Policy will positively impact on the female workforce with supports being introduced. Male employees may be affected as a result of their partner and the impact assessment recognises the supports contained in the policy for such instances.

**NO**

### Repopulation

5.5 N/A.

## 6.0 CONSULTATIONS

6.1 The Women's Forum have previously highlighted this issue and are supportive of this policy. The trades unions have been involved in the development of this policy and guidance and are also fully supportive its implementation.

## 7.0 LIST OF BACKGROUND PAPERS

7.1 Appendix 1 – Menopause Policy

# Inverclyde Council Menopause Policy



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## **Inverclyde Council Menopause Policy**

### **1. Introduction**

Inverclyde Council is committed to ensuring that all individuals are treated fairly and with dignity and respect in their working environment. The Council is also committed to improving the well-being of its people and as an employer has a duty to manage related issues effectively.

The menopause is a natural part of ageing that usually occurs between 45 and 55 years of age, as a woman's oestrogen levels decline generally lasts from four to eight years, with up to 60 per cent of women experiencing physical or psychological symptoms. These can include hot flushes, night sweats, sleep disruption, fatigue and difficulty concentrating.

More than 76 per cent of Inverclyde Council's employees are female, while the average age of workers is 47, meaning the menopause could be a daily part of life for a large section of our workforce.

In this regard, the Council will provide appropriate support, where practicable, and where operational exigencies allow, to women who are experiencing symptoms associated with the menopause, whilst supporting line managers by providing guidance. The Council will encourage managers to consider reasonable adjustments where possible e.g. to the working environment and working times to assist employees experiencing the symptoms.

It is important that the Council understands the difficulties and anxieties of women currently going through this change and that we manage this issue by raising awareness, and providing guidance for all line management and colleagues.

### **2. Aims and Objectives**

2.1. The aim of the policy and supporting guidance is to make managers aware of menopause related issues and how they can affect their employees by;

- Creating an environment where women feel confident enough to raise issues about their symptoms and seek any reasonable adjustments at work that may assist.
- Promoting the guidance which will provide direction and clarity on how to support women who raise menopause related issues, either for individuals experiencing this or those who are affected indirectly, for example, line managers, and colleagues.
- Informing managers about the potential symptoms of menopause, what the consequences can be and what they can do to support women at work including considering reasonable adjustments where possible.
- Reduce absenteeism due to menopausal symptoms.

2.2 Inverclyde Council recognise that staff may need additional consideration during this transitional time before, during and after the menopause and will ensure that staff are treated according to their circumstances and needs, recognising that the menopause is a very

individual experience and that people can be affected in different ways and to different degrees, and therefore different levels and types of support and adjustments may be needed. Support will be considered on an individual basis based on reasonableness, cost, size of team, operational exigencies etc. Particular issues may need to be considered in respect of front line employees or those who work outdoors.

This policy is supported by employee guidance attached and should be read in conjunction with this. The Policy and Guidance will sit within the provisions of the current Supporting Employee Attendance Policy.

### **3. Scope**

3.1. This policy applies to all employees of the Council. People from the non-binary, transgender and intersex communities may also experience menopausal symptoms. Due to a variety of factors, the experience of the menopause may be different for those within these communities. Experiences and perceptions of the menopause may also differ in relation to disability, age, race, religion, sexual orientation or marital/civil partnership status. It is important to recognise that for many reasons; peoples' individual experiences of the menopause may differ greatly.

### **4. Definitions**

4.1. The menopause is part of the natural ageing process for women, although it can be brought on as a result of other medical conditions or certain surgical interventions. It refers to the point in time when menstruation has ceased for twelve consecutive months. The menopause is sometimes known as the 'change of life'. The average age for a woman to reach menopause is 51, however, it can be earlier or later than this due to surgery, illness or other reasons. In the UK, around 1 in 100 women experience the menopause before 40 years of age. The menopause generally lasts from four to eight years and as a result of these hormonal changes, many women experience both physical and psychological emotional symptoms.

4.2. Peri-menopause is the time leading up to menopause when a woman may experience changes, such as irregular periods or other menopausal symptoms. This can be years before menopause.

4.3. Post-menopause is the time after menopause has occurred, starting when a woman has not had a period for twelve consecutive months.

### **5. Symptoms of Menopause**

5.1. Whilst 75% of women do experience some symptoms, and 25% could be classed as severe, it is important to note that not every woman will notice every symptom, or even need help or support.

5.2. Symptoms can manifest both physically and psychologically including, hot flushes, sweats, poor concentration, joint pain, insomnia, headaches, panic attacks, heavy/light periods, anxiety, and loss of confidence. Some women also experience difficulty sleeping. <https://www.nhs.uk/conditions/menopause/symptoms/>

5.3 Some people seek medical advice and treatment for the symptoms of the perimenopause, and menopause. For example, for irregular periods or other menopausal symptoms a common form of treatment is known as hormone replacement therapy (HRT). Many women find these treatments helpful for alleviating symptoms, but HRT is not suitable or appropriate for all women.

Some people using HRT may experience side effects which may require consideration being given to reasonable adjustments in the workplace where possible.

## **6. Legislative setting**

6.1 The Health and Safety at Work Act (1974) requires employers to ensure the health, safety and welfare of all workers. The Management of Health and Safety at Work Regulations require employers to assess risks to employees to which they are exposed whilst at work. Consideration should be made, where required, of any specific risks relevant to menopausal women if they are employed.

6.2 The Equality Act (2010) prohibits discrimination against people on the grounds of certain 'protected characteristics' including sex, age and disability. It is also important to note that conditions linked to the menopause may meet the definition of an 'impairment' under the Equality Act and might require reasonable adjustments where possible.

## **6. Roles and Responsibilities**

6.1 Employees:

All employees are responsible for:

- Taking personal responsibility to look after their health;
- Being open and honest in conversations with line managers. If a member of staff feels unable to speak to their line manager they can speak to HR, self-refer to the Occupational health Self Appointment Clinic, or contact their trade union.
- Being willing to help and support their colleagues.

6.2. Line Managers

Line managers should:

- Familiarise themselves with the Menopause Policy and Guidance;
- Be ready and willing to have open discussions about menopause, appreciating the personal nature of the conversation, and treating the discussion sensitively and professionally;
- Use the Managers' Guidance, before agreeing with the employee how best they can be supported, and giving consideration to any reasonable adjustments required;
- Record reasonable adjustments agreed, and actions to be implemented;
- Ensure ongoing conversations take place and set review dates, where necessary;
- Ensure that all agreed adjustments are adhered to.

Where adjustments are unsuccessful, or if symptoms are proving more problematic, etc. the

## Appendix 1

Line Manager may:

- Seek Advice from HR;
- Refer the employee to the Occupational Health Adviser;

### 6.3. Human Resources

Human Resources will:

- Offer guidance to managers on the interpretation of this Policy and Guidance
- Monitor and evaluate the effectiveness of this policy in respect of related absence levels
- Process referrals to Occupational Health Services (for those services who cannot self refer)

### 7. Guidance and awareness

7.1 Further guidance for employees is appended to this Policy. All staff will be made aware of this policy upon commencement with the Council. Copies of the Policy and Guidance can be viewed on ICON the Councils Intranet.

### 8. Monitoring of Policy and Procedures

This policy will be reviewed and updated in line with any legislative changes and examples of best practice within the workplace.

## **Inverclyde Council Menopause – Employee Guidance**

### **1. Definition of Menopause/Symptoms**

The menopause is a natural part of ageing for women. The medical definition of the menopause is when a woman has her last period. It usually occurs between 45 and 55 years of age, although it can occur any time up to a woman's mid-60s.

A premature menopause can occur, with periods stopping before the age of 40, either naturally or as an effect of a medical condition or its treatment. Around 1 in 100 women will experience a premature menopause and this of course can be at a time when still planning to conceive.

Up to 60% of women experience intermittent physical and/or psychological symptoms during the menopause. These are associated with a decrease in the body's production of the hormone oestrogen

For some, symptoms include hot flushes, night sweats and related symptoms such as sleep disruption, fatigue and difficulty concentrating. Hot flushes are short, sudden feelings of heat, usually in the face, neck and chest, which can make the skin red and sweaty. Severe flushes can cause sweat to soak through clothing. Mood disturbances, joint pain, anxiety and depression are also reported.

Symptoms on average continue for four years from the last period, and 1 in 10 women experience symptoms for up to 12 years

These symptoms can adversely affect the quality of both personal and working life. At work, they can cause embarrassment, diminish confidence and can be stressful to deal with. The menopause may be compounded by the development of other health conditions, as well as coinciding with caring responsibilities for ageing parents and relatives. Some women may also still have children living at home.

### **2. Why is the menopause a work place issue?**

More than 76 per cent of Inverclyde Council's employees are female, while the average age of workers is 47, meaning the menopause could be a daily part of life for a large section of the workforce. This means that a significant number of staff may be going through the menopause or experiencing peri menopausal symptoms at any time. In addition, between 1% and 10% of women experience an early or premature menopause and so may be trying to deal with the same symptoms.

Sometimes going through the menopause can be uneventful, but for others it can impact on their working lives, with it becoming increasingly difficult to function effectively at work as a result of their symptoms. This can leave them feeling less confident, more susceptible to fatigue and stress at work. It has also been recognised that certain aspects of work, working conditions and environment may exacerbate menopause symptoms.



A lack of knowledge about the menopause may mean that someone can be misdiagnosed as constantly having health issues which restrict them from fulfilling their normal role and having time off work. In addition, symptoms may impact on their performance, leading potentially to capability or disciplinary proceedings.

They may be afraid to approach anyone for help and therefore suffer in silence, losing confidence and feeling isolated before leaving work altogether. It is therefore important that employers understand, address and manage these issues in order to protect the health and wellbeing of their workforce. Without effective support, employers risk losing key and valuable expertise and experience. The Menopause Policy and associated guidance sits within the provisions of the current Supporting Employee Attendance Policy.

### **3. Supporting an employee through the menopause**

Menopause is a very personal experience and can affect people at work in various ways. This means that different levels of support and assistance may be needed at what can be a very difficult time. Support will be considered on an individual basis based on reasonableness, cost, size of team, operational exigencies etc. Particular issues may need to be considered in respect of front line employees or those who work outdoors. Attitudes can vary from empathy and understanding, through to insensitivity and “jokey”, to a complete lack of sympathy.

#### **Support from Line Managers**

The most important and valuable thing a manager can do is listen and wherever practicable, respond sympathetically to any requests for reasonable adjustments at work.

People who are experiencing the menopause (whether directly or indirectly) may need sympathetic and appropriate support from their line manager. As with any longstanding health-related conditions, and in accordance with the provisions of the Supporting Employee Attendance Policy, this support can make a major difference to how they deal with the menopause, enabling them to continue working well and productively.

Managers can only be sympathetic and supportive though if they are aware that their member of staff is experiencing difficulties. Research has shown that people may feel uncomfortable or embarrassed approaching their manager to discuss any difficulties in managing their menopausal symptoms. This may be the case if their manager is younger than them or male and, as menopause can affect levels of confidence, if the person they are talking to has no idea about the menopause. This can be particularly true for trans staff, who are not ‘out’ to their colleagues or manager.

It is therefore important that as a manager, you are aware of the symptoms associated with the menopause and understand the issues affecting people going through it. This will help in fostering an environment where we are all more comfortable talking about the menopause, the symptoms and measures that could help in minimising these.

You will need to be sensitive to any feelings of discomfort, listen to concerns and complaints and consider what can reasonably be done to reduce and minimise the impact symptoms may be having on the staff member’s performance within the workplace - could adjustments reasonably be made to allow them to manage their symptoms better?

Remember:

- You will need to maintain confidentiality in handling health information about the menopause.
- Any specific needs identified (including reasonable adjustments that may be agreed) should be recorded and reviewed regularly.
- You should be aware of the potential impact of menopause on performance. If someone's performance suddenly dips, it is worth considering whether the menopause may be playing a part in this.
- Case law has shown the need to take medical information into account in capability situations where ill health has been raised by the employee – seeking advice from HR, the GP and/or occupational Health Practitioner.

### **Flexible working arrangements and workplace adjustments**

There are various ways to consider whether working life may be made more flexible for women in transition and will depend on exigencies of service, cost, size of team and how long adjustments may be required. For example the following may be considered in specific circumstances:

- capacity to rearrange formal meetings or presentations if needed
- allowing the employee to switch to different tasks on bad days
- allowing the employee to take breaks where needed
- allowing the employee to work flexible hours and/ or at home, especially on bad days or when they have slept poorly if that is reasonably possible for the needs of the service

### **What employers may consider: changes to workplace environments**

Changes to the physical working environment will be easier to make in a supportive workplace where the employee feels able to disclose their symptoms and how work might be making them worse. These changes could be identified by risk assessments around menopause transition

Examples of issues to be considered where reasonably possible include:

- access to fans, good ventilation including windows which open and blinds that can be drawn, to allow women to cope better with hot flushes
- ability to control temperature via air conditioning or heating, again to alleviate difficulties caused by hot flushes
- clean, well-equipped and comfortable toilet facilities near work stations,
- provision of cold drinking water, also to allow better management of hot flushes
- lighter, non-synthetic workplace clothing or uniforms, again to accommodate hot flushes
- quiet workplace areas
- being able to move if an office is small and confined, again in case of hot flushes
- access to natural light, which has been identified as having a positive effect on mood and the absorption of calcium during menopause transition, or light boxes if natural light is not easily
- a reduction of exposure to noise to help reduce fatigue

Where adjustments affect other colleagues – e.g. opening a window or lowering a thermostat - women need to be able to explain to colleagues in a shared work space why this is necessary. Again this reinforces the importance of a supportive organisational culture around menopause transition. Again any adjustments have to be reasonable and based on operational exigencies. Particular issues may need to be consideration for front line employees or where employees work outside.

### **Other Adjustments**

These may include where possible:

- Flexibility to take breaks when reasonably needed rather than at pre-determined times – while undergoing the menopause employees may experience bouts of feeling unwell at work so a flexible and sympathetic approach to breaks is needed, including to take medication in a private space, to walk around and ease any pain.
- Consideration of phased return after sick leave in line with the Supporting Employee Attendance Policy for women suffering with particularly severe symptoms.

Whilst it is important to consider whether reasonable adjustments can be made where possible to help employees experiencing menopausal symptoms, many use self-help management or seek medical help to manage the symptoms themselves.

## **4. Menopause and the Law**

Whilst there is no specific legislation addressing the impact of the menopause in the workplace, there are regulations of which employers should be aware.

### **The Health and Safety at Work Act (1974) and subordinate legislation**

The Health and Safety at Work Act (1974) requires employers to ensure the health, safety and welfare of all workers. The Management of Health and Safety at Work Regulations require employers to assess risks to employees to which they are exposed whilst at work. Consideration should be made of any specific risks relevant to menopausal women if they are employed. The Workplace (Health Safety and Welfare Regulations) stipulates general requirements on accommodation standards for nearly all workplaces, and while these will be adequate for most situations additional considerations may need to be made where possible in relation to workplace temperatures, toilet facilities and ventilation for employees going through the menopause.

Risk assessment should take account of gender issues, differences and inequalities. Work, its organisation and the equipment used should be designed to match people, not the other way round. As there are gender differences in a variety of broader issues relating to work circumstances, including the menopause, a holistic approach to risk prevention is needed. Another aim is to identify less obvious hazards and health problems that are more common for female workers going through the menopause. The risk assessment will assist in identifying any potential adjustments which may be required. Particular issues to consider include temperature, ventilation and the materials used in any uniform which is provided. Welfare issues (including toilet facilities and access to cold water) should also be considered.

## **The Equality Act (2010)**

The Act protects people from discrimination in the workplace because of 'protected characteristics' and includes both direct and indirect discrimination and harassment.

The protected characteristics are:

- age
- disability
- gender reassignment
- marriage or civil partnership pregnancy and maternity
- race
- religion or belief
- gender
- sexual orientation

### **Sex Discrimination**

Employers should ensure they do not discriminate against employees on the grounds of sex. It is therefore important that female employees who are experiencing the menopause are properly supported and that reasonable adjustments are considered where appropriate.

### **Harassment**

An example of harassment might be a manager commenting that there is no point promoting a menopausal employee because they are 'hormonal'. Even if not addressed directly at a particular employee, this could cause staff to be upset and to worry about their careers – which could be considered harassment.

### **Disability**

Whilst the menopause is not in itself a disability, conditions arising from it may meet the definition of an 'impairment' under the Equality Act. As an example, depression or urinary problems linked to the menopause and which have a substantial and long term adverse effect on ability to carry out normal day to day activities, mean that the person concerned would be considered to have a disability under the Act. An employer is required to make reasonable adjustments where a disabled worker would be at a substantial disadvantage compared with a non-disabled colleague.

Case law has therefore shown the need to take medical information into account in capability situations where ill health has been raised by the employee – seeking advice from the GP and/or Occupational Health practitioner.

## **5. Guidance for women**

For women who find their menopausal symptoms are affecting their wellbeing and their capacity to work, they should consider the following:

- Find out more about the menopause from available sources of information (see suggestions at the end of this guidance).
- See their GP for advice on available treatment options.

- Discuss their practical needs with their line manager, HR or another manager they feel comfortable talking to.
- Use technology where this is helpful, e.g. for reminders or note taking.
- Ask to be referred to Occupational Health to discuss support and possible work adjustments.
- If those they work with are supportive, this can make a big difference. Talk about their symptoms and solutions with colleagues, particularly those who are also experiencing symptoms, use humour to deflect embarrassment, and work out their preferred coping strategies
- Avoid hot flush triggers (such as hot food and drinks) especially before presentations or meetings.
- Consider relaxation techniques such as mindfulness as these can help reduce the impact of symptoms.
- Consider lifestyle changes such as weight reduction, smoking cessation and exercise.

## **6. Free sanitary products**

Free sanitary products are available to collect from a number of venues across Inverclyde. Providing access to free sanitary products protects dignity and avoids anxiety, embarrassment and stigma. To find out where you can access these products, visit: My Inverclyde, insert your Postcode and proceed to the Access to free sanitary products section. For more information, please contact Inverclyde Council on 01475 717171 or email [eds.enquiries@inverclyde.gov.uk](mailto:eds.enquiries@inverclyde.gov.uk).

## **7. Further Sources of Information**

- <http://www.menopausematters.co.uk/>
- The Daisy Network – <https://www.daisynetwork.org.uk/about-us/what-we-do/>
- Healthtalk.org – <http://www.healthtalk.org/peoples-experiences/later-life/menopause/topics>
- Women's Health Concerns – <https://www.womens-health-concern.org/help-and-advice/factsheets/focus-series/menopause/>
- The Menopause Exchange – <http://www.menopause-exchange.co.uk/>
- NICE Menopause: diagnosis and management – <https://www.nice.org.uk/guidance/ng23>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2019</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/100/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2020/23 Revenue Budget Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Committee with an update in respect of the 2020/23 Revenue Budget and to seek Committee approval for a number of matters.

## 2.0 SUMMARY

- 2.1 At a Policy & Resources Sub-Committee on 3 October 2019 it was agreed to amend the previously approved 3 year Budget Strategy to one where the intention is to set a firm one year budget for 2020/21 whilst preparing indicative budgets for the 2 years 2021/23.
- 2.2 The latest position is that the Scottish Government had planned to present a budget to the Scottish Parliament on 12 December 2019. This budget is expected to be for a one year period only. It is currently planned that an All Member Briefing on the initial analysis of the Scottish Government Budget settlement plus feedback on the planned Budget Consultation will be delivered to Members on 18 December 2019. The recent decision to hold a General Election on 12 December will mean that there will be no Scottish Government announcement on that day. Cosla are in contact with the Scottish Government regarding a new timescale and any update will be provided at the Committee.
- 2.3 Following the Policy & Resources Sub-Committee decision to move to a firm one year budget the Corporate Management Team reduced the number of savings options it had been developing. These options have now been shared with all Elected Members via an All Member Briefing on 24 October. A summary of the options along with the potential employee impacts is included as Appendix 1.
- 2.4 As approved at the last Policy & Resources Committee, Officers will continue to present proposals to reduce the funding gap to Committee, each reporting cycle, on the basis that the proposals have no or minimal impact on service delivery. Appendix 2 contains proposals which if agreed would reduce the funding gap in 2020/21 by £1.947 million and the funding gap by £2.407 million by 2022/23. It can be seen that these proposals would result in a reduction of 17.5 FTE posts across the Council. The proposals have been discussed with the Trades Unions through the Joint Budget Group and are supported by the Members' Budget Working Group.
- 2.5 Were the Committee to approve the proposals in Appendix 2 then Appendix 3 contains a summary position of the 2020/23 Revenue Budget prior to any increase in Council Tax. From this it can be seen that based on the savings options currently developed by the Corporate Management Team there is a reasonable degree of flexibility over which savings Members would need to take to deliver a legally balanced budget based on the latest estimated grant figures assumed by the Chief Financial Officer.
- 2.6 The Committee will be aware that the Public Consultation on the Revenue Budget is currently ongoing and is due to end on 30 November 2019. In addition to the Public Consultation via the Budget Simulator, consultation is also being progressed with the Trades Unions, the Business Community and those organisations and groups which would be impacted by the potential savings.

- 2.7 Twice in the last 3 years the Council has agreed to dislocate the approval of the Revenue Budget from the setting of Council Tax. This approach has been taken due to the late allocation of extra funding to Local Government by the Scottish Government as part of the budget debate. By separating the 2 decisions it allows the Council to issue Council Tax bills within the statutory timescale whilst ensuring that the approved Budget is based on the latest available information. It is proposed that a similar approach is adopted for the 2020/21 Revenue Budget and on this basis that the Council Tax is approved on 20 February 2020 with the 2020/21 Revenue Budget approved 3 weeks later on 12 March 2020.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes that the Scottish Government will announce a new date for the 2020/21 Budget.
- 3.2 It is recommended that the Committee notes that the savings options prepared by the Corporate Management Team included in Appendix 1.
- 3.3 It is recommended that the Committee approves the proposals contained in Appendix 2 to further reduce the 2020/23 Funding Gap.
- 3.4 It is recommended that the Committee notes the overall estimated 2020/23 Budget position as outlined in Appendix 3.
- 3.5 It is recommended that the Committee agrees to the separation of the Council Tax setting decision and the budget setting day as has been the case in previous years, and subject to the approval of the Provost, that the 2020/21 Revenue Budget be approved at a special meeting of the Inverclyde Council on 12 March 2020.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 The Council had been working towards the approval of a 3 year Revenue Budget in early 2020. Given the unprecedented political uncertainty at UK level it became clear that the Scottish Government would not be in a position to issue Councils with 3 year Grant figures in December, 2019.
- 4.2 At a Policy & Resources Sub-Committee on 3 October 2019 it was agreed to amend the previously approved 3 year Budget Strategy to one where the intention is to set a firm one year budget for 2020/21 whilst preparing indicative budgets for the 2 years 2021/23

## **5.0 CURRENT POSITION - SAVINGS OPTIONS & CONSULTATION**

- 5.1 Following the Policy & Resources Sub-Committee decision to move to a firm one year budget the Corporate Management Team reduced the number of savings options it had been developing. These options have now been shared with all Elected Members via an All Member Briefing on 24 October. A summary of the options along with the potential employee impacts is included as Appendix 1.
- 5.2 The latest position is that the Scottish Government had planned to present a budget to the Scottish Parliament on 12 December 2019. This budget is expected to be for a one year period only. It is currently planned that an All Member Briefing on the initial analysis of the Scottish Government Budget settlement plus feedback on the planned Budget Consultation will be delivered to Members on 18 December 2019. The recent decision to hold a General Election on 12 December will mean that there will be no Scottish Government announcement on that day. Cosla are in contact with the Scottish Government regarding a new timescale and any update will be provided at the Committee.
- 5.3 The Committee will be aware that the Public Consultation on the Revenue Budget is currently ongoing and is due to end on 30 November 2019. In addition to the Public Consultation via the Budget Simulator, consultation is also being progressed with the Trades Unions, the Business Community and those organisations and groups which would be impacted by the potential savings.
- 5.4 Officers will continue to present proposals to reduce the funding gap to Committee, each reporting cycle, on the basis that the proposals have no or minimal impact on service delivery. Appendix 2 contains proposals which if agreed would reduce the funding gap in 2020/21 by £1.947 million and the funding gap by £2.407 million by 2022/23. It can be seen that these proposals would result in a reduction of 17.5 FTE posts across the Council. The proposals have been discussed with the Trades Unions through the Joint Budget Group and are supported by the Members' Budget Working Group.
- 5.5 Were the Committee to approve the proposals in Appendix 2 then Appendix 3 contains a summary position of the 2020/23 Revenue Budget prior to any increase in Council Tax. From this it can be seen that based on the savings options currently developed by the Corporate Management Team there is a reasonable degree of flexibility over which savings Members would need to take to deliver a legally balanced budget based on the latest estimated grant figures assumed by the Chief Financial Officer.

## **6.0 BUDGET SETTING TIMESCALE**

- 6.1 Twice in the last 3 years the Council has agreed to dislocate the approval of the Revenue Budget from the setting of Council Tax. This approach has been taken due to the late allocation of extra funding to Local Government by the Scottish Government as part of the budget debate.
- 6.2 Separating the 2 decisions allows the Council to issue Council Tax bills within the statutory timescale whilst ensuring that the approved Budget is based on the latest available information. It is proposed that a similar approach is adopted for the 2020/21 Revenue



Budget and on this basis that the Council Tax is approved at the standing Council meeting on 20 February 2020 with the 2020/21 Revenue Budget approved 3 weeks later at a special Council meeting on 12 March 2020.

## 7.0 IMPLICATIONS

### 7.1 Finance

#### Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	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	20/21	1947		As detailed in Appendix 2 the annual saving increases to £2.407m by 22/23

### 7.2 Legal

There are some governance factors which need to be considered at the time of approving the Council Tax if the budget is not being agreed at the same time however these have been successfully demonstrated by officers previously.

### 7.3 Human Resources

Consultation with employees and the Trades Unions is ongoing regarding all the savings proposals contained in this report.

### 7.4 Equalities

#### Equalities

- (a) Has an Equality Impact Assessment been carried out?

The proposals in Appendix 2 have no impact on equalities .

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

- (b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Not applicable

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO- Not applicable

7.5 **Repopulation**

The proposals in this report have no impact on the Repopulation agenda.

**8.0 CONSULTATIONS**

8.1 This report and the recommendations are supported by the Members’ Budget Working Group.

**9.0 BACKGROUND PAPERS**

9.1 None

**3 Year Budget Position**  
**04 November 2019**

	<u>2020/21</u> £000	<u>2021/22</u> £000	<u>2022/23</u> £000	
Cumulative Gap per Financial Strategy	6700	12,900	19100	
Proposals agreed Sept P&R	(2388)	(2837)	(3277)	
School Transport Pressure	52	70	70	
Savings Proposed Nov P&R	(1947)	(2258)	(2407)	
<b>Cumulative Funding Gap</b>	<u>2417</u>	<u>7875</u>	<u>13,486</u>	Note 1
<b><u>CMT Saving Proposals</u></b>				<u>FTE</u>
Corporate (1)	(25)	(50)	(50)	-
ECOD (26)	(1517)	(2327)	(2394)	50.2
ERR (15)	(1372)	(1813)	(1838)	43.0
HSCP (12)	(868)	(1066)	(1088)	21.5
<b>Total</b>	<u>(3782)</u>	<u>(5256)</u>	<u>(5370)</u>	<u>114.7</u>

Notes

- 1/ Funding gap is before any increase in Council Tax. A 3% increase would raise an extra £0.95 million per year.
- 2/ Directorate targets for savings were based on an initial £1.75 million target in 2020/21 less savings/adjustments approved at the September P&R Committee and those proposed at the November P&R Committee. Targets were:

	<u>£000</u>
ECOD	1510
ERR	1359
HSCP	859

AP/CM  
04/11/19