

A meeting of the Inverclyde Council will be held on Thursday 3 December 2020 at 4pm.

This meeting is by remote online access only through the videoconferencing facilities which are available to Members and relevant Officers. The joining details will be sent to Members and Officers prior to the meeting.

In the event of connectivity issues, Members are asked to use the *join by phone* number in the Webex invitation.

Please note that this meeting will be recorded.

GERARD MALONE
Head of Legal and Property Services

BUSINESS

****Copy to follow**

1. Apologies and Declarations of Interest	Page
NEW BUSINESS	
2. Presentation by the Disasters Emergency Committee (DEC) on recent work	
3. Minutes of Meetings of The Inverclyde Council, Committees, Sub-Committees and Boards	
Inverclyde Council	(pp 167 – 174)
Planning Board	(pp 175 – 177)
Human Resources Appeals Board	(p 178)
General Purposes Board	(p 179)
Audit Committee	(pp 180 – 181)
Environment & Regeneration Committee (Special)	(pp 182 – 183)
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Environment & Regeneration Committee	(pp 190 – 196)
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General Purposes Board	(pp 204 – 205)
Policy & Resources Committee	(pp 206 – 212)
** Local Police & Fire Scrutiny Committee	(pp 213 –)
** Environment & Regeneration Committee (Special)	()
** Planning Board	()

4.	Strathclyde Pension Fund – Notice of Motion by Councillor Jackson Report by Corporate Director Environment, Regeneration & Resources	p
5.	Internal Market – Notice of Motion by Councillor Robertson Report by Corporate Director Environment, Regeneration & Resources	p
6.	Leader of the Largest Minority Group Report by Head of Legal & Property Services	p
7.	Chief Social Work Officer Annual Report 2019/20 Report by Chief Social Work Officer for Inverclyde Council	p
8.	Financial Strategy 2020/30 - Update Report by Chief Financial Officer	p
9.	2021/23 Revenue Budget Report by Chief Financial Officer	p
10.	COVID-19: Online Remote Council and Committee Meetings Report by Head of Legal & Property Services	p
11.	Councillors' Code of Conduct: Scottish Government Consultation Report by Head of Legal & Property Services	p
12.	Review of The Inverclyde Council (Prohibition of Alcohol in Designated Public Places) Byelaws 2010 Report by Head of Legal & Property Services	p
13. **	EU Withdrawal Update Report by Interim Head of Service, Public Protection & Covid Recovery	
REMITTS FROM COMMITTEES		
14.	Proposed Traffic Regulation Order – The Inverclyde Council, Disabled Persons' Parking Places (On-Street) Order No. 2 2020 – Remit from Environment & Regeneration Committee Report by Corporate Director Environment, Regeneration & Resources	p
15.	Treasury Management – Mid-Year Report 2020/21: Remit from Policy & Resources Committee Report by Corporate Director Environment, Regeneration & Resources	p
TRUST BUSINESS		
16.	Trust Funds Annual Accounts 2019-20 Report by Honorary Treasurer	p
<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 in respect of item 17 being that set out in paragraph 1 of Part I of Schedule 7A of the Act and the nature of the exempt information in relation to item 18 being as detailed in the minute of the relevant Committee, Sub-Committee or Board.</p>		

NEW BUSINESS		
17.	Appendix relative to Item 9 (2021/23 Revenue Budget) providing information on two posts referred to in Appendix 2	p
18.	Business in the Appendix	
<p>Please note that because of the current COVID-19 (Coronavirus) emergency, this meeting will not be open to members of the public.</p> <p>The reports are available publicly on the Council's website and the minute of the meeting will be submitted to the next standing meeting of the Inverclyde Council. The agenda for the meeting of the Inverclyde Council will be available publicly on the Council's website.</p> <p>In terms of Section 50A(3A) of the Local Government (Scotland) Act 1973, as introduced by Schedule 6, Paragraph 13 of the Coronavirus (Scotland) Act 2020, it is necessary to exclude the public from the meetings of the Council on public health grounds. The Council considers that, if members of the public were to be present, this would create a real or substantial risk to public health, specifically relating to infection or contamination by Coronavirus.</p>		

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

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	SL/KB/LP/126/20
Contact Officer:	Sharon Lang	Contact No:	01475 712112
Subject:	Strathclyde Pension Fund – Notice of Motion by Councillor Jackson		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Council of the receipt of a Notice of Motion by Councillor Jackson, countersigned by Councillor Clocherty, relative to Strathclyde Pension Fund submitted in terms of Standing Order 22.
- 1.2 The terms of the Notice of Motion are set out in Appendix 1 to the report.

2.0 RECOMMENDATION

- 2.1 The Council is asked to consider the Notice of Motion by Councillor Jackson.

Gerard Malone
Head of Legal & Property Services

1. Strathclyde Pension Fund is one of the largest investment funds in the UK worth £24 Billion, the fund though continues to direct investment through their mainstream investment program managed by global investment firms such as JP Morgan, as such very little of the fund directly supports local regeneration programs, SPF have informed us they have no current or future plans to invest directly in Inverclyde.

As part of our Community Wealth Building (CWB) strategy this motion requests that Strathclyde Pension Fund review their current and future investment strategy and invest more in local programs that help deliver wider economic and social benefits for all, to help break the cycle of poverty that continues to hang heavy over our communities.

2. Governance: Strathclyde Pension Fund is managed by Glasgow city Council with a committee made up of only 8 City councillors, Inverclyde is just one local authority with no direct representation or input in the management of the pension fund. This motion seeks to address this and ask for more local representation on the fund committee.

Motion to Inverclyde Council

The Centre for Local Economic Strategies (CLES) has described public sector pension funds as “reservoirs of local wealth” that could be invested to support Community Wealth Building.

Strathclyde Pension Fund is one of the largest pension funds in the UK with a fund exceeding £24billion in value but the fund makes limited use of direct local investments that would support local and regional economies within the fund’s area.

The Council therefore agrees to;

1. Lobby Strathclyde Pension Fund for a proper direct local investment strategy: one that invests in the local and regional economies where the Fund’s members live and work and invests in projects that provide a financial return to the Fund whilst delivering wider economic and social benefits for communities across the Fund’s area.

2. Request a review of the Fund's governance with the aim of ensuring that every local authority within the Fund's region has input into the operation of the fund.
3. Work with the other local authorities, non-local authority employers and trade unions across the Strathclyde Pension Fund area to support points 1 and 2.

Proposed by: Councillor Colin Jackson

Seconded by: Councillor Jim Clocherty

The Centre for Local Economic Strategies (CLES) is the UK's leading member and research organisation, with charitable status, dedicated to regeneration, local economic development and local governance. CLES brings together a network of subscribing organisations, including regeneration partnerships, local authorities, regional bodies, community groups and voluntary organisations. Established in 1986, CLES undertakes a range of activities including policy research, production of publications, training, an information and briefing service, events and a consultancy trading arm, CLES Consulting.

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	SL/LP/136/20
Contact Officer:	Sharon Lang	Contact No:	01475 712112
Subject:	Internal Market – Notice of Motion by Councillor Robertson		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Council of the receipt of a Notice of Motion by Councillor Robertson, countersigned by Councillor Curley, submitted in terms of Standing Order 22 as follows:
- 1.2 “That this Council writes to the Prime Minister to express its views in the strongest terms that the Internal Market Bill must be modified in order to reflect these three fundamental issues:
1. that the UK Government must observe the rule of law in all of the UK’s international obligations;
 2. that all powers and duties within the Internal Market Bill must address the key issues of consumer and trading protection and responsibilities for these should be retained at the most suitable local levels; and
 3. that any such legislation must respect in full the status and responsibilities of the governments / administrations in Scotland, Northern Ireland and Wales and sustain established and effective ways of working.”

2.0 RECOMMENDATION

- 2.1 The Council is asked to consider the Notice of Motion by Councillor Robertson.

Gerard Malone
Head of Legal & Property Services

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Head of Legal & Property Services	Report No:	LP/124/20
Contact Officer:	Gerard Malone	Contact No:	712710
Subject:	Leader of the Largest Minority Group		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek agreement as to how the Leader of the Minority Groups is appointed and the title of the position.

2.0 SUMMARY

- 2.1 By convention, the Leader of the Minority Groups is the Leader of the largest non-administration political party, chosen by a vote of the largest non-administration party.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Leader of the Minority Groups be the Leader of the largest non-administration political party, chosen by a vote of the largest non-administration party, and that the title of the position be Leader of the Largest Minority Group.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 By convention, the Leader of the Minority Groups is the Leader of the largest non-administration political party, chosen by a vote of the largest non-administration party, and it has become the practice at the statutory meeting of the Council that the report seeks the appointment of a Leader of the Minority Groups. The purpose of the statutory meeting is to receive notification from the non-administration parties as to who is their Leader.
- 4.2 It was agreed by Inverclyde Council at its meeting on 6 December 2007 that the Council's representation on the Convention of Scottish Local Authorities be the Council Leader, Council Depute Leader and Leader of the largest opposition group.

5.0 IMPLICATIONS

5.1 Finance

There are no financial implications arising from this report.

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					

5.2 Legal

There are no legal implications arising from this report.

5.3 Human Resources

There are no human resources implications arising from this report.

5.4 Equalities

Equalities

- (a) Has an Equality 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 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

5.5 Repopulation

There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

6.1 The Chief Executive has consulted with representatives of the Political Groups and they agree unanimously with the proposals set out in the report.

7.0 BACKGROUND PAPERS

7.1 None.

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Sharon McAlees Chief Social Work Officer for Inverclyde Council	Report No:	SW/45/2020/SMcA
Contact Officer:	Sharon McAlees Chief Social Work Officer	Contact No:	01475 715282
Subject:	CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2019/20		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise Inverclyde Council of the content of the Inverclyde Chief Social Work Officer (CSWO) report for 2019/20.

2.0 SUMMARY

- 2.1 There is a requirement on each Local Authority to submit an annual Chief Social Work Officer Report to the Chief Social Work Advisor to the Scottish Government.
- 2.2 The collation of Chief Social Work Officer reports from across Scotland by the Chief Social Work Advisor allows for the development of a picture of social work and social care practice across the country. This is important in benchmarking evaluations of performance in terms of implementation of legislation, development of innovative practice and addressing common challenges in delivering social work services across Scotland.
- 2.3 At a Local Authority level the report provides an opportunity to ensure Members are fully sighted on the issues affecting the most vulnerable members of our communities and the action taken by social work services to address these vulnerabilities. Throughout the global pandemic we have seen a determined effort to provide the best possible responses to the needs of our service users and at the same time support the wellbeing needs and resilience of our staff.
- 2.4 The report also highlights the process of continuous improvement in social work services and the many areas of progressive and developing practice.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Inverclyde Council notes and comments on the content of the Inverclyde Chief Social Work Officer Report.

**Sharon McAlees
Chief Social Work Officer
Inverclyde HSCP**

4.0 BACKGROUND

- 4.1 The Social Work (Scotland) Act 1968 sets out a requirement for all Scottish Local Authorities to submit reports on an annual basis from their Chief Social Work Officer (CSWO).
- 4.2 Revised guidance for Chief Social Work Officers and a new template for the production of the report were developed in March and May 2016 respectively by the office of the Chief Social Work Advisor to the Scottish Government. Both were subsequently endorsed by COSLA.

Each CSWO report is required to set out the local context within which social work services are delivered and give consideration to the following specific areas:

- opportunities and challenges
- governance arrangements
- partnerships
- service quality and performance
- resourcing
- workforce planning

Included in this year's report is a section on Covid-19.

- 4.3 Local Authorities are democratically accountable for the role and functions of the CSWO. It was recognised by the Scottish Government that there was a need to support HSCP Committees and IJBs to be clear about the CSWO role in general and in particular in relation to the context of implementing the integration of health and social care and the Public Bodies (Joint Working) (Scotland) Act 2014. This is particularly the case given the diversity of organisational structures and the range of organisations and partnerships with an interest and role in the delivery of social work services across Scotland.
- 4.4 As Inverclyde HSCP goes forward as a fully mature integrated partnership, the report reinforces the achievements of the collaborative relationship in which social work practice and values have had a significant impact. Social Work has a vital role to play in the continued development of the partnership into the future.
- 4.5 At a Local Authority level the CSWO report should serve to provide Members with a broad understanding of the range of needs and challenges faced by Inverclyde citizens. The report should also contribute to ensuring a clear line of sight for Members as to how social work services are contributing to improving outcomes for the most vulnerable citizens of Inverclyde.
- 4.6 As in previous years there is a lag between the end of the reporting period and the presentation of this report to the Council in order for the data to be collated and verified and the report to be written. This year the Covid-19 pandemic has added a slight further delay to the finalisation and presentation of this report. It would be important to note therefore that data may differ from that contained in other reports on similar topics.
- 4.7 The Inverclyde Chief Social Work Officer's report for 2019/20 provides an outline of our current demographic profile, notes the key challenges that are evident in Inverclyde along with a review of our performance and description of improvements we have made during the past year. Partnership Governance structures and links to the Council and Health Board reporting processes are highlighted. Key public protection functions and performance are outlined. The report seeks to highlight the important contribution of social work and social care services in supporting the most vulnerable in our community.
- 4.8 This year has been a year unlike any other. All of the same complex and challenging issues that affect our community continued as before, however staff required to respond to these within the complexity of an unfolding global pandemic. Not only did staff rise to the challenge of responding to the pandemic, in many instances they delivered business as usual responding with incredible creativity and often courageously.
- 4.9 The report draws attention to areas of particular strength across the range of social work functions and specifically highlights areas of sector leading practice.

4.10 The full CSWO report for 2019/20 is attached.

5.0 **PROPOSALS**

5.1 It is proposed that Inverclyde Council notes and comments on the report.

6.0 IMPLICATIONS

6.1 Finance

There are no financial implications from this report.

One off costs

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

Annually Recurring Costs/ (Savings)

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

6.2 Legal

There are no legal implications from this report

6.3 Human Resources

There are no Human Resources implications from this report.

6.4 Equalities

Equalities

- a. Has an Equality Impact Assessment been carried out? This will be completed as part of the commissioning and tender detail. This is a new service provision.

	YES
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? This will also be required and added to the service specification in terms of evaluation and impact strategically in Inverclyde.

	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 (DPIA) been carried out? This will be required with this identified and being included as part of Procurement process.

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals. A DPIA will be completed parallel to the procurement/commissioning of the service.

NO

Repopulation

6.5 No implications

7.0 **CONSULTATIONS**

7.1 No consultations have taken place in the production of this report.

8.0 **LIST OF BACKGROUND PAPERS**

8.1 The role of the Chief Social Work Officer, Guidance issued by Scottish Ministers pursuant to Section 5(1) of the Social Work (Scotland) Act 1968, revised version – July 2016.

8.2 Annual Report by the Inverclyde Chief Social Work Officer for the year 2019/20

**INVERCLYDE
CHIEF SOCIAL WORK OFFICER
ANNUAL REPORT
2019/20**



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1. Introduction

I am pleased to have the opportunity to present the annual Chief Social Work Officer report for Inverclyde.

The report follows the same format of that in previous years and seeks to provide an overview of the delivery of social work services in the Inverclyde context, outlining the particular challenges and opportunities over the past year.

It is a responsibility of the role of Chief Social Work Officer to bring focus to the needs and circumstances of the most vulnerable members of our community and indeed to those individuals who rely on services at times in life of vulnerability or crisis. Given our demography in Inverclyde the report highlights the very many areas of challenge our community's experience.

It would be impossible to construct this year's report without reference to the impact of the global pandemic and how this has affected the Inverclyde Community and the response by the Health and Social Care Partnership and given the focus of the report the contribution made by social work and social care staff to containing and mitigating as far as possible the impact on the people of Inverclyde.

Reference is made to this at varying points throughout the report and an additional section has been added that looks at some of the key adaptations and activities that were necessary throughout the year.

The challenge faced by staff has been unprecedented and the pace of response, ongoing reflection and review has been extremely rapid. However I have been particularly keen to ensure the report highlights the many creative and innovative ways in which services were and continue to be developed and delivered in order to achieve the best outcomes for our service users both despite and because of the pandemic. The efforts of our staff, working with our sister services, our community of volunteers and our service users has supported our community through the most challenging of circumstances.

Each year the annual chief social work officer report provides an opportunity to reflect on, to recognise and to appreciate the work of social work and social care staff. This is an opportunity that I know is very much welcomed and valued by the Council and provides members the opportunity to express their appreciation of the commitment, quality and life changing outcomes that our staff contribute to the residents of Inverclyde. This year has been a year unlike any other. All of the same complex and challenging issues that affect our community continued as before, however staff required to respond to these within the complexity of an unfolding global pandemic. Not only did staff rise to the challenge of responding to the pandemic, in many instances they delivered business as usual responding with incredible creativity and often courageously.

I would like to take this opportunity to extend my thanks to social work and social care staff across statutory, third and independent sectors and to our partners for their collective resilience over the past year. I would also like to reinforce the commitment of the leadership of HSCP to offer ongoing and enhanced support to our staff over the coming year.

2. Achievements

I would like to open 2019/20's Annual Report by highlighting some of the areas we are particularly proud of. Examples have been chosen from a range of service areas to give an overall picture of the dedication and commitment to deliver better outcomes and improving lives of the people of Inverclyde.



Leadership Award

Advice Service Team Lead
Inverclyde Health & Social Care Partnership

Our Advice Service Team Lead won the Leadership Award at the 2019 Scottish Public Service Awards. This national recognition was for leadership in bringing together 3 separate teams under a single vision of improving the lives of our most vulnerable citizens, inspiring confidence and a passion for challenging inequality. The team continues to carry out the three elements of Social Security advice and information; Welfare Rights representation, and Specialist Money Advice, however this is done in a joined up way that minimises duplication and maximises long-term and sustainable gain for the citizen.

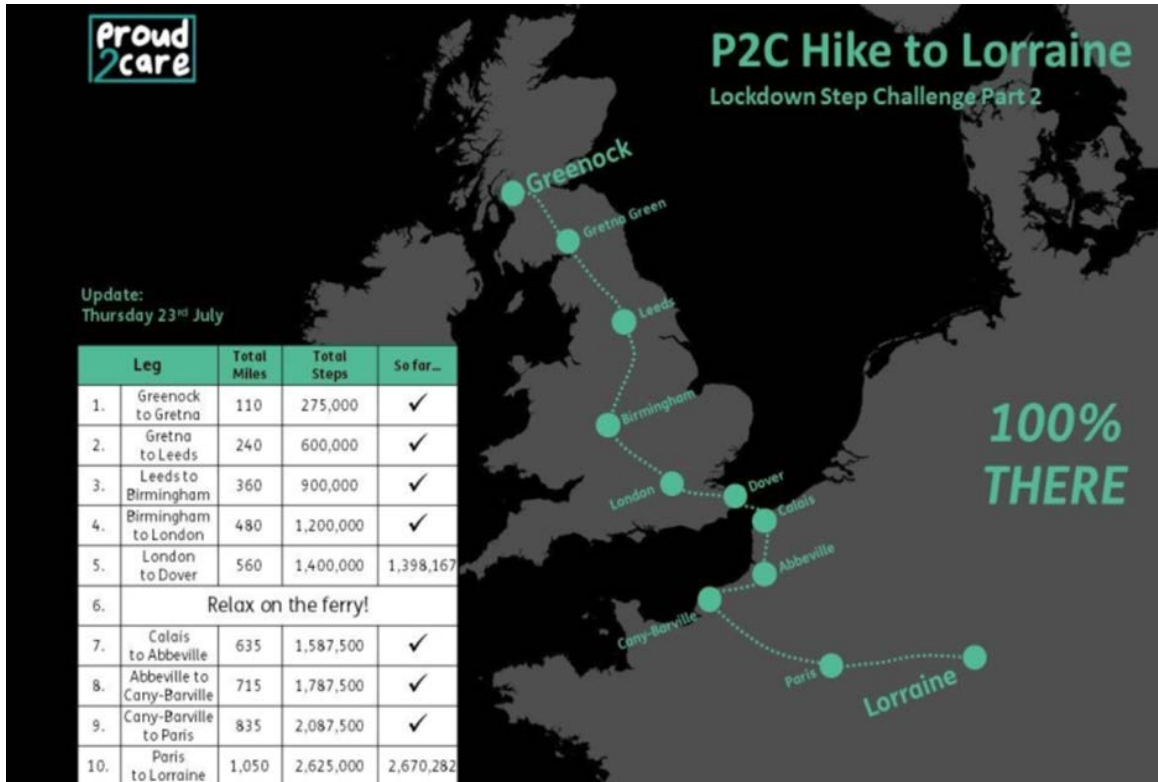
Colin Mair Award for Policy in Practice



Inverclyde HSCP and Ardgowan Hospice fund and support Compassionate Inverclyde, a social movement that is helping to transform attitudes and everyday practices around loneliness, social isolation, death and bereavement across Inverclyde. The ethos focuses on local people working alongside existing formal services enabling ordinary people to do ordinary things, tapping into our desire to be kind, helpful and neighbourly.

Children and Young People

The young people from Proud2Care were each gifted a FitBit from funding received by the Inverclyde Communities Fund and Your Voice, and in partnership with their Corporate Parents they set a family walking challenge. The Corporate “Maws & Paws” along with their Corporate Kids successfully completed a full virtual tour of Scotland “500 Miles & 500 More.” They have all enjoyed it so much that all involved have now began a virtual walk to Lorraine in France in honour of the cross of Lorraine in Greenock – via Inverclyde’s twinned town of Cany Barville.



Some of our Proud2Care group and care experienced young people utilised art boxes during lockdown and have entered some of their art work as part of a Virtual Art Exhibition. Additionally, our care experienced young people partnered with residents Balclutha House care home, establishing pen friends creating intergenerational links - Our "Balclutha Buddies" agreed to be the art competition judges.

A founding member of Proud2Care was awarded Inverclyde Youth Worker of the Year in 2019 in recognition of his passion and commitment to children and young people and has since went on to secure employment in this role.



Inverclyde Rights of Child Award (IROC)

All of Inverclyde schools, additional early year's establishments and all three children's residential houses are currently Rights Respecting Schools/Establishments/Houses and participate in the UNICEF Rights Respecting Award at various stages. As a means of rolling this approach out across services the Inverclyde Rights of the Child Award (IROC) was designed with young people with the additional aim of using services participation in this award as means of fulfilling our reporting duties outlined in the Children & Young People (Scotland) Act 2014. Inverclyde Adoption Services were the first service area to participate and gain the award.

Reducing the poverty related attainment gap



2GETHER: Care Experienced Young People Attainment Fund 2019/20

The Care Experienced Attainment Fund; has enabled the HSCP to develop our self-directed approach with children, young people and their families. This has enabled and opened up opportunities for families. Importantly this represents an important shift in the involvement of service users in taking control and determining how their services are shaped. A comment from a parent:

"K has been really enjoying the sensory stories, with sound effects – K LOVES this. We've got some music therapy sessions planned for the next few weeks. It's making a huge difference and I feel that I'm actually managing to do something fun with K rather than just get through the day."

The focus on digital technology has also been promoted with 125 laptop and dongles being purchased since March 2020 to support on-line learning. These areas of practice are important in themselves but important too in signaling how we intend to continue along a continuum of service provision that is empowering of our service users.

Inspection of Criminal Justice Social Work

In July and August 2019 a team from the Care Inspectorate visited Inverclyde to assess how well the Criminal Justice Social Work Service was implementing and managing Community Payback Orders (CPOs) as well as how effectively the Service was achieving positive outcomes.

The inspection involved reviewing a representative sample of records of 90 people who were or had been subject to a CPO, meeting 40 people subject to CPOs and undertaking focus groups and interviews with key members of staff, partner agencies, stakeholders and senior managers with responsibility for the Criminal Justice Social Work Service.

The inspection findings were very positive and published in a report in December 2019. The report noted many key strengths within the Service including:

Leaders demonstrate a strong commitment and vision to improve outcomes for individuals.

There is a well-embedded performance management framework and access to high quality data analysis that shows strong Criminal Justice Social Work Service performance that exceeded national targets, sometimes by a considerable margin.

A range of positive outcomes had been achieved for individuals.

The Service is proactive in responding to the poverty, disadvantage and needs profile of individuals by providing person-centred services that adopt a public health model.

The Service is well integrated into the Health and Social Care Partnership which strengthened governance arrangements and supported quick and easy access to services for individuals including those aimed at addressing mental health and addiction issues.

The Unpaid Work Service was operating effectively and played an important role in improving outcomes for individuals while ensuring payback to communities.

Individuals subject to CPOs experienced positive relationships with staff that were characterised by respect, support and appropriate challenge. Staff were found to be honest, straightforward, trustworthy and reliable.

Of the five quality indicator that the Service was assessed against, 3 were noted as 'Very Good' and 2 were 'Good'.

Quality Indicator	Rating
Improving the life chances and outcomes for people subject to a community payback order	Very Good
Impact on people who have committed offences	Very Good
Assessing and responding to risk and need	Good
Planning and providing effective intervention	Good
Leadership of improvement and change	Very Good

DRAFT

Technology Enabled Care Services (TEC)

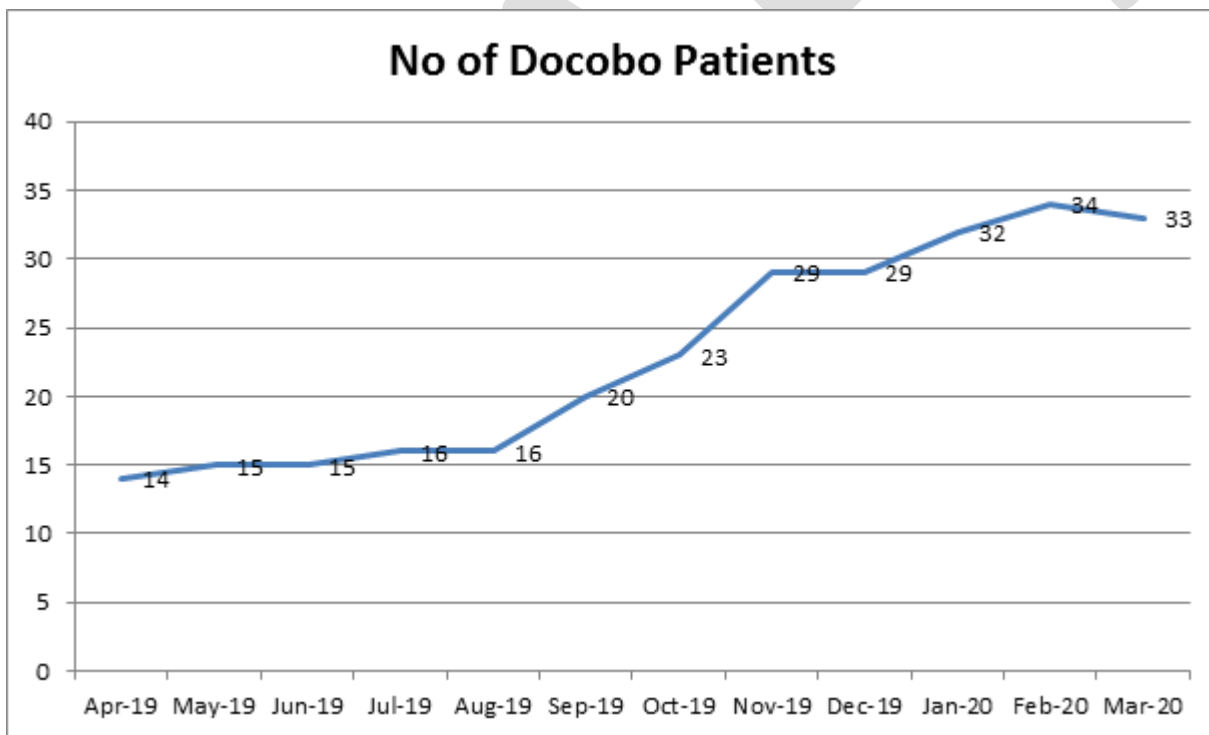
Analogue to Digital (A2D)

Inverclyde has over 2,000 users in receipt of a telecare service and in taking a proactive approach, Inverclyde HSCP made a bid for one off test of change funding in August 2019 to the Scottish Government's TEC Programme Board. This bid was successful and the aim of the test of change is to trial and test digital alarm units in service users' homes for a period of 3 months.

Long Term Conditions – Home and Mobile Health Monitoring

Docobo Care Portal

The Service supports people with Chronic Obstructive Pulmonary Disease (COPD) in the community to better self-manage their condition. In April last year, the Service replaced its home monitoring hubs as the previous equipment had reached the end of its lifespan. There has been an increase in the use of the hubs as the undernoted chart confirms. The Service has also introduced the use of an App for those who are confident in using this preferred method of communication, which has given us increased capacity to use and recycle the home hubs.



The service provides early intervention and anticipatory medication, thus hopefully avoiding potential hospital admissions. Since April 2019, there have been a total of 83 avoided hospital admissions from those using the Docobo remote home health hub.

Service user feedback about Docobo:

“Takes about 2 minutes in the morning then you can get on with your daily life, you get plenty of help..... If I can do it anyone can do it believe you me. I wasn't brought up with computers or modern technology – that left me behind. I couldn't dial a mobile phone before. Now I can send texts, I'm on Facebook, I'm just dandy”

DRAFT

Florence (FLO)

The service also supports people in the community to improve self-management of their long term condition by using Florence (FLO) – a phone App. Florence is a text messaging service which sends patients tailored reminders and health tips. Within Inverclyde, FLO is used to help monitor Diabetes and Hypertension. Patients are enrolled through their GP practice and sign up to send their readings via a text to a secure platform where clinicians can view and monitor readings as well as take appropriate action if necessary. Using FLO has reduced the number of face to face consultations and decreased the need for patients to travel to and from their GP practice.

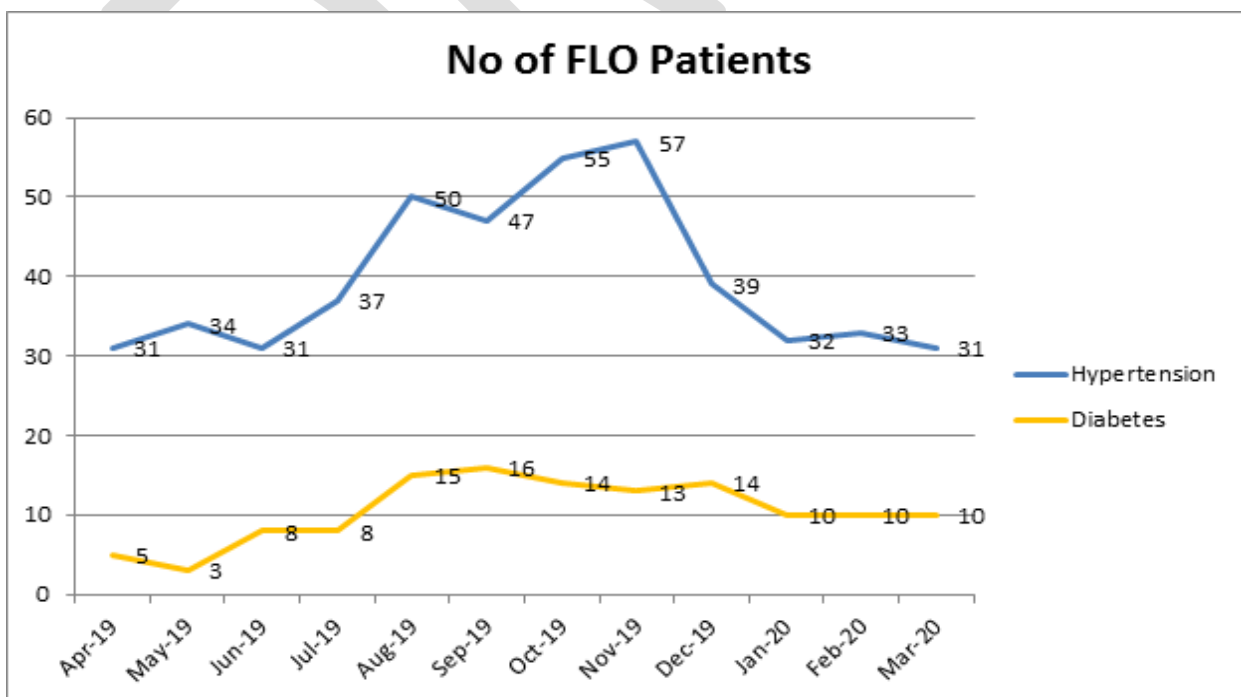
Diabetes

FLO is being used as part of an initiative to improve self-care in diabetes and increase the number of patients self-administering insulin, thus reducing the number of home visits required by a District Nurse. Patients are prompted by FLO to submit their blood glucose readings on a specified day and time. While the take up of this technology has not been as high as expected, collaborative work with the acute diabetes specialist team in both the hospital and community has been established as a result of this work. This has involved the consultant physician reviewing all diabetic patients on the District Nursing caseload via a virtual clinic to optimise treatment plans and include health improvement measures. All 32 patients have been reviewed resulting in a reduction of 373 visits per week to 208. A second review is planned for October/November 2020.

Hypertension

FLO is being used to both diagnose and monitor hypertension in the community. Patients are given a BP monitor and requested to respond to prompts from FLO by submitting their blood pressure BP reading which is viewed by clinicians in their GP Practice. Since commencement in 2018, 283 patients have been referred to the service by GP practices for short term monitoring of hypertension and medicines titration thus reducing primary care appointments significantly.

The undernoted chart highlights the number of patients using FLO between April 2019 and March 2020:



Mrs B's story

Mrs B is a 76 year old insulin diabetic lady who found her condition getting worse due to forgetting to take her blood glucose readings and insulin at specified times, particularly around tea time. Mrs B's husband has dementia and deteriorated recently which has seen an increase in his dependency upon her. Following a visit with the Diabetes nurse specialist, Mrs B enrolled on FLO in November 2019 and has seen an improvement in her glucose control due to the prompts sent by FLO to her mobile phone. Mrs B told us "This is a great wee service. It's like having a wee person in your ear reminding you to do your stuff. My results are better and I am managing things better". "I know I still miss an odd time but all in all, I am a lot better than beforehand".

Health and Community Care Out of Hours (OOH) Review

A review of the Out of Hours Care and Support at Home, Technology Enabled Care and District Nursing Services has been completed in the last year. The purpose of the review was to develop an improved coordinated and fully integrated model of health and social care service fit for the future.

The outcome of the review includes the development of an integrated management structure, both in terms of operational and professional leadership. It resulted in increased District Nursing cover to respond to the high levels of complexity and interventions identified in the review and the recruitment of a Home Support Supervisor to support TEC Responders at the weekend.

The Inverclyde review is in line with the Greater Glasgow and Clyde Review of Health and Social Care out of Hours Services commissioned in 2017.

The Unscheduled Care Resource Hub (UCRH) will be implemented in Glasgow City Council during September 2020 and be based at their Borron Street offices. It will host a number of OOHs board-wide.

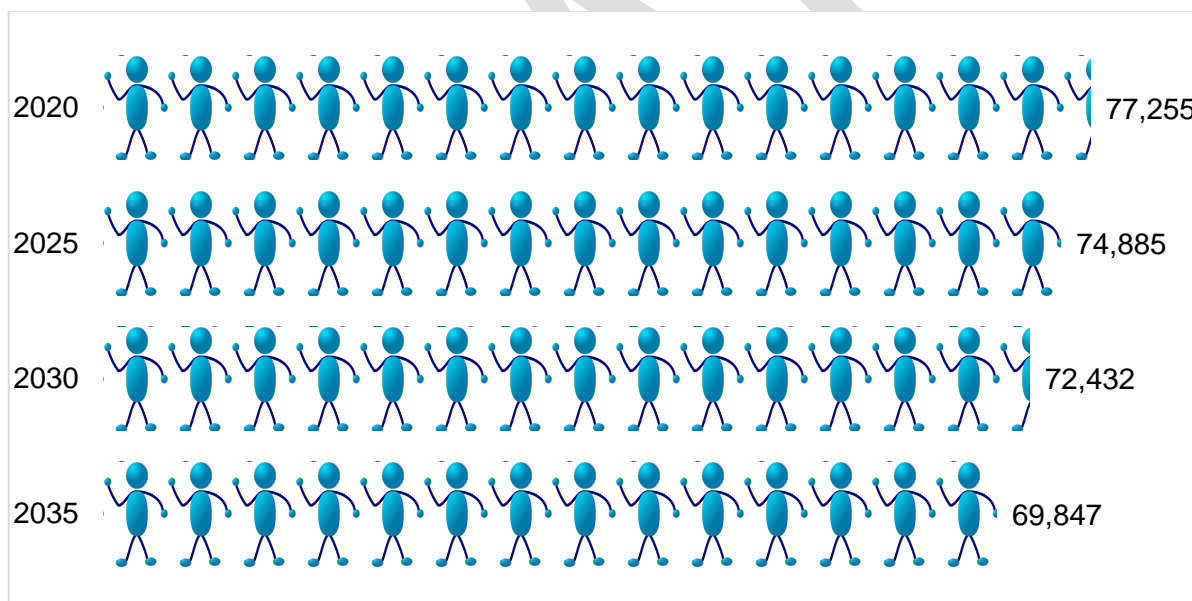
Services such as Emergency Social Work and Mental Health Services. Thereafter, all other HSCP's will implement their local response hubs on a phased basis. The local Response Hub in Inverclyde will be based within the Hillend Centre, Greenock.

3. The Inverclyde Context

The latest estimated population of Inverclyde was taken from the mid-year population estimates published by the National Records of Scotland (NRS). This gives us a total population of 77,800 (down from 78,150 last year) as at the end of June 2019.



Using the most recent published data available that can be used for population projections (Population Projections for Scottish Areas 2018-based), published by NRS on 24 March 2020, our population is expected to decline as is shown in the graphic below.

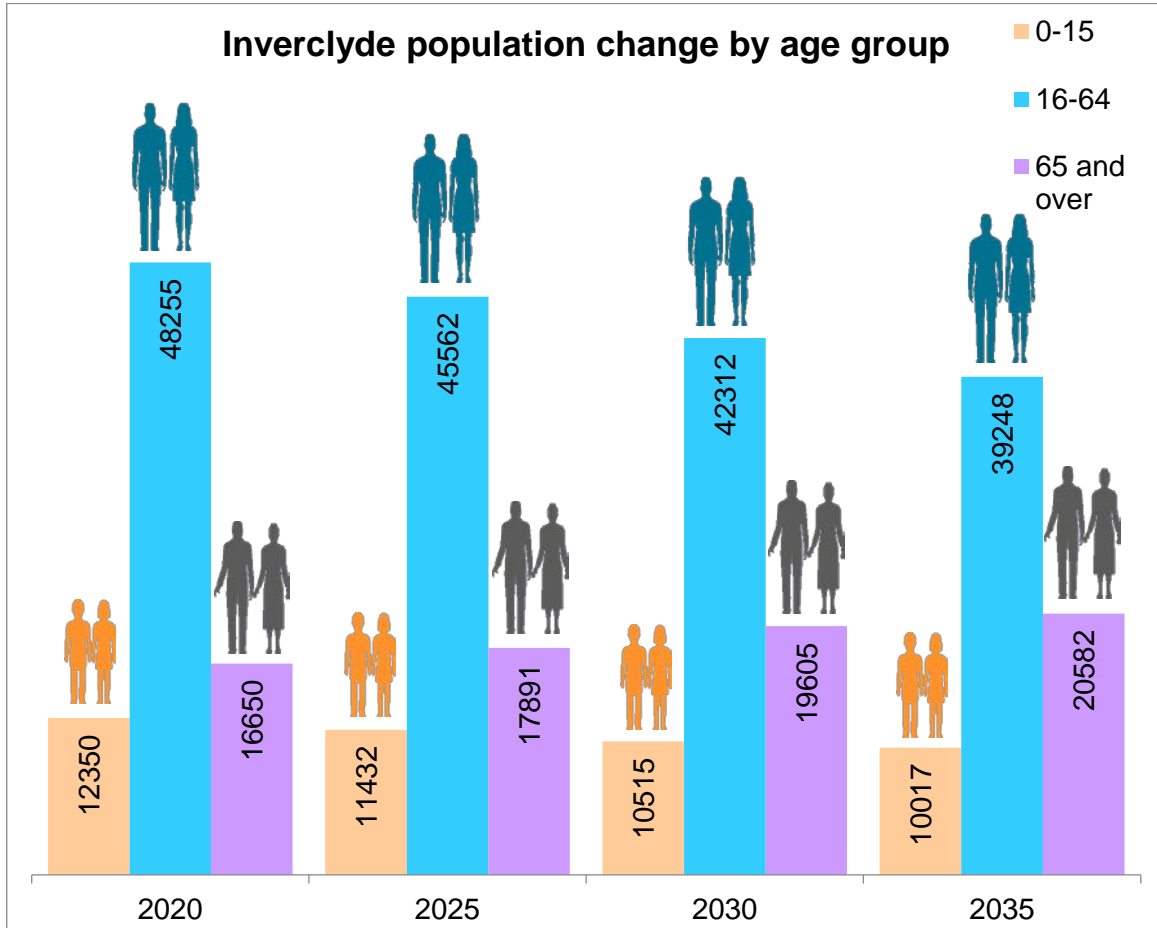


Source: NRS: population projections for Scottish Areas (2018-based)

Population projections have limitations. A projection is a calculation showing what happens if particular assumptions are made. These population projections are trend-based and as the process of change is cumulative, the reliability of projections decreases over time. The projected figures do not take into account the work locally to reverse our depopulation.

Our population size is affected in 2 specific areas. From 2018 to 2019 there were 1,010 deaths in Inverclyde compared to 653 births during this period, resulting in natural change of -357. Outmigration was again higher than in-migration, with an estimated 1,233 people moving into the area and 1,317 leaving, resulting in net migration of -84.

The profile of our population is also changing significantly. As is demonstrated in the graphic below our working age population will reduce whilst the numbers of people over 65 will increase.



Source: NRS: population projections for Scottish Areas (2018-based)

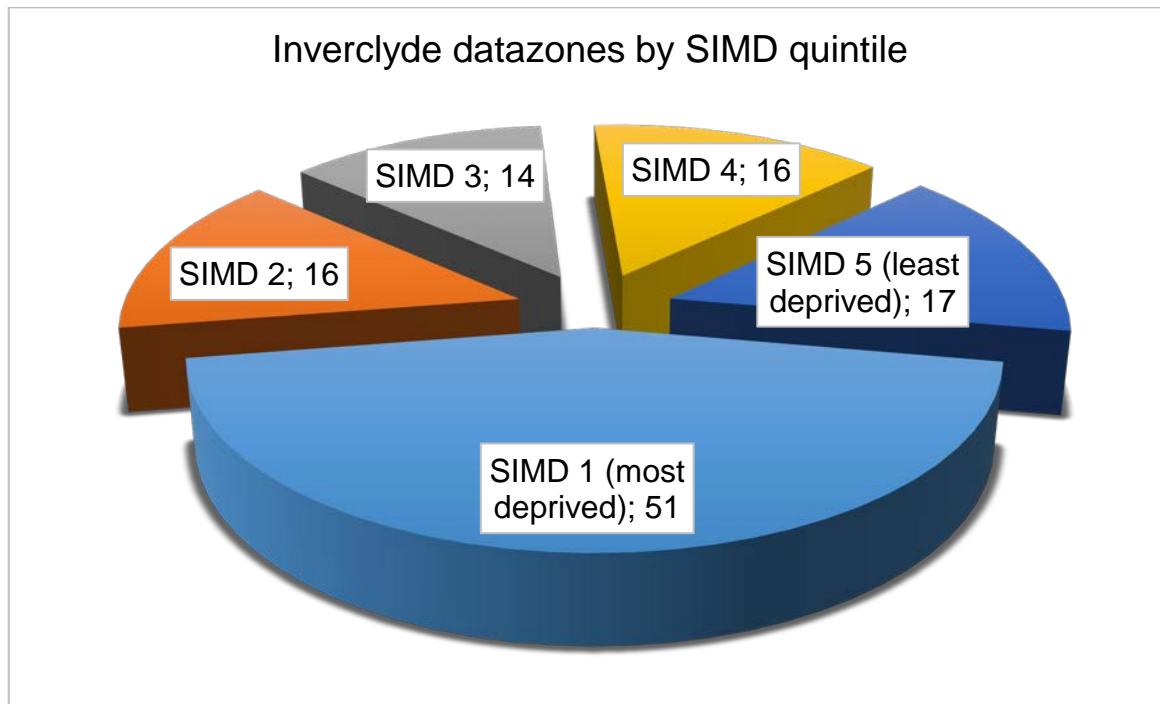
Deprivation

The Scottish Index of Multiple Deprivation (SIMD 2020) is a tool for identifying areas of poverty and inequality across Scotland and can help organisations invest in those areas that need it most.

Areas of poverty and inequality across Scotland are measured by a number of different indicators to help organisations such as health boards, local authorities and community groups to identify need in the areas that require it the most. These are routinely published as part of the Scottish Index of Multiple Deprivation (SIMD). The SIMD ranks small areas called data zones (DZ) from most deprived to least deprived.

Scotland is split into 6,976 DZ's; Inverclyde has 114 DZ's, 51 of which are in the 20% most deprived areas in Scotland. When looking at the 5% most deprived DZ's in Scotland (a total of 348 DZ's) 21 are in Inverclyde (18.42% of our local area and 6.03% of the National share).

Deprived does not just mean 'poor' or 'low income'. It can also mean that people have fewer resources and opportunities. The highest deprivation areas of in Inverclyde are around Central and East Greenock. Unfortunately this now includes the most deprived area in Scotland.

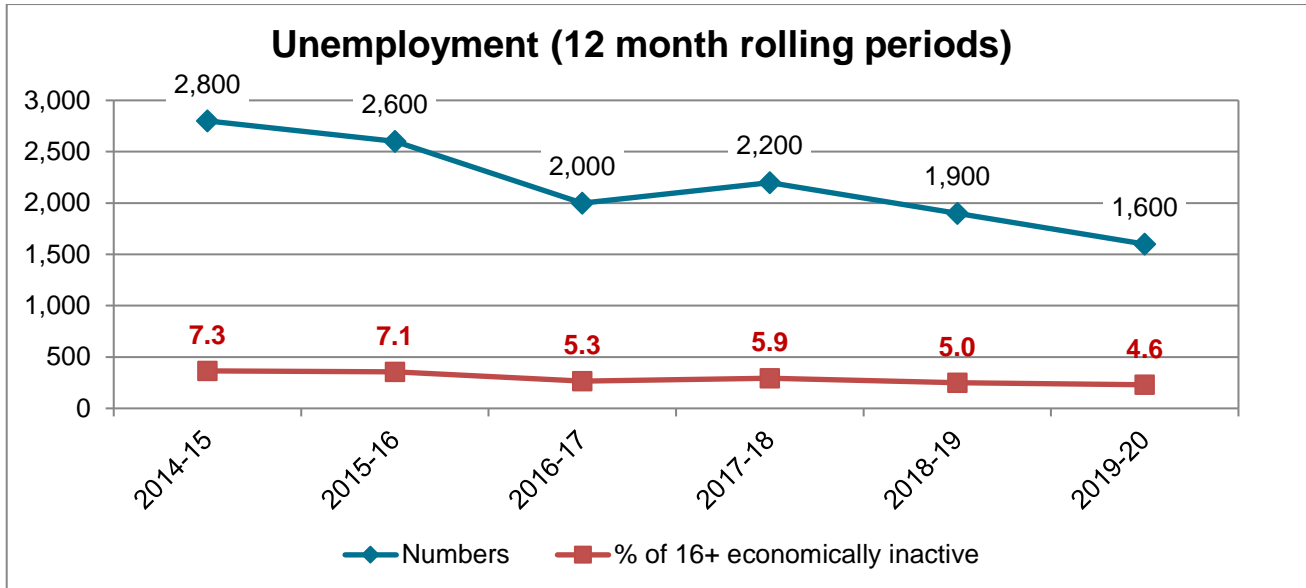


Source: Scottish Government SIMD 2020

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Economy

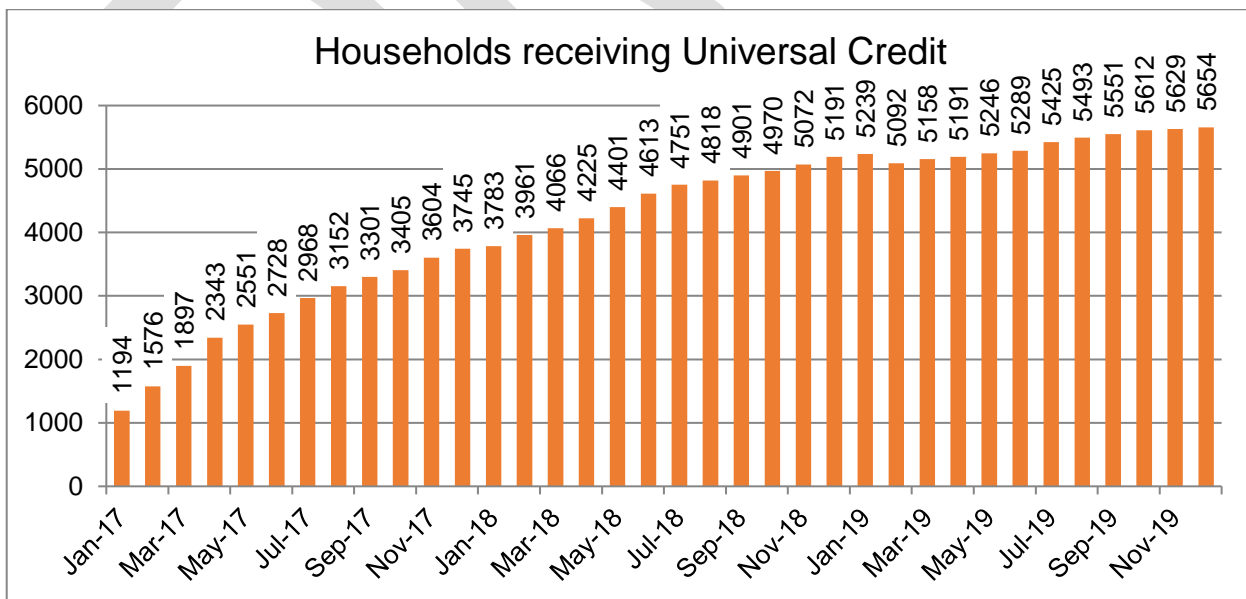
Employment for the people of Inverclyde remains heavily reliant on the public sector. Reductions in public sector budgets, resulting in a shrinking workforce in this area, will put additional pressure on the local employment market. Taken together with the reduction in the working age population of Inverclyde, tackling entrenched rates of dependency on Employment Support Allowance and Universal Credit remain a stubborn challenge for Inverclyde. It is within this context that social work services are providing vital support and services to people living in some of Scotland's most deprived communities.



Unemployment (in 12 month rolling periods)

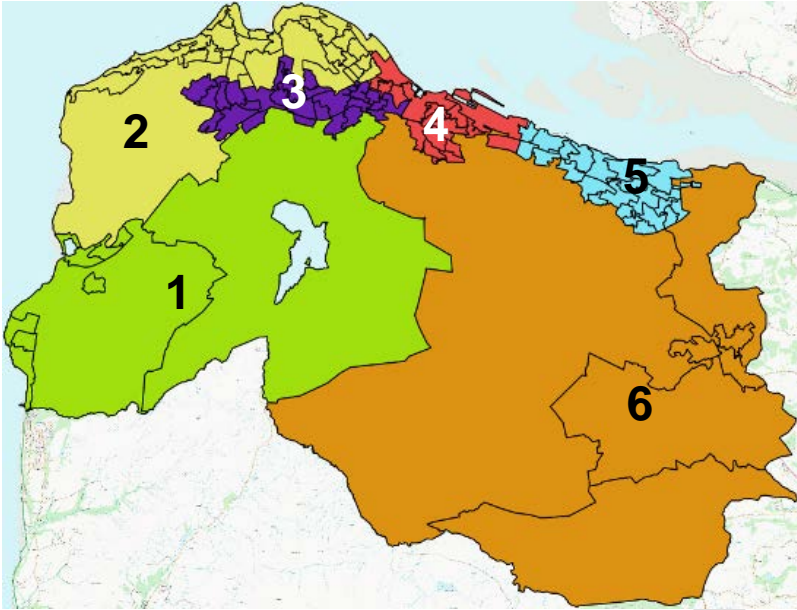
Unemployment figures

http://www.nomisweb.co.uk/reports/lmp/la/1946157422/subreports/ea_time_series/report.aspx



Number of households receiving Universal Credit

Localities



Our 6 localities are:

1. Inverkip & Wemyss Bay
2. Greenock West & Gourrock
3. Greenock South & South West
4. Greenock East & Central
5. Port Glasgow
6. Kilmacolm & Quarrier's Village

Locality Planning Groups (LPGs)

The Inverclyde HSCP and Inverclyde Alliance have been working towards establishing the six new Locality Planning Groups. Arrangements had been put in place to pilot the revised locality planning arrangements in Port Glasgow in January 2020 with Greenock East and Central then Greenock South and South West being established next, however the outbreak of COVID-19 resulted in progress being suspended. This work will recommence once it is safe to so.

Following publication of the Scottish Index of Multiple Deprivation (SIMD) in January 2020, working with local communities in the most deprived areas in Inverclyde is even more important and will be our primary focus as implementation of the HSCP Strategic Plan 2019 – 2024 is progressed.

Communication & Engagement

Once established, the six Locality Planning Groups (LPGs) will be responsible for the development of their respective Locality Action Plans outlining how they will drive forward and deliver transformational change in line with agreed strategic policy and priority areas. Locality Action Plans will set out how community planning partners, including the HSCP, will improve the experience of those who access and use local services, improve outcomes for people living in local communities, ensure services are safe, effective, of high quality, sustainable, provide best value, and address inequalities.

The extent of past engagement and consultation has highlighted that there is real appetite locally to be involved in shaping Inverclyde's future. That is why we are looking to adopt the joint Alliance and HSCP communication, engagement and where necessary formal consultation processes. People want to have their say, and we have a duty to ensure that their voices are able to influence the planning and delivery of services provided by public sector organisations.

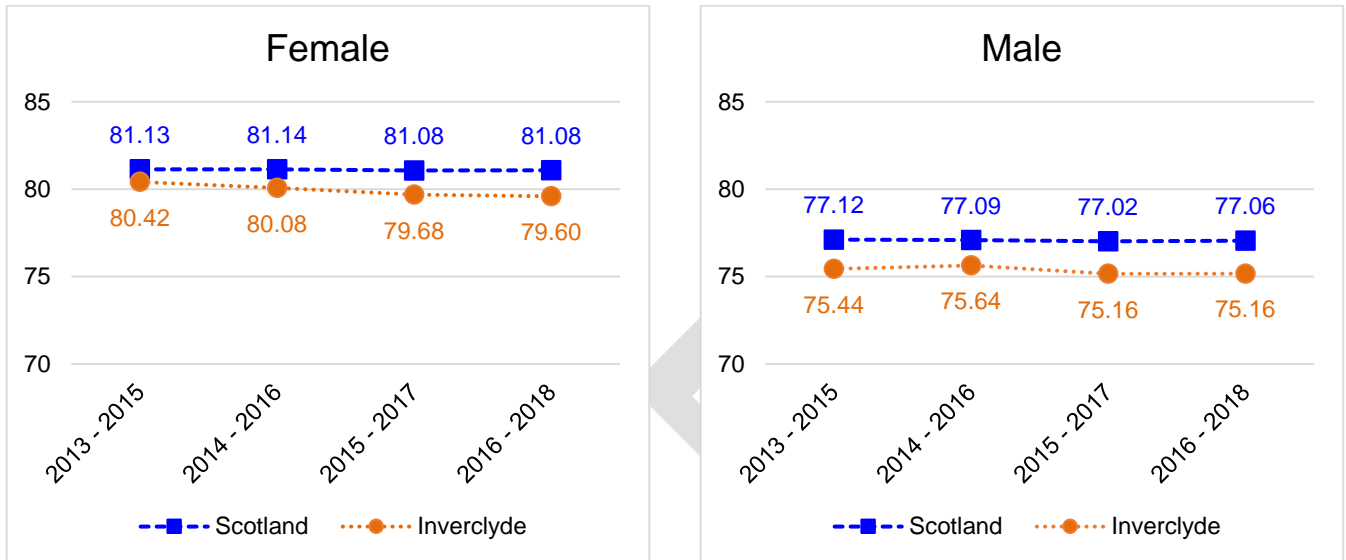
During August / September 2019, the HSCP and Alliance held six community engagement events, one in each locality to "Celebrate the Present, Shape the Future". Over 750 members of the community attended the events, and a significant amount of feedback was shared. A Feedback Report was published which outlined key themes that came out of discussions with people which Locality Planning Groups (LPGs) will be required to take into account, along with other feedback and key priorities when planning services that are fit for the future and improve outcomes for local people.

Jointly, we are now aiming to build on all the positive engagement and consultation work carried out, develop continuous dialogue with local communities, and embedding this into our day to day business.

The Communications and Engagement Strategy which outlines some of the key principles and objectives for the HSCP was approved by the HSCP Strategic Planning Group (SPG) in February 2020 and now awaiting approval by the Integration Joint Board (IJB) and Inverclyde Alliance Board. Due to the outbreak of COVID-19 pandemic, progress has been slower than planned.

Life Expectancy (from birth)

The latest figures available cover the 3 year 'rolling' period from 2016 to 2018 (published by National Records of Scotland in December 2019). The charts below compare the average life expectancy in years across Inverclyde and Scotland.

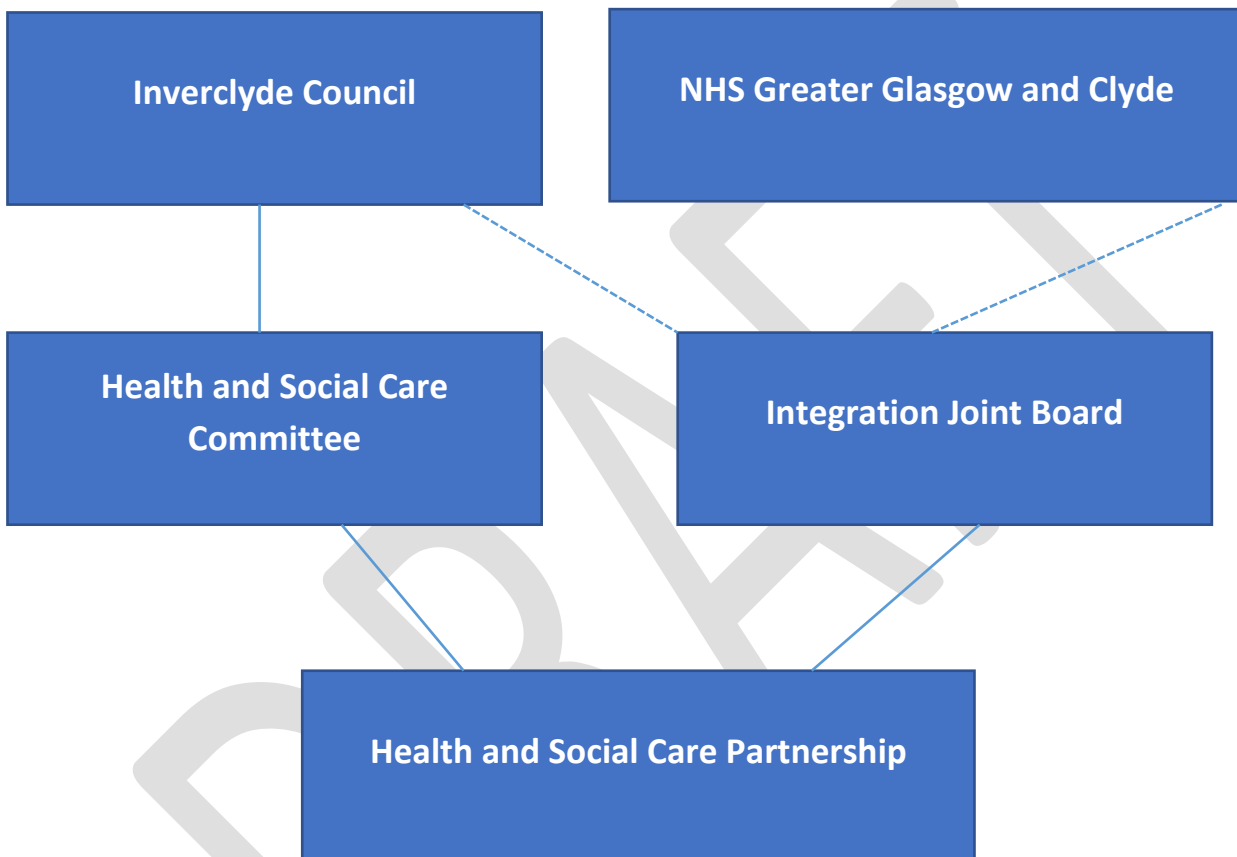


In the longer term, we aim to reduce the differences between Inverclyde and the Scottish average, and also the differences between men and women.

Inverclyde is a beautiful area of Scotland and an area with a proud tradition of community. There is little doubt that many of our communities are facing significant challenges in terms of inequality of outcomes in comparison to other areas in Scotland. This is an area that the Inverclyde Community Planning Partnership – The Inverclyde Alliance have a sustained focus on. Social Work Services are engaged with the most vulnerable citizens in our communities and as a consequence have a great deal to contribute in understanding the issues our residents face and in supporting communities to mobilise lasting solutions to these long term challenges.

4. Governance

In Inverclyde, Social Work Services integrated with Health Services in October 2010, initially as a Community Health and Care Partnership. This has meant that the integrated arrangements in Inverclyde were at an advanced stage of maturity before transferring to the HSCP model and the full establishment of the Integration Joint Board (IJB). From figures 8 and 9 below it can be seen that in Inverclyde formal reporting structures to council have been retained in the form of the Health and Social Care Committee reflecting elected members concern to continue to exercise strong governance of statutory social work matters and especially those relating to the public protection agenda.



In order to assure elected members on matters relating to the governance process for externally commissioned Social Care Services a governance report providing a strategic overview of performance, quality and contract compliance of services provided by external independent, third sector and voluntary organisations is presented to the Health and Social Care Committee. The governance arrangements ensure that contracted services maintain quality service provision, meet financial governance requirements and are an active partner in the strategic commissioning cycle.

The CSWO meets at regular intervals with the Chief Executive of the council in respect of matters relating to the delivery of social work and social care, is a non-voting member of the IJB and a member of the Strategic Planning Group.

In representing the unique contribution of Social Work Services in the delivery of public protection, the CSWO is a member of the Inverclyde Chief Officers Group, Chair of the Inverclyde Child Protection Committee and the Public Protection Forum and sits on the Adult Protection Committee.

The HSCP governance arrangements ensure that contracted services maintain quality service provision, meet financial governance requirements and are an active partner in the strategic commissioning cycle. The governance process is subject to mandatory reporting as per Inverclyde Council's Governance of External Organisations and is overseen by the CSWO.

Over the past year a revised Clinical and Care Governance Strategy has been developed and the CSWO will lead on the development of the work plan that will support the implementation of the strategy. This work aligned with a revised approach to learning and development which has also to come under the leadership of the CSWO will provide a more planned, cohesive and integrated approach to the quality agenda across the HSCP.

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Criminal Justice

In 2018 the Care Inspectorate published an overview report detailing themes which emerged from the Significant Incident Review (SIR) notifications submitted between February 2015 and December 2017. The Criminal Justice Service used this Report as an opportunity to reflect on its practice with regard to how it undertakes the completion of case reviews which follow the notification process.

The Service was particularly struck by a key message within the Care Inspectorate's Report which stressed the importance of embedding a learning culture within Criminal Justice Social Work Services that would support a review process that is meaningful, thoughtful and forward looking. Consequently, in the Chief Officers Group report (16th April 2019) the Service stated that it had taken action to introduce a new approach to how it would undertake the case reviews which follow the notification process.

Previously this had involved the worker concerned and their line manager, with oversight from the Service Manager. Whilst the Service Manager still retains oversight, the new review process is now led by the Prison Based Social Work Manager, who by dint of their role will have no direct involvement in the case. In addition, the process also includes a Senior Practitioner and a Social Worker. By opening up the process in this way the Service believes this creates an opportunity to generate learning in the system at the earliest opportunity as well as helping to support a collective narrative around what good practice looks like. Where appropriate the Service has involved other HSCP Services in this process where they have had a direct input into the individual's care/risk management plan. The latter has led to the establishment of several multi-agency forums, which have been instrumental in providing clarity around referral processes and expectations of support services.

Mental Health Officer Service

A review of MHO Service provision was commissioned and commenced to explore options for the most appropriate sustainable service model and related governance requirements. This will ensure a continued focus on high quality social work practice and service delivery to meet the increasing demands faced by the MHO service and expectation of national standards. Data gathering has been completed and the service awaits the final analysis report.

Community Learning Disability Team

The CLDT have contributed to Health & Community Care's Clinical & Care Governance agenda as well as the wider NHS GG&C Clinical & Care Governance Group to ensure that learning from DATIX and Scottish Care Information (SCI) from across the board are embedded in clinical and care practice. Staff are also supported via Clinical Professional Leads.

Learning Disability Day Services

Learning Disability Day Services have also contributed to Health & Community Care's Clinical & Care Governance agenda as well as the wider Social Work Scotland Learning Disability Sub Group to ensure that learning from incidents, good practice and outcomes from Serious Case Reviews nationally are embedded in clinical and care practice. Staff are also supported via Clinical Professional Leads.

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5. Partnerships

Partnership working is important in order to bring about improved outcomes. Inverclyde HSCP works in a broad range of partnership arrangements, both internally and externally. The HSCP works in partnership with independent and third sector organisations to deliver services. Inverclyde also has a very strong track record of working in partnership with service users and communities. The following outlines some of the key partnership arrangements that are in place and seeks to highlight the added impact of this on service delivery and outcomes.

Protecting vulnerable adults - The Adult Protection Committee

Some people with particular vulnerabilities need formalised protection to ensure that they are kept safe from harm. One of the ways that this is achieved is via the Adult Protection Committee for which social work has a key role.

In line with the statutory duties of the Adult Protection Committee the on-going priorities are:

- Ensuring the multi-agency workforce has the necessary skills and knowledge. An Adult Support and Protection (ASP) Learning and Development Strategy 2018/20 was produced and delivered to ensure that multi-agency staff have access to appropriate training and learning events that create opportunities to reflect on practice. This approach has been very successful as evidenced in the Adult Protection Thematic Inspection Staff Survey Feedback Report. The strategy is currently being reviewed and adapted with the development of a blended learning approach being adopted given challenges arising to delivering training in context of the COVID-19 pandemic.
- Ongoing programme of self-evaluation, quality assurance and focus on the impact of adult support and protection activity across operational Adult Services. This includes further development of the Service User and Carer Evaluation to elicit the lived experiences of adults at risk of harm and their unpaid carers to identify strengths and areas for improvement.
- Refresh of Communication and Engagement Strategy to improve public awareness of Adult Support and Protection.
- Ensuring the multi-agency workforce has access to relevant procedures, guidance and protocols to meet their responsibilities under the Adult Support and Protection (Scotland) Act 2007. A number of existing procedures, guidance and protocols are subject to planned review and aim is to incorporate learning from operating in context of the COVID-19 pandemic.

By focussing on these priorities our Adult Protection Committee ensures that people within Inverclyde are safe from harm.

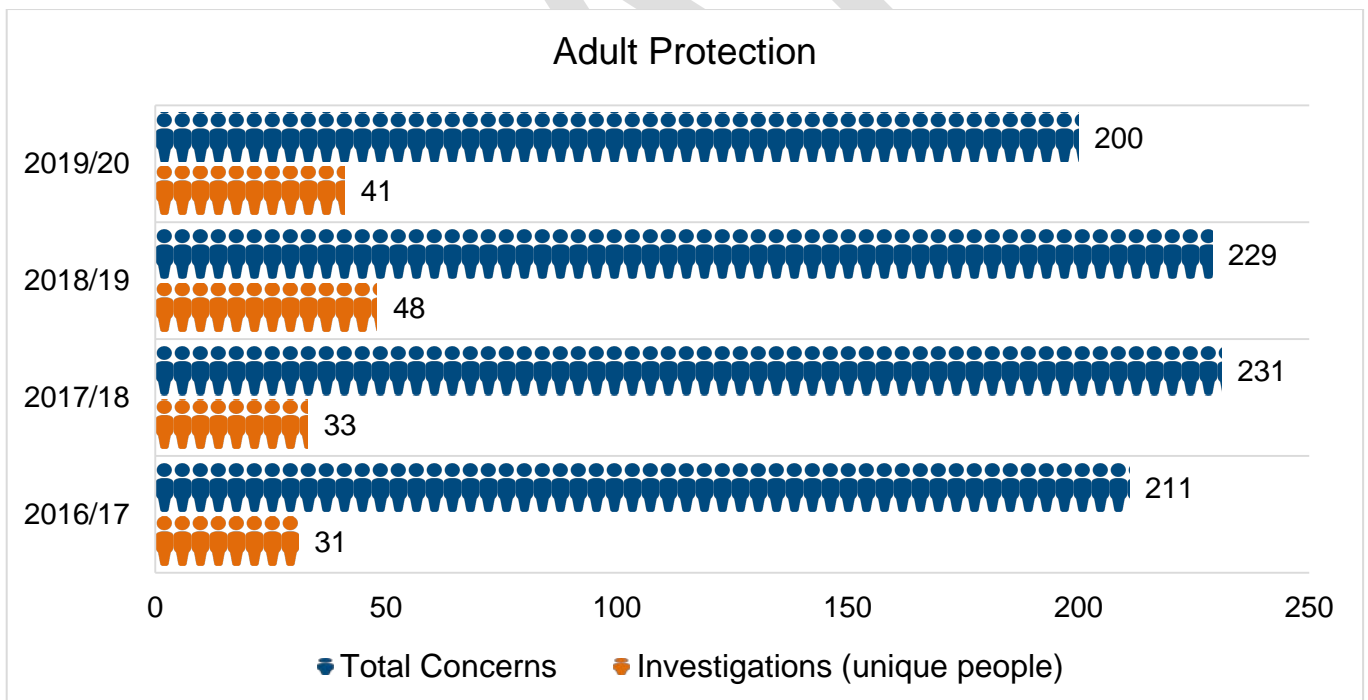
K's story

K's situation came to light following a referral from the hospital. She was a woman with disabilities who lived alone. A family member was her sole source of support. She was taken to hospital following a fall at home. However on admission her overall physical condition led to concern that she was subject to neglect.

Her situation was progressed under the auspices of adult support and protection. Social work and health staff worked together to establish what had been happening. During this process it was identified that she was being both neglected and financially abused.

A plan was developed with her to protect her wellbeing and finances. K now lives in a care setting suitable for her needs and has support with her finances. She continues to see her relative as her relationship with them was important to her but with agreed safeguards in place.

During 2019/20, 200 Adult Protection concerns were referred to the HSCP (a decrease of 29 since 2018/19). After initial inquiries 41 of these concerns - or about 19% - progressed to a full investigation. Investigations fluctuate from year to year but generally remain within parameters of a 10 to 20% conversion rate from referrals to investigations.



Quality and Policy Sub Group

The Adult Protection Committee (APC) viewed that leadership for operational and strategic collaborative working among key agencies required to be strengthened. The outcome from these discussions was the establishment of the Quality and Policy Subgroup .

The Quality and Policy Sub Group is the key forum for progressing operational and collaborative working among social work, police, health and other partners for adult support and protection. This is chaired by the Head of Service (Health and Community Care). Membership comprises senior managers with frontline responsibilities from key partner agencies to ensure leadership for operational and collaboration on adult support and protection matters. This is held 6-weekly.

An action log has been developed to identify specific actions required at operational level to continue to improve this collaborative approach. The identified actions from the APC Business Plan and Action Log are progressed by working groups or task and finish groups. Membership for each is agreed by the Quality and Policy Subgroup on basis of having right knowledge, skills and experience to effectively progress the action required. The Action Log is reviewed at each meeting and provides an overview of all actions and agreed progress.

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The Inverclyde Child Protection Committee

The Inverclyde Child Protection Committee (CPC) is tasked with ensuring that children and young people within Inverclyde are offered the highest level of protection, using best practice learning from research and operational experience.

The committee is the key partnership forum for achieving the above goal and is chaired by the CSWO, who also carries the role of Head of Service for Children's Services and Criminal Justice.

The committee's core functions are strategic planning, continuous improvement, public information and communication and participation and these functions thread through and support the work streams undertaken by the committee. The CPC's focus remains upon our areas of priority need as highlighted within our strategic needs assessment; neglect, domestic abuse, parental mental health and parental substance misuse as well as progressing dynamic improvement activity following on learning from quality assurance, performance information and from Serious Case Reviews both locally and nationally.

The CPC's focus over the last twelve months has been to adopt and utilise the learning from Inverclyde's collaboration with CELCIS as part of the child protection improvement programme's Addressing Neglect and Enhancing Wellbeing Collaborative. The coaching provided to our involved partners on Improvement methodology has significantly altered our perspective on the challenges and benefits of creating effective change and improvements within and across partnerships, particularly focusing on the early help arena. Improvement methodology promotes a slower and methodical approach which begins with the collation of high quality data and information about need, resource, fit and evidenced effectiveness of any planned intervention.

Improved collation and use of data has been a key focus and our performance management group has adopted the national minimum data set supported by CELCIS. We are now producing quarterly reports using the national data set measures and are refining other measures to add to this to reflect local areas of improvement. The ability to measure and compare baseline data and making better use of performance measures to monitor the difference we are making will increase the impact of our interventions.

Linked to this is the improvement activity to further refine and develop the linkages between other children's service structures such as the GIRFEC Strategic Group, the Children Services Planning Group, the Poverty Action Group and the HSPC Big Action Plan to ensure resources are well utilised, that plans are aligned and that efforts are not duplicated.

As a result of the ANEW collaboration, we have undertaken through analysis of what works well and where the challenges are in relation to our early help offer. We are working closely with our partners to address any deficits and service gaps and recognise the complexity and challenge in addressing need for those children and families that sit just beyond the front door of social work services.

The CPC's domestic abuse working group has been collaborating with Criminal Justice to commission 'Up2U', a behaviour change programme for people who use domestically abusive and unhealthy behaviours in their relationships. Inverclyde is taking the unique approach of offering this intervention to parents of children subject to compulsory measures of supervision or on the CP register rather than using it as a court mandated intervention for domestic abuse. This early intervention approach seeks to reduce the incidents of domestic violence, prevent the cycle of abuse and reduce the risk to children to reduce the number of children subject to care proceedings. As ever our focus will also continue to be on the collection of data to improve our performance in all key areas.

The CPC continues to retain a focus on children affected by parental substance misuse and parental mental health through dedicated working groups. The CPC has also reflected on the Hard Edges Report and how it resonates locally for many of our service users. The HSCP has commenced a piece of work to look at the experience of these 'multi service' users, to understand the need and challenges and better align the support and service offer to ensure the principles of GIRFEC, Recovery Oriented Care, Getting Our Priorities Right and the findings of the Hard Edges report are considered.

Inverclyde CPC has also committed to participate in a pilot within North Strathclyde to create a Joint Investigative Interview Cadre made up of specially trained Police Officer's and Social Workers utilising a trauma informed model of interviewing vulnerable child witnesses and achieving best evidence. The CSWO has supported the secondment of a Social worker from Inverclyde to the pilot and enabled a service manager and the social worker to attend a study visit with the other partners from North Strathclyde and Children First to a 'Barnahus' in Iceland which provides a world acclaimed approach to interviewing vulnerable child witnesses. Children first has successfully been awarded funding to build a 'Bairns hoose' in North Strathclyde which will be able to house the Cadre and shall be hugely beneficial for the children of Inverclyde.

As for all services, the Committee's current priority has been ensuring that children and young people continue to be offered a high level of multiagency protection throughout the COVID-19 pandemic. This has meant close work with all partner agencies on both a local and national level, identifying the most vulnerable children and ensuring that they receive a consistent service despite the unprecedented challenges forged by lockdown. The multi-agency response in Inverclyde for our vulnerable families has been outstanding and we recognise that we will have much to reflect on and develop in terms of the good practices initiated within the pandemic crisis.

Multi Agency Public Protection Arrangements (MAPPA)

The Multi Agency Public Protection Arrangements (MAPPA) is a key public protection process which enables partnership agencies to co-produce risk management plans for individuals representing a risk of sexual or violent harm towards others. Agencies have a duty to cooperate and share information to inform risk management planning. Risk management is a dynamic process and thus risk management plans require to be reviewed on an ongoing basis.

The North Strathclyde MAPPA operates a governance structure which consists of the MAPPA Operational Group (MOG) which reports to the MAPPA Strategic Oversight Group (SOG). The CSWO is a member of the SOG. These Groups meet 3 times a year respectively and are attended by partners from the Responsible Authorities (Councils, Police, Health and Scottish Prison Service) and in the case of the MOG Victim Support is also represented. The North Strathclyde MAPPA Unit itself is hosted by Inverclyde HSCP.

Key achievements in 2019/20 include:

Four Short Life Working Groups convened which have produced Elected Members Guidance, a new Case File Audit Tool and, tools to support and track the delivery of the MAPPA Business Plan.

The introduction of the new Case File Audit Tool in May 2019 which has supported individual audits across North Strathclyde.

Training subgroup has supported 21 Awareness Raising events targeting range of partners including: Registered Social Landlords', Education Services, DWP, Sport Scotland, Community Payback Unpaid Work staff, Scottish Prison Service, Community Police, Victim Support, The Wise Group, Inverclyde Libraries, West of Scotland University, and Children and Family Social Work. This training helps to dispel any myths around what MAPPA is and is not, identifies the roles of key staff and aims to facilitate the exchange of information to support public protection.

Across the North Strathclyde MAPPA area there have been 15 Initial Case Review (ICR) Notifications submitted during 2019/20, three of which have progressed to a full ICR Panel. Learning from these Reviews is communicated via the MAPPA Quarterly Newsletter, incorporated into training events and informs chosen themes for the Annual MAPPA Development Day.

Inverclyde Community Justice Partnership

The Community Justice (Scotland) Act 2016 sets out the legislative framework for community justice. Inverclyde Community Justice Partnership was established on 1st April 2017 and although relatively new, has established strong links with other strategic partnerships.

Key milestones during 2019 / 2020 include:

- Following the successful application to the Community Fund (formerly the Big Lottery) Early Action System Change Fund in the category for Women and Criminal Justice, steps were taken to recruit the identified Project staff. All three staff, Project Manager, Data Analyst and Community Worker joined the Project in 2019/20. Critical to this was the involvement of women who had lived experience of the Justice System directly in the recruitment of the Project Manager and Community Worker. In addition, with the agreement of the Project Steering Group, the Community Worker's post is hosted by Turning Point Scotland thus enabling the Project to draw directly on this partner's expertise in co-production.
- Commenced and completed staff training on the Up2U domestic abuse programme. This training targeted both Children's Services and Criminal Justice Services staff and speaks to the Partnership's commitment to early help and early intervention in terms of making this intervention available to non-Court mandated individuals. The final cohort of staff completed their training on 20th February 2020.
- A Data Sharing Agreement was signed between SPS and Inverclyde Council as part of the new local model of voluntary throughcare. In recognition of the significance of the Third Sector in taking this forward, the Community Justice Lead, as part of their role, will support the coordination of voluntary throughcare in Inverclyde.
- The Community Justice Network has now evolved into a broader Resilience Network. This is being led by CVS Inverclyde with the purpose of building not only third sector resilience in Inverclyde, but also the resilience of our local communities and people who are involved in the Justice System.
- Following the publication of the Hard Edges Scotland Report, an event was held in Inverclyde to share the findings of this Report with partners and to agree local action. Two further focus group events were held as a follow-up and a local analysis of data was undertaken to have a better understanding of the impact of severe and multiple disadvantages. This has resulted in funding by the HSCP of two new Community Navigator posts who will be hosted in Homelessness Services, but who will be supporting people who have experience of multiple and severe disadvantages.

Children and Families Strategic Partnerships

The GIRFEC strategic group is chaired by the CSWO and has recently reviewed its terms of reference and membership to align better with other planning structures and it now reports to the children's service planning group.

The group is focusing improvement activity on three specific areas relating to the GIRFEC pathway that could be improved with the goal of achieving earlier intervention and prevention of cumulative neglect: Transition points, Team around the child, Relationships and collaboration.

In utilising the learning from the ANEW collaboration with CELCIS, the service has been focusing on key aspects of partnerships working: shared language, good working relationships and frameworks and processes to support staff. Children's services across health and social work have engaged in a number of collaborative events to build on existing working relationships, to help partners understand and recognise that challenges in each other's roles. Making time for staff to be together for 'collaborative coffees' has been encouraged and regular events are planned throughout the year to foster good working relationships.

In addition, we have been developing a comprehensive escalation procedure and guidance on professional curiosity – these are being refined by the staff who shall be using them, utilising language that they are happy with and processes that support them to have robust and respectful conversations about need and risk.

The GIRFEC strategic group has also created a multi-agency quality assurance group to examine the transition points for children and families along the GIRFEC pathway. This group provides rich qualitative data that can be used to inform improvement activity.

The Inverclyde Champions Board

Inverclyde's Champions Board funded by Life Changes Trust continued to develop. Our partnership between Corporate Parents and care experienced young people has strengthened and further opportunities have been created for care experienced young people to influence how we deliver services. The Champions approach has provided valuable employment opportunity for care experienced young people with Your Voice and within the early years expansion.

Proud2Care hosted a very well attended event as part of their contribution to Better Hearings. Their contribution to this important area of work received very positive feedback.

“Proud2Care have been instrumental in delivering the Better Hearings agenda in Inverclyde – such a fantastically inspirational and ambitious group of young people. Their Proud2Hear event really transformed the Better Hearing planning.”

Lisa Bennett Head of Strategy OD and Corporate Parenting Lead SCRA

COVID-19 and ensuring young people’s views are taken into account

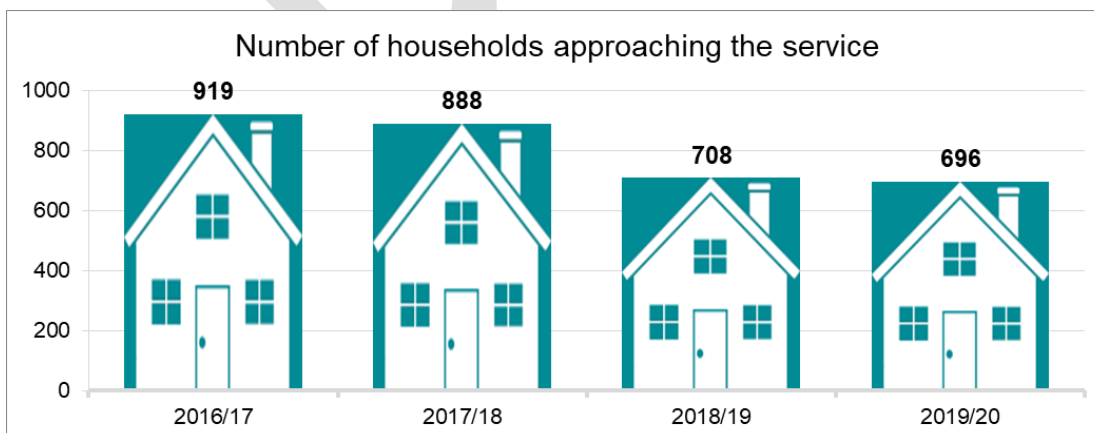
Young people within all three residential houses have been involved in supported consultation around COVID-19 testing measures and contact with families/friends to ensure they have a good understanding, that they have a say in what this might look like and a chance to say what they need from adults to help make this both comfortable and safe. Additionally, wider consultation has been done with young people around face to face contact with workers and families to ensure that have a say in shaping plans moving forward.

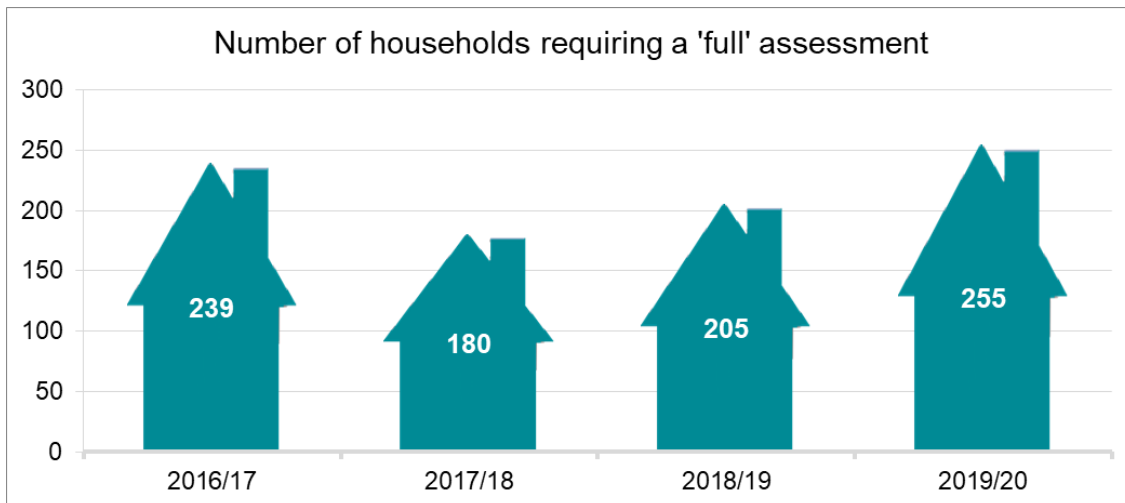
Broader Partnership Working

Inverclyde Rapid Rehousing Transition Plan

Inverclyde submitted its 5 year Rapid Rehousing Transition Plan (RRTP) to the Scottish Government in December 2018 with subsequent resubmissions in June and October 2019. Due to much reduced allocation of funding from the Scottish Government than was initially expected, the RRTP action plan was significantly scaled back with a focus on the two areas of Housing Options and Housing First. In order to drive the delivery of the RRTP, a governance structure involving a range of stakeholders was established to effectively oversee the delivery plan, with the intention that this will further develop the local partnerships required across the various council departments and the local / national Registered Social Landlords (RSLs) with stock in Inverclyde. The RRTP Steering Group and two sub groups have been established and are progressing work plans.

Inverclyde HSCP has historically delivered a model of commissioned 3rd sector support to homelessness service users through the Inverclyde Housing Support framework. This has enabled a varied number of hours of housing support, based on assessment and support planning, to help with a range of tasks to sustain tenancies and other supports. This has been vital in supporting a range of service users both in temporary accommodation and those moving into permanent accommodation. Due to the number of homelessness service users with alcohol and drug related harm, the commissioned support budgets for homelessness and alcohol and drugs were able to be utilised across funding streams which has impacted positively on the amount of support service users could access. Through this way of working, relationships with a range of 3rd sector providers have been developed and maintained, and experience gained of working with this vulnerable and complex group of service users. Through the RRTP, with a focus on delivering Housing First, this will be a welcome extension and further development of the support currently provided.





Local Housing Strategy

The service has been working with Housing Strategy to evidence and influence further wheelchair housing with colleagues at Scottish Government and local Registered Social Landlords.

Following the review of Supporting People the service is supporting the remodelling of the sheltered housing model in Inverclyde to support people to live independently.

Supported Living Services

Community Mental Health Services, Alcohol and Drug Recovery Service, and Homelessness services moved to a shared resource allocation forum for commissioning Supported Living Services from HSCP approved partner agencies. This development has worked to improve person centred recovery outcomes as the focus of commissioning the right support at the right time for individuals. Further development work is scheduled to standardise the resource allocation process. This will be in collaboration with partners to embed robust quality and governance assurances across this HSCP directorate and consistency within the HSCP. Service user engagement will be a critical element of review.

Care and Support at Home Services

The Care & Support at Home service deliver approx. 21000 visits weekly to 1200 vulnerable service users in the community using a reablement approach to ensure that service users remain as independent as possible and meet their agreed outcomes.

The service responds to approx. 80 referrals per month and responds to individual needs within the Eligibility criteria timescales, the service also aims to facilitate hospital discharges within our 24 hour target and this target is achieved for the vast majority of cases.

The service has developed a Response Team, where the aim is to be able to respond within short timescales where there has been a significant change to the service users assessed need, a rapid discharge following a short hospital admission and also to facilitate any requests for discharges out of office hours.

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Focus on Dementia

The HSCP was successful in securing the national test site to work jointly with Healthcare Improvement Scotland iHub. The focus is on improving integrated health and social care coordination across the dementia pathway from early intervention to end of life care.



Community Learning Disability Team

There has been continued service user engagement in the new service model for Learning Disability services and plans for the new LD Hub. Members of the team have continued to partner with parents and voluntary organisations in the review of Transitions and in the Autism Implementation Group.

The Resource Panel (CART) meeting for LD Supported Living services normally invite all the support providers on the framework each month to discuss new packages and to be involved in commissioning support. At the start of the COVID-19 lockdown, risk assessments were shared with our service providers to ensure they could continue to provide essential services even if significant numbers of their staff became unwell or needed to self-isolate. We have conferred closely with providers about who was shielding, who needed to have meals delivered, and who could manage with large alterations to their usual supports, while colleges and clubs were shut down. A virtual CART process has continued and we are continuing to assess need and provide new supports to individuals where required, which has involved a range of different meetings: some by phone, some by video conference, and some held in gardens. As services resume, we intend to continue to plan and commission supports in partnership with these support providers.

Learning Disability Day Services

The ethos of working closely in partnership with The Advisory Group in the service model for Learning Disability Services, Transport Policy and planning for the LD Hub, has enabled the service to have continued engagement with service users, carers and staff. This has been achieved, ensuring everyone has been given an opportunity to contribute to shaping ways the service develops. This has been augmented by service user group 'The way forward', staff representative group and various 'open evenings' taking place, to encourage parents/carers to share their views and ideas. Sharing good news and any updates through the LD Newsletter, which is produced quarterly or when required has also been carried out.

Scottish Fire and Rescue Service

Working in partnership with Scottish Fire and Rescue Service, a GDPR agreement to share information to allow fire safety checks was established. This will be the model that will now be implemented across Scotland.

In addition, the service supported fire awareness training and set up pathways to identify service users who are at greater risk from fire (those using oxygen supplies, air flow mattresses etc)

Partnership with Carers

The Carers (Scotland) Act 2016 commenced from 01 April 2018 and Inverclyde have been working hard with carers and young carers to ensure the successful implementation of the new powers enshrined in the Act. In April 2019 Inverclyde Council took the decision to waive all charges for respite and short breaks. We are the first Council to implement this in Scotland and will be of direct benefit to over 250 carers and their families.

The aim of the Act is to ensure better, more consistent support for carers so that they can continue to care, if they so wish, in better health and to have a fulfilled life alongside caring. For young carers the intention is to ensure that they are supported to ensure that they have a childhood similar to their non-carer peers.

A copy of the Inverclyde Carer & Young Carer Strategy 2017-2022 is available on the Inverclyde Council website:

<http://www.inverclyde.gov.uk/health-and-social-care/support-for-carers/inverclyde-carer-young-carer-strategy-2017-2022>

The above provides a flavour of the range of partnership working that takes place across the range of social work functions. It is an important reflection however that social work services in Inverclyde are structured and organised on a partnership basis with many services fully integrated with health at the point of delivery and at the same time closely aligned to both the council and wider community planning partnership, third and independent sector and views and perspectives of service users and communities. This services to highlight the complex partnership environment that social work operates within but at the same time evidences the skill and experience that the service is able to draw upon to make such effective use of this wealth of opportunity.

Inverclyde HSCP has:

Funded a Carer's Passport Card to support increased identification of carers, linking to a "Carer Friendly Inverclyde" by encouraging local organisations to offer community/commercial discounts for carers

Supported Inverclyde Carers Centre to develop Carer Awareness Training to promote the rights of carers across the workforce as we move towards full implementation

Raised awareness of young carers and issues, and increase capacity of Young Carers support from Barnardo's Thrive Project

Supported Financial Fitness to provide an outreach advice service for Carers engaging with Inverclyde Carers Centre

Commissioned Your Voice to develop a range of carer engagement opportunities

Supported Inverclyde Carers Centre to provide emotional support to carers

6. Service Quality and Performance

How Social Work Services are improving outcomes for Children and Families

Getting it Right for Every Child in Inverclyde

Children and Families Fieldwork

The children and families fieldwork teams continue to work to mitigate against the impact of the inequalities in the local population. They work closely with health and education colleagues to help address abuse and neglect, and work with colleagues in welfare rights to help address poverty and poverty of opportunity. Financial support via Section 22 funds is considered when appropriate and a progressive approach based on empowering service users has been utilised in the use of the attainment fund for looked after children aiming as far as possible to get resources directly into the hands of services users.

Significant support is provided in direct work to address the difficulties that parents face in meeting the needs of their children. This includes parenting work, both on an individual basis by workers and in partnership with Barnardo's and work with perpetrators and victims of domestic abuse. Genograms and chronologies are also undertaken with families to help them identify key relationships and significant events in their childhoods that need to be addressed. Over time teams have made increasingly sophisticated use of tools to help children identify their views in the child protection arena. Work has also been carried out with parents in relation to emotional regulation, which has had a direct impact on their interactions with their children.

Since the COVID-19 outbreak, this direct work has been beset by challenges however in many cases staff and families have worked in a collaborative manner to enable important safeguarding and sustaining services to families to continue. Staff have used a blended approach to staying in touch with families and often families have commented on the importance of the quality of relationships with their social worker and how important this has been for them.

Child Protection

Practice in this area has continued to improve with the Initial Referral Discussion process coordinated by senior social workers now fully embedded. The consistent and effective application of this has resulted in positive improvements in the quality of initial response to child protection concerns.

Between April 2019 and March 2020, 111 Child Protection (CP) referrals were received. As a result of these, 218 children were subject to Initial Referral Discussions (IRDs) between Social Work, Health and Police representatives during this period and this in turn resulted in 68 child protection investigations being undertaken.

The number of children on the child protection register steadily increased, fluctuating from a low of 26 in 2018/19 to 27 in 19/20 and from a high of 37 in 2018/19 to a high of 63 in 19/20 through the period and the risks to 249 children were considered in multi-agency child protection case conferences. The average time spent on the child protection register is 26 weeks.

Children with Additional Support Needs (ASN) Team

The ASN Team continues to provide a discrete service to children with additional support needs and their carers. Over the last year, children and young people with additional support needs received residential respite amounting to 314 nights in total. In addition, Inverclyde have an agreement with Barnardo's whereby they provide 5000 hours of community based respite. This is made up of 1:1 support, community groups and sitter service.

The team has continued to promote self-directed support with the goal that all parents or carers have an understanding of the options open to them and that the choice they have opted for is clearly outlined in the Wellbeing Assessment completed on the child. Young Carer Statements promotes choice and influences service design based on a self-directed support approach.

Family Placement Services (Adoption, Fostering and Kinship)

Our range of family placement services have continued to develop and strive to offer a secure and nurturing base when children and young people cannot live with their parents.

Inverclyde has a strong group of Kinship Carers who are not only committed to the children that they care for but also support one another. They have participated in a number of local and national events sharing their experience with government advisors and politicians. A common theme for many of our kinship carers is that of recovery for the grandchildren, nieces and nephews that they care for and the parents of these children. The most heart-warming factor is that under some of the most challenging circumstances they remain positive focusing on solutions. Kinship carers highly value the social work support that is available to them.

Ongoing training and development is integral to the support provided to foster carers and some had the opportunity to undertake a six week online course organised by Strathclyde University – Caring for Vulnerable Children.

Feedback from one foster carer:

“Having completed the 6 week ‘caring for vulnerable children’ course with Strathclyde University I would recommend all foster carers, particularly new carers, to complete this worthwhile course full of interesting topics”

During 2019, family placement services built on the use of digital technology (text messaging, Facebook, Twitter to support communication with children, young people and their families and carers. The Team Leads noted that this as an achievement of social work being adaptable to change and through these new ways of working enabled the service to respond with minimum disruption when faced with COVID-19 lockdown restrictions and new ways of working.

Recruitment of adoptive families continues to be an area of significant challenge given the demographic profile of Inverclyde. However, the recruitment strategy and rebranding has had a positive impact. The focus of recruitment has been on ‘Together We Make A Family’ and ‘What Makes It Worth It?’ and ‘The Needs of Children Placed for Adoption’ during 2019. These key messages will continue to be built upon during 2020 to raise the awareness of the service within the local area.

During LGBT+ Fostering and Adoption Week, the Adoption Service joined with the Fostering Service to hold a live question and answer session on Twitter. This served to increase the awareness of LGBT+ Fostering and Adoption Week and increased the engagement with both services through social media.

In conjunction with the Children's Rights Officer a focus group, Families Together, consisting of adopted young people and adoptive parents was formed. The group worked closely with Magic Torch and created a comic book for all adopted young people discussing their right to information regarding their birth family. This comic book will be given to every adopted child from Inverclyde and all Inverclyde adoptive parents.

During National Adoption Week in 2019, a film and book launch took place within Broomhill Hub. This event was well attended with over forty people in attendance.

The short films highlighting the needs of children who require permanent placement outwith their birth family was well received and will be used not only for recruitment purposes but also as a training resource for adoptive parents, foster carers and children and families social workers. A number of adopters and foster carers took part in the filming and shared their experiences of the children they care for.



The event also featured the launch of our Just Ask comic book.

During 2019, all new adoptive placements were given a 'Kitbag' which is a useful resource and can be helpful when a family adopts a child. It was designed to help people develop '*mindfulness, resilience and inner resources*'. The Kitbag contains '*calming oil, a set of Presence cards, a one-minute timer and a set of Animal cards. There is a Feelings Card to help children describe and talk about their feelings, a wooden Talking Stick to encourage talking and listening with respect, Finger Puppets for play and dialogue and a visualisation exercise, called Wonder Journey.*

This work highlights the awareness of the often traumatic journey for children who cannot be cared for by their birth family and equally the importance of paying attention to the

therapeutic needs of everyone affected by the process and the importance of the provision of skilled social work support.

Planning Permanency for all Looked After Children

The Care Inspectorate – Children’s Services Inspection Report in 2017 highlighted that the Child’s Planning and Improvement Officers (CPIO) had a unique oversight of the impact of the GIRFEC pathway and the impact of the Child’s Plan. All looked after children have a right to a clear and settled plan for their future and to know that their plan is closely scrutinised so as to bring about the best possible outcomes for each child.

We now have three Child’s Planning and Improvement Officers (CPIO’s) , which means that each child’s plan will be reviewed in accordance with the timescales set out in Inverclyde HSCP’s Assessment and Care Planning Manual ensuring arm’s length scrutiny of the effectiveness of each child’s care plan.

The Child’s Planning and Improvement Officers have also played a role in progressing areas identified in Inverclyde’s Children’s Service Plan. Examples of this are as follows:-

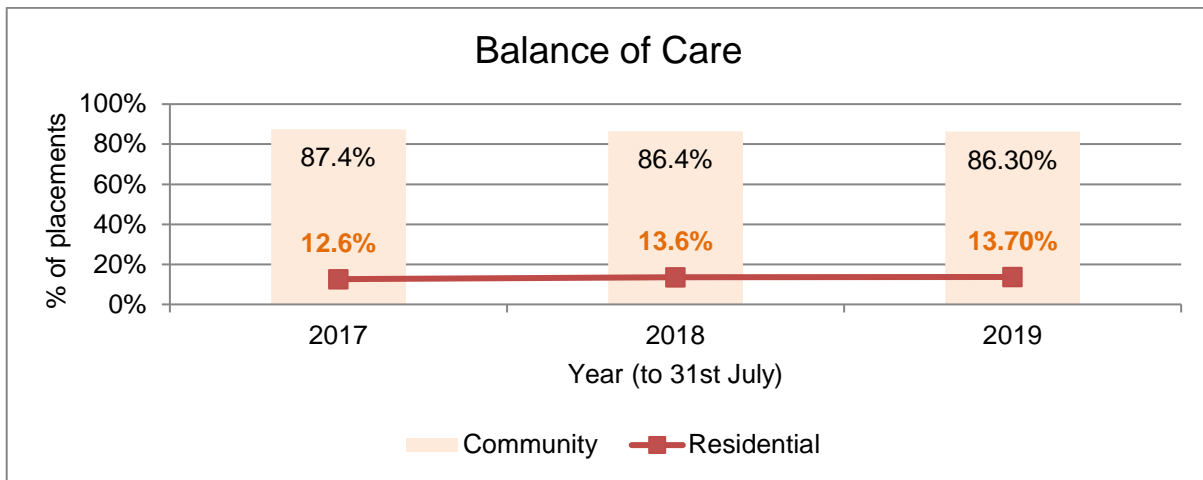
- The Attainment Fund which has the purpose of reducing the attainment gap for Care Experienced young people & children. The CPIO’s raise awareness of this fund at each review and help evaluate the impact it has had on the child/ young person;
- Transition Planning pathway for children with ASN in collaboration with colleagues from education, CVS, adult learning disability and carers to provide a clear transition pathway that will provide a clear multi agency process to help signposting and plan for young people when they leave school; and,
- 6 weekly meetings with “Inverclyde Offer” who track each young person who is 16 years old to look at a positive destination in terms of education, training, employment, further education. This is to prevent young people from leaving school with no plan for their future.

During lockdown and recovery Looked After Reviews are being facilitated via virtual means which include the participation of parents, carers and for those young people who choose to take part. Some families have said that this medium reduces the stress of sitting in a meeting.

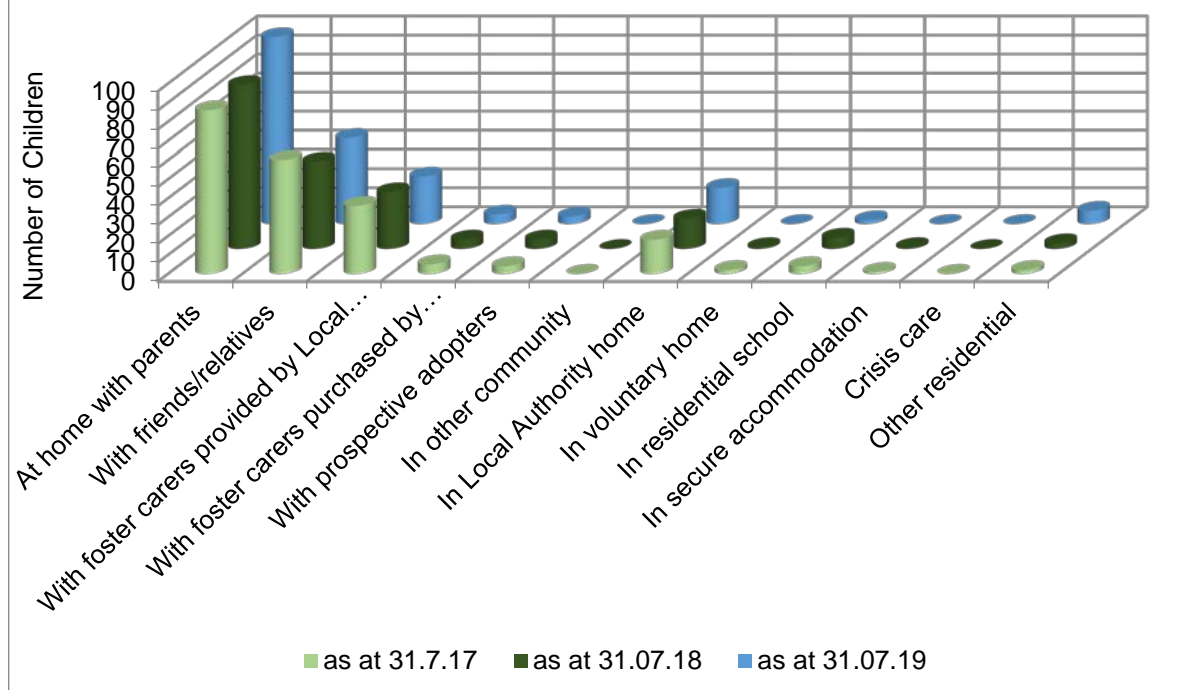
Along with the Children’s Right & Information Worker an avatar app was developed to explain to children & young people (who are looked after along with their carers) how they could contact the CPIO’s if they had any questions about their child’s plan during the COVID-19 lockdown restrictions.

Children Looked After at home or away

The balance of care for looked after children remaining within the community has remained above 86% in the past year. The balance of care is a key local strategy which is underpinned by a number of national policies which promote early help, support, local family connections and sustainability.



3 Year Placement Types

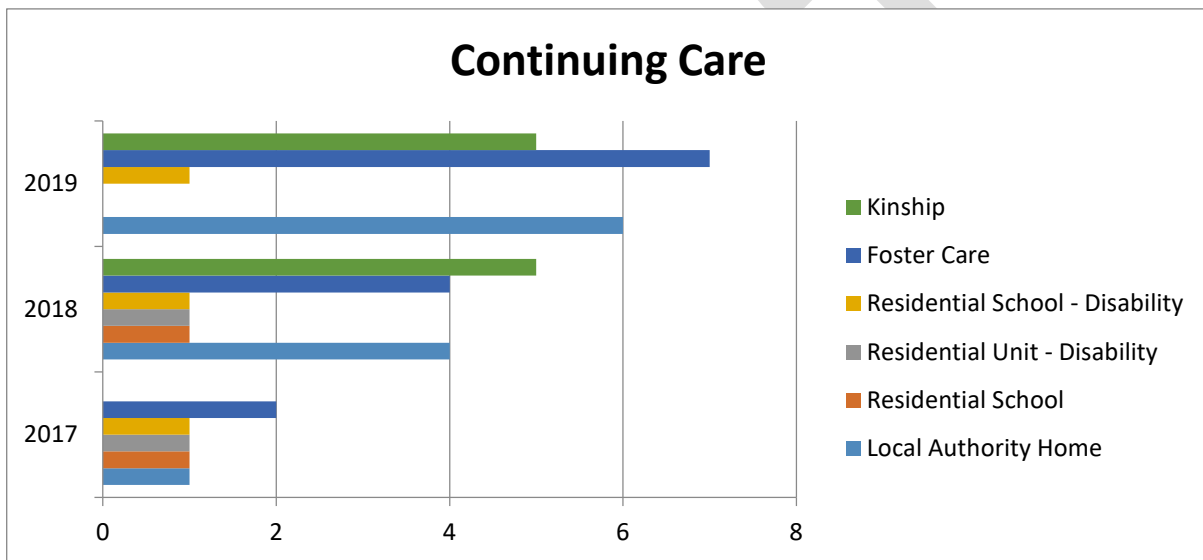


The above figure represents the population of our looked after children and young people and placement types. As at 31 July 2019, 175 children were subject to Compulsory Supervision Orders, an increase of 40 on the previous year. Our deployment of early help and support to identify the most vulnerable children is reflective of the increase in children being looked after at home. This structured support affords parents the opportunity to get the right help, at the right time through our GIRFEC pathway.

Continuing Care

Continuing Care is part of the national 'Staying Put' agenda that Inverclyde fully endorses. It provides young people, looked after away from home with the opportunity to stay with their current carers until the age of 21. This extended and graduated transition improves outcomes for our care experienced population, and while this is its strength; it also poses pressures on existing resources and service design. We have had an incremental increase in the number of young people benefiting from this transition from continuing care. This is a critical area of practice if we are to consolidate the increasingly positive experiences of children and young people in our care system and it is therefore very welcome to see further developments to support this work emerging in the national arena.

The chart below shows the range of placement types where young people are benefiting from continuing care.



Children's Residential Care Services

During 2019, a review of Inverclyde's children's residential services was undertaken a significant outcome of this was the decision to increase staffing ratios enabling the service to consistently deliver a family orientated approach to residential care where young people feel safe, secure and loved.

Our residential staff regularly undertake training and all residential managers have participated in trauma informed training which incorporated "relaxed kids" principles. Regular inspections by the Care Inspectorate further confirm that residential care in Inverclyde is very good and in some areas sector leading. Indeed comments from inspectors have noted that aspects of our residential services are setting the standard for Scotland .

Indeed residential services have gone from strength to strength this year in the care and support that they offer young people. This has been acknowledged by the Care Inspectorate during inspection of two of our residential homes, The View achieving grade 5 and Kylemore achieving grade 6. These grades are an acknowledgment of the loving kindness and commitment that residential staff across our three residential homes brings to our young people. Following our review of children's residential care noted above ,staffing levels have increased which will enhance the service delivery to the young people, giving greater opportunity for residential workers to develop meaningful and positive relationships with young people. During the lockdown young people and staff have used the pause in normal living to build even better and stronger relationships through the various activities that have been in place and the time they have spent together. Across the three residential houses during this time we have seen a massive difference in our young people confidence and in the way that they are presenting themselves. The young people at The View were featured on the Care Inspectorate website describing some of the activities they had been participating in.

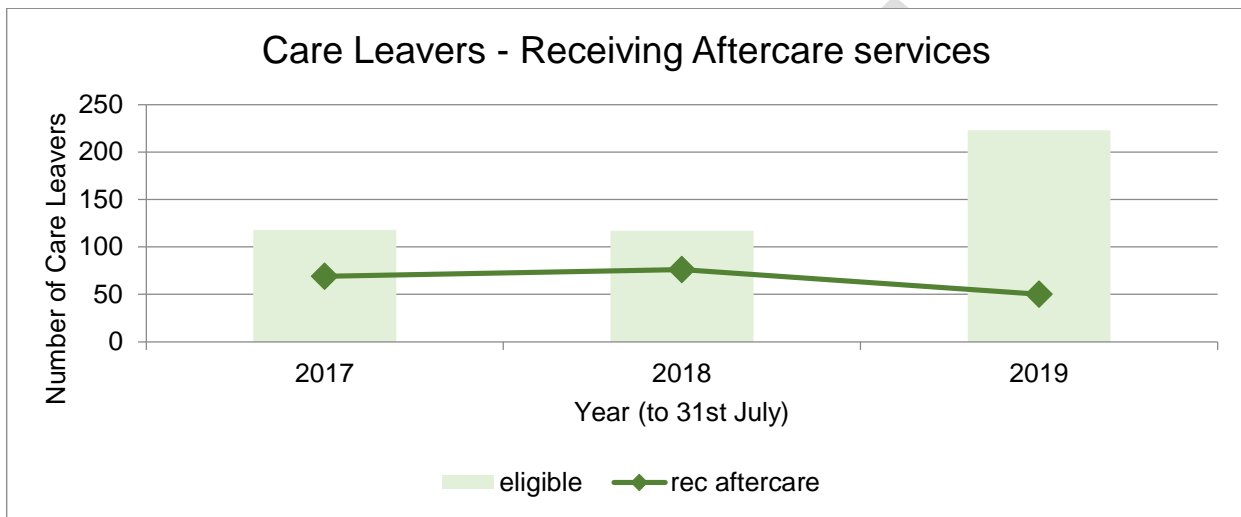
As noted above there has been a progression in the development of Continuing Care Services. In partnership with one of our registered social landlords we have developed two, two bedded house for the provision of Continued Care to four young people aged 18 to 21 years. These will be semi -independent living house where young people can access the support of our newly appointed Continuing Care workers. This project will support the transition of young people into their own tenancies and the world of employment or further education. Another RSL will also provide housing creating an additional four one bedded apartments for this project. This will give an opportunity for eight of our young people to experience a supportive and gradual transition of continuing care.

Over the last year we engaged in the Permanence & Care Excellence (PACE) programme through CELSIS which aims to provide stability to children through the best permanence route for an individual child. The PACE team established in Inverclyde benefited from the partnership working of children and families staff, Scottish Children's Reporters Administration (SCRA) and Legal Services.

Picking up on the theme of permanence and what that means to young people .Work was undertaken in conjunction with the Children's Rights Officer and third sector partner Your Voice to explore young people's views on explaining permanence. The clear message from the young people involved was that achieving permanence meant having a sense of belonging. The concept of sense of belonging is something that will progress as we progress the delivery of The Promise.

Youth Services

Our Youth Services teams provides support and interventions to young people over 12yrs who are deemed vulnerable or involved in high risk taking behaviours through to 26 yrs of age if previously looked after and eligible for after care. In line with our looked after figures those eligible for after care have remained consistent however the numbers of young people receiving an after care service from the team has increased.

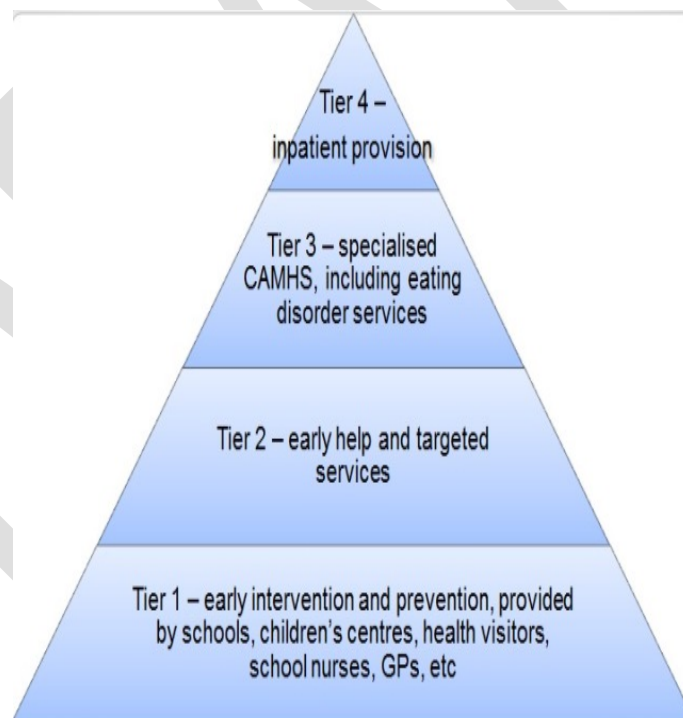


Commissioning of the Provision of an Emotional Wellbeing Service

Inverclyde Health and Social Care Partnership and Inverclyde Council Education Services made a commitment to improve Children and Young Peoples Mental Health in Inverclyde based on a collaborative model. During 2019/20 staff from both services, alongside the strategic commissioning team, legal and procurement services worked to commission a new service for children and young people that delivered on the programme for governments commitment to provide school based counselling but that was a strategic fit reflecting the needs and expressed views of Inverclyde young people. The money for the new venture was secured through the Scottish Government Programme for Change for access to counselling services through schools and supplementary funding from the Inverclyde IJB to further expand the new service to younger children.

The new service has also been developed and will align with local GIRFEC plans and existing service provision to ensure a seamless journey for children, young people and their families as well as stakeholders and will address the Tier 2 service gap locally. It will also align with the Mental Health Strategy for early help and prevention in respect of children and young people.

The new service will sit between Tier 1 and Tier 3 (before the need for NHS mental health specialist support) as shown on the diagram below:



This is an exciting new development and provision of counselling and a range of emotional wellbeing supports for the young people in Inverclyde which will deliver an early help service to promote and improve the mental health, emotional resilience and wellbeing of children and young people who are negatively affected or are at risk of being affected by poor mental health. This will be a counselling service delivered p in schools and in homes and community settings, to support children and young people aged 5 to 18 years and will provide:

The provision of the service will be delivered by Action for Children and commencement is in August 2020 ready for the children and young people's return to school.

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How Social Work Services are improving outcomes for service users involved in Criminal Justice

Effective community based sentencing options are essential to achieving the National Outcomes for Justice: community safety and public protection; reducing reoffending and social inclusion to support desistance from offending. In July and August 2019 a team from the Care Inspectorate visited Inverclyde to assess how well the Criminal Justice Social Work Service was implementing and managing Community Payback Orders (CPOs) as well as how effectively the Service was achieving positive outcomes.

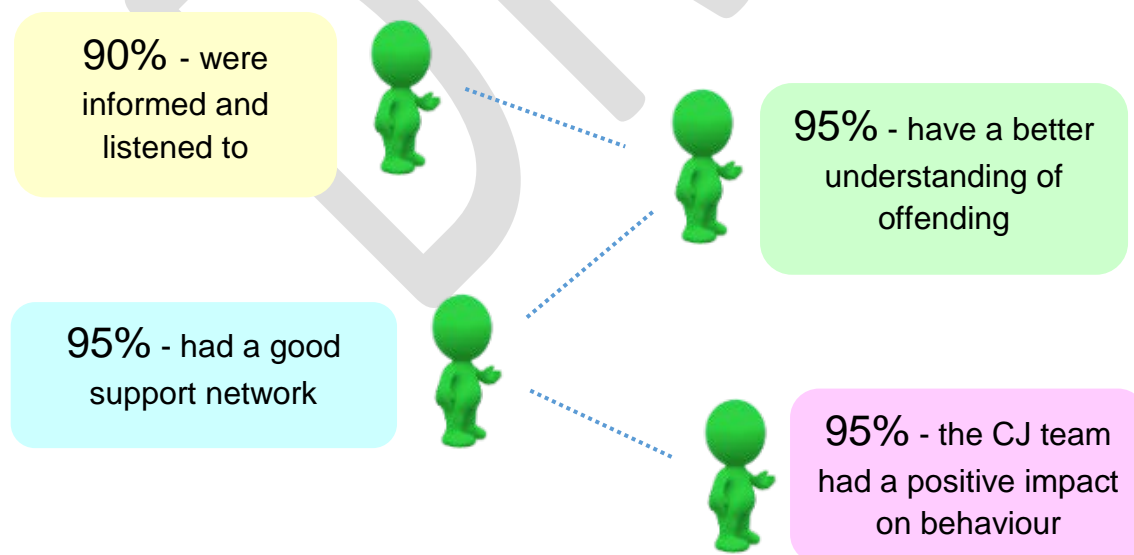
The inspection team noted evidence of strong and improving performance trends across several important Community Payback Order standards. They found this to be accompanied by a demonstrated ability to use data effectively to change practice and services where needed.

The introduction of the Criminal Justice Needs Review tool in 2018 is illustrative of the above. This tool captures a range of data both at the commencement and completion of the Service's involvement with individuals in the Criminal Justice system. This includes:

- Self-scoring on nine separate lifestyle areas: health, self-care, emotional well-being, alcohol and drug use, offending behaviour, training and employment, housing, relationships with friends and family life.
- Feedback on the Service experience.
- Identifying organisations/services the individual has been referred to
- Suggestion box relating to potential Service improvements.

To date the Service has collected 94 forms at the commencement of an individual's involvement with Criminal Justice Social Work (stage 1) and 53 on completion (stage 2). Analysis of the 21 forms completed at stage 2 for 2019/2020 evidences:

Percentage of individuals who 'agreed' or 'strongly agreed' that they felt:



This supports key findings from the inspection which reported the Service achieving the following positive outcomes for individuals:

- ✓ Access to stable accommodation;
- ✓ Improved stability around alcohol and drug use;
- ✓ Access to further education and learning opportunities;
- ✓ Increased ability to manage finances;
- ✓ Better family relationships;
- ✓ Increased structure and purpose in their life;
- ✓ Improved confidence in the ability to desist from further offending in the future.

The Service is aware that placement availability for those individuals sentenced by the Courts to carry out Unpaid Work in the community can at times be challenging. This has also been reflected in some comments made by individuals too. To help build resilience in this area the Service is working with the Inverclyde Community Justice Partnership to explore the potential for the local third sector to assist with the provision of individual placements. This work will be ongoing throughout 2020/21 and brings with it the possibility of helping individuals reconnect with their community.

The Service recognise that it still has some way to go to demonstrate year-on-year trend data showing sustainable positive impact in the life chances and key outcomes for the individuals it works with. However, as noted in the inspection report our 'culture of striving for continuous improvement and a drive to achieve transformational change in service provision puts the service in a strong position to strive for excellence'.

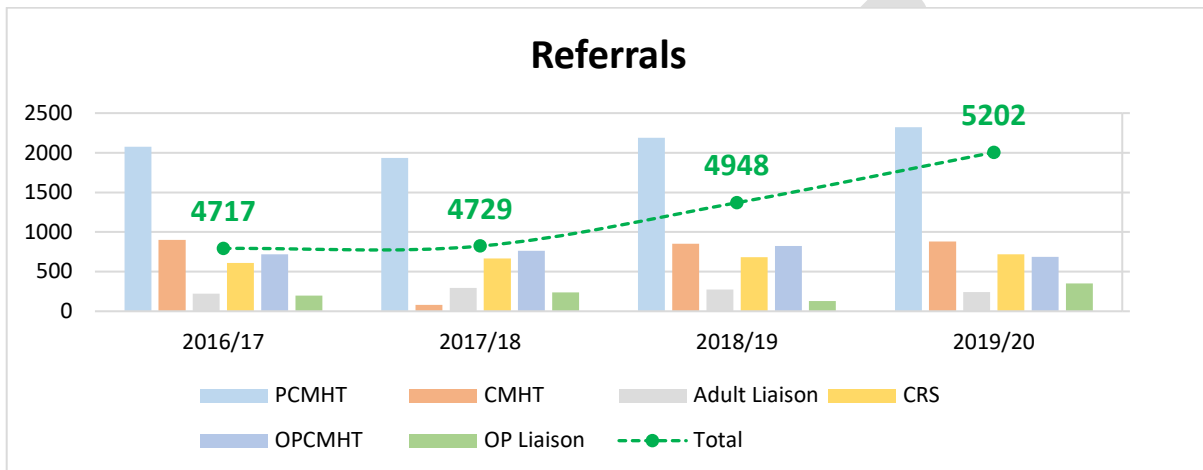
The role of Prison Based Social Work in achieving National Justice Outcomes

The Prison Based social Work (PBSW) Unit at HMP Greenock provides statutory social work services to an average of 131 prisoners, just over half the population of the prison, all of whom will be subject to supervision by Criminal Justice Social Work Services in the community when released. Around half the prisoners engaged with PBSW are life-sentenced prisoners actively working towards release on parole. Around 44% of prisoners working with the team are assessed as requiring further assessment in relation to their potential to cause serious harm.

Given that the majority of prisoners known to the team are nearing or actively working towards release, the team focuses on risk assessment, risk management and public protection. Staff participate in community facing risk management team meetings contributing to the multi-agency assessment of prisoner's suitability to progress to increased levels of community access. Additionally, staff take part in MAPPA meetings and contribute to MAPPA processes in all areas of Scotland. Participation in these processes enables us to share information about a prisoner risk prior to release and allows support to multi-agency risk management planning helping to ensure that robust plans are in place for the protection of the public.

How Social Work Services are improving outcomes for people with Mental Health, Homelessness and Addictions issues

Within Community Mental Health Services, Primary Care Mental Health Team (PCMHT), Adult Community Mental Health Team (CMHT), Acute Liaison Service, Community Response Service (CRS), Older Persons Community Mental Health Team (OPCMHT) and Older Persons Liaison Service (Acute and Care Home) there were a total of 5202 referrals throughout 2019/20. This represents an increase of 5.1% from the previous year. Every referral involves an assessment to identify the most appropriate intervention to help support each person and improve their overall quality of life. How the referrals were distributed across the various teams is shown below:



Primary Care Mental Health Team (PCMHT)

The PCMHT offers a service for those individuals who have mild to moderate common mental health problems or issues and offers up to twelve sessions of treatment. People are able to self-refer and this has contributed to the increase in referrals received by the service. The largest group of users of this service are younger adults aged between 18 and 35 years. PCMHT will be critical to supporting the developing extended community provision of alternatives for distress response.

Community Response Service (CRS)

The CRS provides urgent response to people experiencing a mental health crisis who are known to the mental health services currently or who require urgent assessment; and steps up care to people who require more intensive support at home over seven days, working alongside existing mental health services. The service aims to support continuing care within a person's home, and to prevent unnecessary hospital admissions. The service is also critical to supporting partners to consider alternatives for distress responses where referral to Community Mental Health Services is not indicated.

Community Mental Health Team (CMHT)

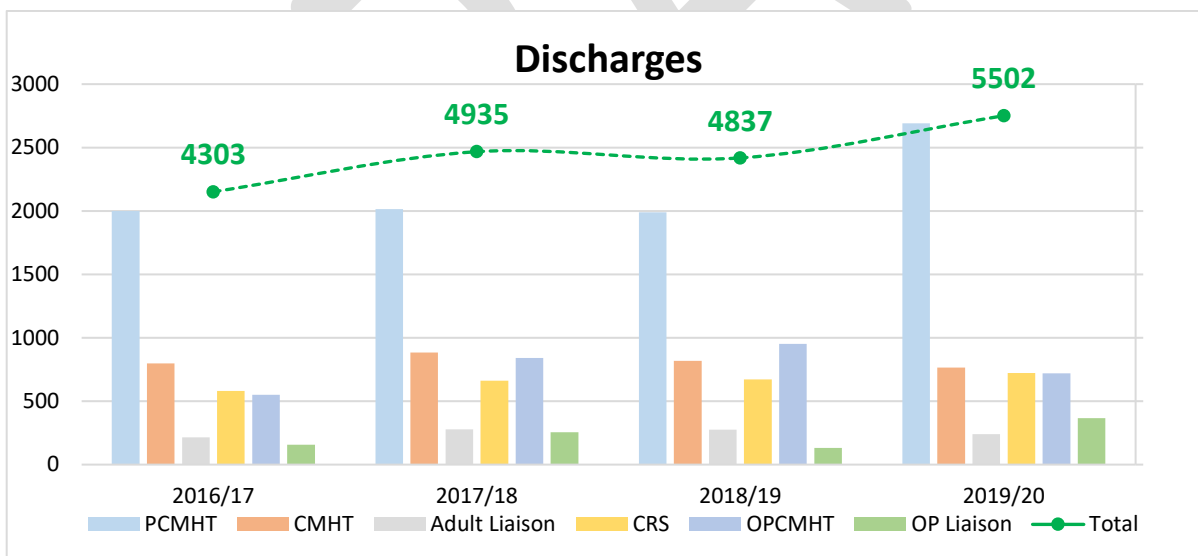
The integrated CMHT works in partnership with families and carers, primary care and other agencies to design, implement and oversee comprehensive packages of health and social care, to support people with complex mental health needs. This support is delivered in environments that are suitable to the individuals and their carers.

The aims of the CMHT are to:

- Reduce the stigma associated with mental illness
- Work in partnership with service users and carers
- Provide assessment, diagnosis and treatment, working within relevant Mental Health legislative processes
- Focus upon improving the mental and physical well-being of service users

Consideration and planning for discharge from the team is an integral part of on-going care planning following discussion with the service user and, where appropriate, carers, other professionals or agencies that are involved in their care.

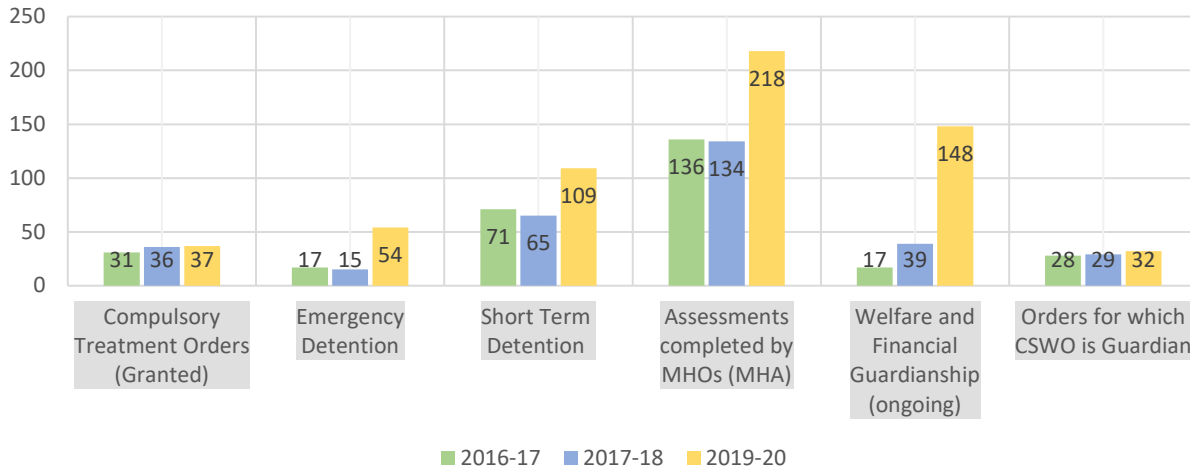
Discharges from the Mental Health Services totalled 5502 throughout 2019/2020, an increase of 13.7% from the previous year. This reflects the increased focus on recovery outcomes within the service, enabling people to move on from services, but secure in the knowledge that they have an easy route back to specialist support from the service if their needs change. The service also meets the need for some individuals to remain with the service for longer durations due to the severity of their mental health condition.



Mental Health Officers

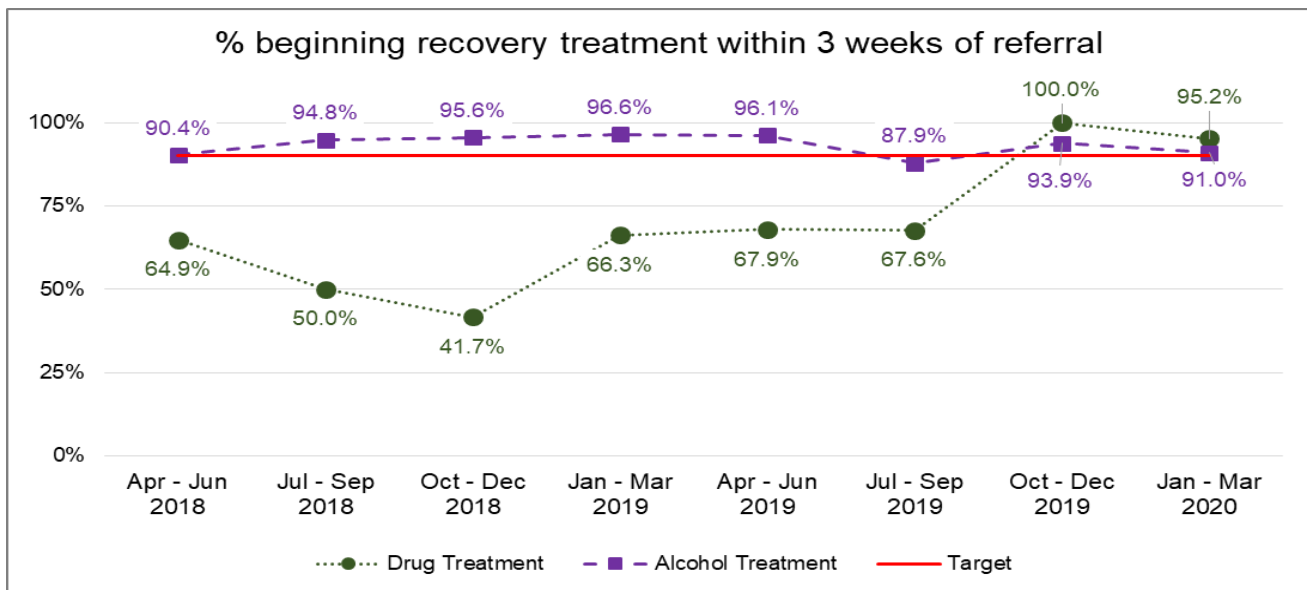
The Mental Health Officer service experiences continuing significant demand in respect of use of the Adults with Incapacity legislation to support ongoing care. The relatively high use of mental health legislation to support care and treatment is reflective of the significant mental health needs of our local population.

Mental Health Officer (MHO) work



Inverclyde HSCP continues to participate in the five year mental health strategy developments, focusing on the key themes including prevention, early intervention and health improvement, the physical health of people experiencing mental ill-health, recovery oriented and trauma-aware services. The delivery of which will require further development approaches both across services within the HSCP, including children's services and criminal justice and with wider partners. This will be the priority area of development for mental health services in line with national and local strategy.

Alcohol and Drug Related Services



Reflecting the high levels of intergenerational inequality, Inverclyde has a significant challenge in respect of understanding and responding to the needs of service users and families who are affected by alcohol and drug issues. This includes the untimely deaths of a number of our citizens as a consequence of drug or alcohol related harm. The Chief Officer of Inverclyde instructed a thorough and wide ranging review of service responses in this area and this is in the process of concluding and implementing.

The review of Inverclyde Alcohol and Drug Related Services (ADRS) has been ongoing with the aim to develop a cohesive and fully integrated whole system approach for services users affected by alcohol and drug issues. The new model will see those affected by alcohol and drugs fully supported by an appropriate recovery orientated system of care which includes prevention; care and treatment; and recovery delivered by a range of statutory and 3rd sector partners. A new workforce structure has been developed which will fully integrate the current drug and alcohol teams into a single service to provide an evidence based quality treatment model to ensure fast and timely access to assessment, care and treatment based on intake and core pathway. The final stage to integrate the teams was unfortunately delayed due to the COVID-19 pandemic. This will be progressed as soon as is practicable.

The “New Pathways for Services Users” project funded by CORRA Foundation was established and aimed to undertake tests of change in three main areas:

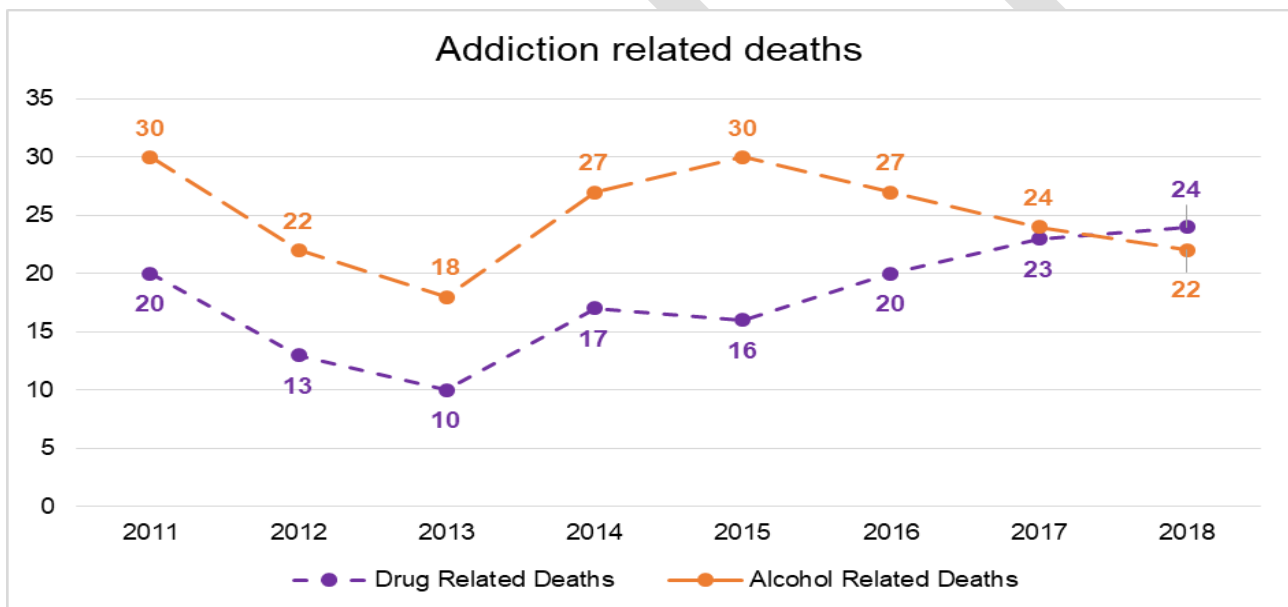
- Improving engagement with hard to engage, hard to reach and hidden population by providing new routes to access services from community outreach provision at GP practices and access to services across extended hours.
- Preventing alcohol and drug related admissions to acute services and presentations at emergency departments supporting a more appropriate response to people in crisis
- Providing a community based treatment option for home alcohol detox.

Relationships between the ADRS service and acute and primary care services have been further developed and this work will continue, with an out-of-hours service to be established.

Inverclyde historically has not had a well-developed recovery community, therefore developing more robust recovery opportunities has been identified as an area of required focus and attention. Work has been undertaken to develop Inverclyde's ROSC (Recovery Orientated Systems of Care) and four main areas agreed for commissioning of appropriate support services to support service users throughout their pathway in recovery.

- Early Intervention
- Development of network of volunteer peer mentors and development of recovery opportunities
- Development of meaningful activity opportunities for those on their recovery journey
- Family Support

These 3rd sector employed staff, although are not employed through the HSCP, are integral to the internal team workings in line with the HSCP People Plan.



In order to optimise the safe and effective delivery of services throughout the COVID-19 pandemic, Inverclyde HSCP moved to a Hub model of service delivery. This included an Alcohol and Drug Hub. The key principle underpinning the Hub's service delivery during this period was the safe delivery of services, based on dynamic assessment of risk and vulnerability in a way that supported staff health and wellbeing, and enabled ongoing service delivery.

A range of interventions were implemented to ensure the safety of, and support to, service users, including robust risk assessment and appropriate level of contact; relaxed prescribing where appropriate; cross working and good partnership with other HSCP colleagues where required and the retention and continuation of appropriate governance arrangements within the service.

A particular focus during the COVID-19 pandemic was on learning from any suspected drug related deaths with the following areas for improvement which the service has embraced:

1. Need to undertake analysis to identify cause of death or probable cause of death.
2. Need to review communication and joint working across services.
3. Increased need to ensure availability of Naloxone
4. Understand the current drug market.
5. Increase communication of services in the community.

Services to people who are experiencing Homelessness

The COVID-19 pandemic has fundamentally changed the homelessness picture within Inverclyde. In early March 2020, with the pandemic unfolding nationally and internationally, a number of key challenges emerged which required a new response locally. These challenges have inadvertently proved beneficial in helping to consider future delivery.

- Public health advice was sought regarding the use of shared accommodation units and ability to implement social distancing, along with need for self-isolation. This led to decreasing the service user population accommodated within the Inverclyde Centre from 31 units to 15. A number of service users required to be moved out of the centre into temporary furnished flats.
- Due to COVID-19 the Scottish Government implemented the Early Prisoner Release Scheme (EPRS) for eligible prisoners due to be liberated in the 12 week period from 4th May 2020 to 31st July 2020. Within Inverclyde during the month of May, 11 prisoners were released under the EPR scheme with 7 being accommodated via homelessness within temporary accommodation. This is in addition to the normal prison liberations which have continued throughout.
- An increase in homelessness presentations has continued throughout the COVID-19 lockdown period due to a range of factors but including family/relationship breakdowns and people no longer able to stay in their previous accommodation.

In order to respond to these challenges, an increase in temporary furnished flats within the community was required and the RSLs have supported this by providing an additional 40 flats to the service throughout the first 8 weeks of the COVID-19 lockdown period. There are now 65 TFFs within Inverclyde, in the main within Greenock and Port Glasgow. This was therefore an incredibly busy period for the homelessness service to ensure these flats were brought into service, including all required gas/electricity checks being undertaken; flats carpeted and furnished and decorated to meet an approved standard of accommodation. Mobile phones were issued by the service to all tenants to enable them to keep in touch and enable daily/weekly wellbeing checks were in place during lockdown. This has worked very well and it is hoped this can continue as normal practice.

This increase in temporary furnished flats has been welcomed, however it has been acknowledged that once a service user has moved into a temporary furnished flat a range of services require to remain involved in their support plan and continue to work in partnership with a range of providers including the local RSLs and other HSCP services and 3rd sector partners to ensure the move through to appropriate accommodation and that ongoing supports are available. A number of service users with a range of higher support needs continued to be accommodated within the Inverclyde Centre with arrangements in place to support them to self-isolate and socially distance as required. This work has highlighted the need for Housing First approaches and the need for increased supported accommodation for vulnerable service users in Inverclyde. During the COVID-19 lockdown period, there has been an amazing response throughout the local community with donations of food; toiletries; hot meals etc to homelessness service users. Better relationships have been developed and support provided by a range of 3rd sector organisations which is hoped to continue as the recovery phase continues.

DRAFT

How Social Work Services are improving outcomes for users of our Health and Community Care Services

Home 1st

The basis of the Home 1st approach is that people are supported better and achieve improved outcomes when health and social care is provided in their home or community.



Home 1st is the ethos underpinning social and health care provision to all Older Adults and people with Long Term Condition. This links to building community capacity based on the concept of a Compassionate Inverclyde and Dementia Friendly Inverclyde. Using Community Connectors and Direct Access to services including self-managed care to divert people away from a dependency on statutory services and maintain their independence.

This includes developing Self-directed Support, Self-managed Care and Carer support to ensure a Personalisation approach to care where choice and control is in the hands of the service user. This includes tying in the principle of ensuring everyone lives their lives as independently as possible achieving their optimal level of health and wellbeing. This builds on the current work around reablement, recovery and resilience

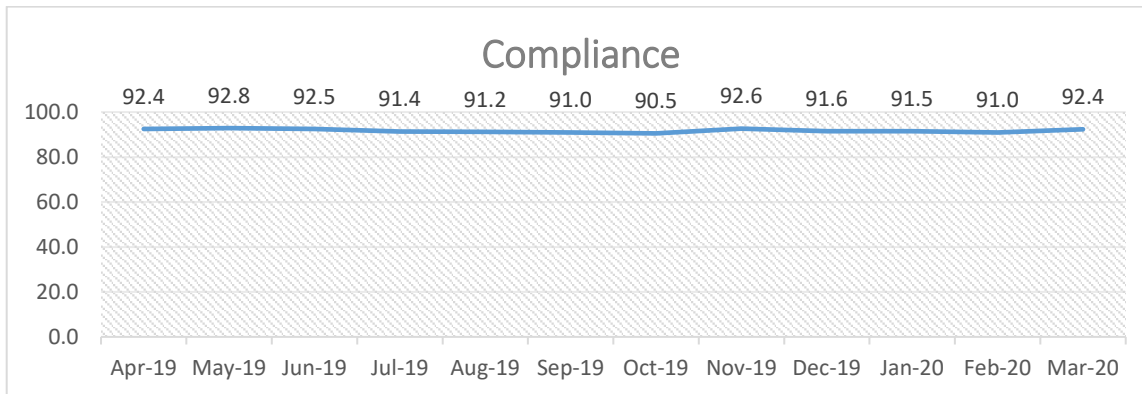
Discharge from hospital is ideally from a community perspective, though employing a Rapid Discharge Planning approach it is important that the discharge is successful, minimalizing moves of placement and avoiding unnecessary readmission.

Home 1st in Inverclyde will be the focus for Unscheduled Care collaborative including Frailty and Dementia and will maintain and secure resources for community based services.

Care and Support at Home Services

Compliance / confirmation of Care at Home visits delivered

This graph shows the compliance of staff in logging in and out of a service users home, this gives us real time data to ensure that service users are receiving their service at the agreed time and allows us to monitor the punctuality and duration of visits. The team have regularly exceeded the 90% target for this measure.



Older People Living Well

We are beginning to remodel Independent Living Services to support working more upstream in line with the National Life Curve to promote living independently well and delay the need for support services for a longer period of time. The Frailty tool roll out will be key to this work. Further analysis around scores and access points to services will offer opportunities at triage to signpost around keeping fit and active at the lower end of the care spectrum. Working in partnership with other community agencies and utilising technological resources will have the potential for self-management and optimal health and wellbeing. This work, whilst still in its infancy, shows signs of early promise.

Self-assessment models and resources to facilitate early intervention and prevention models are beginning to be developed. The focus of this work is to ensure that Inverclyde's population remain as independent and self-reliant for as long as possible.

Response Team

The service introduced a Response Team in February 2019, the main objective of which is to have available resource to respond to any significant change in service user's health / care requirements by increasing the existing care package to meet the urgent change in need. The Response Team will respond to these increases and ensure a smooth transition of service to the appropriate team. The team is also available to respond to any rapid discharges from hospital and facilitate any weekend discharges during the out of hours period. This team has been beneficial to the service in having the ability to respond immediately to significant changes without impacting on other teams or resources.

Independent Living Services

There has been a further remodelling of Health and Social Care staff within this service, so as to meet the increasing demand, meaning that prioritisation of the facilitation of hospital/hospice discharges and prevention of admissions, falls preventions and complex moving and handling assessments, was essential

It has been necessary to decant the Joint Equipment Loan Store, while work to upgrade the equipment decontamination area and reroof the building is undertaken, although there has been no detrimental effect to the way the service operates.

Other key highlights include –

- A procurement exercise has taken place for a new electronic stores management system which will allow for :
 - digital ordering of equipment and adaptations from a wide host of prescribers
 - more sensitive stock ordering
 - a robust system for servicing and testing lifting equipment.
 - instant stock taking
 - the ability to identify individual pieces of equipment in the event of a recall situation.
- An evaluation of the Strength and Balance classes (Falls prevention) to include individual's experience of the classes has taken place, augmented by the service beginning to refresh the multi-agency Falls Pathway
- The Diabetes team have carried out an initiative with District Nursing to review all Diabetes patients who require support. Prior to reviews being undertaken, there were 373 nursing visits per week to 32 patients. Following reviews these have been reduced to 208 visits per week – a saving of 165 visits per week.
- There has been a review of Manual Handling training to include single handed care techniques that is seeing a return on investment in more training for trainers/assessors.
- The service worked in partnership with the Allied Health Professionals at IRH to develop a fast track pathway from ED to prevent admission to hospital.

Services at Independent Living services have trained others and implemented the Rockwood Frailty tool, which is now embedded in the core assessment for all service users over the age of 65.

Hospital Discharge

Partnership work with colleagues at Inverclyde Royal Hospital continues to demonstrate the effectiveness of Rapid Discharge Planning (RDP) early commencement of assessments regarding future care needs in communication with the person and family at an early stage, clear identification of destination post discharge are all key elements of achieving an appropriate, timely and safe discharge. The result is that the majority of individuals are assessed and discharged home as soon as they are deemed medically fit for discharge, including those requiring a complex home care package or a care home placement. To assist in achieving this we have developed a frailty hub within the IRH bringing together Acute and Community Staff to facilitate successful and safe discharges working to a Home1st plan utilising a range of multidisciplinary interventions.

Community Learning Disability Team

The recent crisis has placed even sharper focus on the most vulnerable people in our society, and social workers have joined together in an Adult Hub and had contact with every family known to the team to check in with them during lockdown. Keeping people safe has been the priority, which fits with the Keys to Life priority of reducing health inequalities for people affected by learning disability.

Self-directed support has continued to be a focus, and staff have ensured that families using personal assistants are still offered PPE and other support. A large amount of easy-read information has been distributed to people we support, allowing for risk enablement and continued independence for people with disabilities who live in the community.

While projects started last year, such as Independent Travel, have been paused in some cases, we have continued to use new technologies to work closely with community organisations like Parklea and Belville Gardens, and will ensure that where things have been working well during lock down we will learn from the experiences of the people we support.

The Community Learning Disability Team (CLDT) has continued to work within Inverclyde's Home First policy to avoid Delayed Discharge from hospital, including patients with learning disabilities and other complex needs. We carry out regular reviews, keep a commissioning register of people who need new services or placements, work closely with supported living providers and have multi-disciplinary planning to manage a risk register of people with challenging behaviour who could require hospital admission. Even through the COVID-19 situation we have continued to support people at home, avoiding both unnecessary admissions and delayed discharge from hospital.

In line with the Coming Home recommendations from Scottish Government, the team has continued to bring people we support back to Inverclyde, leaving us with very few people placed out of area. This continues to be a challenge at the Transitions stage for those small number of young people who have attended schools outside of Inverclyde, but is an area of work we are committed to continue with.

Learning Disability Day Opportunities

The inspection of supported living services marked an improvement in grade to very good with the following quotes from the care inspector:

“We saw examples of transformative life experiences, significantly improved skills and confidence”, “it had been a successful year for the service in terms of improving staff guidance and morale. There was a fresh approach that resulted in people experiencing very good outcomes”

With a focus on health improvement and inclusion, last year saw a marked improvement on health outcomes for service users following an initiative by 2 staff members. A group of 3 young males competed in the Inverclyde Triathlon supported by Inverclyde Leisure, the first that they have competed in a community event that did not have a disability focus. There has been an increase in physical activity through voluntary conservation tasks with Clyde Muirshiel whilst also keeping the scenic walkways of Inverclyde litter free; partnership working with Morton Community to develop a health focussed activity programme with an element of fun which includes coaching on food groups, easy and healthy meal preparation and 1 hour of physical activity suitable for the attendees' abilities.

The Independent Travel Project, in partnership with VIA, focussed on training staff in techniques and approaches to support people to travel more independently.

After successful service user, carer and staff consultation the service was successful in completing a business case resulting in Inverclyde Council agreeing a £7.4 million investment for a Learning Disability Services Community Hub at a site agreed in Brachelston Street.

Self-Directed Support

Self-Directed Support (SDS) continues to be developed with successful shift to outcomes focussed support plans written in the first person so ensuring outcome based practice. We have undertaken self-evaluation and quality assurance events to ensure we are heading in the right direction and learning how to widen the range of choice and control service users should have over the support they receive. It is part of wider implementation of SDS across the HSCP and the corresponding quality assurance framework. And a move to outcome focussed work across all service user groups.

Access 1st

Access 1st service in Health & Community Care Services now has a single point of contact for referrals for adult health and community care services. It ensures a quick response to all referrals and welfare concerns including immediate assessment if required, offering of advice and guidance as well as directing to the correct assessment or service team.

Access 1st is the first service in the NHS Greater Glasgow and Clyde Health Board (NHSGGC) area to receive referrals through SCI Gateway. This is a direct pathway for GP referrals to adult health and social care services as well as e-referrals from Inverclyde Royal Hospital, ensuring assessment referrals are received and responded to more effectively and timeously for patients. All discharge referrals are now channelled through Access 1st and this has included 60% of these referrals being made electronically.

Community Connectors Project

The purpose of the Community Connectors funded by Inverclyde Health and Social Care Partnership (HSCP) is to provide information their health and wellbeing, reduce their social exclusion and live as full an independent life as possible.

The connectors followed a community development approach by sourcing out what was available in the community building on the assets available in communities across Inverclyde. This is key to the overall success of the work to ensure that there are strong and sustainable organisations, networks and activities in place so that individuals can access the support and activities to meet their needs.

Inverclyde Royal Hospital Discharge Hub

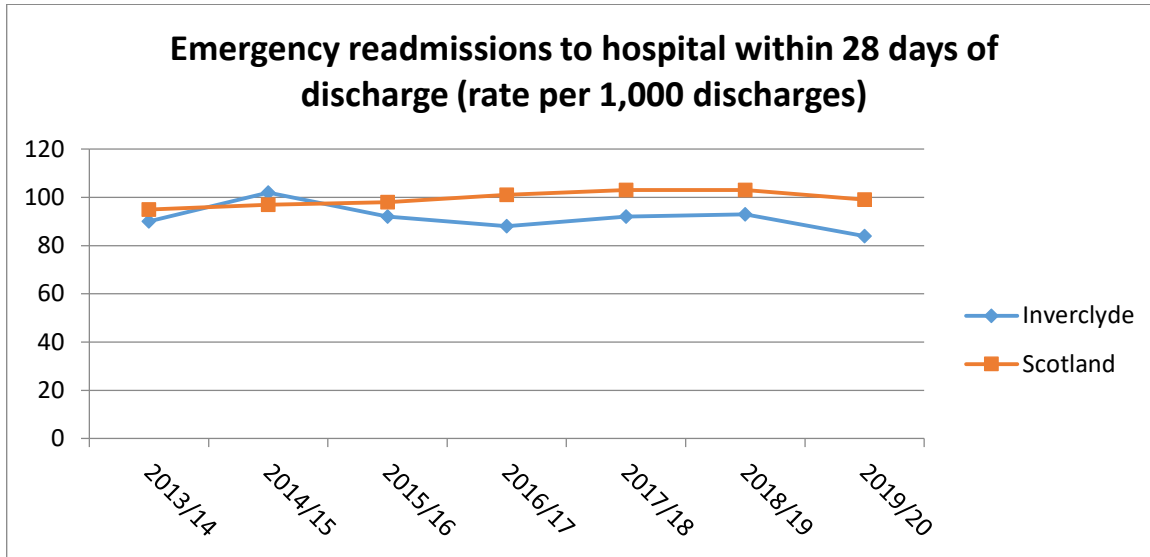
In partnership with Acute colleagues and part of the frailty work we have established a multi-agency hub based in the IRH. Discharge Team members , Frailty Nurse and other Inreach staff have a place to meet and work together in real time to sustain Inverclyde's performance around discharge.

Transport

As part of the response to COVID-19 pandemic the HSCP utilised transport to facilitate discharge. Linking to discharge hub transport was available to ensure a safe discharge and allowed the supporting staff to ensure the individual was safely supported to settle into their homes. This applied to service users who did not require an ambulance transfer and family carers were not available. This service is one that we will look to expand over the winter period 2020-2021.

Unscheduled Care Frequent Attenders

IHSCP piloted a project looking at identifying frequent attenders at ED and supporting them to avoid presentations which were not necessary. Tapping into self-management of care and looking at the individual issues which impact on people's anxieties that can lead to attendance. The COVID-19 pandemic interrupted this project but early review saw a marked drop in re-attendance. This project will be revitalised to cover the upcoming winter period.



Complaints

Inverclyde HSCP has operated an Integrated Complaints Procedure which combined the requirements of the NHS and Social Work response targets and appeals into an agreed formal process based on the Scottish Public Service Ombudsman Model Complaints Handling Process. Learning from complaints is managed through our existing governance structures and feeds through to service improvements in individual services and in some cases supports cross system learning. The Clinical and care governance Strategy has been refreshed during this year and it is our intention that we will strengthen learning from complaints and indeed the cross system learning in particular.

2019 / 20 - All Complaints	Met	Not Met	% within timescale
<i>Acknowledged</i>	89	0	100%
<i>Completed</i>	74	15	83%

7. Resources

2019 / 20 Performance

The approved net budget for Social Work Services for 2019/20 was £50.529 million with a further £6.295m from the Social Care Fund (SCF). The budget was net of approved savings of £1.448m for the year. The following table breaks down the approved net budget over service areas.

Approved Budget	£m
Children & Families	£10.494
Community Care & Health	£37.828
Planning, Health Improvement & Commissioning	£5.079
Mental Health & Addictions	£3.423
Contribution from IJB	(£6.295)
Net Expenditure	£50.529

The Health & Social Care Partnership ended the financial year with a deficit on Social Care services of £0.249 million (0.45%) against a revised budget of £50.523m. In addition to this, the Health and Social Care Partnership carried forward £8.450 million to a number of earmarked funds.

The following table highlights the net expenditure outturn for the last four years across services.

HSCP	2016/2017	2017/2018	2018/2019	2019/2020
	£m	£m	£m	£m
Children & Families	£10.156	£10.017	£10.085	£10.986
Community Care & Health	£33.864	£34.808	£36.274	£39.247
Planning, HI & Commissioning	£3.714	£3.670	£3.998	£3.549
Mental Health & Addictions	£2.991	£3.064	£2.739	£3.285
Contribution to/(from) Reserves	£0	£1.289	(£0.305)	£0
Contribution from IJB	(£2.596)	(£5.862)	(£5.985)	(£6.295)
Total Net Expenditure	£48.129	£46.986	£46.806	£50.772

There were a number of significant issues and demand pressures for some social care services, some of which was managed by the use of earmarked reserves, however, this still resulted in an overspend at the end of the financial year. The Health and Social Care Partnership have available smoothing earmarked reserves for Children & Families Services and Older People Services in order to help alleviate the financial risk with demand led pressures.

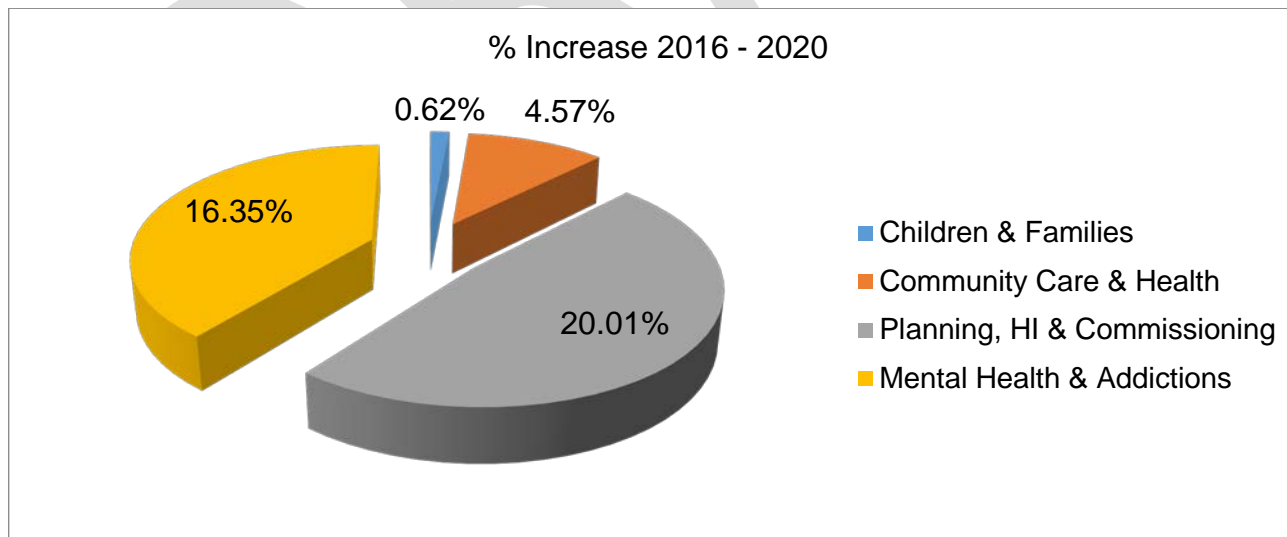
The Health and Social Care Partnership continues to provide services under challenging financial circumstances. In order to manage the pressures, the Partnership undertakes a robust budget monitoring process with clear focus on key/high risk budget areas. This has led to the Partnership to effectively foresee potential financial risks arising.

The main areas of pressure arose within Children and Families Services, Learning Disability Services and Older People Services due to costs within client care package costs. The cost pressures have been consistent with previous years and it is anticipated that this will continue during 2020/21.

During 2019/20, expenditure on Children and Families increased by 8.9%. The Service utilised a smoothing earmarked reserve to assist with the demand led pressure, this still resulted in an overspend in year. The NRS Population projections indicate a declining number of children within Inverclyde in future years, however, the Service faces the added complexity of looking after children longer in the Service due to the Continuing Care legislation.

Spend on Community Care and Health has increased by 8.2% from 2018/19. This service area covers Older Persons, Learning Disability Services and Physical & Sensory Services. It is anticipated that expenditure will continue to increase due to the increase in aging population.

Excluding the contribution from the Social Care Fund, spend on the Social Care element of the Health and Social Care Partnership has increased by 5.5% over the last 4 years compared to an increase in approved budget of 5.7% (see table below for increases across service areas).

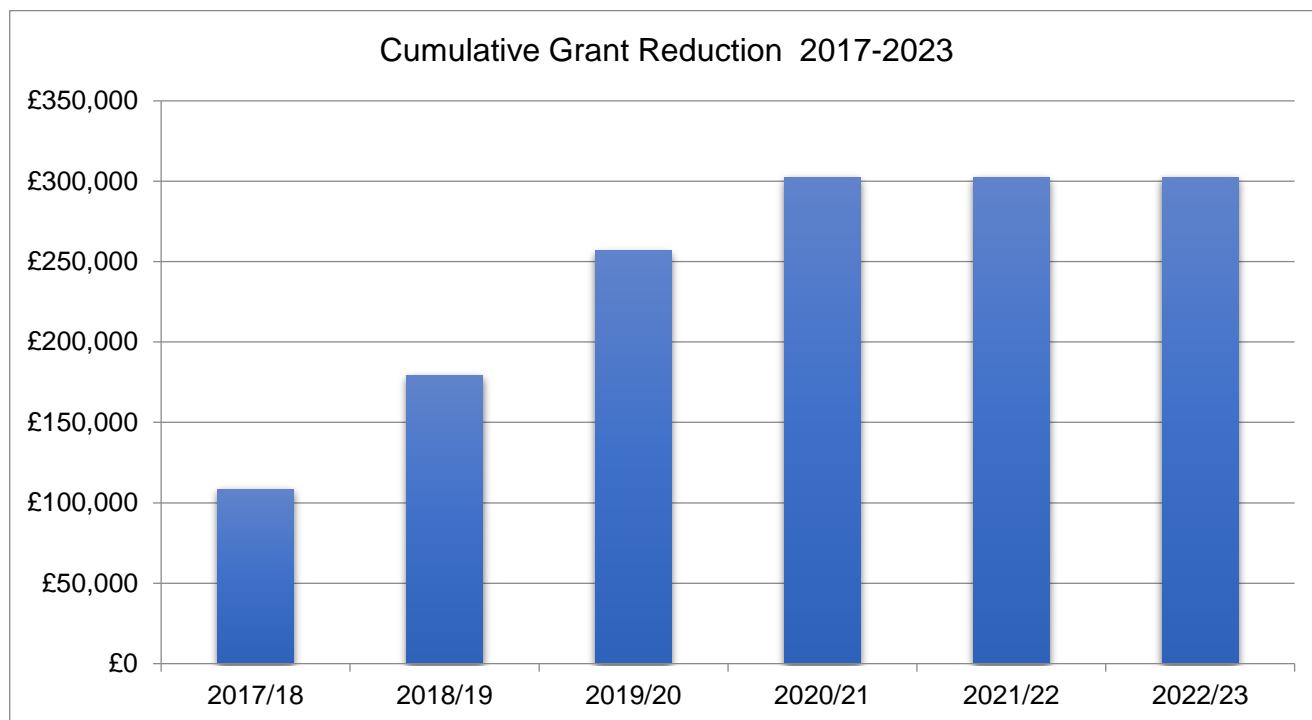


The Social Work Service has achieved significant savings as a result of public sector budget cuts and has achieved savings of £4.380 million since 2016/17 (as detailed in table below). The Service will deliver further approved savings of £0.968 million in 2020/21 which will prove challenging for the forthcoming year.

Service	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m
Children & Families	£0.120	£0.000	£0.370	£0.000	£0.490
Community Care & Health	£0.541	£0.316	£0.834	£1.123	£2.814
Planning, HI & Commissioning	£0.298	£0.000	£0.069	£0.190	£0.557
Mental Health & Addictions	£0.088	£0.014	£0.282	£0.135	£0.519
Overall Savings	£1.047	£0.330	£1.555	£1.448	£4.380

Criminal Justice

The Scottish Government undertook a review of Criminal Justice (Section 27) funding with assistance from an expert group, which included representatives from Directors of Finance, Community Justice Authorities, Scottish Prison Service, Social Work Scotland, CJSW and COSLA. The new funding formula commenced on 1st April 2017. Based on the new formula, Inverclyde Criminal Justice Social Work budget was reduced by 5.5% for 2019/20 financial year resulting in an incremental reduction over a five year period amounting to 19.5%. It is now anticipated that there will be no further grant cut in years 2021/22 and 2022/23.



Forthcoming Year

The Council approved a net budget of £52.289 million with a further £6.295 million contribution from the IJB Social Care Fund for 2020/21. This is net of savings for the year of £0.968 million. The Scottish Government released an additional £100 million in 2020/21 for additional investment in integration but this will be offset in full by a range of legislative pressures such as the Scottish Living Wage uplift for care workers, implementation of the Carers Act and further support for school counselling services. As a result of COVID 19 Pandemic, the Service is facing unknown and unprecedented financial pressures. It is anticipated that additional costs will be funded in full by the Scottish Government. This will continue to be monitored during the financial year.

Mid Term Outlook

Social Work Services continue to face growing demographic demand pressures with anticipated budget cuts continuing to 2020/21. Both the Council and the Integrated Joint Board (IJB) produce annual Finance Strategies covering medium term financial planning in order to address the anticipated budget gap. The IJB Medium Term Financial Plan identifies a budget gap of approximately £8.9m (£1.809m Health and £7.089m Social Work) by 2024.

Looking beyond 2023/24 is exceedingly more difficult to forecast due to uncertainties around the level of public sector funding that will be available and decisions/agreements around Brexit.

The past year has shone a light on the absolute necessity of sufficient social work and social care services that are also of sufficient quality. Demand for these services is only likely to increase as is the need to continually improve and innovate to meet the complexity of need in our communities. The financial framework within which these services are delivered must keep pace to allow these development to take place.

The forthcoming year will see significant service review both in terms of “The Promise” (children’s services) and the review of adult social care services. The impact of these is likely to be wide ranging and potential far reaching in terms of social work role, function and organisation. It is essential that Social Work Services are adequately resourced to have the capacity to respond to the emerging agendas and to be able to innovate as required.

8. Workforce Planning

Inverclyde HSCP Workforce Plan

Inverclyde HSCP has recently published its Workforce Plan (2020 – 2024), a subset of the Strategic Plan, and is underpinned by the principle that everything that is done to deliver the overall vision of ‘Improving Lives’ and ambitious Big Actions, relies on the organisation’s workforce.

The Workforce Plan sets out how the HSCP will recruit, develop and retain the right people in the right place at the right time, to deliver positive outcomes for Inverclyde. The plan also outlines how the HSCP will support, develop and grow the capacity and abilities of all the people who contribute to the delivery of health and social care in Inverclyde.

The paid HSCP workforce includes people with a range of health and social care backgrounds, who are committed to working together in a single organisation, to improve the outcomes of people in local communities, who need health and social care support.

The COVID-19 pandemic has meant that all organisations have had to fundamentally change how they deliver. For the HSCP, this has meant significant change for staff and service users. The workforce has risen to the challenge and in a very short space of time, mobilised the model of business as usual to service hubs. This involved the majority of staff moving from office based to a blended approach including home working, agile and mobile working.

Moving forward, the lessons learned from the pandemic will influence how everyone lives and works and the ways the HSCP deliver its services and achieve its outcomes, where learning will influence the current and future workforce.

HSCP staff (Inverclyde Council employees only)

	March 2016	March 2017	March 2018	March 2019	March 2020
Number of employees	1055	1038	1044	1036	1054
FTE equivalent	848.76	834.69	840.1	831.92	838.86
Number of Sessional Workers	94	108	98	80	99
Number of Modern Apprentices	N/A	4	4	2	3
Workdays lost (per FTE)	10.15	11.96	14.57	9.53	12.96

Inverclyde Council HSCP staff details

The HSCP has its own SVQ Centre. During 2019-2020, it has delivered:

Staff Group	Number SVQs	Level
Care at Home	28	SCQF level 6
Care at Home	2	SCQF level 7
Home Care Seniors	10	SQA Professional Development Award in supervision
Voluntary and independent sector	8	SVQ level 2 and 3

SVQ Centre numbers

Workforce challenges

Over the last year there have been significant staffing difficulties across a range of services. This has impacted on service delivery in a number of areas including children's services, mental health services and occupational therapy.

Within the HSCP's Care at Home service, there is an identified ageing workforce, a significant number of staff who will be at retirement age within the next 5 years. Moreover, in this area, recruitment has been a challenge for Care at Home for a number of years.

In terms of the organisation's MHO Service, capacity has recently been expanded by 2 further officers, which is to support statutory work requirements and support the service delivery and its sustainability, in the environment of increasing service demand. This continues to be a national issue.

Robust oversight by service managers, in the deployment of a priority system for statutory work, in all of the above has been developed, which is also to ensure there is adequate management of risk.

It is evident from research that the recruitment and retention of staff in health and social care sectors has become a challenge. An explicit action in the Workforce Plan and the incremental developments for the HSCP, is establishing a Learning & Development Group.

To support some of the above challenges, there is a work required to identify what should change in terms of current service models, and what actions can be taken, so as to continue to attract people into the health and social care sectors, and in particular to Inverclyde. The HSCP is committing to -

- equip staff with the skills they need to deliver better outcomes for them and service users.
- enable and up skill all of those who need support, focusing on their abilities and what they can do, rather than limitations
- consider ways in which careers in Health & Social Care in Inverclyde are more attractive.
- consider options to make the best use of resources to deliver services, in the most effective and efficient way.

Staff Engagement

Due to the COVID-19 pandemic, this year's iMatter was not progressed. However, as part of the HSCP's response to sustaining and improving staff health and wellbeing, a series of staff engagements were carried out.

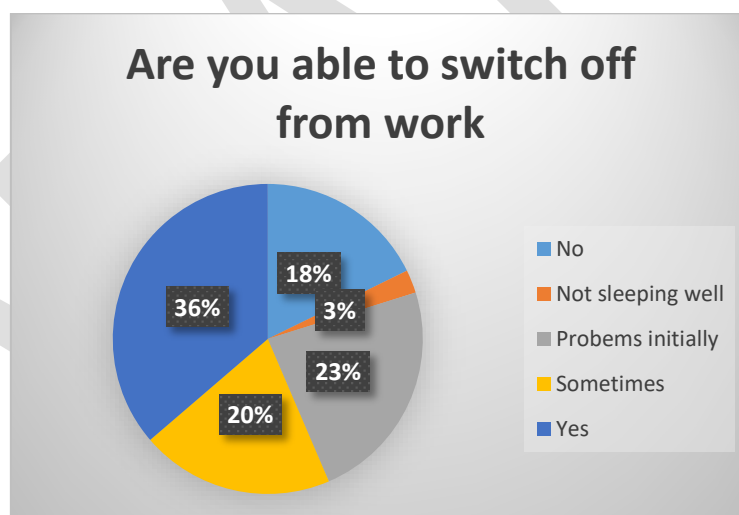
All of the following has been developed through the HSCP's Staff Wellbeing Task Group established recently to oversee and develop a Wellbeing and Resilience Action Plan.

Wellbeing Telephone Calls for Care at Home Staff

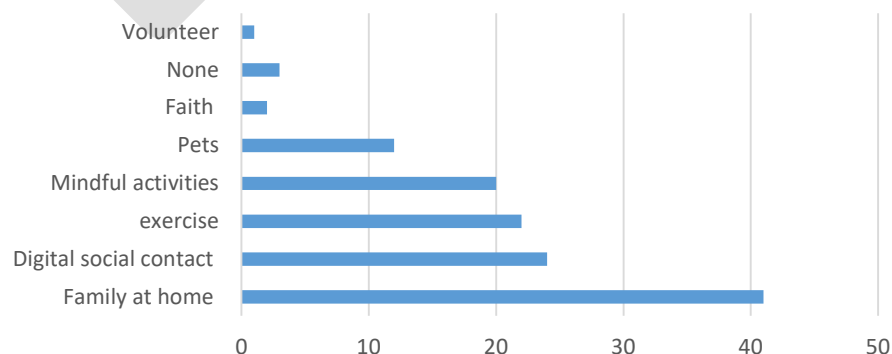
In the early stages of lockdown, it was identified the size and number of Care at Home staff working for the HSCP was seen as the largest in terms of lone working capacity in the local area. While this is well supported in terms the staff's day to day leadership and management and the work carried is rewarding, it can sometimes come with its challenges.

To this end, Care at Home services, supported by the Staff Wellbeing Task Group, set up a process for two telephone conversations with staff, by managers and also by affiliated staff to gather information on staff welfare. This resulted in –

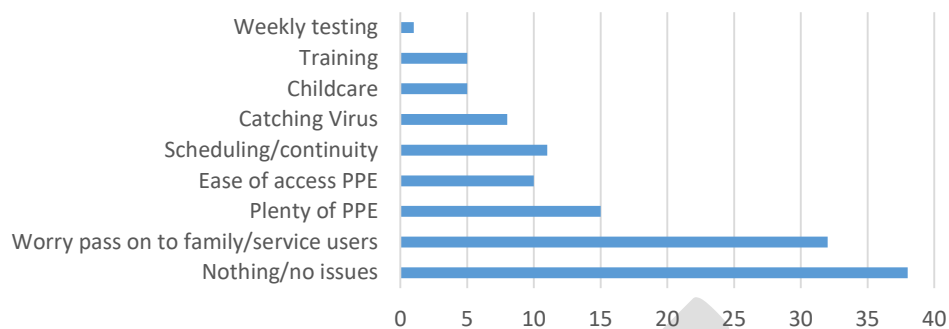
- 191 wellbeing telephone calls were carried out
- 12% (n=15) were follow up calls for staff who felt they would benefit from an additional wellbeing call



Coping Strategies



Worries and Anxieties Themes



All of the above data suggests-

- There are no major concerns
- Reports of staff coping well and good resilience in place, due to very good business continuity planning, leadership and management, open conversations and team spirit

9. COVID-19 Pandemic Response

Earlier in the year, the UK began its response to the COVID-19 pandemic with Scottish Government's directing Health Boards and Health & Social Care Partnerships to respond to initially contain and then manage a continuous community spread of the virus.

After review of staff resources within the HSCP and wider NHS and Commissioned Services with cognisance to national self-isolation guidance, the HSCP activated the following organisational actions that are in addition to those highlighted in the service response sections:

- Establishment of a Local Resilience Management Team with key services from within the HSCP, Inverclyde Council and key partners from commissioned services.
- Development of a Care at Home and Residential Home group to coordinate partnership working with Residential Services supporting our most COVID-19 vulnerable members of our community.
- The creation of service hub model to maximise available HSCP staff capacity to ensure that all critical mandatory and support functions are maintained.
- The purchase of 50 commissioned Care Home Beds to alleviate pressure on the NHS inpatient system by facilitating discharge from hospital
- Fast track training program for available staff from across the HSCP to appropriately support staff to work in critical key areas e.g. Homecare, Supported Living Services and supporting critical service structures.
- The development of a COVID-19 Assessment hub at Greenock Health Centre.
- The development of a Health & Social Care Staff Testing facility at Port Glasgow Health Centre.
- The development of a Personal Protective Equipment (PPE) at the Fitzgerald Centre
- The deployment of a Mobile Testing Centre staffed by the Army
- The recruitment of 47 volunteers to support the Care at Home Service
- Emergency recruitment of staff, again to support the Care at Home and Residential Care Services

Inverclyde HSCP, along with all communities within Scotland, faced an unprecedented challenge in managing the continuous community transmission of the virus COVID-19. It was clear from early on in the pandemic that COVID-19 was a new condition that did not follow the planned Pandemic Flu planning and appeared to impact on the elderly, people with existing health conditions and people with South Asian ethnicity.

Inverclyde HSCP's Local Resilience Management Team, chaired by the Chief Officer and attended by Heads of Service and Chief Social Work Officer, ensured that key support services and commissioned partners developed critical support to our community, based on the guidance produced by the Scottish Government via Health Protection Scotland and Greater Glasgow & Clyde Health Board to ensure staff and service users received safe and effective support in an ever changing environment of clinical information as more became known about COVID-19.

One key area of governance was in the work undertaken with Commissioned Services providing Residential Care for Older People and Adults. This community nationally was impacted by COVID-19 and Inverclyde sadly recorded 39 deaths over the period between March – July 2020. This is a source of deep sadness for all of the Inverclyde Community. We do know that the combined efforts of our community, staff across all sectors and the governance work undertaken by the HSCP and our commissioned partners worked diligently and will continue to do so to protect and care for our citizens affected by this dreadful disease.

Scottish Government issued new guidance around support and governance of care homes in May 2020. The letter emphasised the need to monitor and support care homes around 3 key areas;

- Ensure support around workforce to maintain safe staffing levels
- Infection control
- Supply of Personal Protective Equipment. (PPE)

NHS Boards and Councils have direct oversight of care home standards of care with scheduled meetings to be led by the Nursing Director, Chief Social Work Officer and Chief Officer. IHSCP have in place:

- Daily Care Home Safety Huddle
- Representative from Care Homes on the LRMT
- Weekly meeting with Care Home Managers
- Series of governance meetings in place with Care Home Companies
- Weekly Multi-Disciplinary Public Health Meeting

Inverclyde HSCP has completed all assurance visits and has in place action plans for any Care Home not ascribed as Green in terms of risk. There is full involvement in the Care Home Assurance & Governance Group (Chaired by Chief Officer for IHSCP)

Inverclyde HSCP has also developed a Care Home resource pack for all care homes across NHSGGC and a programme of webinars to share good practice.

IHSCP has agreed to a funding package to help sustain Care Homes through the current pandemic.

Personal Protective Equipment

One key area in ensuring protection for Health & Social Care Staff and service users, especially service users who were shielding as a result on pre-existing health condition, was Inverclyde HSCP's ability to source and maintain a robust supply of PPE.

Inverclyde HSCP has been in the fortunate position in maintaining a robust supply of fluid resistant masks, disposable gloves, disposable aprons and eye protection as advised by Public Health Scotland for managing COVID-19 within community health & social care settings.

The HSCP, in line with National guidance, has established a PPE Supply Hub for social care providers, commissioned services, care homes, carers and personal assistants where they can locally obtain a supply of PPE when their normal supply chain has been unable to deliver PPE to them. This allows services to maintain their support to service users whilst protecting care staff and services users as per Public Health Scotland infection control advice.

The HSCP sources PPE through two main supply chains; NHS Greater Glasgow & Clyde NHS supplies for health care as well as National Services Scotland for social care provision.

Through an online national stock control system the HSCP receives a weekly top up delivery of PPE based on the previous week's usage.

Where there has been pressure on deliveries on individual items of PPE, the HSCP has been proactive in sourcing this directly from the supplier/stores.

Another area of partnership working in our COVID-19 response has been our approach to the wider testing of key staff and community for COVID-19.

Mobile Testing Units

On 19th May 2020, Scottish Government COVID-19 Testing capacity was expanded to anyone in Scotland aged 5 or over who is self-isolating because they are showing symptoms. Priority for testing appointments will be maintained for key workers and their household members to support them returning to work where it is safe to do so.

A COVID-19 Mobile Testing Unit (MTU) managed by the Army, was located initially at the Waterfront Leisure Car Park Greenock, moving to St Andrews, Larkfield and later to Port Glasgow.

Residential Care Home Testing

Working in partnership with residential care homes, the HSCP has supported the weekly testing of residential care home staff, initially through HSCP resources until the Social Care Portal was established, to allow residential care homes to manage staff testing through this process. The HSCP also supports residential partners by the surveillance testing of service users on a rolling program to ensure we have an indication of potential infection rates within our community.

Partnership working has proven invaluable in supporting our commissioned residential providers during the COVID-19 pandemic when there has been national coverage of how residential care home communities have been impacted by COVID-19.

Areas of good practice developed during COVID-19 response have been:

- Service User Meal provision to service users who are shielding unable to source cooked meals.
- Service user transport to aid discharge from hospital where an ambulance is not required.
- The development of a COVID-19 Assessment Centre utilising the skills of Health & Social Care Staff bring on line a fully functional Assessment Centre at Greenock Health Centre integrating NHS24 referrals and patient transport
- The young people in our Proud2care group partnering with older residents in our care homes
- The partnership between education services and children and families social work supporting our most vulnerable children.
- Cross HSCP planning for the early release of prisoners.
- Cross HSCP planning for adults vulnerable because of mental health issues , drugs and alcohol and homelessness

Communities

The communities in Inverclyde have demonstrated significant compassion, kindness and a willingness to help during the Covid-19 pandemic. As the local Third Sector Interface (TSI) organisation, CVS Inverclyde has undertaken a key role in coordinating the community and third sector response to COVID-19 in partnership with a variety of organisations including Inverclyde's Third Sector, Inverclyde HSCP, Inverclyde Council, Housing Associations, Scottish Government and the local community at grassroots and individual level.

Working in partnership with Inverclyde Council and HSCP and delivered by the Partnership Facilitator, Community Link Workers and local volunteers, the shielding service supported people across Inverclyde who were identified by Government and the NHS as requiring “shielding”. With people confined to their homes for many weeks, our service, through partnership with the diverse third sector in Inverclyde supported the most vulnerable to fulfil tasks and activities they were unable to do themselves. Additionally, this team was also available to support individuals who required “humanitarian aid” assistance. These 2 services included but were not limited to:

- self-isolation boxes provided by Belville Community Garden, access to hot meals from Branchton Community Centre and/or access to a lifeline grocery service delivered through The Trust, Belville Community Garden Trust and the covid-19 volunteers.
- ensuring that people had heating & cooking facilities (with iHeat) and/or power card and telephone card top-up
- self-care items including nightwear, through Compassionate Inverclyde
- collecting medication - CVS Inverclyde volunteers in partnership with Compassionate Inverclyde and volunteers from Inverclyde Council Education Services
- telephone isolation and befriending calls provided by Your Voice and The Trust
- Cleaning supplies from Starter Packs for people who were shielding
- general wellbeing checks
- signposting to relevant services within the community

At a strategic level, CVS Inverclyde has worked closely with national partners to coordinate the local coordination of volunteers. The Ready Scotland campaign was launched by the Scottish Government on the 30th March 2020. This was to encourage people to volunteer and give their time over the COVID-19 period. Volunteer Scotland worked in partnership with SCVO and TSI organisations to cascade this information down to each locality. The campaign had an excellent response and had to be paused to provide organisations an opportunity to process applications from those interested in becoming volunteers. Furthermore, the local volunteer management website, Volunteer Inverclyde, has had more than 600 people register to become a volunteer. Some of these volunteers went on to participate in the:

- Shielding and Humanitarian Aid service
- Prescription Collection Service
- Flu Clinic greeters
- Opportunities with other local 3rd sector organisations

Staff from the Public Protection service within Inverclyde Council, in close partnership with HSCP and CVS Inverclyde undertook the task of co-ordinating and providing assistance to those Inverclyde residents identified as being within the shielding category throughout the lockdown period. Contact was made to all those identified both through telephone call and visits to their addresses. In addition to this, wider humanitarian aid was provided to those identifying a need within the community.

The service worked closely with partners to provide emergency food supplies, prescriptions, access to support whether financial or emotional, as well as assisting with access to emergency household repairs.

There were in excess of 4500 calls handled, support provided as requested and strong partnership working within the partners; this continues today.

10. Conclusion

The content of this report outlines some of the work streams and initiatives that have been delivered by social work and social care services over the last year. The scope and depth of service delivery is significant and this report can only provide a flavour of the overall delivery landscape. However the report highlights that social work is an activity that supports the most vulnerable in our community often at times of crisis in people lives and is delivered 24 hours a day, 365 days a year. Social work services in Inverclyde remain focussed and committed to ensuring that delivery is of the highest possible standard delivered by the hard work commitment and sheer resilience of our staff.

Self-evaluation, audit, review and external scrutiny of service delivery provided strong evidence of services across the board performing to a consistently high standard and making a real difference to the lives of the people of Inverclyde.

A significant part of this last year has been marked by the impact of the global pandemic. Inverclyde was particularly affected by the progression of the virus in our community and many of our residents and our staff were touched by the loss of loved ones. Many others have been and continue to be deeply affected both directly and indirectly. Separation and loss, loss of employment, income, disruption to education and family life have all had varying degrees of impact on the health and wellbeing of our community.

Nonetheless this last year, throughout the year has seen a determined effort to provide the best possible responses to the needs of our services users and at the same time support the wellbeing needs and resilience of our staff. At the time of writing this report our attention is focused on recovery even as we make plans for what will be a challenging winter. Our recovery plans and actions will be based on reflecting on what we have learned over the past year, what has worked well and what we can improve upon. Our approach however will remain consistent and that is based on a clear ambition to deliver the best possible outcomes for the citizens of Inverclyde.

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Chief Financial Officer	Report No:	FIN/111/20/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Financial Strategy 2020/30 - Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to present the updated Financial Strategy to the Council for review and approval.

2.0 SUMMARY

- 2.1 The six monthly review of the Financial Strategy has been undertaken and takes into account the approved 2020/21 Budget, the estimated on going impact of Covid-19 and a review of all funding models included in the Appendix. The review takes place at a time of unprecedented fiscal pressure and uncertainty for the country and the Council.
- 2.2 It can be seen from table 3 in paragraph 7.8 that the 2020/23 estimated funding gap is £10.25 million after the application of adjustments and savings approved at the November Policy & Resources Committee and before any decision on whether to increase Council Tax.
- 2.3 Table 4a shows that based on the latest information including forecasts from Fiscal Affairs Scotland and the local assessment of certain figures by the Chief Financial Officer, the mid-range scenario shows that the Council faces a net potential funding gap of £17.0 million over the 2021/24 period prior to any decision around the use of Reserves or Council Tax levels. In line with Best Practice, Tables 4b and 4c illustrate scenarios for the 2021/24 Revenue funding gap based on different assumptions around Government Grant, income, inflation and budget pressures. These Tables show potential funding shortfalls of £4.0 million to £27.1 million.
- 2.4 The reason for the broad range of scenarios reported in the above tables is due to the high level of uncertainty which exists around most of the key building blocks which the Council requires to set a budget, namely the level of Government Grant, Pay Inflation, Non-Pay Inflation etc. Usually by this time the UK Government would have provided information via the Autumn Statement or a Spending Review however at the time of writing the Strategy, this information is not available. In light of this it is important that the Council utilises the flexibility afforded to it via its Reserves in a strategic manner. Members will recall that this approach has been agreed as part of the 2021/23 Budget Strategy
- 2.5 Table 5 in paragraph 7.13 shows that overall the 2019/23 Capital programme has a £2.3 million funding shortfall. The Capital Programme allows for 5% over programming and the funding shortfall is within that limit. The Council will need to examine how it can best use capital to reduce pressure on the Revenue Budget but this could in turn lead to pressure on the Capital Programme from 2023/24 onwards.
- 2.6 All the other appendices and tables have been updated and reviewed with a number of actions proposed which will assist in closing the Budget gap whilst freeing up resources for Members to consider the use of as part of the 2020/23 Budget Strategy. The detail is contained in Section 6 of the report.
- 2.7 Section 11 of the Strategy reflects the identified risks to the Financial Strategy and mitigating actions whilst Appendices 1 to 3 highlights the major short / medium / long term issues the Council needs to be aware of which could materially impact on the figures presented.

- 2.8 Overall the Financial Strategy confirms the significant challenges facing the Council in coming years but that all models remain affordable, based on the latest information. The Chief Financial Officer has identified a number of actions which will deliver one off resources or recurring net savings for Members to consider as part of the Budget report later in the agenda.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council approve the latest revision of the Financial Strategy and note the proposals to be considered as part of the 2021/23 Revenue Budget Report.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Financial Strategy requires to be reviewed twice per year and reported to the Full Council. This is done in June and December each year.

5.0 CURRENT POSITION

- 5.1 The Strategy has been updated to reflect latest information and takes into account the approved 2020/21 Budget, the estimated on going impact of Covid-19 and a review of all funding models included in the Appendix. The review takes place at a time of unprecedented fiscal pressure and uncertainty for the country and the Council.
- 5.2 It can be seen from table 3 in paragraph 7.8 that the 2020/23 estimated funding gap is £10.25 million after the application of adjustments and savings approved at the November Policy & Resources Committee and before any decision on whether to increase Council Tax.
- 5.3 Table 4a shows that based on the latest information including forecasts from Fiscal Affairs Scotland and the local assessment of certain figures by the Chief Financial Officer, the mid-range scenario shows that the Council faces a net potential funding gap of £17.0 million over the 2021/24 period prior to any decision around the use of Reserves or Council Tax levels. In line with Best Practice, Tables 4b and 4c illustrate scenarios for the 2021/24 Revenue funding gap based on different assumptions around Government Grant, income, inflation and budget pressures. These Tables show potential funding shortfalls of £4.0 million to £27.1 million.
- 5.4 Usually by this time the UK Government would have provided information via the Autumn Statement or a Spending Review however at the time of writing the Strategy, this information is not available. In light of this it is important that the Council utilises the flexibility afforded to it via its Reserves in a strategic manner. Members will recall that this approach has been agreed as part of the 2021/23 Budget Strategy
- 5.5 Table 5 in paragraph 7.13 shows that overall the 2019/23 Capital programme has a £2.3 million funding shortfall. The Capital Programme allows for 5% over programming and the funding shortfall is within that limit. The Council will need to examine how it can best use capital to reduce pressure on the Revenue Budget but this could in turn lead to pressure on the Capital Programme from 2023/24 onwards.
- 5.6 All models in the Appendices have been reviewed and all remain affordable in the short / medium term with more detail on each of the Funding Models contained in Section 6. Appendices 1-3 outline the short, medium and long term challenges which the Council requires to consider when agreeing future budgets.

6.0 REVIEW OF FUNDING MODELS

- 6.1 Appendix 4 – School Estate Management Plan – this reflects the latest phasing's and decisions and the recent Loans Charges review which has resulted in reductions in SEMP loans charges. It is proposed to reduce the “extra financing” allowance by £200,000/year from 2021/22 subject to approval as part of the 2021/23 Budget.
- 6.2 Appendix 5 – General Fund Reserves – this reflects the November, 2020 Policy & Resources Committee position of £0.468 million free reserves at 31st March, 2021.
- 6.3 Appendix 6 – Capital Fund – this reflects the latest review of receipts and previously approved contributions to the Capital programme. Whilst there appears to be an opportunity to utilise some of the balance in the medium term this is dependent on getting receipts from sales which have not yet generated.
- 6.4 Appendix 7 – Repairs and Renewals Fund – this reflects the latest projections for the refurbishment of 3G Pitches over 2020/27 and following a decision taken to allocate an annual allowance from the Capital Programme, the maintenance model is now funded in the longer

term.

Approval was given in December 2017 to combine the maintenance funds for the Port Glasgow Retail Development, Reservoirs above the Cut and Inverkip Railway Bridge into a single fund to provide longer term sustainability and reduce pressure on the Revenue Budget.

- 6.5 Appendix 8 – Insurance Fund- this reflects a projected useable Fund balance based on claims received. The recent Insurance Fund annual report to Policy & Resources Committee provided more details but a major call on the fund is expected as part of the Local Government contribution to the Scottish Child Abuse reparation settlements.
- 6.6 Appendix 9 – Vehicle Replacement Programme – reflects latest information and previous budget savings. It is the intention of officers to incorporate the Vehicle Replacement Programme within the overall mainstream Capital Programme and as such this is proposed to be the last time this Appendix is included.
- 6.7 Appendix 10 – RAMP – shows the approved investment for the period to 31st March 2023 plus to deliver the Roads Asset Strategy.
- 6.8 Appendix 11 -- This Appendix provides a projection of the City Deal programme for the first 10 years of operation from both a revenue and capital perspective. It should be noted that this model will be refined as Business Case approvals are achieved. It is proposed to write back £500,000 from this funding model as part of the 2021/23 Revenue Budget.
- 6.9 Appendix 12 – In November 2019 officers undertook a detailed review of Loans Charges and identified areas where the life of assets meant that loans charges could be spread over a longer period. The net result of the review reported to Policy and Resources Committee was a £400,000 recurring saving from 2019/20 plus a backdated one off saving of £1.4million. A further £1million was agreed to be written back in August 2020 to part fund the one off costs associated with Covid. Officers are examining whether a further recurring saving can be proposed as part of the 2021/23 Revenue Budget

7.0 IMPLICATIONS

Finance

- 7.1 The financial implications arising from the proposals in this report will be considered as part of the Revenue Budget report included elsewhere in this agenda.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
EMR	City Deal	2020/21	(500)		Write Back to reserves

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
EMR	SEMP	2021/22	(200)		Reduce financing requirement

Legal

7.2 There are no specific Legal issues arising from the report.

Human Resources

7.3 There are no specific Human Resources issues arising from the report.

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

Having medium term financial plans which realistically reflect the pressures and opportunities faced by the Council and the communities it serves will help build confidence in the area and contribute to the Repopulation agenda.

8.0 CONSULTATIONS

8.1 The Financial Strategy has been produced after consultation with and input from the CMT and other relevant Officers.

9.0 LIST OF BACKGROUND PAPERS

9.1 None



Financial Strategy

2020/21 – 2029/30

December 2020

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2. Why have a Financial Strategy?
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4. Overall Economic Position
5. Local Context
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 - Other Short to Medium Term Revenue Issues
 - Long-Term Revenue Issues
 - Short to Medium Term Capital Projections
 - Long-Term - Capital Projections
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Appendices

Appendix 1 - Short-Term Issues

Appendix 2 - Medium-Term Issues

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Appendix 4 - School Estate Management Plan Funding Details

Appendix 5 - General Fund Reserves

Appendix 6 - Capital Fund

Appendix 7 - Repairs & Renewals Fund

Appendix 8 – Insurance Fund

Appendix 9 - Vehicle Replacement Programme

Appendix 10 --Roads AMP

Appendix 11 – City Deal

Appendix 12 – Loan Charges

1.1 Foreword

This latest revision of the Council's Financial Strategy has been prepared at time the country and the Council are 8 months into the Covid-19 pandemic. The financial pressures and fiscal response is without precedent in recent decades and the impact will be felt for many years.

Given the challenging economic situation, and the significant financial issues we will face over future years, it is essential that the Council updates its Financial Strategy regularly to ensure it provides a practical framework within which policy choices can be identified, debated and approved.

The approval of this revised Financial Strategy demonstrates that we are clear both about the outcomes we want to achieve for our communities and the financial challenges that need to be addressed if we are to successfully deliver on these outcomes.

To provide a clear, consistent strategic direction for the Council the following outcomes were agreed for the Financial Strategy – it will ensure that:

- **the Council has a comprehensive, sustainable, balanced budget;**
- **the Council reviews the level of Council Tax annually in the context of the Financial Strategy, to determine an appropriate level in the best interests of the people of Inverclyde;**
- **resources are allocated and deployed to facilitate delivery of the outcomes in the Corporate Plan/Local Outcome Improvement Plan and Corporate Directorate Improvement Plans;**
- **all key strategic decisions on the allocation and deployment of resources are made within the appropriate financial context;**
- **Members can take full account of the impact of decisions on the overall financial resources of the Council in the short, medium and long term;**
- **there is a high level of confidence in the financial management of the Council;**
- **the Council has flexibility to address new policy requirements, or significant changes to existing policies, within overall available financial resources;**
- **resources are invested effectively, efficiently and on a sustainable basis;**
- **there is continued improvement in the delivery of major projects;**
- **there remains a focus on securing efficiencies across the organisation;**
- **the Council continues to invest in improving service quality, delivering new infrastructure, enhancing service levels and upgrading existing assets;**
- **there is an increased level of understanding on behalf of the wider community with regard to the finances of the Council.**

The primary financial challenge facing the Council over the coming period, given the continued pressure on public sector budgets, will be to stay within the approved revenue budget and deliver a capital programme that continues to maintain a high level of investment in key infrastructure and support the needs of the local community.

There is no doubt that even before the current Covid emergency the Council faced a very challenging 2021/23 Budget process with a 2 year funding gap estimated prior to Covid of almost £11 million before any Council Tax increase.. One of the main challenges faced by the Council is therefore forward planning, preparatory investment and a sufficient lead in period prior to implementation of both savings and investment for the period beyond the current budget.

Given the difficult position the Council faces on capital expenditure, it is essential that future capital expenditure proposals are largely self-financing through the release of other capital assets, as well as delivering efficiencies which will secure ongoing revenue savings.

The Council has also approved corporate policies to charging and income generation – including maximising external funding to supplement existing resources and support service delivery. The Council increased the level of income generated by charging as part of the 2019/21 Budget but this may come under pressure as Council delivery is reshaped post Covid.

We also need to ensure that the Financial Strategy continues to support the Corporate Plan directly, the Local Outcome Improvement Plan and effectively link this Strategy to our Corporate Directorate Improvement Plans.

The Financial Strategy is a dynamic document and will be monitored on an ongoing basis by the Corporate Management Team and the Policy & Resources Committee. It will continue to be formally reviewed by the Council twice yearly, in June and in December.

This Financial Strategy is key to the future success of the Council – it is about making sure we have sufficient resources in place when required to deliver the outcomes we realistically can achieve for the communities of Inverclyde.

Councillor Stephen McCabe
Leader of the Council

Aubrey Fawcett
Chief Executive

2.0 Why have a Financial Strategy?

- 2.1 The purpose of our Financial Strategy is to provide clear direction, supported by a practical framework and explicitly defined parameters, on how the Council will structure and manage financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives.
- 2.2 This is not just another financial process – the Financial Strategy is integral to our Strategic Planning and Performance Management Framework which underpins the achievement of the outcomes identified in the Corporate Plan, and is an integral part of the Corporate Directorate Improvement Plans.
- 2.3 The requirement to develop a medium to long term financial strategy covering the next three to ten years (and in some areas longer) is a vital component of decision making.
- 2.4 The Council has taken into account guidance from CIPFA when developing the Financial Strategy as well as best practice from other local authorities.
- 2.5 Our ambition is to maintain a single, coherent Financial Strategy that brings together the corporate objectives of the Council along with all the relevant financial information in a clear, accessible document.
- 2.6 The value of such a Strategy is that it enables the Council to develop a better understanding of the wider policy and financial environment within which it operates, identify and respond flexibly to opportunities and threats, manage and mitigate risks and ensure that financial resources are contributing to achieving corporate objectives.
- 2.7 The Strategy will also provide information to a range of stakeholders:

Table 1 – Stakeholder Information

For the Council and Elected Members	to decide how available financial resources will be used
For Chief Officers, managers and employees	To help optimise the available resources and reinforce their roles in financial management arrangements
For residents	to show how the Council's Financial Strategy impacts upon service provision
For Council Tax payers	to demonstrate how the Council looks after public resources
For partners	to share the Council's vision and help identify opportunities for joint working and resource deployment.

- 2.8 Inevitably some of the information of the Financial Strategy will be based on forecasts and these will change over time - the Strategy is reviewed regularly so that the Council can respond proactively to any such changes.
- 2.9 The inclusion of information in the Financial Strategy does not infer approval and all financial projections and issues will have to be subject to approval through the budget process.
- 2.10 The Strategic Planning and Performance Management Framework continues to develop links between the strategic planning and budgeting processes. This allows services to plan ahead, taking into account the resources available and proactively identify opportunities to achieve efficiencies or secure alternative funding sources. This process also encourages the development of joint resourcing opportunities within the Inverclyde Alliance.

3.0 Financial Summary

- 3.1 On 12 March 2020 the Council agreed the 2020/21 Revenue Budget. The Council continues to work within a medium term Budget Strategy covering 2021/23, the life of the current Council.
- 3.2 The same meeting also agreed the 2020/23 Capital Programme which took into account the latest Government Grant settlement information.

Table 2 – Short Term Summary – Approved Revenue and Capital Budgets (March 2020)

	2020/21 £million
<u>General Fund Revenue</u>	198.698
<u>Budget Financed by</u>	
Government Grant (Including NDR)	(166.076)
Council Tax	(32.622)
Approved Contribution from General Reserve	-
	0
<u>Capital Programme (2020/21)</u>	
Approved Spend (Revised August 2020)	15.02
<u>Financed by</u>	
Government Grants	6.47
Capital Receipts	0.58
Other Grants/CFCR	5.01
Prudential Borrowing	2.18
Resources Carried Forward from prior year	16.05
Surplus in Resources in 2020/21	15.27

4.0 Overall Economic Position

UK Context

- 4.1 The Covid pandemic has elicited a fiscal response from the Government which is without precedent in peace times. This updated Finance Strategy the UK Government continues to release large sums of funding to support the economy, households and frontline services battling against the virus and to help protect as many jobs as possible as part of the recovery. The estimated cost including lost tax revenues is approaching £400 billion. Despite this unprecedented intervention there remain calls for continued significant intervention in the short to medium term.
- 4.2 The Office of Budget Responsibility (OBR) issued a forecast for the UK economy in July and this is shown in the table below. This document portrayed a V shaped recovery whereas more recent analysis is projecting a “U”, “L” or a “swoosh” shaped recovery.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
GDP (real) annual % change	1.4	-12.4	8.7	4.5	2.1
Inflation (CPI) annual % change	1.8	0.7	1.3	1.9	2.0
Unemployment Rate	3.8	8.8	10.1	6.9	5.9
Public Sector Borrowing	57	322	154	132	123

- 4.3 As a result of the economic downturn and its associated costs there is a significant increase in the UK’s budget deficit. For 2020/21 alone the deficit is estimated to rise by almost £300 billion compared to the £55 billion projected by the OBR in March with continuing costs likely and a rising debt profile.
- 4.4 Borrowing of this scale will have a long term impact on the future UK fiscal strategy and it is likely that the Chancellor will have to increase taxes (or cut spending). The IFS estimate £43 billion fiscal tightening in 2024/25 and this to stabilise debt at 100% of GDP. Areas which could contribute to increases in taxes or cost reductions would include increasing VAT and National Insurance contributions, a Public Sector pay freeze, a new tax to pay for the NHS and Social Care and potentially ending the pension triple lock. There is a very real danger however that increasing tax to early will inhibit the economic recovery.
- 4.5 The Chancellor is scheduled to announce 2021/22 spending plans on 25 November. It is unclear what level of detail these plans will provide especially given the on going extensions to many of the support measures in place.

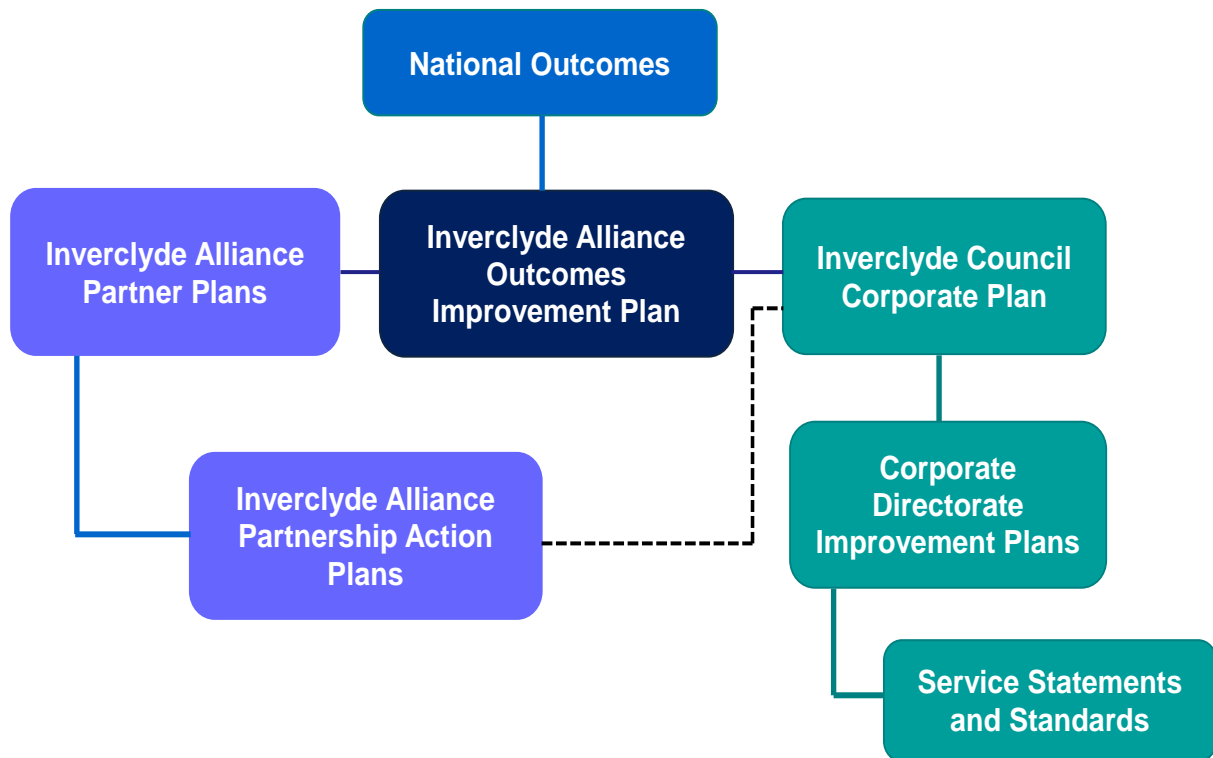
Scottish Context

- 4.6 In addition to Scotland accessing the UK wide Furlough Schemes and Welfare Benefits enhancements the Scottish Government has allocated approximately £8.2 billion from UK Consequentials to supporting businesses, addressing issues such as food insecurity, increased demand for Crisis Grants and other benefits plus allocating extra resources to the Health Service and Local Government.
- 4.7 Cosla are pressing the Cabinet Secretary for Finance to ensure that the resultant consequentials being passed on to Local Government.
- 4.8 What happens beyond 2020/21 will largely be dependent on the UK Government fiscal response and whether the approach is to continue to borrow at a high level to stimulate economic recovery or whether to have a more modest increase in investment and look at options for taxation and cost reduction. Issues which will need to be addressed include, how much of the current increased spending pressures will be permanently accommodated e.g. increased investment in the NHS, Care Homes, Social Care and wage levels for essential workers. In addition a view will need to be taken on the level of benefits paid and the sustainability of the current arrangements for pensioners.

- 4.9 There is however, nothing to indicate that Local Government will receive a real terms funding boost in the medium term over and above the implementation of Scottish Government policies and national initiatives. In this context it is likely that Local Government in Scotland faces a continued squeeze on resources which will continue to require clear prioritisation inevitably a review of some of the Universal service provision policies at both a national and local level.
- 4.10 Throughout all this Brexit continues to be an area of considerable uncertainty with the UK leaving date still set for the end of 2020 despite calls from the Scottish Government and others to extend the date in view of the current Covid crisis. All of the above point to continued uncertainty and volatility in the public finances.

5.0 Local Context

- 5.1 The local environment within which the Council operates has changed significantly in recent years and will alter further in future years due to the impact of national legislation and policy, further economic turbulence, societal changes and developing customer expectations.
- 5.2 The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Performance Management Framework. The Framework includes the Local Outcome Improvement Plan, the Corporate Plan, Corporate Directorate Improvement Plans and the Financial Strategy.
- 5.3 The Strategic Planning and Performance Management Framework is shown in the Diagram below.



- **National Outcomes** are set by the Scottish Government and sit within a National Performance Framework. These 11 outcomes are an overarching guide for the local community planning partnership document, the Inverclyde Outcomes Improvement Plan.
- The **Inverclyde Alliance Outcomes Improvement Plan** (OIP) is a high level strategic partnership document setting out the vision and direction for the Inverclyde area, as agreed by all the Inverclyde Alliance partner organisations and communities. The outcomes are based on evidence of the key issues and challenges for the Inverclyde area and through community engagement. They set out what we want to achieve for all the communities of Inverclyde.
- The **Partnership Action Plans** set out the Partnership actions and projects which will contribute to the achievement of the OIP priorities and are expressed through the wellbeing indicators (see below in 5.4) to help better understand their impact on a crosscutting basis.
- The **Corporate Plan 2018/22** is a public facing document and sets out the ways in which Inverclyde Council hopes to deliver better outcomes for the people of Inverclyde through the delivery of 10 organisational priorities. The Plan reflects the wellbeing outcomes from the Outcomes Improvement Plan and sets out, at a high level, what the Council will do to help deliver the partnership priorities. The Plan also contains high level budget information for key services.

- **Corporate Directorate Improvement Plans (CDIPs)** set out the vision for each Directorate. The current CDIPs cover the period 2019/22 and are reviewed on an annual basis to ensure that the improvement actions remain up-to-date and reflect the local and national environment in which the council operates. The Plan covers two broad areas, the first being corporate cross cutting improvement actions and the second Directorate Improvement actions. These improvement actions are based on robust self-evaluation and are mapped to the Corporate Plan organisational priorities. In addition the HSCP has developed a Strategic Plan 2019/24 which supports the Inverclyde Joint Board.
- **Service Statement and Standards** set out what services do on a day to day basis and will not change significantly year on year, but will be refreshed to reflect any structural or legislative changes. It is a public facing document which also sets out a summary of the financial and employee resources allocated to run the service. Service standards are also reflected in the Service Statements, setting out what quality standards the service follows and what customers can expect.

Outcomes for Inverclyde

The focus of the Strategic Planning and Performance Management Framework is on addressing the main challenges facing the area. The Inverclyde Outcomes Improvement Plan builds on the achievements of the SOA and contains three strategic priorities to be delivered in partnership:

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

5.4 The OIP continues to focus on the delivery of the **wellbeing outcomes**, which the Inverclyde Alliance, including the Council, has adopted. These wellbeing outcomes have been adapted and expanded from 'Getting it Right for Every Child', to help us work towards a Nurturing Inverclyde, 'Getting it Right for Every Child, Citizen and Community'. The wellbeing outcomes cover the core areas of Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.

5.5 A key challenge for the Inverclyde Alliance, and the public agencies, operating in Inverclyde, over the next five years will be to ensure better alignment between available resources, across all agencies, and the outcomes and priorities identified in the Inverclyde Outcomes Improvement Plan.

5.6 Demographics and Population

The most significant challenge facing Inverclyde is depopulation and associated demographic change – this has been recognised by the Council and our Partners as a priority in the Inverclyde Outcomes Improvement Plan and the Council's Corporate Plan 2018/22.

5.7 The fundamental issue for the Council is that at some point if the decline in population continues at the current pace then the area could become no longer sustainable as a unit of administration which would have an associated impact on other services such as health, police and fire. In recent years, the population decline in Inverclyde has been largely attributable to more deaths than births in the area. Encouragingly, it is estimated by the National Records of Scotland that in two out of the past three years more people moved into Inverclyde than moved out, however the potential increase in population has been offset by negative natural change. Work around repopulation is led by the Inverclyde Alliance Population Partnership which has responsibility for the implementation of the Repopulation Strategy and Action Plan, which was approved by the Inverclyde Alliance Board on 18 March 2019.

- 5.8 In the 2011 Census the population for Inverclyde was 81,485, a decrease of 3.2% from 84,200 in the 2001 census. The most recent population estimates set out Inverclyde's population for 2019 at 77,800, a decrease of -0.4% from 78,150 in 2018. The population of Inverclyde accounts for 1.4% of the total population of Scotland.
- 5.9 The latest mid-year population estimates (2019) show that 16% of Inverclyde's population is aged between 0 – 15 years, which is slightly less than the percentage for Scotland, 17%. 63% of the population is aged 16 – 64 years, compared to 64% in Scotland. 21% of Inverclyde's population is aged 65 years and older compared to 19% in Scotland.
- 5.10 Since 1985, Inverclyde's total population has fallen overall whilst Scotland's population has risen over this period.
- 5.11 Official population projections continue to forecast a long term decline in Inverclyde's population. By 2043 the population of Inverclyde is projected to be 65,517, a decrease of -16.2% compared to the population in 2018. The population of Scotland is projected to increase by 2.5% per cent between 2018 and 2043.
- 5.12 Over the 25 year period the age group that is projected to increase the most in size in Inverclyde is the pensionable and over age group with a 9.9% increase. In Scotland, it is estimated that there will be a projected 23.2% increase in the pensionable age population by 2043.
- 5.13 The population aged under 16 in Inverclyde is projected to decline by 25.6% over the 25 year period, compared to a 10.5% decrease nationally.
- 5.14 Between 2016 and SIMD20, the number of Inverclyde data zones in the 5% most deprived in Scotland increased from 11 to 21. This equates to 18.4% of all 114 Inverclyde data zones in the 5% most deprived category, this is the second highest local share in Scotland. Inverclyde also has the second highest local share of data zones in the 20% most deprived in Scotland.
- 5.15 Demographic change will have significant impact on services as funding allocated from the Scottish Government is partly based on the population of an area. Even with additional allocations to take account of deprivation the budget is expected to reduce in real terms over the next five years.
- 5.16 In terms of indicators of deprivation the profile for Inverclyde differs from the national picture, these include:
- 6.15% of working age benefit claimants are claiming unemployment benefits. Of this, a higher proportion of 18 – 24 year olds (11.0%) are claiming than 25 – 49 year olds (7.6%) or 50+ year olds (4.2%). (As at September 2020).
 - Economic inactivity rates in Inverclyde are higher than the national rate 28% compared to 22.9% (July 2019 – June 2020)
 - The percentage of workless households in Inverclyde is 23.9% compared to 17.7% in Scotland (January – December 2019)
 - Approximately 85.4% of working age adults in Inverclyde have NVQ1 and above, or other formal qualifications. 83.5% of the Scottish population have NVQ1 and above or other formal qualifications (January 2019 – Dec 2019).
 - Median earnings for full time workers living in the area (Gross Weekly Pay) fell between 2018 and 2019 from £566.20 to £543.80. The Scottish average was £577.70. Earnings in 2019 were lower than the Scottish average for the first time in 3 years.
 - Working age people account for 63% of all people in Inverclyde (2019 mid-year population estimates). This is 1% lower than for Scotland as a whole.
- 5.17 The projected population changes will have an impact on all service areas, particularly Education

and Social Care, where there will be a need to actively manage the transition from current service delivery arrangements to new models that are built around the needs of the future population.

- 5.18 The deprivation profile will have major implications for services as research indicates that those most vulnerable to poverty are more likely to require greater interventions and experience greater levels of health inequalities and a targeted focus to move individuals out of poverty will come at a significant cost to public agencies.
- 5.19 The predicted demographic changes also have other implications. A decline in younger economically active people and a growth in the older, more vulnerable age group can mean there will be fewer informal carers which could result in a higher dependency on the services provided by the Health & Social Care Partnership.

The public sector landscape in Inverclyde

- 5.20 The public sector landscape has changed significantly over the last 10-15 years in Inverclyde. The development of this mixed economy of public service provision presents new challenges for the Council as it seeks to ensure that outcomes are achieved and that resources are being deployed effectively and efficiently. This is particularly relevant in the context of the LOIP where there will need to be a robust appraisal of whether existing service delivery arrangements across all partner agencies can effectively deliver on the agreed outcomes.
- 5.21 Whilst the Council has to tackle the problems associated with poverty, health inequalities and deprivation now, it also has to look to the future, and ensure that effective intervention is put into place now, to prevent further problems from developing, which will ultimately require expensive interventions. Investment in the lives of our children and young people early on in their lives will result in a better outcomes and quality of life for them as they grow up in the Inverclyde area.
- 5.22 The Community Empowerment (Scotland) Bill places new duties on the Council and its partners to provide new rights for community bodies. The Act came into effect in July 2016 and is beginning to have a significant impact on the way the Council interacts with the Community.

5.23 *Riverside Inverclyde*

Riverside Inverclyde remains a joint initiative between the Council and Scottish Enterprise to regenerate the Clyde Waterfront. It was originally scheduled to run from 2006/7 until 2017/18.

The Council's contribution towards Riverside Inverclyde was originally to be £24 million over the ten year period. In addition the Council has made contributions in kind by transferring specific assets to the Urban Regeneration Company which counted towards the £24 million contribution and a further £6.1 million financial support to specific major Regeneration projects led by Riverside Inverclyde.

Following the most recent governance review it was agreed by the Council and Scottish Enterprise to change the operational governance model due to the reduction in major regeneration projects being progressed by Riverside Inverclyde. The revised arrangements became operational in the summer of 2019. The impact of Covid on RiPH is being assessed.

5.24 *River Clyde Homes*

River Clyde Homes is a not-for-profit housing organisation, which is run by a Board of Tenants, Council nominees and community members. It is regulated by the Government to ensure that it manages housing in the best interests of the tenants of Inverclyde, and the community as a whole.

The transfer to River Clyde Homes of all the Council housing stock was based on significantly more money being available to invest in homes and neighbourhoods and give tenants a real say in the decisions that are made about their housing, with tenants on the Board influencing policies and investment decisions.

5.25 *Inverclyde Leisure*

Inverclyde Leisure is a 'company limited by guarantee', not having share capital and recognised by HMRC and OSCR as having charitable status. In October 2001, the Trust was asked to take responsibility for the management and delivery of Inverclyde Council's sport and recreational services.

The Leisure Trust works in close partnership with Inverclyde Council and other internal and external agencies in order to develop the optimum service for residents and visitors to Inverclyde and so to ensure the Trust's Mission Statement is implemented.

The Council's Community Facilities transferred to Inverclyde Leisure in April 2010 and the transfer of the management of Outdoor Leisure Facilities to Inverclyde Leisure took place in April 2015. Members agreed in November 2019 to the transfer of Whinhill Golf Course to Inverclyde Leisure from 2020/21 Season. Inverclyde Leisure has revised its Business Planning process and a new Business Plan is reviewed annually by the Council. The Council's percentage contribution to the Leisure Trust has reduced considerably and is currently under 30% of the Leisure Trust turnover.

Covid caused the temporary closure of almost all of Inverclyde Leisure's facilities and whilst some have commenced operating, the medium term viability of the current operating model requires review.

5.26 *Inverclyde Health and Social Care Partnership (HSCP)*

The Council and Greater Glasgow and Clyde Health Board established an integrated Community Health and Care Partnership (CHCP) in October 2010. This resulted in greater partnership working and efficiencies in line with the Government's stated objective of integrating aspects of Health & Social Care.

The Public Bodies (Joint Working) Act 2014 resulted in the creation of a HSCP Integrated Joint Board (IJB) during 2015/16 and required a revised Governance and Financial framework. The IJB is a separate legal entity and will receive resources from and delegate resources to the Council and Health Board. The Council was well placed to meet this challenge given the 4 successful years of CHCP operation.

The financial integration became live in April 2016 at a time of continued increasing demands on Council Budgets as the Partnership focuses on building community resources to support the delivery of health and social care services, including the acute sector. To date this arrangement has proven successful with the finances of the IJB being well managed with reserves increased in order to meet the demographic demands.

6.0 Financial Management

Corporate Governance

- 6.1 The Council positively promotes the principles of sound corporate governance within all aspects of its activities.
- 6.2 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Council. It is based around key principles of openness, equality, integrity and accountability.
- 6.3 The fundamental principles of corporate governance should be reflected in the various dimensions of Council business, including;
- Ensuring a community focus underpins the Council's vision and priorities;
 - Ensuring the effective delivery of local services on a sustainable basis;
 - Establishing effective management structures and processes which include clearly defined roles and responsibilities for officers;
 - Developing and maintaining effective risk management systems that form part of the Council's strategic decision making process;
 - Ensuring high standards of propriety and probity in the stewardship of the Council's funds and the management of the Council's affairs;
 - A commitment to openness in the Council's affairs and the provision of full, accurate and clear information to all stakeholders.
- 6.4 The Chief Financial Officer has been designated as "the proper officer" and is responsible for advising the Council on all financial matters.
- 6.5 The Financial Regulations were refreshed and approved in September 2016 and are an essential component of the corporate governance of the Council.
- 6.6 The Financial Regulations are designed to facilitate the smooth running of the Council, protect its interests and the interests of members and officers, and ensure the proper administration of all the Council's financial affairs, including, Partnerships, The Common Good and Sundry Accounts.
- 6.7 Head Teachers must also comply with the Financial Regulations, with the exception of virement which is defined in the Devolved Management of Resources Scheme.

Roles and Responsibilities

- 6.8 It is important to set out clearly the roles and responsibilities of the key parties involved in the Financial Strategy and the management of overall financial resources of the Council.

Elected Members

- 6.9 Elected Members, through Full Council and Committees are responsible for considering and approving budgets and the Financial Strategy for the Council. Approved budgets must be financially balanced and demonstrate value for money and sustainability.

- 6.10 Throughout the year Committees receive reports which allow progress against approved budgets to be scrutinised. All members receive appropriate training in the areas of Financial Strategy, Local Government Finance and key specialist areas such as Treasury and Risk Management.

Corporate Management Team

- 6.11 The Chief Executive, Corporate Directors, Chief Financial Officer, Head of Legal & Property and Head of Organisational Development, Policy and Communications form the CMT, chaired by the Chief Executive, who are responsible, individually and collectively, for ensuring effective financial management across the organisation.
- 6.12 As Budget Holders the Corporate Directors are responsible for the budgets delegated to deliver the services within their Directorate in line with the priorities of the Council. Whilst they may delegate this responsibility within their Directorate they remain accountable in exercising overall financial control.
- 6.13 The CMT set aside time each reporting cycle to consider corporate financial matters including employee costs, key budget lines, earmarked reserves and savings delivery progress.

Chief Financial Officer

- 6.14 The Chief Financial Officer has a statutory role to ensure appropriate arrangements are in place for the proper administration of the financial affairs of the Council. He has the authority to comment and advise CMT, Chief Executive and Elected Members on all financial matters.

Heads of Service

- 6.15 Heads of Service are individually responsible for ensuring that the services within their remit are delivered in line with the agreed policy, and support the strategic direction of the Council. As Budget Holders they are responsible for the budgets delegated to them to deliver their service in a manner which demonstrates value for money in line with the priorities in the Corporate Directorate Improvement Plans.

Budget Managers

- 6.16 Responsibility for budgetary control lies with the Corporate Directors and as delegated budget holders, their Heads of Service and Service Managers. In recognition of the need to ensure budget holders are appropriately supported and trained, Finance Services delivers training to all Heads of Service and Managers on Financial Governance and budgetary control issues.

Financial Support to Services

- 6.17 Each Directorate has a dedicated Finance Manager and Principal Accountant who prepare and monitor the Directorate budget as well as providing a full range of financial advice to the Directorate.

Internal Audit

- 6.18 Internal Audit provide assurance to Elected Members, the Chief Executive and management that the internal processes of the Council are being managed appropriately in line with the overarching policies and outcomes are being delivered in an efficient and effective manner.

External Audit

- 6.19 The role of External Audit is to provide assurance to the Auditor General and the Accounts Commission that the Council has spent public money properly to deliver outcomes in an efficient and effective manner. They also provide assurance to the Elected Members, the CMT and general public that the Council's performance is reported in accordance with the financial standards and presents a fair account of the Council's activities.

Managing the Budget

- 6.20 Committees receive five budget monitoring reports throughout the year. These are jointly prepared by the Chief Financial Officer and the relevant Corporate Director.
- 6.21 The Corporate Management Team receive and discuss a budget overview every budget monitoring cycle covering key budget lines, employee costs, earmarked reserves, progress on the approved savings and key projects with financial implications.
- 6.22 All Services receive detailed budget information five times per year and in addition are sent system generated budget reports in intervening months plus having access to real time information held on the Council's Finance Management System.
- 6.23 The Council operates a risk based approach to budget monitoring ensuring that focus is given to larger and more volatile budgets. The identification of key budgets is agreed annually between Directorates and Finance.

7.0 Financial Outlook

- 7.1 Key financial issues are known or anticipated events and activities that have to be addressed within overall financial resources in the short-term (within 2 years), medium-term (within 4 years) or longer (over 4 years).
- 7.2 Events and activities include efficiencies, planned savings, changes to service priorities and delivery, and known potential pressures. The financial impact of an event or activity may be one-off, recurring or time-limited.
- 7.3 The Council is due to receive Revenue Grant/Non-Domestic Rates Income of 166.076m in 2020/21.
- 7.4 When the Council's own projection of Council Tax Income based on 97.0% collection rate is added (£32.622m) then the income for the Council in 2020/21 is projected to be £198.698m.
- 7.5 The level of resources available to the authority to fund its revenue expenditure is also dependent on Council Tax and the approved budget included a 3.0% increase in Band D Council Tax in 2020/21.
- 7.6 The Financial Strategy covers the period 2020/30 in terms of identifying potential issues, but the revenue forecasts are limited to the period which can be reasonably forecast. A new requirement from 2019/20 was the production and approval of a Capital Strategy which covers a period beyond 2030. This examines a number of long term issues including the sustainability and affordability of borrowing and investment decisions.
- 7.7 The Council has agreed a Reserve Strategy which requires a minimum unallocated General Fund Reserve of 2% of turnover. Based on the 2020/21 Budget this equates to £3.8 million. The overall position of the Reserves shown in Appendix 5 and has been updated to reflect the latest projections. The Reserve Strategy was reviewed and approved by the Policy & Resources Committee in September 2019. Earmarked Reserves and the level of unallocated reserves are reviewed annual as part of the budget process.
- 7.8 The projected budget position in the short to medium term, is set out in the following tables and notes for both revenue and capital. Details of the short, medium and long-term issues identified in consultation with Services are contained at Appendices 1, 2 and 3.

Table 3

Finance Strategy - December 2020

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Base Budget for Prior Year	191.934	198.698	197.698
<u>UPLIFTS FROM PRIOR YEAR</u>			
<u>Inflation (Note 1)</u>			
Pay Inflation	3.150	3.000	3.000
Other Inflation	1.500	1.500	1.500
Income	-0.130	-0.130	-0.130
	<u>4.520</u>	<u>4.370</u>	<u>4.370</u>
<u>Budget Increases (Note 2)</u>			
General Pressures	0.200	0.800	0.400
	<u>0.200</u>	<u>0.800</u>	<u>0.400</u>
<u>Adjustments (Note 3)</u>			
Other Adjustments Applied	0.096	0.018	0.000
New Funding Per SG Settlement	6.051	0.000	0.000
Policy Pressure Approved (Feb/Mar 19)	0.067	0.000	0.000
Contribution from Reserves (Mar 19)	0.830	0.000	0.000
Reinvestment Fund (Mar 20)	0.750	0.000	0.000
Net Revenue Budget Before Savings	<u>204.448</u>	<u>203.886</u>	<u>202.468</u>
<u>Funded by: (Note 4)</u>			
Revenue Grant/NDR Income	166.076	165.076	164.076
Council Tax Income (Net of CTR)	32.622	32.622	32.622
	<u>198.698</u>	<u>197.698</u>	<u>196.698</u>
Annual Budget Before Savings (Surplus)/Deficit	<u>5.750</u>	<u>6.188</u>	<u>5.770</u>
Cumulative Budget Gap before Savings	<u>5.750</u>	<u>11.938</u>	<u>17.708</u>
<u>Savings Applied (Cumulative)</u>			
Adjustments Approved September 2017	-0.300	-0.600	-0.900
Service Committee Reports Approved March 2018	-0.103	-0.103	-0.103
Adjustments Approved November 2018	-0.011	-0.011	-0.011
Adjustments Approved February 2019	-0.037	-0.037	-0.037
Adjustments Approved March 2019	-0.015	-0.015	-0.015
Savings Approved March 2019	-0.879	-0.879	-0.879
Adjustments Approved September 2019	-1.088	-1.137	-1.177
Adjustments Approved November 2019	-1.617	-1.798	-1.817
Adjustments Approved February 2020	-0.353	-0.353	-0.353
Adjustments Approved February 2020 Full Council	-1.071	-1.071	-1.071
Savings Approved March 2020	-0.276	-0.360	-0.360
Savings Approved March 2020 ERR	0.000	-0.040	-0.040
Savings Approved November 2020 P&R	0.000	-0.683	-0.695
Approved Budget (Surplus)/Deficit	<u>0.000</u>	<u>4.851</u>	<u>10.250</u>

Finance Strategy Notes – December 2020

Note 1 Inflation

- a) Pay – The allowance for pay inflation is an allowance available over the 3 year period to fund all pay related pressures including the annual pay award, impacts of living wage, increases in employers national insurance/pension costs, and movement in service bottom up employee budgets. Figures for 2021/23 reflect proposals identified in Finance Strategy approved May 2020.
- b) Other Inflation – Inflation had been at a low rate in recent times and as such the allowances have been greatly reduced. However, the allowance will come under pressure in future. Figures for 2021/23 reflect proposals identified in Finance Strategy approved May 2020.
- c) Income – Reflects an annual increase of 3% on fees & charges income as part of the budget decisions approved November 2019.

Note 2 Budget Increases

- a) General Pressures – Reflects allowance identified in Finance Strategy approved May 2020 re-phased based on latest information.

Note 3 Adjustments

- a) Other Adjustments – Reflects School Transport pressure approved November 2019 and other minor adjustments.
- b) New Funding – Reflects new funding received as part of the Settlement February 2020. The majority of the funding relates to Teachers Pay and Teachers Superannuation costs and new funding for Health & Social Care Partnership.
- c) Policy Pressures – Reflects pressures approved as part of the 2019/20 budget process.
- d) Contribution from Reserves – As part of the 2019/20 budget process, the Council approved use of reserves to fund the 2019/20 budget for 1 year.
- e) Reinvestment Fund – Funding approved as part of the 2020/21 budget process to help reduce poverty and deprivation within Inverclyde.

Note 4 Funded By

- a) Reflects 2020/21 Finance Settlement included in Scottish Government Circular 4/2020. The 2021/23 figures are estimated based on continuing grant loss due to Depopulation. Figures reflect budget decisions taken March 2020.
- b) Council Tax Income is shown net of Council Tax Reduction (CTR) Scheme. Grant is included within Council General Revenue Grant for CTR. Figures reflect decision to increase Council Tax by 3% on 20 February 2020. No increase is reflected for 2021/23.

Other Short Term Revenue Issues

The main remaining risks associated with the 2020/21 budget position will be around non-pay inflation allowances, the funding of significant Covid related costs and increasing demand for certain services. Close monitoring and regular reporting to Committee will ensure officers report any significant variances at the earliest opportunity. For 2021/22 there is unprecedented uncertainty with delays in the main budget announcements at a UK and Scottish level with the impact of Covid and Brexit both expected to feature heavily. In light of this the Council Strategy is to provide clarity on service levels, investment and job security at the earliest possible time.

7.9 Medium to Long Term Revenue Issues

Looking beyond 2022 becomes increasingly difficult with uncertainty around the level of funding likely to be available, the impact of the Scotland Act, Brexit and the use the Scottish Government will make of its new powers and now the ongoing funding pressures due to Covid.

The incremental impact of current major initiatives have been fully incorporated the overall Budget.

Post 2021/22 the main issues impacting on the revenue budget will be:

- **Funding will be impacted by future population change/demographic shifts and any changes to the way local government in Scotland is funded.**
- **Decisions of the new Scottish Government regarding any protection afforded to Local Government or other parts of the Budget plus the use that is made available tax raising powers.**
- **Welfare Reform changes and associated budget cuts will continue to impact on Council Services from both a demand and funding perspective.**
- **Health and Social Care integration continues to become embedded but the fundamental fact is that there is not enough money in current budgets to meet increasing demand.**
- **Pension costs influenced by the impact of auto-enrolment, the changes to LGPS and Teachers Pensions, plus costs associated with the Council resizing its workforce in order to balance its budgets and potential changes to Pension Tax Relief.**
- **Costs associated with sustainability including waste disposal and recycling, energy and fuel costs and general procurement inflation due to increased global demand for raw materials.**
- **Overall global economic situation arising from Covid and the Brexit vote resulting in uncertainty interest rates, investment returns, inflation levels and further reductions in public sector funding.**

7.10 The fundamental issue for the Council is that at some point if the squeeze on the public sector finances and the decline in population continues then the area could become unviable as a unit of administration and this will have an associated impact on other local services such as health, police and fire.

7.11 Table 4 shows the high level estimate of the 2021/24 budget gap based on the above. In line with good practice tables 4b and 4c provide two further scenarios based on different assumptions. Table 4b represents an “optimistic” scenario and Table 4c representing a “pessimistic” scenario. These figures are heavily caveated due to the major uncertainty caused by Covid and the lack of clear data around the short/medium term impact on inflation, the economy and funding for the Public Sector.

Table 4a

2021/24 Budget Gap - Mid Range Estimate

	2021/22	2022/23	2023/24	2021/24
	£m	£m	£m	£m
1/ Estimated Block Grant Reduction	0.0	0.0	0.0	0.0
2/ Continuing cash cut due to Depopulation	1.0	1.0	1.0	3.0
3/ Inflation - Pay	3.0	3.0	3.0	9.0
- Non-Pay	1.5	1.5	1.5	4.5
4/ Pressures				
- General Pressures	0.8	0.4	0.6	1.8
5/ Savings Approved to March 2020	(0.5)	(0.2)	-	(0.7)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0.0	(0.6)
Savings Approved (Nov 2020)	(0.7)	-	-	(0.7)
	4.8	5.4	6.1	17.0

a/ Assumes no use of £3.0million Smoothing Reserve over 2021/23.

b/ Assumes no new Prudential Borrowing above that already contained in the Loans Charges model.

c/ Assumes no Council Tax increase. (3% annual increase would raise £0.95 million per year)

d/ The GRG/NDRI assumption excludes any hypothecated grant increases eg: Early Years as this is ring fenced to deliver new policies rather than fund existing service provision.

	2021/22	2022/23	2023/24
e/ Key Assumptions	%	%	%
GRG/NDRI	0	0	0
Pay Inflation	2.5	2.5	2.5

Table 4b**2021/24 Budget Gap - Optimistic Scenario**

	2021/22	2022/23	2023/24	2021/24
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Block Grant Increase	(2.4)	(2.4)	(2.4)	(7.2)
Continuing Impact of Depopulation	1.0	1.0	1.0	3.0
Inflation - Pay	1.8	1.8	1.8	5.4
- Non-Pay	1.0	1.0	1.0	3.0
Pressures				
- General Pressures	0.8	0.4	0.6	1.8
Savings Approved to March 2020	(0.5)	(0.2)	0.0	(0.7)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0.0	(0.6)
Savings Approved (Nov 2020)	(0.7)	-	-	(0.7)
Funding Gap	<u>0.7</u>	<u>1.3</u>	<u>2.0</u>	<u>4.0</u>

a/ Assumes no use of £3.0million Budget Smoothing Reserve over 2021/23.

b/ Assumes no new Prudential Borrowing above that already contained in the Loans Charges Model.

c/ Assumes no Council Tax increase (3% annual increase would raise £0.95 million per year)

d/ The increase in Block Grant excludes hypothecated funding increases eg Early Years etc

<u>e/ Key Assumptions</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	%	%	%
GRG/NDRI	1.5	1.5	1.5
Pay Inflation	1.5	1.5	1.5

Table 4c**2021/24 Budget Gap - Pessimistic Scenario**

	2021/22	2022/23	2023/24	2021/24
	£m	£m	£m	£m
Block Grant Reduction	2.4	2.4	2.4	7.2
Continuing Impact of Depopulation	1.0	1.0	1.0	3.0
Inflation - Pay	3.6	3.6	3.6	10.8
- Non-Pay	1.5	2.0	2.0	5.5
Pressures				
- General Pressures	0.8	0.8	1.0	2.6
Savings Approved to March 2020	(0.5)	(0.2)	0	(0.7)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0	(0.6)
Savings Approved (Nov 2020)	(0.7)	0	0	(0.7)
Funding Gap	7.8	9.3	10.0	27.1

a/ Assumes no use of £3.0million Budget Smoothing Reserve over 2021/23

b/ Assumes no new Prudential Borrowing above that already outlined in the Loans Charges Model.

c/ Assumes no Council Tax increase. (3% increase would raise £0.95 million per year)

d/ The GRG/NDRI assumption excludes any hypothecated grant increases eg: Early Years as this is ring fenced to deliver new policies rather than fund existing service provision.

e/ Key Assumptions	2021/22	2022/23	2023/24
	%	%	%
GRG/NDRI	-1.5	-1.5	-1.5
Pay Inflation	3.0	3.0	3.0

7.12 Short to Medium Term Capital Projections

The Council agreed a 3 year Capital Programme covering 2020/23 in March 2020. A 5% overprovision was built in to allow for increased resources/project cost reductions.

7.13 Long-Term Capital Projections

There is greater certainty around capital spend for the post 2022/23 period due to the fact that asset management plans will continue to utilise nearly all available funding i.e. Schools, Operational Properties, Roads, Lighting, Vehicles, Open Spaces and ICT.

Given the difficult position the Council faces on revenue expenditure, it is essential that future capital expenditure proposals are largely self-financing through the release of other capital assets, use of Reserves as well as delivering efficiencies which will secure ongoing revenue savings.

It is hoped that Local Government Capital Grants may increase in the medium term. Given the major revenue financial pressures the Council needs to seriously consider using any increase in grant to reduce prudential borrowing/use of reserves rather than identifying new projects.

Table 5 - Capital Programme 2020/2023 (Medium Term Capital Projections)

Table 5

<u>Expenditure/Projects by Committee</u>	<u>2020/21</u> £m	<u>2021/22</u> £m	<u>2022/23</u> £m	<u>future</u> £m	<u>Totals</u> £m
Policy & Resources	0.53	0.55	0.42	0.00	1.50
Environment & Regeneration	10.33	17.43	11.52	0.23	39.51
School Estate	3.55	8.74	3.13	1.00	16.41
Education & Communities (Exc School Estate)	0.45	2.20	0.78	0.00	3.43
CHCP	0.18	4.72	3.50	0.00	8.39
	15.02	33.65	19.35	1.23	69.24
<u>Financed By</u>					
Government Grant	6.47	7.10	7.10	0.00	20.67
Sales/Contributions	0.58	0.42	0.10	0.00	1.09
Other Income	3.84	0.24	0.00	0.00	4.08
Revenue	1.17	10.74	0.89	0.00	12.80
Prudential Borrowing	2.18	5.41	4.42	0.23	12.24
Resources Carried Forward	16.05	0.00	0.00	0.00	16.05
	30.28	23.92	12.51	0.23	66.94
					<u>2.30</u>
					Shortfall in Resources

Notes

- 1 As per Nov 2020 P&R Committee

8.0 Treasury Management

- 8.1 Inverclyde Council has adopted the CIPFA “Treasury Management in the Public Services – Code of Practice” which sets out good practice for treasury management governance. The Council complies with legal and regulatory requirements in relation to its Treasury Management activities and has appointed consultants to provide advice on Treasury Management issues, including technical issues and the formulation of views on interest rates.
- 8.2 In complying with the Code of Practice, the Council produces a Treasury Management Practices document which sets out how the Council will manage and control its Treasury Management activities. This document is submitted to Committee for approval every three years with approval also being sought for any amendments in the intervening period.
- 8.3 The requirements for Treasury Management reporting following the implementation of the revised CIPFA Treasury Management Code of Practice has resulted in the following:
- An annual Treasury Management Strategy submitted at the start of the financial year and which includes the Council’s Prudential Indicators and covers issues such as the economic situation, the prospects for interest rates, and the Council’s borrowing and investment strategy for the coming year.
 - A mid-year review of the Strategy which include details of the Council’s debt and investment position, activity undertaken during the quarter, and performance to date against the Council’s Prudential Indicators and agreed policy limits.
 - An Annual Report for Treasury Management which is submitted to Members before the end of September each year and which advises Members of the Treasury Management activities during the previous financial year.
 - Since 2018/19 there is the requirement to produce a Capital Strategy which is also reviewed annually.

It should be noted that whilst all the above reports will go to the Policy & Resources Committee for initial scrutiny, all now require to go before the Full Council for approval.

- 8.4 Table 6 below shows the Council’s debt and investments position as at 31/10/20.

Table 6 – Council’s Debt and Investment Position – 31/10/20

The Council’s treasury portfolio position at 31/10/20 comprised:

		Principal		Average Rate
		<u>£000</u>	<u>£000</u>	
Fixed rate funding	PWLB	109,065		3.57%
	Market	56,000	165,065	
Variable rate funding	PWLB	0		4.91%
	Market	43,665	43,665	
TOTAL DEBT			208,730	3.85%
TOTAL INVESTMENTS			43,933	0.27%

9.0 Reserves

9.1 A key aspect of the consideration of the Financial Strategy is the position of the General Fund Reserves. The Reserves Strategy was last reviewed and approved by Council in September 2019.

9.2 Reserves can be held for three main purposes:-

- A working balance to help cushion the impact of uneven cash flows - this forms part of General Reserves.
- A contingency to cushion the impact of unexpected events or emergencies which also forms part of General Reserves.
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

9.3 The Reserves Strategy is based on the core General Fund Reserve being maintained at a level of 2% of turnover. A turnover of approximately £190 million results in a core General Fund Reserve of £3.8 million. In the event that the Reserves are projected to fall below this level then Members must have a clear route for bringing Reserves back up to the level over the subsequent three financial years.

9.4 The Reserves Strategy also assumes the continued use of earmarked reserves. In this way, earmarked reserves can be separated from the core General Fund Reserve which should allow Members to more transparently track the underlying reserves position. Earmarked Reserves are reviewed annually as part of the budget process.

9.5 Within Inverclyde Council the main Reserves/Funds comprise; General Fund Reserve, Insurance Fund, Capital Fund and Repairs & Renewals Fund. The latest projected position is shown below.

9.6 (a) General Fund "Free" Reserves – This Reserve represents the Council's contingency for unforeseen/unquantifiable events. The level of the Reserve is determined by the Reserve Strategy whilst the projected balance is reported to each Policy and Resources Committee. See Appendix 5.

Balance 31/3/20 = £5.305 million

(b) Insurance Fund – The Insurance Fund balance is required to meet Insurance Liabilities not covered by external Insurance Policies. The balance on the Fund is reviewed every 3 years by an independent actuary who comments upon not only the balance of the Fund but also the on-going internal contributions to the Fund. See Appendix 8.

Balance 30/9/20 = £3.383 million

(c) Capital Fund – The Capital Fund is a Fund into which Capital Receipt income can be paid and used to fund either capital investment or repay the Principal element of debt repayments. The balance and planned usage of the Capital Fund is incorporated into the Financial Strategy. See Appendix 6.

Projected Balance 31/3/21 = £0.268 million

(d) Repairs & Renewals Fund – The Repairs & Renewals Fund consists of sums received from external parties or allocated directly from Council resources which are thereafter released on a phased basis to maintain specific assets. Use of specific allocations to the Fund are agreed by Policy & Resources Committee and the overall position will be reported as part of the Financial Strategy. See Appendix 7.

Projected Balance 31/3/21 = £2.742 million

10.0 Monitoring, Reporting and Review Processes

- 10.1 The Financial Strategy should be a dynamic, relevant document and will be monitored on an ongoing basis by Finance - it will also be formally reviewed twice yearly, in May and then in November.
- 10.2 The formal review of the Financial Strategy will be reported to CMT and Full Council on a six monthly basis – there will also be capacity to review the Strategy as and when required, particularly when a new issue arises or the impact of major policy or initiative becomes clearer.
- 10.3 The Financial Strategy will only be revised if there are material changes to estimates, projections or policy which will have a financial impact however issues which may impact will be flagged up in the regular General Fund Budget reports to Policy & Resources Committee.
- 10.4 The deminimus level for a major impact requiring immediate review is 50% of the core General Fund reserves, £1.9 million, subject to the opinion of the Chief Financial Officer.
- 10.5 The financial management principles and expectations have been communicated and are understood by all Chief Officers and budget holders.
- 10.6 The Financial Strategy has been drawn up with the full involvement of the CMT and, will be communicated throughout the organisation.

11.0 Risk Management

- 11.1 The Council has developed a Corporate Risk Register, Directorate Risk Registers and individual service risk registers where appropriate.
- 11.2 Further work has also been undertaken to develop a Risk Register for the Financial Strategy and the required actions to mitigate risks – these are set out in the table below.
- 11.3 The risk assessment below considers the risks to our financial position arising out of matters considered in this Financial Strategy and utilises the same methodology used for the Corporate, Directorate and Service Risk Registers.

Risk	Management of Risk
<p>The Financial Strategy does not reflect in financial terms the objectives set out in other strategic plans of the Council.</p>	<p>The Financial Strategy provides a high level overview of the various strategic plans the Council has signed up to – it acknowledges that there will inevitably be financial implications arising from the Corporate Plan but it is not possible to quantify all of these at present.</p> <p>The Financial Strategy is updated as further information becomes available regarding these strategic plans.</p>
<p>The directorate planning process will identify a range of additional budget pressures over and above those currently considered in this Financial Strategy.</p>	<p>The Directorate Planning Guidance identifies that Corporate Directorate Improvement Plans (CDIP) should reflect the resources allocated – the need for additional resources to achieve a particular priority should be specifically identified via the Financial Strategy prior to the preparation of the CDIP.</p>
<p>Forecasts within the Financial Strategy are not accurately determined or reviewed on a regular basis.</p>	<p>The Budget and Financial Strategy set out the expected levels of expenditure and income for the future. The forecasts are arrived at through careful consideration of historic trends and actual expenditure levels and any factors which may have an impact in the future.</p> <p>Three scenarios are included in the Strategy based on Pessimistic, Mid-Range and Optimistic. This provided a broad range of potential outcomes.</p> <p>Throughout the financial year, the Council regularly monitors its financial performance against its budgets and will revise them where necessary, subject to remaining within the agreed overall budget for the Council.</p>
<p>There is a continuing need to deliver significant cuts and efficiencies over the medium to long term. Robust and detailed plans will be required on an operational level to ensure that this risk is mitigated and savings are duly delivered.</p>	<p>The risks relating to the delivery of savings will be mitigated by robust monitoring and financial control through the budget monitoring process, with action plans being required to find compensating savings for any overspends identified.</p> <p>Individual savings are reviewed by Change Boards and lead officers on a regular basis with material issues reported to the CMT and if required, Committee.</p>

<p>Income budgets not achieved or become unsustainable.</p>	<p>Chief Officers are consulted on proposed increases in income budgets/fees and charges and have the opportunity determine the levels of individual charges to achieve the budgeted income target.</p> <p>Equally, income budgets are monitored throughout the financial year and where a shortfall in income is anticipated, this is highlighted in reports to Committee.</p> <p>Proposals to increase fees and charges are reviewed in line with the Council's Charging Policy prior to reporting to Committee.</p>
<p>The Council has insufficient capital resources to sustain capital commitments.</p>	<p>The Council has already identified through the Financial Strategy a reduced reliance on capital receipts and Government Grants in the medium term.</p> <p>The combination of reduced funding and the economic position mean that the Council has to focus on maintaining key infrastructure whilst utilising prudential borrowing for specific capital projects.</p> <p>The Council has Asset Management Plans for all its assets with all the above issues captured within the Financial Strategy.</p> <p>The Council produces a Capital Strategy which looks at the longer term need, funding & sustainability of the capital programme.</p>
<p>Bankruptcy of a major supplier or customer which could result in the Council having to pay twice for the same service or see artificially inflated prices if a replacement service needs to be obtained at very short notice.</p>	<p>The Council has reviewed its procurement process and a procurement manual has been developed which includes supplier financial appraisal at PQQ stage. This will ensure that the financial position of new contractors is vetted prior to ITT stage and entering into any large contracts.</p> <p>The Council only pays in advance for Services by exception.</p> <p>Regular reviews of financial position are undertaken for key suppliers on an ongoing basis.</p>
<p>Legislative changes are not anticipated and the financial impact is not addressed through the budget process of Financial Strategy.</p>	<p>Chief Officers are required to highlight the impact of legislative changes through the strategic planning and budgeting process and the likely resource requirement.</p> <p>In addition COSLA has a key role in assessing the financial impact of changes in legislation and lobbying for Councils to be funded appropriately.</p>

<p>Interest rates on borrowing may be higher than forecast.</p>	<p>Regular review of treasury management decisions. Prudent assumptions on likely interest rates have been incorporated into Financial Strategy. Borrowing is spread to reduce impact of short-term changes.</p>
<p>Reserves are required to cashflow unanticipated budget shortfalls and fall below minimum recommended level.</p>	<p>Reserve Strategy is in place which clearly states that there must be a clear route to bring reserves back up to the minimum level over the subsequent 3 financial years.</p>
<p>Revenue implications of capital programme/projects are not fully anticipated.</p>	<p>All capital projects identify revenue implications and link into Council priorities. All capital projects are subject to a robust approval process which includes a review of revenue implications.</p>
<p>The decision to leave the European Union will provide impacts which are not fully reflected in the Financial Strategy.</p>	<p>The Council engages with partners in assessing potential risks and impacts. The Scottish Planning Assumptions are regularly reported to the Environment & Regeneration Committee.</p>
<p>As the threats from the Covid-19 pandemic continue, the economic landscape is marked by volatility. The Council is facing significant financial challenges as a result of disrupted operations, higher revenue costs and lost income. The Council continues to incur significant additional costs in responding to the crisis. There is also a significant risk to the delivery of planned savings.</p>	<p>There is regular reporting to Members on the budget position and forecasts with the Policy & Resources Committee agreeing in August 2020 how the extra costs are funded. Cosla continues to lobby Scottish and UK Governments for funding. Directors of Finance share common information and assumptions. Ongoing implications are being built into the 2021/22 Budget.</p>

Short-Term Issues (2020/22)

The tables in Appendices 1, 2 and 3 have been developed through ongoing consultation with the CMT by the Chief Financial Officer to develop detailed knowledge of the issues to inform the Financial Strategy and future budget setting.

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Corporate	Covid-19	Increased costs/reduced income will impact on the approved 2020/21 Budget and the 2021/22 Budget Plans.	Members agreed how estimated 2020/21 costs are funded. MBWG/CMT to consider all on going impacts on 2021/22 Budget.	Alan Puckrin	August 2020
	Equal Pay	Provision for outstanding claims may not be sufficient.	Offers issued and payments made to address the vast majority of outstanding claims. Provision will continue to be monitored and reviewed taking account of relevant legal judgements and advice from the Council's legal advisors.	Alan Puckrin	March 2021
	Inflation	Uncertainty over non-pay inflation pressures are not fully clear over the period.	Offers issued and payments made to address the vast majority of outstanding claims. Provision will continue to be monitored and reviewed taking account of relevant legal judgements and advice from the Council's legal advisors.	Steven McNab	Ongoing
	Auto-enrolment	Amount set aside for auto-enrolment is an estimate and full cost may be greater than estimated.	Inflation allowances are regularly reviewed. Regular monitoring and reporting to CMT/Members.	Alan Puckrin	Ongoing
	Brexit	There could be an immediate impact of the UK leaving the EU and this may result in funding pressures from 2021.	Monitoring via the Bottom Up Budget.	Steven McNab	February 2021
			The CMT will monitor the situation and will present reports to Committee as required.	Scott Allan	Ongoing

Social Care	Relationship with Service Providers.	Managing provider expectations whilst in a period of uncertainty over the future of the National Care Home Contract along with expectations from those providers out with this contract to fund inflation/impact of pensions/living wage.	Monitor development and report as required.	Louise Long	Ongoing
	Children's Services	Significant demand in the system will lead to increased costs.	Monitor and report as required and consider as part of 2021/23 Budget.	Louise Long	January 2021
Education & Communities	Inverclyde Leisure – Reduction in Income	A major source of income for IL comes from its fitness gyms. Competitors are due to move into the area and this plus Covid legacy could lead to an increase in Council funding.	Revised Business Plan due December 2020.	Ruth Binks/Alan Puckrin	December 2020

Medium-Term Issues (2022/24)

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Corporate	Funding gap passed to New Council in May 2022.	Would require quick and decisive action from the new Council which will have a significant impact on certain services.	Take opportunities up to March 2022 to minimise any funding gap.	Alan Puckrin/CMT	Throughout 2021/22
	Reductions in other public sector partner's funding streams	As Public Sector funding reductions continue, partners are reducing their contributions to key Council priorities.	Continue dialogue with partners.	Corporate Directors	Ongoing
	Reduction in Council Funding	Funding over 2022/24 likely to be further reduced in real terms in line with UK Fiscal Policy and increasing ring fencing by the Scottish Government.	Await next Scottish Government Spending Review figures and factor into revised Financial Strategy.	Alan Puckrin	December 2021
	Welfare Reform	Impact of Welfare Reform and increase in demand for Services can only be estimated.	Update reports going to Committee each cycle.	Alan Puckrin	Ongoing
	Removal of key services from Council control.	Scottish Government could review Public Sector landscape which could result in loss of large parts of the Council remit and resultant impact on corporate viability.	Keep track of developments and report to Committee as required.	Aubrey Fawcett	Ongoing
	Increased cost for externally provided contracts and services due to the Living Wage.	There is a clear desire to ensure suppliers of Council Services pay the Living Wage. This could add significant costs to the Council if passed on by suppliers.	Monitor developments and report to Committee when required.	Corporate Management Team	Ongoing
	Potential changes to funding of Local Government	Scottish Government continues to cap Council Tax but may introduce local taxation flexibility.	Monitor National developments and report as required.	Alan Puckrin	Ongoing
	Further increase in Pension Costs	Potential changes to Pension Tax Relief would add costs to both to Council and employees.	Monitor development and report to Committee when required.	Steven McNab	Ongoing
	Brexit	In addition to the immediate impact of the UK leaving the EU and this may result in funding pressures in the medium term.	The CMT will monitor the situation and will present reports to Committee as required.	Scott Allan	Ongoing

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report</u>
Social Care	Independent Review of Audit Social Care	Potential major impacts on IJB and Council Budgets if not appropriately funded.	Members developments, contribute to relevant forums and report as required.	Louise Long/Alan Puckrin	December 2021
	Ongoing Demographic demand pressures across many Social Care areas and ongoing drive towards Self-Directed Support, Independent Living and Continuing Care.	Continuing increased demand will put considerable pressure on “flat cash” budgets.	Await detail of future settlements and model potential scenarios.	Louise Long/Alan Puckrin	
	Impact of inclusion of elements of the Acute Health Services within the IJB Budget.	Potential for the Council to have to meet a proportion of any overspend caused by increasing pressure on Health Budgets.	Regular monitoring of the IJB Strategic Plan and financial projections added to supporting robust financial scrutiny by the IJB.	Louise Long	Ongoing
Education & Communities	School Estate Management Plan	Reduced Capital resources and corporate cost pressures may make current planned investment in SEMP post 2021 unsustainable.	Six monthly review of all aspects of SEMP to continue. Recent review reflects approved acceleration programme is still affordable in line with plan for completion	Ruth Binks/ Alan Puckrin	Ongoing
	Early Years – Funding Review	Funding is not sufficient to meet all the requirements in the legislation.	Funding now known to 2022. Council Costs to be contained within this sum. Review sustainability once 2022/23 figures are known.	Ruth Binks	March 2022
Environment & Regeneration	Biodegradable Waste diversion from Landfill.	From January 2025 all biodegradable waste is to be diverted from landfill. The financial implications could be significant.	Monitor and develop options and report to Committee via CMT.	Scott Allan	March 2022

Long-Term Issues (Post 2024)

Appendix 3

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report</u>
Corporate	Depopulation and Change of Demographics	Continued loss of grant income, over provision of infrastructure. Viability of area under threat.	Population/Demographic trends to be monitored and reported to the Council and Alliance on a regular basis.	Steven McNab	Ongoing
Social Care	Increase in number of Elderly and Adults with Learning Difficulties and resource implications of policy direction of Independent Living and Self Directed Support.	Significant costs associated with reshaping, expanding delivery models.	Develop as part of HSCP Strategic Plan.	Louise Long	Ongoing
Environment & Regeneration	Regeneration of Greenock and Port Glasgow Town Centres.	Reports to Committee have identified significant investment needs within the Greenock and Port Glasgow Town Centre areas. Whilst contributions will be sought from Partners and the Private Sector the Council will require to provide a large amount of the funding.	Develop a funding model with clear outputs and funding sources.	Scott Allan	Ongoing
	Global Warming/Climate Change leading to rising sea levels	Significant impact on Council area with increased flooding and expenditure on sea defences.	6 year SEPA Flood Plan includes funding for a number of Council projects approved in Summer 2016.	Scott Allan	Ongoing
	Closure of major local employer	Could further increase rate of depopulation and would significantly impact of areas regeneration efforts.	Work with all partners to identify areas of risk and mitigating actions.	Scott Allan/Stuart Jamieson	As required

Jan 20 RPI

Appendix 4

School Estate - Earmarked Reserves

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Earmarked Reserve b/fwd	668	45	75	195	237	338	354	271	77	-232
Available Savings added (a)	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
Extra Financing (b)	2,505	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955
Prudential Schools Loan Charges (c)	-4,608	-4,658	-4,613	-4,571	-4,632	-4,717	-4,816	-4,927	-5,042	-5,175
Unitary Charge Payment (d)	-8,742	-8,742	-8,742	-8,742	-8,742	-8,742	-8,742	-8,742	-8,742	-8,742
Unitary Charge Inflation Element (e)	-1,455	-1,661	-1,871	-2,085	-2,304	-2,527	-2,854	-3,086	-3,322	-3,564
Unitary Charge Funding from Inflation Contingency	1,455	1,661	1,871	2,085	2,304	2,527	2,854	3,086	3,322	3,564
One Off Costs (f)	-326	-73	-28	-148	-28	-28	-28	-28	-28	-28
Extra Revenue Repairs (g)	-230	-230	-230	-230	-230	-230	-230	-230	-230	-230
Unitary Charge RSG	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096
Earmarked Reserve c/fwd	45	75	195	237	338	354	271	77	-232	-674

(a) Savings now completed.

(b) 650k increase from 2021/22 to fund acceleration of programme. £240k reduction from 2020/21 due to Capital Fund contribution in lieu of receipts ceasing. £200k reduction from 21/22 to reflect the review of future loans charges.

(c) Uses a pool fund rate of 3.50% for 20/21, 3.54% for 21/22, 3.47% for 22/23, 3.40% for 23/24, 3.45% for 24/25, 3.53% for 25/26, 3.63% for 26/27, 3.75% for 27/28, 3.88% for 28/29, 4.04% 29/30. No contingency. Reflects costs of acceleration of programme.

(d) Based on Actual Unitary Charge at Jan 2011 RPI of £8.842 million less £100k saving from 2018/19.

(e) Base at Jan 2020 RPI. Assumes 2.0% annual inflation (3% RPI discounted by factor of 1.5).

(f) £375k per year added for additional school buses up to Aug 20, £10k Hillend Costs moved from 19/20 to 20/21, £135k added 2020/21 & 2021/22 for 9 additional months hire of Modular Buildings at Gourcock PS. £72k added 20/21 for St Mary's Decant Buses. £28k per year Pension Costs added from 2020/21.

(g) Extra revenue repairs budget set aside for School buildings life cycle works as per Property Services schedule.

Finance Strategy
General Fund "Free" Reserves
December 2020

	£000
Reserves Balance at 31st March 2020	5,305
Budgeted Contribution to Reserves: Note 1	
2019/20 Outturn Earmarked for 2020/23	15,889
	<u>0</u>
	15,889
Planned Use of Reserves 2020/23 Note 2	(20,680)
Projected Surplus (Deficit) 2020/21 Note 3	3,754
Projected Free Reserves Balance 31st March 2021	4,268

GRG/NDR/Council Tax is approximately £190 million. Recommended minimum level of reserves is 2% / £3.8 million.

Notes:

- 1/ 2020/21 figures reflect a balanced budget set at 2020/21 budget setting process.
- 2/ Represents decisions taken between February 2015 and March 2020 and based on latest phasings.

<u>Approved Use of Reserves</u>	2020/21 £000	2021/22 £'000	2022/23 £'000	Total £000
February 2017 - £5.500m	(1,008)	(1,040)	(114)	(2,162)
March 2018 - £8.858m	(406)	(3,437)	(134)	(3,977)
March 2019 - £4m	(127)	(962)	(90)	(1,179)
May 2019 - £0.12m	(87)	0	0	(87)
September 2019 - £0.5m	(200)	(277)	0	(477)
March 2020 - £8.207m	(6,202)	(978)	(827)	(8,007)
August 2020- Additional Covid Related Costs	(4,791)	0	0	(4,791)
	<u>(12,821)</u>	<u>(6,694)</u>	<u>(1,165)</u>	<u>(20,680)</u>

- 3/ Figure reflects projected surplus reported to Policy & Resources Committee October 2020 (Period 6) :

	2020/21 £000	2021/22 £000	2022/23 £001	Total £000
Projected Surplus (Period 6)	469	0	0	469
Approved write back Earmarked Reserves	3,285	0	0	3,285
	<u>3,754</u>	<u>0</u>	<u>0</u>	<u>3,754</u>

AP/AE
05/11/20

Finance Strategy
Capital Fund

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Balance B/fwd	(2,236)	(346)	(1,807)	(1,958)	(2,134)	(2,235)	(2,236)
Additions (Estimate)	(635)	(2,061)	(150)	(175)	(100)	0	0
Interest (Estimate)	(15)	0	(1)	(1)	(1)	(1)	(1)
Principal Repayments	240	0	0	0	0	0	0
Other Payments	2,300	600	0	0	0	0	0
Balance at Year End	(346)	(1,807)	(1,958)	(2,134)	(2,235)	(2,236)	(2,237)

Notes	a	Estimated Receipts:
	2019/20	SEMP Receipts, £0.015, Kings Glen Licence
		SEMP Receipts, return of £0.43m, Kings Gen, due to site abnormalities.
		Other Receipts, £0.279m, Business Store, Ravenscraig Deed of Servitude
		Recovery of Scottish Enterprise Clawback, £0.731m
		Contribution from Affordable Housing Fund, Cumberland Walk, £0.040m
	2020/21	SEMP Receipts, £1.835m remainder of Greenock Academy & Sacred Heart Sites, Kings sGlen House Plot
		SEMP Receipts, return of £0.535m, St Stephens & Barmoss, due to site abnormalities.
		AMP Receipts, £0.050m, Glenbrae
		Other Receipts, £0.670m, Golf Road, Bank St & McPherson Centre
	2021/22	AMP Receipts, £0.050m, Glenbrae
		Other Receipts, £0.100m, Leperstone Avenue
	2022/23	Other Receipts, £0.175m, Former Garvel Centre, Leperstone Avenue
	2023/24	Other Receipts, £0.100m, Leperstone Avenue

**Finance Strategy
Repairs & Renewals Fund**

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Balance B/fwd	(3,256)	(3,338)	(2,774)	(2,601)	(1,916)	(1,885)	(1,859)
Additions:							
Environmental Maintenance	(134)						
Leisure Strategy	(1)	(1)	(9)	(9)	(9)	(9)	(9)
Central Energy Efficiency Fund							
Maintenance Payments:							
Environmental Maintenance	34	36	71	36	41	36	36
Leisure Strategy	370	370	113	660			
Former Housing Repairs & Renewals Fund	140	140					
Affordable Housing Fund	40						
Contribution to Energy Efficiency Administration		21					
Interest							
Environmental Maintenance	(4)						
Leisure Strategy	(8)	(1)	(1)	(1)			
Former Housing Repairs & Renewals Fund	(8)	(1)	(1)	(1)	(1)	(1)	(1)
Affordable Housing Fund							
Central Energy Efficiency Fund	(1)						
Balance:							
Environmental Maintenance	(609)	(573)	(502)	(466)	(425)	(389)	(353)
Leisure Strategy	(1,393)	(1,024)	(912)	(253)	(253)	(253)	(253)
Former Housing Repairs & Renewals Fund	(1,199)	(1,060)	(1,061)	(1,062)	(1,063)	(1,064)	(1,065)
Affordable Housing Fund	(28)	(28)	(28)	(28)	(28)	(28)	(28)
Central Energy Efficiency Fund	(109)	(89)	(98)	(107)	(116)	(125)	(134)
Balance at Year End	(3,338)	(2,774)	(2,601)	(1,916)	(1,885)	(1,859)	(1,833)

Finance Strategy
Repairs & Renewals Fund

Notes

- a Future contribution to Leisure Strategy subject to confirmation of available funds.
- b Leisure Strategy commitments:
 - 2017-25 Pitches/MUGA's Lifecycle costs in excess of recurring £120k Leisure Strategy AMP budget.
- c Allocations for LHCS £80k & Eldon Street Affordable Housing Contribution £60k
- d Contribution towards demolition of Cumberland Walk, £40k
- e Central Energy Efficiency Fund commitments:
 - 2020/21 £17k LED Lighting, Ingleson MRF
 - 2020/21 £4k LED Lighting, GMB Carrageway
- f Environmental Maintenance is a combined fund used for ongoing maintenance of Greenock Cut, Gallaghers (Port Glasgow) Development and Inverkip Footbridge.

Insurance Fund

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Opening Balance	3.887	3.296	3.376	3.436	3.476	3.496	3.496	3.476	3.436	3.376
Contribution to Fund (a)	0.465	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450
Payments Made From Fund (b)	(0.350)	(0.370)	(0.390)	(0.410)	(0.430)	(0.450)	(0.470)	(0.490)	(0.510)	(0.540)
MMI Clawback (c)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	4.002	3.376	3.436	3.476	3.496	3.496	3.476	3.436	3.376	3.286
Estimated Outstanding Charges at 31 October 2020 (d)	(0.706)									
Balance for Future Claims	<u>3.296</u>	<u>3.376</u>	<u>3.436</u>	<u>3.476</u>	<u>3.496</u>	<u>3.496</u>	<u>3.476</u>	<u>3.436</u>	<u>3.376</u>	<u>3.286</u>

Notes

(a) Amount paid by Services and not paid to external insurers. Currently a £100,000 annual reduction is being applied which ends in 2029/30.

(b) Estimate for charges paid from Fund net of interest income.

(c) Allowance for Council Contribution to the legacy MMI claims (to be reviewed at the year-end). The total allowance at 31 March 2020 was £0.370 million.

(d) Estimated cost to Fund of outstanding claims as at 31 October 2020.

Finance Strategy
Vehicle Replacement Programme

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Earmarked Reserve							
<u>Capital Requirements:</u>							
Vehicle Purchases	1,524	1,448	1,490	477	1,075	1,802	2,083
Grant Funding	(33)	0	(19)	0	0	0	(44)
Residual Value	(274)	(543)	(328)	(95)	(296)	(500)	(470)
Net Capital Requirement	1,217	905	1,143	381	779	1,302	1,569
Earmarked Reserve b/fwd	193	178	190	372	378	413	351
Loan Charges							
Additional Revenue Costs, Tracking System	(1,054)	(1,118)	(948)	(1,124)	(1,095)	(1,192)	(1,168)
	(32)	(32)	(32)	(32)	(32)	(32)	(32)
	(1,086)	(1,150)	(980)	(1,156)	(1,127)	(1,224)	(1,200)
Funding Available							
Loan Charges	1,071	1,162	1,162	1,162	1,162	1,162	1,162
Other Adjustments	0	0	0	0	0	0	0
Total Funding Available	1,071	1,162	1,162	1,162	1,162	1,162	1,162
Annual Funding Surplus/(Shortfall)	(15)	12	182	6	35	(62)	(38)
Earmarked Reserve c/fwd	178	190	372	378	413	351	313

It should be noted that the model:

- a Includes Low Carbon Vehicles, 2016/17 funded from a combination of Government grant and reductions in Service Revenue budgets.
- In 2018/19 & 2019/20 a further 28 vehicles will be replaced with Low Carbon Vehicles, funded from Government grant and existing replacement budget.
- b Includes an allowance for a further £110k spend per annum following review of Loan Charges 2019/20
- c While the full impact of the Covid situation is not yet known an allowance for slippage in spend from 2020/21

Finance Strategy
Roads Asset Management Plan

	2012/18 Actual £000's	2018/19 Actual £000's	2019/20 Approved £000's	2020/21 Approved £000's	2021/22 Approved £000's	2022/23 Approved £000's	2013/18 5 Year £000's	2018/23 5 Year £000's	2013/23 10 Year £000's
Funding Available									
Core/Supported Borrowing	6,700	2,683	2,819	2,959	3,000	3,000	6,700	14,461	21,161
Prudential Borrowing	13,400						13,400		13,400
CFCR:									
Early Allocation (Feb 2012)	3,000						3,000		3,000
Further Allocation (Feb 2013)	5,900						5,900		5,900
Further Allocation (March 2018)		620						620	620
Total Funding Available	29,000	2,683	3,439	2,959	3,000	3,000	29,000	15,081	44,081
Allocation of Expenditure									
Carrageways	17,095	1,723	1,907	1,252	1,600	1,800	17,095	8,282	25,377
Footways	3,189	421	267	272	300	300	3,189	1,560	4,749
Structures	1,020	105	811	96	250	250	1,020	1,512	2,532
Lighting	3,483	1,203	339	531	450	450	3,483	2,973	6,456
Drainage	325	166	122	153	150	150	325	741	1,066
Fees & Staffing Costs	1,977	399	383	402	370	370	1,977	1,924	3,901
Total Allocation of Expenditure	27,089	4,017	3,829	2,706	3,120	3,320	27,089	16,992	44,081
Over/(Under) Allocation	(1,911)	1,334	390	(253)	120	320	(1,911)	1,911	0

Notes

- a 2019/23 funding approved March 2019.
- b Funds were set aside during February 2012 budget process prior to the formal approval of the RAMP model.
- c CFCR part funded from underspends due to reduced requirement for Loan Charges in early years.
- d Additional CFCR allocation to fund final phase of lighting programme.
- e Staffing requirements from 2019/20 onwards confirmed and built into core roads establishment as part of the budget process, Capital/RAMP Fees have been increased accordingly.

City Deal - First 10 Years

Capital	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
	15/19	19/20	20/21	21/22	22/23	23/24	24/25	Total		
Overall Grant	120	30	30	30	70	60	60	400		
Regional Projects	2.4	0.53	0.2	30	34	45	33	145.13		
Grant Available	117.6	29.47	29.8	0	36	15	27	254.87		
Inverclyde's Grant Share	3.410	0.855	0.864	0.000	1.044	0.435	0.783	7.391		
Project Spend										
Ocean Terminal	0.493	3.906	0.330	4.500	0.500	0	0	9.729		
Inverkip	0.008	0.010	0.100	1.882	1.250	0	0	3.250		
Inchgreen	0.001	0.028	0.600	1.500	3.649	3.649	0	9.427		
Borrowing	0	0	0	0	0.000	(1.320)	0	(1.320)		
Grant Eligible Costs	0.501	3.944	1.030	7.882	5.399	2.329	0	21.066		
Annual Grant (Shortfall)/Surplus	2.909	-3.089	-0.166	-7.882	-4.355	-1.894	0.783	-13.694		
Cumulative (Shortfall)/Surplus	2.909	-0.180	-0.346	-8.228	-12.583	-14.477	-13.694			
Revenue										
Revenue Budget	681	400	400	360	320	320	320	320		
PMO Central Team Costs	0	(55)	(60)	(62)	(64)	(66)	(68)	(68)		
Interest Charge	0	0	(2)	(22)	(104)	(135)	(137)	(137)		
Loans Charges (Inchgreen)	0	0	0	0	0	(26)	(81)	(81)		
Planned Write Back to Reserves	0	0	(500)	0	0	0	0	0		
Balance at Year End	681	1,026	864	1,140	1,292	1,385	1,419			

Notes

- 1/ Project spend profiles reflect the latest reported figures to the Cabinet. Costs to be firm up as part of detailed Business preparation for Inchgreen and Inverkip. Figures exclude partner contributions. GOT being retendered and the impact of this on costs is not yet reflected.
- 2/ The Council will require to finance the interest costs associated with the grant shortfall and initially set aside up to £400,000 per year for this purpose of which £60,000 is currently set aside for the Programme Management Office. A saving approved in Sept 2019 reduced the £400k budget by £80k from 2022/23 and a write back to Reserves of £500k is proposed as part of the 2021/23 Budget.
- 3/ Assumes that the City Deal will pass the first 2 milestones (2019 & 2024) and as such the UK and Scottish Government will honour their grant commitments.
- 4/ Regional projects have first call on the grant, project values are under review. Phasing of these for 2020/21 and beyond is indicative at this stage.
- 5/ The Interest Charge is based on the investment return foregone by the Council on the assumption the capital investment will be funded from cash balances and fully repaid by 2035. Interest rates used, 19/20(0.85%), 20/22(0.5%) and 22/23 onwards (1.0%)

Finance Strategy
Loan Charges

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Balance B/fwd	4,150	627	941	791	745	1,053	1,333	1,989	2,481	2,779	3,346
Projected Loan Charges	13,868	10,081	10,245	10,241	9,987	10,115	9,839	10,103	10,397	10,228	10,087
Available Budget	11,345	10,395	10,095	10,195	10,295	10,395	10,495	10,595	10,695	10,795	10,895
Loan Charge Surplus/(Deficit)	(2,523)	314	(150)	(46)	308	280	656	492	298	567	808
Other Adjustments:											
Write-Back to Revenue to Fund COVID-19 Expenditure	(1,000)	0	0	0	0	0	0	0	0	0	0
	(1,000)	0	0	0	0	0	0	0	0	0	0
Balance at Year End	627	941	791	745	1,053	1,333	1,989	2,481	2,779	3,346	4,154
Interest Rate (Assumed):	3.50%	3.54%	3.47%	3.40%	3.45%	3.53%	3.63%	3.75%	3.88%	4.04%	4.15%

Notes

Revised projections as at October 2020 and excludes Loan Charges relating to funded models (SEMP, AMP, VRP, City Deal, Birkmyre Trust). Includes the effect of decisions on SEMP acceleration taken in March 2016 including the £650k annual budget transferred to SEMP from 2021/22. From 2018/19 onwards, general capital grant is applied to core allocations only and not to individually funded models (e.g. VRR).

a Includes loan charges for new LD Centre based on spend between 2021/22 and 2022/23. £100k annual cost increase from 2023/24 to reflect increased prudential borrowing of £1,400k.

b Adjustments to Available Budget:

For 2020/21

£30k removed for ICT saving agreed February 2015 (additional sum removed each year until last year 2020/21).

Budget from 2018/19 onwards reduced by £300k annually to 2022/23 to reflect reduction in Scottish Government grant support resulting from repayment of historic debt.

For 2021/22

£650k removed from ongoing budget and transferred to SEMP relating to SEMP acceleration, as agreed in March 2016.

For 2023/24

Budget from 2023/24 onwards increased by £100k annually for annual Prudential Borrowing.

Report To:	The Inverclyde Council	Date:	3 December 2020
Report By:	Chief Financial Officer	Report No:	FIN/109/20/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2021/23 Revenue Budget		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Council on the latest position of the 2021/23 Revenue Budget and to then consider further proposals which would provide greater certainty of the impact of the 2021/23 Budget on the local community and Council workforce.

2.0 SUMMARY

- 2.1 The November Policy & Resources Committee agreed that officers should continue to develop proposals for a 2021/23 Revenue Budget to be considered by the Council at the next scheduled meeting on 3 December 2020. The proposals were to incorporate the Inverclyde Jobs Recovery Plan and the use of a significant level of Reserves to minimise the impact on delivery of services to the community.
- 2.2 The Cabinet Secretary for Finance has advised that the 2021/22 Draft Budget will not be presented to the Scottish Parliament until the 28 January, 2021. In addition it is not clear what restrictions there could be regarding Council Tax increases in 2021/22. In light of this it would not be appropriate for the Council to agree a final 2021/22 Revenue Budget or formally approve the level of Council Tax at today's meeting.
- 2.3 The Members' Budget Working Group (MBWG) has however been considering each of the main building blocks of the Budget and has developed proposals for consideration by the Council which could provide clarity on the key issues of service delivery and job security for the next financial year (2021/22) and provide a clear direction of travel for 2022/23.
- 2.4 The Finance Strategy reported earlier in this agenda shows a 2021/23 funding gap of £10.25million before the consideration of any further savings or increases in Council Tax. The MBWG recognise it is not sustainable to meet a funding gap of this level from Reserves and that it would also pass an unrealistic financial burden onto the new Council elected in May, 2022. In light of this, specific proposals are made in the report and appendices which if agreed could see the funding gap reduce to £3.4 million in 2021/22 and £7.032million over 2021/23.
- 2.5 A funding gap of this order remains too large for the new Council to be able to address in a single year and with a significant element of the available Reserves being proposed to be used as part of this report then there would be limited options for the new Council to consider other than unprecedented reductions in service or increases in Council Tax/charging levels. In light of this the Chief Financial Officer would recommend an upper limit of no more than £4million (2% of net Budget) should remain unfunded by March, 2022.
- 2.6 There are a large number of unknowns at this point in time in both 2021/22 and 2022/23. This includes the Revenue Grant levels, pay awards, general inflation, restrictions on Council Tax increases and the detailed application of the Fiscal Flexibilities. Therefore whilst the report makes assumptions around these, greater clarity will be forthcoming around these matters over coming months. This however does not mean the Council cannot make decisions around the use of Reserves or indicative levels of Council Tax today, however Council Tax and the final 2021/22 Budget should be confirmed in the normal timescales in February/March, 2021.

- 2.7 Appendix 2 provides details of further savings and adjustments for consideration. These are all supported by the MBWG. The appendix also includes a recommended 3.0% increase in Council Tax for both 2021/22 and 2022/23. Appendix 3 shows the annual and weekly impact of a 3% increase in Council Tax for those not in receipt of Council Tax Reduction support. In the event that Members decide not to increase Council Tax in 2021/22 then a further £950,000 one off funding from Reserves will be required in 2021/22 and recurring savings of the same value would need to be identified from 2022/23 onwards.
- 2.8 Appendix 4 shows the overall 2021/23 Revenue Budget position on the basis that the proposals in Appendix 1 and Appendix 2 are approved. It can be seen that this leaves a minimum estimated funding gap of £3.032million to be addressed between now and March, 2022 in order not to pass an unrealistic funding burden onto the new Council in May, 2022.
- 2.9 Appendix 5 provides a statement of the level of Reserves required to fund the 2021/23 estimated funding gap, the Inverclyde Jobs Recovery Fund and current one-off funding pressures including an allowance for Covid costs in 2021/22. The appendix thereafter provides details of the proposals to meet the £16.2million funding requirement. The proposed write-back of some of the Town Centre funding was not unanimously supported by the MBWG.
- 2.10 Officers will continue to review all estimates and allowances in light of updated information and report updated figures to the next Policy & Resources Committee and the next meeting of the Council in February once the detail of the Local Government Budget settlement is clearer.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council notes the latest position of the 2021/23 Revenue Budget and the advice from the Chief Financial Officer regarding the impact on the new Council were an excessive Revenue Budget funding gap to remain in May, 2022
- 3.2 It is recommended that the Council approves the unavoidable Pressures in Appendix 1 and proposals to reduce the funding gap set out in Appendix 2.
- 3.3 It is recommended that the Council approves the proposals in Appendix 5 for the use and source of Reserves noting that there may be the opportunity to allocate resources to Town Centres as part of the approval of the 2021/24 Capital Programme in early 2021.
- 3.4 It is recommended that the Council notes the ongoing work to reduce the 2021/23 funding gap, the number of significant matters yet to be clarified and that updates will be reported to Policy & Resources Committee and the Council in February, 2021.
- 3.5 It is recommended that the Council notes the intention to set the level of Council Tax for 2021/22 at the next scheduled Council Meeting on 18 February.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The November Policy & Resources Committee agreed that officers should continue to develop proposals for a 2021/23 Revenue Budget to be considered by the Council at the next scheduled meeting on 3 December, 2020. The aim of taking key budget decisions before Christmas is to provide clarity to the local community on service levels, clarity to employees on job security and clarity to partners on funding levels, as a minimum, for the next financial year.
- 4.2 At the same meeting the Committee agreed that the £6million Jobs Recovery Plan be factored into the proposals for 2021/23 Revenue Budget.
- 4.3 The Cabinet Secretary for Finance has advised that the 2021/22 Draft Budget will not be presented to the Scottish Parliament until 28 January 2021 and as such, uncertainty exists regarding the level of Revenue Grant funding the Council will receive during 2021/22. Additionally, it is not clear what, if any, restrictions will be in place for the increase in Council Tax.
- 4.4 In addition, whilst the Cabinet Secretary wrote to Councils on 8 October regarding £600million of Fiscal Flexibilities, detailed work is ongoing to see how this level of funding can be freed up.
- 4.5 The MBWG has continued to meet on a regular basis to develop the proposals submitted today whilst the CMT has met on a regular basis with the Trades Unions at the Joint Budget Group.

5.0 LATEST POSITION

- 5.1 Following the November Policy & Resources Committee, the estimated 2021/23 funding gap was £10.25million prior to the consideration of any further adjustments/savings or increase in Council Tax. This includes the unavoidable Budget Pressures listed in Appendix 1.
- 5.2 The November Policy & Resources Committee highlighted 2 specific risks associated with passing over an excessive funding gap to the new Council due to be elected in May 2022:
 - The level of reserves required based on the current funding gap and the Inverclyde Jobs Recovery Plan is significant and as such Members will need to review existing earmarked Reserves and the Capital Programme and identify projects which are dropped or deferred until after the 2021/23 Budget period.
 - Members will need to understand that the use of Reserves at a material level to balance the Budget is a time limited solution which will mean that the financial challenge facing the new Council post the May 2022 election are likely to be amplified to a level which has not been experienced before.

In order to provide some guidance to Members, the Chief Financial Officer would not recommend that unfunded budget gap of any more than £4.0million remains at March, 2022. This represents approximately 2% of the net recurring budget.

- 5.3 In light of this advice, the MBWG has continued to consider ways by which the funding gap could be reduced. Appendix 2 provides details of further savings and adjustments for consideration. These are supported by a large majority of the MBWG and includes a recommended 3.0% increase in Council Tax for both 2021/22 and 2022/23.
- 5.4 Appendix 3 shows the annual and weekly impact of a 3% increases in Council Tax for those not in receipt of Council Tax Reduction support. Members are asked to note that around 25% of households are in receipt of Council Tax Reduction and will not be impacted by any increase in Council Tax.

- 5.5 Appendix 4 shows the overall 2021/23 Revenue Budget position on the basis that the proposals in Appendices 1 and 2 are approved. It can be seen that this leaves a minimum estimated funding gap of £3.032million to be addressed between now and March 2022 in order not to pass an unrealistic funding burden onto the new Council in May 2022.
- 5.6 Appendix 5 provides a statement of the level of Reserves required to fund the 2021/23 estimated funding gap, the Inverclyde Jobs Recovery Fund and current one-off funding pressures including an allowance for Covid costs in 2021/22. The appendix thereafter provides details of the proposals to meet the funding requirement. The proposed write-back of some of the Town Centre funding was not unanimously supported by the MBWG.
- 5.7 Included in the proposals is the proposal to utilise the Fiscal Flexibility for the 4 PPP schools within Inverclyde which would allow the schools to be accounted for on the basis of a 45 year life rather than 30 years at present. By combining this with the Loans Charges earmarked reserve projections, it may be possible to generate net £5.3million reserves and a £400,000 annual saving from 2022/23. Members need to be aware that until the detailed Regulations are made available then these figures are caveated.
- 5.8 Whilst figures will undoubtedly continue to move as further clarity is received, by the Council agreeing maximum funding gap for 2022/23 and taking decisions around Reserves, savings and indicative Council Tax increases then it allows clarity to be given to the local community and employees at least until 31 March 2022. In addition, there is also a clear direction of travel for the Budget to be set by this Council in March 2022.

6.0 NEXT STEPS

- 6.1 There are a large number of unknowns at this point in time in both 2021/22 and 2022/23. This includes the Revenue Grant levels, pay awards, inflation and restrictions on Council Tax increases as well as the Fiscal Flexibilities detailed. Therefore whilst the proposals in this report makes assumptions around these, greater clarity will be forthcoming around these matters over the short and medium-term. This uncertainty however does not mean the Council cannot make decisions around the use of Reserves or indicative levels of Council Tax today although these cannot be confirmed until February/March, 2021.
- 6.2 Officers will continue to review all estimates and allowances in light of updated information and report updated figures to the next Policy & Resources Committee and the next meeting of the Council in February once the detail of the Local Government Budget settlement is clearer.

7.0 IMPLICATIONS

7.1 Finance

The proposals in this report if agreed will significantly reduce Council reserves and leave an estimated £2.68million funding gap to be closed by March 2022 in order to leave an unfunded £4million deficit for the new Council to address.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Various	Various	21/22	£3.2 million		Pressures as per Appendix 1 plus £1 million Covid contingency and funding shown in Appendix 5
Regeneration	Various	21/23	£5.6 million		Net cost of Jobs Recovery Plan
General Fund	Deficit	21/23	£7.4 million		21/22 deficit per Appendix 4 plus £4million maximum deficit as a March,2022
Various	Various	21/23	(£16.2 million)		Proposals in Appendix 5

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Various	Various	21/22	£0.95million		Recurring pressures per Appendix 1
Various	Various	21/23	(£1.288 million)		Savings/Adjustments per Appendix 2
Council Tax	Income	21/23	(£1.93million)		Proposed 3% Council Tax increases 2021/23

7.2 Legal

The Council has a legal requirement to approve the level of Band D Council Tax for the forthcoming Financial Year and it is proposed that this be agreed in February, 2021 once the Local Government Budget has been announced.

7.3 Human Resources

The pressures and savings proposals in this report will have a neutral impact on Council jobs whilst the Jobs Recovery proposal is projected to create over 200 job opportunities in the community of which over 100 will be created in the Council.

7.4 Equalities

Equalities

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

YES (available on request for the Jobs Recovery Plan and relevant savings proposals)

	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?

X	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.
X	NO

7.5 Repopulation

The Jobs Recovery Plan will create opportunities for local jobs and help the Council retain working age families in the area whilst the greater certainty created in progressing a 2 year budget will reassure Council employees and service users and help generate certainty and stability.

8.0 CONSULTATIONS

8.1 This proposals in this report has been endorsed by a large majority of the MBWG and discussed with the Trades Unions at the JBG.

9.0 BACKGROUND PAPERS

9.1 None

2021/23 Budget - Unavoidable Pressures

Pressure Area	Recurring		One Off
	21/22 £000	22/23 £000	£000
<u>HSCP (Note 1)</u>			
Children Residential Placements	300	300	600
Learning Disability Client Commitments	350	350	350
Homelessness	150	150	-
<u>ECOD</u>			
IL Management Fee (Note 2)	-	-	700
Covid Cleaning and PPE (Note 2)	-	-	220
<u>ERR</u>			
ICT Resources (Note 3)	35	120	-
<u>Corporate</u>			
2021/22 Council Tax collection (Note 2)	-	-	330
	835	920	2200

Notes

- 1/ In the event the IJB receives increased funding for demographic pressures or has a better reserves position than projected, then the sums allocated by the Council will be reviewed/reduced.
- 2/ These costs will be included in the Covid allowance budget.
- 3/ A further £30,000 will be required in 2023/24.
- 4/ Excludes all inflationary pressures which will be contained in the Inflation Contingency.

AP/LA
10.11.20

**2021/23 Budget
Savings & Adjustments for December Council**

ERR	Savings 2021/22 £000	Savings 2022/23 £000	Comments	FTE
1/ Do not re-open cashier function in the CSC based on Covid period experience	12	12	Public have moved to other payment channels. Saving is net of SLA income reduction with RCH. Saving achieved via VER	1
2/ AMP Funding model closure	78	78	The AMP Depot and Office models were created in 2010 and are now delivered. The residual recurring balance can now be written back.	0
3/ New cremators- operating cost savings	0	27	Annual savings will be £54k from 2023/24	0
4/ CCTV- Continue an element of single shift working implemented during Covid period	14	14	Service has been delivered effectively during Covid. Employee signed up to VER in previous Budget round	0.8
5/ Public Protection - Restructure	76	76	Employee reduction can be addressed via vacant posts and VER.	2
ECOD				
1/ Reduce Free Swimming for U16 Subsidy	100	100	Report to Education & Communities Committee detailing proposals for use of the remaining £80,000.	0
2/ Post No. 1 (See private appendix for description of post)	18	24	Recent restructure minimises the impact of the loss of this post.	1
3/ SEMP Funding Model Review	200	200	Recurring saving following review of loans charges and other costs as part of the Finance Strategy	0
HSCP				
1/ Post No. 2 (See private appendix for description of post)	0	57	Saving would be achieved by VER/Retiral	1
Corporate				
1/ Reprofile PPP principal payments in line with Fiscal Flexibilities	0	400	Based on £3.3million Prudential Borrowing to supplement Reserves and balance of recurring saving being applied to the funding gap. This saving is provisional until the detailed Regulations are signed off	0
2/ Unallocated Inflation Contingency	0	300	Balance of 2022/23 Non-Pay Inflation Contingency assessed as not being required	0
3/ Council Tax increase 2021/22 & 2022/23	950	1930	Based on 3% increase and 97% collection rate	0
Total	1448	3218		5.8

AP/CM
16 November,2020

Council Tax Impact of a 3% Increase in 2021/22

Band	Chargeable Properties*	Band Value	Multiplier	Annual Increase	Weekly Increase	2021/22 Council Tax
A*			200/360	£22.20	£0.43	£762.11
A	18,917 (48.36%)	£0 - £27,000	240/360	£26.64	£0.51	£914.53
B	5,999 (15.34%)	£27,001 - £35,000	280/360	£31.08	£0.60	£1,066.96
C	3,573 (9.14%)	£35,001 - £45,000	320/360	£35.52	£0.68	£1,219.38
D	3,402 (8.70%)	£45,001 - £58,000	360/360	£39.96	£0.77	£1,371.80
E	3,639 (9.30%)	£58,001 - £80,000	473/360	£52.50	£1.01	£1,802.39
F	1,930 (4.93%)	£80,001 - £106,000	585/360	£64.93	£1.25	£2,229.18
G	1,438 (3.68%)	£106,001 - £212,000	705/360	£78.25	£1.50	£2,686.44
H	217 (0.55%)	£212,0001 +	882/360	£97.89	£1.88	£3,360.90

Note - Estimated to be 39,115 Chargeable Properties

AP/LA

Notes:

a) Anticipated Grant Cut - Per Finance Strategy	1,000,000
Pay Inflation Allowance - Per Finance Strategy & Additional Funding Approved	3,000,000
Non Pay Inflation Allowance - Per Finance Strategy	1,500,000
General Pressures Allowance - Per Finance Strategy	800,000
Savings Approved P&R September 2017 - Loans Charges	(300,000)
Savings Approved P&R September 2019	(49,000)
Savings Approved P&R November 2019	(311,000)
Savings Approved Full Council March 2020	(124,000)
School Transport Pressure - Approved November 2019 (£70k FYE)	18,000
Budget 2021/22	5,534,000
Proposed Savings P&R November 2020	(683,000)
Proposed Savings P&R December 2020	(1,448,000)
Revised Budget 2021/22	3,403,000
Anticipated Grant Cut - Per Finance Strategy	1,000,000
Pay Inflation Allowance - Per Finance Strategy	3,000,000
Non Pay Inflation Allowance - Per Finance Strategy	1,500,000
General Pressures Allowance - Per Finance Strategy	400,000
Savings Approved P&R September 2017 - Loans Charges	(300,000)
Savings Approved P&R September 2019	(40,000)
Savings Approved P&R November 2019	(149,000)
Proposed Savings P&R November 2020	(12,000)
Proposed Savings P&R December 2020	(1,770,000)
Budget 2022/23	7,032,000

2021/23 Budget Strategy - Reserves Position - 11 November 2020

<u>Demands</u>	<u>21/22</u> <u>£000</u>	<u>22/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>	<u>Notes</u>
Covid Costs Post 1.4.21- Time Limited	1750	500	2250	Per Pressures Summary Sheet plus £1million allowance for new costs
One off Budget Pressures	600	350	950	Per Appendix 1
Inverclyde Jobs Recovery Plan	3600	2000	5600	Per report to 17.11.20 P&R Committee, net of £400k funded from exiting Regeneration EMR, including the Town Centre Business Development post from the T&VC EMR (£100k)
2021/23 Funding Gap post Council Tax increase	3400	4000	7400	Per Appendix 4 and with 2022/23 Funding Gap limited to £4.0million.
Total Demands	9350	6850	16200	
<u>Funding</u>	<u>21/22</u> <u>£000</u>	<u>22/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>	<u>Notes</u>
Projected Free Reserves 31.3.21	469	0	469	Per P6 Monitoring
Unallocated Covid Allowance	2000	0	2000	Assumes further funding from unallocated consequential and the Income Scheme
Revenue Reserves to be written back	5392	0	5392	See over
Reduction in Capital Programme	3239	0	3239	See over
Fiscal Flexibilities - PPP One Off	2000	0	2000	Accumulated saving to 31.3.21 based on 45 year depreciation period. Subject to confirmation
- PPP Borrowing	3100	0	3100	Balance needed to generate Reserves required. £3.3million available. Subject to confirmation
Total Funding	16200	0	16200	

2021/23 Budget - Proposed Reductions to Earmarked Reserves

Earmarked Reserve	Reduction £000	Rationale/Impact
Community Fund	7	Unallocated amount from the former Participatory Budget reserve
Major Events 19/21	60	Remaining balance from the sum set aside in 2019. £80k written back in August 2020 to meet unfunded Covid costs
Year of Young People	40	Leaves £20k for events from 2021.
Asset Management Plan	60	Remaining balance now project effectively completed
Repopulating/Promoting Inverclyde	125	Propose to write back uncommitted funding
City Deal	500	One off reduction in the accumulated reserve which has arisen over the last 5 years. Leaves sufficient to help meet unfunded costs should these arise.
Safer Streets/ Active Travel	300	Funding allocated over the 2019 and 2020 Budgets. Council now has access to ring fenced Scottish Government funding which would achieve similar aims.
Early Retirement Fund	1000	Proposed contribution to the VER costs which forms part of the Inverclyde Jobs Recovery Fund
Cloud Technology	300	Project progressing and costs becoming clearer. Can be delivered within the remaining £600k.

2021/23 Budget - Proposed Reductions to Earmarked Reserves

2020/23 Revenue Budget Smoothing Reserve	3000	Allocated in March 2019, the sum is proposed to be used for the purpose for which it was allocated.
	5392	

AP/LA
 11/11/2020

2021/23 - Proposed Reductions to the 2020/23 Capital Programme

Project	Reduction £000	Rationale/Impact
RAMP_ Covid Allowance	600	No impact expected as prices have not increased and sufficient work for internal team.
Scheme of Assistance	400	Each year a sum of around £500k is slipped into future years as a contingency. Proposal is to give up some of this. Demand being met by recurring annual allowance.
Play Area Strategy	300	Members allocated £400k towards the Play Area Strategy. Proposals have not been developed yet. Could be given up given higher priorities and considered in future Capital Programme.
Feasibility Studies	90	A general allowance was allocated as part of the March 2020 Budget to carry out feasibility studies into a number of projects identified by Members. Given the pressures on the Council finances and officer resources for the next 2-3 years it is proposed to write the majority of this allowance back.
Barrs Brae Steps	40	Project was added to the Capital Programme in March , 2020. Proposed to defer the project until 2023/24.
Town & Village Centres	1009	Members allocated a further £700k for Town & Village Centres in March 2020. Option is to give £600k this up along with £325k for strategic purchases within Greenock Town Centre given receipt of a further £235k Grant from the Scottish Government. Balance relates to residual unallocated sums and leaves £120k for new projects.
2021/23 Headroom	800	Policy is to have up to 5% headroom to allow for extra resources/projects dropping out. Currently have around £800k headroom.
	3239	

AP/LA
11/11/2020

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Head of Legal & Property Services	Report No:	GM/LP/128/20
Contact Officer:	Gerard Malone	Contact No:	01475 712710
Subject:	COVID-19: Online Remote Council and Committee Meetings		

1.0 PURPOSE

- 1.1 This report, as requested at the September 2020 meeting, updates the Council on the remote online operation of the December 2020 cycle of meetings and recommends continuation of these arrangements until further review following any future designation of Inverclyde as within Tier 0 of the Scottish Government local protection levels.

2.0 SUMMARY

- 2.1 It was the decision of the Council at its meeting on 24 September 2020 to continue to approve all meetings of the Council, Committees, Sub-Committees and Boards being held on a remote online only basis for the cycle ending with the meeting of the Council on 3 December 2020. It was requested that a further report reviewing the online cycle be submitted to the December 2020 meeting.
- 2.2 In the period from the September 2020 meeting, the Scottish Government in November introduced the tier-based system of COVID-19 local protection levels and designated Inverclyde within Tier 3. These local protection levels will be the subject of regular review by the Scottish Government. It is not possible, with regard to the Scottish Government's guidance, to recommence public meetings of the Council, Committees, Sub-Committees and Boards as yet. In terms of the Coronavirus Act 2020, the public continue to be excluded from all Council and Committee meetings on health grounds.
- 2.3 It was the view of Elected Members, from the individual consultations that had been undertaken and from discussion at the Council meeting, that the operation of the September 2020 cycle of meetings was generally positive. In terms of the current cycle, the meeting of the Education & Communities Committee on 3 November 2020 had some difficulties in the course of a lengthy meeting and steps are being taken on this in terms of the report, below, but otherwise the video conferencing platform continues to be effective in these COVID-19 circumstances in ensuring member engagement in decision-making and scrutiny of reports. Furthermore, the approved online protocol is clearly being observed and has been fully adopted in supporting Elected Members in questions, debate and voting at the remote online meetings. In the current circumstances, the conclusion of this review is that the online meetings are effective and are clearly meeting all reasonable standards of governance and, so, should continue pending a review to be undertaken following any designation of Inverclyde in Tier 0 of the local protective measures.

3.0 RECOMMENDATION

It is recommended that:

- 3.1 the Council considers the terms of this report;

- 3.2 approval be given to all meetings of the Council, Committees, Sub-Committees and Boards being held on a remote only basis until further review following any future designation of Inverclyde as within Tier 0 of the Scottish Government local protection levels;
- 3.3 approval be given to the altered start time of the Education & Communities Committee to 1pm for the Communities items for the remainder of the current timetable and that the position be reviewed thereafter; and
- 3.4 it be remitted to officers to report on the above review and to include options for new models for future meeting arrangements upon COVID recovery

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 This report, as requested by the September 2020 meeting of the Council, provides a further review of the administrative arrangements for all Council and Committee meetings in the light of the COVID-19 arrangements and the Scottish Government's designation of local protective levels.
- 4.2 The Council resumed its usual cycle of Committee meetings on a remote online basis as from the September 2020 cycle and to assist meeting arrangements, following consultation and discussion, also adopted an online meeting protocol. The response from Elected Members on the remote online basis of the September 2020 cycle was generally positive and the September meeting of the Council requested that a report with a further review be submitted to the December 2020 meeting.
- 4.3 The review has been undertaken with regard to the principles, all as previously noted and discussed at the Council, namely:
- (1) that training and ICT support are made readily available to all Members and to Conveners to ensure knowledge of systems and experience/skill in operating the video conferencing platform and in participating effectively by remote access;
 - (2) that there is full compliance with the Scottish Government's guidance in terms of public gatherings and meetings;
 - (3) that the public health restrictions be respected to avoid or minimise physical contact at gatherings for the purposes of fairness and inclusivity for all Elected Members, for any members of the public who require to attend meetings as applicants or representatives and for all officers of the Council. (In particular, it is has been noted that a number of the Council's Elected Members, in terms of risk assessments, should not be expected to attend meetings and, in compliance with the current advice, should be alert to their risks of attending in person any meetings within the Council buildings);
 - (4) that Elected Member confidence is necessary and is maintained in all aspects of remote online meetings so that participation in decision-making and scrutiny can be effectively and efficiently conducted.
- 4.4 Public access to Committee meetings has been restricted by the terms of the Coronavirus Act 2020 and the exclusion of members of the public from Council meetings, etc. has been continued in the light of the public health restrictions.

5.0 DECEMBER 2020 ONLINE MEETINGS

- 5.1 A full cycle of meetings has taken place involving all aspects of the Council's governance arrangements, through Committees, Sub-Committees and quasi-judicial Boards. It is fair to observe that Elected Member and officer experience of this cycle remains generally positive. Materially, it is suggested that the video conferencing platform has supported effective scrutiny by Elected Members of reports and it provides an effective and manageable means of Elected Member engagement through questions and debate. There have been no significant impediments or interruptions noted to the Council's governance procedures in this cycle and there has been no short-fall either in scrutiny or engagement at any of the meetings that have been held. It is recognised there are some incidences of Elected Members having repeated access difficulties and these issues will continue be addressed and the Councillors will be supported by all means possible.
- 5.2 It is noted, however, that the lengthy meeting of the Education & Communities Committee on 3 November 2020 involved a number of temporary interruptions and disconnections at Elected Member and officer level. As it transpired, although levels of inconvenience certainly occurred, by virtue of the efforts of all involved there was no significant unresolved disruption to the process of thorough review and debate of the reports which were being considered. Nevertheless, two important steps are proposed in order to minimise the effects of any future disruption to this Committee (and, indeed, to any of the other Committees, etc.):
- (1) The agenda for consideration at the Education & Communities Committee meeting, in

particular, was too extensive and for the future any reports of a noting or information only nature will be circulated separately and will be the subject, if necessary, of an All Members' Briefing if required. In this way, the 23 items which were being considered by the Education & Communities Committee on 3 November 2020 could properly be reduced to 11 business-items for decision and the extensive online time, which was a factor in the difficulties encountered at the meeting, will be minimised. All Corporate Directors will focus on business decision items in the compilation of future agendas and every opportunity will be taken to circulate for Member awareness and information those items which do not require Committee debate and decision. There are adequate and existing means to ensure all Members are kept involved and are aware of for information or information only nature reports. This step will ensure that valuable online time is focused on key and relevant items for Elected Member decision;

(2) On a trial basis, it is suggested that the existing sittings of the Education & Communities elements of the Committee be more distinctly separated to 1pm and 4pm respectively (rather than 2pm and 4pm as existing) with separate Webex invites being issues for the two sections of the agenda. It is proposed that every effort be made to conclude the Communities business by 3pm to allow members a reasonable break before recommencement of the Committee at 4pm for consideration of the Education items of business.

A number of difficulties were encountered at the 3 November 2020 meeting because the education representatives needed to join at the time when Members of the Committee were debating private business. The arrangements needed for deferring the joining of the education representatives to this portion of the meeting does cause significant disruption to the progress of the meeting and an effective separation in time will assist facilitate the smoother running of the Committee during the COVID-19 pandemic. The problem is not solved simply by locking down meetings as technical problems can arise in situations where Members or officers lose connectivity requiring an interruption to the meeting on each occasion to readmit the Member or officer from the lobby and, additionally, to confirm the identity of any telephone callers prior to readmission.

- 5.3 In order to ensure there is transparency of decision-making and to provide the community with an opportunity to engage with the business of the Council, all online meetings are being recorded and will be made available by Corporate Communications through the Inverclyde Council website for purposes of public record for all relevant items and business. Corporate Communications are working on a mechanism and resources required to provide recordings of all previous meetings and to ensure the recordings do not contain any private business. Work is being undertaken by Corporate Communications to resolve this Council objective and this will be implemented as soon as possible. It has not been possible, yet, to introduce the live webcasting of public interest meetings of the Planning Board and the Local Review Body (where applicants have no right nor entitlement to make representations). Officers have been investigating the means to live webcast these meetings but further work on this aspect of development needs to be undertaken as it does appear that more work and staff resources are needed to interface the two systems for the standards of effective webcasting expected for these meetings. Officers will engage with the Chair of these Boards to arrange trials of the options and, thereafter, if additional resources are needed, a further report will be brought forward.
- 5.4 As a consequence of the proposal at 5.2 above, it is proposed to change the start time of the Policy & Resources pre-agenda meetings, which are on the same day as the Education & Communities Committee, to 10am or such other time as agreed with the Convener.
- 5.5 At present, for purposes of transparency and public engagement, press representation at any scheduled meetings has been offered and this continues to be made available online to local and national press representatives.
- 5.6 The arrangements have been put in place for quasi-judicial tribunals and there has been continued effective use of the secure Council facilities within the Municipal Buildings, Greenock so that applicants or members of the public who are entitled to be heard have available suitable facilities for purposes of participating at these meetings. Arrangements have been put in place for the General Purposes Board to meet on a staggered basis

commencing at 10am in order to ensure that there is no unnecessary queuing for these resources and so that the public health restrictions may be maintained. Officers will liaise with the Elected Members on the Boards to ensure that the quasi-judicial business of the Council is dealt with as effectively as possible and any meeting times will be adjusted to take account, as far as possible, of Members' availability.

- 5.7 In general, the level of engagement and the Members' use of the video conferencing platform have been positive. It is understood that there are occasional difficulties, but it is suggested to the Council that in view of the current COVID-19 circumstances that the arrangements for online remote access only be continued until Tier 0 is designated within Inverclyde and implemented.
- 5.8 In line with the ICT Strategy, the Council is progressing moving much of the ICT delivery to the Cloud. As part of this, the Council intends to move to Microsoft 365 and with it Microsoft Teams. This move is expected during the summer of 2021 and this will be factored into the options for Members to consider regarding the longer term future for meeting participation.

6.0 IMPLICATIONS

- 6.1 There are no financial implications.

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

The legal issues are contained within this report.

6.3 Human Resources

There are no HR implications related to this proposal.

6.4 Equalities

Equalities

- (a) Has an Equality 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 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

6.5 Repopulation

There are no direct repopulation issues within this report.

7.0 CONSULTATIONS

7.1 The CMT endorses this report.

8.0 BACKGROUND PAPERS

8.1 None.

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Head of Legal & Property Services	Report No:	GM/LP/129/20
Contact Officer:	Gerard Malone	Contact No:	01475 712710
Subject:	Councillors' Code of Conduct: Scottish Government Consultation		

1.0 PURPOSE

- 1.1 This report advises Members of the Council that the Scottish Government on 19 October 2020 commenced a public consultation on a major review of the Councillors' Code of Conduct and the views of all users and the public are invited by the closing date of 8 February 2021.

2.0 SUMMARY

- 2.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000 requires Scottish Ministers to issue a Code of Conduct for Councillors (the Councillors' Code). The current version of the Code was originally issued in 2010 and was reviewed in 2018. The aim of the Councillors' Code is to set out clearly and openly the standards that Councillors must comply with when carrying out their Council duties. The Scottish Government has considered that many developments have taken place since the Councillors' Code was last substantially reviewed and is seeking to: make the Councillors' Code easier to understand; take account of developments such as the role of social media; and, strengthen and reinforce the importance of behaving in a respectful manner and making it clear that bullying and harassment are completely unacceptable.
- 2.2 The Scottish Government is inviting responses to the consultation by 8 February 2021 and all Elected Members have an opportunity to contribute any consultation responses as they may wish. Additionally, the Council may wish to take the opportunity of providing a corporate response.
- 2.3 An All Members' Briefing will be undertaken prior to the consultation closure date and if a corporate response is wished, the Head of Legal & Property Services will respond to the consultation in terms agreed following upon that briefing.

3.0 RECOMMENDATION

- 3.1 That the Council notes the consultation on the Councillors' Code with the opportunity for individual responses to be made by the closing date of 8 February 2021 and remits it to the Head of Legal & Property Services to arrange an All Members' Briefing and to respond on a corporate basis, in agreed terms, following that briefing.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000 requires Scottish Ministers to issue the Councillors' Code which sets out clearly and openly the standards that Councillors must comply with when carrying out their Council duties. It is a requirement that all Elected Members in Scotland are obliged to comply with the Councillors' Code and with any guidance that is issued by the Standards Commission for Scotland.
- 4.2 The current Councillors' Code was originally issued in 2010 and was updated following a limited review in 2018.
- 4.3 The Scottish Government considers that many developments have taken place over the past 10 years since the Councillors' Code was last substantially reviewed and it is important now to take account of such changes and to provide users with the opportunity to comment on the review.
- 4.4 The Scottish Government is seeking to make the Councillors' Code easier to understand, to take account of developments such as the role of social media and to strengthen and reinforce the importance of behaving in a respectful manner and to make it clear that bullying and harassment are completely unacceptable and cannot be tolerated. It is the purpose of the Code to ensure the highest standards of conduct by all Elected Members and to maintain and strengthen the trust of those they are elected to service.

5.0 THE PROPOSAL

- 5.1 The proposal is to amend the Councillors' Code to bring it up-to-date and to make it more user friendly. The Scottish Government has stated within its consultation paper that the key changes in the Code are:
 - a general re-write of the Code to make it easier to understand;
 - a greater emphasis on addressing discrimination and unacceptable behaviour;
 - stronger rules around the accepting of gifts, both to protect Elected Members and to build confidence in their impartiality amongst the general public;
 - a substantial re-write of the section on the declaration of interests to establish three clear and distinct stages: connection – interest – participation;
 - clarity on the guidance/rules around being a Council-appointed representative on an Outside Body;
 - clarity on the rules on the access to and lobbying of Elected Members; and,
 - a re-write of the section on quasi-judicial decisions to provide a more generic approach and not to be so heavily focused on only planning matters.
- 5.2 Responses on the public consultation are invited by 8 February 2021. All Elected Members have an individual opportunity to respond in any terms if they so wish. It is suggested that an All Members' Briefing be arranged by the Head of Legal & Property Services in order to review the consultation paper and the amendments and any corporate response, if agreed at the briefing, will be submitted by the consultation closure date.
- 5.3 Access to and responses for the consultation online are contained at the following address:

This consultation can be responded to by using the Scottish Government's consultation hub, Citizen Space:

<http://consult.gov.scot>

Access and response to the consultation can be done online at:

<https://consult.gov.scot/housing-and-social-justice/the-councillors-code-of-conduct>.

If anyone is unable to respond using the online consultation hub, the respondent information

form can be also sent to:

Councillor Code of Conduct Consultation
Local Government Policy & Relationships
Local Government & Analytical Services Division
The Scottish Government
Area 3G North
Victoria Quay
EDINBURGH
EH6 6QQ

Please ensure that consultation responses are submitted before the closing date of 8 February 2021.

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Head of Legal & Property Services	Report No:	GM/AS/LP/131/20
Contact Officer:	Anne Sinclair	Contact No:	01475 712134
Subject:	Review of The Inverclyde Council (Prohibition Of Alcohol In Designated Public Places) Byelaws 2010		

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Council to note that the current Byelaws for Inverclyde Council prohibiting the consumption of alcoholic liquor in designated places require to be reviewed in December 2020 and to seek authority for the Head of Legal and Property Services to commence the consultation process in connection with the review and to take all necessary action in connection therewith.

2.0 SUMMARY

- 2.1 Following confirmation by Scottish Ministers, The Inverclyde Council (Prohibition Of Consumption Of Alcoholic Liquor In Designated Places) Byelaws 2010 came into operation on 20 December 2010.
- 2.2 In terms of section 202A (a) of the Local Government (Scotland) Act 1973 a Local Authority shall, not later than 10 years from the coming into force of the byelaws, review the said byelaws and do so thereafter at intervals of not more than 10 years.
- 2.3 The existing byelaws will remain effective until amended or revoked following upon this proposed consultation.

3.0 RECOMMENDATION

- 3.1 That the Council notes the terms of this report and authorises the Head of Legal and Property Services to commence the consultation process in order to gain the views of Police Scotland, the Crown and Procurator Service, Community Councils, and relevant groups such as the Inverclyde Licensing Forum in order to determine if the existing alcohol byelaws should be amended or continue in the current form.
- 3.2 That a report be submitted to the meeting of the Council on 22 April 2021 on the results of the this first stage of the consultation process including any recommended amendments to the existing alcohol byelaws, prior to full public consultation on any proposals.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

4.1 The Inverclyde Council (Prohibition of Consumption of Alcohol in Designated Public Places) Byelaws 2010 were confirmed by the Scottish Ministers as coming into force on 20 December 2010.

4.2 The existing Alcohol Byelaws apply to:

- 1) The whole of the Villages of Kilmacolm and Quarriers Village as shown outlined in red on Plan No 1 annexed to the Byelaws;
- 2) The whole of the town of Port Glasgow, Greenock and Gourock as shown in red on Plan Nos 2,3 and 4 annexed to the Byelaws;
- 3) The whole of the village of Inverkip and of the settlement of Wemyss Bay as shown outlined in red on Plan No 5 annexed to the Byelaws.

A copy of the Byelaws and relevant Plans are annexed to this report. As the maps are in fine detail, separate coloured copies have been issued to Members.

4.3 In terms of section 3 of the existing Byelaws:

- (1) Any person who consumes alcohol in a designated place or is found to be in possession of an open container containing alcohol in a designated place in circumstances whereby it is reasonable to infer that that person intended to drink from it whilst in a designated place shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 2 on the standard scale.
- (2) It shall not be an offence against these byelaws to do anything in any designated place which comes within the meaning of licensed premises.
- (3) It shall not be an offence against these byelaws to do anything in any designated place in respect of which an occasional licence is in operation during any period when alcohol may be sold there by virtue of that licence and for 15 minutes after the expiry of such period.

4.4 In terms of section 2 of the Byelaws they do not apply on 31 December, from 6pm until the end of that day; and on 1 January, until 6 am.

4.5 In terms of section 202A of the Local Government (Scotland) Act 1973 a local authority shall not later than 10 years from the coming into force of the Byelaws , review the byelaws and do so thereafter at intervals of not more than 10 years. The Council therefore requires to commence a review of the existing alcohol byelaws at this time.

4.6 The existing Byelaws will remain in force until amended or revoked following upon this review.

4.7 As part of the consultation process, the Head of Legal and Property Services will firstly require to consult with Police Scotland and the Crown and Procurator Fiscal Service in addition to other organisations within Inverclyde including the Community Councils and Inverclyde Alcohol Forum to ascertain if any amendment is proposed. It is important to ascertain that the byelaw offence is still sufficient for the purpose of prosecution. It is also necessary to establish if the boundary of any of the aforementioned Plans require to be expanded to include, for example, areas where future planning permission has been granted.

- 4.8 Should the Council, following the outcome of the first stage of the consultation process, consider amendment of the current alcohol byelaws, the process for doing so is the same process as applying for a new byelaw prohibiting the consumption of alcohol in a designated place. In terms of section 202 of the Local Government (Scotland) Act 1973 the Council requires to send a copy of the proposed amended byelaws to the Scottish Government for comment. The Scottish Government must respond with any comments and ensure that the Council has followed the procedures set out in section 202 of the Act, which includes consulting with the Police and local Procurator Fiscal to ensure that they are content with the proposed byelaw and plan, before the byelaws are advertised and draft byelaws are submitted to the Scottish Government. At the conclusion of this stage, a report will be submitted to the 22 April 2021 meeting of the Council for its consideration of any proposed amendment prior to full public consultation on any proposal.
- 4.9 Once agreement has been reached on the draft byelaws, the Council requires to advertise the intention to apply for confirmation of the byelaws and make both the byelaws and plan available for inspection to all members of the public. After a period of at least one month from the date of expiry of the advertisement period, a report will be submitted to the Council on the outcome of the public consultation. Thereafter, the Council may amend the byelaws and will require to submit these to the Scottish Government for confirmation by the Scottish Ministers. If confirmed, the Scottish Government will then agree a commencement date.

5.0 IMPLICATIONS

5.1 **Financial** – there are no financial implications at this stage.

5.2 **Legal**

The legal issues are contained within this report.

5.3 **Human Resources**

There are no HR implications related to this proposal.

5.4 **Equalities**

Equalities

(a) Has an Equality 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 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

5.5 **Repopulation**

There are no repopulation implications arising from this report.

6.0 **CONSULTATIONS**

6.1 There has been consultation with the Clerk of the Licensing Board.

7.0 **BACKGROUND PAPERS**

7.1 None.

**THE INVERCLYDE COUNCIL (PROHIBITION OF CONSUMPTION OF
ALCOHOL IN DESIGNATED PUBLIC PLACES) BYELAWS 2010**

In exercise of the powers conferred upon them by sections 201 and 202 of the Local Government (Scotland) Act 1973, the Scottish Ministers hereby confirm the foregoing byelaws.

The Scottish Ministers hereby fix 20 December 2010 as the date on which the byelaws shall come into operation.



NIKKI BROWN
A member of the staff of
the Scottish Ministers

The Scottish Government
Justice Directorate
St Andrew's House
24 November 2010

**THE INVERCLYDE COUNCIL (PROHIBITION OF CONSUMPTION OF ALCOHOLIC LIQUOR IN
DESIGNATED PLACES) BYELAWS 2010**

The Inverclyde Council ("the Council") in exercise of the powers conferred on it by sections 201, 202 and 203 of the Local Government (Scotland) Act 1973, and of all other powers enabling it in that behalf, hereby makes the following byelaws:-

Interpretation

1. (1) In these byelaws, unless the context otherwise requires -

"alcohol" has the same meaning as in section 2 of the Licensing (Scotland) Act 2005;

"licensed premises" has the same meaning as in section 147(1) of the Licensing (Scotland) Act 2005 but does not include premises in respect of which there is a provisional premises licence (within the meaning of section 45(5) of that Act);

"occasional licence" has the same meaning as in section 56(1) of the Licensing (Scotland) Act 2005;

"designated place" means any place to which the public have access within the areas specified in Schedule 1 to these byelaws and shown outlined in red on the plans annexed and signed as relative hereto.

- (2) These byelaws may be cited as "The Inverclyde Council (Prohibition of Consumption of Alcohol in Designated Public Places) Byelaws 2010.

Application

2. These byelaws shall not apply -
- (a) on 31 December, from 6 pm until the end of that day; and
 - (b) on 1 January, until 6 am.

Offence

3. (1) Any person who consumes alcohol in a designated place or is found to be in possession of an open container containing alcohol in a designated place in circumstances whereby it is reasonable to infer that that person intended to drink from it whilst in a designated place shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 2 on the standard scale.
- (2) It shall not be an offence against these byelaws to do anything in any designated place which comes within the meaning of licensed premises.
- (3) It shall not be an offence against these byelaws to do anything in any designated place in respect of which an occasional licence is in operation during any period when alcohol may be sold there by virtue of that licence and for 15 minutes after the expiry of such period.

Presumptions

4. (1) This byelaw applies for the purposes of any trial for an offence against these byelaws.
- (2) Any liquid found in a container shall, subject to the provisions of this byelaw, be presumed to conform to the description of the liquid on the container.
- (3) A container which is found to contain -
 - (a) no liquid; or
 - (b) insufficient liquid to permit analysisshall, subject to the provisions of this byelaw, be presumed to have contained at the time of the alleged offence liquid which conformed to the description of the liquid on the container.
- (4) A person shall not be entitled to lead evidence for the purpose of rebutting a presumption mentioned in paragraphs (2) or (3) above unless, not less than 7 days before the date of the trial, he has given notice to the prosecutor of his intention to do so.

Public Notice of Effect

5. (1) The Council shall erect one or more signs at or reasonably adjacent to each designated place for the purpose of giving notice of the effect of these byelaws.
- (2) It shall be no defence in proceedings against a person for an offence under these byelaws that the Council failed to comply with paragraph (1) of this byelaw.

Revocation of Previous Byelaws

6. The Inverclyde District Council (Prohibition of Consumption of Alcoholic Liquor in Designated Places) Byelaws 1997 made by the District Council on 15 May 1997 and confirmed by the Secretary of State on 4 August 1997 are hereby revoked.

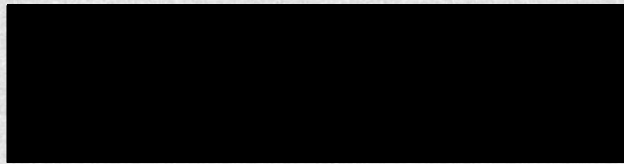
Given under the common seal of the Inverclyde Council and subscribed for them and on their behalf by Howard Robertson McNeilly, Proper Officer, all at Greenock on the Seventh day of October, Two thousand and ten.

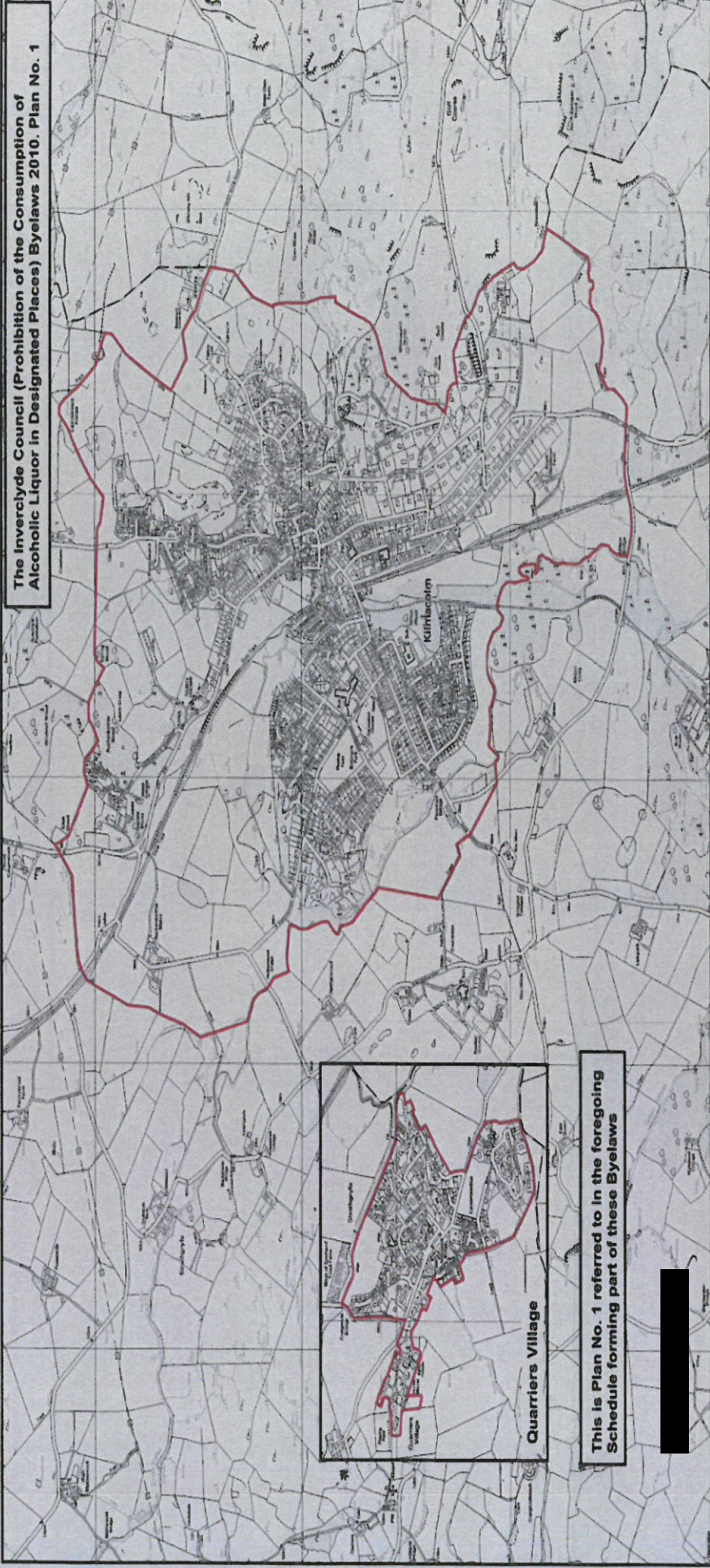


SCHEDULE

DESCRIPTION OF AREAS

1. The whole of the villages of Kilmacolm and Quarriers Village as shown outlined in red on the attached Plan No 1.
2. The whole of the towns of Port Glasgow, Greenock and Gourock as shown outlined in red on the attached Plans Nos 2, 3 and 4.
3. The whole of the village of Inverkip and of the settlement of Wemyss Bay as shown outlined in red on the attached Plan No 5.





The Inverclyde Council (Prohibition of the Consumption of Alcoholic Liquor in Designated Places) Byelaws 2010. Plan No. 1

This is Plan No. 1 referred to in the foregoing Schedule forming part of these Byelaws

Quarriers Village

Inverclyde Council
Planning & Housing

SCALE 1:10,000
Drg. No. 12/464
GMCC NOV 09



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The Inverclyde Council (Prohibition of the Consumption of Alcoholic Liquor in Designated Places) Byelaws 2010. Plan No. 2



This is Plan No. 2 referred to in the foregoing Schedule forming part of these Byelaws



**Inverclyde Council
Planning & Housing**

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GMCC NOV 09



The Inverclyde Council (Prohibition of the Consumption of Alcoholic Liquor in Designated Places) Byelaws 2010, Plan No. 3

GREENOCK

This is Plan No. 3 referred to in the foregoing Schedule forming part of these Byelaws

Inverclyde Council
Regeneration & Planning

SCALE 1:10,000
Drg. No. IZ/466
GMCC APR 10

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The Inverclyde Council (Prohibition of the Consumption of Alcoholic Liquor in Designated Places) Byelaws 2010, Plan No. 4



This is Plan No. 4 referred to in the foregoing Schedule forming part of these Byelaws

Inverclyde Council
Regeneration & Planning

SCALE 1:10,000
Drg. No. IZ/467
GMCC APR 10



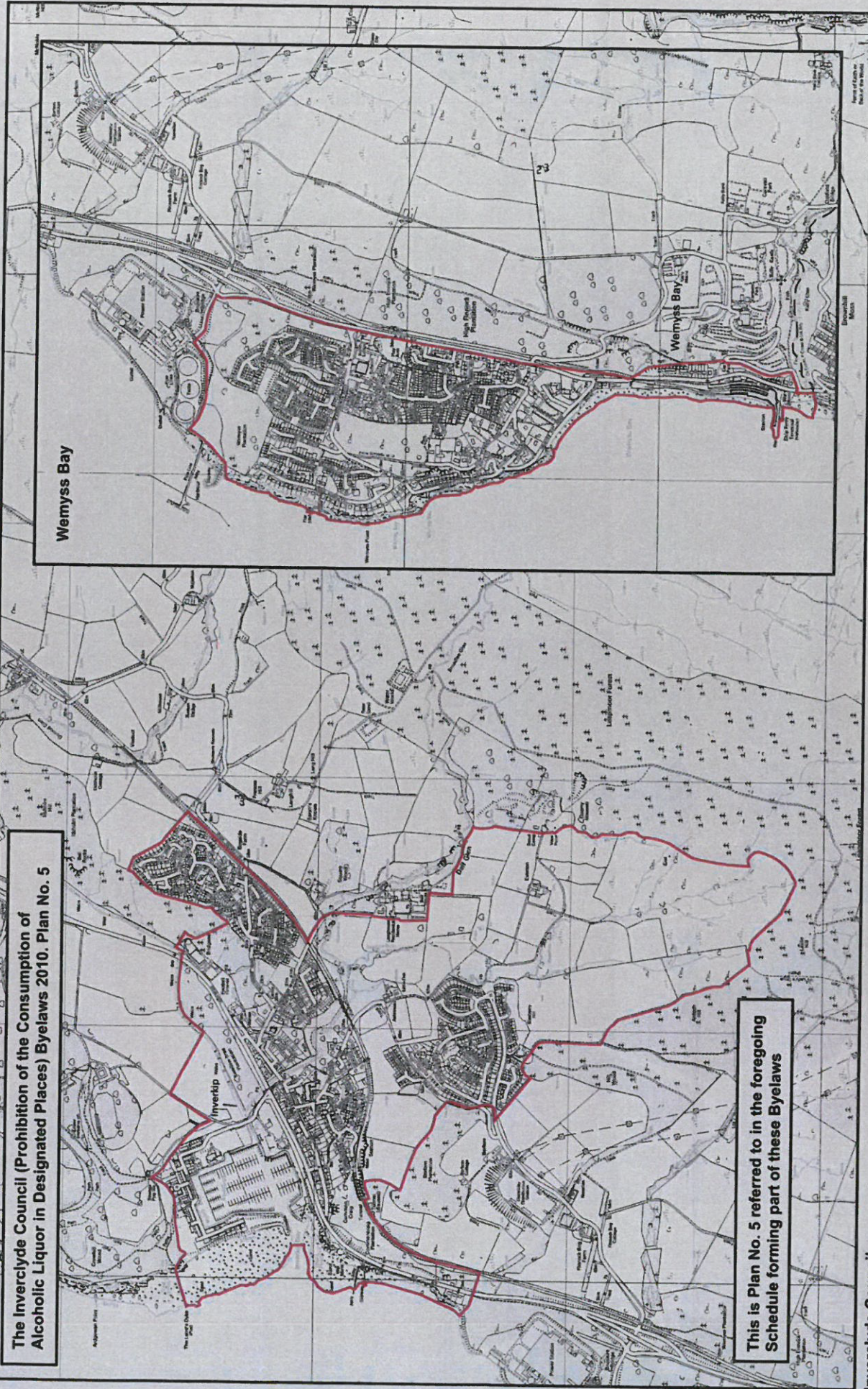
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The Inverclyde Council (Prohibition of the Consumption of Alcoholic Liquor in Designated Places) Byelaws 2010, Plan No. 5

This is Plan No. 5 referred to in the foregoing Schedule forming part of these Byelaws

**Inverclyde Council
Planning & Housing**

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**SCALE 1:10,000
Drg. No. I2/468
GMCC NOV 09**



Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Corporate Director, Environment, Regeneration and Resources	Report No:	LP/125/20
Contact Officer:	Lindsay Carrick	Contact No:	01475 712114
Subject:	Proposed Traffic Regulation Order – The Inverclyde Council, Disabled Persons’ Parking Places (On-Street) Order No. 2 2020		

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Environment & Regeneration Committee.

2.0 SUMMARY

- 2.1 The Environment & Regeneration Committee held on 29 October 2020 after consideration of a report by the Corporate Director Environment, Regeneration & Resources on the proposed Traffic Regulation Order – The Inverclyde Council, Disabled Persons’ Parking Places (On-Street) Order No. 2 2020 recommended that the Inverclyde Council be asked to make the Traffic Regulation Order and to remit it to the Head of Roads and Environmental Shared Services and the Head of Legal and Property Services to arrange for its implementation.

3.0 RECOMMENDATION

- 3.1 That the Inverclyde Council approves the making of the Traffic Regulation Order – The Inverclyde Council, Disabled Persons’ Parking Places (On-Street) Order No. 2 2020 and that the Head of Roads and Environmental Shared Services and the Head of Legal and Property Services be authorised to take all necessary action in connection therewith.

Appendix
1

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 Local Authorities are empowered to make Orders under the Road Traffic Regulation and Roads (Scotland) Act 1984.
- 4.2 The provision of on-street parking places for use by disabled drivers, who are the holders of a Disabled Person's Badge, is regulated by The Disabled Persons' Parking Places (Scotland) Act 2009. Inverclyde Council is required to promote a Traffic Regulation Order to regulate the use of such parking places.
- 4.3 The Council is asked to note that, if approved, the Order may not be implemented until the making of the Order has been advertised to allow any persons who so wish a period of six weeks to question the validity of the Order in terms of the Road Traffic Regulation Act 1984.

5.0 IMPLICATIONS

5.1 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	Virement From (If Applicable)	Other Comments
N/A					

5.2 Legal

There are no legal implications arising from this report.

5.3 Human Resources

There are no HR implications arising from this report.

5.4 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

5.5 Repopulation

There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

6.1 The proposals have been advertised in the Greenock Telegraph and full details of the proposals have been made available for public inspection on a notice board situated at the entrance are of the Customer Service Centre, Municipal Buildings, Greenock during normal office hours.

7.0 BACKGROUND PAPERS

7.1 None

THE INVERCLYDE COUNCIL
DISABLED PERSONS' PARKING PLACES
(ON-STREET) ORDER No.2 2020
TRAFFIC REGULATION ORDER

THE INVERCLYDE COUNCIL
DISABLED PERSONS' PARKING PLACES (ON-STREET)
ORDER No.2 2020

The Inverclyde Council in exercise of the powers conferred on them by Section 32(1) of the Road Traffic Regulation Act 1984 ("the Act") and of all other enabling powers and after consultation with the Chief Constable of Police Scotland in accordance with Part III of Schedule 9 to the Act hereby make the following Order.

1. This Order may be cited as "The Inverclyde Council Disabled Persons' Parking Places (On-Street) Order No. 2 2020" and shall come into operation on #####.

2. In this Order the following expressions have the meanings hereby assigned to them:-

"Council" means The Inverclyde Council or its successors as Roads Authority;

"disabled person's badge" means:

- (a) a badge issued under Section 21 of the Chronically Sick and Disabled Persons Act 1970 (as amended);
 - (b) a badge issued under a provision of the law of Northern Ireland corresponding to that section; or
 - (c) a badge issued by any member State other than the United Kingdom for purposes corresponding to the purposes for which badges under that section are issued;
- and which has not ceased to be in force;

"disabled person's vehicle" means a vehicle lawfully displaying a disabled person's badge;

"parking attendant" means a person employed in accordance with Section 63A of the Act to carry out the functions therein;

"parking place" means an area of land specified by number and name in Columns 1 and 2 in the Schedule to this Order;

"traffic sign" means a sign prescribed or authorised under Section 64 of the Act; and

"vehicle" unless the context otherwise requires, means a vehicle of any description and includes a machine or implement of any kind drawn or propelled along roads whether or not by mechanical power.

3. The Schedule titled "Disabled Persons' Parking Places (On Street) Order No. 2 2020" forms the Schedule to this Order.

4. Each area of road which is described in the Schedule Part 1 to this Order and the plans relative to this Order is hereby designated as a parking place.

5. The parking places shall only be used for the leaving of disabled persons' vehicles displaying a valid disabled person's badge.

6. The limits of each parking place shall be indicated on the carriageway as prescribed by The Traffic Signs Regulations and General Directions 2016, as amended.
7. Every vehicle left in any parking place shall stand such that no parking place is occupied by more than one vehicle and that every part of the vehicle is within the limits of the parking place provided that, where the length of a vehicle precludes compliance with this paragraph, such vehicle shall be deemed to be within the limits of a parking place if:-

the extreme front portion or, as the case may be, the extreme rear portion of the vehicle is within 300mm of an indication on the carriageway provided under this Order in relation to the parking place; and

the vehicle, or any part thereof, is not within the limits of any adjoining parking place.
8. Any person duly authorised by the Council or a police officer in uniform or a traffic warden or parking attendant may move or cause to be moved in case of any emergency, to any place they think fit, vehicles left in a parking place.
9. Any person duly authorised by the Council may suspend the use of a parking place or any part thereof whenever such suspension is considered reasonably necessary:-

for the purpose of facilitating the movement of traffic or promoting its safety;

for the purpose of any building operation, demolition, or excavation in or adjacent to the parking place or the laying, erection, alteration, removal or repair in or adjacent to the parking place of any sewer or of any main, pipe, apparatus for the supply of gas, water electricity or of any telecommunications apparatus, traffic sign or parking meter;

for the convenience of occupiers of premises adjacent to the parking place on any occasion of the removal of furniture from one office or dwellinghouse to another or the removal of furniture from such premises to a depository or to such premises from a depository;

on any occasion on which it is likely by reason of some special attraction that any street will be thronged or obstructed; or

for the convenience of occupiers of premises adjacent to the parking place at times of weddings or funerals or on other special occasions.
10. A police officer in uniform may suspend for not longer than twenty four hours the use of a parking place or part thereof whenever such suspension is considered reasonably necessary for the purpose of facilitating the movement of traffic or promoting its safety.

11. This Order insofar as it relates to the parking places to be revoked (R) and amended, as specified in the Schedule Part 2 to this Order, partially revokes and amends The Inverclyde Council Disabled Persons' Parking Places (On-Street) Order Nos. 01/2004 and 01/2006 respectively.

Sealed with the Common Seal of The Inverclyde Council and subscribed for them and on their behalf by #####, Proper Officer, on the ##### day of #####, Two Thousand and #####.

DRAFT

INVERCLYDE COUNCIL

**DISABLED PERSONS' PARKING PLACES (ON-STREET)
ORDER No.2 2020**

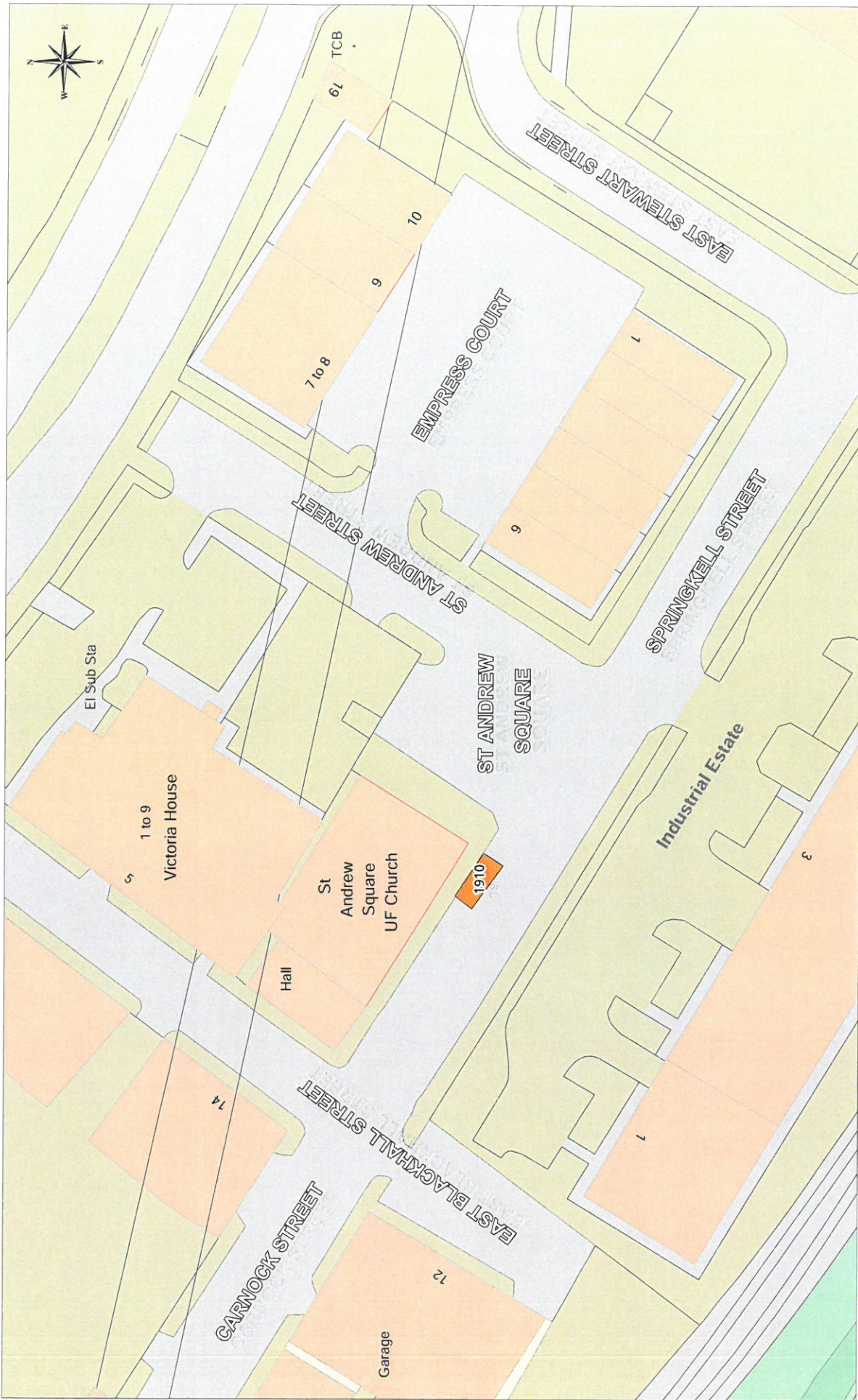
Rev C

SCHEDULE (Part 2)

All and whole that area of ground as described in Column 2 in the table below:

Column 1	Column 2
<u>Ref No.</u>	<u>Address of Disabled Person's Parking Place to be revoked ® "ex-adverso"</u>
0430	34 Davaar Road, Greenock ®
0564	13 Darroch Drive, Gourrock ®

DISABLED PERSONS' PARKING PLACE



Address: Carnock Street, GREENOCK

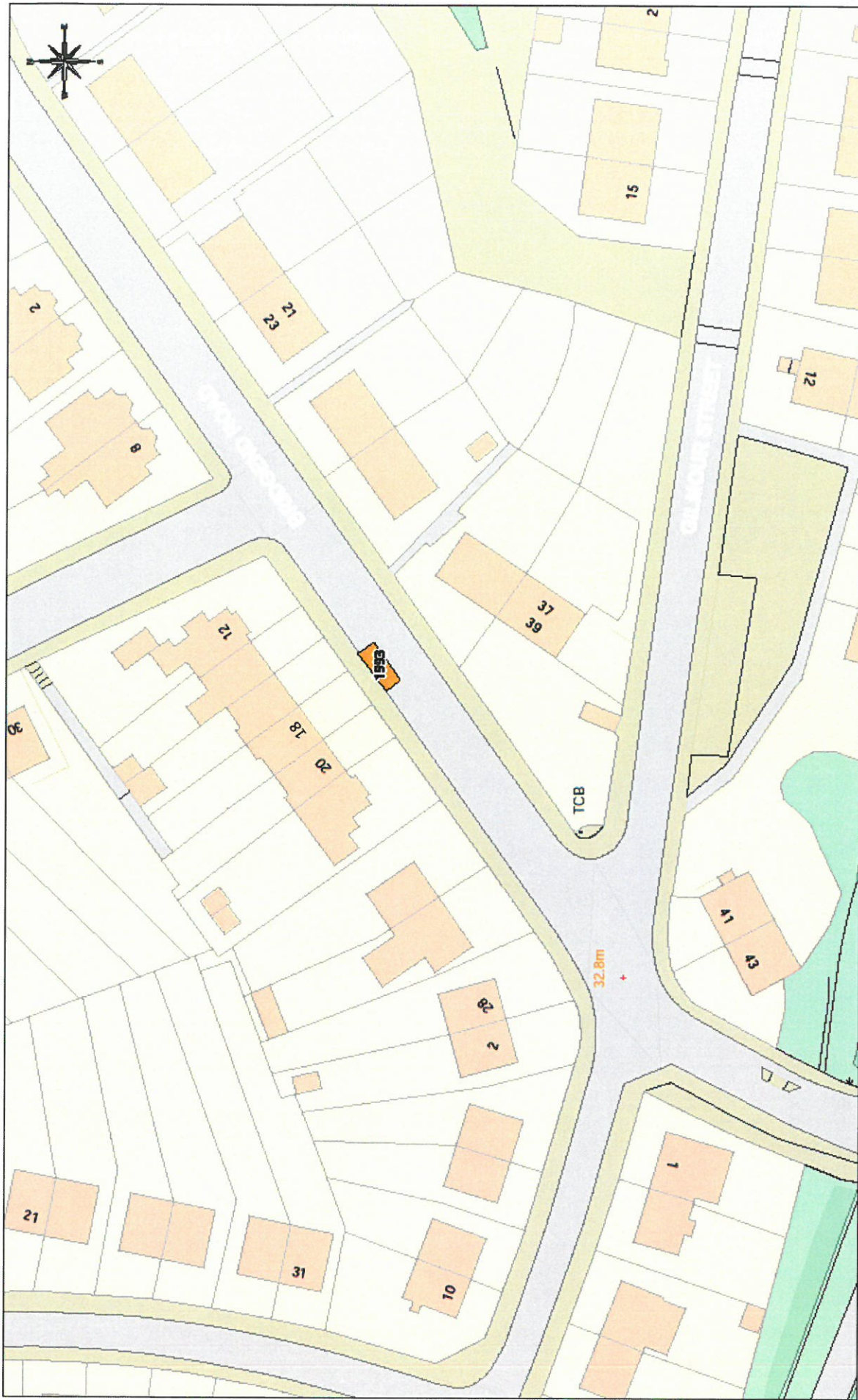
Place No.: 1910

15/07/2020

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Inverclyde council
Roads & Transportation
Environment, Regeneration & Resources
Corporate Director: Scott Allan BSc, C.Eng., M.I.C.E.
Municipal Buildings
Dyke Square, Greenock, G77 7LY
Tel: 01475 712712
Fax: 01475 712731
local@inverclyde.gov.uk

DISABLED PERSONS' PARKING PLACE



Inverclyde
Central
Roads & Transportation
Professional, Independent & Specialist
Consultants
Company Number: SC04 406185, C.Eng., M.I.C.E.
Registered Buildings
City Centre
Glasgow, G1 1 1LY
Tel: 01475 710725
Email: info@inverclyde.gov.uk

Address: 18 Bridgend Road, GREENOCK

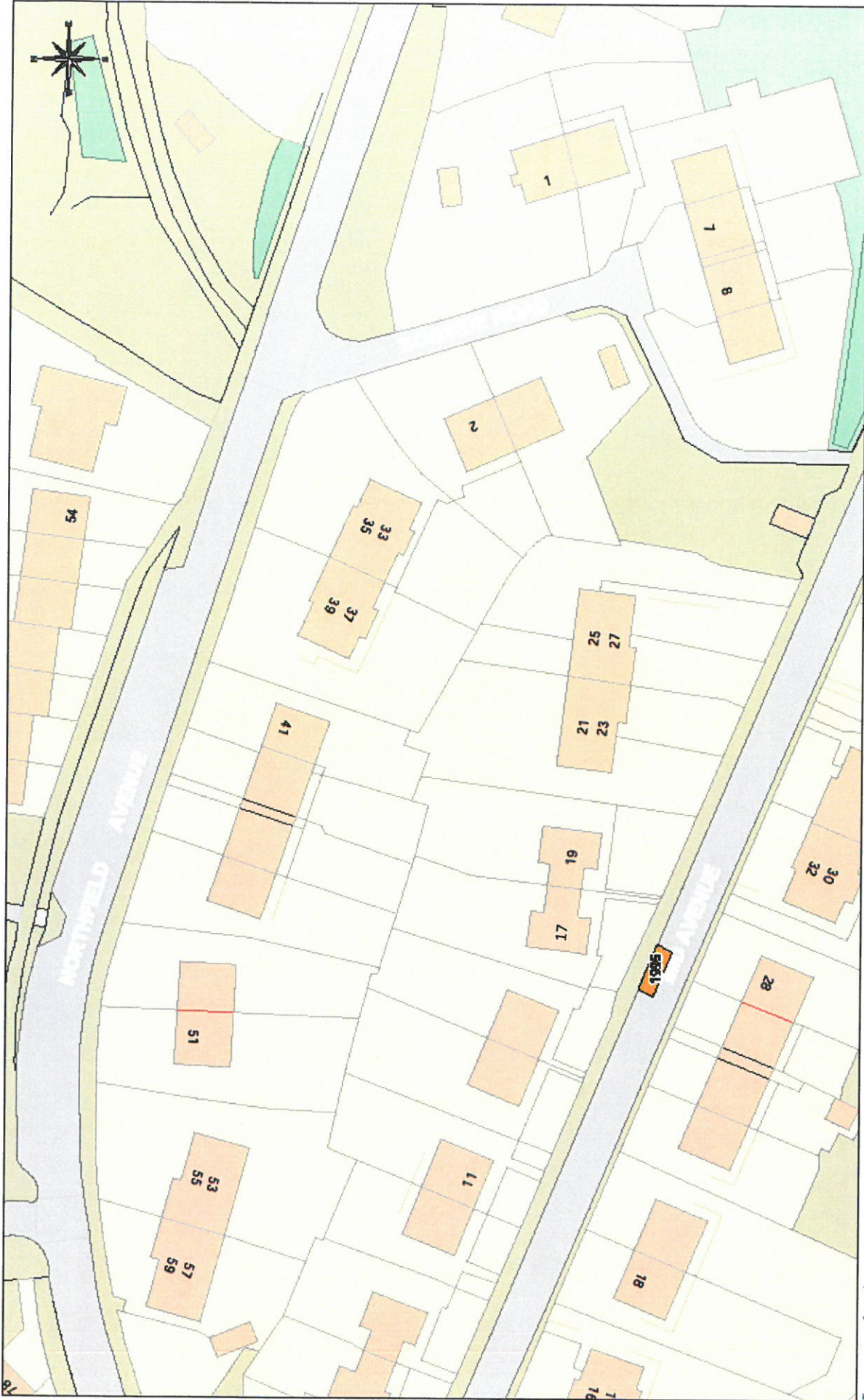
Place No.: 1993

15/07/2020



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DISABLED PERSONS' PARKING PLACE



Inverclyde
Council
Roads & Transportation
Engineering, Inspection & Maintenance
Concrete Division, Road Marking, C.D.P., M.C.C.E.
Marking Buildings
Clyde Square
Dunoon, PA15 1LY
Tel: 01475 727271
Email: roads@inverclyde.gov.uk

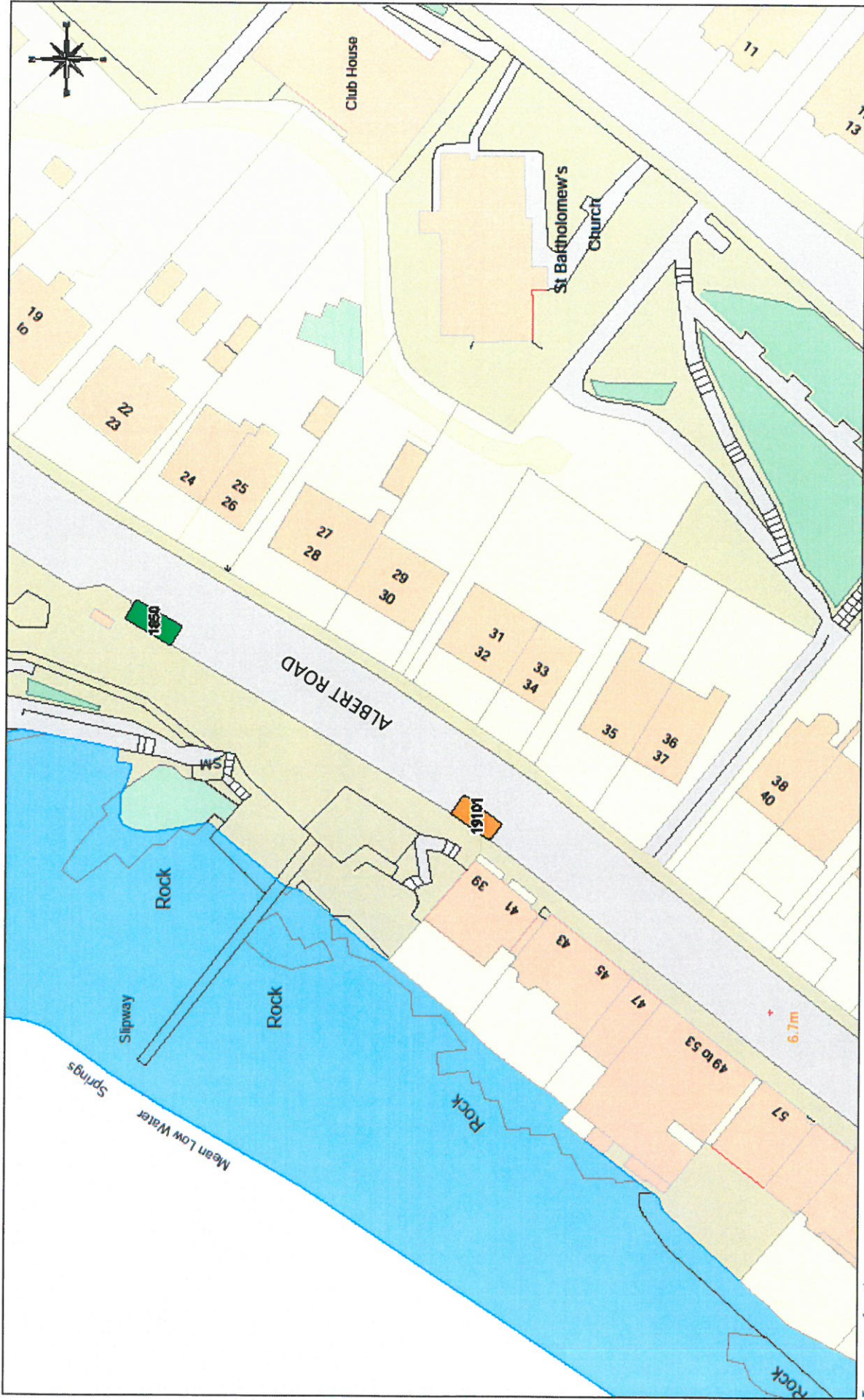
Address: 17 Mid Avenue, PORT GLASGOW

Place No.: 1995

15/07/2020

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DISABLED PERSONS' PARKING PLACE



Inverclyde
council
Roads & Transport
Engineering, Operations & Maintenance
Concrete Division, Road Marking, C.Dip., M.I.C.E.
Marking Buildings
Clyde Quay
Gourock, PA15 5LJ
Tel: 01475 737231
Fax: 01475 737231
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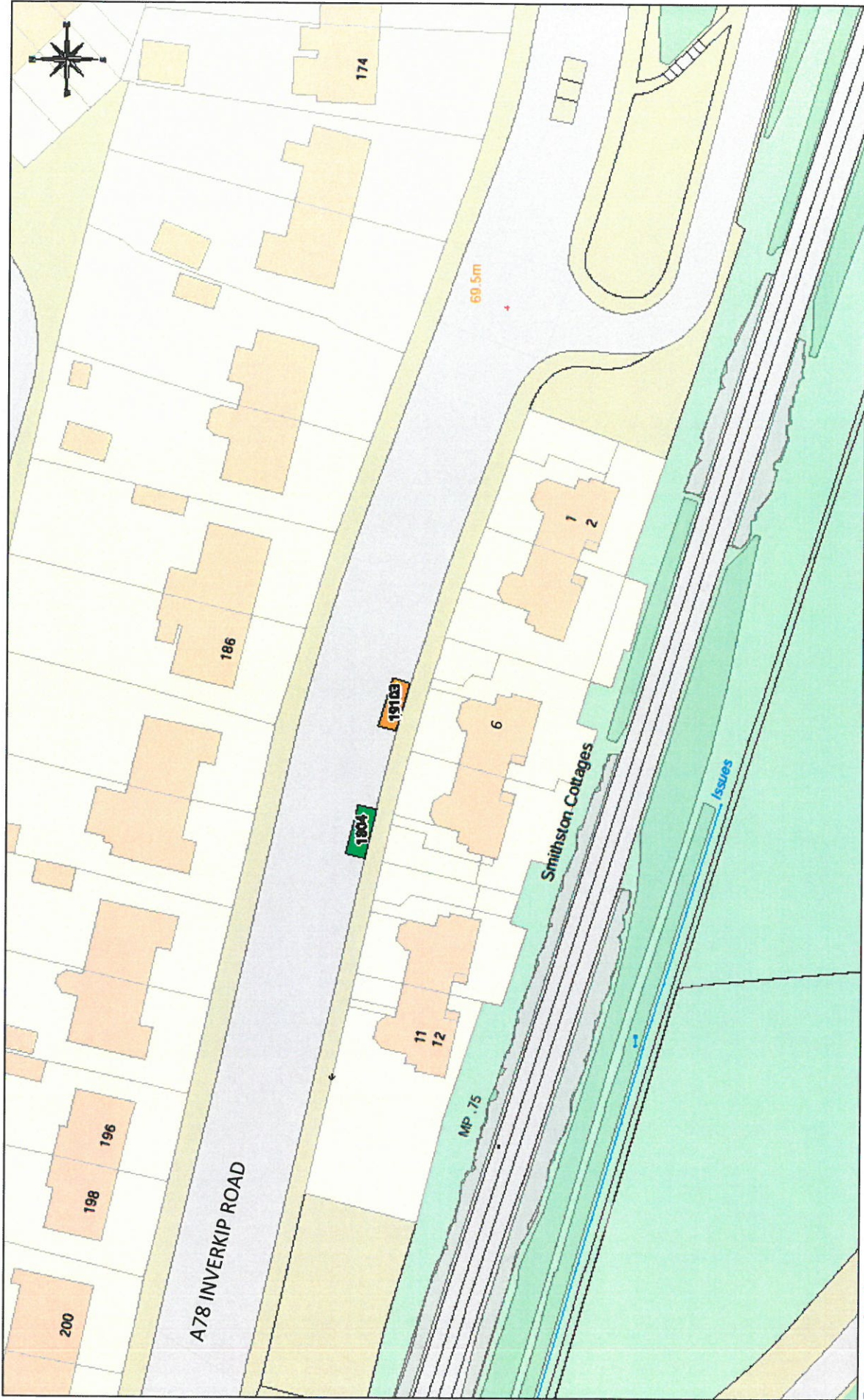
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council
Roads & Transportation
Environment, Regeneration & Resources
Corporate Director: Scott Alan Bell, C.Eng., M.I.C.E.
Municipal Buildings
Civic Square, Glasgow G4 0 1YV
Tel: 01475 712750
Fax: 01475 712751
Email: roads@inverclyde.gov.uk

Address: 6 Smithston Cottages, GREENOCK

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Environment, Regeneration & Resources

Corporate Director: Scott Allan BSc., C.Eng., M.I.C.E.

Managerial Buildings

One Ingram

76-78 St. Andrew's St.

Greenock G83 7JZ

01463 712752

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01463 712754

01463 712755



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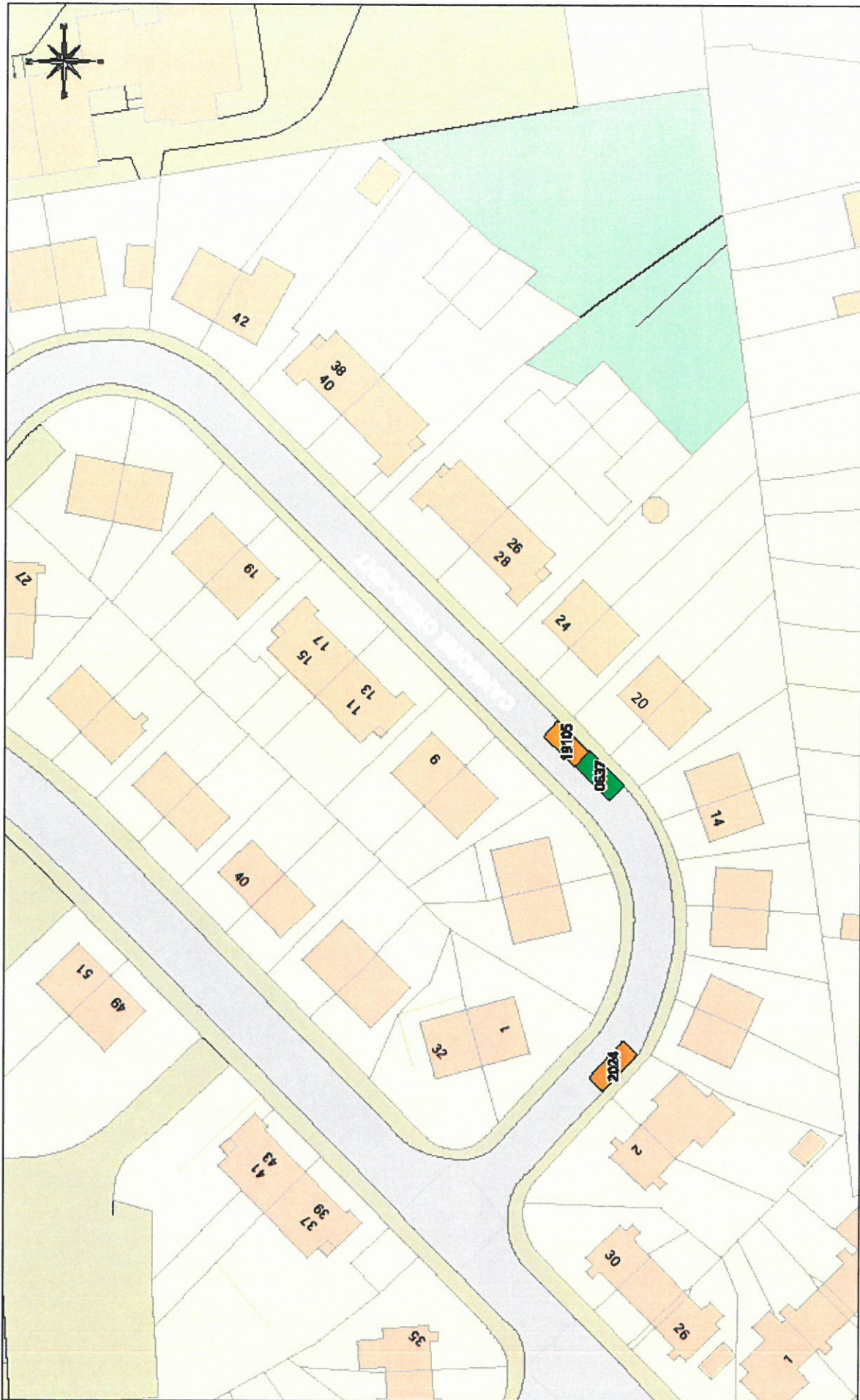
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Corporate Director: Scott Alan Wils, C.Eng. M.I.C.E.
Municipal Buildings
Cycle Square
Greenock, Renfrewshire, G84 7JY
Tel: 01475 712751
Fax: 01475 712751
inverclyde@inverclyde.gov.uk

Address: 20 Canmore Crescent, GREENOCK

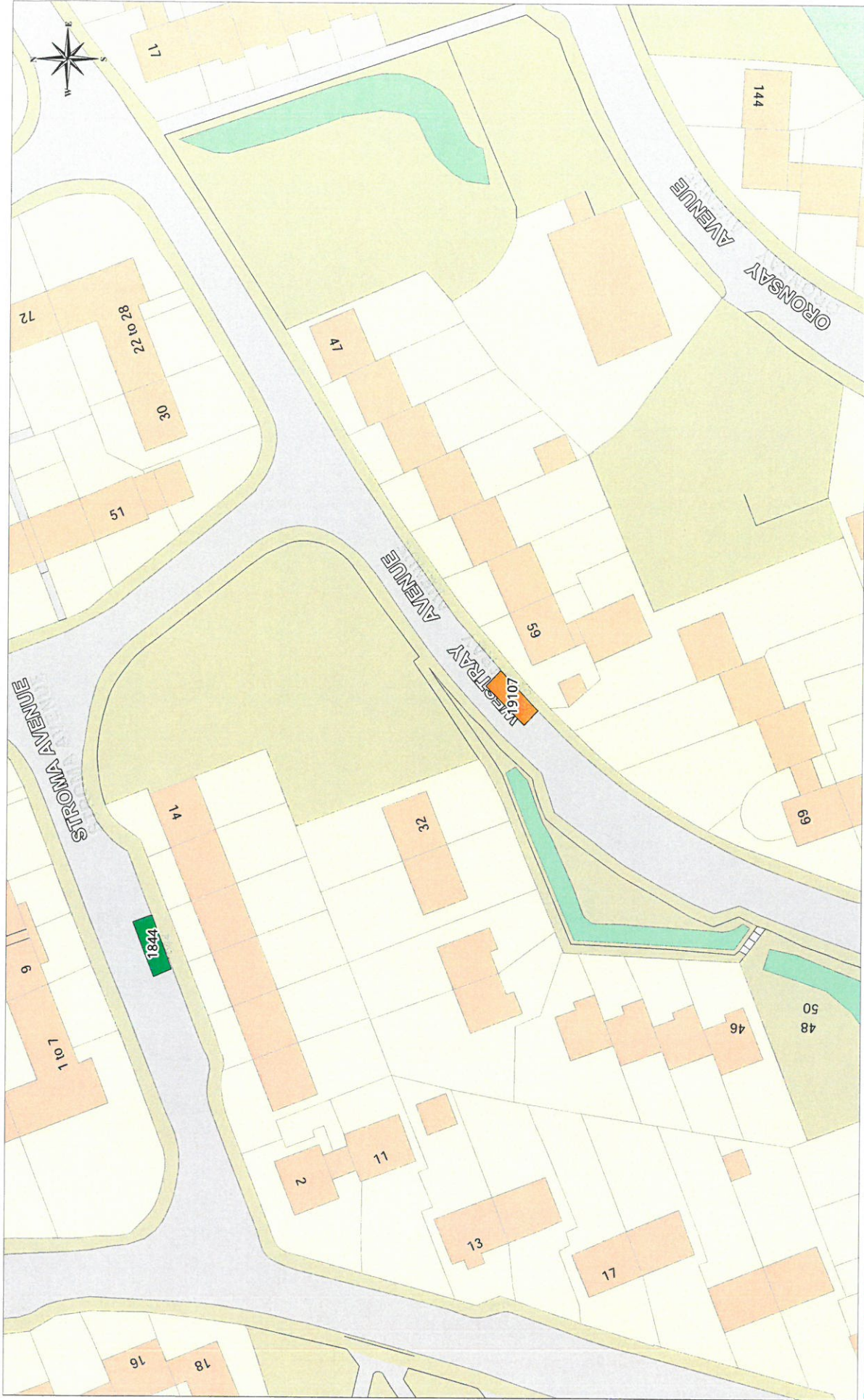
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Environment, Regeneration & Resources
Corporate Director: Scott Allan BSc., C.Eng., M.I.C.E.
Municipal Buildings
Glenbank, PA15 1LY
Tel: 01475 712712
Fax: 01475 712725
scott.allan@inverclyde.gov.uk

Address: 59 Westray Avenue, PORT GLASGOW

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Environment, Regeneration & Resources
 Corporate Director: Scott Allan BSc., C.Eng., M.I.C.E.
 Municipal Buildings
 Greenock, PA15 1LY
 Tel: 01475 72272
 Email: scott.allan@inverclyde.gov.uk

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Inverclyde
Council
Roads & Transport
Environment, Regeneration & Resilience
Corporate Director: David Allan BSc., C.Eng., M.I.C.E.
Chris Bon Mathys
Glenhead, Paisley
Tel: 01463 723721
Email: roads@inverclyde.gov.uk

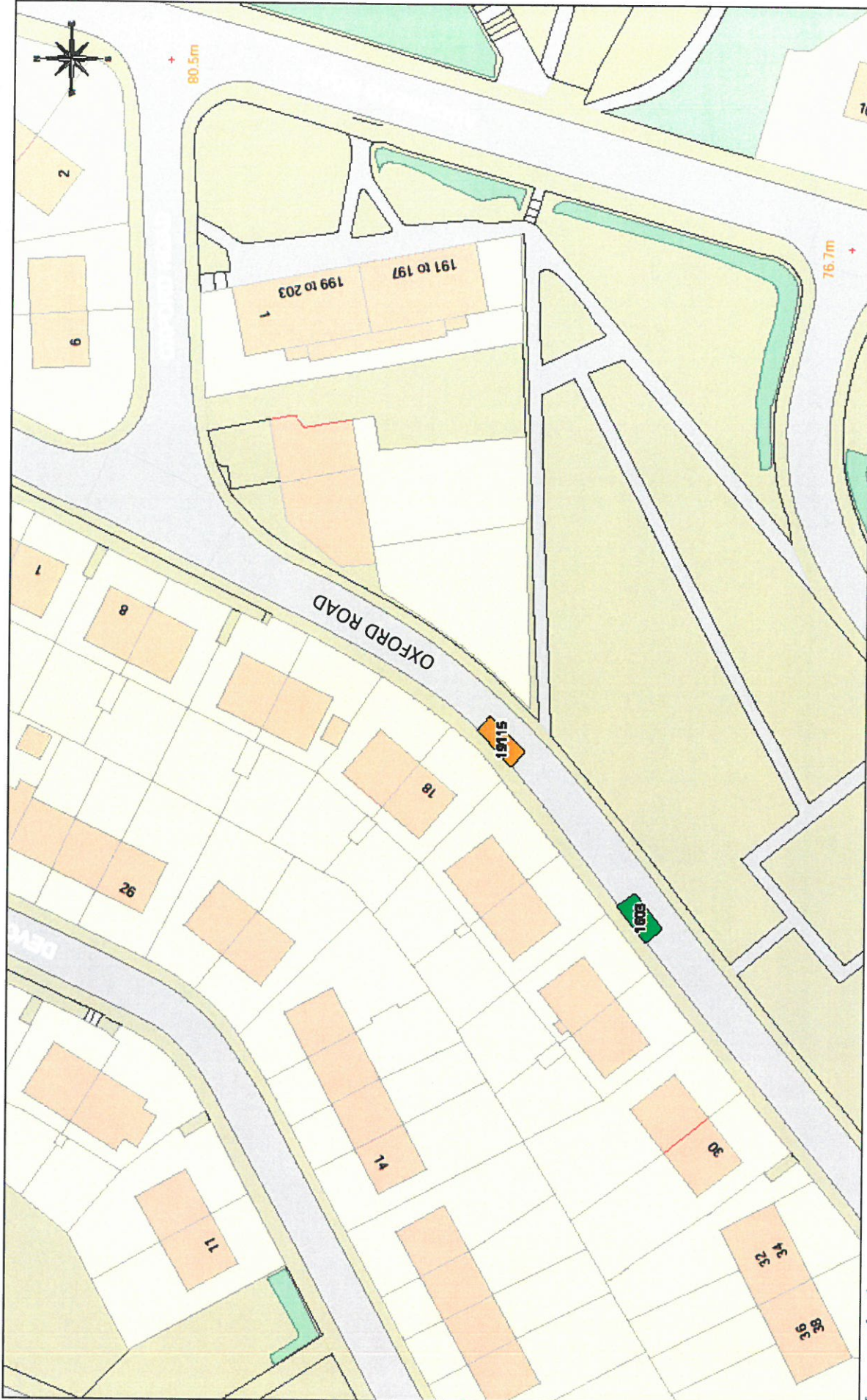
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Strategic Buildings
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Tel: 01475 712751
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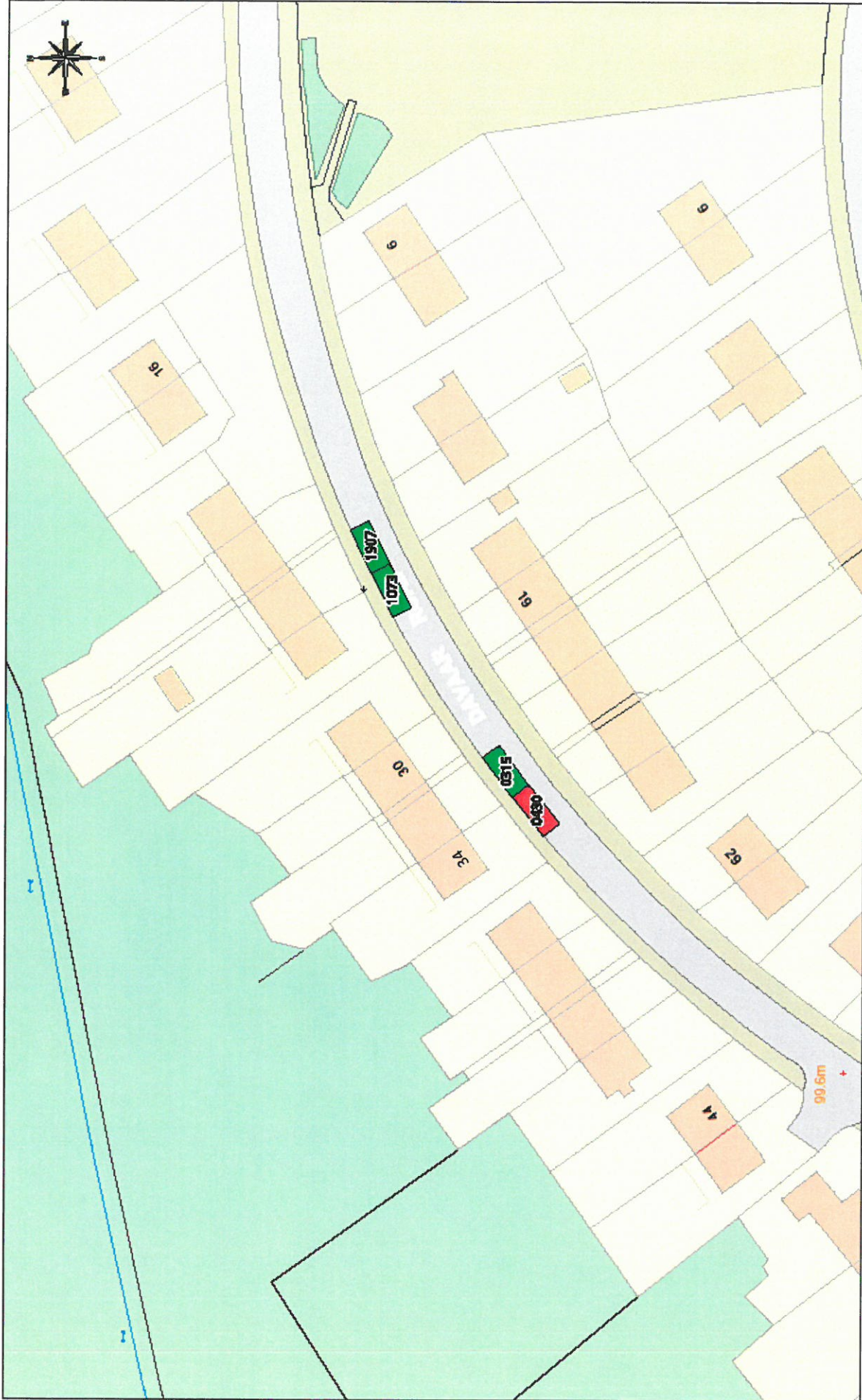
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Engineering, Repairs & Maintenance
Corporate Director: Scott Allan BSc., C.Eng., M.I.C.E.
Nursing Building
Clyde Square
Greenock, PA16 5LY
Tel: 01475 710721
scot.allan@inverclyde.gov.uk

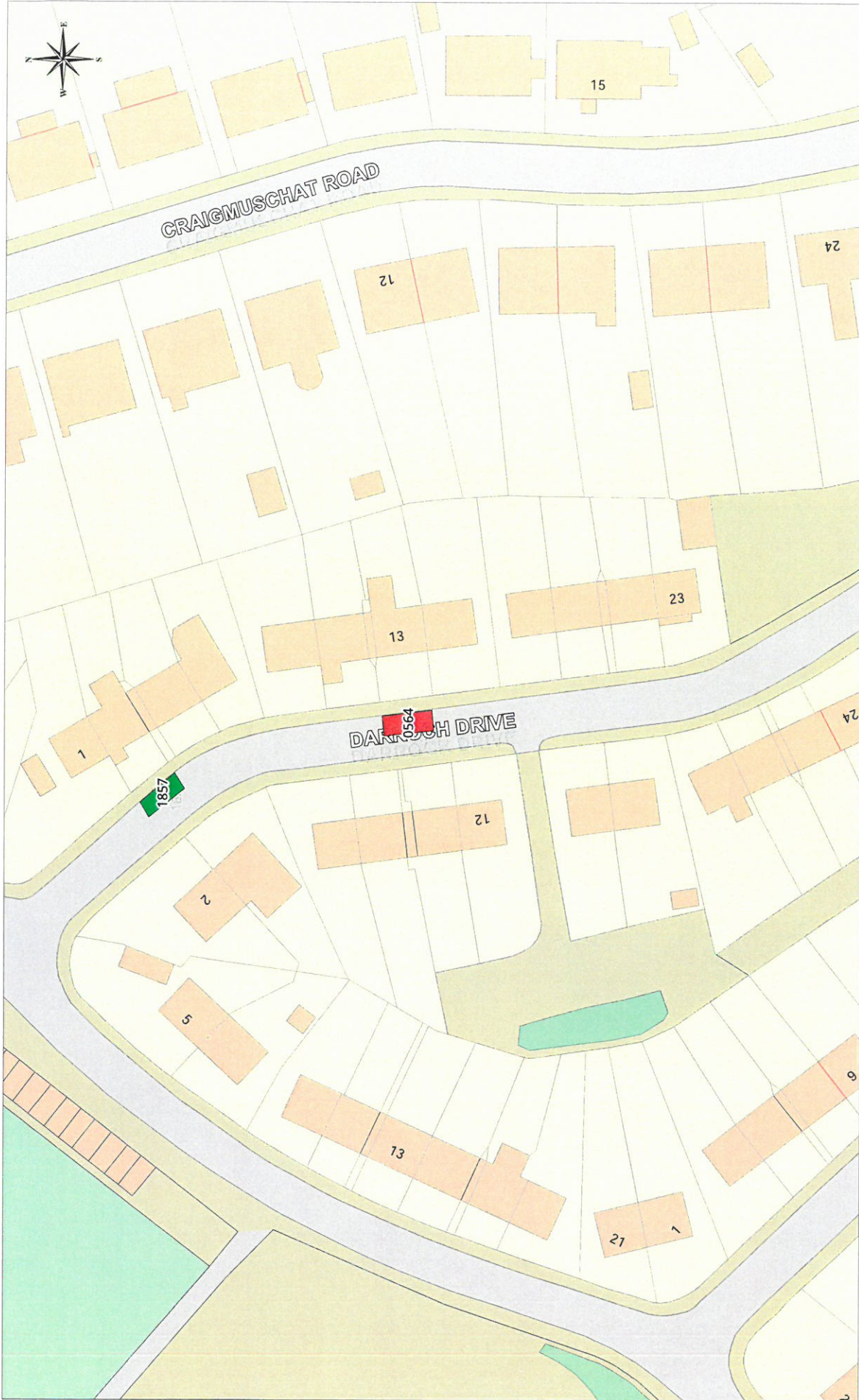
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Environment, Regeneration & Resources
Corporate Director: Scott Alan BSc., C.Eng., M.I.C.E.
Municipal Buildings
Clyde Square, G77 1LY
Tel: 01475 712712
Fax: 01475 712731
scott.alar@inverclyde.gov.uk

THE INVERCLYDE COUNCIL

**DISABLED PERSONS' PARKING PLACES
(ON-STREET) ORDER No. 2 2020**

**Statement of Reasons for Proposing to Make
the above Order**

It is considered necessary, in order to comply with Section 5 of The Disabled Persons' Parking Places (Scotland) Act 2009, to make the above Order to provide assistance for disabled persons who hold a badge under the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000 as amended and to revoke those parking places no longer required to maximise street parking capacity.

Gail MacFarlane
Shared Head of Service Roads
8 Pottery Street
GREENOCK
PA15 2UH

Report To:	Inverclyde Council	Date:	3 December 2020
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	RMcG/ LP/130/20
Contact Officer:	Rona McGhee	Contact No:	01475 712113
Subject:	Treasury Management – Mid-Year Report 2020/21: Remit from Policy & Resources Committee		

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Policy & Resources Committee.

2.0 SUMMARY

- 2.1 The Policy & Resources Committee at its meeting on 17 November 2020 considered a report by the Chief Financial Officer on the operation of the treasury function and its activities for the first six months of 2020/21 as required under the terms of Treasury Management Practice 6 ('TMP6') on 'Reporting Requirements and Management Information Arrangements'.
- 2.2 A copy of the report to the Policy & Resources Committee is attached as Appendix 1.
- 2.3 The Policy & Resources Committee decided:
- (1) that the contents of the Mid-Year Report on Treasury Management for 2020/21 and the ongoing work to ensure the delivery of financial benefits for the Council be noted;
 - (2) that the Mid-Year Report be remitted to the Inverclyde Council for approval.

3.0 RECOMMENDATION

- 3.1 The Council is asked to approve the Treasury Management Mid-Year Report 2020/21.

Gerard Malone
Head of Legal & Property Services

Report To:	Policy & Resources Committee	Date:	17 November 2020
Report By:	Chief Financial Officer	Report No:	FIN/95/20/KJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	TREASURY MANAGEMENT – MID-YEAR REPORT 2020/21		

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 2020/21 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

2.0 SUMMARY

- 2.1 The COVID-19 emergency has impacted the Council's treasury management position with additional cash flows in from advanced grants/funding for COVID-19 and out for grant funding to businesses and additional costs from COVID-19. There has also been reduced capital expenditure due to lockdown. There is continued economic uncertainty with the UK Bank Rate at a historically low 0.10% and investment rates at levels close to zero.
- 2.2 As at 30 September 2020 the Council had gross external debt (including PPP) of £268,547,578 and investments (cash balances managed in house) of £49,640,851. This compares to gross external debt (including PPP) of £274,392,487 and investments of £29,655,497 at 31 March 2020.
- 2.3 The Council is projected to be underborrowed by £30,620,000 compared to its Capital Financing Requirement as at 31 March 2021. This is an increase of £5,337,000 from the estimate of £25,283,000 in the 2020/21 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.
- 2.4 The Council has not borrowed this year. The 2020/21 Treasury Management Strategy includes £10m of replacement borrowing but the current projection for the remainder of the year does not anticipate additional borrowing. Borrowing may, however, be undertaken if funds are required and if it is prudent to borrow.
- 2.5 The average rate of return achieved on investments during the first six months of 2020/21 was 0.20% which exceeds the benchmark return rate for the period of 0.11% by 0.09% and resulted in £17,400 of additional interest on investments for the Council.
- 2.6 During the first six months of 2020/21 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.
- 2.7 In October 2019 the PWLB added 1% to their interest rates for new borrowing. They have now undertaken a consultation on their future lending terms which is expected to result in their lending rates for new borrowing being reduced at some future date which reinforces the strategy of minimising new borrowing at this time.

3.0 RECOMMENDATIONS

-
- 3.1 It is recommended that the Committee notes the contents of the Mid-Year Report on Treasury Management for 2020/21 and the ongoing work to ensure the delivery of financial benefits for the Council.
 - 3.2 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 2020/21.
- 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 2020/21 include issues from the COVID-19 emergency:
 - a. The Council’s debt (including PPP) has reduced during the period by £5,844,909 due largely to PWLB debt that matured in July and for which the Council has not re-borrowed.
 - b. The Council’s investments have increased by £19,985,354 due to additional net cash flows into the Council from advanced grants/funding for COVID-19 and other spending and the impact of reduced capital expenditure due to lockdown.
 - c. As at 31 March 2020 the Council had under borrowed against its capital financing requirement by £27,840,000. The latest projection is for the under borrowing to increase to £30,620,000 as at 31 March 2021. 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. The COVID-19 emergency has added to the ongoing financial market volatility and economic uncertainty in the UK and around the world. In March 2020 the UK Bank Rate was cut twice in 8 days at emergency meetings, firstly by 0.50% to 0.25% and then down to 0.10% - the lowest Bank Rate ever in the UK - and a further £200bn of Quantitative Easing was added at the second emergency meeting with another £100bn in June.
 - e. The latest forecast from the Council’s treasury advisers (produced in August) is for the Bank Rate to remain at 0.10% through to at least March 2023.
 - f. During the period PWLB rates for new borrowing had been expected to see slight increases of up to 0.10%. Rates for short periods fell by around 0.15% for shorter periods but increased by the same amount for longer periods. The volatility during the 6-month period resulted in spreads between the high and low rates for some loan periods of up to 0.56% (e.g. borrowing rates for 42 years of 2.58% at the end of September had been at 2.17% in April and at 2.73% in August).
 - g. In October 2019 the PWLB added 1% to their interest rates for new borrowing. They have now undertaken a consultation on their future lending terms which is expected to result in their lending rates for new borrowing being reduced although the date for any change is unknown. Aside from this, 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 the economic and other factors affecting the UK and global markets.
 - h. During the period the Council has not undertaken any borrowing. The Treasury Management Strategy includes £10m of replacement borrowing but the current projection for the remainder of the year does not anticipate additional borrowing. Borrowing may, however, be undertaken if funds are required and if it is prudent to borrow. Any borrowing undertaken will be reported to Committee.
 - i. The Council did not undertake any debt restructuring during the first six months of 2020/21 and remained within its Prudential Indicator and Treasury Management limits.

- j. The cuts to the Bank Rate in March down to 0.10% means that investment rates and returns have also fallen with many rates close to zero, including for fixed term deposits.
- k. The Council's investments earned a rate of return of 0.20% during the period and outperformed the benchmark return of 0.11% resulting in additional income to the Council of £17,400.
- l. 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.
- m. 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.

5.2 The Council's debt position was as follows:

	At 31 March 2020	At 30 September 2020
	£	£
Total Excluding PPP	213,699,487	208,726,578
PPP Debt	60,693,000	59,821,000
Total Including PPP	274,392,487	268,547,578

Further detail is given in the following table:

	At 31 March 2020		At 30 September 2020		Movement In Period
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	114,117		109,065		(5,052)
- Market *	55,000		71,000		See * Below
	169,117	3.55%	180,065	3.69%	(5,052)
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	44,400		28,400		See * Below
- Temporary #	182		262		80
	44,582	4.86%	28,662	4.87%	80
Total Debt (Excl PPP)	213,699	3.82%	208,727	3.85%	(4,972)
PPP Debt	60,693		59,821		(872)
Total Debt (Incl PPP)	274,392		268,548		(5,844)

* - 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 2020		At 30 September 2020		Movement In Period
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	0	0.00%	15,000	0.32%	15,000
- Notice Accounts	10,036	0.25%	14,506	0.36%	4,470
- Deposit Accounts	19,619	0.10%	20,135	0.10%	516
Totals	29,655	0.15%	49,641	0.24%	19,986

Maximum level of investments in Period: £52,249,182 on 18 August 2020

Minimum level of investments in Period: £28,111,705 on 2 June 2020

Daily average for the period: £38,745,431

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 2020/21.

5.4 2020/21 Latest Projection Compared to Estimates in 2020/21 Strategy

The latest 2020/21 projection compared to the estimates in the 2020/21 strategy:

	2020/21 Estimate	2020/21 Latest Projection
	£000	£000
<u>Borrowing Requirement</u>		
New borrowing	0	0
Alternative financing requirements	0	0
Replacement borrowing	10,000	0
TOTAL	10,000	0
<u>Prudential/Treasury Management Indicators</u>		
	£000	£000
Gross external debt including PPP (As at 31 March 2021)	267,694	257,595
Capital financing requirement (As at 31 March 2021)	292,977	288,215
(Under)/over borrowing against CFR	(25,283)	(30,620)
	£000	£000
Gross Capital Expenditure	18,420	12,283
Ratio of financing costs (including PPP) to net revenue stream	13.86%	13.50%
Ratio of net debt (debt and PPP less investments) to net revenue stream	124.1%	112.6%

5.5 2020/21 Mid-Year Position Compared to Limits in 2020/21 Strategy

The 2020/21 mid-year position compared to limits in the 2020/21 strategy:

	2020/21 Limits	2020/21 Mid-Year Actual Position		
<u>Prudential/Treasury Management Indicators</u>				
Authorised limit for external debt	£000	£000		
• Borrowing	241,000	208,727		
• Other long term liabilities	61,000	59,821		
	302,000	268,548		
Operational boundary for external debt				
	£000	£000		
• Borrowing	241,000	208,727		
• Other long term liabilities	61,000	59,821		
	302,000	268,548		
Upper limit on sums invested for periods longer than 365 days (Actual is maximum in period)				
	£000	£000		
	10,000	0		
Upper limits on Fixed/Variable borrowing maturing in each period (LOBOs included based on call dates and not maturity dates) at 31 March 2021				
	Fixed	Var.	Fixed	Var.
• Under 12 months	45%	35%	4.8%	13.7%
• 12 months and within 24 months	45%	35%	12.0%	-
• 24 months and within 5 years	45%	35%	14.9%	-
• 5 years and within 10 years	45%	35%	5.4%	-
• 10 years and within 30 years	45%	35%	8.4%	-
• 30 years and within 50 years	45%	35%	21.6%	-
• 50 years and within 70 years	45%	35%	19.2%	-
<u>Council Policy Limits</u>				
Maximum Percentage of Debt Repayable In Year	25%	19.2%		
Maximum Proportion of Debt At Variable Rates	45%	13.7%		
Maximum Percentage of Debt Restructured In Year	30%	0.0%		

5.6 The January 2020 forecast from the Treasury Advisors included in the 2020/21 Strategy for the Bank Rate as at 31 March each year and the latest forecast for the Bank Rate are:

	Forecast Per 2020/21 Strategy	Latest Forecast
2020/21	0.75%	0.10%
2021/22	1.00%	0.10%
2022/23	1.25%	0.10%

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. 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 2020/21 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID uncompounded)
£38,745,431	0.20%	0.11%

The Council have outperformed the benchmark by 0.09% resulting in additional income to the Council of £17,400. Opportunities for the Council to out-perform the benchmark rate are becoming fewer due to more standardisation of rates and periods offered.

6.0 IMPLICATIONS

6.1 Finance

Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £17,400. 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.

6.2 Legal

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

6.3 Human Resources

None.

6.4 Equalities

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
	YES (see attached appendix)

(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

6.5 Repopulation

None.

7.0 CONSULTATIONS

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

8.0 LIST OF BACKGROUND PAPERS

8.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition
Inverclyde Council – Capital Strategy 2020/30 and Treasury Management Strategy Statement and Annual Investment Strategy 2020/21-2023/24.

**CASH BALANCES MANAGED IN-HOUSE
ACTUAL AS AT 31 MARCH 2020 AND 30 SEPTEMBER 2020**

The following is an analysis of cash balances managed in-house as at 31 March 2020 and at 30 September 2020:

	As At 31 March 2020	As At 30 September 2020
	£	£
<u>Fixed Term Deposits</u>		
Bank of Scotland	0	10,000,000
Santander UK	0	5,000,000
	0	15,000,000
Average Interest Rate	0.00%	0.32%
<u>Notice Accounts</u>		
Bank of Scotland	10,036,393	5,000,137
Santander UK	0	9,506,209
	10,036,393	14,506,346
Average Interest Rate	0.25%	0.36%
<u>Deposit Accounts</u>		
Bank of Scotland	19,618,600	20,134,000
Santander UK	504	505
	19,619,104	20,134,505
Average Interest Rate	0.10%	0.10%
TOTAL	29,655,497	49,640,851
Average Interest Rate	0.15%	0.24%

**FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2020/21 AND ACTUAL AT 30 SEPTEMBER 2020**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2020/21 and the actual as at 30 September 2020 are:

	2020/21 Estimate For Year	2020/21 Actual For 1 April 2020 To 30 September 2020
	£000	£000
Cash balances managed in-house		
- At Start of Year	20,000	29,655
- At End of Year/Period	22,838	49,641
- Change in Year/Period	2,838	19,986
- Average daily cash balances	21,419	38,745
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	442	442
- Advances	0	0
- Repayments	43	21
- At End of Year/Period	399	421
Loans made to third parties (Largely BPRA) #		
- At Start of Year	2,117	2,117
- Advances	4	0
- Repayments ##	720	21
- At End of Year/Period	1,401	2,109
Total of all investments		
- At Start of Year	22,561	32,216
- At End of Year/Period	24,640	52,173
- Change in Year/Period	2,079	19,957

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

- The main part of the repayments are for the BPRA and are due in March 2021.

Report To: Trustees of Council's Charities **Date:** 3 December 2020
Report By: Honorary Treasurer **Report No:** FIN/112/20/AP/CA
Contact Officer: Matt Thomson **Contact No:** 01475 712256
Subject: Trust Funds Annual Accounts 2019-20

1.0 PURPOSE

1.1 The purpose of this report is to ask the trustees:

- a) To adopt the examined Annual Accounts of the Birkmyre Trust and the Watt Institution Trust Fund.

2.0 SUMMARY

2.1 It is good practice for trustees to approve the examined Annual Accounts and sign and date the Trustees' Annual Report and Balance Sheet no later than 9 months after the financial year-end. These trusts are not registered charities and accordingly do not require to be filed with an external agency. The Independent Examiner has confirmed that the financial statements present fairly the finances of the trusts.

3.0 RECOMMENDATION

3.1 It is recommended that the trustees:

- a) Review and approve the Annual Accounts for the Birkmyre Trust and Watt Institution Trust Fund for the year ended 31 March 2020.

Alan Puckrin
Honorary Treasurer

4.0 BACKGROUND

- 4.1 It is good practice for trustees to approve the Annual Accounts and sign and date the Trustees' Annual Report and Balance Sheet no later than 9 months after the financial year-end. The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the "Code"), the same basis as the Council. These trusts are not registered charities and accordingly do not require to be filed with an external agency.
- 4.2 The two trusts concerned are:
- o Birkmyre Trust
 - o Watt Institution Trust Fund
- 4.3 The Accounts of the Birkmyre Trust show that the Trust's expenditure exceeded income during the year and a deficit of £18,246 was drawn down from the reserves brought forward, £8,663 was added to the Usable Revenue Reserve and £23,051 deducted from the Unusable Reserves.
- 4.4 The Usable Revenue Reserves, available to support services at the discretion of Trustees, now stands at £100,494. The Unusable Revaluation Reserve holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets were sold and now stands at £1,398,809. The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction and enhancement of those assets under statutory provision and the balance is (£1,552).
- 4.5 The Accounts of the Watt Institution Trust Fund show that the Trust's income exceeded expenditure during the year and the surplus of £16,796 was added to the reserves brought forward. The Trust has a balance of £57,449 on its Revenue Reserve available to provide services in accordance with the objects of the Trust.
- 4.6 The independent examination of the accounts of the trusts has been completed by Alison Bell CIMA and Craig Given CIMA, both employees of the Council, free of charge. In both cases, the certificate will confirm that the financial statements present fairly the finances of the trust for the period.
- 4.7 The financial statements of both trusts continue to be included within the audited Annual Accounts for Inverclyde Council under the Local Authority Accounts (Scotland) Regulations 2014.

5.0 IMPLICATIONS

5.1 Finance

There are no financial implications arising from this report.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.2 Legal

There are no legal implications arising from this report.

5.3 Human Resources

There are no human resources implications arising from this report.

5.4 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.

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?

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

Data Protection

Has a Data Protection Impact Assessment been carried out?

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

5.5 Repopulation

There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

6.1 The Head of Legal and Property Services has been consulted about the matters in this report.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

Birkmyre Trust

Annual Report and Financial Statements 2019-20



Year ended 31 March 2020

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Birkmyre Trust Background

Adam Birkmyre (1848-1906) of Shallot, Kilmacolm was a generous benefactor to Kilmacolm and donated to them Birkmyre Park. He also paid for the reading room and the library in the village.

In 1889 he purchased land in the middle of the village to provide a public park for the inhabitants of the Parish of Kilmacolm for their "use, benefit, enjoyment and recreation".

The following year after work to lay out footpaths, play areas for children and pitches for sports, Birkmyre Park was formally opened to the public. In addition to the parkland, four cottages on the land were donated.

The cottages were subsequently converted into what became known as the Pavilion. A feature of this building was the decoration of the Birkmyre name and family emblem on its end walls. The Pavilion served various purposes over the years including a children's nursery and accommodation for the park keepers.

By the turn of the Millennium, and after over 100 years of service, the Pavilion was in need of renovation. Starting in 2005, capital improvements were made to the Pavilion and its' surroundings by the local authority.

In 2009, with financial assistance from the council, a further programme of very extensive refurbishment to the Pavilion was successfully completed. The building now houses modern leisure facilities.

The trust for the Birkmyre Park was established under the trust disposition of Adam Birkmyre to the Parish of Kilmacolm in 1897.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to Council.

Trustees' Annual Report

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2020.

Reference and Administrative Information

- Trust Name Birkmyre Trust
- Principal Offices C/o Inverclyde Council, Municipal Buildings,
Clyde Square, Greenock, PA15 1LY

Trustees

- Councillor Ronnie Ahfeld
- Councillor Martin Brennan
- Councillor Graeme Brooks
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor Gerry Dorrian
- Councillor Colin Jackson
- Councillor Jim MacLeod
- Councillor Stephen McCabe
- Councillor Michael McCormick
- Councillor Chris McEleny
- Councillor Jim McEleny
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha Murphy
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Luciano Rebecchi
- Councillor Elizabeth Robertson
- Councillor David Wilson

Chair

- Provost Martin Brennan

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal and Property Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer)

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiners

- Alison Bell CIMA and Craig Given CIMA

Structure, Governance and Management

Governing Document

The legal name of the charity is Birkmyre Trust. It is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust was established in terms of a disposition granted by Adam Birkmyre on 1 November 1897 and recorded in 1908.

In this deed, he conveyed to himself and others, including the Parish Council of Kilmacolm, as trustees of the trust, an area of ground known as Birkmyre Park, four cottages known as the Park Cottages and some related areas of ground. After his death, Mr. Birkmyre's testamentary trustees conveyed further ground to the trustees of the trust in terms of two further dispositions recorded in 1908 and 1916 respectively. The terms of the trust have been amended by court approved *cy pres* schemes in 1995 and in 2005.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Risk Management

The Council has assessed the major risks to which the trust is exposed, in particular those related to its operation and finances, and is satisfied that the systems are in place to mitigate the exposure to the major risk.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust. In this way, the income stream for the future benefit of the charity is protected while allowing income for the current year's expenditure.

The funds of the trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Income and Expenditure Statement.

Objective and Activities

Objective

Its purpose is

"the said park . . . shall be kept open and free (except as mentioned) every day Sundays and holidays included for the use, benefit, enjoyment and recreation of the public for all time coming.

The area of the park so far as not occupied by walks, trees, buildings and other fixtures shall be devoted to the purpose of games and the inhabitants of the Parish of Kilmacolm shall have the sole use of the said area for that purpose"

The end of the financial year is 31 March 2020.

Activities

The trust meets the costs of the Park and its buildings not otherwise defrayed by the Council, and receives income from chargeable activities. The balance of funds is invested with the Council.

Performance and Achievements

Birkmyre Park Fitness Gym has maintained its state-of-the-art Fitness Gym equipment due the continuing partnership with the global leader of gym equipment – Technogym. The facility at Birkmyre Park houses 60+ gym stations and hosts 25 gym-based classes per week. The staff within Birkmyre have been mainstays for a number of years, and as such the relationship between

staff and members is second to none. As part of our membership offering, IL Fitness+, our members are able to use all of the sites within our portfolio, from group fitness at Greenock Sports Centre to the Health Suite at the Waterfront. Our members also get to take part in the multiple group fitness classes provided at Kilmacolm Community Centre (KNCC). The changing rooms at Birkmyre have seen significant improvements this year, with both the male and females having all the lighting changed to LED. This is a great improvement to the site, as it shows a clear intention to enhance the eco-friendly standards within the building. The biggest change at Birkmyre Fitness Gym has been Ainsley Thomson taking over the role of Fitness Co-ordinator/Site Manager, replacing Jamie Cunningham who has since moved to a position at Gourrock Outdoor Pool and Fitness Gym.

In addition to the excellent gym facility, Birkmyre Café by Nardini is still an important partner which is a great feature of the facility. Alessia and her team are a welcome treat and refuge point after working out in the fitness facility. The café also attracts many visitors to the area which may not normally come, not all with the good intentions of also using the gym! Judi Holmes Remedial and Sports Massage is also a valued partner of Inverclyde Leisure and Birkmyre Park Fitness Gym. Judi is now into her 3rd year with us, having signed an extension to her lease which will now expire August 2021. We do however believe that this partnership shall continue well past that date.

Within the fitness facility, we have 3 external personal trainers. Colin Cox Fitness (ran by Colin Cox) and Smart Fitness Solutions (ran by Lesley Handley). Both have worked with us at Birkmyre for many years. They are a familiar face for the members, and many of our members utilise them for Personal Training. Our 3rd personal trainer is Jamie Scott, he started with us May 2019 and look forward to the working relationship continuing to grow. Jamie is going to stay with us at Birkmyre, however with the COVID issues we are just awaiting his lease extension to be finalised.

The Technogym equipment with the Mywellness system continues to be successful at Birkmyre Fitness Gym. This technology is used as a tool to help motivate and encourage people to "get active, be active and stay active" for longer by enabling users to track their activity. Staff are able to update programmes and offer advice in text or video form that the members can access through their MyWellness accounts at the gym, or on their mobile phone or laptop/PC wherever they are in the world. This system has and will continue to play a key

role in retention at Birkmyre Park Fitness Gym and ensuring everyone is training towards their goals.

During the year 2019/20, Birkmyre Gym maintained growth like had been seen in 2018/19. Birkmyre hit its site record of 559 members during the 18/19 year, however this record was broken again in 2019/20. At the end of July 2019, Birkmyre Fitness Gym had 582 members recorded. This number was also recorded in month end of both August and October. This is no small part down to the excellent staff on site who play a key role in both engaging new and existing members with the facility. Usage of the facility was also significantly greater than in the previous year. With Inverclyde Leisure investing in the refurbishment of Boglestone Community Centre, Birkmyre accommodated a lot of these members during April-July. Now ex-Boglestone members, many decided to upgrade their memberships and remain at Birkmyre even when Boglestone re-opened its doors.

Birkmyre Fitness gym views itself very much part of the community in Kilmacolm, and as such our partnerships with the Birkmyre Bears Rugby Club, St Columba's school and local business' is very important. Unfortunately, with the back pitches still being out-of-bounds, the senior rugby team have not played at home in a while. We do however facilitate the junior section of the club who utilise our changing facilities most Sundays during the season. St Columba's school have continued their tradition of using our facility for some of their PE classes. These classes are arranged for when the gym is typically quieter in the afternoons and all sessions are supervised by a teacher. The Duke of Edinburgh programme is also something that we offer for the St Columba's pupils, with a physical activity badge often targeted by many of its pupils.

Unfortunately, such with the difficult times we have all faced, our annual Running Festival has been cancelled for 2020. We did however have our last event on the 8th September 2019. As every year, it was a great day, with one of our members Jack Letson winning the Half-Marathon event. We had over 400 people take part throughout the 4 events; Toddle Waddle, 3K, 10K and Half-Marathon. Music was provided by Atlantic Discos and all food requirements were firmly satisfied by a BBQ from Birkmyre Café by Nardini. Two young pipers from St Columba's school started each of our races, which thrilled both runners and spectators. The highlight of the day however was when an ex-Birkmyre Fitness Gym manager Robert McVitie came over the finish line after completing the Half-Marathon event. Robert, or Bobby as he is more commonly known, who battled his way round the 13.1-mile course was cheered on by friends

and family alike. By completing this event he raised over £16,000 for the Brightest Star charity which is an unbelievable achievement.

Like a lot of facilities and business', Birkmyre Fitness Gym had to close its doors due to the COVID pandemic. As such we are not yet back open, however both Birkmyre Café and Judi Holmes are back at work and operating out of the facility. Staff have devoted many hours to ensuring the safety for all users, with gym set-up in such a way to make sure we can get our customers back in a safe environment when the government allow us to.

We look forward to welcoming our members back.

Financial Review

Income and Expenditure for the Year ended 31 March 2020

The Income and Expenditure Statement on page 8 provides an analysis of the income and expenditure for the twelve months from 1 April 2019 to 31 March 2020.

The Trust incurred expenditure of £40,888 (2018/19: £41,418) covering insurance £695 (2018/19: £744), loan interest £2,868 (2018/19: £3,349), governance costs £334 (2018/19: £334) and annual depreciation charge £36,991 (2018/19: £36,991). Income of £22,642 (2018/19: £19,382) was received; £22,030 from rents and pitch hires (2018/19: £18,762) and £612 (2018/19: £620) from interest on short-term deposits with Inverclyde Council.

The deficit for the year of £18,246 (2018/19: £22,036) was deducted from the reserves brought forward: £8,663 was added to the Usable Revenue Reserves (2018/19: £5,295 deducted) £26,909 was deducted from the Unusable Reserves (2018/19: £27,331 deducted). The Council donated assets valued at £3,858 (2018/19: £327,992) to the Trust relating to drainage improvements, the value of which have been added to the Revaluation Reserve.

Assets and Liabilities at 31 March 2020

The balance sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2020.

The reserves of the trust are £1,497,751 (2018/19: £1,512,139). Usable revenue reserves are £100,494 (2018/19: £91,831), the unusable Revaluation Reserve stands at £1,398,809 (2018/19: £1,430,166) and the unusable Capital Adjustment Account balance is (£1,552) (2018/19: (£9,858)).

The carrying value of the land and buildings held by the trust is £1,469,154 (2018/19: £1,502,287). Within the year, £3,858 of additions were added to the land and buildings held (2018/19: £327,922). Inverclyde Council holds cash of £100,494 (2018/19: £91,831) on behalf of the trust. The trust has borrowings for capital investment of £71,897 (2018/19: £81,979) advanced by Inverclyde Council of which £10,053 (2018/19: £10,082) is repayable in the next financial year.

Reserves Policy

The trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The trust has always maintained a healthy balance of revenue reserves and as such there had been no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £100,494 (2018/19: £91,831).

Future Plans

The Birkmyre Trust will continue to work in partnership with the local authority to support the continued operation of the parkland and buildings in the Park.

Conclusion

The trust's expenditure exceeded income during the reporting period and the deficit of £18,246 (2018/19: £22,036) has been deducted from the reserves brought forward.

The trustees look forward with some confidence. The trust has a balance of £100,494 (2018/19: £91,831) of usable revenue reserves. Funding is in place for the future with income from rents. The buildings have been extensively refurbished and house modern nursery and leisure facilities to serve the local community.

Approved by the trustees on 3rd December 2020 and signed on behalf of all trustees.

Provost Martin Brennan

Chair of the trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer

Alan Puckrin CPFA

Honorary Treasurer

Independent Examiner's Report to the Trustees of the Birkmyre Trust

I report on the accounts of the Trust for the year ended 31 March 2020 which are set out on pages 8 to 16.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and interpreted and adopted by the Code of Practice on local authority accounting in the United Kingdom 2019-20 (The "Code"). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alison Bell CIMA

Craig Given CIMA

Income and Expenditure Statement

This statement shows the cost of the operations of the trust in accordance with accounting standards. It shows the movement in the year on the two reserves held by the trust; usable reserves that can be applied to fund expenditure, and unusable reserves, the unrealised gains on the revaluation of the trust's land and buildings.

Total 2018-19		Note	Total 2019-20
£			£
744	Insurance Costs	3	695
0	Property Repairs		0
334	Governance Costs	4	334
36,991	Annual Depreciation Charge	5	36,991
38,069	Gross Expenditure		38,020
(4,055)	Hire of Pitches		(7,323)
(2,707)	Rental for Nursery School		(2,707)
(12,000)	Rental for Leisure Centre	3	(12,000)
(18,762)	Gross Income		(22,030)
19,307	Cost of Services		15,990
3,349	Interest Paid	3	2,868
(620)	Interest Received	3	(612)
2,729			2,256
22,036	(Surplus) or Deficit on the Provision of Services		18,246
22,036	Net (Increase) or Decrease before Transfers		18,246

Balance Sheet as at 31st March 2020

The balance sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. Reserves are reported in two categories. The first category of reserves is usable reserves i.e. those reserves that the trust may use to provide services. The second category of reserves is those that the trust is not able to use to provide services. This category of reserves holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold (in for example the Revaluation Reserve) and timing differences (as detailed in the Movement in Reserves Statement).

31 March 2019	Note	31 March 2020
£		£
Non-current Assets		
1,502,287	Property, Plant and Equipment 5	1,469,154
Current Assets		
91,831	Cash and Cash Equivalents 6	100,494
Current Liabilities		
(10,082)	Short-term Borrowing 7	(10,523)
Long-term Liabilities		
(71,897)	Long-term Borrowing 7	(61,374)
1,512,139	Net Assets	1,497,751
Reserves		
91,831	Usable Reserves	100,494
1,420,308	Unusable Reserves	1,397,257
1,512,139	Total Reserves	1,497,751
<p>The notes on pages 13 to 17 form part of the accounts. Approved by the trustees on 3rd December 2020 and signed on their behalf by:</p>		
<p>Provost Martin Brennan Chair of the Trustees</p>		<p>Alan Puckrin CPFA Honorary Treasurer</p>

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Trust, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The Movement in reserves Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and statutory adjustments required to return to amounts chargeable to the fund balance for the year. The net Increase/(Decrease) line shows the statutory Fund Balance movement in the year following those adjustments.

Year ended 31 March 2020

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	91,831	1,430,166	(9,858)	1,512,139
Movement in reserves in the year				
Total Comprehensive income and expenditure	(18,246)	0	0	(18,246)
Charges for depreciation of non-current assets	36,991	0	(36,991)	0
Addition/Enhancement to Fixed Assets	0	3,858	0	3,858
Statutory provision for the principal repayment of loan charges	(10,082)	0	10,082	0
Total adjustments between accounting basis and funding basis under regulations	26,909	3,858	(26,909)	3,858
Net increase or (decrease) before Transfers to other Statutory Reserves	8,663	3,858	(26,909)	(14,388)
Difference between fair value depreciation and historical cost depreciation written off to Capital Adjustment Account	0	(35,215)	35,215	0
Balance at 31 March carried forward	100,494	1,398,809	(1,552)	1,497,751

Comparative Figures for Year ended 31 March 2019

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	86,536	1,136,963	(17,246)	1,206,253
Movement in reserves in the year				
Total Comprehensive income and expenditure	(22,036)	0	0	(22,036)
Charges for depreciation of non-current assets	36,991	0	(36,991)	0
Addition/Enhancement to Fixed Assets	0	327,922	0	327,922
Statutory provision for the principal repayment of loan charges	(9,660)	0	9,660	0
Total adjustments between accounting basis and funding basis under regulations	27,331	327,922	(27,331)	327,922
Net increase or (decrease) before Transfers to other Statutory Reserves	5,295	327,922	(27,331)	305,886
Difference between fair value depreciation and historical cost depreciation written off to Capital Adjustment Account	0	(34,719)	34,719	0
Balance at 31 March carried forward	91,831	1,430,166	(9,858)	1,512,139

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Trust in comparison with those resources consumed or earned by the Trust in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis 2019-20

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the Comprehensive Income and expenditure Statement (£)
Net Cost of Service – Trust	(21,001)	36,991	15,990
Financing and Investment (income) and Expenditure	12,338	(10,082)	2,256
(Surplus) or Deficit on the Provision of Service	(8,663)	26,909	18,246
Opening Fund Balance at 1 April	91,831		
Surplus/(Deficit) on Fund Balance in the year	8,663		
Closing Fund Balance at 31 March	100,494		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	36,991		36,991
Financing and Investment (income) and Expenditure		(10,082)	(10,082)
Difference between General Fund (Surplus)/Deficit and Comprehensive Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	36,991	(10,082)	26,909

Comparative Figures for 2018-19

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the Comprehensive Income and expenditure Statement (£)
Net Cost of Service – Trust	(17,684)	36,991	19,307
Financing and Investment (income) and Expenditure	12,389	(9,660)	2,729
(Surplus) or Deficit on the Provision of Service	(5,295)	27,331	22,036
Opening Fund Balance at 1 April	86,536		
Surplus/(Deficit) on Fund Balance in the year	5,295		
Closing Fund Balance at 31 March	91,831		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	36,991		36,991
Financing and Investment (income) and Expenditure		(9,660)	(9,660)
Difference between General Fund (Surplus)/Deficit and Comprehensive Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	36,991	(9,660)	27,331

Notes to the Accounts

Note 1 Accounting Policies:

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 (the "Code"). The Code is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The accounts have been prepared on a "going concern" basis as it is expected revenue reserves will provide sufficient resources to finance future liabilities.

Incoming Resources

All incoming resources are included in the Income and Expenditure Account when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Charges to Revenue for Non-current Assets

Depreciation, revaluation and impairment losses are charged to record the cost of holding fixed assets during the year. Depreciation is charged on a straight-line basis over the useful life of the assets, assessed as 15 years for the recent refurbishment work to the Pavilion building and 10 years for the improvements to the nursery school area. No depreciation is charged in the year of acquisition; a full year's depreciation is charged in the year of disposal.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable immediately. The trust has no cash equivalents. The Council acts as the banker for the trust and all transactions are made via the Council's accounts.

Debtors

Debtors are recognised at the settlement amount due.

Borrowing

The amounts presented on the balance sheet are the outstanding principal repayable plus any accrued interest. The interest chargeable to the Income and Expenditure Statement is the amount payable for the year.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services, for rental to others or for administrative purposes and that are expected to be used for more than one financial year are classified as Property.

Plant and Equipment. Assets, including donated assets are included at fair value (that would be paid for the asset in its existing use) and are revalued sufficiently regularly to ensure their carrying value is not materially different from their fair value at the year-end (but as minimum every five years) by external independent professional valuers. The last valuation was conducted at 31 March 2016. Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Reserves

The trust has two reserve funds. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees. The Unusable Reserves (Revaluation) holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold and the Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

Comparative Figures and Taxation

Figures for 2018-19 are shown as appropriate for purposes of comparison. Irrecoverable tax is included in the expense or income to which it refers.

Taxation

The Birkmyre Trust is included by HMRC as part of Inverclyde Council. The trust is not liable to income tax or capital gains tax. VAT is recovered by Inverclyde Council.

Note 2 Staff Numbers and Costs:

The Birkmyre Trust has no staff. All support functions are provided by Inverclyde Council.

Note 3 Related Party Disclosures:

During the year, Inverclyde Council recharged insurance premiums of £695 to the trust (2018/19: £744). Interest of £612 was received from, and interest of £2,868 was paid to, Inverclyde Council (2018/19: £620 and £3,349). As at 31 March 2020, Inverclyde Council held £100,494 for the trust (2018/19: £91,831). The trust owed £71,897 to Inverclyde Council (2018/19: £81,979).

The trust received a rental of £12,000 (2018/19: £12,000) from Inverclyde Leisure as independently determined by the District Valuer. The leisure company is responsible for all running and maintenance costs under the lease.

Note 4 Governance Costs:

Inverclyde Council provides management services to the trust at £334 (2018/19: £334). The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

2018 - 2019 £		2019 - 2020 £
	Valuation	
1,285,339	01-Apr	1,612,924
327,922	Additions in year	3,858
0	Disposals in year	0
(337)	Other Adjustments/Transfers	0
1,612,924	At 31 March	1,616,782
	Depreciation and Impairment	
73,983	At 1 April	110,637
36,991	Depreciation charge for the year	36,991
(337)	Other Adjustments/Transfers	0
110,637	At 31 March	147,628
1,502,287	Balance Sheet as at 31 March 2020	1,469,154

Note 5 Analysis of Property Plant and Equipment:

The figure in the balance sheet on page 9 reflects the depreciated current value of the land and buildings of the trust. In 2019-20 additions included £3,858 of drainage improvements donated to the Trust by the Council.

Note 6 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council's accounts. The balance is repayable on demand. Interest is paid on balances.

2018 - 2019		2019 - 2020	
£		£	
86,536	Balance at 1 April 2019		91,831
Net Cash Inflow from Operating Activities			
(19,307)	Net surplus/(deficit) on the cost of services	(15,990)	
36,991	Adjustments for non-cash movements	36,991	21,001
Net Cash Outflow from Investing Activities			
0	Expenditure on property, plant & equipment	0	
620	Interest received	612	612
Net Cash Inflow from Financing Activities			
0	Receipts of long-term borrowing	0	
(9,660)	Repayment of long-term borrowing	(10,082)	
(3,349)	Interest paid on borrowing	(2,868)	(12,950)
91,831	Balance at 31 March 2020		100,494

Note 7 Borrowing

The trust has secured long-term borrowing to fund capital investment on the buildings. The borrowing was undertaken in the two financial years 2011 and 2012 and is repayable over a period of 15 years. The fair value is shown in the table below, assessed on inputs that are observable for the liability.

2018-19		2019-20	
£		£	
Amounts due within 12 Months			
9,660	At 1 April 2019		10,082
0	New Borrowings		0
10,082	Transfer from Debt over 12 Months		10,523
(9,660)	Repayments to Inverclyde Council		(10,082)
10,082	Balance at 31 March 2020		10,523
Amounts due over 12 Months			
81,979	At 1 April 2019		71,897
0	New Borrowings		0
(10,082)	Transfer to Debt under 12 Months		(10,523)
71,897	Balance at 31 March 2020		61,374

Note 8 Payments to Trustees

No trustee, or any people related to a trustee, were remunerated during the year. Nor was there any requirement for any expenses to be paid.



Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 Fax: 01475 712202 www.inverclyde.gov.uk

Watt Institution Trust Fund

Annual Report and Financial Statements 2019-2020



Year ended 31 March 2020

Inverclyde
council

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Watt Institution Trust Fund Background

Greenock Corporation took over responsibility for running the Watt Library, McLean Museum, Art Gallery and Watt Hall (known collectively as the Watt Institution) from the Watt Trust in 1973.

In July 1984, the existing trustees of three bodies - the Committee of Management of the Greenock Library; the Committee of Management of the Watt Hall and Museum and Greenock Art Gallery; and the James McLean Trust - were discharged from their relative trust obligations and the whole trust estate was invested in the former Inverclyde District Council.

The Court of Session, at that time, declared a Scheme of Administration for the future management and use of the assets and funds invested in the trust and all of the land and buildings and moveable assets transferred to the Council at that time.

The Council is responsible for holding the land and buildings in trust as a memorial to the late James Watt LLD and to use it as a library, museum and hall for the benefit of the inhabitants of Greenock.

Additionally, the Council is to hold and apply the whole of the moveable property the investments from time to time representing the same and the income thereof in trust for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

The Watt Institution Trust Fund has its own funds which are to be used for similar purposes and any expenditure from this Fund must meet the conditions listed above.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the Trust and reports to Council.

Trustees' Annual Report

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2020.

Trustees

- Councillor Ronnie Ahfeld
- Councillor Martin Brennan
- Councillor Graeme Brooks
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor Gerry Dorrian
- Councillor Colin Jackson
- Councillor Jim MacLeod
- Councillor Stephen McCabe
- Councillor Michael McCormick
- Councillor Chris McEleny
- Councillor Jim McEleny
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha Murphy
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Luciano Rebecchi
- Councillor Elizabeth Robertson
- Councillor David Wilson

Chair

- Provost Martin Brennan

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal and Property Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer).

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiners

- Alison Bell CIMA and Craig Given CIMA

Structure, Governance and Management

Structure

The name of the trust is the Watt Institution Trust Fund. The Trust is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust in its current form was established under a court approved *cy pres* scheme in July 1984.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust.

The funds of the Trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Comprehensive Income and Expenditure Statement.

Objectives and Activities

Objectives

Its purpose is to hold and apply the investments and income thereof for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

Activities

The Trust meets the costs of the Watt Institution not otherwise defrayed by the Council and invests the balance of funds with the Council.

Performance and Achievements

In line with policy adopted by the Council and the terms of the Trust, the Watt Institution Trust Fund supported the continued operation of the museum, art gallery and library in the Watt Institution in partnership with the local authority.

The McLean Museum and Watt Library were closed to the public for the whole of 2018-19 to allow an extensive programme of fabric repairs to the building complex to continue. The annual lecture programme of the Greenock Philosophical Society was held at the Central Library.

Museum Performance

There were 8,640 visitors to the museum and 33,586 web sessions recorded for the McLean Museum and Art Gallery from the Museum collections pages on the Inverclyde Council website. This was combined with the Collections Online site and the Museum's art collection records on the Art UK website.

Museum Achievements

The McLean Museum and Watt Library were closed to the public throughout the first half of the 2019-20 year to allow an extensive programme of fabric repairs to take place. The Watt Institution, comprising the McLean Museum & Art Gallery, the Watt Library, the Watt Hall, and Inverclyde Archives, reopened to the public on 22 November 2019. The annual lecture programme of the Greenock Philosophical Society recommenced at the Watt Hall from January 2020 and will thereafter continue to meet there.

The major piece of work for Watt staff in 2019-20 was the preparation for the reopening of the Watt Institution to coincide with the James Watt Bicentenary celebrations throughout 2019. This was a lengthy process due to the

scale and complexity of the work required, including repatriating several thousand objects, books and archives from the collections which had been either stored externally or stored in a temporary store; inventory; selecting items for display or storage and new research and labelling for the contents of displays. Various physical works relating to the refurbishment also continued during this time.

From opening in November 2019 to closure in mid-March 2020 due to the COVID-19 pandemic, the Watt Institution welcomed over 8,000 people through its doors, and feedback about the refreshed facility has been very positive.

Watt Institution staff also contributed significantly to research and events surrounding the James Watt bicentenary, with the Museum Curator producing a James Watt exhibition in the Watt Hall and the Archivist giving a paper on Watt and his relationship to Greenock at a Watt conference held in August 2019 at Birmingham University.

The Watt Institution was supported by the Great Place Scheme project, and staff from the latter provided the events and activities programme for the Watt upon re-opening.

Archives volunteers continue to assist with tasks such as box listing items from the collection, examining and listing the Watt Library historical book collection, and transcribing and digitising items from the collection. An additional 4 archives volunteers have been recruited during 2019-20.

Further accessions were received by the Archives including a large transfer of around 100 linear metres from the HSCP, 20 linear metres from Inverclyde Council's Educational Psychology department. Additional smaller accessions were received of around 0.5 linear metres from members of the public and a collection from the Greenock Wanderers Rugby and Football Club was received which amounted to around 1.5 linear metres.

Archives and Heritage

The Archive was successful in obtaining a grant from the Friends of National Libraries to buy a scrapbook which was owned by a former Librarian at the Watt Library; Allan Park Paton. The Archivist worked alongside the Fine Arts Curator to research the works contained within and the service is planning to apply for funding to have the object conserved.

Financial Review

Income and Expenditure for the Year ended 31 March 2020

The Income and Expenditure Statement on page 8 provides an analysis for the Trust of the income and expenditure for the twelve months from 1 April 2019 to 31 March 2020.

Running costs in 2019/20 were £0 (2018/19: £37,881) and £333 (2018/19: £333) on governance costs. Due to a contribution made by the council to cover historic costs there was income of £16,970 (2018/19 £0). Income of £159 (2018/19: £433) was received from interest on short-term deposits with Inverclyde Council.

The surplus of £16,796 (2018/19: deficit of £37,781) was added to the reserves of £40,653 to give a carry forward balance of £57,449.

Assets and Liabilities at 31 March 2020

The balance sheet on page 9 provides an analysis for the Trust of the assets and liabilities as at 31 March 2020.

The reserves of the Trust are £57,449 (2018/19: £40,653) and are all held by Inverclyde Council.

Reserves Policy

The Trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The Trust has always maintained a healthy balance of Revenue Reserves and as such there had been to-date no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £57,449 (2018/19: £40,653).

Future Plans

The Watt Institution Trust Fund will continue to work in partnership with the local authority to support the operations of the museum, art gallery and library in the Watt Institution.

Conclusion

The Trust's expenditure exceeded income during the reporting period and the surplus of £16,796 (2018/19: deficit of £37,781) has been added to the reserves brought forward. The Watt Institution Trust Fund has a healthy balance of £57,449 (2018/19: £40,653) of Revenue Reserves.

Approved by the trustees on 3rd December 2020 and signed on behalf of all trustees.

Provost Martin Brennan

Current Chair of the Trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer.

Alan Puckrin CPFA

Honorary Treasurer

Independent Examiner's Report

I report on the accounts of the Trust for the year ended 31 March 2020 which are set out on pages 8 to 11.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and interpreted and adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (The CODE). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Alison Bell CIMA

Craig Given CIMA

Balance Sheet as at 31st March 2020

The Balance Sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. These usable reserves are available to the trustees to provide services.

31 March 2019		Notes	31 March 2020
£			£
	Current Assets		
60,441	Cash and Cash Equivalents	8	57,449
	Current Liabilities		
(19,788)	Creditors	9	0
40,653	Net Assets		57,449
	Reserves		
40,653	Usable Reserves: Revenue		57,449
40,653	Total Reserves		57,449
<p>The notes on pages 10 to 11 form part of these accounts. Approved by the trustees on 3rd December 2020 and signed on their behalf by:</p>			
<p>Provost Martin Brennan Chair of the trustees</p>		<p>Alan Puckrin CPFA Honorary Treasurer</p>	

Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 (The "Code"). The "Code" is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The accounts have been prepared on a "going concern" basis as it is expected that future revenue reserves will provide sufficient resources to finance future liabilities.

Incoming Resources

All incoming resources are included in the Income and Expenditure Statement when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable on demand. The trust has no cash equivalents.

Reserves

The trust has a single reserve fund. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees.

Comparative Figures

Figures for 2018-19 are shown as appropriate for purposes of comparison.

Taxation

Watt Institution Trust Fund is included by HMRC as part of Inverclyde Council. The trust is not liable to income tax or capital gains tax. VAT is recovered by Inverclyde Council.

Note 2 Related Party Disclosures

Interest of £159 was received from the local authority (2018/19: £433). As at 31 March 2019, Inverclyde Council held £57,449 for the trust (31 March 2018: £40,653).

As part of the management arrangements of the Scheme of Administration, Inverclyde Council remains responsible for all costs and any income relating to the Watt Institution and is entitled to the unrestricted use of its assets.

Under accounting standards and the associated guidance, arrangements that convey the right to use an asset require to be accounted for as a lease even where they do not have the legal form of a lease. The local authority has assumed the risks and rewards of ownership and the arrangements have the substance of a finance lease. The Watt Institution and its collections require to be disclosed on the balance sheet of the local authority and accordingly are not included in the trust fund's accounts. The holding value of these assets in the Council's Annual Accounts is £4.4 million (2018/19: £4.4 million) for the buildings and £17.8 million (2018/19: £17.8 million) for its collections of heritage assets.

Note 3 Staff Numbers and Costs

The trust does not employ any staff (see note 6).

Note 4 Payments to Trustees

No trustee or any connected person was remunerated during the year, nor was there any requirement for any expenses to be paid.

Note 5 Supplies and Services

There were no storage or transportation cost in 2019/20 (2018/19: costs of £37,881).

Note 6 Income

Due to a contribution made by the council towards historic costs relating to the storage of high value paintings and artefacts during the museum's refurbishment, there was income in 2019/20 of £16,970 (2018/19: £0).

Note 7 Governance Costs

Inverclyde Council provides support services to the trust at a fee of £333 (2018/19: £333). The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

Note 8 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council's bank accounts. The balance is repayable on demand. Interest is paid on balances.

2018-19 £		2019-20 £
80,095	Balance at 1 April 2019	60,441
	Net Cash (Outflow) from Operating Activities	
(38,214)	Net surplus/(deficit) on the cost of services	16,637
18,127	Adjustments for non-cash movements	(19,788)
	Net Cash Inflow from Investing Activities	
433	Interest Received	159
0	Net Cash Inflow from Financing Activities	0
60,441	Balance at 31 March 2020	57,449

Note 9 Creditors

There were no creditors as at 31st March 2020



Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 Fax: 01475 712202 www.inverclyde.gov.uk