

A meeting of the Inverclyde Council will be held on Thursday 2 December at 4pm.

Members may attend the meeting in person or via remote online access. Webex joining details have been sent to Members and Officers. Members are requested to notify Committee Services by 12 noon on Wednesday 1 December 2021 how they intend to access the meeting.

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

Information relating to the recording of meetings can be found at the end of this notice.

ANNE SINCLAIR
Interim Head of Legal and Democratic Services

BUSINESS

****Copy to follow**

1. Apologies and Declarations of Interest	Page
NEW BUSINESS	
<p>2. Minutes of Meetings of The Inverclyde Council, Committees, Sub-Committees and Boards</p> <p>Grants Sub-Committee (22 September 2021) (pp 225-234) Inverclyde Council (23 September 2021) (pp 235-243) Local Review Body (6 October 2021) (pp 244-245) Audit Committee (19 October 2021) (pp 246-247) Health & Social Care Committee (21 October 2021) (pp 248-252) Inverclyde Council (Special) (28 October 2021) (pp 253-254) Environment & Regeneration Committee (28 October 2021) (pp 255-261) Education & Communities Committee (2 November 2021) (pp 262-267) Planning Board (3 November 2021) (pp 268-277) Human Resources Appeals Board (12 November 2021) (p 278) Policy & Resources Committee (16 November 2021) (pp 279-285) Inverclyde Council (Special) (18 November 2021) (p 286) Local Police & Fire Scrutiny Committee (18 November 2021) (pp 287-288)</p>	
<p>3. Chief Social Work Officer Annual Report Report by Interim Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership</p>	p
<p>4. 2023 Review by Boundary Commission Scotland of UK Parliamentary Constituencies ** Report by Interim Head of Legal & Democratic Services</p>	p
<p>5. Update Regarding Shared Services Joint Committee ** Report by Interim Head of Legal & Democratic Services</p>	p

6.	2022/23 Budget Update Report by Interim Director Finance & Corporate Governance	p
7.	Financial Strategy 2021/31 - Update Report by Interim Director Finance & Corporate Governance	p
REMITS FROM COMMITTEES		
8.	Treasury Management – Mid-Year Report 2021/22 – Remit from Policy & Resources Committee Report by Interim Head of Legal & Democratic Services	p
TRUST BUSINESS		
9.	Watt Institution Collections Policies – Remit from Education & Communities Committee Report by Interim Head of Legal & Democratic Services	p
10.	Trust Funds Annual Accounts 2020/21 Report by Honorary Treasurer	p
<p>The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I as detailed in the minute of the relevant Committee, Sub-Committee or Board.</p>		
NEW BUSINESS		
11.	Business in the Appendix	

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.

Please note that the meeting will be recorded for publishing on the Council's website. The Council is a Data Controller under UK GDPR and the Data Protection Act 2018 and data collected during any recording will be retained in accordance with the Council's Data Protection Policy, including, but not limited to, for the purpose of keeping historical records and making those records available.

By entering the online recording or attending the Chambers in person, please acknowledge that you may be filmed and that any information pertaining to you contained in the video and oral recording of the meeting will be used for the purpose of making the recording available to the public.

Enquiries to – Diane Sweeney – Tel 01475 712147
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Report To:	Inverclyde Council	Date:	2 December 2021
Report By:	Allen Stevenson Interim Corporate Director (Chief Officer), Inverclyde HSCP	Report No:	IC/15/21/SM
Contact Officer:	Sharon McAlees Head of Children & Criminal Justice Services	Contact No:	715282
Subject:	Chief Social Work Officer Annual Report 2020/21		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise members of the content of the Inverclyde Chief Social Work Officer (CSWO) Report for 2020/21.

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 reports provided by all CSWO across the country allows the Chief Social Work Advisor to present a national picture of the social work profession and practice which in turn influences the development of social work practice and delivery.
- 2.3 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.
- 2.4 The report highlights the challenges facing the most vulnerable members of our communities and the action taken by social work services to address these challenges. As with previous years the 2020/21 CSWO report seeks to highlight the positive work undertaken and the continued strong track record of participation and consultation with the community.
- 2.5 This year's report is inevitably set within the context of the Global Pandemic. Reference is made to the pandemic 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.

3.0 RECOMMENDATIONS

- 3.1 Inverclyde Council members are asked to note and make comment on the content of the Chief Social Work Officer Report.

**Allen Stevenson
Interim Chief Officer**

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 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
- 4.3 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 of vulnerability or crisis. Given the demographic profile of Inverclyde the report highlights the very many areas of challenge our community's experience and for this particular year reflects these challenges in the context of the pandemic.
- 4.4 The annual CSWO 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 is very much welcomed and valued by Council and HSCP 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. 2020/21 was unprecedented, all of the same complex and challenging issues that affect Inverclyde 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, at times exceeding service delivery in preceding years and responding with incredible creativity and often courageously.
- 4.5 At the time of writing this report our attention is focused on recovery even as we lean into and make plans for what will be a challenging winter. Our recovery plans and actions are 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.

5.0 PROPOSALS

- 5.1 N/A

6.0 IMPLICATIONS

6.1 Finance

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**

N/A

6.3 **Human Resources**

N/A

6.4 **Equalities**

Equalities

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

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

(b) Fairer Scotland Duty

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

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

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

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

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

6.5 **Repopulation**

N/A

7.0 CONSULTATIONS

7.1 The report has been prepared by the Chief Social Work Officer and after due consideration with relevant senior officers in the HSCP.

8.0 BACKGROUND PAPERS

8.1 Chief Social Work Officers Report



CSWO Report
2021.docx

INVERCLYDE

CHIEF SOCIAL WORK OFFICER

ANNUAL REPORT

2020/21



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For
Kate Christmas
Service Manager
Children's Services
16.2.1976 - 14.7.2021

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. This year's report however will inevitably be set within the context of the Global Pandemic.

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 of vulnerability or crisis. Given our demography in Inverclyde the report highlights the very many areas of challenge our community's experience and for this particular year reflects these challenges in the context of the pandemic.

Reference is made to the pandemic 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 challenges 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 indeed 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 at times exceeding service delivery in preceding years and 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 and throughout this period of recovery.

2. ACHIEVEMENTS and DEVELOPMENTS

Staff Agility and Resilience

Reflecting on the many achievements and developments that it has been possible to include in this year's report, it is evident that they have in common the outstanding performance of the staff across the Health and Social Care Partnership. As this is the report of the Chief Social Work Officer the report does focus on the role of our social work and social care staff and services. However it is evident that it is the partnership effort that has sustained us all throughout this period and this theme is explored further in the section covering partnerships.

What has been marked this year however has been the agility and resilience of staff working in and across integrated teams, their willingness to respond with great flexibility, to move between roles and responsibilities and essentially to do what was asked of them to respond as best they could to the greatest need.

At the very outset of the pandemic, the HSCP services were reorganised over the course of a single weekend. Home working, hybrid working, hub working were all introduced. Revised standard operating procedures were written and put into operation and on many occasions staff were asked to provide services well beyond their existing remits and client groups. All of this took place within the context of escalating risk of harm from the pandemic and while staff were mitigating the challenges of their work role with concern for their own families and loved ones.

Staff did however respond and the HSCP was able to reorganise and reshape its service, not only at the outset but repeatedly as the pandemic unfolded and progressed. The degree of staff agility and resilience that made this possible is remarkable.

All staff groups contributed to the challenges faced. For some services the challenges were incredibly daunting. Those staff working in the residential care sector, care at home and with those service users most at risk from the impact of the pandemic required to confront unique challenges. This was across our public, third and independent services and again required new depths of agility, resilience and partnership working.

Over the course of this report many examples of this are noted. Each area is an achievement in itself, taken together the collective effort of our staff is the single most significant achievement of the last year.

Joint Adult Protection Inspection

Our social workers and assessment staff have provided a robust response to adult support and protection and welfare concerns throughout the pandemic. Responding timeously and appropriately to keep vulnerable adults safe across Inverclyde. Our staff have also contributed to a successful external inspection by the Care Inspectorate in relation to our adult support and protection duties and responsibilities.

The Inverclyde Joint Adult Protection Inspection commenced in January 2020. File reading was due to commence in March 2020 at which time inspectors stood down due to the Covid-19 pandemic. Due to the impact of the pandemic the inspection was put on hold, however Inverclyde HSCP were keen to complete the process and agreed to restart the inspection on a virtual basis as a test of change. This was a complex activity given the range and scope of protection work which was successful in allowing the inspectors full access to Inverclyde Partners case files and staff. This included:

- Position Statement from Partnership
- Supporting evidence from Partnership
- Staff survey (187 responses)
- Focus Group with frontline staff
- Social work, Health and Police records for 50 individuals subject to ASP Process
- Audited 38 recordings of initial Duty to Inquire referrals where no further adult protection related action was taken

Feedback provided has been very positive in particular around practice, partnership working and outcomes for vulnerable adults

Assessment and Care Management

Though structurally there were necessary changes to working practice in terms of blended working safe visiting and safe guarding, the Inspection team did comment on the impact of Covid-19 pandemic and concluded that screening and triage of referrals before and during Covid-19 restrictions was of a good standard. Well-established referral processes between agencies were in place and were effective. Reassuringly, visits to adults at risk of harm were still being carried out in the most critical instances.

Support to Care Homes

The HSCP provided support to Local Authority, Independent and Third Sector care home providers to protect their staff and residents throughout the Covid-19 pandemic, ensuring that each person received the right care in the appropriate setting for their needs. HSCP staff worked very closely with local care homes to offer any support they required including (but not limited to) the following:

- appropriate information, guidance and support to safely admit, accept discharges from hospital, and care for patients during the pandemic with direct access to the Public Health Protection team
- the right information and the right support to care for people within their care home
- ensure fair and prompt payment for existing care commitments by working with Commissioners
- ensure they have the right equipment and supplies, this includes appropriate Personal Protective Equipment (PPE) for care homes and that staff receive the right training in donning the equipment, its safe removal (doffing) and disposal so that staff can provide care safely and that they are appropriately
- psychological support to staff working in care homes
- training opportunities and support to all care homes in GG&C through Webinars
- delivered the Covid-19 pandemic vaccination programme in all care homes

Care and Support at Home

Our managers and staff have made a significant contribution to improve outcomes for a wide range of service users their families and carers. We have provided person centred, safe and compassionate advice, guidance and supervision across all adult and older people services. Our care at home service have provided critical and substantial interventions providing emotional and personal care throughout the global pandemic period to many of our most vulnerable service users.

Over the past 12 months the Care and Support at Home Service, HSCP and commissioned combined have delivered 1,078,224 visits to 1804 service users in the community, with March 2021 seeing a gradual return to normal service following Covid-19 pandemic guidelines. The staff and management teams have continued to provide essential services throughout this very challenging year.

Learning Disability Community Hub



The development of the new Learning Disability Community Hub has continued throughout 20/21.

The Hub development has continued with a programme of consultation and engagement with users of the service, people with Learning Disabilities in the community, parents/carers, staff, union and Council Corporate Communications Team. Ensuring full involvement each step of the development. This work is facilitated by commissioned 3rd sector organisation TAG.

Learning Disability Day Opportunities

From March 2020 to August 2020 Learning Disability Day Opportunities in collaboration with volunteer Transport providers, Riverclyde Homes, Unity Enterprise and Education School meals, delivered over 15,000 hot meals to the most vulnerable people, shielding and in isolation throughout Inverclyde. Meals were provided 7 days per week.

From March 2020 to July 2021 the Learning Disability Day Opportunities Team and 2 voluntary transport providers formed a Covid-19 pandemic Transport Team, with a focus on Patient Transport from Hospital to home, same day and with additional 'settling in service' from experienced Day Opportunity Workers as escorts. This service provided over 40 transfers so far and will be evaluated under the Home1stf discharge framework, looking at what impact this service has had in supporting bed capacity and Strathclyde Passenger Transport service during critical periods.

Independent Living

Despite the pandemic we have rolled out the Rockwood Frailty tool across the area and are beginning to look at practical operational implementation of the tool to inform planning development and practice.

We have completed the building improvements at the Joint Equipment store and are now back on site and operational with the decontamination area.

We have completed the tender for the equipment and adaptation management system and are currently utilising within the team and testing before wider roll out across services.

Mental Health Officer Service (MHO) Review

Review of the MHO Service concluded with recommendations for improvement now incorporated in an action plan for completion during 2021. Key elements include an agreed increase in the full time MHO staff capacity from 3 to 6 with retention of the temporary full time MHO Service team lead on a permanent basis. This will help support the service respond to the increasing demand it has experienced while supporting the associated service governance assurances including national standards quality and related development work across the HSCP.

Criminal Justice Social Work Service Development

The Connecting Scotland programme aims to support the most vulnerable to get online, through the provision of digital devices, data and support. It was launched during the Covid-19 pandemic, which not only served to highlight the digital divide but also the importance of the internet in keeping us connected and informed and able to access public services.

The Service was successful in highlighting the circumstances of nine individuals who met the criteria of being within the age range of 20 to 70 and suffering from multiple health conditions, experiencing social isolation and on a low income. As a consequence these individuals received Chromebooks and were supported by their allocated worker (their Digital Champion) to develop their digital skills. This in turn enabled these individuals to stay connected with services and family during the pandemic.

Separately the Service has during the pandemic began to scope the extent of digital access among its service users group by asking and recording during completion of Criminal Justice Social Work Court Reports the extent of an individual's digital connectivity. It intends to use this information once aggregated to help with Service planning going forward.

Criminal Justice Promoting access:

To enhance the options that staff have to engage with service users during the pandemic all our operational staff were given access to Attend Anywhere. This web-based platform helps staff offer video call access to the Service as part of our day-to-day operations. Being able to see service users at least virtually is helpful to building relationships and in supporting more detailed and complex pieces of work.

In addition to the above, the Service has also been working with the wider HSCP on its digital strategy to set up virtual booths across the HSCP. One has recently been installed at HMH and the Service has been involved in the testing of this device and we await a go live date. Other proposed sites include our Hub at Unit 6, Port Glasgow and within the Inverclyde Centre run by the HSCP's Homelessness Services.

Going paperless:

The Service's main vehicle for both measuring impact (in terms of distanced travelled by service users) and capturing feedback on the service user's experience is via our bespoke Criminal Justice Needs Review Tool. Previously this was administered in a paper format and had then to be uploaded electronically for purposes of aggregating the data. The Service has worked alongside the HSCP's Performance and Information Team to migrate this onto a digital platform. This is now in an electronic touch screen format that all Criminal Justice Social Work staff now have installed on their laptops. These interviews can be completed 'in person' or virtually, eliminating paper copies and, the information loaded live as it happens to the database. This will assist in determining future service pathways for the service user and areas for development for the Service as a whole.

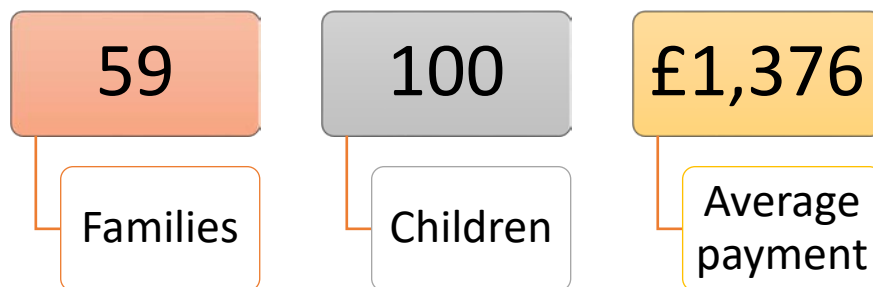
Children & Families

Prior to 2020/21 the service was already working through ongoing recruitment and retention challenges. Throughout this year the approach to recruitment and the offer of support and development has been changed. Throughout 2020/21, 12 newly qualified social workers have been recruited into the service. Recognising these newly qualified social work staff were embarking on their career during this most challenging of times we established an academy for new staff. A programme of support including managed caseloads, peer support and structured learning and development has been implemented. This programme has been managed despite the ongoing restrictions and limits on teams coming together. Whilst in the early stages of implementation and still to be fully evaluated the feedback has been positive and the impact on stability for staff as well as enshrining a culture of high standards and quality improvement in staff from the beginning of their careers. It is hoped this programme will put the service in a strong position as the SSSC look to implement a supported year of practice for NQSWs in the future.

Support during Covid-19 Pandemic

As part of recovery funding made available during the Covid-19 Pandemic, children's services were able to provide significant financial support to families most affected by poverty. It was observed that the Covid-19 Pandemic was having a greater impact on vulnerable families and limiting the choices and options they had to adapt to national lockdown. Social work staff applied for payments for identified families that reflected their situation and the most impactful way to support them. Underpinning all of this was personal choice and using a model comparable to self-directed support to promote choice and to fully enshrine the families as the expert in their own needs.

A further area of work within this fund was to look at some aspects of poverty related neglect, in particular the physical environment in which many families live and often do not have their own



financial means to make sustained changes. Whilst the average payment was around £1300 some families received significantly more allowing for large scale improvements to home environments for children and young people, promoting self-esteem, pride and overall safer living environments.

I am grateful to the Office of the Chief Social Worker for Scotland for the availability of this and a range of other supports that were forthcoming during the pandemic. Regular weekly engagement sessions between her office and CSWOs across Scotland proved an invaluable space for problem solving and support with the advantage of the challenges and needs of the profession being listened to, valued and fed through to National Government. The above is one positive demonstration of the impact of this support.

Homelessness

The pandemic has had a significant impact on the homeless service, with 697 households presenting to the service over the year and 310 requiring accommodation/full assessment. This represents a 20% increase in service activity.

Depopulation of the hostel in response to the pandemic resulted in a local RSLs making a number of temporary furnished flats available at an early stage. However as the lockdown continued, the service was unable to turnaround void properties as repairs and safety checks could not be undertaken by contractors. This resulted in out of area Bed and Breakfast having to be used for a period of time. An intensive plan was put in place to bring service users back into area and house them suitably. This was achieved by February 2021.

3. THE INVERCLYDE CONTEXT

Inverclyde Health and Social Care Partnership (HSCP) was established under the direction of Inverclyde's Integration Joint Board (IJB) in 2015 and has been built on a long history of integrated ways of working locally. Our Partnership has always managed a wider range of services than is required by the relevant legislation, and along with adult community health and care services, we provide health and social care services for children and families and criminal justice social work.

Inverclyde HSCP is one of six partnerships operating within the NHS Greater Glasgow and Clyde Health Board area. We work very closely with our fellow partnerships to share good practice and to develop more consistent approaches to working with our colleagues in acute hospital services.

Inverclyde HSCP's population is spread in the main across the three towns of Greenock, Port Glasgow and Gourock with the remainder of the population living in the villages of Inverkip, Wemyss Bay, Kilmacolm and Quarriers Village.

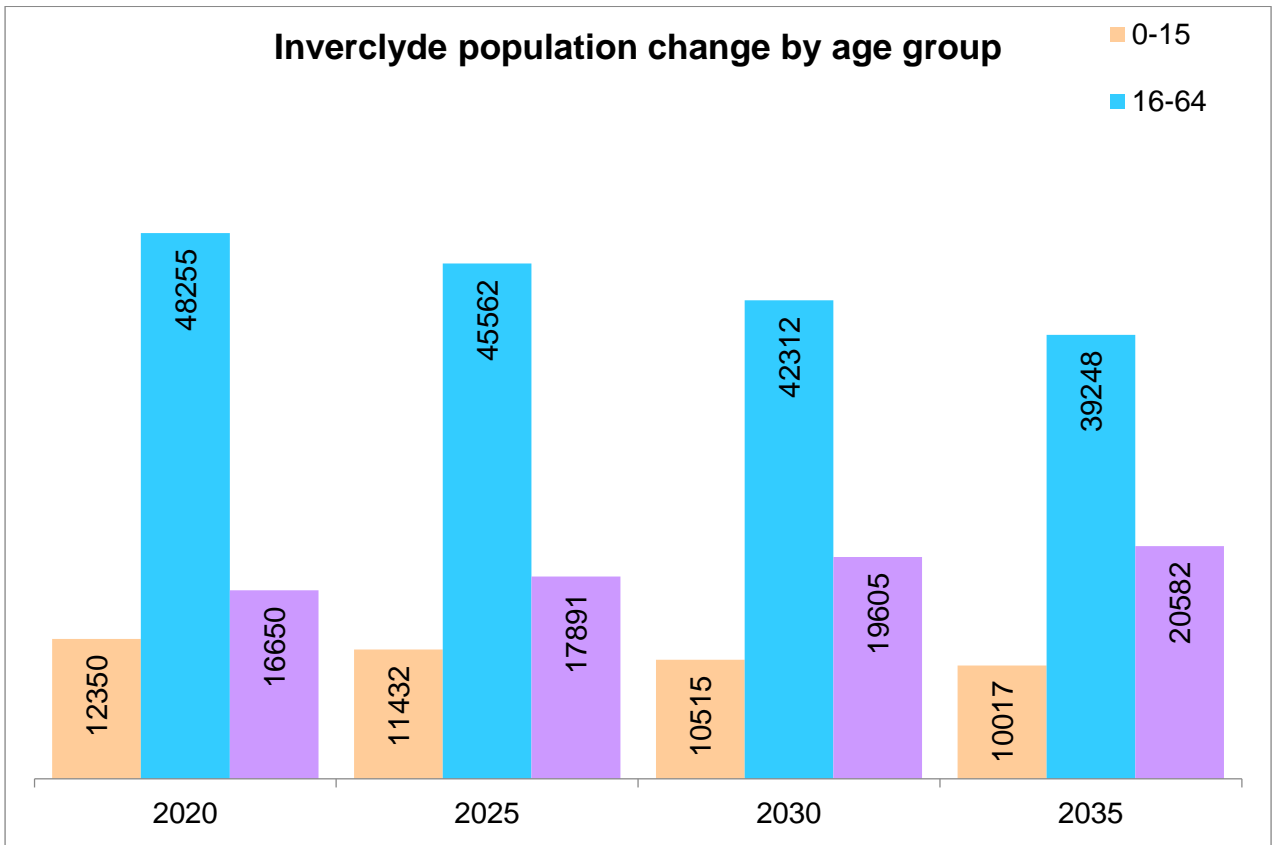
The latest estimated population of Inverclyde was taken from the mid-year population estimates published by the National Records of Scotland (NRS). This gives us a total population of 77,060 (down 740 from 77,800 last year) as at the end of June 2020.

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.



Population projections have limitations and there is a real focus through the Inverclyde Community Planning Partnership, Inverclyde Alliance to try to reverse this population decline which is affected by decreasing births and outmigration.

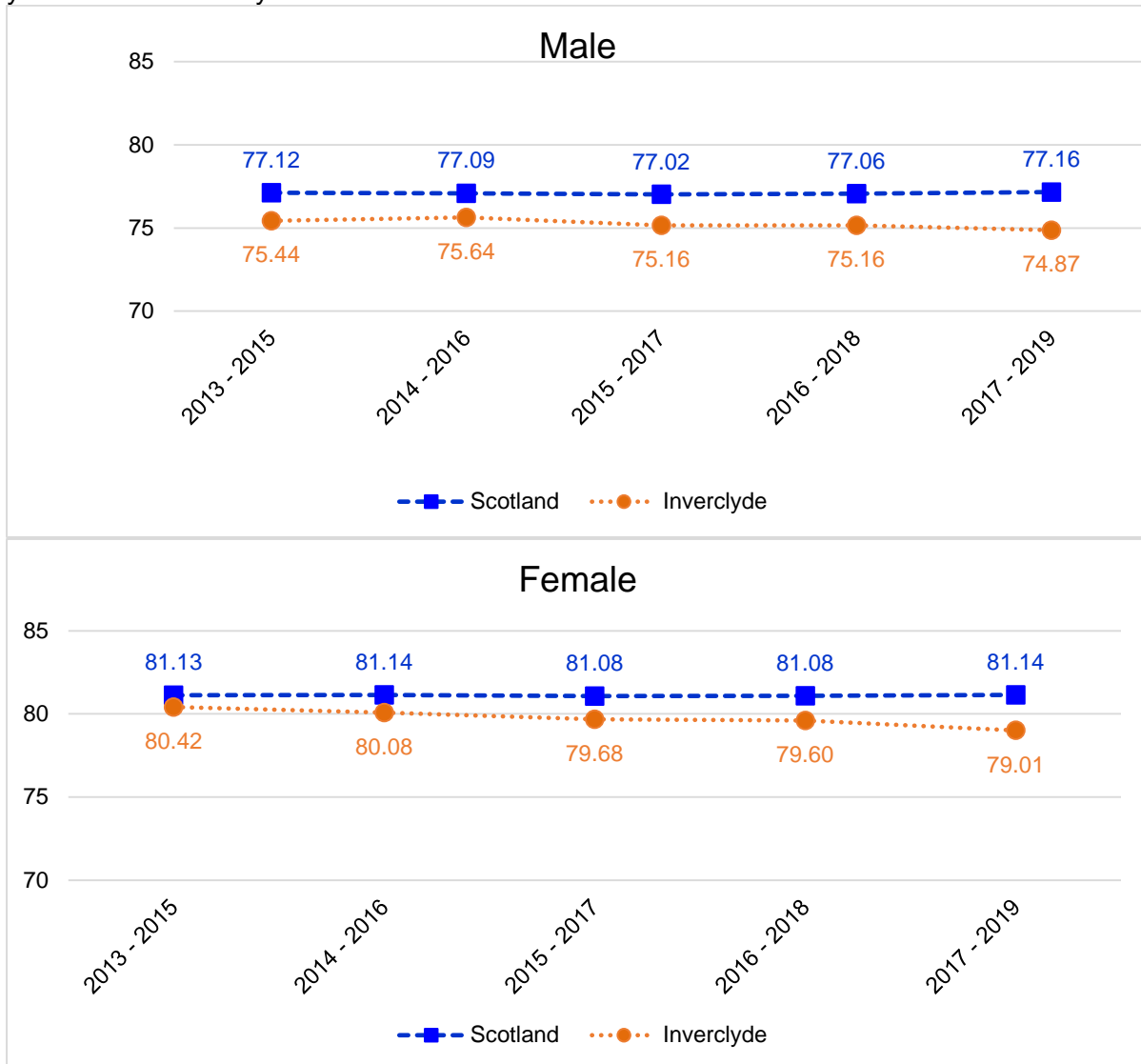
The profile of our population is also changing significantly. As is demonstrated in the graphic below our working age population will reduce whilst the numbers of people over 65 will increase.



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

Life Expectancy (from birth)

The latest figures available cover the 3 year 'rolling' period from 2017 to 2019 (published by National Records of Scotland in September 2020). The charts below compare the average life expectancy in years across Inverclyde and Scotland.

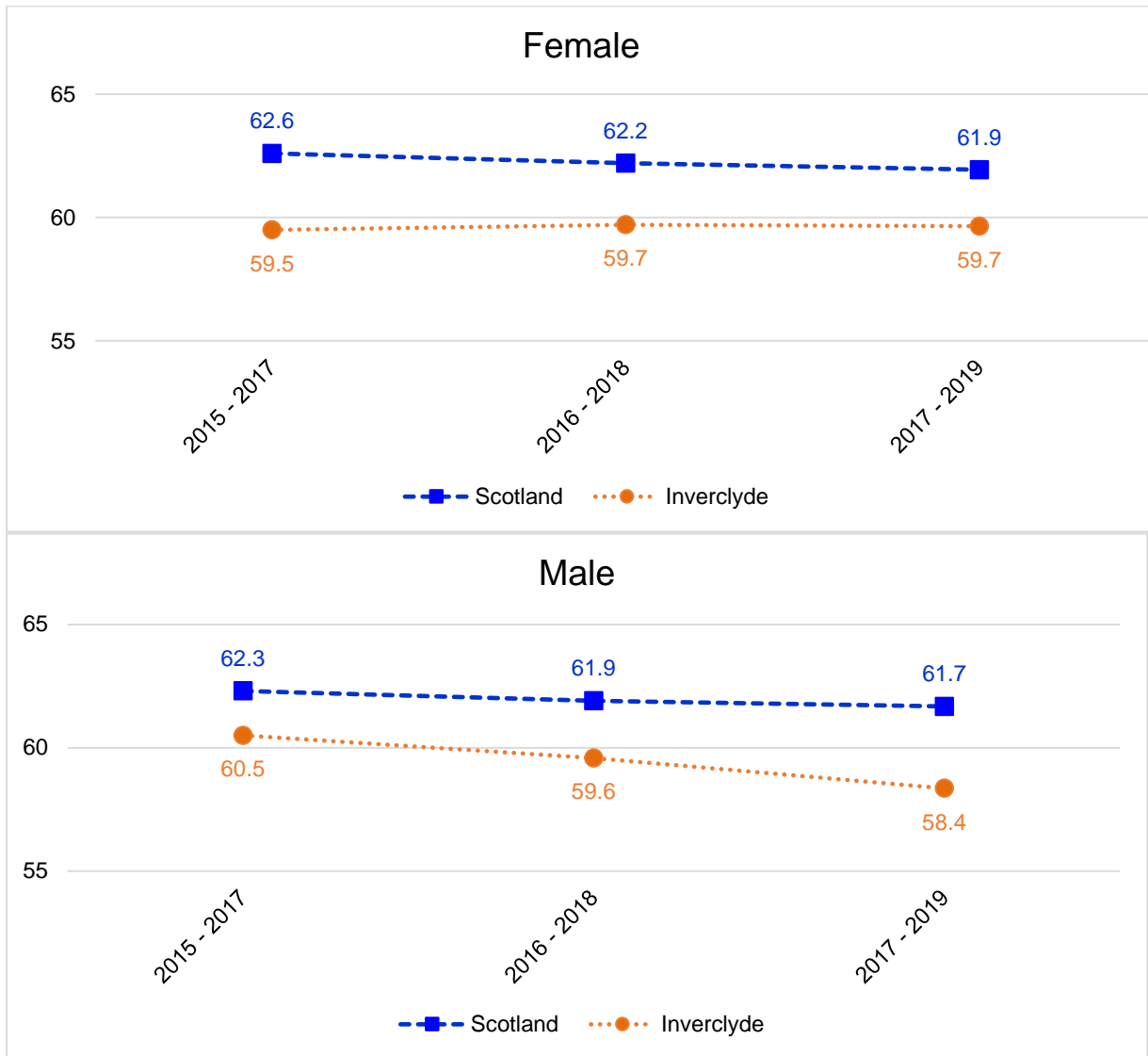


In the longer term, we aim to reduce the differences between Inverclyde and the Scottish average, and also the differences between men and women.

Healthy Life Expectancy

Healthy life expectancy (HLE) is an estimate of the number of years lived in 'very good' or 'good' general health, based on how individuals perceive their state of health at the time of completing the annual population survey (APS).

Healthy life expectancy provides insight into the proportion of life expectancy spent in good health. HLE estimates are important to analyse alongside the life expectancy estimates, to understand the state of health the population is in, as well as their years of life expectancy.



The impact of population changes and levels of deprivation are real challenges for Inverclyde HSCP and impact on the needs and demands of local health and care services.

Deprivation

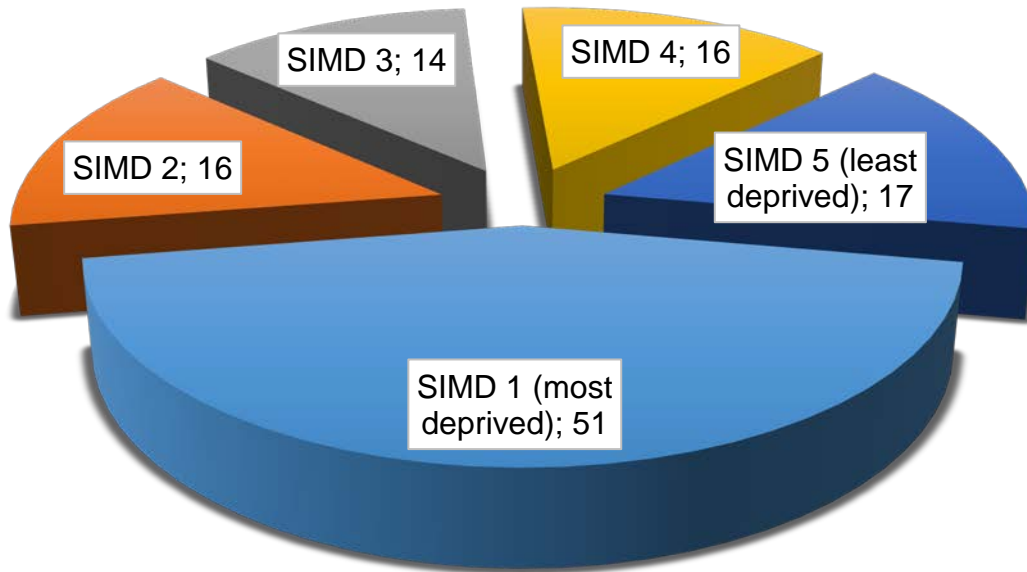
The Scottish Index of Multiple Deprivation (SIMD 2020) is a tool for identifying areas of poverty and inequality across Scotland and can help organisations invest in those areas that need it most.

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.

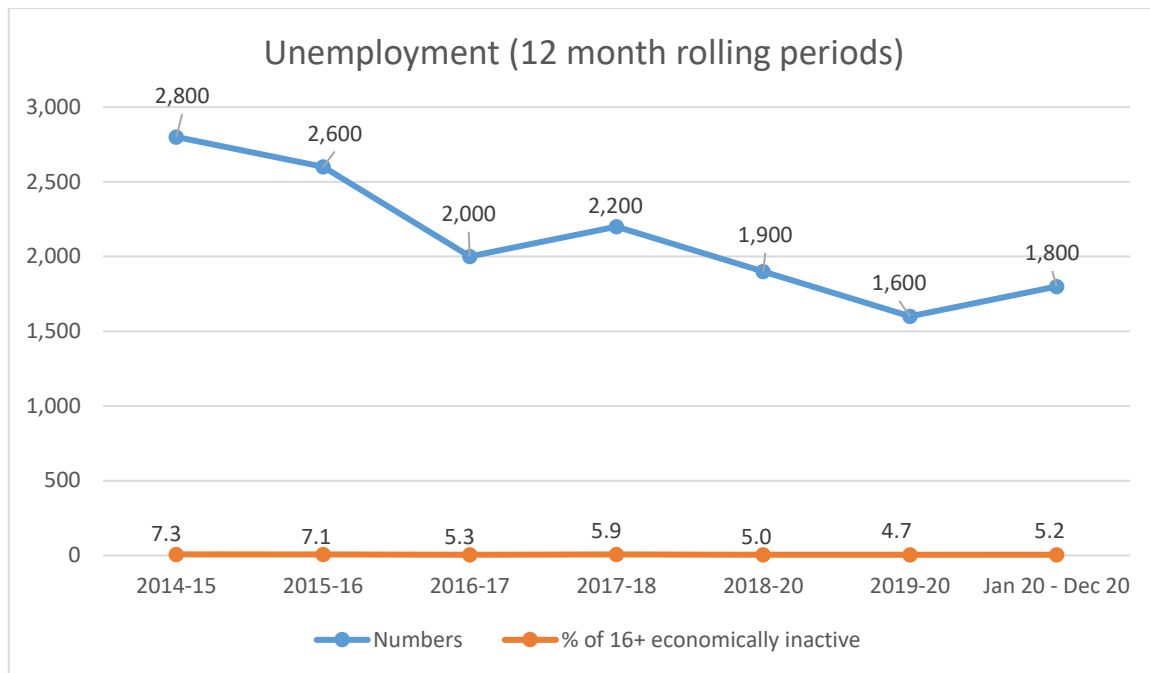
Inverclyde datazones by SIMD quintile



Source: Scottish Government SIMD 2020

Economy

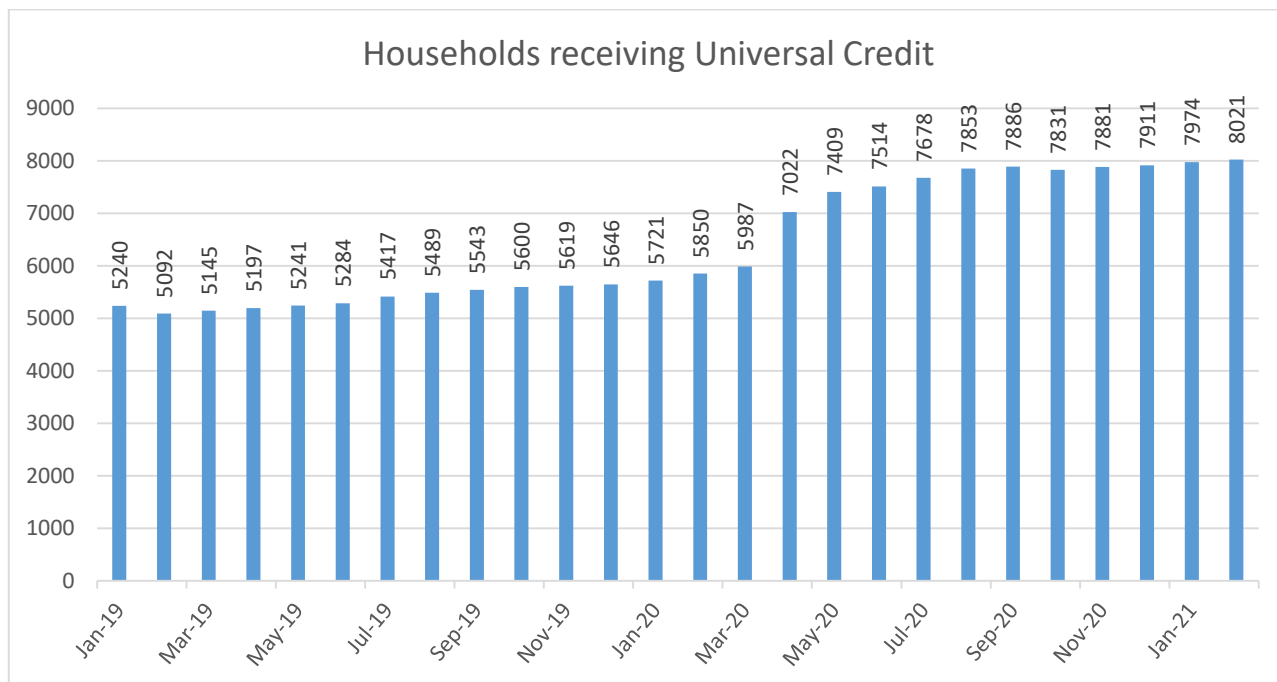
Employment for the people of Inverclyde remains heavily reliant on the public sector. Reductions in public sector budgets, resulting in a shrinking workforce in this area, will put additional pressure on the local employment market. Taken together with the reduction in the working age population of Inverclyde, 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)

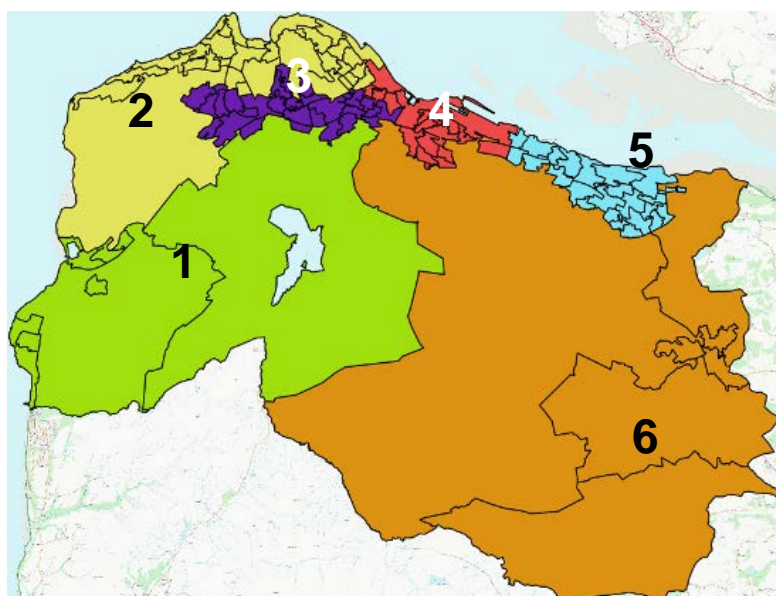
Unemployment figures

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
3. West & Gourock
4. Greenock South & South West
5. Greenock East & Central
6. Port Glasgow
7. Kilmacolm & Quarrier's Village

4. GOVERNANCE

Role of the Chief Social Work Officer

Local authorities are required, under Section 3 (1) of the Social Work (Scotland) Act 1968 as amended, to appoint a Chief Social Work Officer (CSWO). The role of CSWO in Inverclyde is fulfilled by the Head of Service, Children's Services and Criminal Justice.

The role of the CSWO is to ensure professional oversight of social work practice and service delivery. This includes professional governance, leadership and accountability for the delivery of social work and social care services, whether provided by the local authority or purchased through the third sector or independent sector.

In July 2016, the Scottish Government issued revised national guidance on the role and function of the CSWO (The Role of the Chief Social Work Officer: Principles, Requirements and Guidance pursuant to Section 5 (1) of the Social Work (Scotland) Act 1968), replacing guidance previously issued in 2009.

Delivery of Statutory Functions

The CSWO has specific responsibilities in respect of statutory decision making and ensuring the provision of appropriate advice in the discharge of a local authority's statutory functions.

The CSWO also has oversight of practice standards relating to services delivered by registered social workers, which will involve public protection and / or the restriction of individual liberty. This requires consideration of individual circumstances, with regard to rights, risks, needs and capacity. These judgements are rarely simple, and often require to take account of a range of issues, including the risks to the wider community.

These legislative provisions include the placement of children in secure accommodation, transfers of children subject to supervision requirements, adoption, fostering, community payback orders, statutory interventions linked to the mental health officer role, adults with incapacity measures; and the protection of children and adults at risk.

It has long been recognized that the role of the CSWO is a complex one and recent years has seen a number of additional duties and responsibilities become added to the role. This is within the context of the vast majority of CSWOs holding a full remit in respect of professional leadership for key service areas and increasingly general management responsibility for often complex integrated services. The Covid-19 pandemic has resulted in a new focus on this issue. Over the period of the pandemic, CSWOs required to carry out an increased range and depth of functions associated with the role. This is an area that is subject to discussion within Social work Scotland and between Social work Scotland and the office of the Chief Social work advisor for Scotland.

Key legislation relevant to the Chief Social Work Officer responsibilities include:

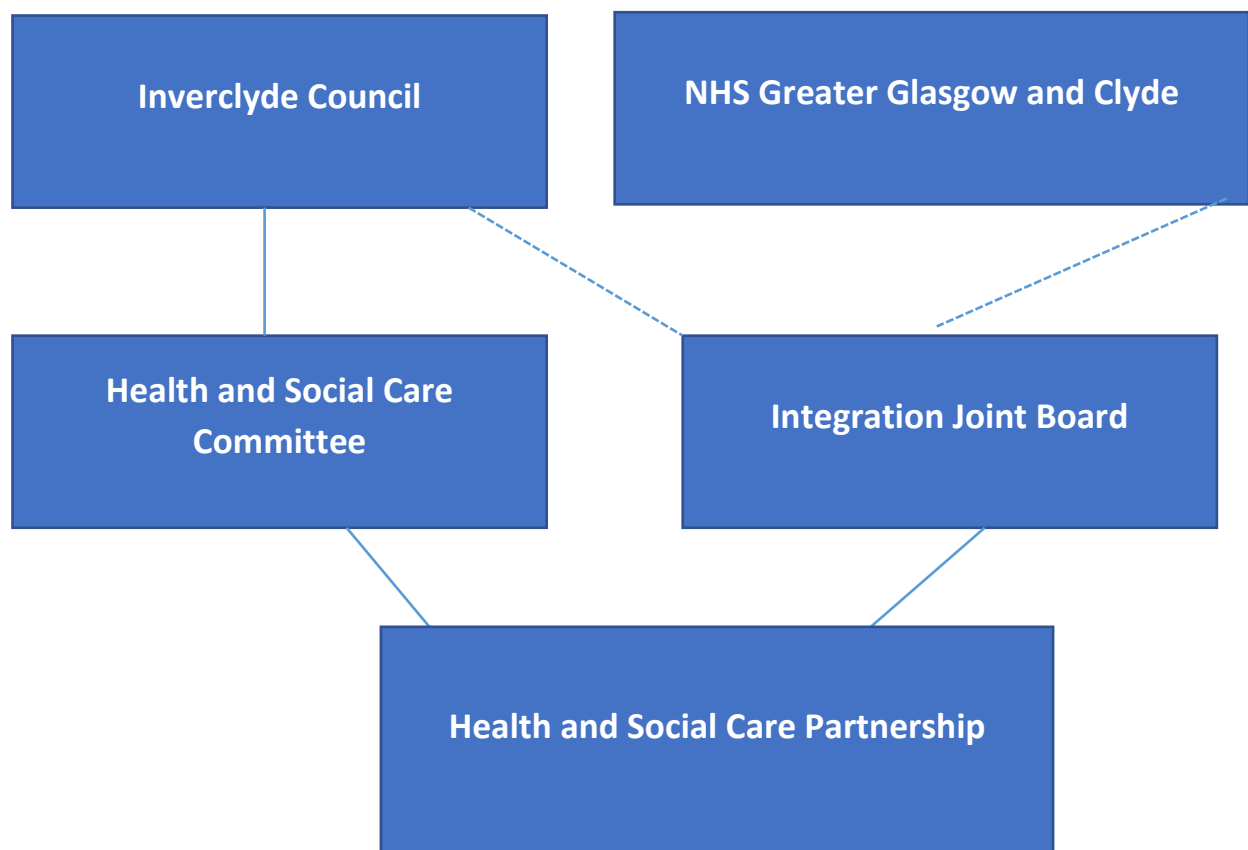
Social Work (Scotland) Act 1968	Children (Scotland) Act 1995
Criminal Procedures (Scotland) Act 1995	Adults with Incapacity (Scotland) Act 2000
Mental Health (Care and Treatment) (Scotland) Act 2003	Adult Support and Protection (Scotland) Act 2007
Children's Hearings (Scotland) Act 2011	Social Care (Self Directed Support) (Scotland) Act 2013
Children and Young People (Scotland) Act 2014	Public Bodies (Joint Working) (Scotland) Act 2014
Mental Health (Scotland) Act 2015	Community Justice (Scotland) Act 2016
Carers (Scotland) Act 2016	Domestic Abuse (Scotland) Act 2018
Duty of Candour (Scotland) Regulations 2018	Health and Care (Staffing) (Scotland) Act 2019

Organisational Governance

In Inverclyde, the Social Work Service (and CSWO) operates in the context of the following governance structures:

- Inverclyde Community Planning Partnership Board;
- Inverclyde Council;
- Inverclyde Integrated Joint Board.

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 the figure 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.

The CSWO is co-chair of the HSCP Clinical and Care Governance Group and provides regular update reports, and escalate issues when required. Each member will be accountable and responsible for ensuring the communication process into and from the group is transparent and that staff are fully aware of the remit, operating principles and processes of the group.

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.

A work plan for the Clinical and Care Governance Strategy was presented to the Integration Joint Board. This work will be monitored through the HSCP Clinical and Care Governance Group and each of the Clinical and Care Governance Groups for each head of service.

5. PARTNERSHIPS

Adult Protection Committee

The principal functions of the Adult Protection Committee (APC) are to promote the support and protection of adults at risk of harm through strategic planning, leadership, agreed priorities, objectives and actions.

The APC leads on developments and improvements in the following key areas:

- Procedures and practice;
- Skills and knowledge;
- Information and advice;
- Co-operation;
- Continuous Improvement.

The membership of the committee includes all the statutory bodies with a role to play in adult protection along with the third sector representatives of the Mental Welfare Commission, Office of the Public Guardian, Care Inspectorate, and Health Improvement Scotland are invited to attend, with minutes being sent out to all agencies.

The membership of the APC is kept under review to ensure that as the body of evidence around adult support and protection matters evolves, agencies who contribute to the local agenda are represented. The lack of links with Scottish Ambulance Service (SAS) was acknowledged as an area that required to be addressed and representation has recently been established.

Child Protection Committee

Inverclyde Child Protection Committee (CPC) is the multi-agency strategic partnership responsible for the design, development, publication, distribution, dissemination, implementation and evaluation of child protection policy and practice across Inverclyde. The CPC are responsible for the quality assurance of multi-agency practice and ensuring that the performance measures put in place ultimately lead to improving outcomes for children and young people. Child protection means preventing a child suffering significant harm from abuse or neglect. The CPC is committed to its responsibility to keep all children in Inverclyde safe from harm whether abuse or neglect has already taken place or looks likely to take place. In working to achieve that, the functions of the CPC are continuous improvement, strategic planning, public information and communication.

The CPC has senior membership across the full range of agencies and services with child protection responsibility including Inverclyde Council (Social Work, Education and Housing), Police Scotland, NHS Greater Glasgow and Clyde, the Reporter to the Children's Hearing, Inverclyde Violence against Women Partnership and the third sector. The CPC has a chair, a vice chair and a lead officer to ensure tasks are taken forward. All members aim to consistently improve upon the delivery of robust child protection practices across the public, private and wider third sectors.

The National Guidance for Child Protection in Scotland 2014, requires that each CPC be established and governed by a Chief Officer Group. The Local Police Commander and the Chief Executives of NHS Glasgow and Greater Clyde and Inverclyde Council are the Chief

Officers responsible for the leadership, direction and scrutiny of the local child protection local services and they have strategic responsibility for the CPC. Inverclyde CPC works collaboratively with other strategic partners; in particular, the Integrated Children's Services Board, Violence against Women Partnership, Adult Protection Committee and the Alcohol & Drugs Partnership. This means that child protection is seen alongside the wider context of supporting families and meeting children's needs. It ensures that partners are aligned in their aims, priorities and delivery of improvements as set out in the Child Protection Programme and the Local Outcome Improvement Plan.

Children's Strategic Partnership and Children's Services Plan

The strategic partnership responsible for the delivery of the Children's Services Plan is comprised of representatives of the main partner agencies – Health and Social Care Partnership, Education and Community Services, Police Scotland, Voluntary Organisations, Scottish Children's Reporter Administration, Skills Development Scotland.

The partnership is chaired by the Corporate Director for Education, Communities and Organisational Development and there is a leadership group that leads and reports on the priorities of the delivery plan.

An annual report is produced by the strategic leads and presented to the Alliance Board before submission to the Scottish Government. We will continue to consult with children, young people and families as part of our participation strategy.

Criminal Justice

North Strathclyde MAPPA

The North Strathclyde MAPPA Unit serves six Local Authorities, 3 Police Divisions and 2 Health Boards. The Unit itself is hosted by Inverclyde Council. Its purpose is to organise MAPPA meetings for individuals who by dint of the nature and seriousness of their offending require an active multi-agency response to managing the risk of serious harm posed. The function of these meetings is to create a Risk Management Plan to mitigate the identified risks and address outstanding needs that have a bearing on the potential to re-offend. Due to the impact of COVID 19 pandemic and specifically the Scottish Government restrictions on movement and social distancing requirements alternative arrangements for these meetings in common with all of our public protection responsibilities had to be found. Initially, this was achieved through telephone conferencing and latterly through virtual platforms such as WebEx and Teams.

In October 2020 the North Strathclyde SOG agreed to commence the preparatory work to appoint an independent chair of the SOG. All partners were in agreement that the provision of such a dedicated and independent resource would not only add additional capacity, thus strengthening activities around quality assurance and continuous improvement, but would also be able to act as a critical friend. In addition, moving to appoint an independent chair would mirror the directional of travel across Scotland. This post has been successfully established and recruited to, with the new chair taking up the post in 2021/22.

The North Strathclyde MAPPA Operational Group (MOG) supports the ongoing development of MAPPA and monitors performance at an operational level. This Group too continued to meet virtually throughout the pandemic and also fulfilled its requirement of four meetings taking place in 2020/21.

To support Criminal Justice Social Workers in their risk assessment and risk management activities the North Strathclyde SOG hosted the SAPROF (Structured Assessment of Protective Factors) training course. This was delivered by Dr Ruth Tully who is the national trainer for this course and the training was facilitated through the WebEx platform with 92 individuals successfully completing the course in February 2021. Not only will this course sharpen practice with regard to risk assessment and risk management it will also provide a helpful vehicle to engage with those individuals who both deny their offending and/or who have a learning disability. An implementation group has been established involving key operational staff to help ensure a co-ordinated and consistent approach to the application of this training in practice during 2021/22.

Inverclyde Community Justice Partnership

The Inverclyde Community Justice Partnership, chaired and hosted by Inverclyde Health and Social Care Partnership, continued to meet throughout 2020/21 and was mainly focused on supporting Covid-19 pandemic recovery. This work has included:

Prisoner Early Release



In response to the national Covid-19 pandemic; legislation was passed allowing for the early release of certain prisoners from custody. The Partnership supported colleagues in Criminal Justice Social Work, Alcohol and Drugs Recovery Service and Homelessness to proactively come together to offer support to prisoners identified for early release under this scheme; recognising that the Covid-19 pandemic would lead to additional challenges for an already vulnerable and complex group.

To this end, protocols were devised to utilise the 'email-a-prisoner' scheme to make offers of support. During April 2020, 16 individuals identified as part of the early release scheme were contacted; 13 of whom accepted an offer of support. Support provided to these individuals included making referrals to the appropriate agencies to provide support to address housing; mental health; addictions and benefits issues and referrals to third sector partners such as Shine and I-Fit. The Partnership supported the successful completion of an Information Sharing Agreement with the Scottish Prison Service which has enabled the effective and timeous sharing of information with key partners

Now under further review, it is hoped that the Partnership can build on the proactive approach established in the last year to create a more efficient and streamlined offer of support to this service user group using effective sharing of information between statutory and third partners agencies to ensure that such individuals are offered the right support at the right time.

Creation of an Unpaid Work sub group

During 2020-21 an Unpaid Work sub group (of the Community Justice Partnership) was created that aims to enhance the local offer in Inverclyde around Unpaid Work. The Group seeks to improve support for those service users who may require assistance with literacy and numeracy, improving employability opportunities for service users and promoting the community benefit of unpaid work. The Group will also support the Justice Manager in their annual return to Scottish Government.

Women with involvement in the Criminal Justice System

The Early Action System Change project focused on women with involvement in the Criminal Justice System (CJS) in Inverclyde has developed during 2020-21. Engagement with women with lived experience of the CJS and the formation of a co-production group were significantly disrupted by COVID 19 pandemic restrictions, however, an adapted approach focusing on remote engagement and collaboration with frontline services, including several Community Justice partners, to provide referrals has allowed for progress in developing relationships with women either currently involved in or with previous experience of the CJS. As a result, women have been involved in establishing the current context of CJS involvement for women in Inverclyde and identifying areas where limitations to their support exist which could be addressed and improved by a system change approach. This will be central to the development of a test of change proposal which, pending funder approval, will commence in 2021 and which women with lived experience of the CJS will continue to co-produce. Work has also continued around other elements of establishing an evidence base for the test of change, including the production of a literature review and a cost benefit analysis methodology.



Our social workers and Allied Health Professionals have successfully supported a range of adults and older people to remain at home through our Home 1st approach. This approach ensures people are supported to live at home and encouraged to maximise their independent living skills. We have supported people to return home after a hospital admission. Our performance in relation to discharges from hospital remains one of the best in Scotland.

The established partnership with Acute around Home 1st laid foundation for successful discharge planning during the pandemic. The established Discharge Hub at IRH ensured quality work continued with safe discharges reducing pressure on acute services and ensuring people were cared for in a safe environment of their choosing.

Care Homes

In late May early June 2020 all older people and adult care homes had Infection, Prevention and Control visits to ensure compliance with infection control guidance. These were joint visits by nursing staff and the service manager of the Quality and Development team.

Further assurance visits were also carried out earlier this year. Joint assurance visits to all older people care homes in the early part of 2021 was praised for not only an area of good practice but also ensuring some of our most vulnerable residents were safe but also introduced joint working between the Strategic Commissioning Team who normally carry out contract monitoring visits working with Senior Social Workers and Lead Nurses to carry out the assurance visits.

Independent Living

There is work underway with 3rd sector partners around the development of a Compassionate Inverclyde Award Scheme. This 3 tiered award will be open to people and organisations in Inverclyde who can demonstrate acts of kindness.

We are working with partners around early intervention, health promotion and signposting to other services and are developing a pathway with Inverclyde Leisure for this work. This work will support people to manage their own health and maintain their abilities as they age.

In March 2019, preceding the publication of both Housing to 2040 and the National Planning Framework 4 position statement, the Scottish Government published new guidance for local authorities to address unmet housing needs of wheelchair users. Local authorities are now required to set targets on the provision of wheelchair accessible housing across all tenures and report annually on progress. Through our Strategic Housing joint work we have been influential in setting a wheelchair target of 5% across all Housing tenures in the Local Development Plan.

Community Learning Disability Services

Partnership working has continued both within the Integrated Team and externally, with the commissioned support providers and voluntary sector. In March and April 2020, risk assessments were completed by the main support providers supported by the Learning Disability Day Opportunities Managers and Council Health and Safety Officer, regarding how they would continue to provide services during lockdown. Service users and carers were contacted by telephone and offered alternative services such as hot meal deliveries and food parcels.

Engagement with service users and community organisations has continued via virtual platforms. Partnership with 3rd sector Organisations, Transport Providers, Enable, Unity and the Trust Befriending has enabled an extended support network to continue throughout 20/21 during lockdown and restrictions.

Our supported living / day and respite staff have provided flexible services across Learning Disability and older people's services throughout the pandemic and have supported carers by establishing valuable services to ensure families and carers received a valuable break from their caring responsibilities.



Partnership working with Parklea Branching out during restrictions providing a safe and supportive environment for people with Learning Disability, Autism to attend providing much needed respite for carers and meaning activities for those where the impact of Covid-19 pandemic and restrictions has been profound. An informal secondment arrangement has taken place as a result of Covid-19 pandemic where 2 Learning Disability Day Opportunities staff are located Monday to Friday at Parklea providing much needed

personal care or additional support. This opportunity allows for sharing expertise across the 2 Organisations and making efficient use of resources, when workers were unable to work in public areas due to restrictions.

This arrangement will be evaluated and may continue beyond restrictions being lifted and remobilisation of day opportunities.

Collaborative Working

Service managers across Community Mental Health, ADRS, Learning Disability, and Assessment and Care Management have (re)established a shared forum for joint improvement work to ensure gaps in service provision are identified and addressed in a collaborative manner.

A quarterly interface forum has been convened by Service Managers across Mental Health, Criminal Justice, Homelessness and ADRS. This provides a platform for team leads collaboration and sharing learning to improve delivery of services.

Service Managers from Community Mental Health and ADRS/Homelessness have refreshed the approach and processes for the Resource Allocation Group and engagement with provider partners. This is enabling improved governance arrangements for commissioned supported living services in partnership between the services, users of our services, our providers, and HSCP contracts and finance colleagues.

Older People's Mental Health Team

Older adults social work staff have continued to work collaboratively with hospital staff to ensure safe discharges to the community or to a care home setting in difficult circumstances, close working with families, carers and advocacy has been crucial to ensure individuals needs and wishes have been respected at all times.

The recent Mental Welfare Commissioning idea report 'authority to discharge' highlighted no unlawful discharges for Inverclyde.

Alcohol & Drug Recovery Service

As the ADRS operational model evolves, improved collaborative working with Moving On, commissioned to provide support to less complex cases, ensures that people referred for drug and/or alcohol issues are seen by the right service at the right time through a joint allocation process.

The CORRA Foundation formed the new pathway for services users for Alcohol and Drugs:

- Improve engagement with more difficult to reach and hidden population by providing new routes to access services from GP practices and other partners such as Scottish Ambulance Service across extended hours.
- Prevent alcohol and drug related admissions to acute services and presentations at emergency departments supporting a more appropriate response to people in crisis; and
- Provide a community based treatment option for home alcohol detox.

Although this work was put on hold for a period the Co-ordinator has undertaken recruitment of staff, development of operating procedures and pathways and training have been progressed in order to achieve full roll out in the forthcoming year.

Advice Services

Inverclyde HSCP is the lead organisation for the Inverclyde Financial Inclusion Partnership. The Partnership is comprised of a range of public and 3rd sector organisations, working towards the shared objectives of ensuring that:

- Citizens of Inverclyde have access to relevant services for income maximisation
- Citizens of Inverclyde have access to relevant financial services and products which enable them to manage their money effectively; and Citizens of Inverclyde have the capacity to plan for the future and deal effectively with unexpected financial pressures

Health Improvement and Inequalities

The Health Improvement and Inequalities Team have had a particular focus on food insecurity and growing both during and as we emerge from the pandemic. Our lead for this programme has worked collaboratively with third sector organisations to ensure the Food Network has been fully involved. This has included not only the humanitarian aspects of ensuring access to food but also the development of growing and gardening projects which also improve mental and physical wellbeing. Whilst delivery of the usual range of cooking and nutrition classes could not be delivered, some online classes were developed and delivered. This will remain an important aspect of partnership working going forward.

6. SERVICE QUALITY and PERFORMANCE

How Social Work Services are Improving Outcomes for Children and Families

Throughout the last year the children and families teams have continued to provide a full service to families. Working in very different ways and navigating rapidly changing public health guidance, temporary legislation and fluctuating risk has presented new and unprecedented challenges for practice. Throughout the second national lockdown the children and families service fulfilled all statutory tasks as well as providing an ongoing and for the most vulnerable. An enhanced level of support to families with face to face visits increasing. The additional work and tasks expected of children and family staff occurred when many other support services had redeployed resources to other Covid-19 pandemic related tasks leaving a high level of risk and vulnerability to be managed by the service. The response to Covid-19 pandemic and the commitment, hard work and creativity of the service is an achievement to be celebrated.

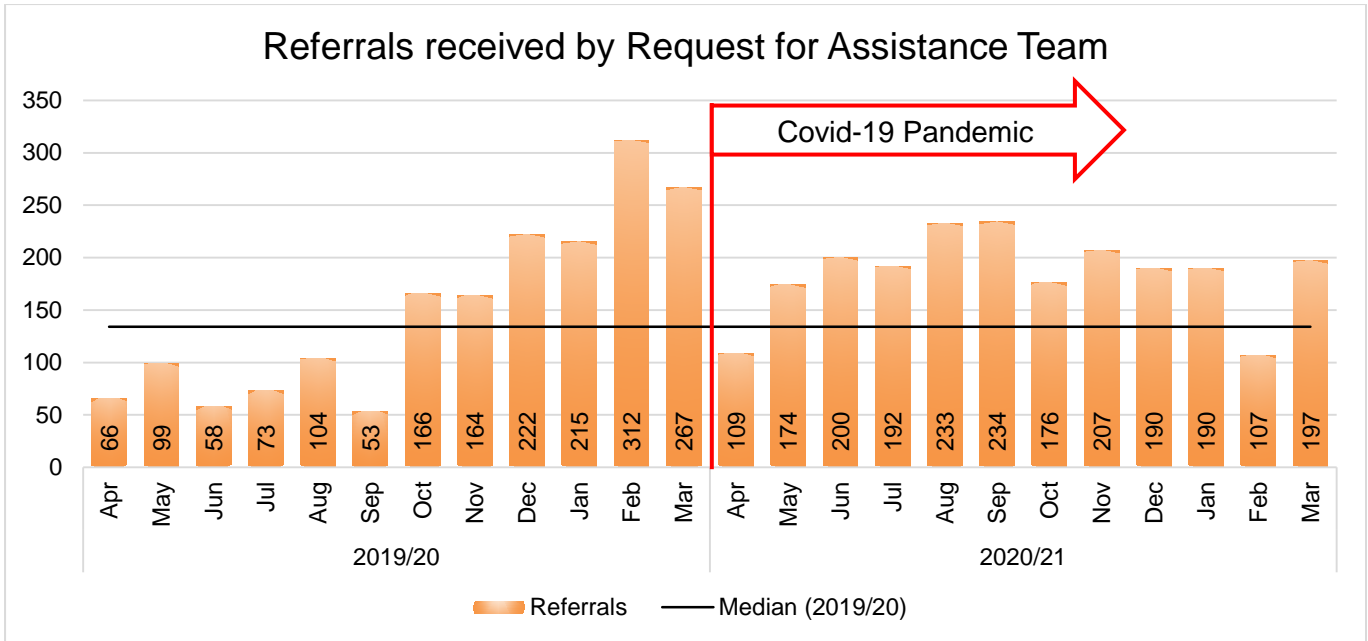
As we emerge from the Covid-19 pandemic restrictions the service will have many priorities that will overlap and link together. Children and Families social work along with other services and systems interacting with children and young people are at the beginning of a journey of development, redesign and systemic change as we seek to implement the recommendations of the National Care Review as outlined in *The Promise* and *The Plan*. The review led by thousands of care experienced voices will lead to wide ranging change across all services and this will be particularly acute for children and families social work.

Tied to the ambition of *The Promise* another key priority will be working alongside partners to embed whole family support to ensure the families receive the right support and the right time and in doing so we build the culture and conditions for supporting as many children as possible to live safe and ambitious lives at home with their family.

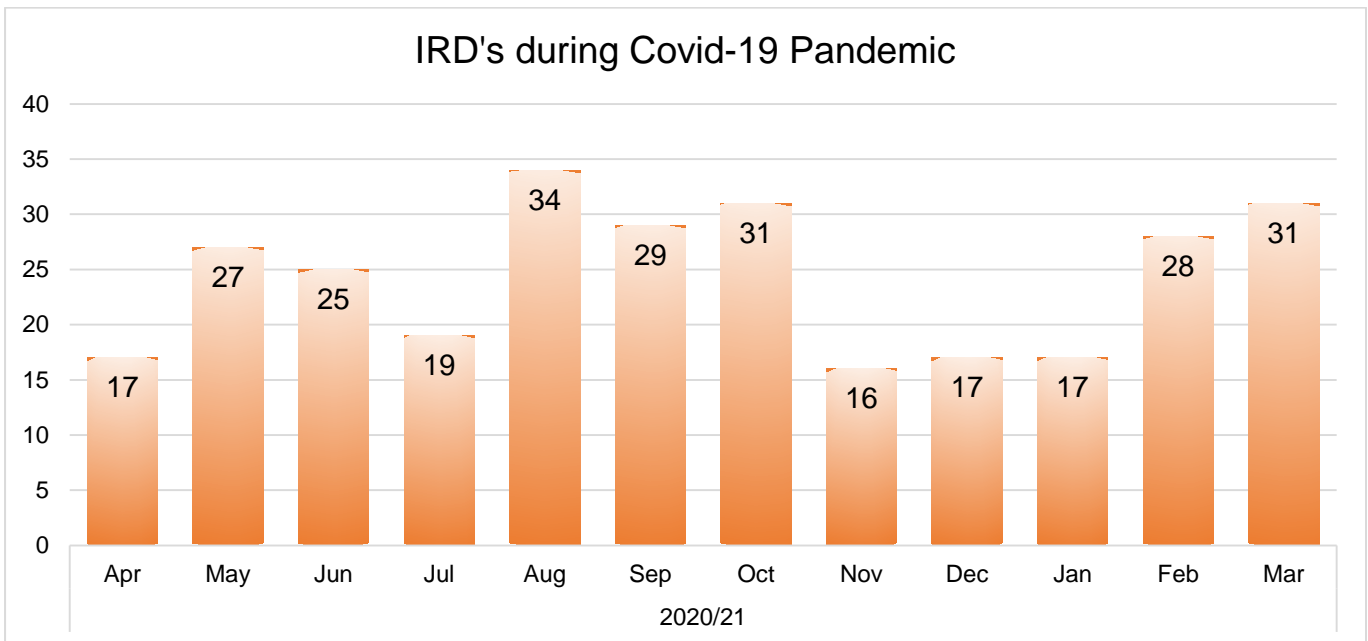
Underpinning all of the competing priorities as we look forward to moving out of Covid-19 pandemic restrictions will be the wellbeing, support and development of staff. Our practitioners remain the single biggest resource we have to offer vulnerable families and the impact of the pandemic, increased workload including managing higher levels of risk and complexity have accentuated the importance of staff wellbeing. We will continue to offer high quality supervision, look to build capacity for the workforce and ensure appropriate support to them.

Child Protection

Initial referrals around Child Protection are made to the Request for Assistance Team (RFA). The chart below shows the referrals received by the RFA team for the last 2 years. An increase in demand is apparent from October 2019 (pre-pandemic) and levels have, mostly, remained above the 2019/20 figures throughout the Covid-19 pandemic.



IRD's (Initial Referral Discussions)



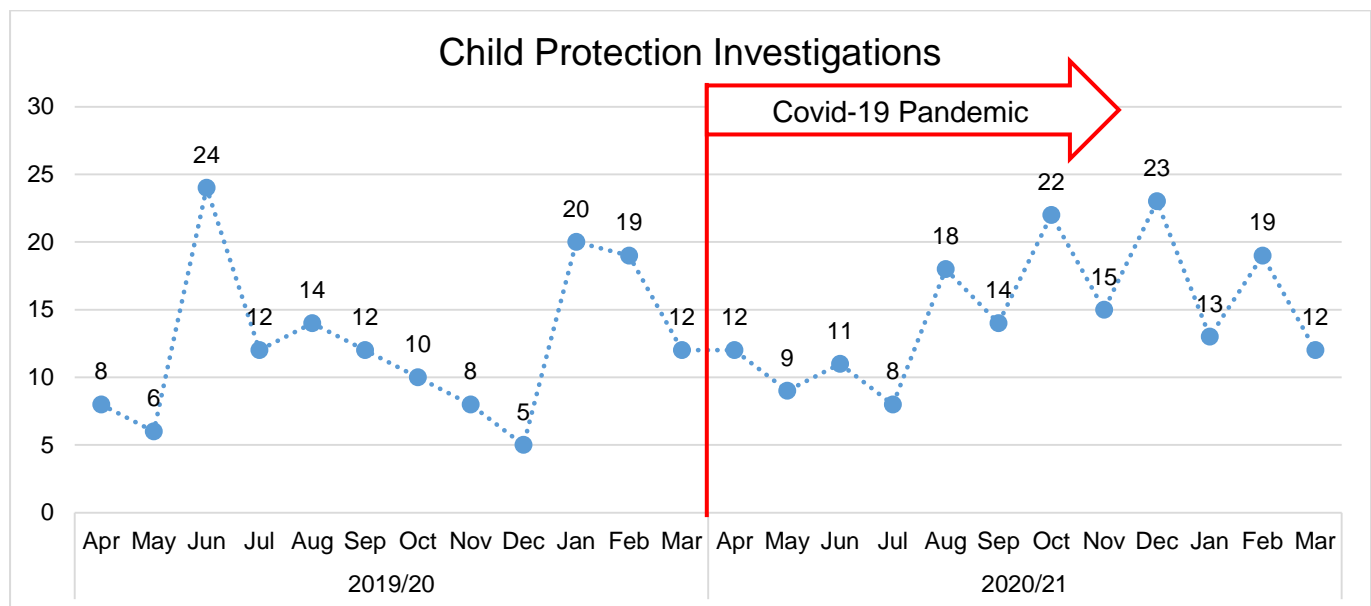
You will note that the number of Interagency Referral Discussions do not correspond to an equivalent number of Child Protection Investigations. This is not unusual as IRD's by their very purpose, share information on a multiagency level which can help to reduce the assessed level of risk as well as increase it. There is some evidence nationally that use of IRD's increased during the pandemic for the following reasons:-

- Well established local networks of early intervention and support were diminished overnight when lockdown commenced and it took some time to reconvene services
- Universal services, in particular education, were working remotely meaning less in person assessment of the level of risk.
- Practitioners may, understandably, have called for an IRD for reassurance and on the grounds of caution as the pandemic inhibited direct work with children and their families

Some of these elements will have been present within Inverclyde leading to a greater number of IRD's requested as we came out of lockdown but resulting in relatively fewer Child Protection Investigations. Correlations between IRD's and investigations begin to settle as we move into the winter through to spring.

Child Protection Investigations

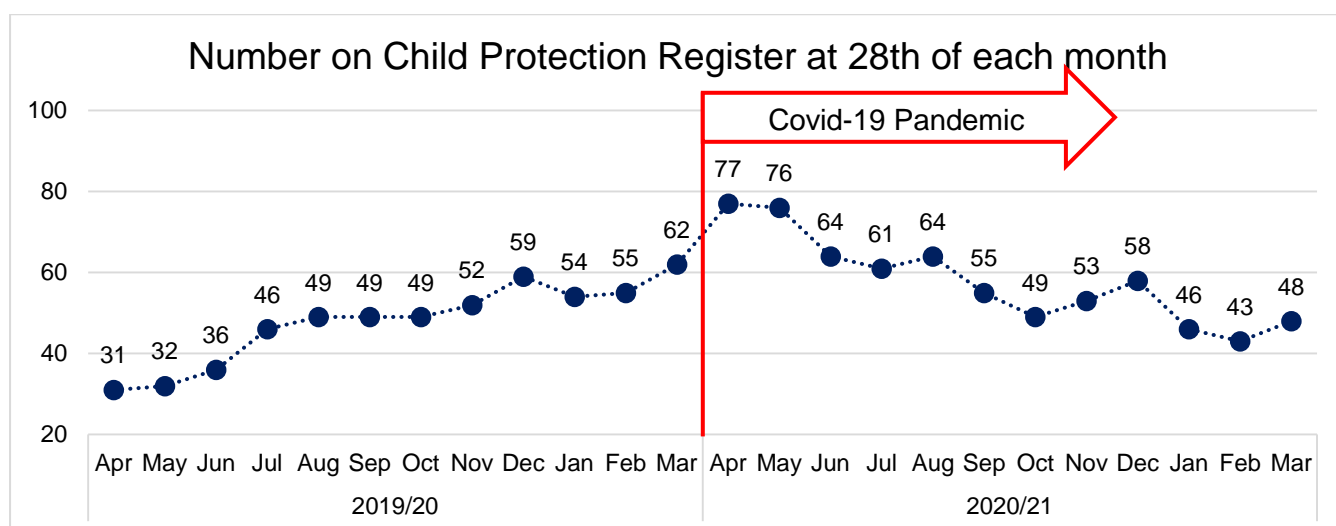
Where appropriate, an investigation is undertaken; the number of child protection investigations undertaken are shown in the chart below.



Child Protection Conferences / Register

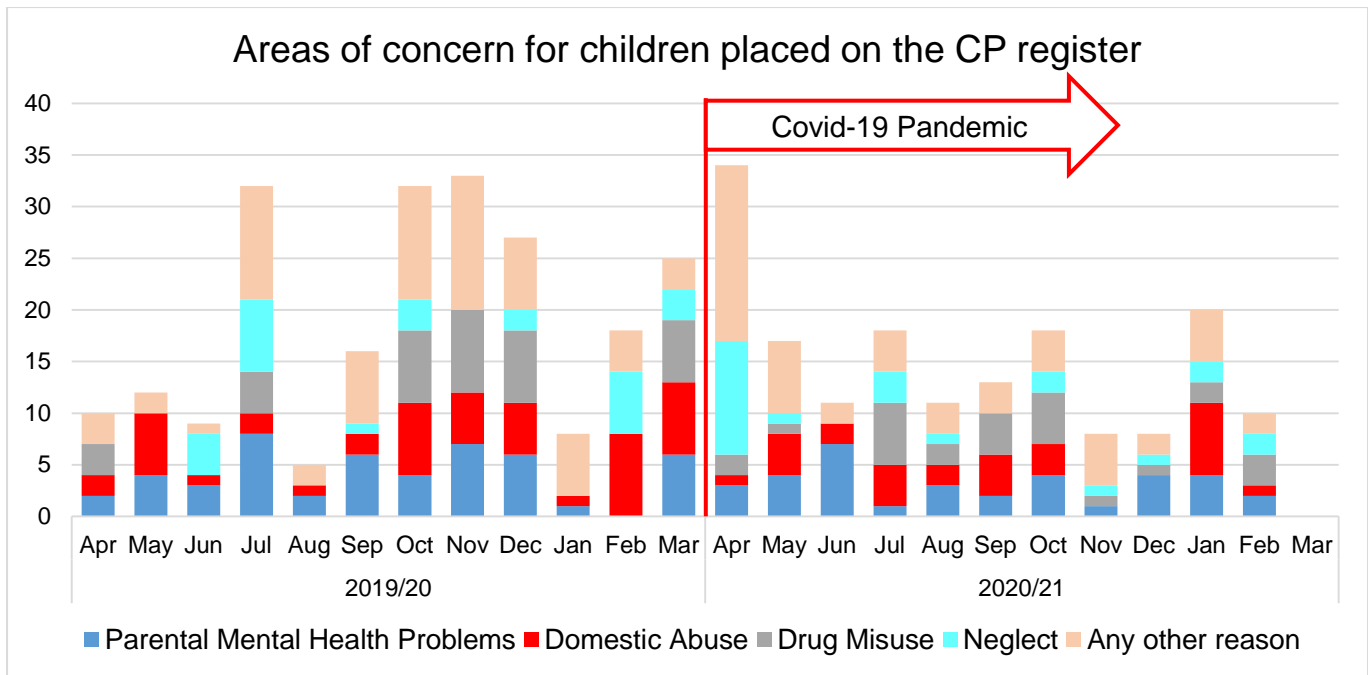
The child protection data provided should be considered in the context of the Covid-19 pandemic and also aligned to increasing numbers of children and young people who were required to be looked after away from home. In April 2020, during the first national lockdown, a much higher than average number of children and young people were on the child protection register. This number remained high throughout most of 2020. The higher than average numbers, and the persistent nature of this can be in part explained by caution being applied by conference chairpersons in respect of stepping plans back from a child protection level whilst other multi-agency services were less available or less able to provide the usual level of support. One clear example would be children not attending school due to the national lockdown and therefore the ongoing assessment and support from the multi-agency team not being the same as pre-pandemic. The numbers do start to decrease as other services (some of which would have been impacted upon by redeployment of staff to the Covid-19 pandemic effort) progressed through their recovery plans and were able to play a fuller role in child's plans. As can be seen from the data the numbers of children on the child protection register stabilised in the last quarter of the year.

	Inverclyde	Scotland
Children with a child protection plan seen by a professional	100%	97%
Children with a multi-agency plan contacted by a professional	56%	44%
Young people eligible for aftercare	71%	65%



Areas of concern

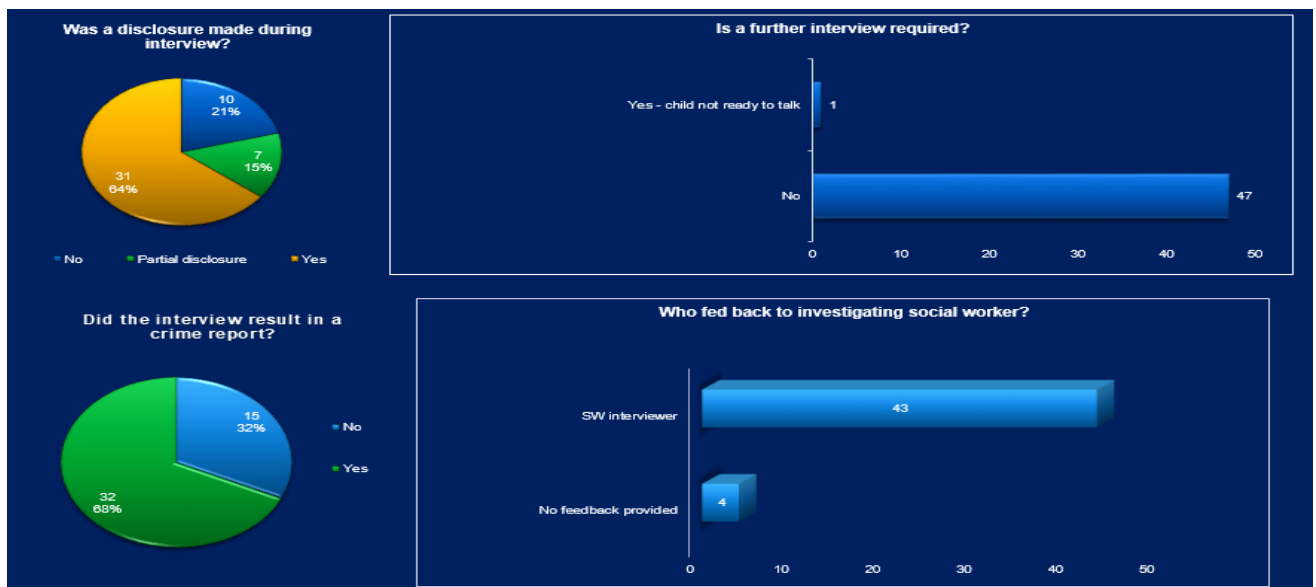
After an investigation a child may be placed on the child protection register; there are various reasons for this and sometimes multiple reasons are identified. The chart below highlights the main reasons for a child being added to the register.



'Any other reason' includes emotional abuse, physical abuse, sexual abuse, the child placing themselves at risk, alcohol abuse and non-engaging family.

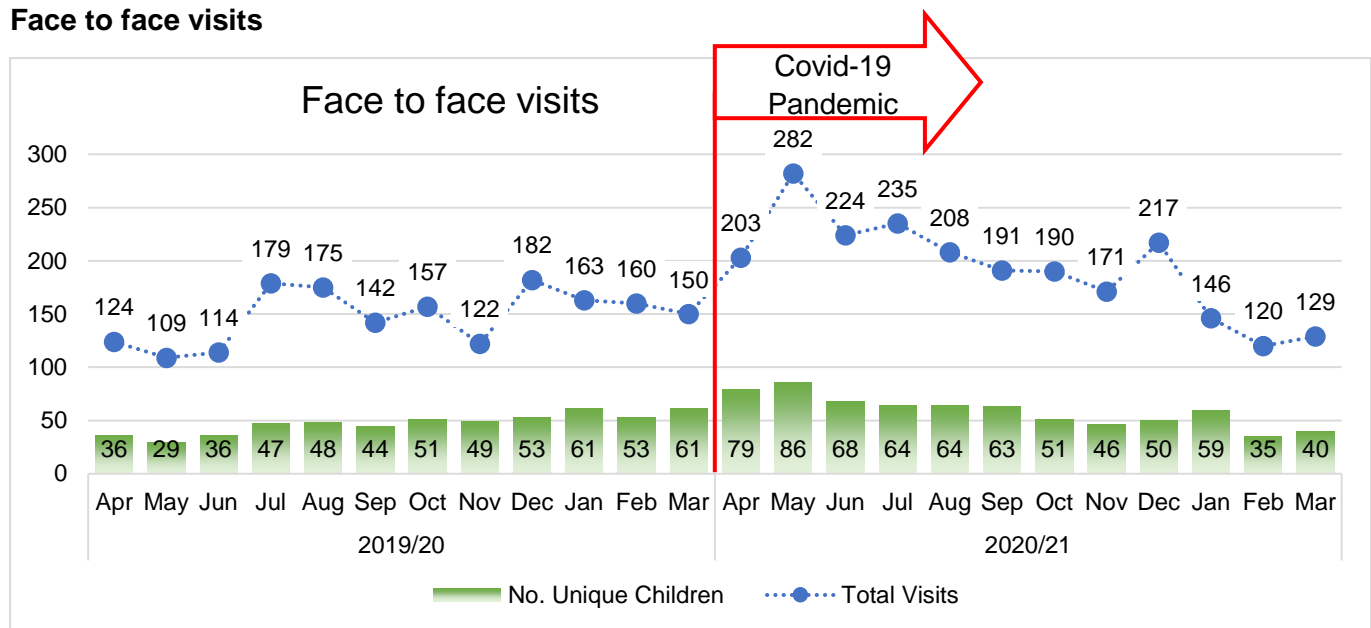
The other factor impacting on the increased activity around child protection is the recruitment and retention issues within the qualified social worker group. Throughout 2020/21 we have experienced a high number of vacancies resulting in higher workloads for more experienced staff which impacts the provision of effective and early assistance. As can be seen in data presented, the number of children requiring to be looked after away from their families has also increased this year. This represents the increased levels of complexity within the workload in children's services.

Joint Investigative Interviews



Children’s Services have continued to support the Joint Investigative Interview pilot along with partners in Police Scotland and colleagues from Renfrewshire, East Renfrewshire and East Dunbartonshire. The start was delayed due to Covid-19 pandemic however the team started interviewing from August 2020. Since this time 48 Joint Investigative Interviews have been conducted for Inverclyde, the data above highlighting a significant proportion resulted in a full or partial disclosure. Furthermore very few children have required a second interview. This is a highly skilled task for social workers and police officers and the pilot team are able to develop and use their skills daily to ensure best practice and to ensure a model exists to interview vulnerable children that seeks to get the best evidence whilst being trauma informed. The pilot will progress throughout 2021/22 and will include work to open the first “Barnahaus” or “House for Healing”. This will follow a Scandinavian model for supporting children and young people who are victims of abuse and aims to provide seamless support through investigation, interview and recovery.

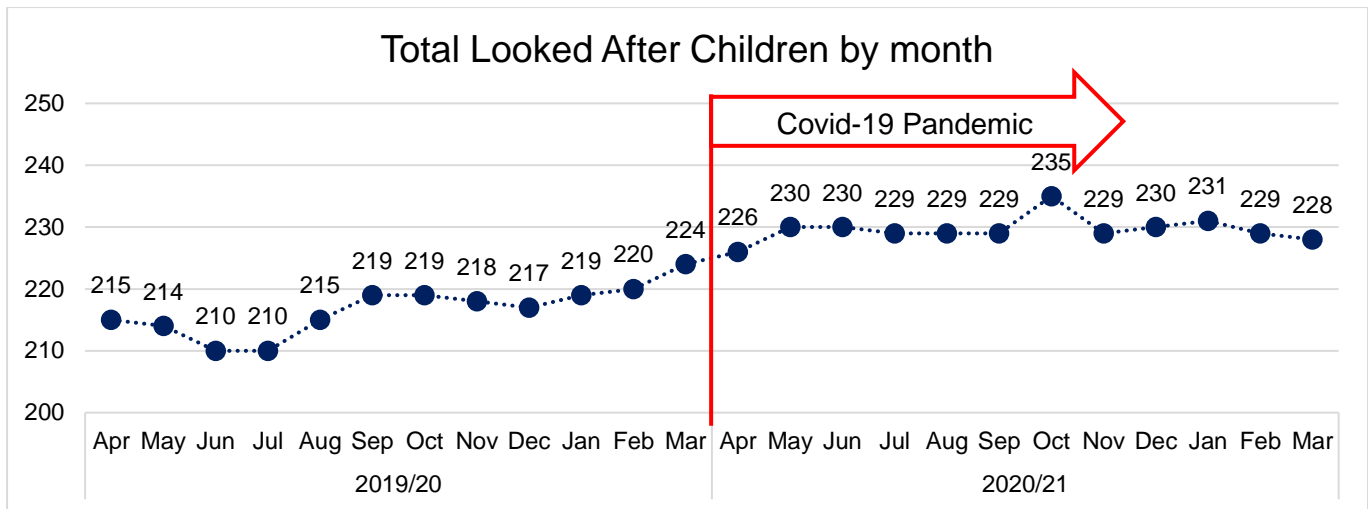
Face to face visits



Of particular note is that throughout the pandemic rather than decrease, children and families social worker visits to the most vulnerable children increased markedly.

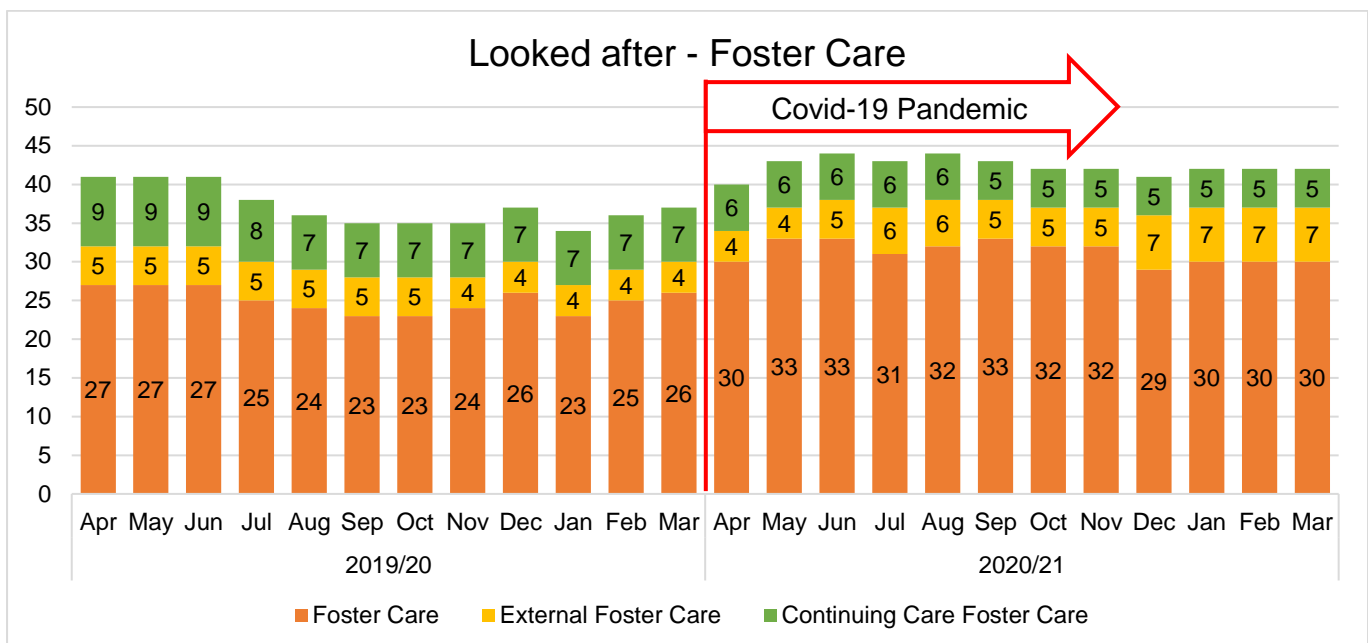
Looked After Children

Pre-pandemic the number of looked after children remained relatively static (averaging approximately 219) however the numbers started to rise steadily from the first lockdown with the balance of care shifting from looked after at home to an increase in looked after away from home in residential, fostering and kinship care.



Pre-pandemic the number of children and young people in fostering placements remained stable. The majority of placements were with local carers, this included young people who remained with carers beyond their 16th birthday in continuing care placement and externally commissioned placements being long term placements for young people subject of permanence orders.

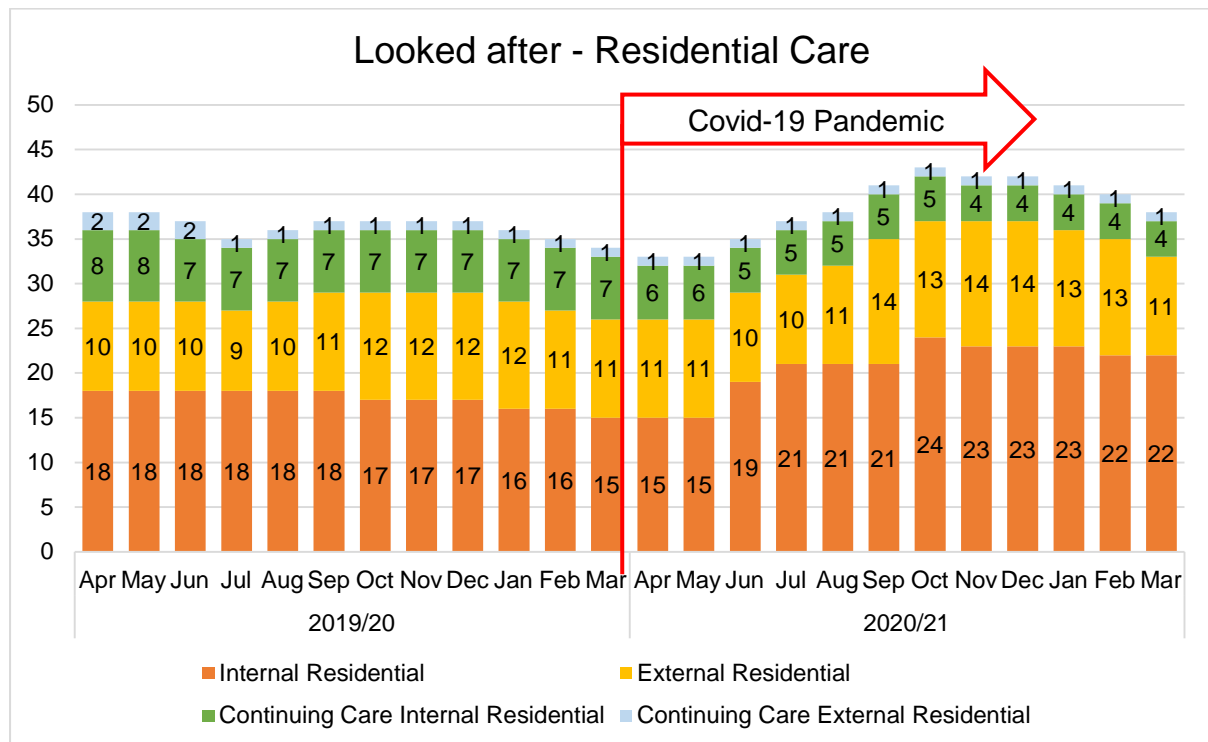
From the start of the Covid-19 pandemic the demand for fostering placements increased and the service experienced pressures in terms of placement capacity related to the pandemic and demographic profile of foster carers that limited their availability, hence the increase in the need to commission external placements.



The overall number of young people in residential care has increased steadily since pre-pandemic. Inverclyde is committed to keeping young people in local placements and to the benefit of continuing care, however this does create placement pressure. As with fostering placements the service has throughout the pandemic been able to effectively manage the number of continuing care placements and Kylemore and The View are now dual registered for care and housing support and this has enabled young people to settle in the new build transition accommodation.

The number of internal placements were increased during the pandemic; this included the necessity to open an additional house to ensure that a sibling group could be placed together.

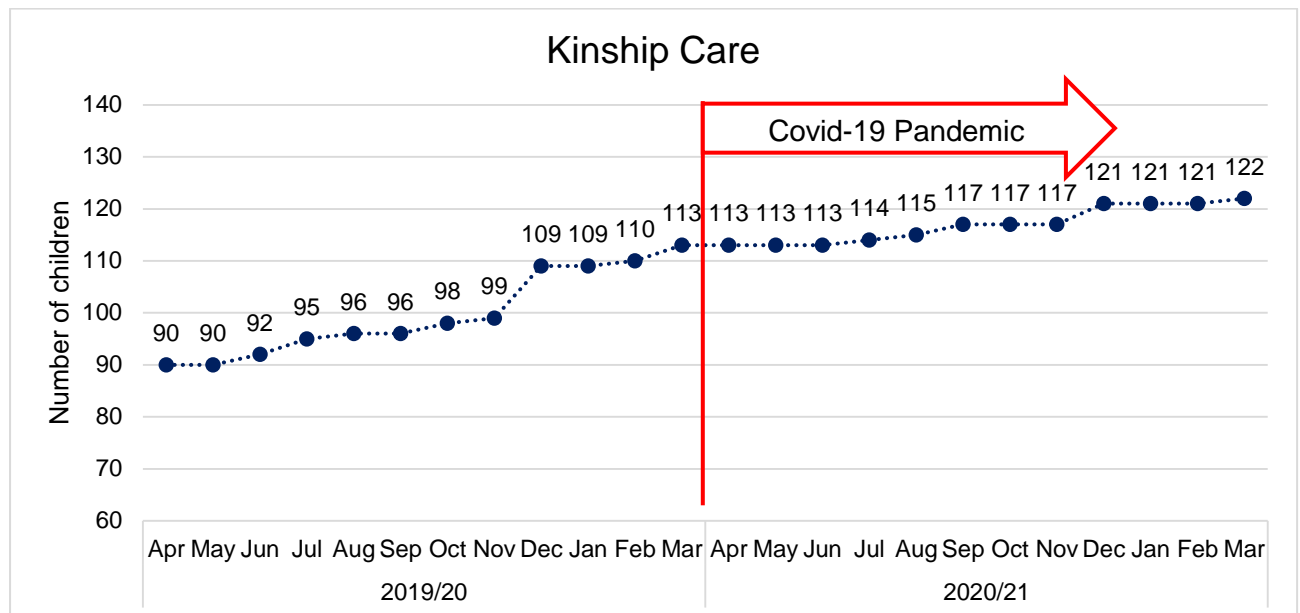
The pressures in local fostering and residential placement capacity in conjunction with the complex needs of young people who require to be looked after away from home is reflected in the steady increase in the use of externally commissioned placements. This is an area that does require deeper understanding and intervention to address the balance of care.



Kinship Care

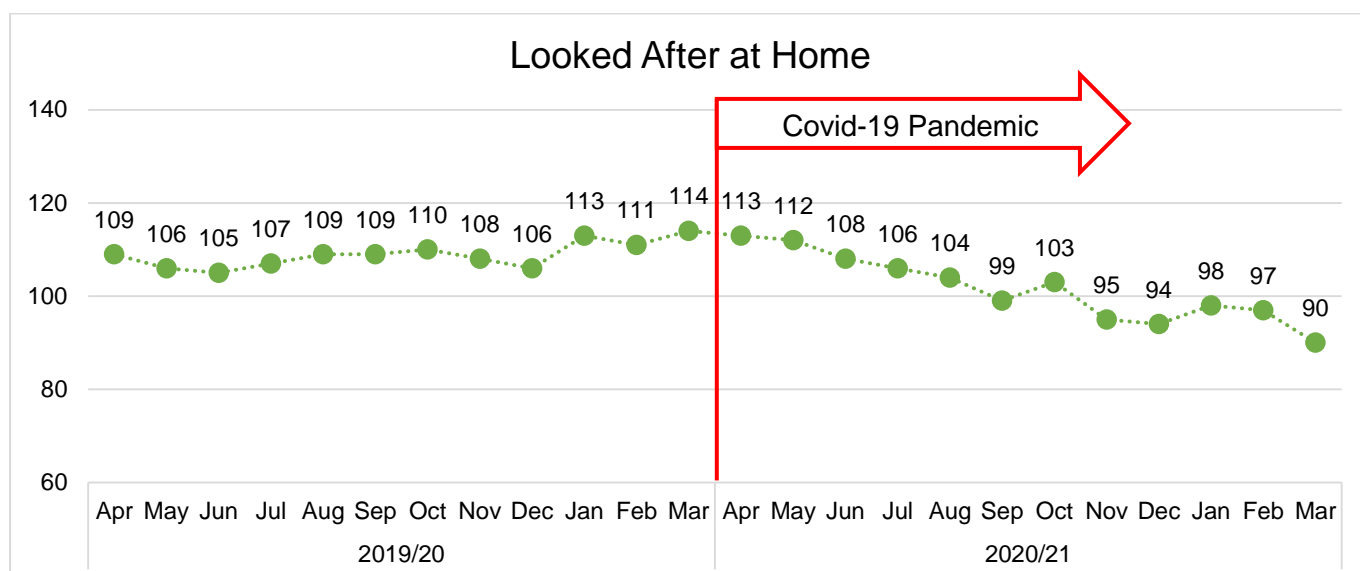
Inverclyde has a strong group of Kinship Carers who are not only committed to the children that they care for but also support one another. They have participated in a number of local and national events sharing their experience with government advisors and politicians. A common theme for many of our 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.

The provision of Kinship Care continues to grow steadily month after month and it is a significant factor in reducing the number of children who would otherwise require foster care. Although kinship placements have increased during the pandemic, the service noted that the demographics of Inverclyde and the pressure of the pandemic did impact on potential kinship carers' capacity to be able to take on the fulltime care of children.



Looked After at Home

At the start of the Covid-19 pandemic the looked after at home numbers were at their highest but have reduced throughout the pandemic. A number of factors may have influenced this and it does reflect the increase in children being looked after away from home in foster, residential and kinship care.



Planning Permanency for all Looked after Children

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. Inverclyde's Planning and Improvement Officers (CPIO) have a unique oversight of the impact of the GIRFEC pathway and the impact of the Child's Plan.

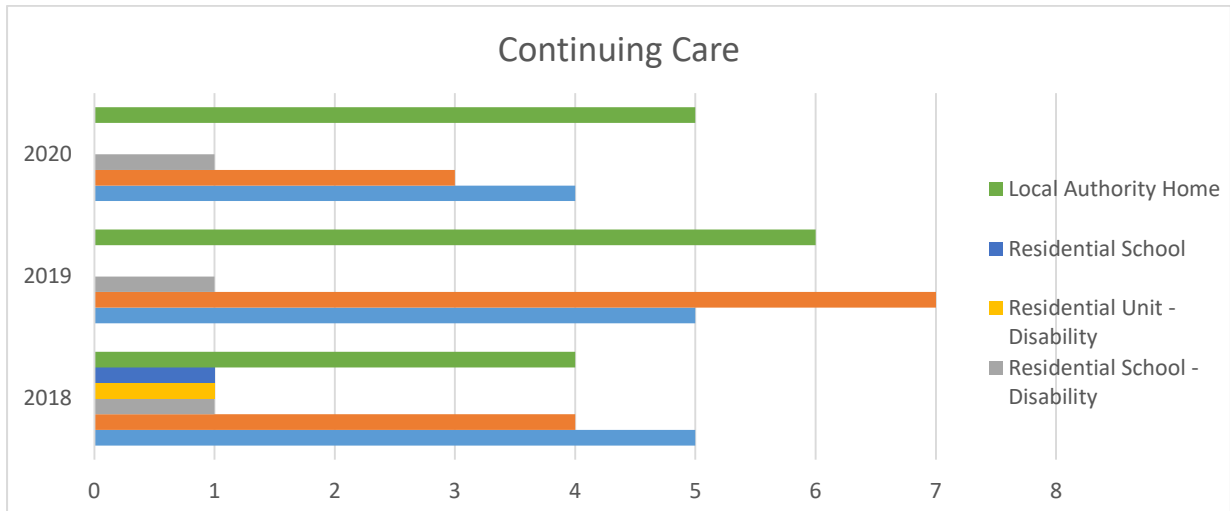
The CPIO's review each child's plan in accordance with the timescales set out in Inverclyde's HSCP's Assessment and Care Planning Manual ensuring arm's length scrutiny of the effectiveness of each child's care plan.

The CPIO's also play a role in progressing areas identified in Inverclyde's Children's Services 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, DVS, Adult learning disability and carers to provide a clear transition pathway that will prove a clear multi agency process to help signpost and plan for young people when the leave school;
- 6 weekly meeting 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 and further education. This is to prevent young people from leaving school with no plan for their future.

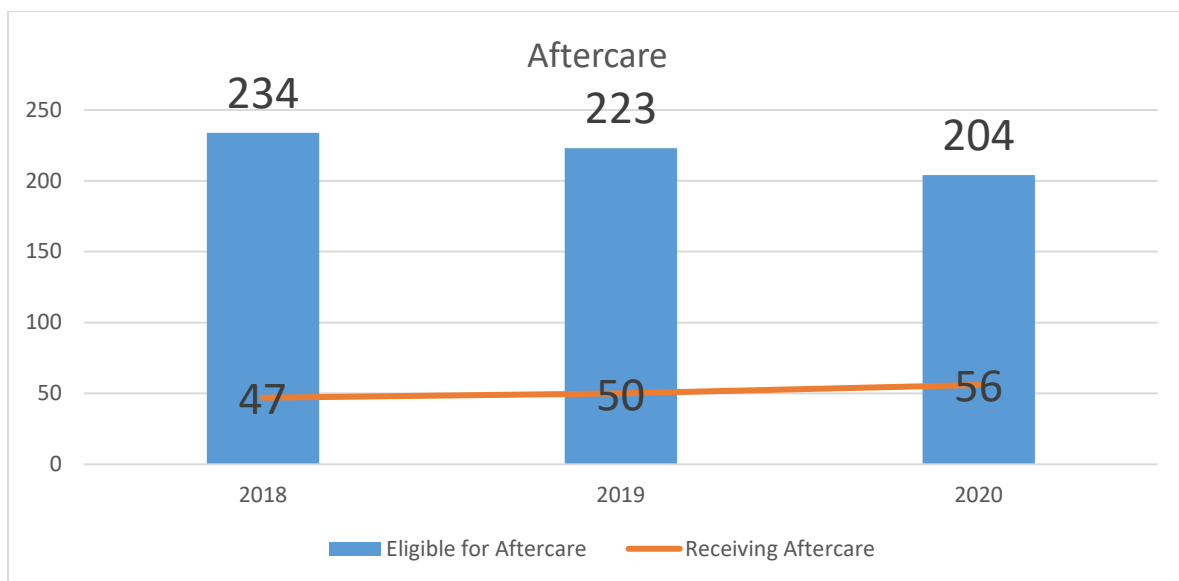
Continuing Care

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

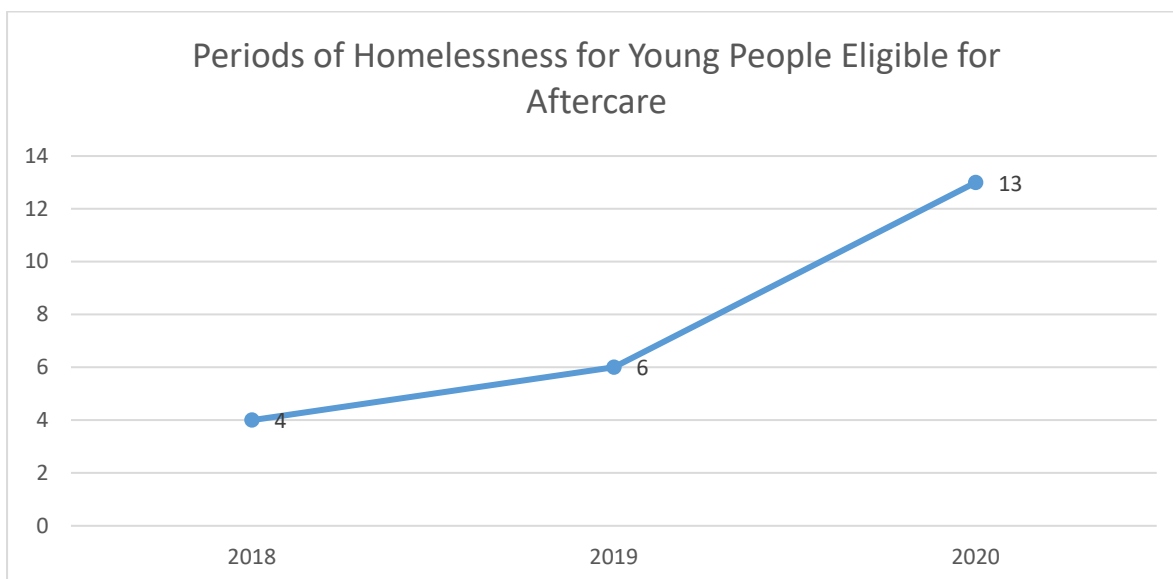


Eligibility for Aftercare

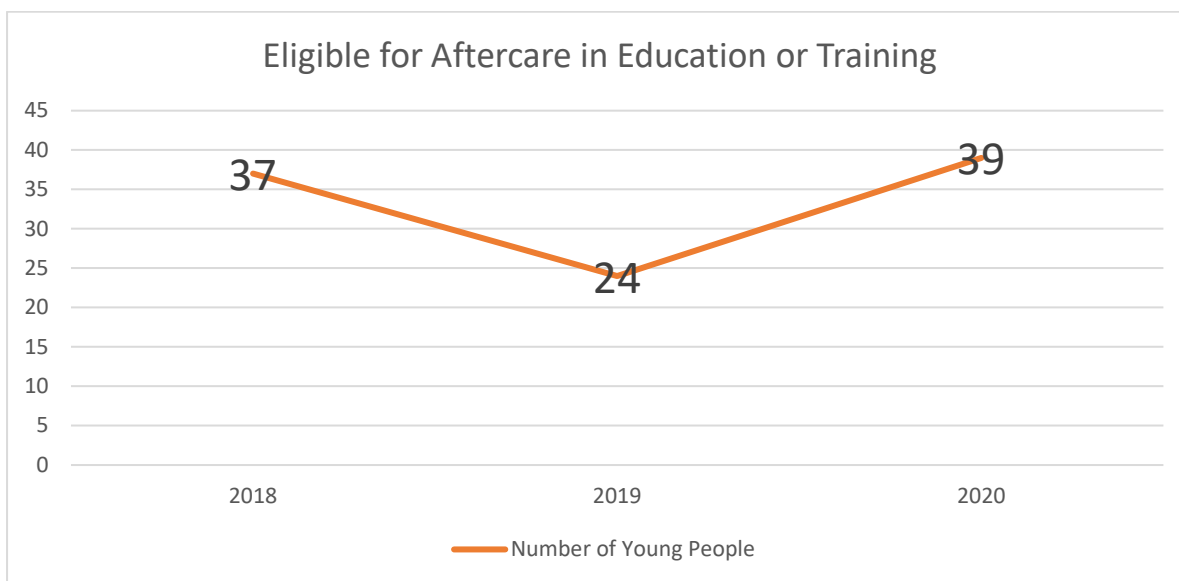
Work has taken place with young people to review pathway planning resulting in co-produced Going4ward paperwork for referral, assessment, planning focussed on the young person's views and support needs creating a partnership approach to their transition to independence. This has seen a change to the way the service engages with young people and will continue to follow up with all eligible young people until the age of 26 intervening when support needs are identified. Going4ward Young Person's Group through Proud 2 Care for older care experienced young people has also been established. These will be continued areas of development for the service into 2021.



At 31 July 2020, there were a total of 204 young people within Inverclyde eligible for Aftercare Services. All 204 were offered after care support and following this the uptake resulted in 56 young people being in receipt of ongoing planned support from the Aftercare Service on the 31st of July. The Aftercare Service operates a drop in duty facility for all eligible young people.



These figures reflect the cumulative periods of homelessness since young people became eligible for Aftercare and not periods within a particular year and takes account of the increase in eligibility to Aftercare support to age 26yrs.



The graph above shows an increase between 2018 and 2020 of those in receipt of aftercare who were in employment, education or training, from 37 in 2018 to 39 in 2020. There has been an increase in 15 from 2019 to 2020.

Adoption Assessment/Young People's Views

The form F has been replaced by the Permanence and Adoption Report – Scotland (PAR-S), and was implemented within the service for all new adoption assessments. Young people's involvement in an adoptive parent's journey has been a key focus and in 2020 the 'Adoption Reflections Workbook' has been implemented during home study. This was co-produced with adopted young people and ensures the questions they would wish asked of potential adoptive parents are answered. This is then presented to the adoption and permanence panel and enables the voice of the young person to be considered in adoption applications.

Sibling Relationships

The importance of sibling relationships and promoting these through placement or maintaining links has become a focus for the service in line with national Stand Up for Siblings movement. During 2020, the adoption team developed guidance for children and families social workers on undertaking sibling assessments. This is also a key focus of the adoption recruitment strategy.

Permanently Progressing Research

Inverclyde is participating in phase 2 of the permanently progressing research. The project is a longitudinal study which is following a cohort of 1,836 children who became looked after in 2012-2013 when they were five and under. The findings from Phase 1 of the study (2014-2018) provided children, carers, practitioners and policy makers with important information on children's experiences and their routes and times to different forms of permanence. In Phase 1, the participation of Inverclyde was enormously helpful and much appreciated by the researcher and in line with the permanent improvement plan will give a renewed focus on permanence planning for all children and young people in 2021 and 2022.

Birth Ties Support Project

2020 was an extremely difficult time for the birth parents the service supports given the restrictions on direct contact and the support services they could access. Practical support was offered and telephone contact was maintained, however, this was not comparable to the support usually offered by the service. Birth Ties Support Group was also cancelled for a period and was missed by those who normally attended. The number of crises experienced by birth parents increased particularly in terms of mental health. The main focus for 2021 will be rebuilding the supports offered by Birth Ties Support Project in line with government and Inverclyde HSCP guidelines and increasing the profile of the service and support available to birth family members affected by adoption.

Adoption Support

The support group did not take place during lockdown given the restrictions, however, the Adoption Service provided weekly activity packs to all adoptive families during lockdown and were available to offer support via telephone and email. The feedback was positive from adoptive families and moving forward if restrictions are re-imposed then support groups and spotlight sessions will follow the format of the adoption preparation groups and be delivered on line.

Children's Rights

A key area of focus has been how, as a service, we are accessible to young people who require support and how they are informed of their rights. The service has worked closely with the Children's Rights Officer to develop a focus group, Families Together Group, which consists of adopted young people and adoptive parents. The group worked 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 is now given to every adopted child from Inverclyde and all Inverclyde adoptive parents.

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 230 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 and community groups.

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

Care Experienced Children & Young Peoples Attainment Fund

Self-directed support model in line with GIRFEC Pathway and Team around the Child provided:-

Individual applications that enhanced children and young people's wellbeing and readiness to learn the biggest cohort was children and young people looked after at home	129
Digital Inclusion	41
Outdoor Activities	13
Access to Clubs/Hobbies	20
ASN Outdoor Play Equipment	3
Homework Space	22
Tutoring	6
Transition/Work Experience	2
Driving Lessons	11
Bespoke Education Support Including Counselling	4
Music Equipment	3
Gym Equipment	4

Group Activities

- 100 children and young people benefited from wellbeing packs aimed at reducing stress during lockdown
- All young people in local residential care benefited from camping and outdoor clothing – “Operation Fresh Air”
- 12 care leavers benefited from enhanced digital support enabling positive interaction with More Chances More Choices
- Attainment funded partnership between 3rd Sector and 2 Primary Schools cooking skills with parents and children through provision of recipe boxes.

Resource Enhancement

- A proportion of the Attainment Fund supplemented an additional Care Planning and Improvement officer post focusing on enhanced planning for looked after at home children.
- A teaching post focussing on S4 cohort enabled 26 pupils to benefit from additional support whilst creating capacity for staff to undertake some early intervention with parents, carers and pupils who were not fully in engaged with education.

The success of the Attainment Fund expressed through the voices of those of benefited

The support has been fantastic. From helping B feel relaxed and comfortable, which is hard for B due to her anxiety with meeting new people and going to new places to help B get back to getting her education, and helping B gain confidence in herself. There has been a big change in B's approach to education and life and that is due to the great work that has been put in with B. I am grateful to all.

Project Fresh Air – the purchase of camping equipment in our Children's Houses; allows young people to develop the safe skills of outdoor fun, team building and battling the midges! These activities promote the ethos of The Promise

A mum says a 'big thanks'; her daughter has her own homework space that she has chosen and is so happy with it.

O loves her dancing lessons, and can now do so many 'acro moves'. O didn't have a lot of friends, but the confidence that she has built through

Lone working parent was 'wowed by the support she didn't know existed; her child got a new bike that has helped with their co-ordination skills, promoted exercise and helped them to share an interest'



Wellbeing Service

The Action for Children Inverclyde Wellbeing Service was commissioned by Inverclyde HSCP / Inverclyde Council and established and launched in August 2020. There are two main elements to the service for school aged young people to support their emotional health and wellbeing:

- one to one counselling service
- programme based group work

One to one Counselling

The service has been published widely with referrals and self-referrals commencing in October 2020 with 8 counselling sessions offered to each young person for a wide range of issues. The Covid-19 pandemic has led to innovative ways of engaging including combination of telephone support, walk and talk sessions and accessing schools hubs to continue to offer support to Children and Young people. In addition, when access to school relaxed, teams worked in Notre Dame and Inverclyde Academy offering appointment based drop in, for counselling waiting list and/or young people identified by school as requiring further support. 22 sessions were held in total across Lomond View, Inverclyde Academy and Notre Dame High School.

125 referrals

61 offered support

43 engaging

4 declined

62 on waiting list

Programme Based Group Work

The impact of Covid-19 pandemic and its restrictions on delivery of targeted group work programmes in schools necessitated the need to provide alternative options to engage with Children and young people. To allow access to pupils in classes without the requirement to leave protective “bubbles” to work in smaller targeted groups, alternative programme delivery was agreed with schools which allowed for access to more pupils at an earlier level of intervention. “Bouncing Back” was devised during the initial lockdown in March 2020 by the Action for Children national Blues Programme and strategic Wellbeing steering group and consists of 2 sessions which are condensed versions of the Blues Programme principles, delivered to whole class groups.

Delivery of Bouncing Back began in Inverclyde Academy and Notre Dame and was delivered to all S3 pupils before the end the term at Christmas, as well as to pupils in Lomond View Academy. 225 pupils took part in Inverclyde Academy & Notre Dame prior to Christmas 2020. In addition, as part of the Inverclyde Academy’s Wellbeing Programme to welcome back pupils, sessions were delivered to 230 pupils across S1 to S3, on the return to school in March.

From all the group sessions delivered:

83% of Inverclyde Academy & Notre Dame pupils gave a 4 or 5 star rating for Bouncing Back sessions, from a scale of 1 to 5

57% of pupils showed an increase in confidence after the sessions, with an overall increase in scores of 9%

63% reported an improvement in coping with stress, with an overall increase of 11%

92% reported that they "now know WHEN to ask for help"

89% reported that they "now know WHO to ask for help"

Single Point of Access – Centralised Referral System

Through the partnership with Action for Children, a single point of access steering group has been established, led by HSCP senior management, and includes input from Educational Psychology, School Nurse team, Barnardos, CAMHS and Social Work. The intention is for all referrals to be discussed (with relevant data sharing protocols in place) to determine the correct route and service which should be offered and for any referrals. This pathway will continue to be developed throughout 2021.

Further information on the wellbeing service is available at:

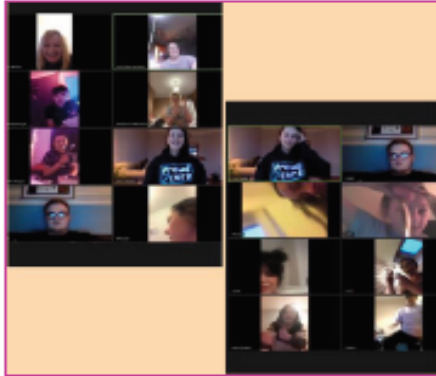
<https://services.actionforchildren.org.uk/inverclyde-children-and-young-peoples-wellbeing-service/>

COVID-19: RESPONSE



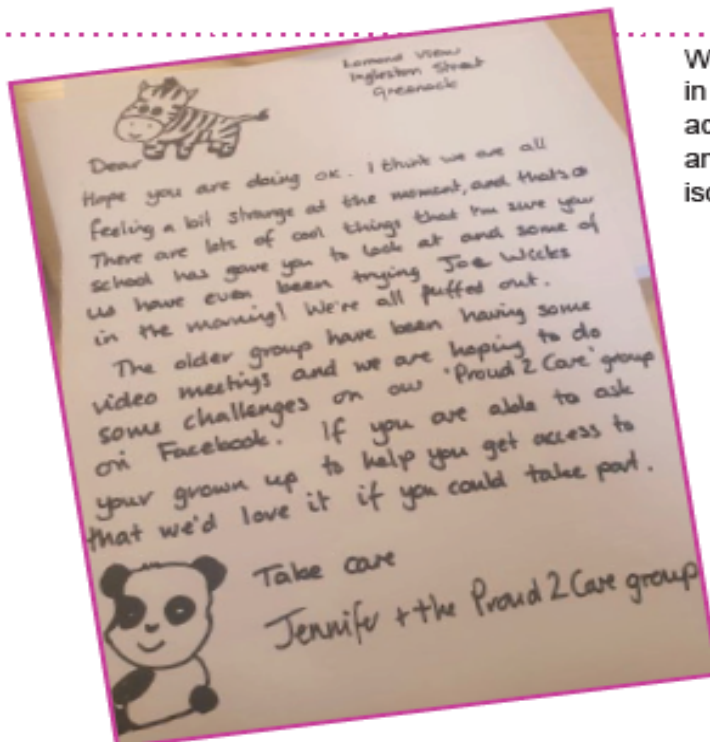
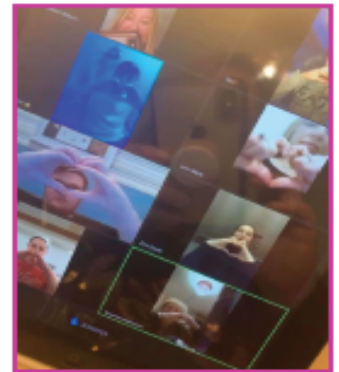
Physically distanced BUT Socially connected!

Being technically savvy young people we are now hosting Virtual Group Meetings on our usual Wednesday nights!



Magic Torch will be working with us virtually to develop our comic book. And we have plans in place to interview some of our corporate parents.

Proud2Care had so many things planned for over the coming months, including our Easter Camp activities. However, whilst we are feeling a little anxious and uncertain, we are as connected and creative as ever, we chat together on our Messenger group, play virtual scavenger hunts, quiz nights, sing alongs and support each other using online platforms. We have even tried PE with Joe Wicks and sharing our Tik Tok creations with each other. Creating a Proud2Care Tik Tok resource will be something we aim for over the coming weeks!



We have written a letter that is included in food isolation boxes being distributed across Inverclyde, offering some friendly and positive chat to those who are isolating in our community.



How Social Work Services are Improving Outcomes for People in Criminal Justice

Effective community based sentencing options are essential in achieving the National Outcomes for Criminal Justice. Community Payback Orders (CPOs) were introduced in February 2011 and can consist of nine possible requirements, the most common of which is Unpaid Work and Supervision. These requirements can be made separately or combined into one CPO. In addition our community based Criminal Justice Social Work staff also supervise those released from custody on licence from Parole Board Scotland.

Unpaid Work

Following the introduction of the first national lockdown on 23rd March 2020 our Unpaid Work placements had to be paused. Individual service users were advised of this both by telephone and in writing. Notwithstanding this their allocated worker remained in contact with them throughout the pandemic to support their Court orders and in particular to monitor their circumstances and offer guidance and support where appropriate. The nature and frequency of this contact was determined on an assessment of their level of vulnerability along with their risk and needs profile and this was kept under regular review.

During the period where our Unpaid Work placements were paused, the Service actively engaged in planning for recovery. Our priority was on identifying potential outdoor projects which offered sufficient space to support social distancing requirements and were also easily accessible to service users to minimise their use of public transport and thus potential exposure to the Covid-19 pandemic virus. Prior to Covid-19 Pandemic we would have routinely transported service users in vans to their placement sites. However this was no longer an option due to ventilation and social distancing considerations.

In addition to the above, all placement activities were risk assessed with support from our Council Health and Safety colleagues and included mitigating measures such as regular cleaning regimes, hand sanitisers and gloves.

As Government restrictions were relaxed and plans for a return to placement activities gained momentum staff met individually with all service users identified for the first phase of the Service's reopening to assess individual needs, allay anxieties and to assist them prepare for a resumption of placement activity.

Pre-Covid-19 pandemic the Service would have operated a group placement model of a ratio of supervisor to individual on Unpaid Work of 1:5 and the length of the placement would have been 6 hours. However, when the Service recommenced placement activity on 27th July 2020, we initially did so on a ratio of 1:1 and curtailed the length of the placement to 3 hours so as to limit the need for refreshments and toilet breaks. By the end of 2020 we were operating at a ratio of 1:3 and on most days providing the full 6 hours placement.

By late summer with support from our community partners a safe indoor placement was identified and this was used at times when the weather conditions did not permit outdoor work. The aforementioned model continued until the announcement of the second lockdown at Christmas 2020 and remained paused until 26th April 2021 when the advice from the Chief Medical Officer for Scotland to suspend such activity was lifted.

An example of the projects the Service engaged in includes the Coves Local Nature Reserve (LNR). We have had a relationship with the nature reserve since 2019 and, pre-pandemic, had been involved in developing and maintaining the area. With the onset of Covid-19 pandemic, the area received considerably increased footfall by members of the public which, in turn, increased the need for further development and maintenance.



This was the first site we returned to post-lockdown and were involved in a variety of tasks including litter picking, clearing and widening paths, clearing vegetation and preparing ground for tree planting.

Recipient Feedback:

“The work that has been ongoing at the Coves Local Nature Reserve has made a dramatic difference to this urban green space. The aesthetic improvements at the entrance to the nature reserve have had a profound effect on the way this space is perceived by the local community. Friends of Coves and the local community are so grateful for the assistance from Unpaid Work, helping us restore this unique habitat. It has already brought the community together, restoring pride of place. It has also encouraged and enabled more people to access the health and wellbeing benefits found in the natural environment. We cannot thank you all enough!”

Marie Stonehouse – Friends of Coves Community Project Leader.

The total number of hours of Unpaid Work completed in 2020/21 was 2617 and covered a variety of tasks such as: litter picking; ground work (reclaiming over grown paths, situating a new path, planting trees and servicing old drainage); preparing raised beds for planting; planting vegetables and fruit; painting raised beds; joinery work (constructing raised beds); removing/reducing bracken; trimming hedges and cutting grass.

The Service continues to plan for recovery and an important component of this has been the establishment in 2020/21 of an Unpaid Work Subgroup under the umbrella of the Inverclyde Community Justice Partnership. In addition to operational managers from the Service, membership also includes Inverclyde CVS and the Department of Works and Pension. It is the intention to co-opt other members from the Partnership as and when the need is identified.

Currently the focus is on developing third sector placements for service users, supporting transitions particularly in the area of enhancing employability opportunities and developing specialist placements for our younger service users.

'Other activity' is also a recognised component of Unpaid Work and can target areas that assists the individual to make positive changes in their life. By its nature it is bespoke to the individual's circumstances. Throughout the pandemic our staff have helped service users identify and access Other Activity resources online. Principally this has included accessing modules co-sponsored by Inverclyde Adult Education and West Scotland College with the aim of enhancing employability e.g., obtaining a health and safety qualification for work in the construction industry and/or addressing issues related to past offending e.g., completing a drink driving course. During 2020/21, 440 hours were completed in this manner.

Case Study

A is on a Community Payback Order with both Supervision and Unpaid Work Requirements. He complies fully with supervision and is currently undertaking an online certificated course in Awareness of Mental Health Problems run by West Scotland College in conjunction with Adult Education Services. This is giving him insight into his past difficulties, some of which had impacted upon his behaviour, including offending. He will be credited with Other Activity hours upon completion of this course. A is also becoming involved in voluntary work, the nature of which will be assessed as a potential Unpaid Work individual placement.

Community Supervision

As a consequence of the Covid-19 Pandemic and the lockdowns which followed the Service had to review its model for interacting with service users on supervision to ensure it was safe for both service users and staff particularly during periods of high community transmission. New protocols were developed to support face to face contact whether at the service user's home or in HSCP offices. Alongside this all open cases were reviewed to determine the nature and frequency of the contact required. As with Unpaid Work this was determined on an assessment of the level of vulnerability along with the risk and needs profile and this was kept under regular review.

The Service is acutely aware of the deprivation profile of its service user group, with previous analysis indicating that 81% currently experience among the highest levels of deprivation in Scotland. In addition, the pandemic exacerbated issues of social isolation, substance use and mental health. This strengthened the need for services to work closer together on an individual case basis and also strategically. This was particularly relevant in relation to Homelessness Services and Alcohol and Drug Recovery Services, where it was recognised that service users engaging with all three services were facing severe and multiple disadvantage. Thus a coordinated approach was adopted to ensure that support was made available throughout the week and that Services complemented one another without duplication.

Case Study:

B is an adult male who as a child reported he had been the victim of emotional and physical abuse from a family member. This impacted on his relationships with others. His behaviour was often physical and threatening, which brought him to the attention of services throughout his early years and into adulthood.

B was made subject to a community sentence by the Court. Prior to sentencing B had been homeless and had struggled previously to remain in settled accommodation. B also had a history of using illegal substances which impacted on his mental health with episodes of self-harm and hospital admissions. Prior to being placed on his community sentence B had agreed to intervention and support from a range of agencies including Criminal Justice Social Work, Homelessness, Health and Alcohol and Drugs Recovery Services. This plan was shared with the Sheriff via a Criminal Justice Social Work Court Report.

Lockdown has been particularly stressful for B, which resulted in a number of episodes of self-harm and self-medicating using illicit substances. Criminal Justice Social Work staff worked closely with colleagues from Homelessness, Health and Alcohol and Drugs Recovery Services to organise additional support for B which included counselling.

From a Criminal Justice Social Work perspective the frequency of contact was increased in response to his increasing vulnerability. This has included face to face, telephone and text contact. Indeed, during lockdown B has received a more intense level of support than he had done previously. This support is aimed at building his resilience and supporting him to manage his negative thoughts. In addition, evidence indicates B is accepting support from Alcohol and Drugs Recovery Service to assist him in stopping to use substances that are influencing his behaviour and impacting negatively on his mental health.

This collaboration between services has helped to ensure the support offered to B has been responsive to his changing needs and comprehensive in its approach.

The Service's new model of working during the pandemic also included a commitment to maintaining a key-worker system and this has remained in place through 2020/21. This has enabled the service user's relationship with their allocated worker to continue and develop and provided them with a named person to contact in times of difficulty. The importance of this approach for service users particularly in the early days of lockdown was reflected in the feedback we received when we reached out to understand their experience of our Service.

Direct Quotes from Service Users on their Experience of the Service during the pandemic:

"My Social Worker called me on the day of lockdown to inform me of the changes to contact arrangements and also ensured I had food and utility supply."

"Telephone contact goes well, my supervising officer always ensures I am ok to talk and in a safe place. I enjoy the calls as it gives me someone different to talk to in the week and we're usually on phone for an hour each time. "

"I do miss the face to face contact, as it is more personal, although I prefer that it is my allocated worker calling me rather than someone different like other services. I appreciate my social worker offering a face to face for my last appointment."

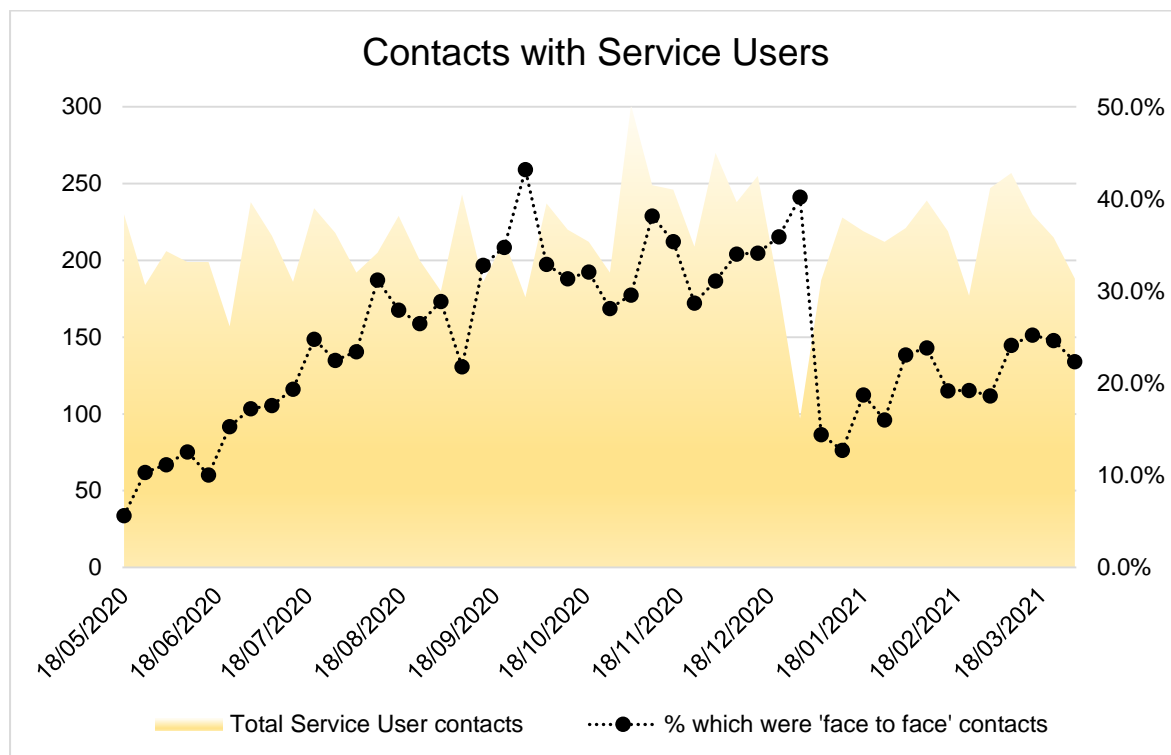
"I really appreciated the support from my social worker as it was a difficult time for everyone. On some occasions when I had disclosed that I hadn't spoken to anyone else she called back later in week as well which was nice and made me feel less isolated"

"It was good to see my Supervising Officer, much better than phone. Health and Safety was good"

"Positive experience, washed hands on arrival, social distancing, desk cleaned before and after, left by back door."

"I would not attend if I didn't feel safe. I have felt safe at all times."

From mid-May 2020, the Service began to capture data on the number and nature of all contacts with our service users and also our contact with other agencies. The purpose was to assist with our recovery planning as well as to understand the impact of decisions at a national level regarding lockdowns and changes to local authority Covid-19 pandemic protection levels. The data pertaining to service user contact is illustrated below: -



The above graphic captures both direct face to face contact and overall contact (which includes telephone contact). This has remained relatively stable throughout 2020/21 averaging 215 per week. Significantly as we moved through the first lockdown direct face to face contact increased steadily from approximately 5% of all contacts to around 35% as restrictions were eased. This fell sharply as we entered the second lockdown in January 2021. This is understandable given the concerns around new variants and their transmissibility. However it is worthy of note, this did not fall back to the levels seen at the start of the first lockdown and is showing signs of stabilising at 20% to 25%. We believe this is due in part to the systems and protocols that were already in place which have now become well established within the Service and are providing staff and service users alike with confidence in how they engage.

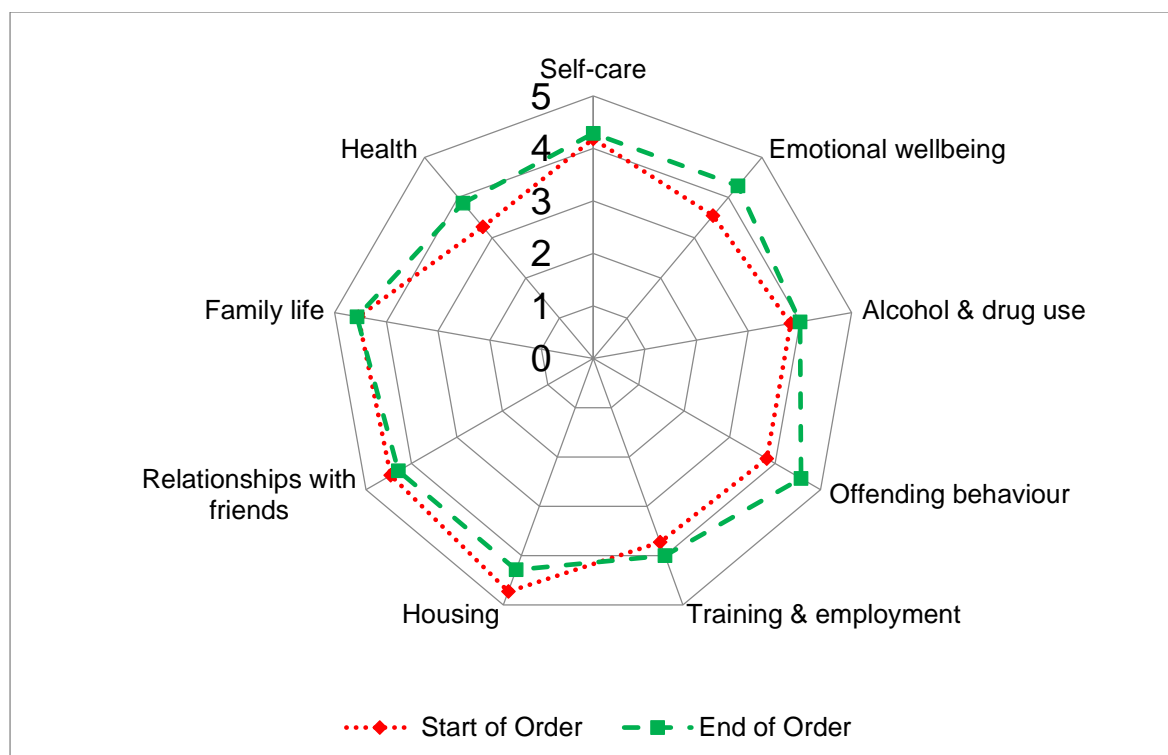
In addition to capturing data on contacts we also looked at contact with other agencies. This remained consistently high throughout the period, averaging 180 contacts per week which reflects our multi-agency approach and commitment to working with service users in a holistic way.

Measuring Impact: distance travelled by services users and their experience of the Service

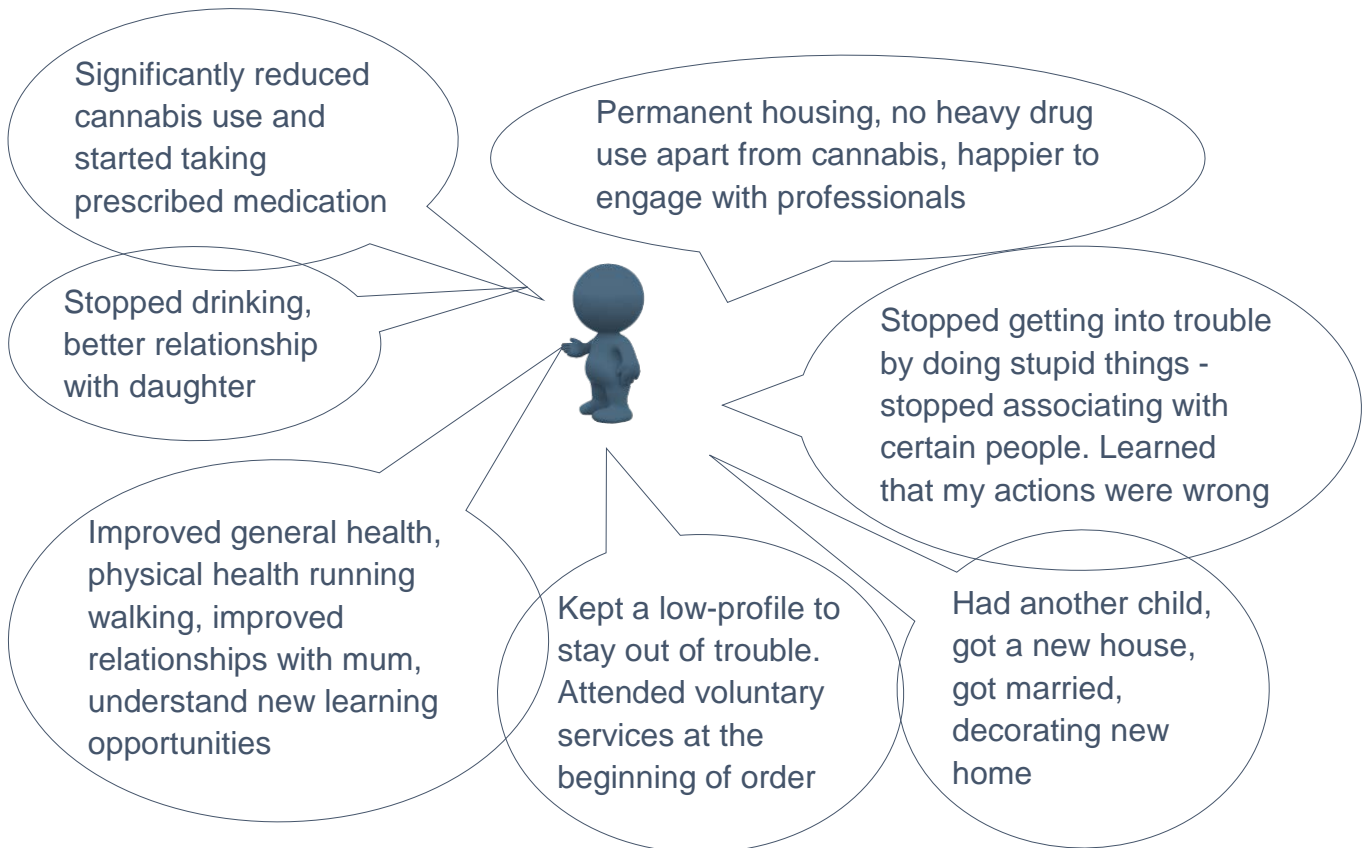
In April 2018 the Service introduced a bespoke Criminal Justice Needs Review Tool which individuals subject to statutory involvement are asked to complete both at the start (stage 1) and end (stage 2) of their involvement. The aim is to capture from the individual's perspective their view of their needs, particularly in terms of the extent to which these needs are considered by them to be an issue and, thus an appropriate target for intervention. The individual is also asked to repeat this exercise when their involvement with the Service is drawing to an end. In addition, the individual on the second application of the tool is asked to rate the quality and impact of the Service they received, along with identifying which partner organisations they were referred to.

This Tool is designed to further embed a person-centric approach by the Service, identify unique outcome measures for service users and to address those outcomes research has evidenced supports desistance. Where appropriate the form sits alongside the LS/CMI assessment and helps to ensure our wider aims of a broader public health approach is adopted by the Service. Moreover, the Tool will over time further our understanding with regard to both the impact of the Service and the ways in which the Service needs to improve. In addition, the data gathered will also assist with strategic planning/commissioning in terms of providing aggregated data with regard to identified needs and frequently accessed organisations/services.

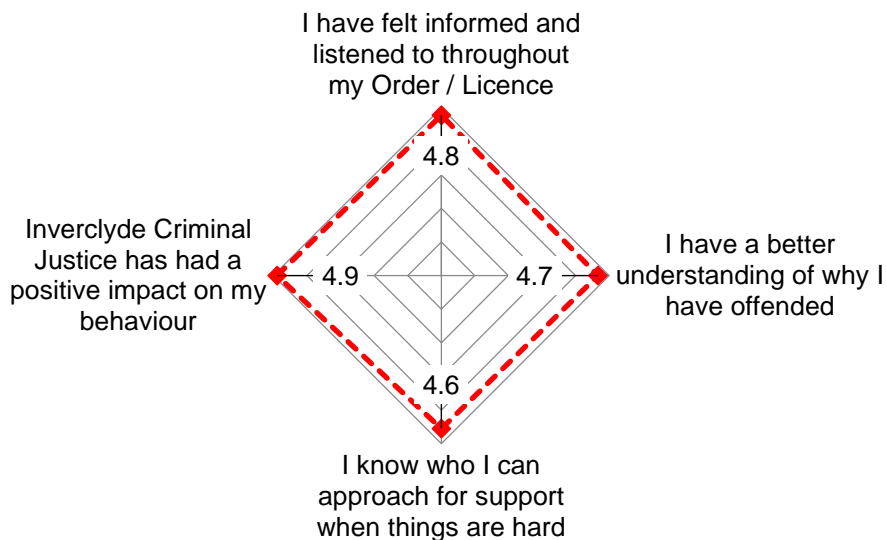
Below is evidence collated for 2020/21 both in terms of individual outcomes and feedback on how the Service has been experienced:



What changes have you made since working with Inverclyde Criminal Justice?



Experience of CJ Services - average score (max=5)



What would you improve about Inverclyde Criminal Justice?



Extending the role of SWIFT

Criminal Justice Social Work Services has been working in partnership with the HSCP Performance and Information Team to integrate SWIFT (our key Social Work Service User Information System) to record our Prison Based Social Work activity. This change has involved consultation with SPS partners at HMP Greenock and our own Business Support and Social Work staff based at the Prison. The SWIFT transition is at an early stage and went live in April 2021 with, initially, all new Statutory Notifications recorded into SWIFT.

This will ensure accurate and improved case management, automatic notifications for completion of essential risk assessments, reports, Integrated Case Management meetings and reviews. These processes have been set-up in SWIFT to align not only with the PBSW requirements but also to align in general with community recording.

The introduction of SWIFT to the Prison will also facilitate activity analysis by the Service to enable staff to better manage work flow and for the Service to work in partnership with SPS for the monthly delivery of data which evidences the provision of Prison Based Social Work Services.

In addition to SWIFT, the service is working in partnership with HSCP partners to introduce Civica (Document Management System) for our prison based staff. The prison folder structure has been created in Civica and the system has been installed on office and home working computers. Training for staff is being arranged for late April 2021 to enable staff to use the system and to align with community recording and file management.

The Service is aware of the impact that the pandemic has had on Sheriff Court business particularly with regard to case conclusions, scheduled trials and disposals. Nationally, this looks like:

- The number of outstanding and forecast outstanding trials is currently over double that which it was pre-pandemic. For example in February 2021 there were over 29,000 scheduled trials in the summary Sheriff Court and 35,000 forecast trials, compared to under 15,000 scheduled and over 15,000 forecast in April 2020.
- Between April 2020 and February 2021 compared to the same period as last year the Courts handed out 49% fewer social work community sentences.

The above indicates that as the Courts begin to recover there will be a knock on effect for Criminal Justice Social Work that could without careful planning overwhelm the Service which will also be on its own recovery journey. The support of the Inverclyde Community Justice Partnership will be critical to such planning, particularly in relation to the Unpaid Work Subgroup which could help to bolster capacity with regard to UPW placements and support transitions.

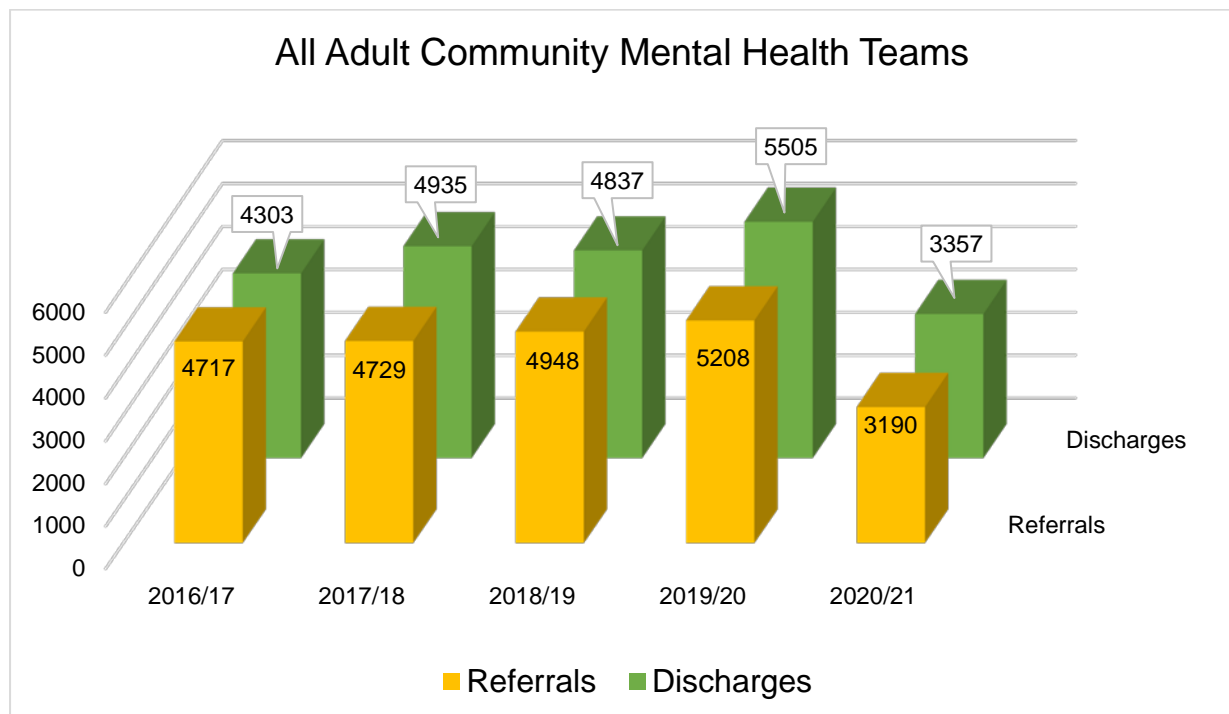
In terms of the Service's own recovery journey our key priorities are:

- To increase face to face contact to support both our assessment and ongoing case management processes.
- Related to above is to refocus our contact on behavioural change work, with particular focus on programmed work such as our domestic abuse programme (Up2U) and our programme to address sexual offending (MFMC).
- To re-instate our pre-Covid 19 pandemic offer with regard to Unpaid Work, including extending placements to 7 days per week and for these to be for the full day. This helping to ensure those on these community sentences are not kept any longer in the Criminal Justice system as absolutely necessary.
- To extend our offer to the Court to include both Structured Deferred Sentences (SDS) and Bail Supervision. Both options should help to limit the extent of an individual's involvement in the Criminal Justice System. The former ensuring early help without in many instances the need for a formal Court Order and the latter hopefully going some way to tackle the significant remand population in Inverclyde.

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 (transferred from locally provided to centrally provided service September 2020 so local service figures are only representative of activity until September 2020), Community Response Service (CRS), Older Persons Community Mental Health Team (OPMHT) and Older Persons Liaison Service (Acute and Care Home) there were a total of 3190 referrals throughout 2019/20. This represents an overall reduction of 38.7% from the previous year, and although the service has remained open for referrals, has been clearly impacted upon by the global pandemic.

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 time limited structured interventions. People are able to self-refer and this is the area of service delivery that has seen the largest drop off in referral rate. A reduction of 55.9% from 2322 to 1023 referrals for 2019/20 and 2020/21 respectively. During the past year PCMHT staff have continued to screen referrals and provide appropriate intervention for the level of risk presented. In the early stages of the pandemic response this focused on appropriate upstream alternatives to PCMHT service in terms of self-help and partner agencies to allow the focus of all Community Mental Health Staff to be on supporting the critical mental health hub in providing minimum necessary service based on risk and vulnerability.

As restrictions first eased it was clear that the PCMHT level of intervention required stepping up. Although dealing with lower levels of individual risk the higher volume of referrals required a response to prevent deterioration in individuals and associated risk accumulating for individuals creating unintended consequential pressures for them and possibly services.

Community Response Service (CRS)

The CRS provides reactive capacity for community urgency for 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.

The CRS referral rate for the year is reduced by 23% from 717 to 552 for 2019/20 and 2020/21 respectively. An emerging pattern is that the urgent referrals reduced at times of more rigid national Covid-19 pandemic restrictions and increased when restrictions eased meaning that the monthly referral rate when restrictions were easing is comparable to non-pandemic times, if not slightly elevated.

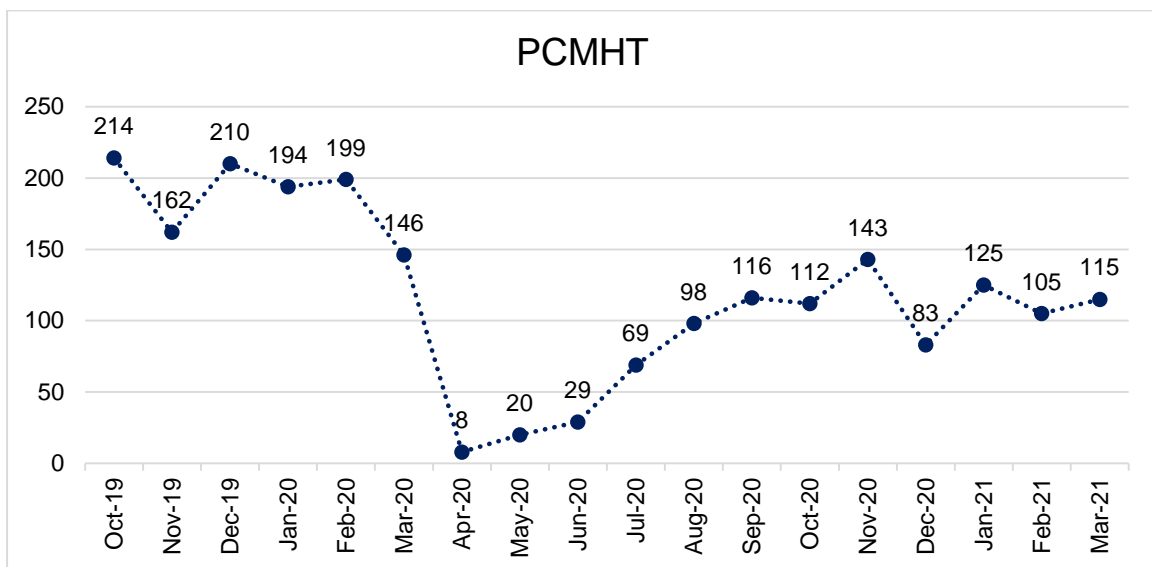
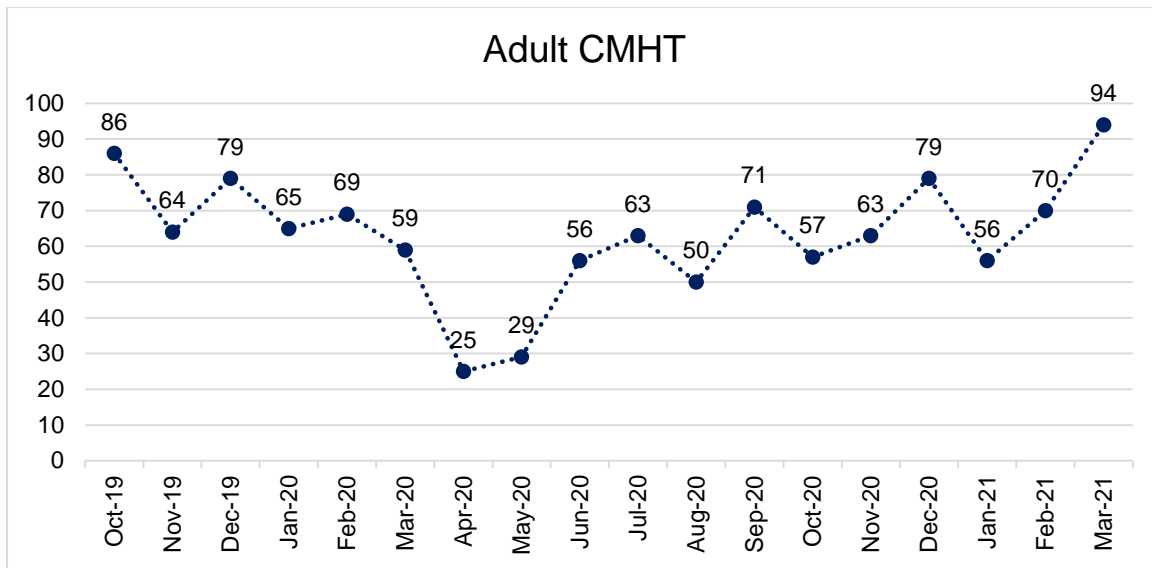
Adult and Older Persons Community Mental Health Teams (CMHT and OPMHT)

The integrated CMHT and OPMHT 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 and OPMHT 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

CMHT referrals were down 20% and OPMHT down 30.9% for the 2019/20 to 2020/21 periods. Acute hospital liaison referral rates for both adult and older adult services remained reasonably consistent with the previous year.

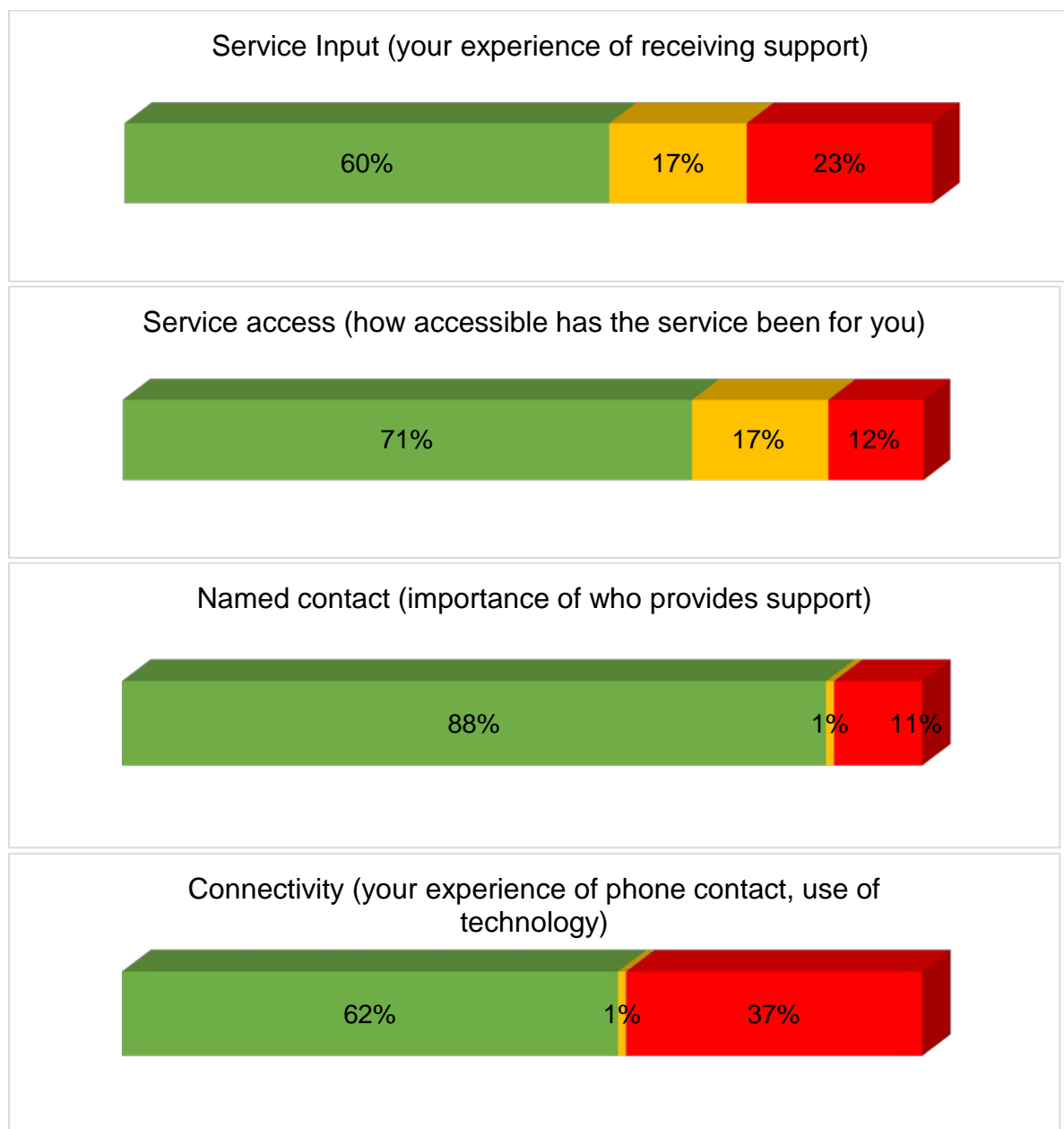


Consideration and planning for discharge from the team is an integral part of on-going care planning following discussion with the service user and, where appropriate, carers, other professionals or agencies that are involved in their care.

Discharges from the Community Mental Health Services totalled 3357 throughout 2020/21, a decrease of 39% from the previous year. However, proportionately this was still greater than the number of referrals received. 5.7% more discharges than referrals occurred in 2019/20 and for 2020/21 5.2% more discharges than referrals occurred. This appears to indicate that there remained a 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.

Service user surveys have been conducted during the past year with a particular focus on service experience during the pandemic. On the whole this demonstrated that users of the Community Mental Health Service continued to find the service accessible and available to meet their individual needs when required. Some frustrations were expressed but acknowledged as being out with the service control mainly due to reduced availability of opportunity and level of engagement being dictated by the pandemic restrictions.

The responses to each question were categorised as either Positive (Green), Negative (Red) or Neutral (Amber); a sample is included below.



The Resource Allocation Group continues to build and respond to identified support needs on the foundation of coproduction and outcomes focus. This is reflected in the management process of the meeting. It is not without challenges as services and service users embed and embrace this approach more fully to ensure that services are continually improving in doing “with” rather than “to” the people they work with.

Mental Health

The service is supporting staff to have a balance of being hub and agile based. This needs to be applied in a proportionate way that supports staff to fulfil their tasks adequately

Contact with the work base, line managers and colleagues is critical in ensuring staff have access to all required resources to allow them to satisfactorily undertake their work. This includes formal supervision and less formal supports for workplace wellbeing as well as service delivery governance assurances.

The continuing embedding of digital technology, with increasing staff familiarity and confidence in using and promoting its use is expected to support the blended approach of hub/agile based activity.

How Social Work Services are Improving Outcomes for People in Alcohol and Drugs Related Services

ADRS (Alcohol and Drug Recovery Service)

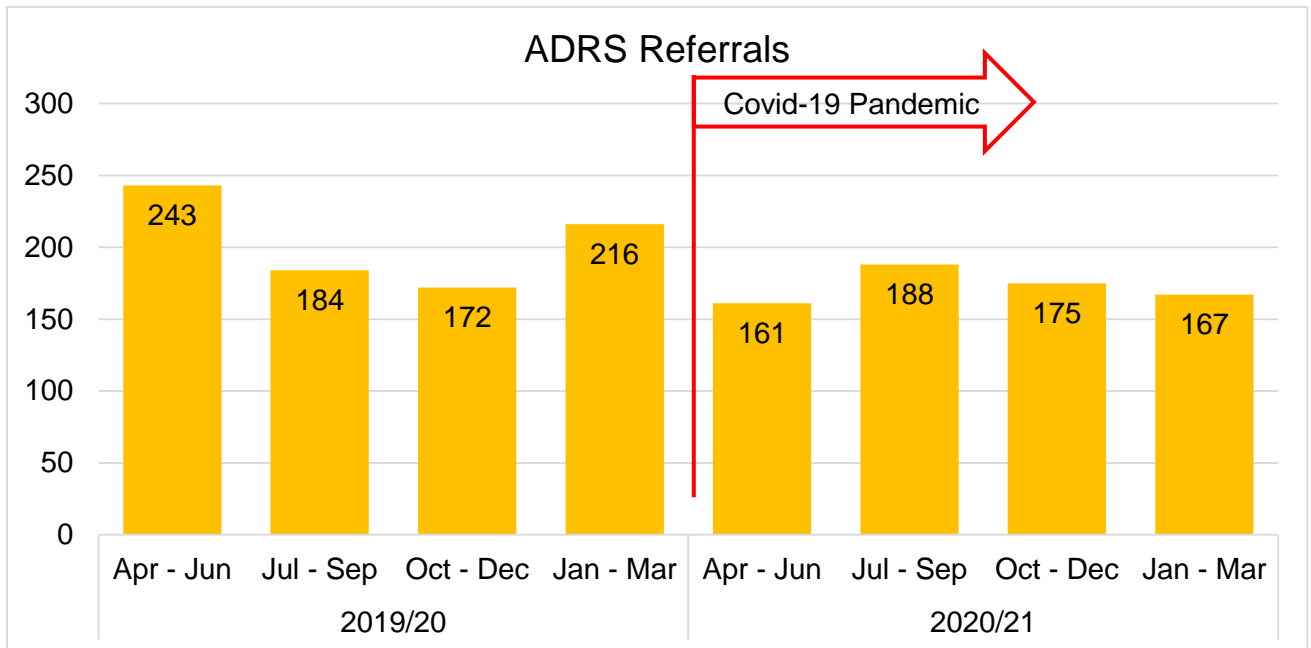
The Inverclyde Alcohol and Drug Recovery Service was part way through a service redesign at the beginning of the pandemic which was then paused. All staff from all functions of the service were brought into a centralised hub model to ensure oversight and risk assessment of all cases, overseen by Team Leaders and two designated Hub Managers.

The type, frequency and level of support and/or contact was determined by assessed risk and vulnerability. A standard operating procedure guided staff as to the intervention based on a traffic lights system of Red, Amber and Green categories.

Ongoing delivery of essential service providing:

- Duty system, prescription management, commencement of ORT, medication administration, access to injecting equipment, venous bloods, prison liberations and delivery of medication to shielding/vulnerable patients
- Cases assessed at lower risk and reduced scheduled contact who were risk assessed as green were contacted less frequently by the service and notified of duty team and how to contact the service should they need it
- Liaison services to inpatients, primary care, shared care clinics and funded project work to develop a 7 day support service were put on hold. Inpatient detoxification was restricted to urgent cases only and no new commencement of disulfiram could take place
- Face to face appointments were limited to those at most risk of harm, vulnerability and risk

The service has incrementally increased as local and national pandemic restrictions have dictated. Referrals to the service dipped at the start of the Covid-19 pandemic before returning to expected levels.

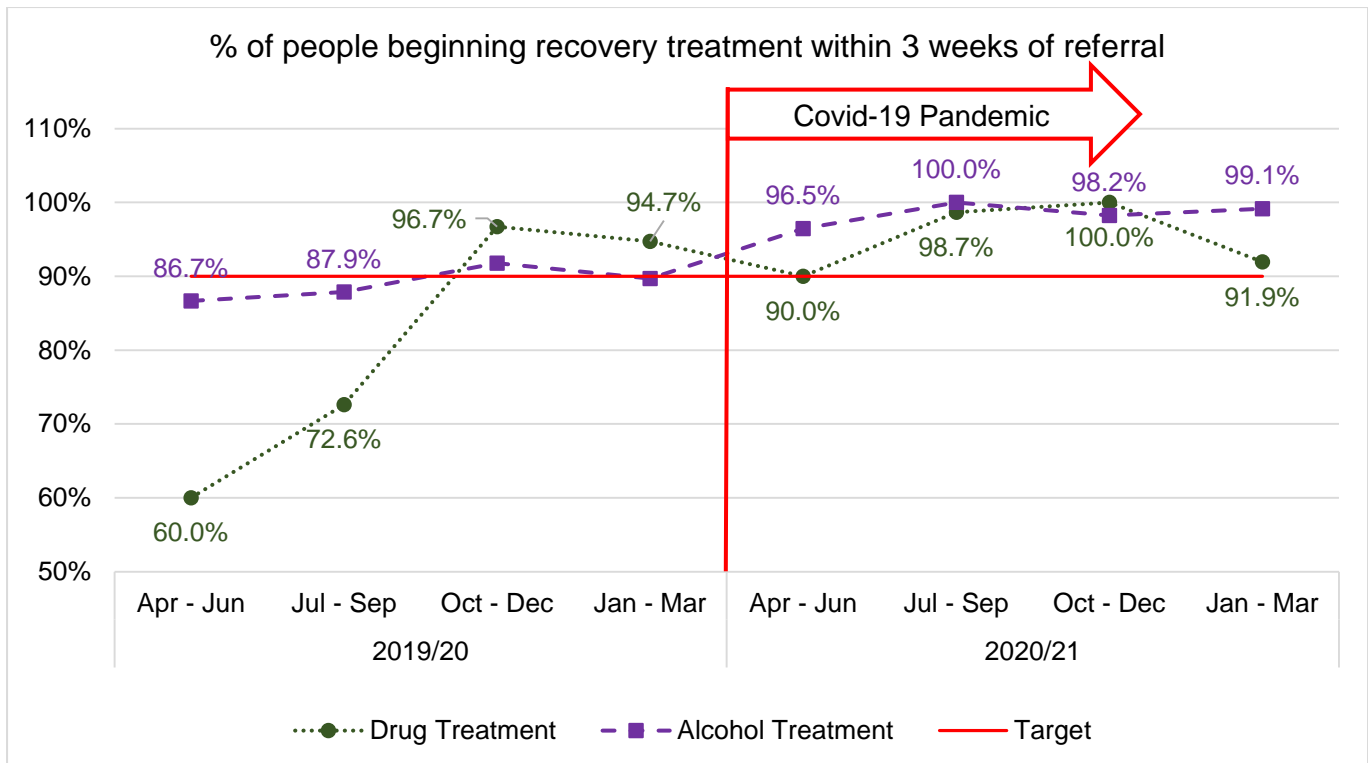


Source: SDMD (Scottish Drug Misuse Database)

Beginning treatment

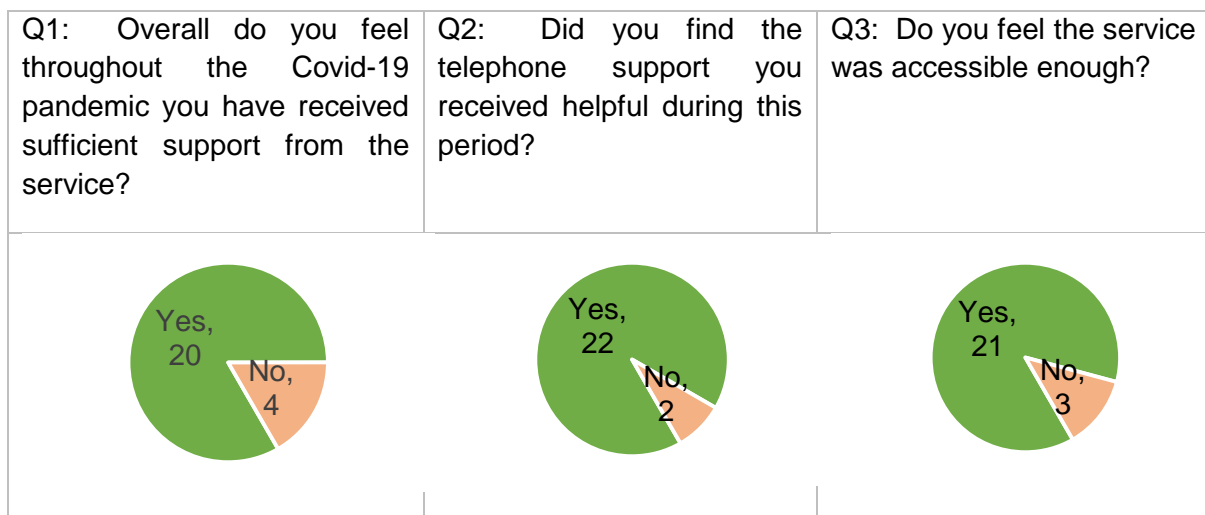
A national target has been set by the Scottish Government that states “90 per cent of clients will wait no longer than 3 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery”. Seeing people quickly gets them onto a journey of recovery sooner, thus leading to better outcomes.

After some hard work to improve our position in 2019/20 for 2020/21, even with the impact of Covid-19 pandemic, we have been able to meet or exceed this target.

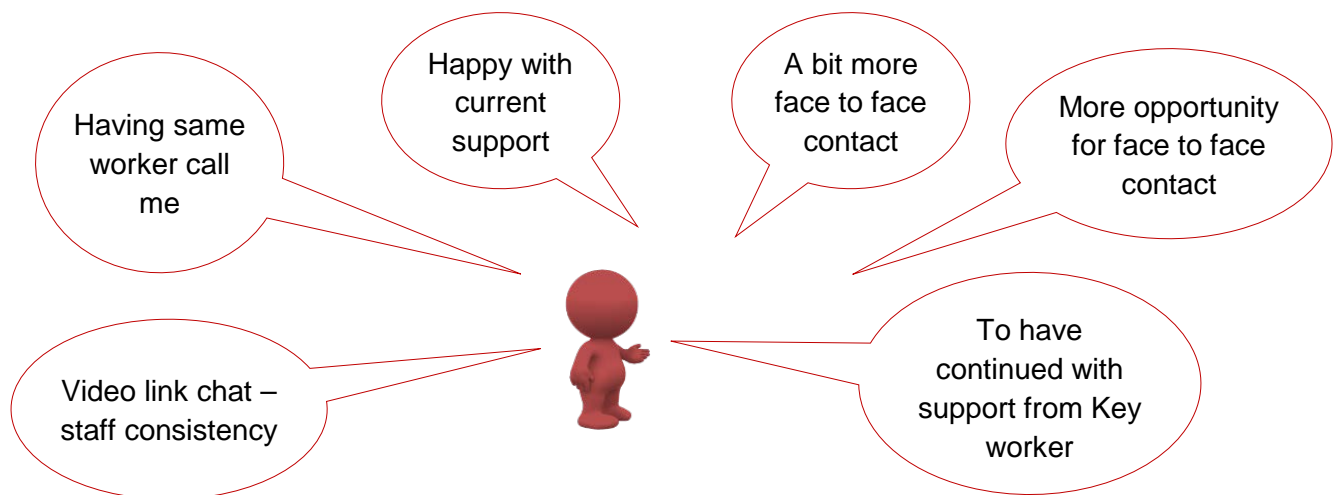


Source: SDMD (Scottish Drug Misuse Database)

We undertook a Service User questionnaire in August 2020 to gain their views on the service received during the Covid-19 pandemic. 24 people completed this for us and the results are noted below.



Q4: What do you feel could have been better?



Preventing Drug Related Deaths

In 2020 there were sadly 33 drug-related deaths in Inverclyde. While Inverclyde has seen no rise in the number of drug-related deaths from 2019, remaining at 33; as outlined by the 5 year average rate of 34.5; Inverclyde remains the third highest rate only compared to Glasgow at 38.6 and Dundee at 43.1.

In 2020, after adjusting for age, people in the most deprived areas were 18 times as likely to have a drug-related death as those in the least deprived areas (68.2 per 100,000 population compared with 3.7). This is an indication of the complex nature of drug-related deaths where factors like poverty and the impact of severe and multiple disadvantages including homelessness, mental health, and involvement in the justice system, as well as the impact of trauma, may increase the risk of a drug-related death.

A key priority in Inverclyde's Anti-Poverty Strategy is to use funding to undertake an employability pilot, targeting a cohort of 20-30 year old males who are unemployed with alcohol or drug dependencies. This pilot will initially target Greenock Town Centre followed by a second phase targeting Port Glasgow. This pilot recognises the challenges to be overcome in relation to reducing poverty and increasing employment opportunities while tackling health inequalities.

Inverclyde Alcohol and Drug Partnership's Drug Death Prevention Action Plan focuses on actions related to the national Drug Death Taskforce priorities:

- Targeted distribution of naloxone;
- Immediate response pathway for non-fatal overdose;
- Medication-Assisted Treatment;
- Targeting the people most at risk;
- Public Health Surveillance;
- Equity of Support for People in the Criminal Justice System

Over the last year good progress has been made in several key actions including:

- The inclusion of the 3rd sector to distribute Naloxone (through the Lord Advocate's decree during Covid-19 pandemic).
- The development of the information sharing protocols with key partners to ensure assertive outreach within 48 hours to anyone who has had a non-fatal overdose.
- Work to support those most at risk into treatment and try to keep them established within treatment services.
- The reduction in waiting times into ADRS treatment services; the ongoing work to support service users onto appropriate doses of treatment; and the introduction of Buvidal (longer lasting injection) which may change prescribing practices.
- The review of all drug deaths on a multiagency basis to determine any learning and improvements in practice.
- The test of change of Care Navigators to work intensively with the most vulnerable service users known to Homelessness; ADRS and Criminal Justice.

Analysis from the 2019 drug-related deaths in Inverclyde indicated that 30.3% of people were in police custody in the six months prior to their death. Inverclyde ADP has secured funding from the national Drug Death Task Force to employ Peer Navigators in Greenock Police Custody as a means of early help. This is a test of change with the potential to influence practice across Scotland, targeting a group of people who are at an increased risk of a drug-related death.

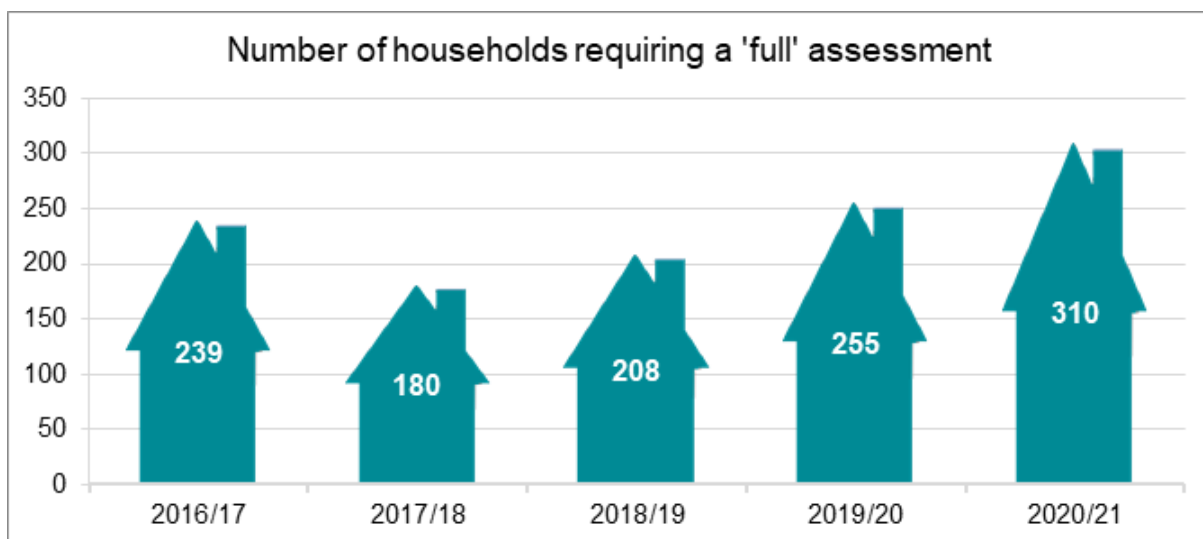
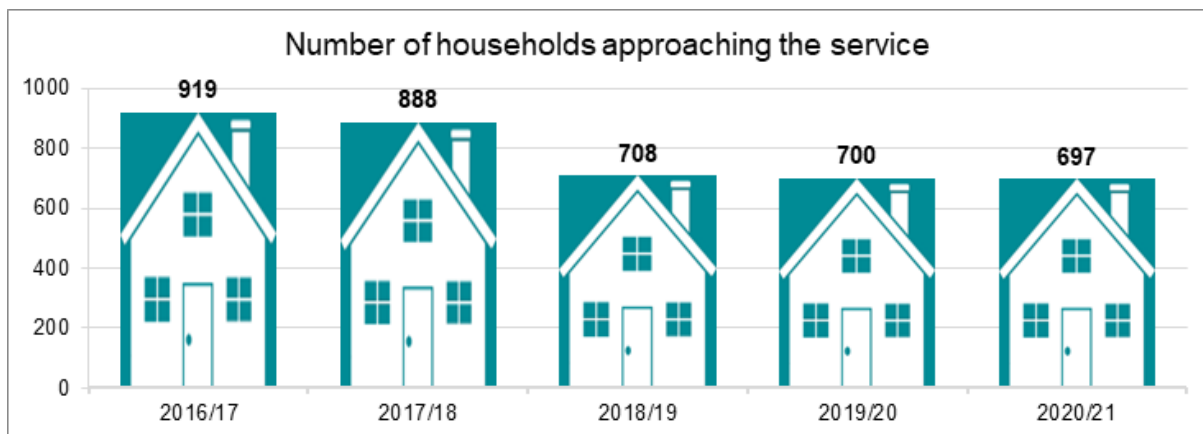
Inverclyde ADP are in the process of refreshing the Drug Death Prevention Action Plan, taking the opportunity to capture the wide range of actions and additional funding. Partners recognise that these actions will take time before achieving the overall ambition of reducing the unacceptable number of drug related deaths in Inverclyde.

Other developments being progressed by Inverclyde ADP that may also help to prevent drug related deaths include more system wide changes, including developing a recovery community and where people are given hope that change is possible and people can and do recover. A key barrier is around stigma and Inverclyde ADP has developed a strategy and action plan to start to remove this barrier, titled "Being Accepted". Finally, Inverclyde ADP recognises the vital role residential rehabilitation can provide, but only where the scaffolding is in place to offer people the necessary support in preparation for this step as well as the support in the community following a residential placement. We are in the process of developing a clear pathway of support.

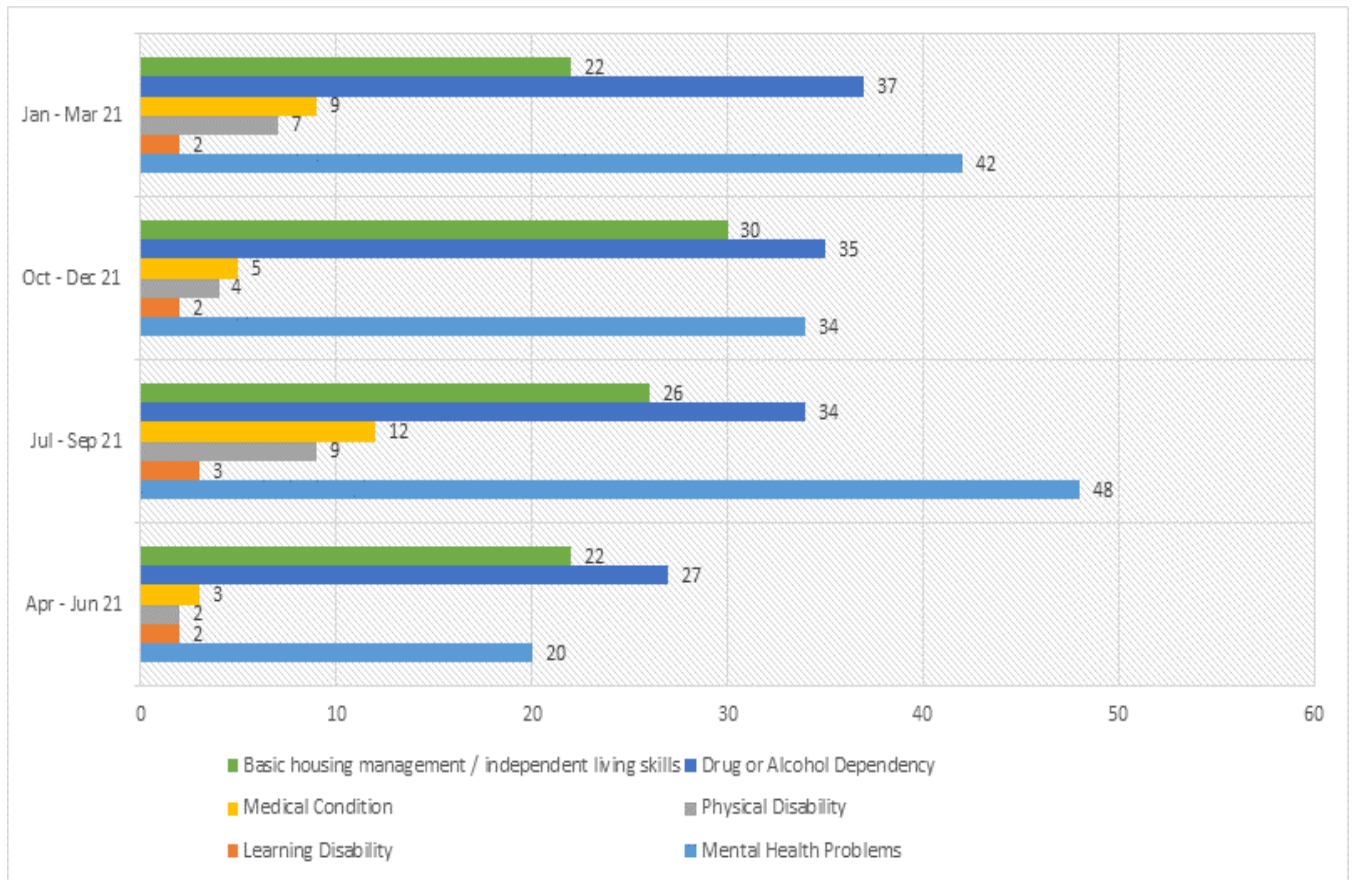
How Social Work Services are Improving Outcomes for People in Homelessness

The Covid-19 pandemic has had a significant impact on the homeless service, with 697 households presenting to the service over the year and 310 requiring accommodation/full assessment. This represents a 20% increase in service activity.

Depopulation of the hostel in response to the pandemic resulted in a local RSLs making a number of temporary furnished flats available at an early stage. However as the lockdown continued, the service was unable to turnaround void properties as repairs and safety checks could not be undertaken by contractors. This resulted in out of area Bed and Breakfast having to be used for a period of time. An intensive plan was put in place to bring Inverclyde residents back into their home area and house them suitably. This was achieved by February 2021.



“The table below demonstrates the varying complex needs people have when presenting as homeless which is informing the development of our Housing First model in the forthcoming year”



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



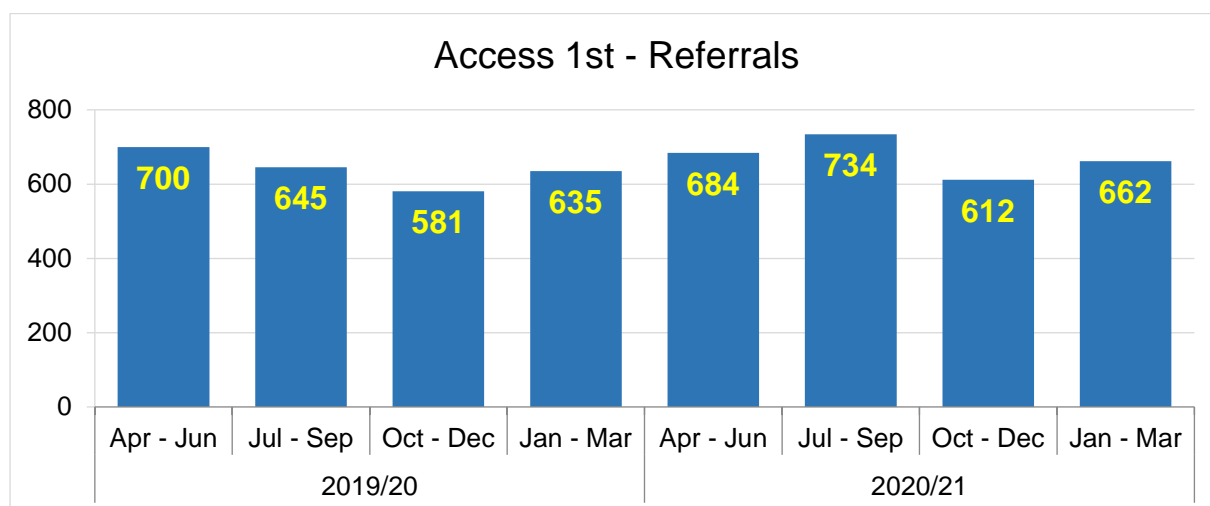
Inverclyde Health and Social Care Partnership (HSCP) reviewed the Access 1st single referral pathway which was launched in January 2019.

This was a pilot (beta test) established for our Health and Community Care Services (HCC). Its purpose was to test the viability of having a single point of access for new referrals into HCC for service users, carers, stakeholders and partner agencies. The ambition was to create a single pathway which was efficient in screening and processing referrals using the eligibility criteria to prioritise need.

The evidence gathered has demonstrated the viability of Access 1st as a single point of access. By introducing this approach, responsiveness to individuals, stakeholder and partners has improved. The volume of referrals received by assessment and care management has reduced to allow increased capacity to focus on more complex cases.

Due to the impact of the coronavirus pandemic, there has been a delay in implementing the full roll out of Access 1st. However, as we emerge from lockdown, plans are in place to progress this and meet the commitment of the HSCP strategic plan 2019 – 2024.

By utilising this approach to screening and responding to new referrals, Access 1st has reduced the operational demand on individual teams to better focus on more complex levels of need. The chart below shows the number of Access 1st referral split quarterly.



Evidence confirms that Access 1st has made an important impact on meeting the objectives and ambitions of the HSCP Strategic Plan. However, in order to incorporate all adult health and social care services into a single point of access, there are demand and capacity implications for Access 1st to ensure its continued success.

Service User said 'Access 1st has been more helpful to me over the past few days than anyone has been for a long time'

Son called Access 1st to request a service for her mother who was struggling at home. He was also feeling overwhelmed with the situation and asked for help. 'I couldn't believe how fast support was put in in place' and thanked the Access 1st worker for all their help.

Partner Feedback

"Keeping lines of communication open are vital. I'm happy for members of the Access 1st team to contact me or my service directly to seek advice re: the appropriateness of onward referral"

"The service works well under often difficult circumstances. The HSCP needs to raise the profile of Access 1st and ensure other services give clear rationale for decision making, both taking on cases and when a service decline follow up. "

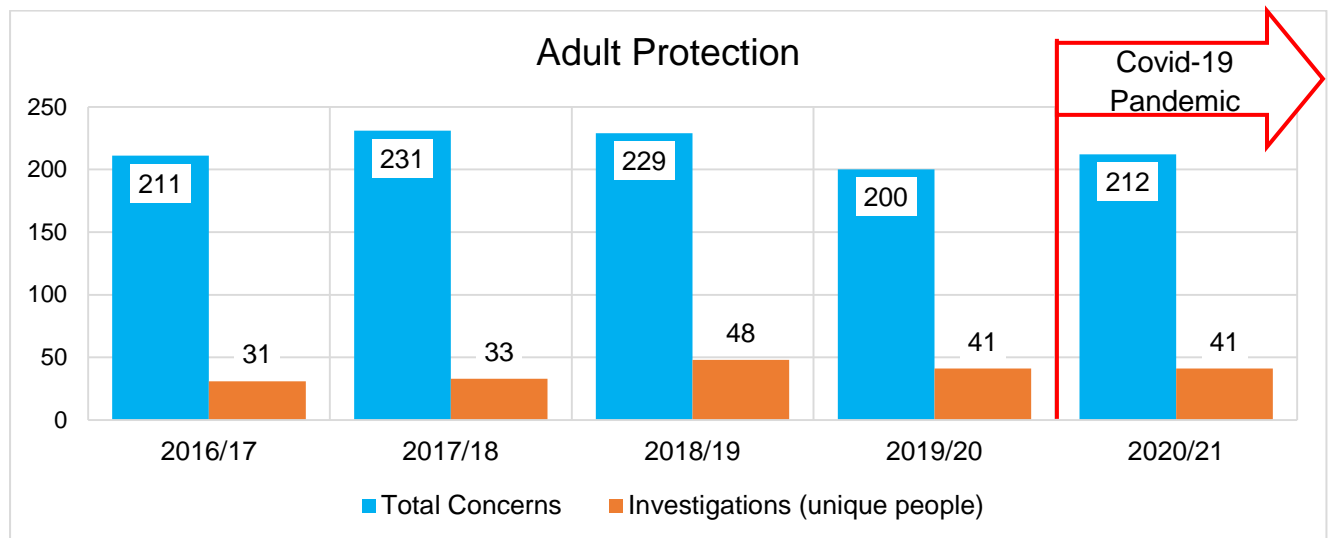
As Access 1st develops there will be an increase in the volume of referrals. To understand the estimated demand, Options Appraisals have assessed the current demand and used this to predict future demand.

The beta test has demonstrated the viability of using Access 1st as a single referral pathway to Health and Community Care services. The service has been rolled out across Assessment and Care Management, Home 1st Reablement, hospital discharge, mainstream home care, palliative care and adult welfare concerns. Overall, performance in meeting key indicator levels have been very good with only 4% of referrals going over the 9 day response timescale.

Unavoidable delays in the rollout of Access 1st have been encountered due to the Covid-19 Pandemic, however, with the easing of restrictions development can now resume.

Protecting vulnerable adults

Regardless of current circumstances adults can pose a significant / critical risk to themselves or others; or adults and children may be at significant / critical risk of coercive, controlling, abusive and harmful behaviour by others. A key challenge has been to be adaptive and responsive in order to meet our statutory responsibilities. Initial referrals around Child Protection are made to the Request for Assistance Team. The chart below shows the referrals received by the RFA (Request for Assistance) team for the last 2 years. An increase in demand is apparent from October 2019 (pre-pandemic) and levels have remained above the median (mid-point) value of 134 throughout the Covid-19 pandemic.



Whilst the number of referrals and concern reports marked as adult protection has remained relatively consistent, it should be noted those referred under the auspices of adult welfare / wellbeing has increased by 20%. It is suspected that this significant increase in adult welfare / wellbeing referrals may be related to the impact of the Covid-19 Pandemic whereas the number of investigations has not been affected.

Self-Directed Support Implementation 2020/2021

Following on from the Self Directed Support National implementation plan and recognition of Audit Scotland 2017 recommendations, the local work plan in 2020/2021 has focussed on engagement with services across HSCP, learning and development, the implementation of outcome focussed approaches and quality assurance.

A rolling programme of assessment support planning has been put in place open to all HSCP across service with care management responsibilities. Further to this areas of learning needs across the services have been developed through engagement with teams. Engagement with specific teams had identified that there was a need to reinvigorate the awareness of SDS. A corresponding learning programme with corporate partners Scottish Personal Assistants Employers Network (SPAEN) have provided bespoke training to teams such as SDS Awareness to District nursing and Children & Families specific SDS training and Mental health adult and Older person's team. We did manage to carry out SDS training and support plan training in early March 2020 which took place just before the first lock down came into force. Again we intend recommencing SDS training programme over the next 12 months as we recover from the Covid-19 pandemic.

A key focus has been the implementation of outcome focussed approaches. This change and development has required intensive work across all service in terms of culture and processes. It has imbedded through consultation and the promotion of ownership of services and practitioner's.

The support plan tool has been developed in line with SDS principles. The support plan version 2 with developed wellbeing indicators now embedded across the Health and community Care service.

A tool has been developed to facilitate outcome focussed assessment conversations and recording. The CONRAD tool (Conversation, Outcome focus, Need assessment, Risk analysis, Agree outcomes and Disagreement recorded). Briefings across the Assessment Care Management/Discharge Team, Learning disability, Older Peoples Mental Health Team Homecare, Occupational Therapy and District Nursing have been completed.

Follow up workshops with ACM teams have been completed and is now fully implemented and imbed within assessment and support planning recording practice. This will continue in 2021/22 with programme of workshops in identified areas such as outcome focussed support plans alongside indicative budgets.

Recording of take up of SDS options will be reported on a monthly basis. The current statistics for 20/21 are as follows

SDS1	SDS2	SDS3	SDS4
48	730	1924	37

Care at Home

The Care at Home team provides an essential service to people within their own home assisting them to live as independently as possible. Care at Home Services had a gap in service provision for



supported approx. 1200 people



undertook 708,000+ visits



80 Volunteers added to 450 staff

the need to better support services users who required palliative and end of life care. During the past year the service has introduced a new Home Support Manager who is dedicated to managing the palliative end of life and discharge response team. The service works jointly with colleagues from the Ardgowan Hospice and community nursing team to ensure that service users have dignity in death, and families and informal carers are supported throughout this time. This team also enhances the discharge process within the service over 7 days alongside our colleagues in acute hospital settings which has been crucial during the Covid-19 pandemic.

A sample of Service user / family comments we have received.

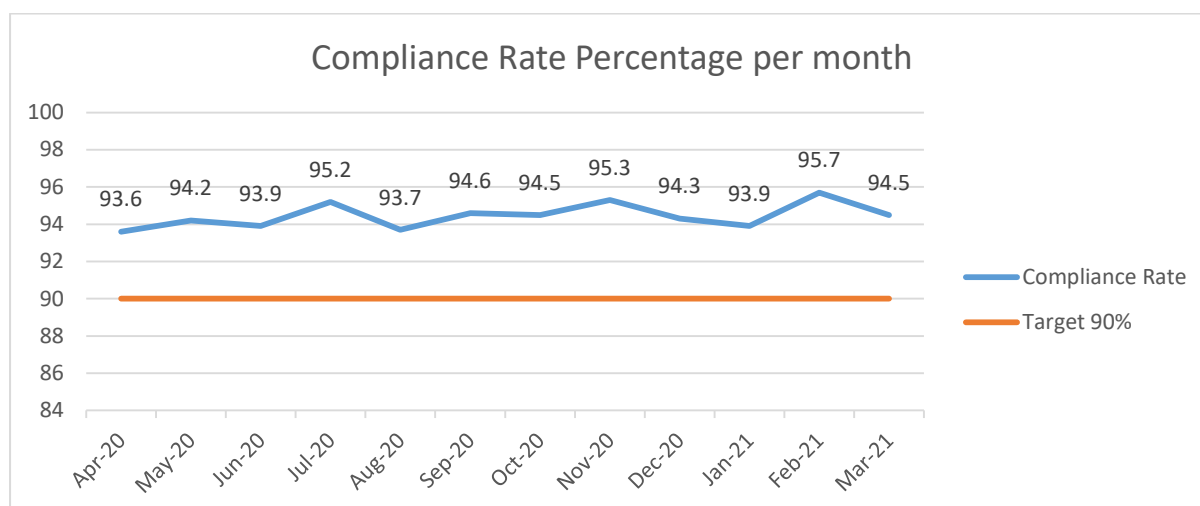
I am delighted with the care I'm receiving, no problems at all.



The support from all the staff throughout this difficult time has been exceptional.

Care and Support 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.



Technology Enabled Care Services (TEC)

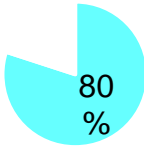

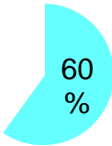
Analogue to Digital (A2D)

Inverclyde has 2,000 service users in receipt of a telecare service. The service provides an alarm unit with a pendant trigger that is used to call for assistance by a service user during an emergency. Where there is a higher risk of confusion or cognitive impairment additional sensors that are linked to the alarm are installed to alert when a personal or environmental risk connected to fire, flood, falls or at risk of wandering has been identified without the need for the service user requiring to press for assistance.

Our greatest achievement in this year is that we continued to provide support for people as needed. Responders were always available in any emergency situation and at a time when family could not visit we provided reassurance from our control centre operators. Where a physical response was required our responder team provided essential face to face contact.

An exciting 3 month trial started in October 2020 to support Technology Enabled Care in our requirement to move from an analogue to a digital service by 2025. This will require all current alarms and TEC equipment to be replaced. 25 new digital alarm units were purchased and installed in Service User's homes from a mixture of manufacturers. At the end of the trial the majority of Service Users were extremely positive about the new digital units.

Service User Survey feedback:

very satisfied with the new Digital Unit	thought call answering time was quicker	said voice clarity during a call was significantly better
		

We are at the starting point of our analogue to digital transformation journey and are currently establishing our roadmap to a fully digital service by 2025.

ARMED Technology

The ARMED TEST OF CHANGE is a project within Care and Support at Home Services/TEC. It is designed to promote greater use, integration and sharing of technologies across sectors and services to support the self- management and wellbeing of service users. ARMED technology records the activity/sleeping patterns of the service user. Collection of this data can predict the potential of a fall. To achieve this service users are provided with a wrist worn device/watch and a mobile phone. The wrist worn device/watch records their activity/sleeping patterns that are reviewed showing where levels of activity/sleep have increased, decreased or remained constant.

Benefits:

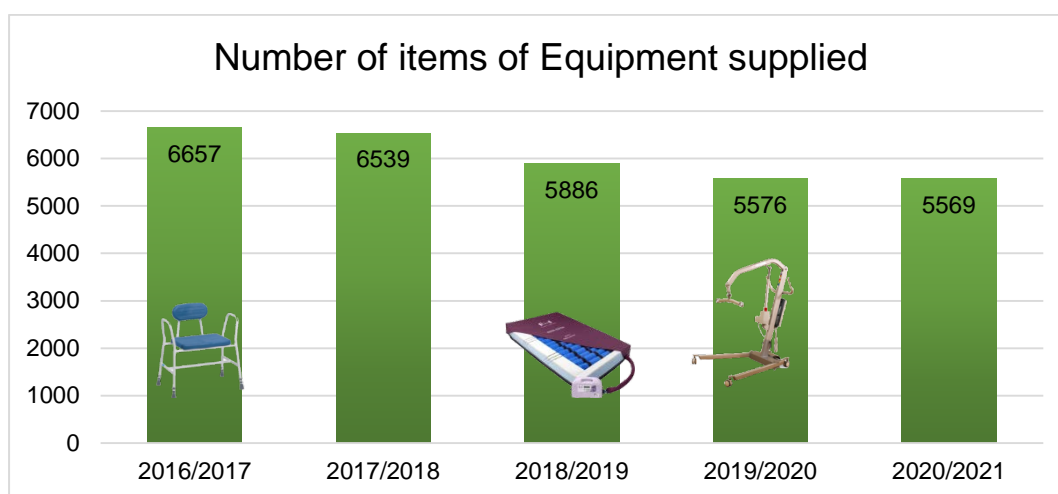
- To support up to 50 service
- Empower individuals to self- manage their wellbeing
- Reduce potential carers/responders visits following a fall
- Allow early intervention by GPs and nurses thus preventing hospital admissions
- Reduce NHS costs associated with admissions and bed days
- Improve health and wellbeing outcomes for patients and carers
- Allow us to monitor and evaluate the project's success to inform future planning
- Improve joint working to ensure pathways appropriate for Inverclyde

Aids for Daily Living (ADL) equipment

In 2019 / 2020, we provided 5,576 unique items of ADL equipment to Inverclyde residents who had a physical need. This is down from the previous year (2018/19) where we provided 5,886 items. 22% of all equipment supplied was to support people being discharged from hospital.

The amount of equipment required to support discharge from hospital and for preventing admission (hospital style beds, patient hoists, pressure care mattresses and all associated items) has remained fairly consistent. The reduction in overall numbers is, at least partly, due to our rehabilitation and reablement services helping get people 'back to health' quickly.

In 2020/2021, we provided 5,569 unique items of ADL equipment to Inverclyde residents who had a physical need. This is roughly equivalent to last year despite working under Covid-19 pandemic restrictions.



This equipment ranges from hospital beds with pressure care mattresses and patient hoists, to simple seats for use in a shower. An Occupational Therapist or District Nurse carries out an assessment for equipment.

Due to Covid-19 pandemic restrictions over the last year routine assessments have not been carried out and a waiting list has been accumulated. This has resulted in a large reduction in housing adaptations being carried out unless the need has been urgent i.e. to prevent a hospital admission, to support hospital discharge or when there has been an issue accessing essential amenities.

This year we recommended and progressed 1051 adaptations compared to 1769 the previous financial year.

As the building was closed to the public we were unable to carry out stair lift demonstrations with our service users, however were able to simulate this in the home environment and were still able to progress the installation of 40 stair lifts compared to 51 the previous financial year. This enabled service users to access essential amenities within their own home environment.

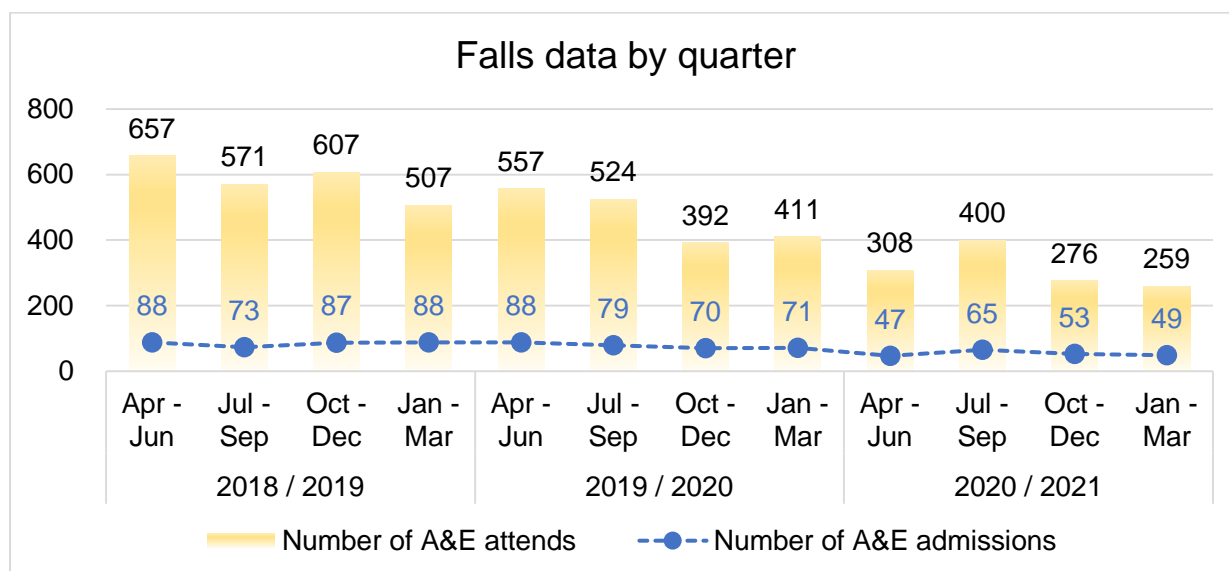
We liaised closely with our partners within the RSLs and Care and Repair to enable essential works to be carried out to keep people safe within their own homes, whilst protecting staff and service users.

Falls

Falls are often a symptom of other illnesses, not a specific diagnosis, and as such are often picked up as a secondary problem when service users are referred into HSCP services for other reasons.

As part of the falls pathway Inverclyde HSCP Rehabilitation and Enablement Service (RES) works closely with Community Alarm Community Response team and the District Nursing, Glasgow Falls Service and Live Active service to support frail older people who experience falls.

There was a gap for the frailest individuals who didn't meet the criteria to attend the classes that were run by the Glasgow Falls Team, to address this need the Rehabilitation & Enablement Services (RES team) set up Strength and Balance classes hosted at the Larkfield Unit.



The pathway from these classes supports people to improve enough to follow through to the Glasgow Falls Teams local classes and then through to Live Active classes. However due to Covid-19 pandemic restrictions and other Services limitations Glasgow Falls Community Classes and Live Active classes are not operating and have no date to re-start therefore ongoing falls response work is currently being absorbed by Inverclyde RES Team, who have been deemed an essential service.

Community Learning Disability Team

Service during the past year has focused on the most vulnerable such as those living alone or with elderly carers. New ways of delivering service virtually such as through Attend Anywhere/NHS Near Me and other virtual review meetings have all been implemented. There is still improvement needed in access to these technologies for some families and for people with more profound communication difficulties.

The restrictions have highlighted how effective the Core and Cluster model of supported living is for people with learning disabilities. Some of the people who are supported in these settings have been “living their best life” during lockdown and keeping well, despite not going out to their usual clubs and activities.

In the past year, the CLDT has been working in partnership with three different Housing Associations and with local support providers to develop three new core and cluster or shared living developments in Greenock and Port Glasgow. National outcomes such as implementing the “Coming Home” report about people who are placed out of area continue to be a priority.

We continue to prevent Delayed Discharge from hospital with robust discharge planning processes and to consider the needs of younger people in care home placements. Specific initiatives around these priorities in recent months include participation in a Collaborative Practice group with other GG&C Learning Disability Service Managers, and a Learning Disability working group as part of the Dementia Steering Group to consider the needs of people with dementia and Learning Disabilities who may need nursing home admission.

Day Opportunities worked with social care providers accessing the PPE Hub at Fitzgerald to support Compassionate Inverclyde during lockdown in providing donations and distributing going home boxes and isolation boxes.

A series of planning meetings between the CLDT and Day Opportunities has taken place to plan the phased recovery of day services. Day services have continued to operate but are currently supporting approx. 20-30% of their full capacity with a mix of building based support, wellbeing walks and outdoor support sessions.

Planning is underway to raise this incrementally, with full support and guidance from Public Health Scotland, Care Inspectorate and colleagues at Health & Safety. Other work that has been progressing through the Covid-19 pandemic recovery period includes:

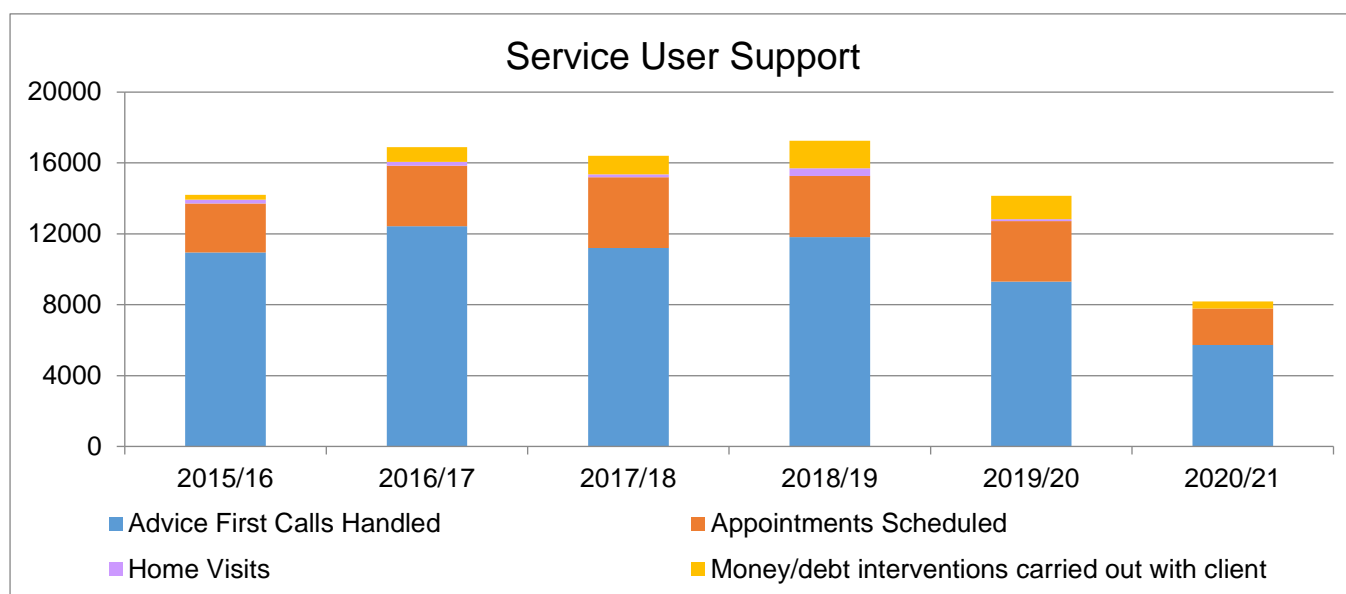
- The new service model of support for people with LD is implemented and community inclusion and development work is undertaken to ensure people with LD and/or Autism have access to their community and feel supported and included and fulfilled in their lives and have opportunities to contribute such as employment, volunteering, mentoring.
- Inverclyde’s Autism Strategy implementation continues and we strive to become Autism Friendly Inverclyde where autistic people feel included, accepted and part of their local community.
- Inverclyde is taking part in Scottish Government backed National Trials in Transitions for young people leaving school and moving into young adulthood. The trial areas locally will be Young People with disabilities from Craigmarloch School and young

people with Autism (without LD) who are leaving from mainstream school supported by Inverclyde Communication Outreach Service.

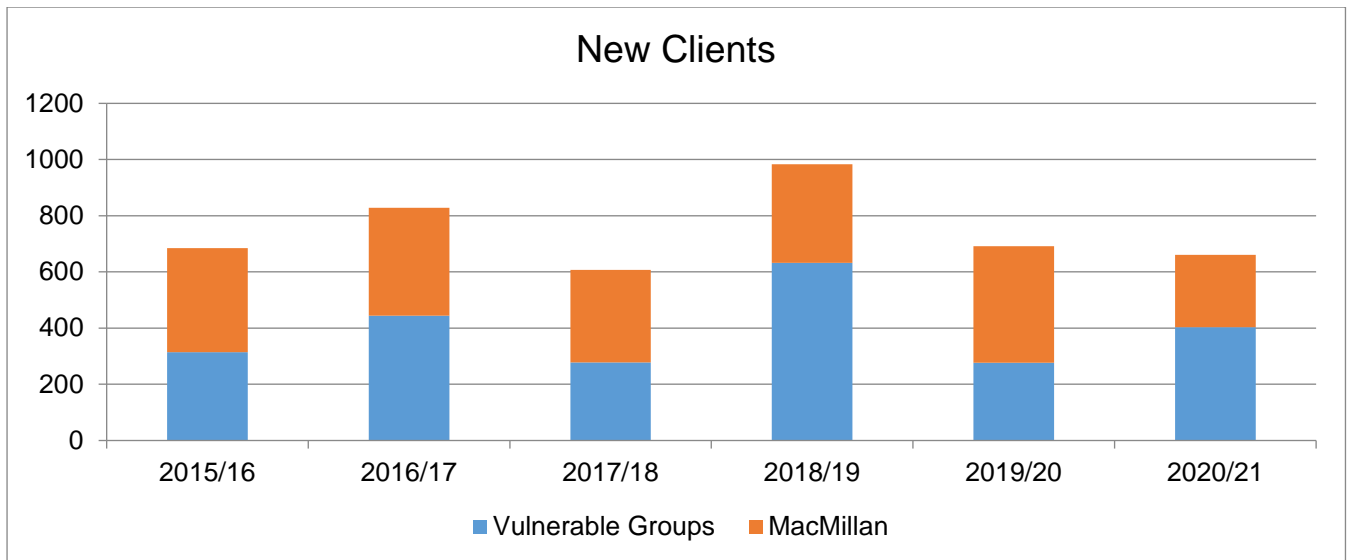
- The NES training framework is rolled out to public facing services specifically HSCP/NHS primary and secondary care /Education/Council to ensure we are upskilling those providing support to Autistic people and their families.
- A test of change pilot across HSCP adult services and 3rd sector improving the care pathway for people with Autism and no Learning Disability who have either Mental Health issues or community care needs.
- Developing a Supported Employment strategy in partnership with Lead service in Council Economic development to ensure the 50% gap in unemployment for disabled people, people with Learning Disability and those with Autism is improved and people have real employment opportunities and the support they need to sustain them.

Financial Inequality

Our award winning Advice Services Team handles a vast range of enquiries including debt advice, benefits advice, welfare rights appeals and debt resolution. The charts below show activity and outcomes for the past 6 financial years.



The Covid-19 pandemic brought many challenges; although there was a drop in the volume of calls presenting to the service, the enquiries received were more complex as clients and advisers got to grips with new benefits such as the furlough scheme and the self-employment income support scheme.



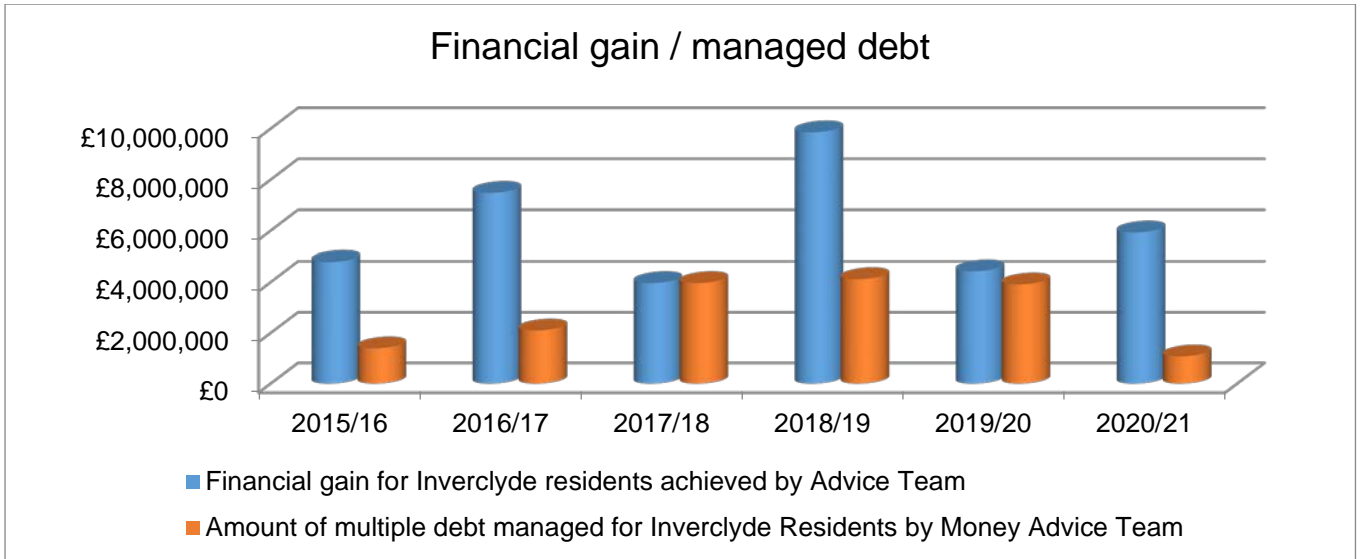
Vulnerable Groups team continued to provide a remote service to new clients of the Addictions/Homeless teams as well as carrying out financial welfare checks for existing clients. This approach highlighted many vulnerable clients who would have been destitute had the Vulnerable Groups team not intervened.

The Macmillan Cancer Support Welfare Rights service continued to support vulnerable clients ensuring they were coping and assisting them during an incredibly difficult time.

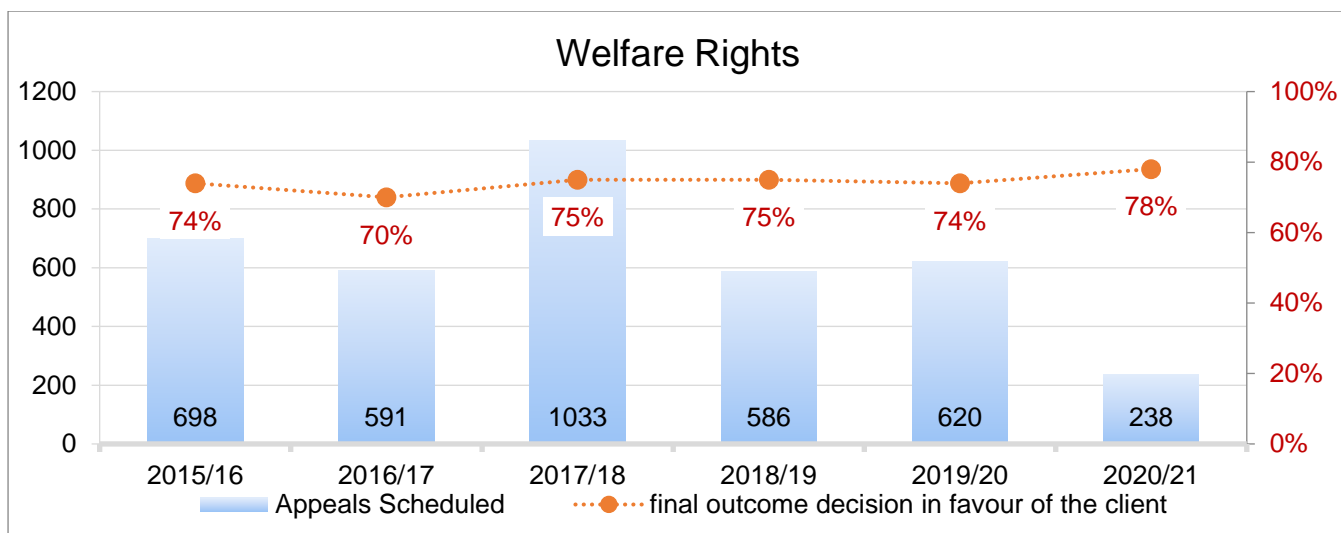
Client C

Client was referred to advice services by Legal Services Agency for a benefit check. Client and her husband, both pensioners, had accrued rent arrears of £1800 and were unsure how it had happened. After much investigating by an Advice Worker and Welfare Rights Officer it was established that the Department for Work and Pensions had miscalculated their income and had incorrectly notified Inverclyde Council Housing Benefit team, triggering a benefit stop. DWP realised their error and rectified it. The case was highlighted to Housing Benefit and the error was again rectified immediately.

The client and her husband now have the proper Housing Benefit



The Money Advice Team had a reduction in enquiries due to many creditors offering payment breaks as well as a rent arrears eviction ban for much of the year meaning there was a significant reduction in clients requiring this type of support.



The reduction in the number of appeals is governed by external factors created as a consequence of Covid-19 pandemic. DWP, for example temporarily removed conditionality requirements for universal credit and suspended disability assessments, extending the period of award for claimants automatically. As a result the number of dispute decisions entering the appeals system tapered away significantly. At the same time Her Majesty's Courts and Tribunal Service suspended face-to-face oral hearings and moved to alternative oral hearing platforms delivered remotely by telephone or video. This change required a number of months to establish during which relatively few hearings were scheduled further reducing the number of appeals heard. The figures for Inverclyde are broadly consistent with national tribunal statistics published by the Ministry of Justice, 10 June 2021. The statistics show a fall of 66 per cent and 22 per cent fall in universal credit and personal independence appeal receipts respectively for the period January to March 2021 compared to the same quarter in 2020. At a national level 66 per cent of appeals were found in favour of the claimant, down from 70 per cent. In Inverclyde the decisions found in favour of the claimant stood at 78 per cent, increasing from the previous figure of 74 per cent. It should be noted the WRO compliment for the period in question reduced by 1.6 WTE, leaving 5.8 workers providing representation, a dedicated Macmillan benefit support service, and second tier specialist support to other workers within the HSCP. DWP have now recommenced both the conditionality requirements sanctions regime and programme of disability assessments.

7. RESOURCES

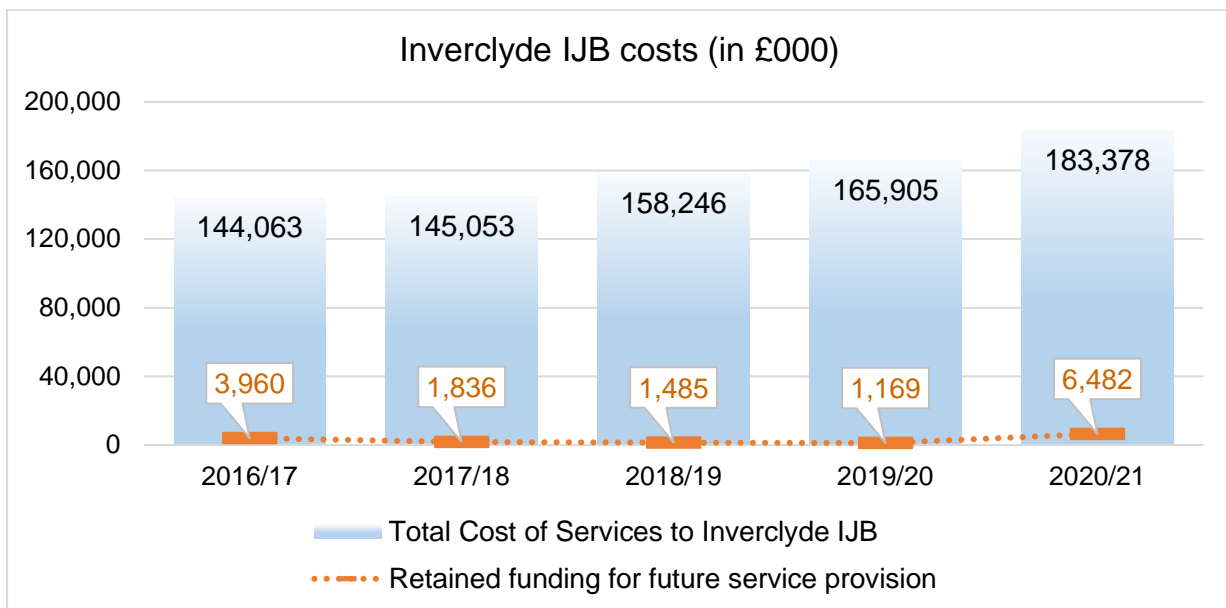
Finance

Inverclyde IJB Financial Summary by Service

	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Strategy and Support Services	2,591	2,416	2,111	2,133
Older Persons	26,867	27,020	28,407	30,383
Learning Disabilities	10,653	11,898	12,545	12,299
Mental Health – Communities	5,804	6,712	7,101	7,485
Mental Health – In Patients	9,338	8,729	9,737	10,607
Children and Families	12,986	13,738	14,114	14,711
Physical and Sensory	2,659	3,117	3,203	2,939
Addiction / Substance Misuse	3,389	3,464	3,181	3,826
Assessment and Care Management / Health and Community Care	7,772	8,258	9,981	10,789
Support / Management / Administration	3,807	4,174	4,339	450
Criminal Justice / Prison Service	(38)	26	49	148
Homelessness	967	791	1,043	1,173
Family Health Services	21,766	25,547	27,056	29,618
Prescribing	18,817	18,591	18,359	18,242
COVID 19 pandemic Funding				10,400
Change Fund	1,236	1,133	1,044	0
Cost of Services directly managed by Inverclyde IJB	128,614	135,614	142,270	155,201
Set aside	16,439	22,632	23,635	28,177
Total cost of Services to Inverclyde IJB	145,053	158,246	165,905	183,378

Taxation and non-specific grant income	(146,889)	(159,731)	(167,074)	(189,860)
Retained Funding for future Service Provision	1,836	1,485	1,169	6,482

The IJB works with all partners to ensure that Best Value is delivered across all services. As part of this process the IJB undertakes a number of service reviews each year to seek opportunities for developing services, delivering service improvement and generating additional efficiencies.



Budgeted Expenditure vs Actual Expenditure per annum

	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Projected surplus / (deficit) at period 9	(1,426)	(897)	(37)	(690)
Actual surplus / (deficit)	1,836	1,485	1,169	6,482
Variance in Under/(Over) Spend	3,262	2,382	1,206	7,172

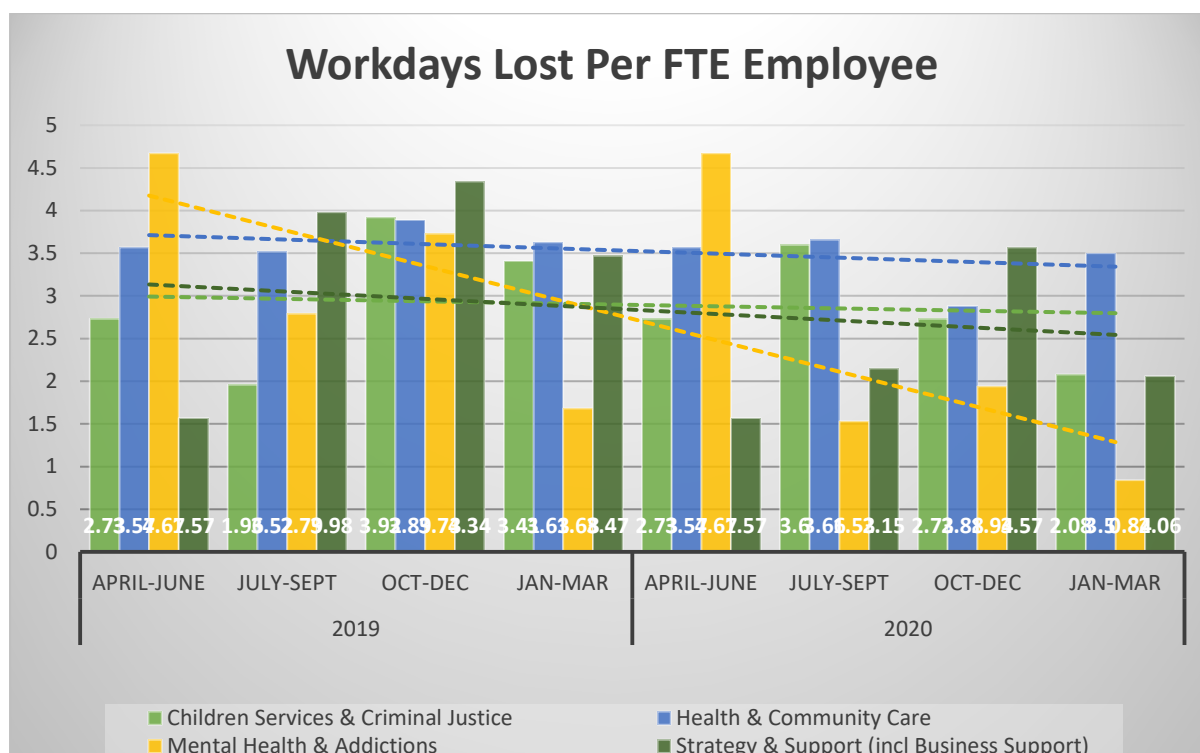
8. WORKFORCE DEVELOPMENT

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.

The 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.

HSCP Staff (*Inverclyde Council employees only*)

	March 2017	March 2018	March 2019	March 2020	March 2021
Number of employees	1038	1044	1036	1054	1089.25
FTE equivalent	834.69	840.1	831.92	838.86	866.91
Number of Sessional Workers	108	98	80	99	154
Number of Modern Apprentices	4	4	2	3	3
Workdays lost (per FTE)	11.96	14.57	9.53	12.96	11.9



Workforce Challenges

Over the past twelve months, and to the current date, there have been significant challenges encountered across Inverclyde HSCP including staffing difficulties which has directly impacted the service delivery in numerous areas including children's, mental health and occupational therapy.

The care at home service has identified an aging workforce with a significant number of staff to be at retirement age within the next 5 years. Moreover, recruitment has, and continues to be, a challenge for this area and health and social care as a sector.

Mental Health Officer's has expanded with the introduction of two further officers whom support statutory work requirements and support the service delivery and sustainability in an environment of increasing service demand (a national issue).

In an attempt to counter and minimise the impact of the above, HSCP is committed to -

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

Given the difficulties and demands on staff that Covid-19 pandemic has presented, as part of the commitment to sustaining and improving staff health and wellbeing, a series of staff engagements were carried out including wellbeing telephone calls for care at home staff given their lone working capacity.

- 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

The data provided suggested that staff felt well supported.

Staff Engagement

Staff Wellbeing & Resilience

During August 2020, a series of focus groups and an online questionnaire (Webropol) were held, following discussions at the HSCP's Staff Partnership Forum, engaging with the targeted staffing groups –

- Business Support
- Primary Care Mental Health
- Frontline managers
- Day Care/Respite
- Health Visiting

In terms of what has gone well for staff, over the past few months and what could have been better, this highlighted –

- Good and flexible approaches to line manager/collegial support in place but some areas where this could have been better
- A mix of views on home working, which some highlighted was beneficial not ideal for others, which correlated with the lack of IT equipment and the perceived lack of team engagement, in the practice of rota systems
- Early anxieties around the availability of PPE, lack of IT equipment and conflicting systems, expected ways of working without appropriate support, had detrimental effects on how some staff wanted to work and their wellbeing
- Overall communication was not perceived as good, often conflicting and overloading, not from where some staff would have expected to receive consistent and accurate information

In their suggestions for ways that resources/support could be improved, the responses can be summarised as –

- The HSCP is an integrated organisation and all resources should be available to all staff and not just either Council or NHS employees
- Ensuring that both information and resources are made available to all staff and not just to rely on the current communication media, such as ICON
- Increase the communication about national help resources
- For there to be an equal approach to the way staff have been recognised in either undertaking different roles and those who would like to have played a part but were not in a position, due to lack of systems
- More accessible information in ways to support health and wellbeing would be helpful
- Having dedicated team engagement time, not just focusing on the day to day operational tasks but more so having opportunities for improved communication and team time together for checking-in and supporting colleagues
- Have more purposeful communication, preventing the overload that can happen in challenging times, using a central repository for communication and information in one place that everyone can access and not dependent on managers/team leaders to cascade

All participants were asked to provide their views on support that needs to be put in place for their health and wellbeing and anything else that needs to be considered, with the responses themed as -

- As some staff are returning to their normal duties, consideration given to easing the pressure on these staff and for colleagues to be more aware and have a compassionate way of being
- Create more opportunities and safe spaces for people to be able to air their views and develop approaches to practice, without this always being seen as a management responsibility
- Better and improved ways of sharing information about service users and any service issues
- Having a one team approach to become a team again that will help and support the outcomes for the service, at the same time of managers understanding that the team can be more effective if the communication is improved

- Have more organisational transparency about where decisions are made and more access to minutes of meetings that are currently not shared with all staff
- Continuing to have a flexible approach to staff feeling as though they are being treated fairly and if this is not the case, there are processes strengthened where some staff can raise these issues in a supportive way
- Continue to offer home working, wherever possible and managers support and trust people to undertake their agreed tasks
- Consideration given to peer support groups that are safe spaces
- Involve staff, at all levels, in the learning from the recent crisis, what things are good and should be kept/developed and what can be let go
- Have staff developing what resources they think are helpful and not just left to managers to decide
- Ensure that lessons are learned about the differing types of information and have a consistent approach in the way the staff are informed

The Workforce Wellbeing Matters Plan has been constructed with the benefit of the findings of the above work and the overall aim of:

Across Inverclyde we will deliver on integrated and collaborative approaches to support and sustain effective, resilient, and a valued health and social care workforce

Specifically:

- Embed and support organisational cultures, where all staff are valued
- Staff Feel Supported in their Workplaces
- Staff maintain a sense of connectedness to their team, line manager and organisation
- Staff, where possible, have the tools and resources to work flexibly (Home, Office, and Community)



The Plan was launched on Monday 30th November 2020 (St Andrew's Day) with a 'Care for a Cuppa' event. Teams embraced the time out sharing a cuppa (and in some cases biscuits and cakes) both virtually and socially distanced. They watched a video explaining the launch of the plan and took some time out to chat about what it means for them as a team and as an individual.

When launching the plan we took the opportunity again to promote the national Wellbeing Hub: <https://www.nationalwellbeinghub.scot/>

A health and wellbeing guide of resources and contact information was produced in May 2020 to help support staff and Managers at the height of the COVID 19 pandemic. This guide has continued to be updated and circulated to all staff.

Additional Scottish Government funding made available to support CSWOs fulfil their statutory requirements was used in Inverclyde to support the wellbeing of staff with each service area being allocated a support fund for teams to use on a self-directed support model.

Some examples of how staff have been supported throughout the Covid-19 pandemic

- The service has carried out regular Health & Wellbeing calls with staff to ensure that they felt supported and valued in their role.
- Identify any staff concerns and signpost to the appropriate services.
- We regularly communicate with staff via their mobile device so they have all relevant information available to them in real time.

Care at Home



- We introduced a Team A and Team B approach to service delivery by rotating being hub based or agile.
- Communication was undertaken using multiple ideas such as team meetings, one to one, video meetings and telephone calls.

Mental Health



- Regular check-ins and supervision were in place throughout the Covid-19 Pandemic, ensuring that staff had the appropriate equipment at home to carry out an essential service.
- Staff wellbeing was at the forefront of managements thoughts during the year and issues identified were resolved at earliest opportunity.

Homelessness



- We had a nominated Team Lead who monitored and kept in contact with Staff to ensure wellbeing issues were addressed.
- Utilised the Willow Project (Ardgowan Hospice) for reflection of impact of Covid-19 Pandemic on them using mindfulness and CBT techniques when appropriate.

Adult Protection



- We participated in the GG&CNHS wellbeing project.
- Purchased mindfulness sessions for Social Care staff so as to be able to focus on their welfare and learn techniques for managing stress and other wellbeing issues.

Children & Families



9. 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's 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.

This last year has been defined 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. Several areas of our services experienced the loss of much valued and much loved colleagues and I would like to take the opportunity to pay particular tribute to those colleagues we have lost over the last year. Their contribution to the service has been immense and their loss keenly felt by their colleagues.

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 and indeed our staff. This has been the case over what has been a long and enduring crisis.

Nonetheless this last year, throughout the year has 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. This speaks volumes of the prevailing culture and sense of identity of the staff groups in Inverclyde. At the time of writing this report our attention is focused on recovery even as we lean into and make plans for what will be a challenging winter. Our recovery plans and actions are 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:	2 December 2021
Report By:	Interim Director of Finance & Corporate Governance	Report No:	FIN/75/21/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2022/23 Budget Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek a number of decisions from Members in order to progress the development of the 2022/23 Revenue Budget and to seek decisions in relation to recently announced Winter Hardship Support Funding from the Scottish Government.

2.0 SUMMARY

- 2.1 Following approval of a number of matters by the Policy & Resources Committee on 16 November the estimated 2022/23 Funding gap prior to any increase in Council Tax is estimated to be £2.8million. The Scottish Government will announce the Scottish Budget settlement on 9 December 2021 with the detailed Local Government Settlement expected 17 December.
- 2.2 A list of savings options was produced by the CMT and reviewed within the MBWG. Following review the remaining savings options would deliver around £2.0million of savings in 2022/23. As has previously been the case it is proposed to issue all Elected Members with the detailed savings options prior to the Christmas Break.
- 2.3 It is proposed that officers progress Voluntary Severance Trawls in those savings areas where it is assessed that Voluntary Early Release (VER) would assist in the achievement of the saving. Appendix 1 outlines the associated timescales.
- 2.4 As part of the review of the savings a number of savings with limited/ no impact on service delivery are proposed to be approved at this time to allow the MBWG to focus on those savings which will have a larger impact on service delivery. These savings are shown in Appendix 2.
- 2.5 It would be good practice to undertake some further consultation on any savings areas proposed for the 2022/23 budget setting process. The proposal is to hold events with the new locality communication and engagement groups.
- 2.6 It is expected that the consultation would be largely qualitative and, depending on the range and nature of the savings proposals to be consulted on, the consultation process can either be around general areas or specific savings and it is intended that they will be held on line.
- 2.7 On 29 October the Scottish Government announced a £41 million Winter Support Fund to support low income households. This included £25 million in flexible funding to local authorities to support wellbeing and respond to financial insecurity. The amount each Council will receive has yet to be formally announced but Inverclyde would anticipate receiving £350,000. Section 7.3 of the report lists proposals developed by the officer Anti-Poverty Group for consideration by Members.
- 2.8 Section 8 of the report contains a funding request for the New Ways of Working Project approved in principle by the Policy & Resources Committee as part of the Delivering Differently Programme. An initial savings target of £60,000 has been set by the CMT.

- 2.9 On 17 November 2020 the Policy & Resources Committee agreed the 'Employability Interventions Inverclyde Jobs Recovery Plan'. Funding of £2.4m was allocated to allow employee releases under the workforce refresh programme, subject to a net cost of release being less than £40,000 after a 3 year period. The voluntary severance exercises have resulted in just over 50 employees being signed up for release over the financial period 21/23, at an expected cost of £850,000. Given the proposal to carry out a number VER trawls as part of the 2022/23 Budget, it is recommended that the remaining £1.55m of the £2.4m allocated is returned to the General Fund Reserve for consideration as part of the overall Budget.
- 2.10 It is proposed that a further one off sum of £300,000 be allocated to meet the increased demands for building cleaning and hygiene materials beyond the current allowance in the Organisational Recovery Plan.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council note the latest update relating to the development of the 2022/23 Revenue Budget.
- 3.2 It is recommended that the Council approve that the Chief Executive progresses Voluntary Severance Trawls where appropriate to support the 2022/23 Budget savings exercise and note the timescales set out in Appendix 1.
- 3.3 It is recommended that the Council agree to the savings included in Appendix 2.
- 3.4 It is recommended that the Council approve the approach to Budget Consultation for the 2022/23 Budget covered in Section 6 of the report.
- 3.5 It is recommended that the Council approve the proposals totalling £400,000 for the use of the Winter Hardship Support Funding and agree that in the event the funding provided by the Scottish Government is less than that approved by the Council, the balance comes from the Anti-Poverty earmarked reserve.
- 3.6 It is recommended that the Council approve the New Ways of Working project and the associated funding as set out in Section 8 of the report.
- 3.7 It is recommended that up to £300,000 is allocated from the Covid Fund contingency to meet any time limited continued demands for extra cleaning and hygiene materials throughout the Council estate
- 3.8 It is recommended that the Council agree that the remaining unused sum of approximately £1.55million from the Jobs Refresh project be returned to the General Fund Reserves for inclusion in the overall 2022/23 Budget proposals

Alan Puckrin
Interim Director of Finance & Corporate Governance

4.0 BACKGROUND

- 4.1 Regular updates are presented to Members either at the Policy & Resources Committee or Full Council as part of the development of the Annual Budget. This report seeks Member approval on a number of Budget related matters.
- 4.2 Following approval of a number of matters by the Policy & Resources Committee on 16 November the estimated 2022/23 Funding gap prior to any increase in Council Tax is estimated to be £2.8million.
- 4.3 The Scottish Government will announce the Scottish Budget settlement on 9 December, 2021 with the detailed Local Government Settlement expected 17 December. Until these announcements are made, officers are providing Members with best professional estimates of the Budget position and updates will be given to Members as soon as matters become clearer.
- 4.4 The Scottish Government announced in November that £25million would be paid to Local Government to provide Winter Hardship Support. At the time of writing the report the Council's share of this sum is not known.

5.0 2022/23 BUDGET UPDATE

- 5.1 The pay award for 2021/22 has not been agreed. An improved offer was made to Trades Unions late October funded by a combination of £30million one off funding from the Scottish Government and £18.5million from Councils. The recurring pay offer already exceeds the allowance set aside by the Council by around £0.2million whilst the latest offer will also require that the Council fund approximately £0.3million from Reserves. A formal response is awaited from the Trades Unions and Members will be updated if there are any developments by the actual Council meeting.
- 5.2 A list of savings options was produced by the CMT and reviewed within the MBWG. Following review, the list of savings options would deliver around £2.0million of savings in 2022/23. As has previously been the case it is proposed to issue all Elected Members with the detailed savings options prior to the Christmas Break.
- 5.3 In order to inform the consideration of the savings options by both the MBWG but also the JBG it is proposed that officers progress Voluntary Severance Trawls in those areas covered by savings proposals and where it is assessed that Voluntary Early Release (VER) would assist in the achievement of the saving. Appendix 1 outlines the associated timescales.
- 5.4 As part of the review of the savings a number of savings with limited/ no impact on service delivery are proposed to be approved at this time to allow the MBWG to focus on those savings which will have a larger impact on service delivery. These savings are shown in Appendix 2. If approved then these proposals will reduce the estimated 2022/23 funding gap by £132,000.
- 5.5 The next stage in the 2022/23 Budget process will be for the MBWG to review Reserves, the 2022/25 draft Capital Programme and to start the detailed review of savings options early in 2022. Updates will continue to be provided to both the Council and Policy & Resources Committee in February and March.
- 5.6 A decision remains to be taken as to whether the Council Tax and Budget decisions will be taken on different days as has been the case in recent years. This will be part of the report to the February Council meeting.

6.0 BUDGET CONSULTATION PROPOSALS

- 6.1 The Council has previously held a number of budget consultations and the most recent, held in 2019, informed budget decisions for the Period 2020 - 2023. Although the 2019 consultation gave comprehensive quantitative and qualitative feedback on previous savings areas, it would be good practice to undertake some further consultation on any savings areas proposed for the 2022/23 budget setting process. This is because COVID-19 may have readdressed priorities in the community and because not all savings being proposed for the 2022/23 budget may have been considered previously.
- 6.2 The proposal is to hold events with the new locality communication and engagement groups. The dates of the meetings would be advertised for each locality and members of the local community encouraged to submit their views which will be collated.
- 6.3 It is expected that the consultation would be largely qualitative and, depending on the range and nature of the savings proposals to be consulted on, the consultation process can either be around general areas or specific savings. The questions asked through the groups will also be made available online and also through paper copies at local libraries. At this stage it is anticipated that the events will held online.

7.0 WINTER HARDSHIP SUPPORT FUNDING

- 7.1 On 29 October the Scottish Government announced a £41million Winter Support Fund to support low income households. This included £25million in flexible funding to local authorities to support wellbeing and respond to financial insecurity. The amount each Council will receive has yet to be formally announced but Inverclyde would anticipate receiving around £350,000.
- 7.2 Officers are acutely aware of the pressures on household finances as a result of cost increases around fuel and food plus the impact on many Universal Credit recipients due to the withdrawal of the £20/week supplement introduced early on in the COVID-19 pandemic. Whilst the Government support will not be paid to Councils until late March it is important that support is delivered as soon as possible.
- 7.3 The Officer Anti Poverty Group have considered the most effective ways that support can be provided within existing processes and schemes and would propose allocating up to £400,000 on the following:
 - Increased funding to iHeat to increase the level of support and numbers supported via the Elderly Heating Project (£100,000)
 - 20% increase in the level of Crisis grant awards for the remainder of 2021/22 plus allowance for increase in demand experienced in the last 2 months (£40,000)
 - Funding to meet the significant increase in Community Care Grants administered via the Scottish Welfare Fund. Support helps individuals with costs of essential goods when moving into new tenancies/homes and reduces the risk of homelessness (£110,000)
 - Increased funding to Starter Packs to provide essential support to individuals /families settling into a new home (£10,000)
 - Increase the Winter Child Payment Bridging Payment by £20 to £180/eligible child (£70,000)
 - Pay £100 to approximately 700 individuals not covered by earlier scheme to make £100 payments to Council Tax Reduction recipients with no children within their household (£70,000)
- 7.4 In the event that the funding received is not enough to meet the cost of these proposals then it is proposed that any shortfall is met from the Anti-Poverty earmarked reserve. A fuller update on progress on these proposals will be provided to the February Policy & Resources Committee.

8.0 NEW WAYS OF WORKING PROPOSAL

- 8.1 The Policy & Resources Committee agreed in principle to officers progressing a review of the use of the Greenock Campus offices and the associated use of technology as a result of the planned move to greater hybrid working by a large part of the office based workforce.
- 8.2 In summary it is planned to create a small multi-disciplinary team for an initial 18 month period to progress potential efficiencies in the use of office space linked to the implementation of hybrid working, greater use of ICT and further developments in electronic document records management (EDRM). This represents the first phase which if successful may lead to further phases.
- 8.3 Whilst detailed costings will be developed over coming months a sum of £150,000 is proposed to be allocated for employee costs including a dedicated Manager and an allowance of a similar sum for the development and back-scanning associated with EDRM. Costs associated with property modifications and ICT would be contained in existing capital allocations. It is proposed to meet the estimated £300,000 sum from an existing earmarked reserve allocated for the transition to the Cloud.
- 8.4 A high level saving target of £60,000/ year by 2023/24 has been set by the CMT but it is anticipated that this figure may increase as the project develops. This saving forms part of the proposals contained in Appendix 2.

9.0 OTHER ISSUES

- 9.1 On 17 November 2020 the Policy & Resources Committee considered the report 'Employability Interventions Inverclyde Jobs Recovery Plan' and agreed to give officers authority to commence a voluntary severance trawl relating to the workforce refresh programme in advance of the Council's decision on allocating funds on 3 December 2020. Funding of £2.4million was allocated to allow employee releases under the workforce refresh programme, subject to a net cost of release being less than £40,000 after a 3 year period.
- 9.2 The voluntary severance exercises have resulted in just over 50 employees being signed up for release over the financial period 21/23, at an expected cost of £850,000. Job vacancies, which have arisen as part of the Council's workforce refresh programme, are being advertised locally utilising the 'Inverclyde works' branding on related social media platforms including the Council's recruitment webpage and building strong links with our local employability partners.
- 9.3 Given the current budget situation and the proposal to carry out a number VER trawls, it is recommended that no further voluntary severance trawls are undertaken in relation to the workforce refresh programme and that the remaining £1.55million of the £2.4million allocated is returned to the General Fund Reserve for consideration as part of the overall Budget. It is intended that a full update on the workforce refresh programme will be provided as part of the annual progress report on the People and Organisational Development Strategy 2020-2023 whilst an update on the various employability schemes approved at the same time is provided to the next Environment & Regeneration Committee.
- 9.4 As part of the consideration of recurring Budget Pressures it was agreed that a further one off sum be allocated to meet the increased demands for building cleaning and hygiene materials. It is too early to say whether this requirement is permanent and as a result the MBWG agreed to support a £300,000 allocation from the Covid Fund to continue this extra support beyond June 2022.

10.0 IMPLICATIONS

10.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
General Fund Reserves	Free Reserves	2021/22	(£1.55million)		Balance of Jobs Refresh Scheme funding
Covid Fund	Contingency	2022/23	£300,000		To support increased level of hygiene/cleaning in Council premises
New Ways of Working	Earmarked Reserve	2021/23	Up to £300,000	Cloud EMR	Funding from the Cloud EMR to fund Phase 1 of the new Ways of Working Project
Anti Poverty	Various	2021/22	£400,000		Projects in 7.3 funded from one off SG Grant/ Anti -Poverty Funding

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Various	Various	2022/23	(£132,000)		Savings proposed in Appendix 2.Increases to £162,000 by 2023/24

10.2 Legal

There are no legal implications arising from this report.

10.3 Human Resources

Consultation regarding the savings and VER trawls has taken place via the Joint Budget Group. Groups of employees potentially impacted by any trawls have been spoken to prior to the Council meeting.

10.4 Equalities

Equalities

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

An overall EIA will be carried out as part of the overall budget whilst EIAs on specific budget proposals are accessed via the following link.

<https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments/equality-impact-assessments-2021>

X

YES (see link)

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

This will form part of the overall assessment of the proposed Budget early in 2022.

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?

x

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

NO

10.5 Repopulation

The impact on the repopulation agenda is a core consideration of the Budget process.

11.0 CONSULTATIONS

11.1 The proposals in this report are supported by the Members Budget Working Group and have been discussed with the Trades Unions via the Joint Budget Group.

12.0 BACKGROUND PAPERS

12.1 None

December
Outline of Proposed Timetable

<u>Date</u>	<u>Action</u>	<u>Who By</u>
DECEMBER		
By 8 th	Issue of trawl letter and pro forma to identified employees.	OD & HR
16 th	Closing date for employee to return pro forma.	OD & HR
By 20 th	Analysis of returns and acknowledgement letters issued.	OD & HR
By 24 th	Report outcome of voluntary severance trawl exercise to Corporate Management Team and Joint Budget Group.	OD & HR
JANUARY		
By 14 th	Provisional figures requested from Strathclyde Pension Fund Organisation (SPFO).	OD & HR
FEBRUARY		
w/c 21 st (earlier if received by SPFO sooner)	Provisional figures to employees asking if they wish to proceed (subject to final budget decisions and value for money criteria being achieved).	OD & HR
MARCH		
11 th (earlier if received by SPFO sooner)	Closing date for employees confirming if they wish to be released.	OD & HR
By end of March	Report outcome of voluntary severance trawl exercise to Corporate Management Team and Joint Budget Group.	OD & HR
By end of March	Formal notice issued to employees.	OD & HR
JUNE		
By end of June	Employees leave employment.	OD & HR

2022/23 Budget
Savings Proposals- December 2021 Council

ERR	Savings 2022/23 £000	Savings 2023/24 £000	Comments	FTE
1/ Reduce Roads Verge cutting frequency from fortnightly to 3 weekly	7	7		0
2/				
3/				
ECOD				
1/ Do not reopen out of school provision at Glenbrae Childrens Centre	45	45	Provision has been closed during Covid and posts vacant	1.5
2/ Reduction in Primary School cover due to creation of 14 permanent teaching posts funded by new Scottish Government funding	50	50	Further £150k from this budget already agreed to fund Whiteboard/Digital Screens refresh programme	0
3/				
HSCP				
1/				
2/				
3/				
Corporate				
1/ Provisional saving target for New Ways of Working project	30	60	Initial target which will be firmed up as the project proceeds	0
Total	132	162		1.5

19/11/21

Report To:	Inverclyde Council	Date:	2 December 2021
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/76/21/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Financial Strategy 2021/31 - 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 2021/22 Budget, matters identified during the development of the 2022/23 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 continued fiscal pressure and uncertainty.
- 2.2 It can be seen from table 3 in paragraph 7.8 that the 2021/24 estimated funding gap is £12.8 million after the application of adjustments and savings approved as part of the 2021/22 Budget in March this year and before any decision on whether to increase Council Tax over 2022/24.
- 2.3 Table 4a confirms 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 £12.8 million over the 2021/24 period and includes the one-off utilisation of £5.0million in Reserves. This latter decision by Members taken as part of the 2021/22 Budget will present a significant challenge for the new Council Administration post May 2022 and this will need to be borne in mind when finalising the 2022/23 Budget.
- 2.4 The Scottish Government has confirmed that it will not provide multi-year Budget figures in December 2021 but may provide indicative future years in the spring. The absence of this impacts on the ability of the Council to plan ahead with certainty. However, based on the medium term commitments announced to date there appears to be limited scope for any new non-earmarked funding for Local Government in the medium term without increased funding from the UK Government.
- 2.5 Table 5 in paragraph 7.13 shows that overall the 2021/24 Capital programme has a £3.93 million funding shortfall which is in excess of the 5% over commitment limit set by the Council. This matter will require to be addressed as part of the 2022 Budget. Members asked for proposals to be developed by officers as to how the Capital resources can be enhanced without placing more pressure on the Revenue Budget from 2023/24 onwards.
- 2.6 All the other appendices and tables have been updated. The detail is contained in Section 6 of the report including proposals to utilise some of the accumulated balances to address pressures within the Revenue and Capital Budget.
- 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 based on the latest information.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Council approve the latest revision of the Financial Strategy and note the impact the one-off use of £4.0million of Reserves in 2022/23 will have on the estimated funding gap in 2023/24.

3.2 It is recommended that the Council agree to the following in relation to the various funding models:

1. That the expected grant top slice relating to the Council's contribution to the Historical Child Abuse Redress Scheme be met from the Insurance Fund over 2022-2031
2. That £1.5million from the Loans Charges earmarked reserve be transferred to the General Fund Reserves in 2021/22
3. That £1.0million from the Capital Fund be used to free up a similar sum to be transferred to the General Fund Reserves in 2021/22.
4. That £1.4million be transferred from the City Deal Funding Model to the 2022/25 Capital Programme in 2023/24 and that a recurring sum of £80,000 be added to the Funding Model from 2024/25
5. That £2.0million be provisionally allocated from the General Fund Reserves to partially mitigate the significant projected funding gap in 2023/24
6. That the projected deficit on the School Estate Funding Model be addressed by virement of £300,000 from the Loans Charges Model with effect from 2028/29

Alan Puckrin
Interim Director, Finance & Corporate Governance

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 six monthly review of the Financial Strategy has been undertaken and takes into account the approved 2021/22 Budget, matters identified during the development of the 2022/23 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 continued fiscal pressure and uncertainty.
- 5.2 It can be seen from table 3 in paragraph 7.8 that the 2021/24 estimated funding gap is £12.8 million after the use of £5 million from Reserves. This latter decision by Members taken as part of the 2021/22 Budget will present a significant challenge for the new Council Administration post May, 2022 and this will need to be considered when finalising the 2022/23 Budget.
- 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 £12.8 million over the 2021/24 period prior to any decision around Council Tax levels in 2022/24. 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 £6.5million to £19.7 million.
- 5.4 The Scottish Government has confirmed that it will not provide multi-year Budget figures in December 2021 but may provide indicative future years in the spring. The absence of this impacts on the ability of the Council to plan ahead with certainty. However, based on the medium term commitments announced to date there appears to be limited scope for any new non-earmarked funding for Local Government in the medium term without increased funding from the UK Government.
- 5.5 Table 5 in paragraph 7.13 shows that overall the 2021/24 Capital programme has a £3.93 million funding shortfall which is in excess of the 5% over commitment limit set by the Council. This matter will require to be addressed as part of the 2022 Budget. Members asked for proposals to be developed by officers as to how the Capital resources can be enhanced without placing more pressure on the Revenue Budget 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 – Due to projected increased loans charges resulting from the reduction in the Council’s cash backed reserves, the model is projected to go into deficit by 2030. In order to mitigate this it is proposed to factor a £300,000 virement from the Loans Charges earmarked reserve to SEMP from 2028/29.
- 6.2 Appendix 5 – General Fund Reserves – this reflects the 31 March 2021 accounts position of £4.890million unallocated reserves and the latest Policy & Resources Committee projection for 31 March, 2022.
- 6.3 Appendix 6 – Capital Fund – this reflects the latest review of receipts and previously approved contributions to the Capital programme and receipts. Based on these figures it is proposed to transfer a further £1.0million in 2021/22 to fund the 2022/25 Capital Programme and thereafter free up a similar amount of General Fund Reserves

- 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.
- 6.5 Appendix 8 – Reflects a projected useable Insurance Fund balance based on claims received. The Council is expected to need to make a contribution of approximately £1.5million to the Scottish Child Abuse Redress scheme over the period 2022/2032. The appendix gives an illustration of the impact on the basis that the cost is met from the Insurance Fund.
- 6.6 Appendix 9 – RAMP – shows the approved investment for the period to 31st March 2023 to deliver the Roads Asset Strategy. It is proposed that this appendix be dropped from future updates.
- 6.7 Appendix 10 -- 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 continues to be refined as Business Case approvals are achieved. Based on the latest information it is proposed to free up £1.4million from the funding model in 2023/24 to support the 2022/25 Capital programme and to add £80,000 to the model from 2024/25 for prudential borrowing costs for the Councils contribution to the Inchgreen project. .
- 6.8 Appendix 11 – The loans charges model reflects a £400,000 saving agreed as part of the 2021/22 Revenue Budget. Pending the outcome of the PPP Flexibility review discussions between Cosla and the Scottish Government either a saving or increased capital resources may be achieved. In the interim it is proposed to write back £1.5million from the Loans Charge earmarked reserve to the General Fund Reserves in 2021/22

7.0 IMPLICATIONS

Finance

- 7.1 The report contains a number of proposals to transfer substantial sums within the various funding models as summarised in the Finance Boxes.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Insurance Fund		2022/31	£1.5million (estimate)		Estimated Council contribution to the Redress Scheme
Loans Charges	EMR	2021/22	(£1.5million)		Transfer to the General Fund Reserves
Capital Fund		2021/22	(£1.0million)		Transfer to the General Fund Reserves
City Deal	EMR	2023/24	(£1.4million)		Transfer to the 2022/25 Capital Programme
General Fund		2023/24	£2.0million		Proposed use of reserves to reduce savings in the 2023/24 Budget

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
SEMP	EMR	2027/28	(£300k)	Loans Charges	Virement to address projected deficit in the SEMP Funding model
City Deal		2024/25	£80k		Cost of £1.32million prudential borrowing for the Inchgreen project

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

2021/22 – 2030/31

December 2021

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Appendix 5 - General Fund Reserves

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1.1 Foreword

This latest revision of the Council's Financial Strategy has been prepared at time the country and the Council are at last beginning to emerge from the Covid-19 pandemic after some 21 months. The financial pressures and fiscal response is without precedent in recent decades and the impact on the community and the country's finances 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 the required 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 medium term Budget position. 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

Louise Long
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 13 March 2021 the Council agreed the 2021/22 Revenue Budget. The Council also took strategic decisions on the use of Reserves in respect of 2022/23, the last year of the current Council.
- 3.2 The same meeting also agreed the 2021/24 Capital Programme which took into account the latest Government Grant settlement information.

Table 2 – Short Term Summary – Approved Revenue and Capital Budgets (March 2021)

	2021/22 £million
<u>General Fund Revenue</u>	203.088
<u>Budget Financed by</u>	
Government Grant (Including NDR)	(169.418)
Council Tax	(32.622)
Approved Contribution from General Reserve	(1.049)
	0
<u>Capital Programme (2021/22)</u>	
Approved Spend (At May 2021)	17.72
<u>Financed by</u>	
Government Grants	6.47
Capital Receipts	0.68
Other Grants/CFCR	3.75
Prudential Borrowing	2.77
Resources Carried Forward from prior year	16.05
Surplus in Resources in 2021/22	12.00

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. The UK Government borrowed 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 Autumn Budget in October 2021 set out the plans to bring the UK Budget back into some form of balance as part of the 2022/25 Spending Review.
- 4.2 The Office of Budget Responsibility (OBR) issued a forecast for the UK economy in October and this is shown in the table below.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
GDP (real) annual % change	-9.8	6.5	6.0	2.1	1.3
Inflation (CPI) annual % change	0.9	2.3	4.0	2.6	2.1
Unemployment Rate	4.6	4.9	4.8	4.3	4.2
Public Sector Borrowing	57	320	183	83	62
Debt as a % of GDP	84	97	98	98	98
Interest Rates %	0.1	0.1	0.5	0.8	0.8

- 4.3 The main changes are around projected inflation levels in the short term, lower levels of Public Sector Borrowing and earlier increases in interest rates.
- 4.4 Two new fiscal rules have been introduced. The first is for national debt to be on a downward profile and the second that day to day spending be matched by tax receipts, both by 2024.
- 4.5 The UK Government claim that all Departments have seen an increase in real term levels between 2021/22 and 2024/25. However this excludes ring fenced Covid 19 payments in earlier years.

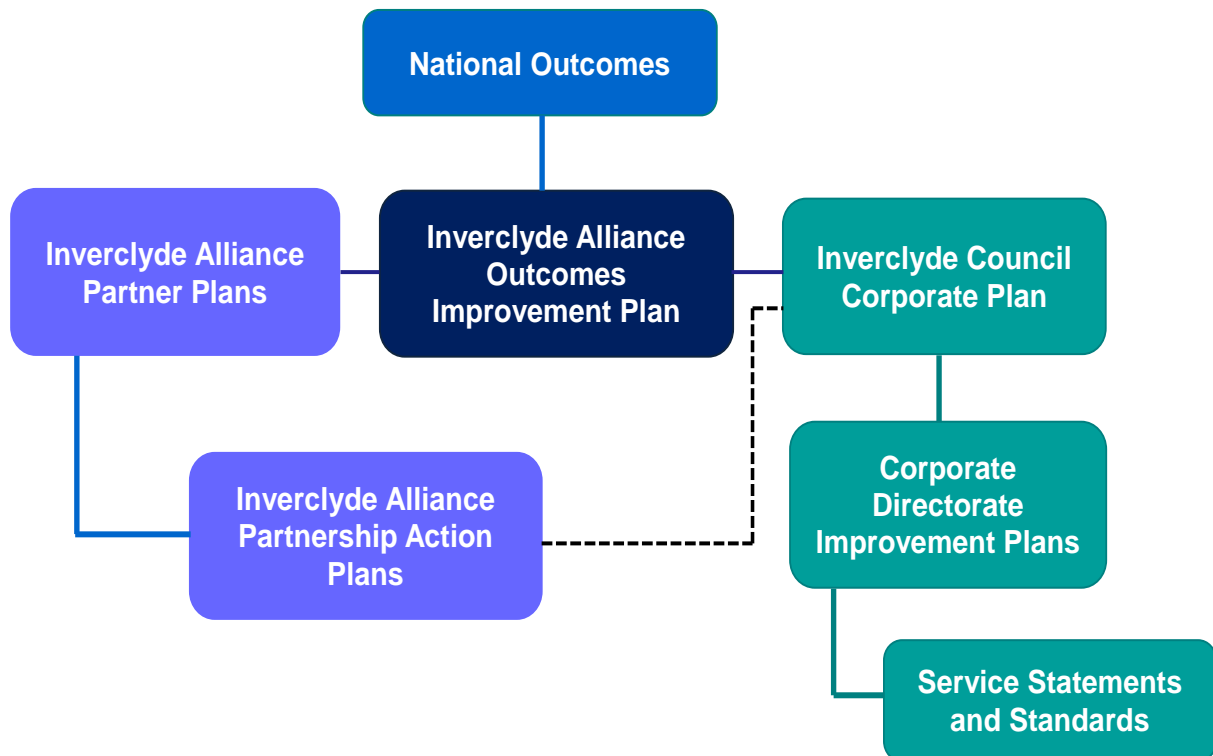
Scottish Context

- 4.6 The SNP manifesto for this Scottish Parliamentary term contained several large funding pledges:
- Increase NHS front line service funding by £2.5 billion.
 - Increase investment in Social Care by 25%
 - Invest a further £1 billion to close the school attainment gap.
 - Freeze Income Tax rates and bands and increase thresholds by a maximum of inflation.
- 4.7 The pledges allied to the existing policy proposals to double the Scottish Child Payment, provide Free School Meals to all Primary School pupils and provide free bus travel to under 22's will result in significant extra budget costs for which the sustainable income source is not clear.
- 4.8 Scotland has received substantial Barnett Consequentials as a result of the Spending Review. However, the underlying funding position is unclear due to the one-off Covid 19 funding received for this financial year and last. As a result it is difficult to say how generous the settlement for Scotland is, although the funding profile shows a distinct tightening over time with a real term cut in funding in overall day to day expenditure in both 2023/24 and 2024/25. In this context it is likely that Local Government in Scotland faces a continued squeeze in resources which will continue to require a clear prioritisation and inevitably a review of some of the Universal service provision policies at both a national and local level.

4.9 This situation has been confirmed by the Scottish Parliament Information Centre (SPICE) analysis of the Budget. This shows the Scottish Block increasing from £36.7 billion to £40.6 billion (10.6% cash/7.7% real terms change) between 2021/22 and 2022/23. However there are real term reductions of 0.7% and 0.4% in the next 2 years.

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 Integration 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.

5.4 At its meeting on 14th September, the Policy and Resources Committee approved the extension of the Corporate Plan 2018/22 and CDIPs 2019/22 to 31 March 2023. This decision was taken in light of the Council recently appointing a new Chief Executive and also that the local government elections are due to take place in May 2022. The extension to the planning term for a further year will ensure that all key stakeholders (current and future) have the opportunity to be consulted on their views.

5.5 Similarly, at its meeting on 4th October 2021, the Inverclyde Alliance approved the rolling forward of the IOIP for a further year in view of the impact of Covid-19 on the delivery timescales within the Partnership Action Plans. It will also allow more extensive and meaningful community engagement to take place on the new IOIP priorities and provides time for a fuller evaluation of how the pandemic has inequalities locally.

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 previously contained three strategic priorities to be delivered in partnership, however following review of the plan in 2020, an additional strategic priority related to Economy has been added:

- **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

- **The Local Economy:** Inverclyde has a thriving and diverse local economy, economic activity is increased and skills development enables both those in work and those furthest from the labour market to realise their full potential

5.6 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.

5.7 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.

5.8 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.

- 5.9 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. This rate of population decline due to negative natural change continued to increase between mid-2019 and mid-2020 due to a further fall in the number of births and a sharp increase (18%) in the number of deaths in Inverclyde compared to the previous year, some of which is attributable to Inverclyde being affected particularly badly in the first three months of the Covid 19 pandemic. 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.
- 5.10 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 2020 at 77,060, a decrease of -1% from 77,800 in 2019. The population of Inverclyde accounts for 1.4% of the total population of Scotland.
- 5.11 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%. 64% of the population is aged 16 – 64 years, compared to 65% in Scotland. 20% of Inverclyde's population is aged 65 years and older compared to 18% in Scotland.
- 5.12 Since 1985, Inverclyde's total population has fallen overall whilst Scotland's population has risen over this period.
- 5.13 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.
- 5.14 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.
- 5.15 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.
- 5.16 Between SIMD 2016 and SIMD 2020, 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 and 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, with Glasgow having the highest.
- 5.17 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.
- 5.18 In terms of indicators of deprivation the profile for Inverclyde differs from the national picture, these include:
- 5.3% of working age benefit claimants are claiming unemployment benefits. Of this, a higher proportion of 18 – 24 year olds (7.7%) are claiming than 25 – 49 year olds (6.4%) or 50+ year olds (3.5%). (As at September 2021).

- Economic inactivity rates in Inverclyde are slightly higher than the national rate 25.1% compared to 24.1% (July 2020 – June 2021)
- The percentage of workless households in Inverclyde is 23.9% compared to 17.7% in Scotland (January – December 2019)
- Approximately 82.8% of working age adults in Inverclyde have NVQ1 and above, or other formal qualifications. 86.2% of the Scottish population have NVQ1 and above or other formal qualifications (January 2020 – Dec 2020).
- Median earnings for full time workers living in the area (Gross Weekly Pay) increased between 2019 and 2020 from £543.80 to £575.70. The Scottish average was £595.00.
- Working age people account for 64% of all people in Inverclyde (2020 mid-year population estimates). This is 1% lower than for Scotland as a whole.

5.19 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.

5.20 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.

5.21 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

5.22 The public sector landscape in Inverclyde has changed significantly over the last 10-15 years. 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.

5.23 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.

5.24 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 the council and its partners are responding to this in a number of ways including the development of locality planning; introduction of participatory budgeting and asset transfer.

5.25 *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. RiPH has continued a positive trading performance through-out Covid-19 but the longer term impact on RiPH requires to be assessed.

5.26 *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. The Council and RCH plus other agencies continue to work together to address the challenges brought on by low demand stock, increased investment needs and a declining population.

5.27 *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 closure of almost all of Inverclyde Leisure's facilities for a period and whilst most are now operating, the medium term viability of the current operating model requires review given the impact on the organisation's income stream.

5.28 *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 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.

The impact of the Feeley review into the provision of Adult Social Care and proposals to create a

National Care Service has the potential to have a major impact on the delivery model of the Inverclyde IJB and in particular it's governance and financing. This is likely to also impact upon the Council

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. They are due to be revised later in 2021.
- 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, Directors (including the Section 95 Officer), Monitoring Officer 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 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.

Section 95 Officer

- 6.14 The Section 95 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 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 Section 95 Officer and the relevant 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 2021/22 Budget was based on the Council receiving Revenue Grant/Non-Domestic Rates Income of £169.418m.
- 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 2021/22 is projected to be £202.040m.
- 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 freeze in Band D Council Tax in 2021/22 on the basis this is fully funded from increased Scottish Government Grant.
- 7.6 The Financial Strategy covers the period 2021/31 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 2021/22 Budget this equates to £4.0 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 2021

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Base Budget for Prior Year	198.698	202.040	201.040
<u>UPLIFTS FROM PRIOR YEAR</u>			
<u>Inflation (Note 1)</u>			
Pay Inflation	3.000	4.100	3.000
Other Inflation	1.500	1.200	1.500
Income	-0.130	-0.130	-0.130
	<u>4.370</u>	<u>5.170</u>	<u>4.370</u>
<u>Budget Increases (Note 2)</u>			
General Pressures	0.800	0.400	0.600
New Pressures P&R Nov 21	0.000	0.934	0.000
	<u>0.800</u>	<u>1.334</u>	<u>0.600</u>
<u>Adjustments (Note 3)</u>			
Other Adjustments Applied	-0.286	0.000	0.000
New Funding Per SG Settlement	1.249	0.000	0.000
Contribution from Reserves (Mar 19)	-1.049	-2.951	4.000
Net Revenue Budget Before Savings	<u>203.782</u>	<u>205.593</u>	<u>210.010</u>
<u>Funded by: (Note 4)</u>			
Revenue Grant/NDR Income	169.418	168.418	167.418
Council Tax Income (Net of CTR)	32.622	32.622	32.622
	<u>202.040</u>	<u>201.040</u>	<u>200.040</u>
Annual Budget Before Savings (Surplus)/Deficit	<u>1.742</u>	<u>4.553</u>	<u>9.970</u>
Cumulative Budget Gap before Savings	<u>1.742</u>	<u>6.295</u>	<u>16.265</u>
<u>Savings Applied (Cumulative)</u>			
Adjustments Approved September 2017	-0.300	-0.600	-0.600
Adjustments Approved September 2019	-0.049	-0.089	-0.089
Adjustments Approved November 2019	-0.181	-0.200	-0.200
Savings Approved March 2020	-0.084	-0.084	-0.084
Savings Approved March 2020 ERR	-0.040	-0.040	-0.040
Savings Approved November 2020 P&R	-0.683	-0.695	-0.695
Savings Approved December 2020 Full Council	-0.498	-0.988	-0.988
Savings Approved February 2021	-0.097	-0.134	-0.134
Savings Approved March 2021	0.190	0.000	0.000
Savings Approved September 2021	0.000	-0.200	-0.200
Savings Approved November 2021	0.000	-0.380	-0.380
Approved Budget (Surplus)/Deficit	<u>0.000</u>	<u>2.885</u>	<u>12.855</u>

Finance Strategy Notes – December 2021

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 2021.
- 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 2021.
- 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 2021 re-phased based on latest information.

Note 3 Adjustments

- a) **Other Adjustments** – Reflects Scottish Government funding held back and other minor adjustments.
- b) **New Funding** – Reflects new funding received as part of the Settlement February 2021. The majority of the funding relates to new funding for Health & Social Care Partnership.
- c) **Contribution from Reserves** – As part of the 2021/22 budget process, the Council approved use of reserves to fund the 2021/23 budget.

Note 4 Funded By

- a) Reflects 2020/21 Finance Settlement included in Scottish Government Circular 5/2021. The 2022/24 figures are estimated based on continuing grant loss due to depopulation. Figures reflect budget decisions taken March 2021.
- 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 freeze Council Tax on 18 February 2021. No uplift has been assumed for years 2022/24.

Other Short Term Revenue Issues

The main remaining risks associated with the 2021/22 budget position will be around inflation allowances, including the unresolved pay award 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 2022/23 much hinges on the main budget announcements by the UK and Scottish level and the impact of Covid-19 on the local economy and community. 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 2023 becomes increasingly difficult with uncertainty around the level of funding likely to be available, due to Covid-19/Brexit and the impact on the economy. Currently the Council plans to use £4million of one off Reserves to reduce the level of savings in 2022/23, this will present a major challenge for the new Council elected in May 2022 when considering the 2023/24 Budget.

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

Post 2022/23 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 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 including the future of non-domestic rates.**
- **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 will potentially undergo further changes 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 economic situation arising from Covid and Brexit resulting in uncertainty over 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 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 Change	(2.5)	0.0	0.0	(2.5)
2/ Continuing cash cut due to Depopulation	0.0	1.0	1.0	2.0
3/ Inflation - Pay	3.0	4.1	3.0	10.1
- Non-Pay	1.5	1.2	1.5	4.2
4/ Pressures				
- General Pressures	0.8	1.3	0.6	2.7
5/ Savings Approved to Nov 2021	(1.5)	(1.5)	(0.1)	(3.1)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0.0	(0.6)
Use of Reserves	(1.0)	(3.0)	4.0	0.0
	<u>0.0</u>	<u>2.8</u>	<u>10.0</u>	<u>12.8</u>

- a/ Assumes £4.0million from Reserves are used in 2022/23 to reduce the funding gap.
- b/ 2021/22 Grant figures includes Council Tax freeze grant of £1.2million & actual settlement
- c/ Pay Inflation in 2022/23 includes £1.1million for 1.25% increase in NI
- d/ Assumes no new Prudential Borrowing above that already contained in the Loans Charges model.
- e/ Assumes no Council Tax increase over 2022/24. (3% annual increase would raise £0.95 million per year)
- f/ The GRG/NDRI assumption excludes any hypothecated grant increases eg: Early Years, Teachers, elements of Social Care support as these are ring fenced for specific purposes.

	2021/22	2022/23	2023/24
Key Assumptions	%	%	%
GRG/NDRI	1.5	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
	£m	£m	£m	£m
Block Grant Increase	(2.5)	(1.7)	(1.7)	(5.9)
Continuing Impact of Depopulation	0.0	0.5	0.5	1.0
Inflation - Pay	3.0	3.5	2.4	8.9
- Non-Pay	1.5	1.0	1.0	3.5
Pressures				
- General Pressures	0.8	1.3	0.6	2.7
Savings Approved to November 2021	(1.5)	(1.5)	(0.1)	(3.1)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0.0	(0.6)
Use of Reserves	(1.0)	(3.0)	4.0	-
Funding Gap	-	(0.2)	6.7	6.5

a/ Assumes £4.0 of from Reserves used in 2022/23 to reduce funding gap on a one off basis.

b/ 2021/22 Grant figures include £1.2million Council Tax Freeze grant and actual settlement

c/ Pay inflation in 2022/23 includes £1.1million for a 1.25% increase in NI

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

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

f/ The increase in Block Grant excludes hypothecated funding increases as these are ring fenced for specific purposes

e/ Key Assumptions	2021/22	2022/23	2023/24
	%	%	%
GRG/NDRI	1.5	1.0	1.0
Pay Inflation	2.5	2.0	2.0

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

	2021/22	2022/23	2023/24	2021/24
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Block Grant Reduction	(2.5)	2.4	2.4	2.3
Continuing Impact of Depopulation	0.0	1.0	1.0	2.0
Inflation - Pay	3.6	3.6	3.6	10.8
- Non-Pay	1.5	1.5	2.0	5.0
Pressures				
- General Pressures	0.8	1.3	1.2	3.3
Savings Approved to March 2021	(1.5)	(1.5)	(0.1)	(3.1)
Approved Loans Charges Adjustment	(0.3)	(0.3)	0	(0.6)
Use of Reserves	(1.0)	(3.0)	4.0	0
Funding Gap	<u>0.6</u>	<u>5.0</u>	<u>14.1</u>	<u>19.7</u>

a/ Assumes one-off use of £4.0million from Reserves to reduce the 2022/23 funding gap

b/ 2021/22 reflects actual settlement & Health Pay Award

c/ Pay inflation in 2022/23 includes £1.1million for 1.25% increase in NI

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

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

f/ The GRG/NDRI assumption excludes any hypothecated grant increases as these are ring fenced for specific purp

<u>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	3.0	3.0	3.0

7.12 Short to Medium Term Capital Projections

The Council agreed a 3 year Capital Programme covering 2021/24 in March 2021. 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. However, the 5 year Scottish Government Capital Funding Plan indicates that in the period to 2026, core Local Government Capital Grant will be frozen at 2021/22 levels which left the Council more than £2 million/year short against the core investment requirements.

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>2021/22</u> £m	<u>2022/23</u> £m	<u>2023/24</u> £m	<u>future</u> £m	<u>Totals</u> £m
Policy & Resources	1.33	1.33	0.36	0.00	3.02
Environment & Regeneration	11.81	15.33	7.15	0.36	34.65
School Estate	5.13	3.47	3.50	1.00	13.10
Education & Communities (Exc School Estate)	0.76	2.65	0.37	0.00	3.78
CHCP	1.73	6.91	0.63	0.00	9.27
	20.76	29.69	12.01	1.36	63.82
<u>Financed By</u>					
Government Grant	6.41	6.40	6.40	0.00	19.21
Sales/Contributions	0.83	0.28	0.30	0.00	1.41
Other Income	2.23	1.18	0.00	0.00	3.41
Revenue	6.53	1.06	0.48	0.00	8.07
Prudential Borrowing	1.05	8.47	2.96	0.21	12.69
Resources Carried Forward	15.10	0.00	0.00	0.00	15.10
	32.15	17.39	10.14	0.21	59.89
Shortfall in Resources					3.93

Notes

1 As per Oct 2021 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 25/10/21.

Table 6 – Council’s Debt and Investment Position – 25/10/21

The Council’s treasury portfolio position at 25/10/21 comprised:

		Principal		Average Rate
		<u>£000</u>	<u>£000</u>	
Fixed rate funding	PWLB	99,065		3.79%
	Market	71,000	170,065	
Variable rate funding	PWLB	0		4.86%
	Market	28,747	28,747	
TOTAL DEBT			198,812	3.94%
TOTAL INVESTMENTS			49,450	0.14%

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 £200 million results in a core General Fund Reserve of £4.0 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 31/3/21 = £4.890 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 31/10/21 = £3.520million

(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 31/3/22 = £1.467 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 31/3/22 = £2.857 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, £2.0 million, subject to the opinion of the Section 95 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. Regular updates are received from the Scottish Government, Cosla, Scotland Excel and reported to Committee as required.</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. Cosla continues to lobby Scottish and UK Governments for funding. Directors of Finance share common information and assumptions. Ongoing implications were built into the 2021/22 Budget and have been considered as part of the 2022/23 Budget.</p>

Short-Term Issues (2021/23)

The tables in Appendices 1, 2 and 3 have been developed through ongoing consultation with the CMT to highlight 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 2021/22 Budget and the 2022/23 Budget Plans.	Monitor Covid financial impact each Committee cycle. MBWG/CMT to consider all on going impacts on 2022/23 Budget.	Alan Puckrin	From August 2021
				Alan Puckrin	March 2022
	Inflation	Uncertainty over inflation pressures are not fully clear over the period.	Inflation allowances are regularly reviewed. Regular monitoring and reporting to CMT/Members.	Alan Puckrin	Ongoing
	Brexit	Supply issues are being experienced in certain sectors which may impact on service delivery and budgets.	The CMT continue to monitor the situation and will present reports to Committee as required.	Stuart Jamieson	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.	Allen Stevenson	Ongoing

	Children's Services	Significant demand in the system will lead to increased costs.	Monitor and report as required and consider as part of the IJB 2023/23 Budget.	Allen Stevenson	March 2022
Education & Communities	Inverclyde Leisure – Reduction in Income	A major source of income for IL comes from its fitness gyms. Competitors have moved into the area and this plus Covid legacy could lead to an increase in Council funding.	Continue regular liaison meetings with IL and report to Members as required. Revised Business Plan due December 2021. Issue added to the Delivering Differently Programme.	Ruth Binks/Alan Puckrin	Ongoing

Medium-Term Issues (2023/25)

Appendix 2

<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.	The use of reserves in 2022/23 and on going funding pressures will require quick and decisive action from the new Council which will have a significant impact on certain services.	Identify 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.	All Directors	Ongoing
	Reduction in Council Funding	Funding over 2023/25 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 2022
	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.	Louise Long	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 and will potentially review NDR post Covid.	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.	Stuart Jamieson	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>
	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.	Steven McNab	On Going
Social Care	Review of future of Audit Social Care	Potential major impacts on IJB and Council Budgets if not appropriately funded.	Member's developments, contribute to relevant forums and report as required.	Allen Stevenson/Alan Puckrin	December 2022
	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.	Allen Stevenson	On Going
	Childrens Services Funding Pressures.	Covid has had a considerable impact on demand for support within Children & Families. Identified one off funding will only address the short term pressure. A fundamental review of service delivery is needed.	Develop proposals to change service delivery and report back via CMT, Council and IJB.	Allen Stevenson	March 2022
Education & Communities	School Estate Management Plan	Reduced Capital resources and corporate cost pressures may make current planned investment in SEMP post 2024 unsustainable.	Six monthly review of all aspects of SEMP to continue. Affordability will be a key factor in considering future investment in the estate.	Ruth Binks/ Alan Puckrin	On Going
	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.	Stuart Jamieson	March 2022

Long-Term Issues (Post 2025)

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.	Allen Stevenson	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.	Stuart Jamieson	Ongoing
	Net Zero Carbon Strategy	To achieve the required targets will require significant capital investment not currently included in financial plans.	Prepare detailed delivery plan and obtain funding approval for delivery.	Stuart Jamieson	From January 2022
	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.	Stuart Jamieson	As required

November 2021 SEMP Funding Model Review

Jan 21 RPI

Appendix 4

School Estate - Earmarked Reserves

	<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>	<u>2030/31</u>	<u>2031/32</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Earmarked Reserve b/fwd	217	234	449	670	692	716	673	549	338	13	-378
Available Savings added (a)	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
Extra Financing (b)	2,896	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955
Prudential Schools Loan Charges (c)	-4,562	-4,518	-4,512	-4,591	-4,709	-4,776	-4,857	-4,944	-5,058	-5,124	-5,222
Unitary Charge Payment (d)	-8,742	-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)	-1,549	-1,757	-1,969	-2,185	-2,406	-2,731	-2,960	-3,194	-3,433	-3,677	-3,925
Unitary Charge Funding from Inflation Contingency	1,549	1,757	1,969	2,185	2,406	2,731	2,960	3,194	3,433	3,677	3,925
One Off Costs (f)	-123	-28	-28	-148	-28	-28	-28	-28	-28	-28	-28
Extra Revenue Repairs (g)	-230	-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	6,096
Earmarked Reserve c/fwd	<u>234</u>	<u>449</u>	<u>670</u>	<u>692</u>	<u>716</u>	<u>673</u>	<u>549</u>	<u>338</u>	<u>13</u>	<u>-378</u>	<u>-867</u>

(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 3.43% for 21/22, 3.36% for 22/23, 3.33% for 23/24, 3.40% for 24/25, 3.52% for 25/26, 3.58% for 26/27. 3.66% for 27/28, 3.75% for 28/29, 3.88% 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 2021 RPI. Assumes 2.0% annual inflation (3% RPI discounted by factor of 1.5).

(f) £95k costs in 21/22 relate to Gourock PS. £28k per year Pension Costs added from 2020/21, £120k Building Condition Surveys in 24/25

(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 2021

	<u>£000</u>
Reserves Balance at 31st March 2021	4,890
<u>Budgeted Contribution to Reserves: Note 1</u>	
2020/21 Outturn Earmarked for 2021/23	27,276
	<u>0</u>
	27,276
Planned Use of Reserves 2021/24 Note 2	(27,276)
Projected Surplus (Deficit) 2021/22 Note 3	(327)
Projected Free Reserves Balance 31st March 2022	4,563

GRG/NDR/Council Tax is approximately £200 million. Recommended minimum level of reserves is 2% / £4 million.

Notes:

- 1/ 2021/22 figures reflect £1.049m use of reserves to fund the revenue budget as approved at 2021/22 budget setting process.
- 2/ Represents decisions taken between February 2017 and May 2021 and based on latest phasings.

<u>Approved Use of Reserves</u>	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
February 2017 - £5.500m	(489)	(114)	0	(603)
March 2018 - £8.858m	(501)	(199)	0	(700)
March 2019 - £4m	(913)	(50)	0	(963)
May 2019 - £0.12m	(87)	0	0	(87)
September 2019 - £0.5m	0	0	0	0
March 2020 - £8.207m	(1,046)	(1,065)	(78)	(2,189)
August 2020- Short Term Recovery Plans	0	0	1	1
March 2021 - Use of Reserves	(6,899)	(7,918)	(7,918)	(22,735)
	<u>(9,935)</u>	<u>(9,346)</u>	<u>(7,995)</u>	<u>(27,276)</u>

- 3/ Figure reflects projected surplus reported to Policy & Resources Committee November 2021 (Period 6) :

	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Projected Deficit (Period 6)	(327)	0	0	(327)
Approved write back Earmarked Reserves	0	0	0	0
	<u>(327)</u>	<u>0</u>	<u>0</u>	<u>(327)</u>

AP/AE
10/11/21

Finance Strategy
Capital Fund

		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Balance B/fwd		(546)	(1,467)	(2,168)	(2,269)	(2,270)	(2,271)	(2,272)
Additions (Estimate)	a	(1,521)	(700)	(100)	0	0	0	0
Interest (Estimate)		0	(1)	(1)	(1)	(1)	(1)	(1)
Principal Repayments		0	0	0	0	0	0	0
Other Payments	b	600	0	0	0	0	0	0
Balance at Year End		(1,467)	(2,168)	(2,269)	(2,270)	(2,271)	(2,272)	(2,273)

- Notes
- a 2021/22 SEMP Receipts, £1.081m remainder of Greenock Academy & Kings Glen House Plot
SEMP Receipts, return of £0.235m, St Stephens due to site abnormalities.
AMP Receipts, £0.050m, Glenbrae
Other Receipts, £0.625m, Leperstone Avenue, Bank St, McPherson Centre, Patton St Hall
- 2022/23 SEMP Receipts, £0.525 remainder of Sacred Heart Site
Other Receipts, £0.175m, Former Garvel Centre, Leperstone Avenue
- 2023/24 Other Receipts, £0.100m, Leperstone Avenue
- b Other Payment: Other Payments:
2021/22 £0.6m payment to fund Capital Programme (approved March 2019)

Finance Strategy
Repairs & Renewals Fund

		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Balance B/fwd		(3,227)	(2,857)	(2,156)	(2,073)	(2,045)	(2,017)	(1,989)
Additions:								
Leisure Strategy	a	(134)	(59)					
Affordable Housing Fund	b	(36)						
Central Energy Efficiency Fund		(1)	(1)	(8)	(8)	(8)	(8)	(8)
Maintenance Payments:								
Environmental Maintenance		71	36	41	36	36	36	36
Leisure Strategy	c	332	660					
Former Housing Repairs & Renewals Fund	d	90						
Affordable Housing Fund		50	50	50				
Contribution to Energy Efficiency Administration	e		17					
Interest								
Environmental Maintenance								
Leisure Strategy		(1)	(1)					
Former Housing Repairs & Renewals Fund		(1)	(1)					
Affordable Housing Fund								
Central Energy Efficiency Fund								
Balance:								
Environmental Maintenance	f	(504)	(468)	(427)	(391)	(355)	(319)	(283)
Leisure Strategy		(993)	(393)	(393)	(393)	(393)	(393)	(393)
Former Housing Repairs & Renewals Fund		(1,111)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)
Affordable Housing Fund		(138)	(88)	(38)	(38)	(38)	(38)	(38)
Central Energy Efficiency Fund		(111)	(95)	(103)	(111)	(119)	(127)	(135)
Balance at Year End		(2,857)	(2,156)	(2,073)	(2,045)	(2,017)	(1,989)	(1,961)

Finance Strategy
Repairs & Renewals Fund

Notes

- a Future contribution to Leisure Strategy subject to confirmation of available funds.
- b Contribution from Ogilvie, Eldon St
- c Leisure Strategy commitments:
Pitches/MUGA's Lifecycle costs
- d Allocations for Local Housing Condition Survey £90k
- e Contribution towards Acquisitions of Affordable Housing, £150k total allocation (agreed E&R Committee October 2021)
- f Central Energy Efficiency Fund commitments:
2022/23 LED Lighting, Ingliston MRF
- g Environmental Maintenance is a combined fund used for ongoing maintenance of Greenock Cut, Gallaghers (Port Glasgow) Development and Inverkip Footbridge.

Insurance Fund

	<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>	<u>2030/31</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Opening Balance	4.203	3.520	3.422	3.304	3.166	3.008	2.830	2.632	2.414	2.166
Contribution to Fund (a)	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.550
Payments Made From Fund (b)	(0.370)	(0.390)	(0.410)	(0.430)	(0.450)	(0.470)	(0.490)	(0.510)	(0.540)	(0.570)
MMI Clawback (c)	-	-	-	-	-	-	-	-	-	-
Other (d)	(0.075)	(0.158)	(0.158)	(0.158)	(0.158)	(0.158)	(0.158)	(0.158)	(0.158)	(0.161)
	4.208	3.422	3.304	3.166	3.008	2.830	2.632	2.414	2.166	1.985
Estimated Outstanding Charges at 31 October 2021 (e)	(0.688)									
Balance for Future Claims	<u>3.520</u>	<u>3.422</u>	<u>3.304</u>	<u>3.166</u>	<u>3.008</u>	<u>2.830</u>	<u>2.632</u>	<u>2.414</u>	<u>2.166</u>	<u>1.985</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) Movement on allowance for Council contribution to legacy MMI claims (to be reviewed at the year-end). The total allowance at 31 March 2021 was £0.335 million.

(d) Estimated Council contribution to Scottish Child Abuse Redress Scheme (payments to be made over 10 year period).

(e) Estimated cost to Fund of outstanding claims as at 31 October 2021.

Finance Strategy
Roads Asset Management Plan

Appendix 9

		<u>2012/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2013/18</u>	<u>2018/23</u>	<u>2013/23</u>
		Actual	Actual	Approved	Actual	Approved	Approved	5 Year	5 Year	10 Year
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Funding Available										
Core/Supported Borrowing	a	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)	b	3,000						3,000		3,000
Further Allocation (Feb 2013)	c	5,900						5,900		5,900
Further Allocation (March 2018)	d			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										
Carraigeways		17,095	1,723	1,907	650	1,612	2,500	17,095	8,392	25,487
Footways		3,189	421	267	258	314	300	3,189	1,560	4,749
Structures		1,020	105	811	252	94	250	1,020	1,512	2,532
Lighting		3,483	1,203	339	366	415	650	3,483	2,973	6,456
Drainage		325	166	122	120	183	150	325	741	1,066
Fees & Staffing Costs	e	1,977	399	383	302	360	370	1,977	1,814	3,791
Total Allocation of Expenditure		27,089	4,017	3,829	1,948	2,978	4,220	27,089	16,992	44,081
Over/(Under) Allocation		(1,911)	1,334	390	(1,011)	(22)	1,220	(1,911)	1,911	0

Notes

- a 2021/24 funding approved March 2021.
- 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	<u>£m</u> <u>15/21</u>	<u>£m</u> <u>21/22</u>	<u>£m</u> <u>22/23</u>	<u>£m</u> <u>23/24</u>	<u>£m</u> <u>24/25</u>	<u>£m</u> <u>Total</u>	
Overall Grant	180	30	70	60	60	400	
Regional Projects	2.9	0.56	0.75	1	60	65.21	Under Review
Grant Available	177.1	29.44	69.25	59	0	334.79	
Inverclyde's Grant Share	4.781	2.565	2.008	1.711	0.000	11.065	
Project Spend							
Ocean Terminal	4.764	4.000	0.929	0	0	9.693	
Inverkip	0.018	0.100	2.500	0.632	0	3.250	
Inchgreen	0.054	2.400	3.498	3.498	0	9.45	
Council Contribution - Inchgreen	0	0	0	(1.320)	0	(1.320)	
Grant Eligible Costs	4.782	6.500	6.927	2.810	0	21.073	
Annual Grant (Shortfall)/Surplus	-0.001	-3.935	-4.919	-1.099	0.000	-9.954	
Cumulative (Shortfall)/Surplus	-0.001	-3.936	-8.855	-9.954	-9.954		
Revenue	<u>£m</u> <u>15/21</u>	<u>£m</u> <u>21/22</u>	<u>£m</u> <u>22/23</u>	<u>£m</u> <u>23/24</u>	<u>£m</u> <u>24/25</u>		
Revenue Budget	871	360	320	320	320		
PMO Central Team Costs	0	(62)	(64)	(66)	(68)		
Interest Charge	0	(10)	(45)	(93)	(93)		
Contribution to Inchgreen	0	0	0	(1,320)	0		
Planned Write Back to Reserves	0	0	0	0	0		
Balance at Year End	871	1,159	1,370	211	370		

Notes

- 1/ Project spend profiles reflect the latest reported figures to the Cabinet. Costs to be firmed up as part of detailed Business preparation for Inchgreen and Inverkip. Figures exclude partner contributions.
- 2/ The Council initially set aside up to £400,000 per year for this purpose of which over £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 was agreed 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 2022/23 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 Interest rates used , 20/22(0.5%) and 22/23 onwards (1.0%)

Finance Strategy
Loan Charges

		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		766	1,837	2,143	2,087	2,318	2,581	2,730	3,082	3,392	3,865
Projected Loan Charges	a	10,515	10,580	11,042	10,855	10,923	11,137	11,034	11,176	11,113	10,967
Available Budget	b	11,586	10,886	10,986	11,086	11,186	11,286	11,386	11,486	11,586	11,686
Loan Charge Surplus/(Deficit)		1,071	306	(56)	231	263	149	352	310	473	719
Other Adjustments:											
None		0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0
Balance at Year End		1,837	2,143	2,087	2,318	2,581	2,730	3,082	3,392	3,865	4,584
Interest Rate (Assumed):		3.43%	3.36%	3.33%	3.40%	3.52%	3.58%	3.66%	3.75%	3.88%	3.95%

Notes

Revised projections as at September 2021 and excludes Loan Charges relating to funded models (SEMP, 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. VRP).

- a Includes loan charges for new LD Centre based on spend between 2021/22, 2022/23 and 2023/24. £100k annual cost increase from 2023/24 to reflect increased prudential borrowing of £1.5m. Projected principal repayments on new projects from 2021/22 onwards are calculated on annuity basis.
- b Adjustments to Available Budget:
For 2021/22
 £650k removed from ongoing budget and transferred to SEMP relating to SEMP acceleration, as agreed in March 2016. 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. Budget increased by £1,191k annually due to budget and projected AMP loan charges now included above and not separately budgeted for.
For 2022/23
 £400k reduction in budget.
For 2023/24
 Budget from 2023/24 onwards increased by £100k annually for annual Prudential Borrowing.

Report To:	Inverclyde Council	Date:	2 December 2021
Report By:	Interim Head of Legal & Democratic Services	Report No:	DS/ LS/094/21
Contact Officer:	Diane Sweeney	Contact No:	01475 712147
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 16 November 2021 considered a report by the Interim Director Finance & Corporate Governance on the operation of the treasury function and its activities for the first six months of 2021/22 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 2021/22 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 2021/22.

Anne Sinclair
Interim Head of Legal & Democratic Services

Report To:	Policy & Resources Committee	Date:	16 November 2021
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/68/21/AP/KJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Treasury Management – Mid-Year Report 2021/22		

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 2021/22 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 continues to impact on the Council's treasury management position with additional cash flows in and additional costs from COVID-19 but with less volatility than before. There remains continued economic uncertainty with the UK Bank Rate unchanged at the historically low 0.10% and many investment rates at levels close to zero. There had been the possibility of further cuts in the Bank Rate and negative interest rates but this is looking less likely and instead there is the possibility of rate increases.
- 2.2 As at 30 September 2021 the Council had gross external debt (including PPP) of £256,989,788 and investments (cash balances managed in house) of £54,569,163. This compares to gross external debt (including PPP) of £257,757,141 and investments of £39,905,732 at 31 March 2021.
- 2.3 The Council is projected to be underborrowed by £42,087,000 compared to its Capital Financing Requirement as at 31 March 2022. This is an increase of £11,644,000 from the estimate of £30,443,000 for 2021/22 in the Treasury Management Strategy due to a projected increase in capital expenditure in year and borrowing projected to be lower than estimated. 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 undertaken any new borrowing this year. The Treasury Management Strategy includes £7,500,000 of replacement borrowing for 2021/22 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 2021/22 was 0.17% which exceeds the benchmark return rate for the period of -0.05% by 0.22% and resulted in £49,600 of additional interest on investments for the Council.
- 2.6 The Council has not undertaken any debt restructuring this year 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 Treasury Management Practices.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the contents of the Mid-Year Report on Treasury Management for 2021/22 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 Full Council for approval.

Alan Puckrin
Interim Director, Finance & Corporate Governance

4.0 BACKGROUND

- 4.1 The Council is required by the revised CIPFA Code of Practice on Treasury Management 2017 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 2021/22.
- 4.2 Treasury Management in this context is defined as: “The management of the local authority’s investments and 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 2021/22 were:
 - a. The Council’s debt (including PPP) has reduced during the period by £767,353 due largely to the regular monthly repayments on the PPP contract.
 - b. The Council’s investments have increased by £14,663,431 due to additional net cash flows into the Council.
 - c. As at 31 March 2021 the Council had under borrowed against its capital financing requirement by £35,240,000. The latest projection is for the under borrowing to increase to £42,087,000 as at 31 March 2022. 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. Whilst COVID-19 and other issues continue to cause financial market volatility and economic uncertainty in the UK and around the world, the view and expectation on interest rates appears to be settling down. In 2020 with the UK Bank Rate cut to a historic low of 0.10%, there was a possibility of further cuts and negative interest rates in the UK but this is looking less likely and instead there is the possibility of rate increases.
 - e. The latest forecast from the Council’s treasury advisers (produced in September) is for the Bank Rate to increase from 0.10% to 0.25% in the second quarter of 2022 followed by increases to 0.50% in the second quarter of 2023 and to 0.75% in the first quarter of 2024.
 - f. During the period PWLB rates for new borrowing had been expected to remain largely unchanged. Rates increased by around 0.25% for shorter periods but remained largely unchanged for periods beyond around 25 years. The volatility during the 6-month period resulted in spreads between the high and low rates for some loan periods of up to 0.57% (e.g. borrowing rates for 47 years of 2.00% at the end of September had been at 2.09% in May and at 1.52% in August).
 - g. The Council’s treasury advisers expect PWLB rates to remain at around current levels over the remainder of the financial year but the extent and speed of any changes to rates will depend on the economic and other factors affecting the UK and global markets.
 - h. The Council has not undertaken any new borrowing during the period. The Treasury Management Strategy includes £7,500,000 of replacement borrowing in 2021/22 (to part fund the repayment of £10,000,000 of PWLB borrowing maturing in November) 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 2021/22 and remained within its Prudential Indicator and Treasury Management limits.
 - j. With the Bank Rate at 0.10%, investment rates and returns have been low with many rates close to zero, including for fixed term deposits. Rates for periods beyond around 6-9 months are starting to increase due to the expectation of increases in the Bank Rate.

- k. The Council's investments earned a rate of return of 0.17% during the period and outperformed the benchmark return of -0.05% resulting in additional income to the Council of £49,600.
- 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 and placing funds into notice accounts at interest rates that were above the benchmark with counterparties that have high creditworthiness (the Bank of Scotland, Santander UK, and Nationwide Building Society) and in accordance with the Council's investment strategy.

5.2 The Council's debt position was as follows:

	At 31 March 2021	At 30 September 2021
	£	£
Total Excluding PPP	198,761,141	198,804,788
PPP Debt	58,996,000	58,185,000
Total Including PPP	257,757,141	256,989,788

Further detail is given in the following table:

	At 31 March 2021		At 30 September 2021		Movement In Period
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	99,065		99,065		0
- Market *	56,000		56,000		See * Below
	155,065	3.67%	155,065	3.67%	0
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	43,400		43,400		See * Below
- Temporary #	296		340		44
	43,696	4.91%	43,740	4.91%	44
Total Debt (Excl PPP)	198,761	3.94%	198,805	3.94%	44
PPP Debt	58,996		58,185		(811)
Total Debt (Incl PPP)	257,757		256,990		(767)

* - 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 are 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 2021		At 30 September 2021		Movement In Period
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	10,000	0.25%	15,000	0.06%	5,000
- Notice Accounts	14,534	0.40%	14,564	0.40%	30
- Deposit Accounts	15,372	0.01%	25,005	0.01%	9,633
Totals	39,906	0.21%	54,569	0.13%	14,663

Maximum level of investments in Period: £60,355,118 on 17 August 2021

Minimum level of investments in Period: £32,318,469 on 29 April 2021

Daily average for the period: £45,114,324

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 2021/22.

5.4 2021/22 Latest Projection Compared to Estimates in 2021/22 Strategy

The latest 2021/22 projection compared to the estimates in the 2021/22 strategy:

	2021/22 Estimate	2021/22 Latest Projection
<u>Borrowing Requirement</u>	£000	£000
New borrowing	0	0
Alternative financing requirements	0	0
Replacement borrowing	7,500	0
TOTAL	7,500	0
<u>Prudential/Treasury Management Indicators</u>		
Capital financing requirement (As at 31 March 2022)	£000 285,800	£000 288,231
Gross external debt including PPP (As at 31 March 2022)	255,357	246,144
(Under)/over borrowing against CFR	(30,443)	(42,087)
Gross Capital Expenditure	£000 18,072	£000 21,122
Ratio of financing costs (including PPP) to net revenue stream	11.27%	11.13%
Ratio of net debt (debt and PPP less investments) to net revenue stream	111.5%	103.9%

5.5 2021/22 Mid-Year Position Compared to Limits in 2021/22 Strategy

The 2021/22 mid-year position compared to limits in the 2021/22 strategy:

	2021/22 Limits		2021/22 Mid-Year Actual Position	
<u>Prudential/Treasury Management Indicators</u>				
Authorised limit for external debt				
	£000		£000	
• Borrowing	232,000		198,805	
• Other long term liabilities	61,000		58,185	
	293,000		256,990	
Operational boundary for external debt				
	£000		£000	
• Borrowing	214,000		198,805	
• Other long term liabilities	61,000		58,185	
	275,000		256,990	
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 2022				
	Fixed	Var.	Fixed	Var.
• Under 12 months	45%	35%	5.1%	22.0%
• 12 months and within 24 months	45%	35%	11.9%	-
• 24 months and within 5 years	45%	35%	3.8%	-
• 5 years and within 10 years	45%	35%	5.7%	-
• 10 years and within 30 years	45%	35%	8.8%	-
• 30 years and within 50 years	45%	35%	22.6%	-
• 50 years and within 70 years	45%	35%	20.1%	-
<u>Council Policy Limits</u>				
Maximum Percentage of Debt Repayable In Year	25%		20.1%	
Maximum Proportion of Debt At Variable Rates	45%		22.0%	
Maximum Percentage of Debt Restructured In Year	30%		0.0%	

5.6 The forecasts from the Treasury Advisors for the Bank Rate as at 31 March each year are:

	Forecast Per 2021/22 Strategy (February 2021)	Latest Forecast (September 2021)
2021/22	0.10%	0.10%
2022/23	0.10%	0.25%
2023/24	0.10%	0.75%

5.7 The Council's investment policy for the year is governed by Scottish Government Investment Regulations and was included 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 2021/22 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID un compounded)
£45,114,324	0.17%	-0.05%

The Council have outperformed the benchmark by 0.22% resulting in additional income to the Council of £49,600. (Note: The benchmark rate has been negative since 3/7/2020).

6.0 IMPLICATIONS

6.1 Finance

Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £49,600. 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?

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

(b) Fairer Scotland Duty

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

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

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

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

X

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

NO

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 2021/31 and Treasury Management Strategy Statement and Annual Investment Strategy 2021/22-2024/25.

**CASH BALANCES MANAGED IN-HOUSE
ACTUAL AS AT 31 MARCH 2021 AND 30 SEPTEMBER 2021**

The following is an analysis of cash balances managed in-house as at 31 March 2021 and at 30 September 2021:

	As At 31 March 2021	As At 30 September 2021
	£	£
<u>Fixed Term Deposits</u>		
Bank of Scotland	10,000,000	0
Santander UK	0	0
Nationwide Building Society	0	15,000,000
	10,000,000	15,000,000
Average Interest Rate	0.25%	0.06%
<u>Notice Accounts</u>		
Bank of Scotland	0	0
Santander UK	14,534,326	14,563,658
	14,534,326	14,563,658
Average Interest Rate	0.40%	0.40%
<u>Deposit Accounts</u>		
Bank of Scotland	15,370,900	25,005,000
Santander UK	505	505
	15,371,405	25,005,505
Average Interest Rate	0.01%	0.01%
TOTAL	39,905,731	54,569,163
Average Interest Rate	0.21%	0.13%

**FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2021/22 AND ACTUAL AT 30 SEPTEMBER 2021**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2021/22 and the actual as at 30 September 2021 are:

	2021/22	2021/22
	Estimate For Year	Actual For 1 April 2021 To 30 September 2021
	£000	£000
Cash balances managed in-house		
- At Start of Year	40,000	39,906
- At End of Year/Period	31,337	54,569
- Change in Year/Period	(8,663)	14,663
- Average daily cash balances	35,669	45,114
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	398
- Advances	0	0
- Repayments	43	21
- At End of Year/Period	399	377
Loans made to third parties (2021/22 is largely remaining BPRA) #		
- At Start of Year	1,402	1,410
- Advances	0	5
- Repayments ##	1,290	7
- At End of Year/Period	112	1,408
Total of all investments		
- At Start of Year	41,846	41,716
- At End of Year/Period	31,850	56,356
- Change in Year/Period	(9,996)	14,640

- 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 January 2022.

Report To:	Inverclyde Council	Date:	2 December 2021
Report By:	Interim Head of Legal & Democratic Services	Report No:	DS/LS/093/21
Contact Officer:	Diane Sweeney	Contact No:	01475 712147
Subject:	Watt Institution Collections Policies – Remit from Education & Communities Committee		

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council, as Trustees of the Watt Institution, to note the decision made by the Education & Communities Committee relative to the approval of the McLean Museum Collections Policies.

2.0 SUMMARY

- 2.1 The Education & Communities Committee at its meeting on 2 November 2021 considered a report by the Corporate Director Education, Communities & Organisational Development seeking approval of a Collecting Policy for Inverclyde Archives and the Watt Library and an updated Collections Development Policy for the McLean Museum and Art Gallery. A copy of the report to the Education & Communities Committee is attached as Appendix 1.
- 2.2 The Education & Communities Committee decided the following:
- (1) That approval be given to the McLean Museum and Art Gallery Collections Development Policy in order to meet the requirements of the Arts Council England Accreditation Scheme;
 - (2) that approval be given to the Inverclyde Archives and Watt Library Collecting policy; and
 - (3) that the decision be referred to the next meeting of the Inverclyde Council for noting as Trustees of the Watt Institution.

3.0 RECOMMENDATION

- 3.1 The Trustees are asked to note the decision of the Education & Communities Committee relative to the Watt Institution Collections Policies.

Anne Sinclair
Interim Head of Legal & Democratic Services

Report To:	Education & Communities Committee	Date:	2 November 2021
Report By:	Corporate Director Education Communities and Organisational Development	Report No:	EDUCOM/41/21/AW
Contact Officer:	Alana Ward, Service Manager	Contact No:	01475 712330
Subject:	Watt Institution Collections Policies		

1.0 PURPOSE

1.1 The purpose of this report is to seek Committee approval for an updated Collections Development Policy for the McLean Museum and Art Gallery and a Collecting Policy for Inverclyde Archives and the Watt Library.

2.0 SUMMARY

2.1 The Collections Development Policy for the McLean Museum and Art Gallery has been updated. The adoption and implementation of such a policy by the Inverclyde Council, the governing body of the McLean Museum and Art Gallery, is a requirement of the Arts Council England (ACE) Accreditation Scheme which sets nationally agreed standards for museums in the UK.

2.2 This policy is intended to replace the Collections Development Policy approved by the Education and Communities Committee in November 2016 and supersedes all previous and existing practices and policies, formal or informal, relating to the acquisition of items for the collections of the museum. There have been no substantial changes made to the policy and those revisions that have taken place are for reasons of brevity and clarity only. The revised Museum Collections Development Policy can be viewed at: <https://bit.ly/2021MCDP>

2.3 In addition, the Committee is asked to approve a Collecting Policy for Inverclyde Archives and the Watt Library. Although all three services are housed within the Watt Institution, the terms of the Museums Accreditation Scheme require that library and archive collecting policies should be separate to that of the museum. The Inverclyde Archives and Watt Library Collecting Policy can be viewed at: <https://bit.ly/2021IAWLCP>

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- approves the McLean Museum and Art Gallery Collections Development Policy to meet the requirements of the Arts Council England Accreditation Scheme;
- approves the Inverclyde Archives and Watt Library Collecting Policy; and
- refers the decision of the Committee to the next meeting of the Inverclyde Council for noting as Trustees of the Watt Institution.

4.0 BACKGROUND

- 4.1 The adoption and implementation of a Collections Development Policy for the McLean Museum and Art Gallery by the Inverclyde Council, the governing Body of the McLean museum and Art Gallery, is a requirement of Arts Council England (ACE) Accreditation Scheme for museums in the UK.
- 4.2 The McLean Museum and Archive currently enjoys Accredited Status within the Scheme and seeks to retain this status as it is a benchmark standard which attracts Government funding. Museums that do not meet the standard do not receive Government grants.

5.0 PROPOSAL

- 5.1 It is considered good practice to review collections development policies every 5 years. The current Collections and Development Policy was approved by the Education and Communities Committee in November 2016.
- 5.2 This policy supersedes all previous and existing practices and policies, formal or informal, relating to the acquisition of items for the collections of the museum. There have been no substantial changes made to the policy and those revisions that have taken place are for reasons of brevity and clarity only. The revised Museum Collections Development Policy can be viewed at: <https://bit.ly/2021MCDP>
- 5.3 In addition, the Committee is asked to approve a Collecting Policy for Inverclyde Archives and the Watt Library. Although all three services are housed within the Watt Institution, the terms of the Museums Accreditation Scheme require that library and archive collecting policies should be separate to that of the museum. The Inverclyde Archives and Watt Library Collecting Policy can be viewed at: <https://bit.ly/2021IAWLCP>

6.0 IMPLICATIONS

6.1 Finance

There are no known 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					

6.2 Legal

The Interim Head of Legal Services comments that, as the Watt Institution is held and administered by the Council as Trustees, any recommendation of this Committee will require to be referred to the Trustees of the Watt Institution for noting.

6.3 Human Resources

There are no known Human Resources implications arising from this report.

6.4 Equalities

Equalities

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

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

(b) Fairer Scotland Duty

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

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

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

The Watt Institution is a key part of Inverclyde's tourism, culture and heritage offer, providing services to visitors and residents of Inverclyde.

7.0 CONSULTATIONS

7.1 None

8.0 BACKGROUND PAPERS

8.1 None

Report To:	Trustees of Council's Charities	Date:	2 December 2021
Report By:	Honorary Treasurer	Report No:	FIN/78/21/AP/CA
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Trust Funds Annual Accounts 2020-21		

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 for 2020/21.

2.0 SUMMARY

- 2.1 It is good practice for Trustees to approve the examined Annual Accounts and ask that the Provost and Treasurer 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.
- 2.2 Trustees have previously requested that officers develop proposals to utilise £40,000 from the Birkmyre Trust Reserves for the development and maintenance of facilities. Officers from Community Services and Environmental Services have progressed some works to the putting green and football pitch during 2021/22. Homologation from the Trustees is sought for this.
- 2.3 In addition proposals are being finalised to upgrade the MUGA at an estimated cost of £80,000 (tbc). Trustees are asked to agree the allocation of the balance of the £40,000 towards this work in the expectation that the Council will allocate the balance from existing capital budgets.

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 2021.
- b) Approve the allocation of £27,700 towards the upgrading of the MUGA and homologate the spend of £12,300 on previously carried out improvements within Birkmyre Park, Kilmacolm.

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:
- Birkmyre Trust
 - 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 £22,503 was drawn down from the reserves brought forward, £3,965 was added to the Usable Revenue Reserve and £26,468 deducted from the Unusable Reserves. In addition £99,665 was deducted from the Unusable Reserves as a result of the revaluation of the Trust assets.
- 4.4 The Usable Revenue Reserves, available to support services at the discretion of Trustees, now stands at £104,459. 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 £1,263,929.
- 4.5 Trustees have previously requested that officers develop proposals to utilise £40,000 from the Birkmyre Trust Reserves for the development and maintenance of facilities. Officers from Community Services and Environmental Services have progressed some works to the putting green and football pitch during 2021/22. Homologation from the Trustees was sought for this.
- 4.6 In addition proposals are being finalised to upgrade the MUGA at an estimated cost of £80,000 (tbc). Trustees are asked to agree the allocation of the balance of the £40,000 towards this work in the expectation that the Council will allocate the balance from existing capital budgets.
- 4.7 The Accounts of the Watt Institution Trust Fund show that the Trust's expenditure exceeded income during the year and the deficit of £303 was deducted from the reserves brought forward. The Trust has a balance of £57,146 on its Revenue Reserve available to provide services in accordance with the objects of the Trust.
- 4.8 The independent examination of the accounts of the Trusts has been completed by Kevin Jackson FCCA, an employee 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.
- 4.9 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

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Birkmyre Trust	Maintenance	21/23	40		Upgrading MUGA and Putting Green

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

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.

5.5 Repopulation

There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

6.1 The Interim Head of Legal and Democratic 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 2020-21



Year ended 31 March 2021

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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 2021.

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

- Kevin Jackson FCCA

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 2021.

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 10 gym-based classes per week. Following the pandemic, the group fitness was impacted with regulations however we are now rebuilding this

programme. The staff within Birkmyre have been mainstays for several 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 Kilmacollm Community Centre (KNCC). The changing rooms continue to receive improvements with planned works to convert all lockers to support up to date £1 has been actioned. Following lockdown Ainsley Thomson who was Fitness Coordinator at the site has been replaced by Jamie Cunningham who oversees the facility again.

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 4th year with us.

Within the fitness facility, we have 2 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.

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 2020/21, Birkmyre Gym like all facilities in the UK suffered with the COVID-19 pandemic. Membership numbers fell because of people falling out of the routine, and others who were wanting to avoid any public spaces to keep potential exposure to the virus at a minimum. Since the second reopening in April 2021 the membership numbers at Birkmyre have started to

grow and we hope to get back to where we were in the future. This is in 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.

Birkmyre Fitness gym views itself very much part of the community in Kilmacollm, and as such our partnerships with the Birkmyre Bears Rugby Club, St Columba's school and local business' is very important. With the drainage works now completed on the back pitches, it is great to have the Birkmyre Bears back playing there matches at their true home ground. 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 was cancelled for 2020. This however made a return Sunday 12th September with over 300 runners across the events. It was a fantastic event to get back on for the local community, and it was great to see so many familiar faces from the event on the day. Like every year we must thank our sponsors, Lucozade, Coop, and UNICO for their unwavering support.

2020-2021 has been a challenging year for everyone, however it has been great to get the doors back open and welcome everyone back. We are confident that we will continue to go from strength to strength and grow again.

Financial Review

Income and Expenditure for the Year ended 31 March 2021

The Income and Expenditure Statement on page 8 provides an analysis of the income and expenditure for the twelve months from 1 April 2020 to 31 March 2021.

The Trust incurred expenditure of £40,371 (2019/20: £40,888) covering insurance £588 (2019/20: £695), loan interest £2,459 (2019/20: £2,868), governance costs £333 (2019/20: £334) and annual depreciation charge £36,991 (2019/20: £36,991). Income of £17,868 (2019/20: £22,642) was received; £17,814 from rents and pitch hires (2019/20: £22,030) and £54 (2019/20: £612) from interest on short-term deposits with Inverclyde Council.

The deficit for the year of £22,503 (2019/20: £18,246) was deducted from the reserves brought forward: £3,965 was added to the Usable Revenue Reserves (2019/20: £8,663 added) £26,468 was deducted from the Unusable Reserves (2019/20: £26,909 deducted).

The net impact of the revaluation, £99,665 was deducted from the Unusable Reserves (2019/20: £0).

Assets and Liabilities at 31 March 2021

The balance sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2021.

The reserves of the trust are £1,375,583 (2019/20: £1,497,751). Usable revenue reserves are £104,459 (2019/20: £100,494), the unusable Revaluation Reserve stands at £1,279,247 (2019/20: £1,398,809) and the unusable Capital Adjustment Account balance is (£8,123) (2019/20: (£1,552)).

The carrying value of the land and buildings held by the trust is £1,332,498 (2019/20: £1,469,154). Within the year, £0 of additions were added to the land and buildings held (2019/20: £3,858). Inverclyde Council holds cash of £104,459 (2019/20: £100,494) on behalf of the trust. The trust has borrowings for capital investment of £61,374 (2019/20: £71,897) advanced by Inverclyde Council of which £10,982 (2019/20: £10,523) 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 to-date no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £104,459 (2019/20: £100,494).

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.

Since the year end date, there has been the following spend from the £40,000 allocation from the trust for Birkmyre Park. There has been £11,300 towards the Putting Green reinstatement, £1,000 for the creation of a small football pitch area including fixed goals. This leaves £27,700k which will be put towards the costs of the MUGA.

Conclusion

The trust's expenditure exceeded income during the reporting period and the deficit of £22,503 (2019/20: £18,246) has been deducted from the reserves brought forward.

The trustees look forward with some confidence. The trust has a balance of £104,459 (2019/20: £100,494) 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 2nd December 2021 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 2021 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 2020-21 (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.

Kevin Jackson FCCA

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 2019-20		Note	Total 2020-21
£			£
695	Insurance Costs	3	588
0	Property Repairs		0
334	Governance Costs	4	333
36,991	Annual Depreciation Charge	5	36,991
38,020	Gross Expenditure		37,912
(7,323)	Hire of Pitches		(2,761)
(2,707)	Rental for Nursery School		(3,053)
(12,000)	Rental for Leisure Centre	3	(12,000)
(22,030)	Gross Income		(17,814)
15,990	Cost of Services		20,098
2,868	Interest Paid	3	2,459
(612)	Interest Received	3	(54)
2,256			2,405
18,246	(Surplus) or Deficit on the Provision of Services		22,503
18,246	Net (Increase) or Decrease before Transfers		22,503

Balance Sheet as at 31st March 2021

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 2020	Note	31 March 2021
£		£
Non-current Assets		
1,469,154	Property, Plant and Equipment 5	1,332,498
Current Assets		
100,494	Cash and Cash Equivalents 6	104,459
Current Liabilities		
(10,523)	Short-term Borrowing 7	(10,982)
Long-term Liabilities		
(61,374)	Long-term Borrowing 7	(50,392)
1,497,751	Net Assets	1,375,583
Reserves		
100,494	Usable Reserves	104,459
1,397,257	Unusable Reserves	1,271,124
1,497,751	Total Reserves	1,375,583
<p>The notes on pages 13 to 16 form part of the accounts. Approved by the trustees on 2nd December 2021 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 2021

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	100,494	1,398,809	(1,552)	1,497,751
Movement in reserves in the year				
Total income and expenditure	(22,503)	0	0	(22,503)
Charges for depreciation of non-current assets	36,991	0	(36,991)	0
Addition/Enhancement to Fixed Assets	0	0	0	0
Revaluation adjustment to Revaluation Reserve	0	(99,665)	0	(99,665)
Statutory provision for the principal repayment of loan charges	(10,523)	0	10,523	0
Total adjustments between accounting basis and funding basis under regulations	26,468	(99,665)	(26,468)	(99,665)
Net increase or (decrease) before Transfers to other Statutory Reserves	3,965	(99,665)	(26,468)	(122,168)
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	104,459	1,263,929	7,195	1,375,583

Comparative Figures for 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 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

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 Income and Expenditure Statement.

Expenditure and Funding Analysis 2020-21

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the Income and expenditure Statement (£)
Net Cost of Service – Trust	(16,893)	36,991	20,098
Financing and Investment (income) and Expenditure	12,928	(10,523)	2,405
(Surplus) or Deficit on the Provision of Service	(3,965)	26,468	22,503
Opening Fund Balance at 1 April	100,494		
Surplus/(Deficit) on Fund Balance in the year	3,965		
Closing Fund Balance at 31 March	104,459		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	36,991		36,991
Financing and Investment (income) and Expenditure		(10,523)	(10,523)
Difference between General Fund (Surplus)/Deficit and Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	36,991	(10,523)	26,468

Comparative Figures for 2019-20

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the 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 Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	36,991	(10,082)	26,909

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 2020-21 (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 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.

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 2021. Decreases in valuation are matched by debits to the Revaluation Reserve to recognise unrealised losses.

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 2019-20 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 £588 to the trust (2019/20: £695). Interest of £54 was received from, and interest of £2,459 was paid to, Inverclyde Council (2019/20: £612 and £2,868). As at 31 March 2021, Inverclyde Council held £104,459 for the trust (2019/20: £100,494). The trust owed £61,375 to Inverclyde Council (2019/20: £71,897).

The trust received a rental of £12,000 (2019/20: £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 £333 (2019/20: £334). The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

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.

2019 - 2020 £		2020 - 2021 £
	Valuation	
1,612,924	At 1 April	1,616,782
3,858	Additions in year	0
0	Disposals in year	0
0	Other Adjustments/Transfers	(284,284)
1,616,782	At 31 March	1,332,498
	Depreciation and Impairment	
110,637	At 1 April	147,628
36,991	Depreciation charge for the year	36,991
0	Other Adjustments/Transfers	(184,619)
147,628	At 31 March	0
1,469,154	Balance Sheet as at 31 March 2021	1,332,498

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.

2019 - 2020 £		£	2020 - 2021 £
91,831	Balance at 1 April 2020		100,494
	Net Cash Inflow from Operating Activities		
(15,990)	Net surplus/(deficit) on the cost of services	(20,098)	
36,991	Adjustments for non-cash movements	36,991	16,893
	Net Cash Outflow from Investing Activities		
0	Expenditure on property, plant & equipment	0	
612	Interest received	54	54
	Net Cash Inflow from Financing Activities		
0	Receipts of long-term borrowing	0	
(10,082)	Repayment of long-term borrowing	(10,523)	
(2,868)	Interest paid on borrowing	(2,459)	(12,982)
100,494	Balance at 31 March 2021		104,459

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.

2019-20 £		£	2020-21 £
	Amounts due within 12 Months		
10,082	At 1 April 2020		10,523
0	New Borrowings		0
10,523	Transfer from Debt over 12 Months		10,982
(10,082)	Repayments to Inverclyde Council		(10,523)
10,523	Balance at 31 March 2021		10,982
	Amounts due over 12 Months		
71,897	At 1 April 2020		61,374
0	New Borrowings		0
(10,523)	Transfer to Debt under 12 Months		(10,982)
61,374	Balance at 31 March 2021		50,392

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
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Watt Institution Trust Fund

Annual Report and Financial Statements 2020-2021



Year ended 31 March 2021

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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 2021.

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

- Kevin Jackson FCCA

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 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.

Museum Achievements

2020 was a challenging time for the sector as a whole and for the Watt especially coming so soon after it's reopening following the building restoration project, which was nominated for a 2020/21 Royal Incorporation of Architects in Scotland (RIAS) Award.

Not being able to immediately start to reconnect with our public after so long was a disappointment, however it did mean we were able to prioritize work behind the scenes on the collections and start to plan for the next few years. We were successful in several significant grant applications during 2020, including funding from the National Heritage Lottery Fund to support a programme of change within our galleries over the next three years where the emphasis will be on getting more of our amazing collection out on display, expanding interpretation and developing new storylines to reveal the fascinating history behind Inverclyde, its peoples and the unique collections held in the Watt. The project will also support the creation of a dedicated creativity space within the Watt for use as a creative learning base for community groups and users of the Watt.

We worked with National Galleries Scotland on an audit of our Fossil Collections as part of a national collections awareness raising initiative, the results of which will be made public on the National Museum Scotland website.

We also worked with ArtUK on recording and making public works from our sculpture collection, the results of which can be seen on the ArtUK website an interactive portal where the public can submit information and questions to grow our and their knowledge of the works in our collections.

At the start of 2021, we lost the Great Place Scheme Project Officer who had been based at the Watt, as that

part of the wider GPS project came to an end. The Project Officer had been a great success in engaging with the public and communities in raising awareness of the area's rich heritage, from the creation of community memory boxes, loan boxes for schools, exhibitions, quizzes and activities from 'Where's Watty?' to Galoshans and preparation for Lockdown Life, a commemoration of life during the pandemic in Inverclyde which will be launched in 2021-22. Partnership project work with Coves Community Nature Reserve on the Watt Wander and with academics on the 'Remembering Sugaropolis' initiative all proved both successful and popular.

Inverclyde Archives have had a busy year 'behind the scenes' as the Watt Institution remained closed due to the various lockdowns. During 2020, four accessions were received by the Archive collection from members of the public and local organisations including the records of the Greenock Wanderers Rugby Club and an addition to the current collection of the Greenock Rotary Club. Both sets of records have been appraised and box listed and will be catalogued during 2021. From January 2021, two accessions were received including a donation of the records of the former Mariner's Asylum in Greenock which have been appraised and will be box listed and catalogued shortly. There have also been two internal transfers from the McLean Museum collection to the Archive of business records, including a collection relating to the dry docks of Greenock which includes Inchgreen. This has proven already to be of much local interest. The total amount of accessions received between 2020 to date is approximately 24 linear metres.

A virtual enquiry service continued in order to meet the needs of service users and some resources such as access to Ancestry and the British Newspaper Archive were made available to members from home (online) to help bridge this gap in service offering. Staff have been working on a plan to make the Watt Library historic book collection available to the public for the first time in many years. Inventory of this large collection is being carried out along with condition checking and cataloguing. The books are located in the gallery of the Watt Library, currently as closed stacks. The aim is to make these special collection books available to the public by appointment in the same way as material from the Archive collection once they have been appraised for suitability of viewing and handling.

Our volunteer programme goes from strength to strength even though volunteers were rarely on site in 2020-21. A number of volunteers have been transcribing documents at home using digital scans provided. Two further Archives volunteers have been recruited during 2020 – 21, making a total number of 12 registered volunteers. Volunteers assist with various tasks including inventory of the historic

book collection, transcribing documents, digitisation of early newspapers from the collection and archives cataloguing. During December 2020, the Archives took part in a national social media campaign led by the Archives and Records Association where each day was assigned a topic relating to Christmas with #ArchivesAdventCalendar as the main theme. The aim was to highlight images within the collection and share them to make them accessible to the public.

Museum Performance

There were 1168 visitors to the museum and 22,260 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.

Financial Review

Income and Expenditure for the Year ended 31 March 2021

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 2020 to 31 March 2021.

Running costs in 2020/21 were £0 (2019/20: £0) and £333 (2019/20: £333) on governance costs. There were no contributions made by the council to cover historic costs this year (2019/20 £16,970). Income of £30 (2019/20: £159) was received from interest on short-term deposits with Inverclyde Council.

The deficit of £303 (2019/20: surplus of £16,796) was taken away from the reserves of £57,449 to give a carry forward balance of £57,146.

Assets and Liabilities at 31 March 2021

The balance sheet on page 9 provides an analysis for the Trust of the assets and liabilities as at 31 March 2021.

The reserves of the Trust are £57,146 (2019/20: £57,449) 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 £57,146 (2019/20: £57,449).

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 deficit of £303 (2019/20: surplus of £16,796) has been taken from the reserves brought forward. The Watt Institution Trust Fund has a healthy balance of £57,146 (2019/20: £57,449) of Revenue Reserves.

Approved by the trustees on 2nd December 2021 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 2021 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 2020/21 (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:

Kevin Jackson FCCA

Income and Expenditure Statement

This statement shows the costs of the operations of the trust in accordance with accounting standards. It shows the movement in the year on the reserves held by the trust that can be applied to fund expenditure.

Usable Reserves : Revenue 2019-20	Note	Usable Reserves: Revenue 2020-21
£		£
0		0
333	7	333
(16,970)	Income	0
(16,637)	Cost of Services	333
0		0
(159)	2	(30)
(16,796)	(Surplus) or Deficit on the Provision of Services	303
0	Other Income and Expenditure	0
(16,796)	(Increase) or Decrease in the Year	303
(40,653)	Balance at 1 April	(57,449)
(57,449)	Balance at 31 March Carried Forward	(57,146)
<p>The Watt Institution Trust Fund has no recognised gains or losses other than the results for the year as set out above. All of the activities of the fund are classed as continuing. The notes on pages 10 to 11 form part of these financial statements.</p>		

Balance Sheet as at 31st March 2021

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 2020		Notes	31 March 2021
£			£
	Current Assets		
57,449	Cash and Cash Equivalents	8	57,146
	Current Liabilities		
0	Creditors	9	0
57,449	Net Assets		57,146
	Reserves		
57,449	Usable Reserves: Revenue		57,146
57,449	Total Reserves		57,146
<p>The notes on pages 10 to 11 form part of these accounts. Approved by the trustees on 2nd December 2021 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 2020-21 (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 2019-20 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 £30 was received from the local authority (2019/20: £159). As at 31 March 2021, Inverclyde Council held £57,146 for the trust (31 March 2020: £57,449).

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 £4.9 million (2019/20: £4.4 million) for the buildings and £17.8 million (2019/20: £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 costs in 2020/21 (2019/20: £0).

Note 6 Income

In 2019/20, 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 of £16,970. However in 2020/21, there was no income (£0).

Note 7 Governance Costs

Inverclyde Council provides support services to the trust at a fee of £333 (2019/20: £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.

2019-20 £		2020-21 £
60,441	Balance at 1 April 2020	57,449
	Net Cash (Outflow) from Operating Activities	
16,637	Net surplus/(deficit) on the cost of services	(333)
(19,788)	Adjustments for non-cash movements	0
	Net Cash Inflow from Investing Activities	
159	Interest Received	30
0	Net Cash Inflow from Financing Activities	0
57,449	Balance at 31 March 2021	57,146

Note 9 Creditors

There were no creditors as at 31st March 2021



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