

A meeting of the Inverclyde Council will be held on Thursday 1 December 2022 at 4pm.

Members may attend the meeting in person at Greenock Municipal Buildings or via remote online access. Webex joining details will be sent to Members and Officers. Members are requested to notify Committee Services by 12 noon on Wednesday 30 November 2022 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.

Please note that this meeting will be live-streamed via YouTube with the exception of any business which is treated as exempt in terms of the Local Government (Scotland) Act 1973 as amended.

Further information relating to the recording and live-streaming of meetings can be found at the end of this notice.

IAIN STRACHAN
Head of Legal & 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>Policy & Resources Committee (Special) (20 September 2022) (pp 241-247)</p> <p>Local Police & Fire Scrutiny Panel (Special) (21 September 2022) (pp 248-249)</p> <p>General Purposes Board (Special) (21 September 2022) (pp 250-252)</p> <p>Inverclyde Council (22 September 2022) (pp 253-260)</p> <p>General Purposes Board (Special) (28 September 2022) (pp 261-264)</p> <p>Grants Sub-Committee (28 September 2022) (pp 265-277)</p> <p>Planning Board (Special) (5 October 2022) (pp 278-282)</p> <p>General Purposes Board (12 October 2022) (pp 283)</p> <p>Audit Committee (18 October 2022) (pp 284-285)</p> <p>Social Work & Social Care Scrutiny Panel (20 October 2022) (pp 286-288)</p> <p>Environment & Regeneration Committee (27 October 2022) (pp 289-296)</p> <p>Education & Communities Committee (1 November 2022) (pp 297-302)</p> <p>Planning Board (2 November 2022) (pp 303-305)</p> <p>General Purposes Board (9 November 2022) (pp 306-307)</p> <p>Petitions Committee (10 November 2022) (pp 308-309)</p> <p>Inverclyde Council (Special) (10 November 2022) (pp 310)</p> <p>Policy & Resources Committee (15 November 2022) (pp 311-316)</p> <p>Local Police & Fire Scrutiny Panel (17 November 2022) (pp 317-318)</p>	

3.	Chief Social Work Officer Annual Report 2021-22 Report by Chief Social Work Officer / Head of Health and Community Care Inverclyde Health & Social Care Partnership	p
4.	2022/32 Financial Strategy – Update Report by Interim Director Finance & Corporate Governance	p
5.	Management Structure Report by Chief Executive	p
6.	Council Timetable Changes Report by Head of Legal & Democratic Services	p
7.	Inverclyde Academy Young Enterprise Company ‘Wicked Wicks’ – Request by Councillor Cassidy Report by Head of Legal & Democratic Services	p
ROUTINE ITEMS AND DECISIONS FOR NOTING		
8.	Inverclyde Task Force Report by Interim Director Environment & Regeneration	p
9.	Treasury Management – Mid-Year Report 2022/23 – Remit from Policy & Resources Committee Report by Head of Legal & Democratic Services	p
TRUST BUSINESS		
10.	Gourock Burgh Coat of Arms Proposals – Remit from Education & Communities Committee Report by Head of Legal & Democratic Services	p
11.	Trust Fund Annual Accounts 2021-22 Report by Interim Director Finance & Corporate Governance	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 of Schedule 7A of the Act as detailed in the minute of the relevant Committee, Sub-Committee or Board.</p>		
NEW BUSINESS		
12.	Business in the Appendix	
<p>The reports are available publicly on the Council's website and the minute of the meeting will be submitted to the next standing meeting of the Inverclyde Council. The agenda for the meeting of the Inverclyde Council will be available publicly on the Council's website.</p> <p>Please note: this meeting may be recorded or live-streamed via YouTube and the Council's internet site, where it will be capable of repeated viewing. At the start of the meeting the Provost/Chair will confirm if all or part of the meeting is being recorded or live-streamed.</p> <p>You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during any recording or live-streaming will be retained in accordance with the Council's published policy, including, but not</p>		

limited to, for the purpose of keeping historical records and making those records available via the Council's internet site or YouTube.

If you are participating in the meeting, you acknowledge that you may be filmed and that any information pertaining to you contained in the recording or live-stream of the meeting will be used for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. In making this use of your information the Council is processing data which is necessary for the performance of a task carried out in the public interest. If you are asked to speak at the meeting then your submission to the committee will be captured as part of the recording or live-stream.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact the Information Governance team at dataprotection@inverclyde.gov.uk

Enquiries to – **Diane Sweeney** – Tel 01475 712147

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Chief Social Work Officer/Head of Health and Community Care Inverclyde HSCP	Report No:	IC/01/22/AS
Contact Officer:	Allen Stevenson	Contact No:	01475 715212
Subject:	Chief Social Work Officer Annual Report 2021/22		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

- 1.2 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. The reports provided by all CSWOs 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.
- 1.3 The report 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. 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 2021/22 CSWO report seeks to highlight the positive work undertaken and the continued strong track record of participation and consultation with the community.

2.0 RECOMMENDATIONS

- 2.1 Inverclyde Council members are asked to note and make comment on the content of the Chief Social Work Officer Report 2021/22.

Kate Rocks
Chief Officer – Inverclyde HSCP

3.0 IMPLICATIONS

3.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial		x	
Legal/Risk		x	
Human Resources			x
Strategic (LOIP/Corporate Plan)			x
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

3.2 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					

3.3 Legal/Risk

The Chief Social Work Officer is required to provide an annual report relating to social work services.

3.4 Human Resources

N/A

3.5 Strategic

This report is aligned to the current Inverclyde strategic plan.

4.0 CONSULTATION

4.1 N/A

5.0 BACKGROUND PAPERS

5.1 Chief Social Work Officer Report 2021/22.

**INVERCLYDE
CHIEF SOCIAL WORK OFFICER
ANNUAL REPORT
2021/22**



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1. INTRODUCTION

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

It is a responsibility of the role of Chief Social Worker 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 time of vulnerability or crisis.

Social Work professionals have worked incredibly hard to adapt to how to provide safe, effective and person centred care in the last two years. Services have continued to be delivered and whilst challenges have and continue to be overcome, the move to recovery and resumption of services to pre pandemic levels will not be a straightforward journey. The strategy and policy landscape is anticipated to change as 'A National Care Service for Scotland' is considered by the Scottish Government. This will have the potential for wide ranging governance changes depending on the direction of travel for this work.

Significant challenges for Inverclyde have arisen as a result of the Omicron variant of Covid-19 in 2021-22, in line with all Scotland. The Scottish Government Strategic Framework Update was published in February 2022. The challenging winter for 2021 into 2022 was anticipated with the risk of the new variant emerging very quickly. Covid-19 prevalence for all of Scotland peaked in early January 2022. However for Inverclyde, the impact of Covid-19 provides significant risk in managing issues of staffing shortages and sickness absence as a result of the pandemic. The governance processes established provided assurance and mitigation throughout the response to the pandemic. It is clear that services have had to adapt to continue to provide services and that the public have expectations that services will resume to pre pandemic levels. It is crucial that responding to the feedback from the public continues to be strengthened and that the importance of person centred care for all services will be clear. The staff commitment, creativity and resilience has been extraordinary and the governance priority and commitments to staff wellbeing is a crucial component to the pandemic response.

This report provides details of our statutory services and the commitment of our staff in supporting our residents and improving outcomes.

I would like to take this opportunity to once again 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 the HSCP to offer ongoing and enhanced support to our staff.

Inverclyde is a caring and compassionate community working together to address inequalities and assist everyone to live active, healthy and fulfilling lives.

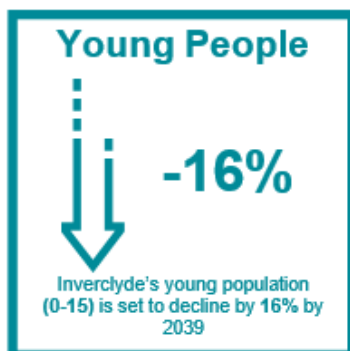
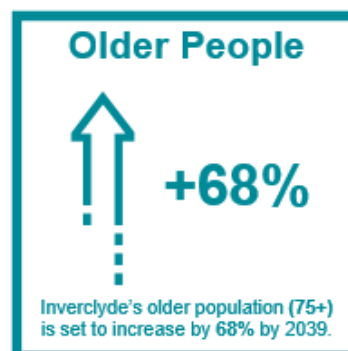
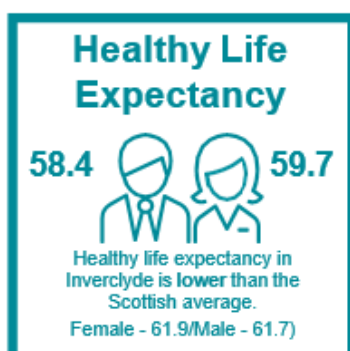
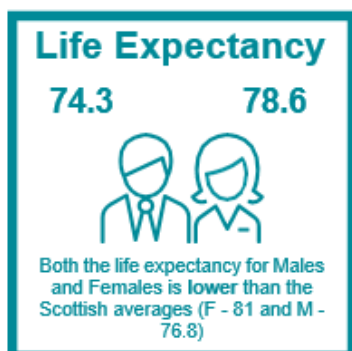
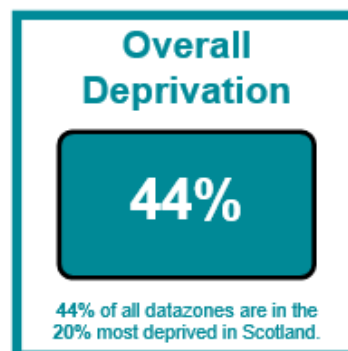
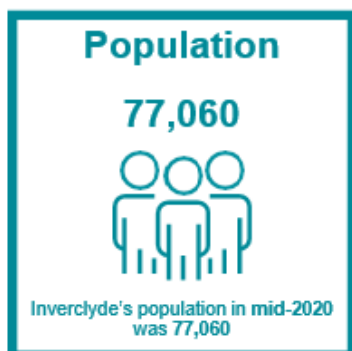
Improving lives

We are committed to our ambition of Improving Lives and these commitments are reflected in our six Big Actions outlined in our Strategic Plan:

Inverclyde HSCP – 6 Big Actions



Inverclyde Key Population Information



Our Population Projections

The size and make-up of the population is a key consideration when planning and delivering health and social care services. Inverclyde is expected to continue experiencing a population decrease.

The Black, Asian and Minority Ethnic (BAME) population accounts for **1.3%** of the overall population

Population decreased **10.2%** 1998- 2020

Birth rates decreasing by **28.7%** between 2000 and 2020

Working age population predicted to decrease **22.5%** by 2039

23.8% of children live in relative poverty after housing costs.

223 – number of looked after children.

The rate of child protection registrations with parental drug misuse is higher in Inverclyde than both GG&C and Scotland.

Disease prevalence & dependency levels higher than Scottish average.

3,941 claiming incapacity benefit/severe disability allowance.



Leading causes of death in Inverclyde 2020

Cancer **23.4%**

Diseases of Circulatory System **21.3%**

COVID-19 **10.3%**

Diseases of Respiratory System **9%**

Drug related deaths **Twice the Scottish Average**

Alcohol specific deaths **Highest Rate in Scotland**

Rates of depression and new diagnosis of depression **Higher than Scottish Average**



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2. GOVERNANCE AND ACCOUNTABILITY

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

The CSWO meets at regular intervals with the Chief Executive of the council in respect of matter's relating to the delivery of social work and social care, and 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.

Clinical and Care Governance arrangements

The Clinical and Care Governance Group met on 15th June 2021; 21st September 2021; 16th November 2021 and 15th March 2022. The group chair is Dr Hector MacDonald, Clinical Director for IHSCP.

The three local clinical care and governance groups resumed their usual meeting schedule for IHSCP (Mental Health, Alcohol and Drug Recovery and Homelessness; Health and Community Care and Children's Health and Criminal Justice).

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.

A revised Clinical and Care Governance Strategy for 2021-2022 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.

Table 1 shows the current clinical and care governance arrangements for IHSCP, and NHS Greater Glasgow and Clyde and Inverclyde Council.

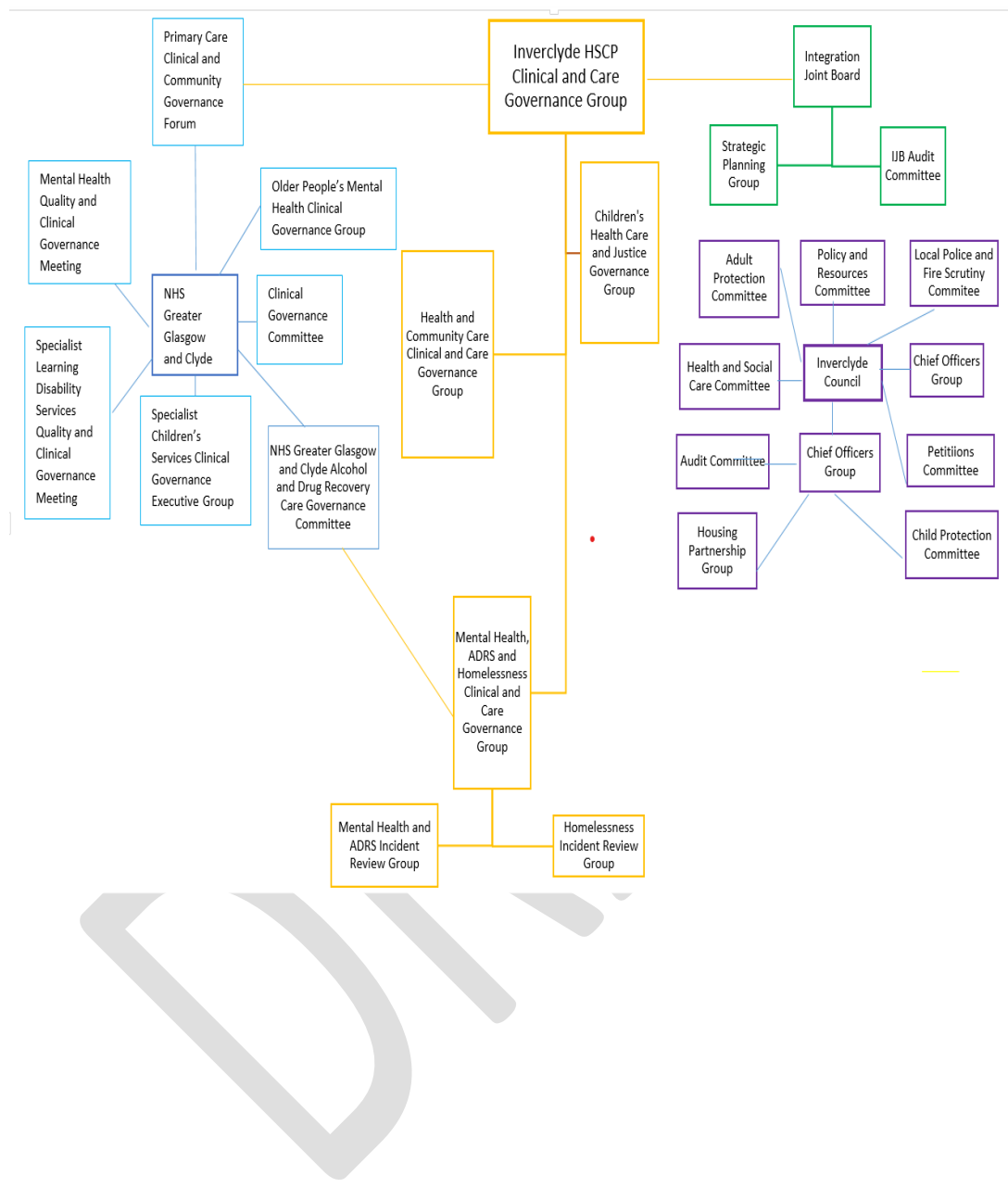
The governance for commissioned providers is provided by the Strategy and Support team who report to the Health and Social Care Committee.

Senior Officers will present reports to the IJB from the Clinical and Care Governance Group.

There is a report that is prepared by the Clinical Director for the Primary Care Clinical and Community Governance Forum.

The Alcohol and Drug Recovery Service also provide governance updates to the NHS Greater Glasgow and Clyde Alcohol and Drug Recovery Care Governance Committee.

Inverclyde HSCP Clinical and Care Governance Structure



Key Changes since 2020/21 report

- **Mental Health and ADRS Incident Review Groups.**

Mental Health and ADRS services have merged their clinical services groups to provide one cohesive overarching Incident Review Group that has representatives from each of the service areas. The Incident Review Group will review all significant adverse events that occur whilst people are receiving care, treatment and support under the remit of the respective service areas. It is the responsibility of the group to determine the required course of action for each incident to ensure that clinical and care risk is managed accordingly and any learning points, actions and outcomes are implemented and shared as necessary across MH and ADRS services within Inverclyde.

Homelessness Service have now set up an Incident Review group.

- **Commissioned Social Care Service**

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 governance process is subject to mandatory reporting as per Inverclyde Council's Governance of External Organisations and is overseen by the CSWO.

- **Mental Health Officer Service**

MHO Service governance has been made more robust with ability to fully record, monitor and report upon service activity against national standards quality via the existing SWIFT electronic record system.

- **Community Learning Disability Team**

Inverclyde CLDT works closely with Learning Disability Services across GG&C and has participated in a Collaborative Practice group and LD Programme Board. There is a particular focus on re-design of acute in-patient services and on using the Community Change Fund to implement the Coming Home report.

Inverclyde CLDT maintains a Dynamic Support Register with support from the Challenging Behaviour Network to manage risks around the most complex patients and to plan proactively to prevent hospital admissions and delayed discharge from hospital.

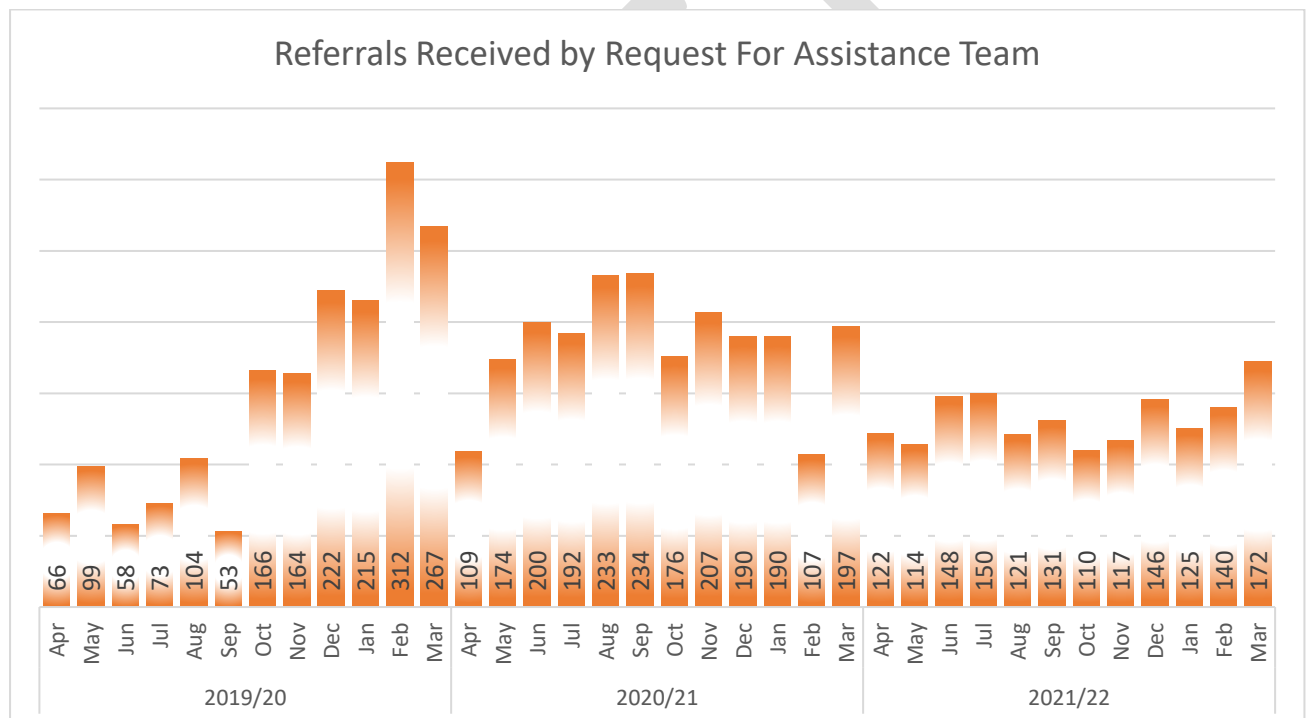
3. SERVICE QUALITY AND PERFORMANCE

How Social Work Services are Improving Outcomes for Children and Families

Child Protection

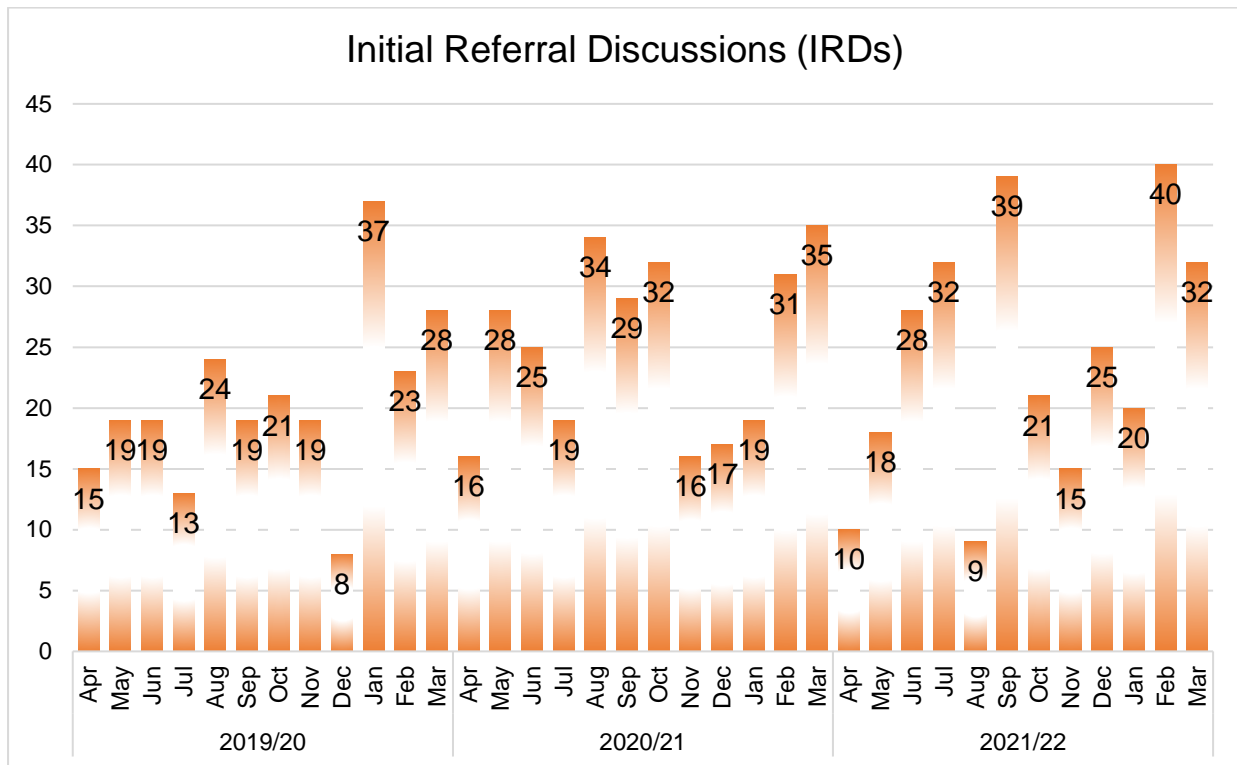
Initial referrals around Child Protection are made to the Request for Assistance Team (RFA). The chart below shows the referrals received by the RFA team for the last 3 years. Request for Assistance Referrals for 2021/22 have reduced and remained, on average, lowest since September 2020.

The graph below details referrals received for the last 3 years:



Source: Swift

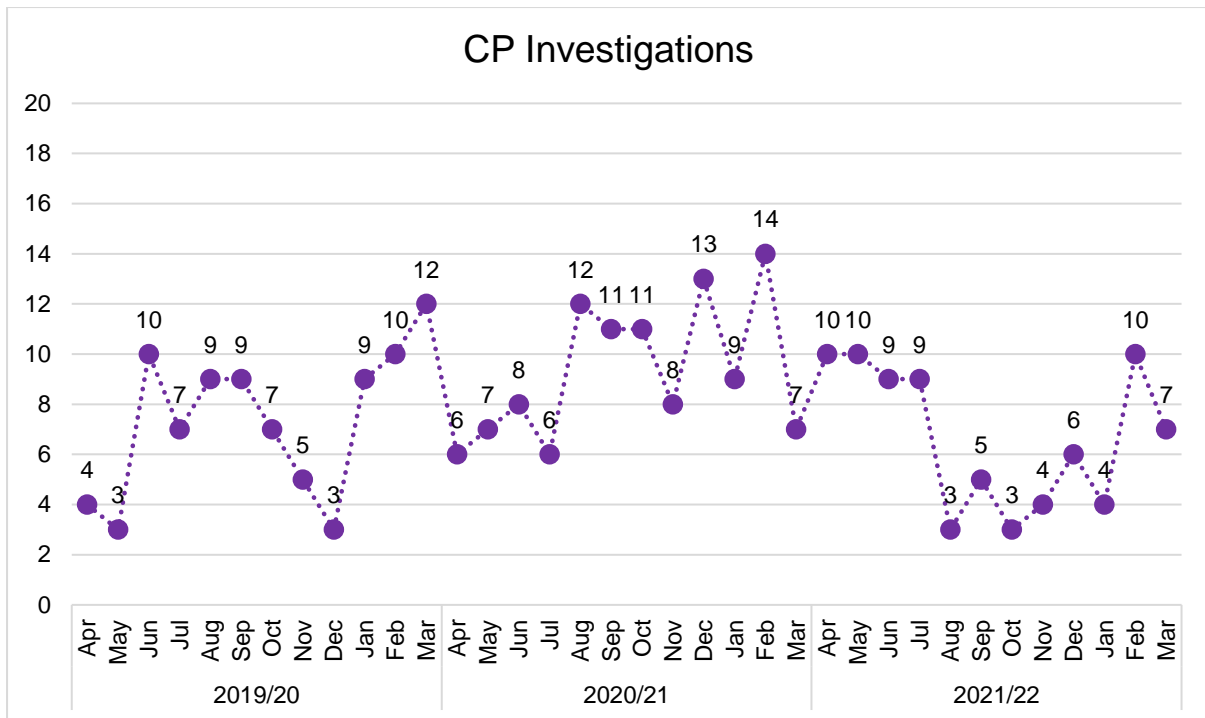
IRD's (Initial Referral Discussions)



Source: Swift

Child Protection Investigations

Where appropriate, an investigation is undertaken; the number of child protection investigations undertaken are shown in the chart below. Note, the figures below are Child Protection Investigations started within the month.

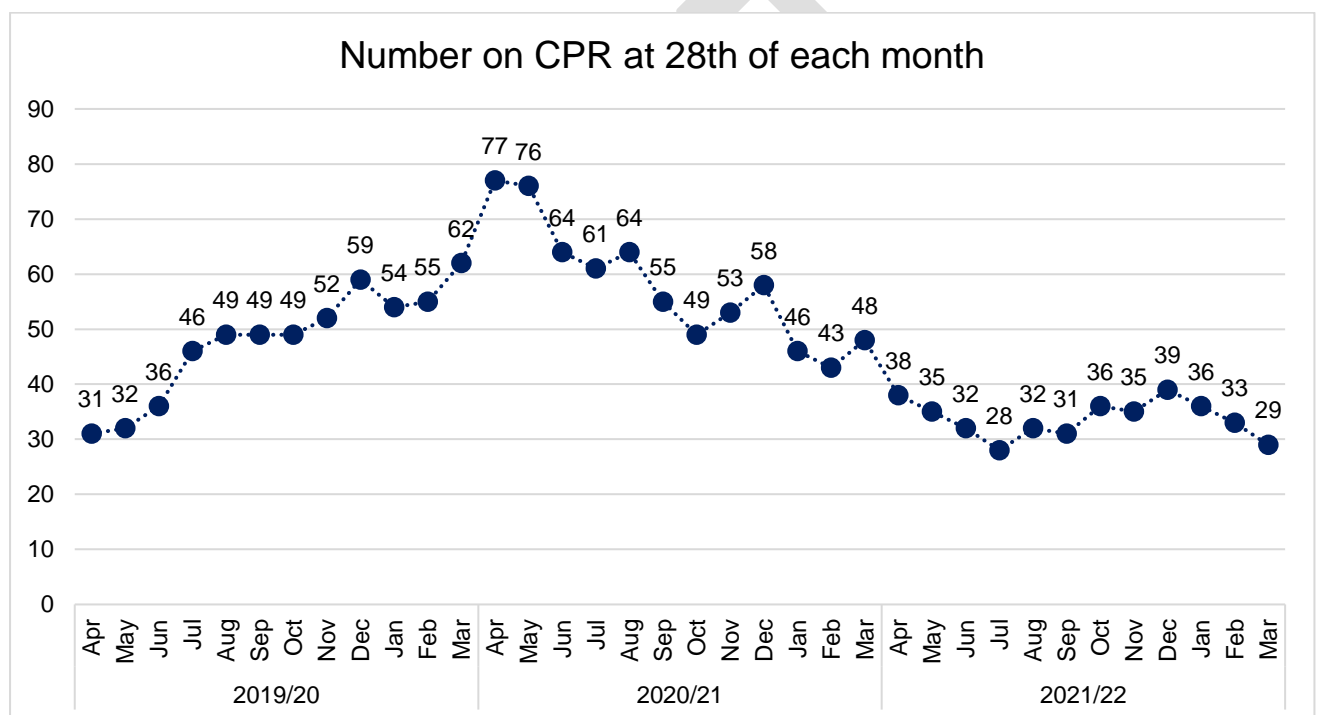


Source: Swift

The number of noted IRDs remains broadly in line with previous years however the number of child protection investigations are on the whole lower. During the data gather for this report it has been identified that the data gathered not fully reflective of the picture throughout the year. The service has committed to a data improvement plan to be implemented throughout 2022/23 to ensure the data is more accurate and reliable going forward.

Child Protection Conferences / Register

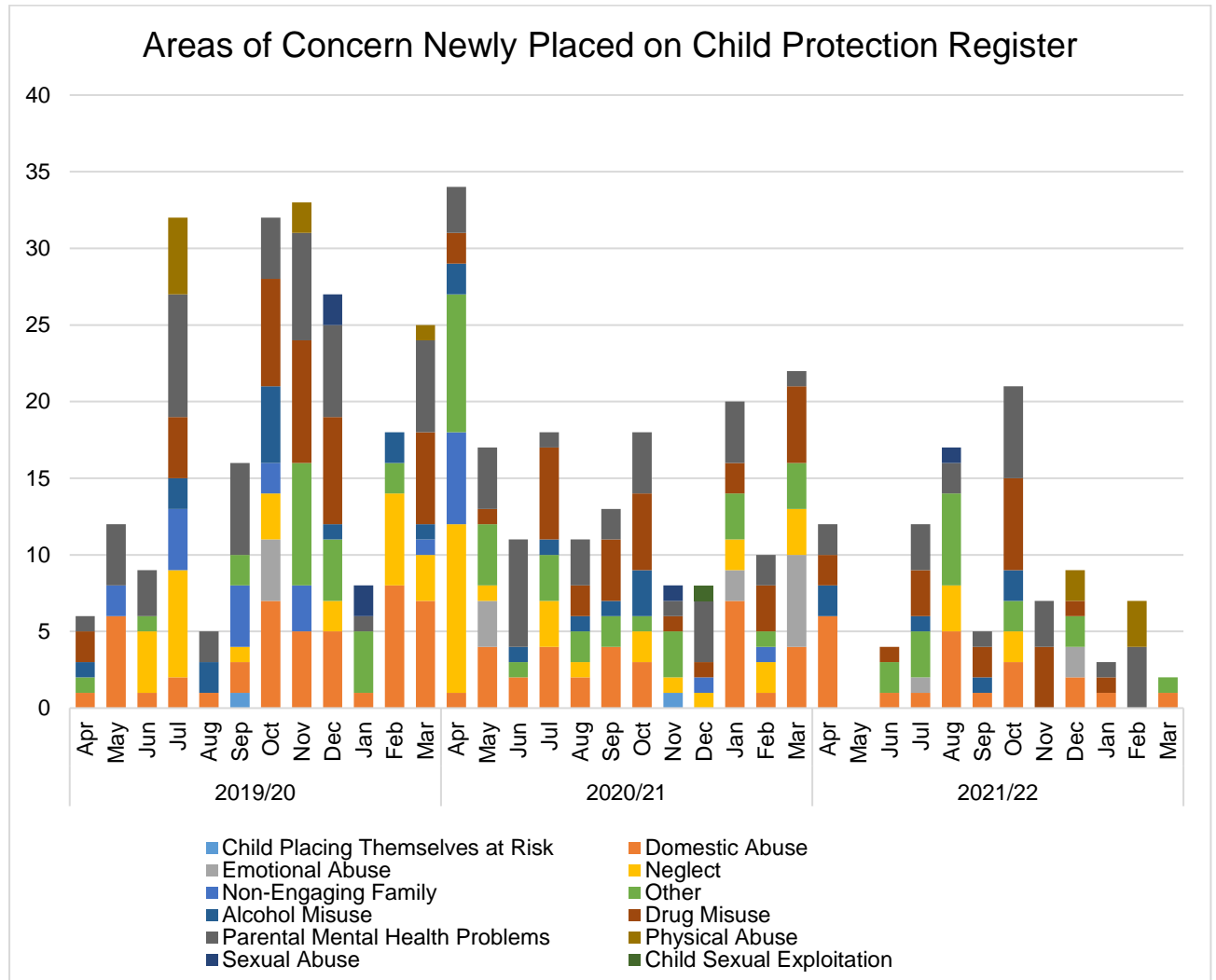
The number of children and young people on the child protection register has reduced to levels typically seen prior to the COVID-19 pandemic – throughout the year 2021/22 numbers have been consistently back to an expected level. As noted in previous years at the beginning of national lockdown restrictions it is likely children and young people remained on the child protection register for longer periods of time and there may have been a more cautious approach taken due to the changes to working practices and lower availability of partner agencies. The pattern would suggest this trend is stable and number for the next year could remain at similar levels.



Source: Swift

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.



Source: Swift

Scottish Child Interview Model – North Strathclyde Pilot

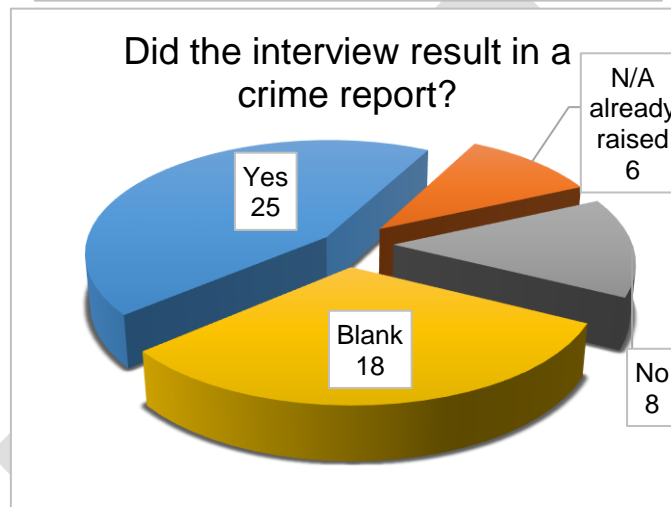
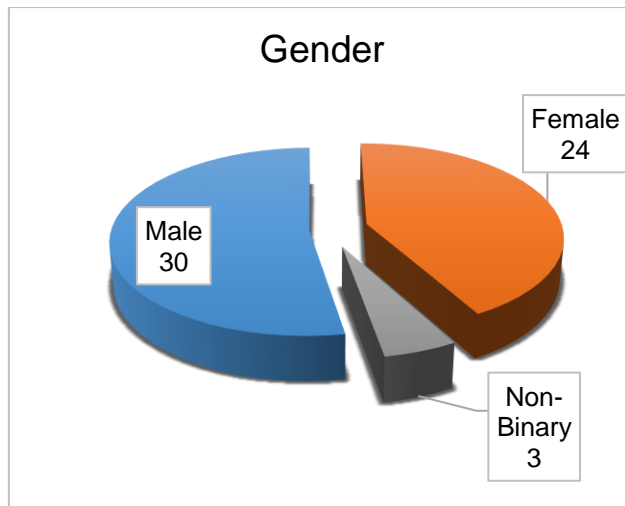
The North Strathclyde Project, using the Scottish Child Interview Model, is now completing its second operational year. This pilot was set up to be at the forefront of best practice when providing child-centred and trauma informed joint interviews within the judicial process for children and young people.

There continues to be close links between the 4 local authority areas, 2 police divisions and key stakeholders. The integrated team continues to influence best practice on the national forum with close links to the Barnahus Quality Standards. The next steps are towards the House for Healing and with Children's 1st building on the trauma informed and recovery support for those children and young people to provide a place and space that is child-centred.

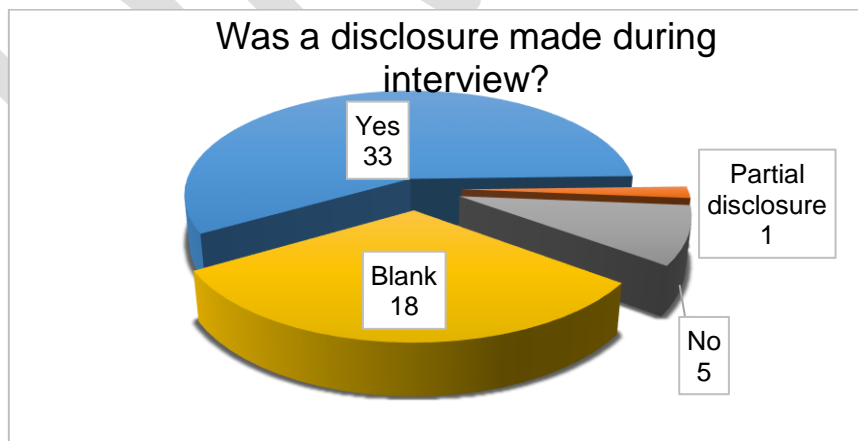
As the North Strathclyde operation team is in its second year we continue to have rich data around the benefits of the model and the consistent approach to interviews being experienced by children and young people. We are seeking continuous improvement and learning from the evaluation work across stakeholders, including children and families.

Children's 1st as the 3rd sector partner have also expanded their offer of therapeutic recovery workers, who can provide a continuation of support.

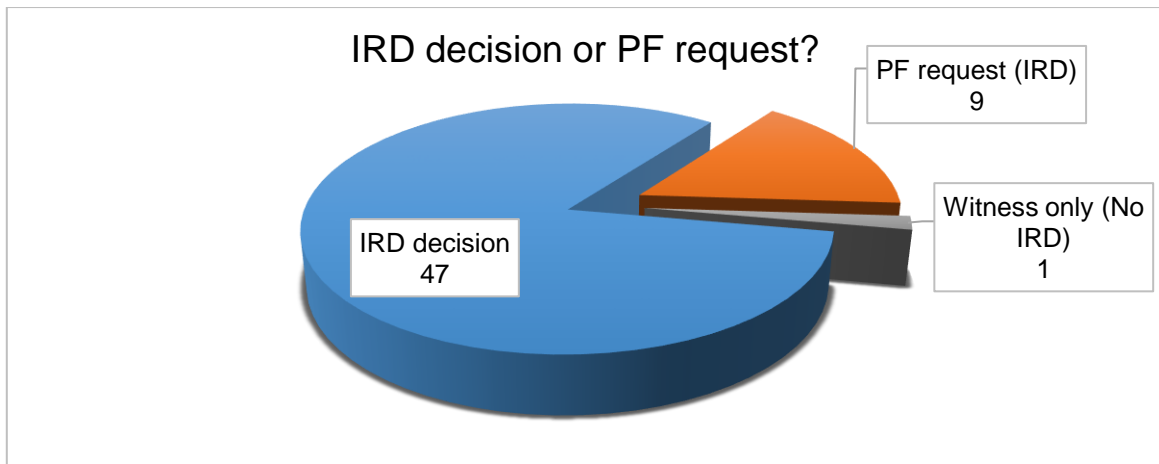
57 children were supported to attend a Joint Investigative Interview since August 2021, with ages ranging from 5-17, 60% of children were between the ages of 6-11.



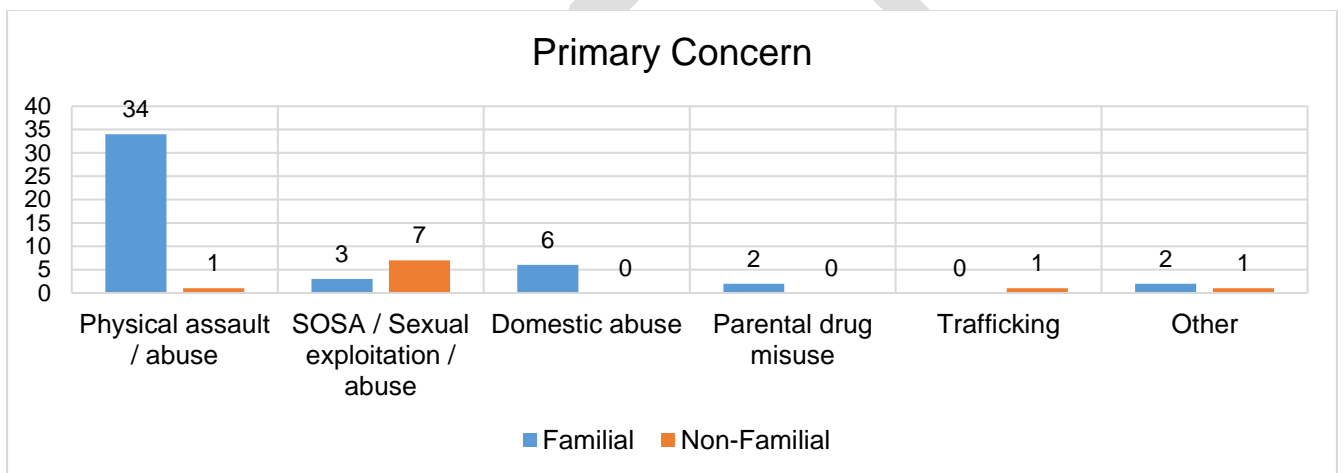
A total of 89% of interviews over the year resulted in a full or partial disclosure regarding the incident for which the child was participating in an interview.



Most Joint interviews have taken place following an IRD decision, the multi-agency meeting initiating Child Protection enquiries. Some interviews have been at the request of the Procurator Fiscal.

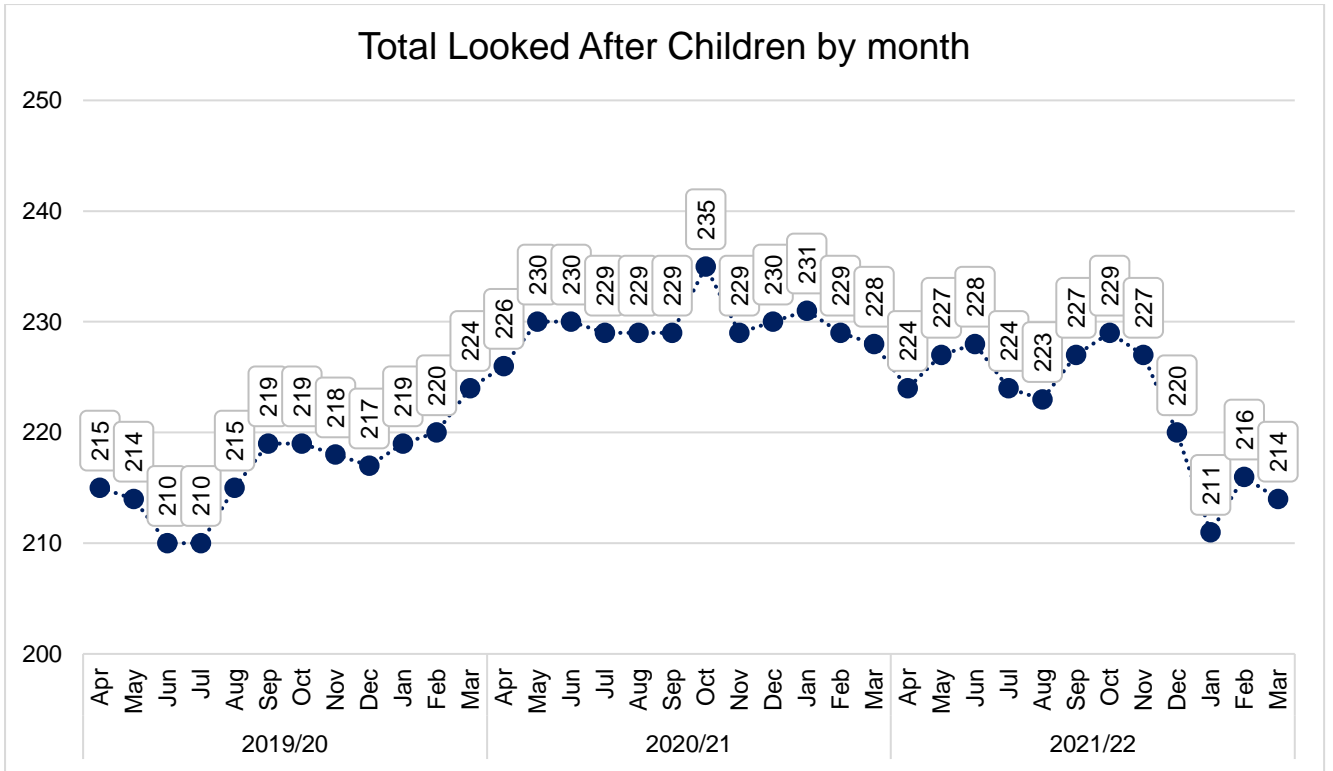


A significant number of referrals to the North Strathclyde partnership since August 2021 has been reflective of physical assault concerns, thereafter sexual offences and domestic abuse.



Looked After Children

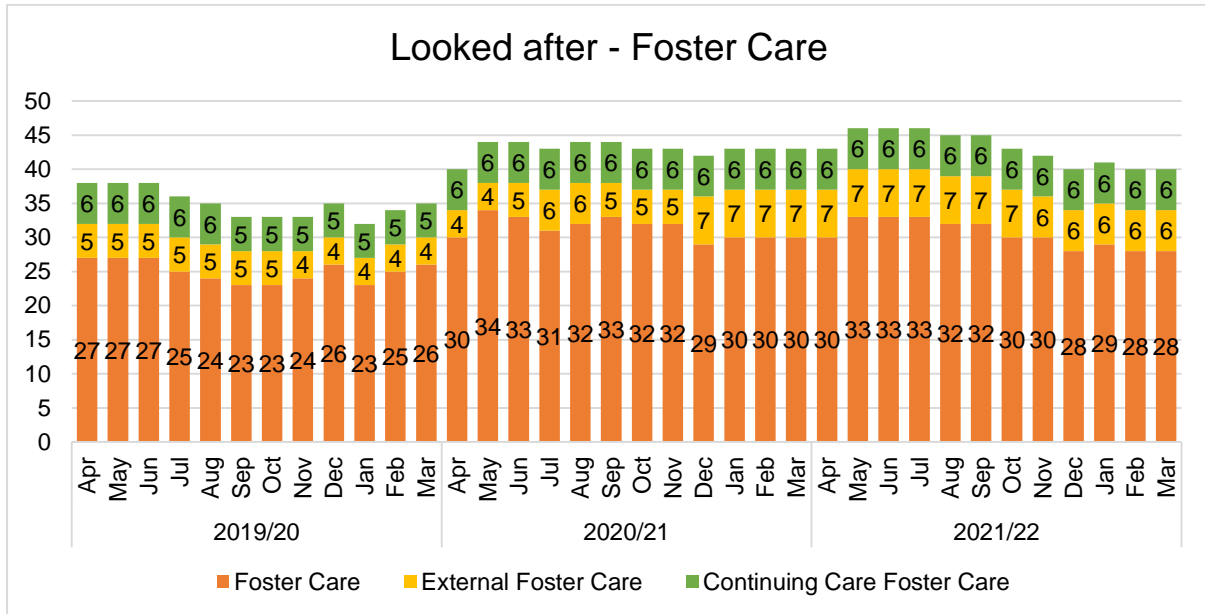
The total number of looked after children has reduced with January 2022 (211) showing the lowest figures since July 2019.



Source: Swift

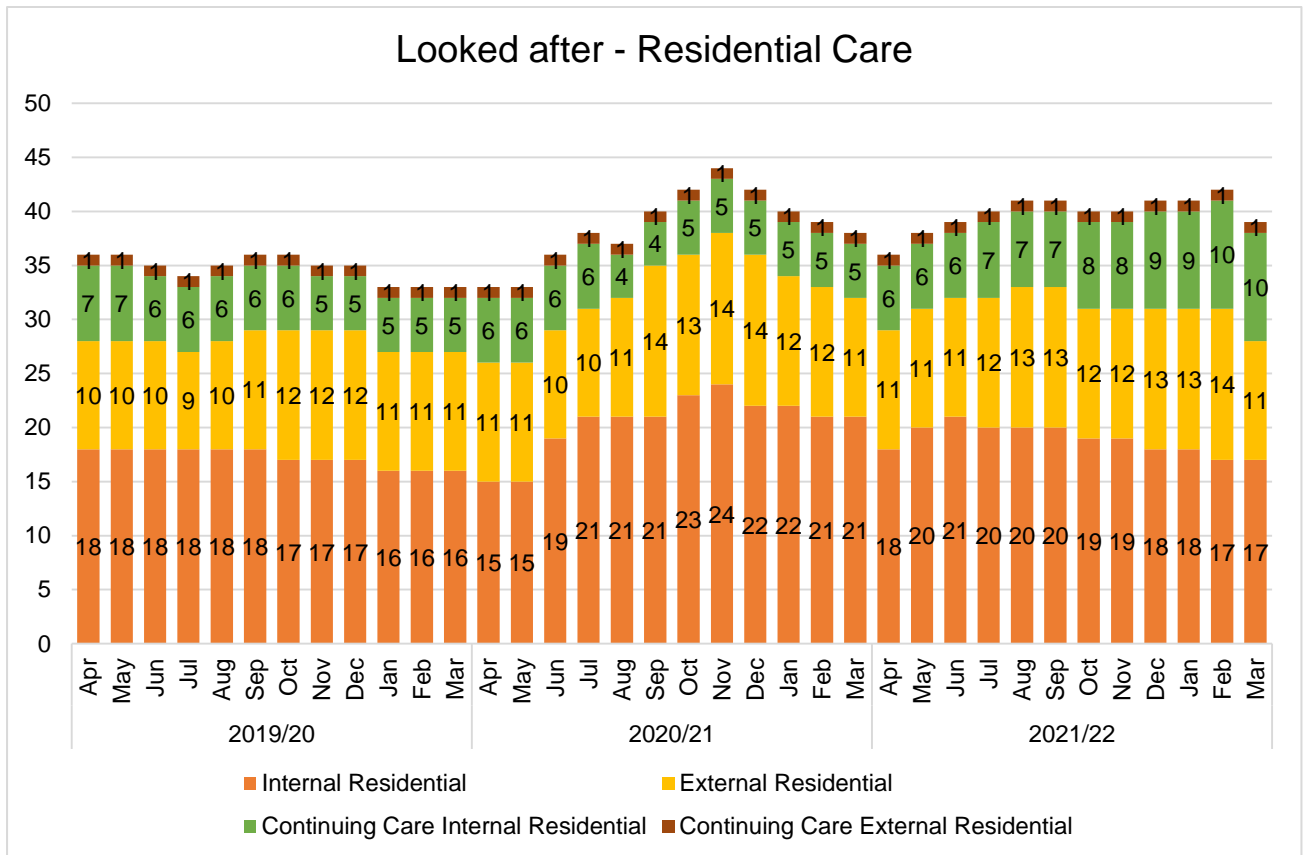
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Foster Care placements have remained stable throughout. The majority of placements were with local carers. This included young people who remained with carers beyond their 16th birthday in continuing care placements and externally commissioned placements being long term placements for young people subject to permanence orders. The graph below details foster care placements and types



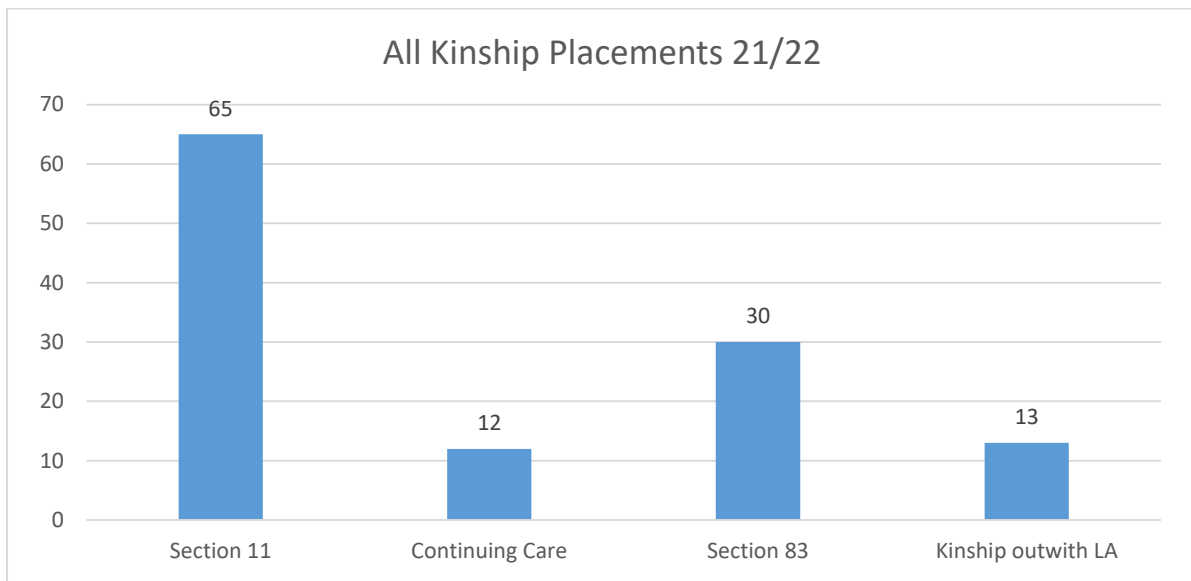
Source: Swift

There has not been considerable change in the number of looked after in Residential Care over the last 3 years. As with foster care, there are a number of young people who have remained in their placement beyond their 16th birthday. The graph below details the total number of young people split by residential care type.



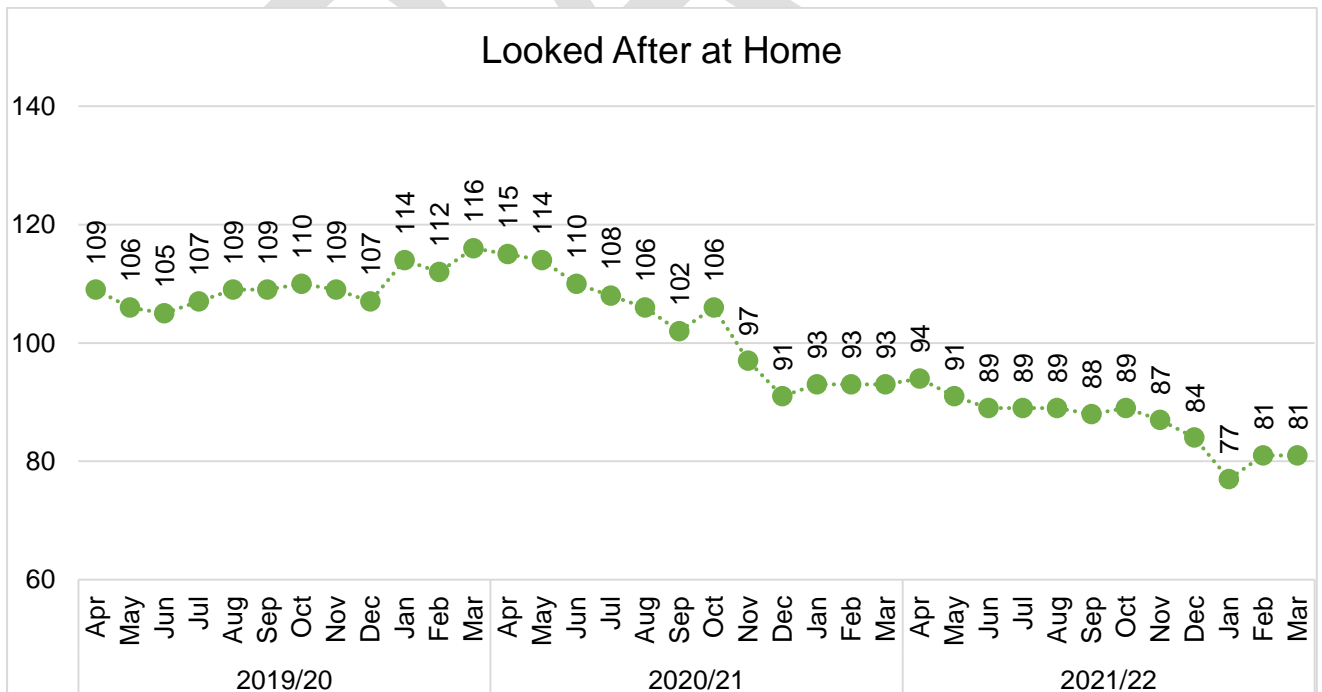
Source: Swift

The graph below details Kinship Placement types with the highest number of young people being placed on a Section 11 (residence order).



Source: Swift

The number of Looked after at Home figures have decreased recently, which reflect in the decrease of the total number of Looked After figures in the graph shown earlier.

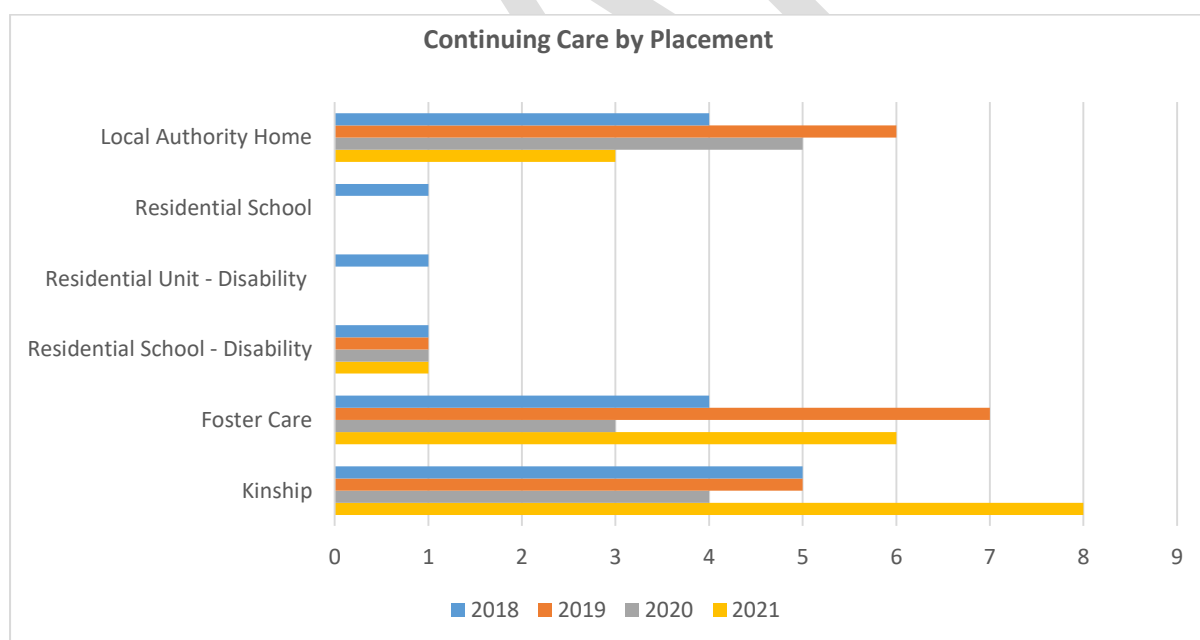


Source: Swift

Aftercare and Continuing Care

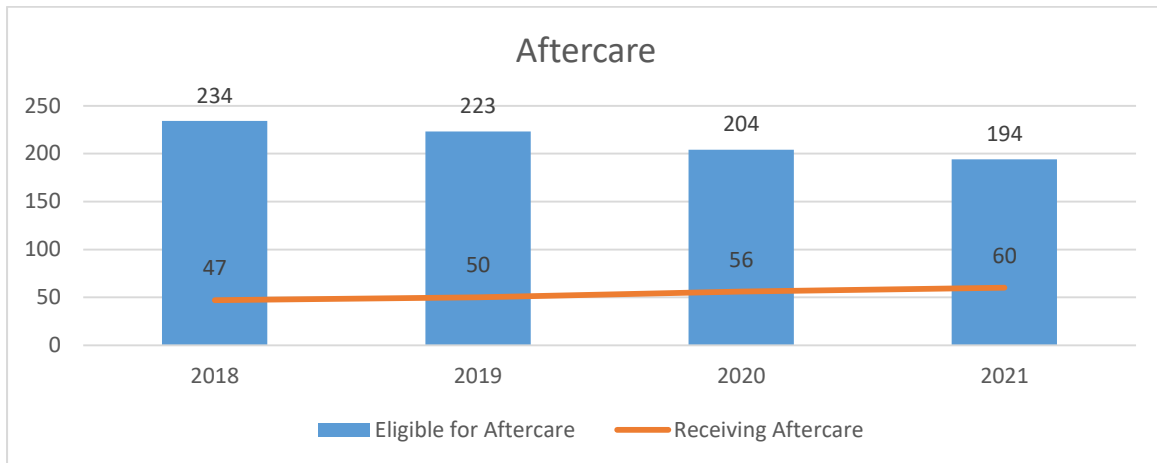
In line with legislative requirements and best practice, work is ongoing to ensure care experienced young people have access to appropriate advice, guidance and support as they transition to adulthood – Over the last 12 months work has been completed with care experienced young people to consider the language and assessment tools used when they are involved with the Aftercare and Continuing Care team. Young people have continued to benefit from the transition flats, located in close proximity to our children’s houses, allowing a supported step to independent living whilst retaining the care and support of our children’s houses. This provision is a key aspect of support to care experienced young people taking their first steps to independence.

There has been a change in placement types for Continuing Care young people with 2021 seeing significant increases in both Foster Care and Kinship Care. Continuing Care does provide young people with a graduated transition however it does place additional pressure on placement availability. The graph below details 2018 – 2021 Continuing Care by Placement Type:



Source: Swift

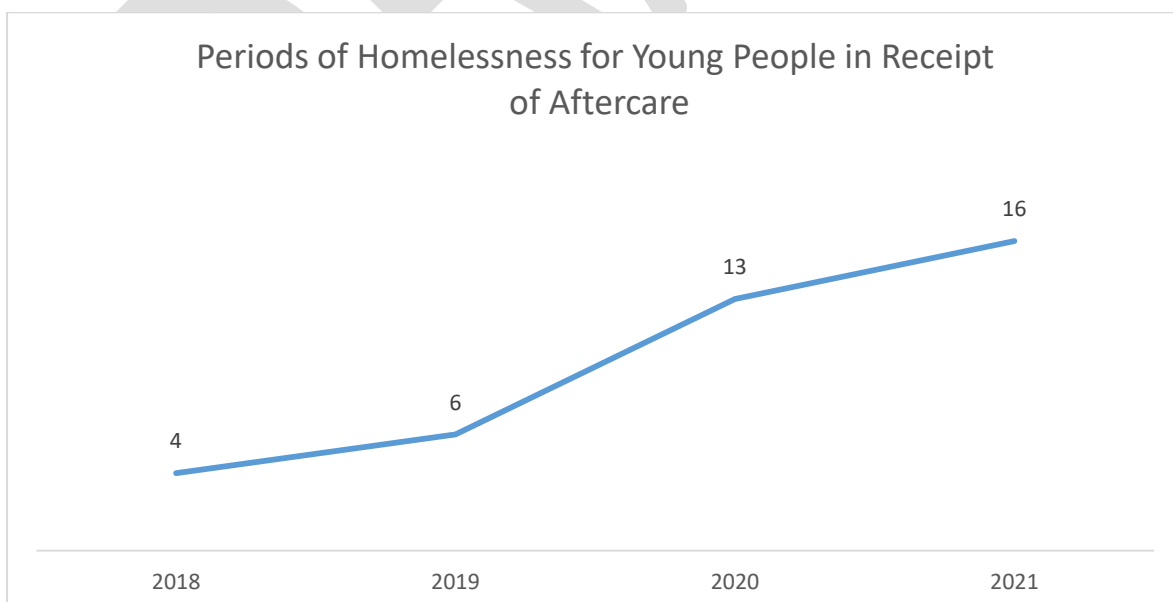
As at 31st July 2021, there were a total of 194 young people within Inverclyde eligible for Aftercare which is less than the previous 3 years, however, the uptake of young people receiving aftercare has increased with 60 young people receiving aftercare services in 2021. The percentage increase of eligible to receiving aftercare has increased from 20% in 2018 to 31% in 2021.



Source: Swift

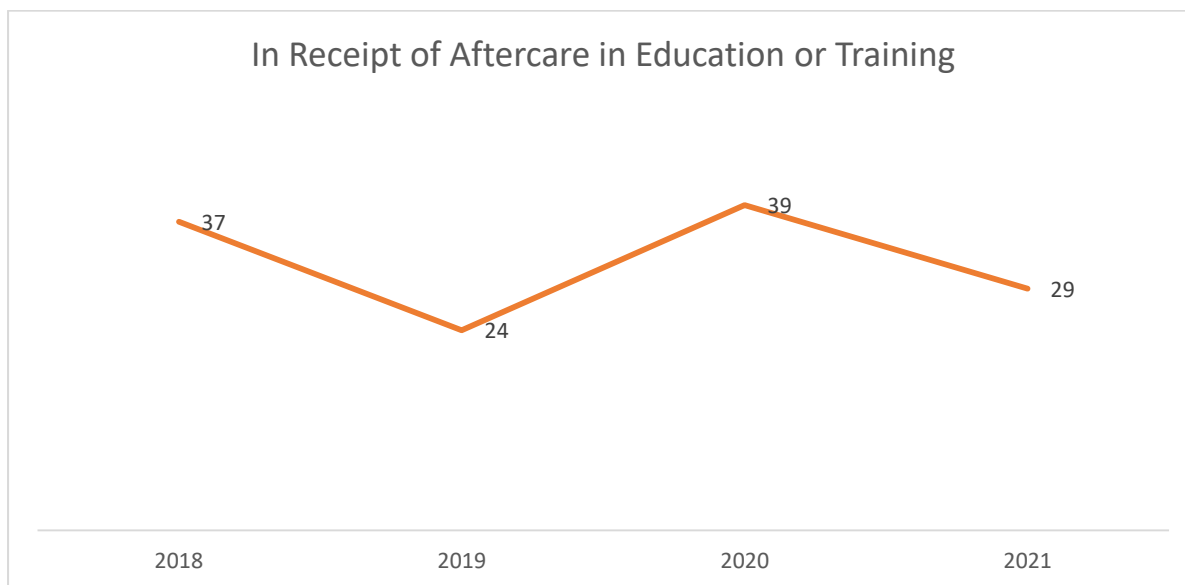
There has been a rise in periods of homelessness for young people eligible for aftercare, with figures rising from 4 in 2018 to 16 in 2021.

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.



Source: Swift

The graph below shows young people in receipt of aftercare who were in employment, education or training. Following an increase of 15 from 2019 to 2020, there has been a decrease of 10 from 2020 to 2021.



Source: Swift

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In the last quarter of 2021/22 we appointed a programme manager to our “I Promise” team. This is our response to the wide ranging system change and development that will be required over the next 10 years to realise the ambition of The Promise. Information gathering and initial developmental activities and consultation events have gathered pace since January 2022 and will continue throughout the year. I Promise is supported by 3rd sector partners locally.

Children & Young People

106 letters have been distributed to Social Workers for young people who are currently subject to Compulsory Supervision Orders, we hope social workers will share these with young people aged 14-18 years of age in an effort to introduce the iPromise Team and encourage young people to meet in person or virtually to obtain their views in relation to their experience of what we do well and how as a service we can do better.

A further **45** letters will be sent to 11-13 year olds.

And **74** letters will be sent to 4-11 year olds.



IPROMISE WORKFORCE ENGAGEMENTS



Voice

Listening to the
workforce

183

colleagues from across the Inverclyde workforce who support our children and families have met to discuss what Inverclyde is doing well and what we need to do better.

The IPromise Team met with colleagues from a range of supports. Social workers, family nurses, home support, kinship workers, residential staff, education, and panel community to name a few.



Discussing The Promise and our local systems, practices, processes and culture
Identifying where change is needed and what the workforce needs to thrive.

Identified themes for tests of change

Family Time
Family Group Decision Making
Report Writing
Language Matters
Stigma
Solution focused meetings
Workforce support



Inverclyde Stop-Go Pledges

- Help me by helping my family
- Nothing about me without me
- Try to keep me where i am and support me for as long as needed
- Help people to understand me and my experiences
- Help me to understand what's happening and why

Inverclyde's STOP-GO Pledges

The Stop and Go Pledges have been made into larger posters and are now displayed within Hector McNeil House and Princes Street House, there are also copies of The Promise, Pinky Promise, Plan 21-24 and Change Programme available in each venue. <https://tinyurl.com/44jhztok> - you can download the posters here.

Our Work Force



“We need a brave workforce. We need better and creative ways of not being tied down with paperwork taking us away from the children and families we work with”

-Workforce employee

IPromise Team have continued to meet with our workforce to discuss The Promise and TOGETHER find solutions to transform our care system & services that support our children & families, ensuring their needs shape our services.

Awareness raising and consulting with Social Work workforce is

almost complete with the consultation and input reaching 183+ plus colleagues from across the Inverclyde workforce. This has included discussion in relation to what are we doing well, what we need to do better and statements from The Promise Briefings in relation to our ambitions.

A tracking report is underway which includes a baseline of where we are at in terms of plan 21-24/Change programme and what needs to be better in terms of outcomes and opportunities for tests of change. This will be shared with the workforce.

There are a number of key themes being shared from the workforce however what has been identified by the team is the value that the workforce place on relationship-based practice with children, young people and families.

Culture change - Language Matters.

Powered By Young People

Young people and our workforce have been engaging in Jargon Buster/Language Matters activities, working to coproduce a Jargon Buster resource for our workforce with accompanying guidance and video resources. This will build on the work of The Promise in creating a shared language to reduce stigma and use language that cares.

If you would like to read more about The Promise you can find more information here

[Home - The Promise](#)

[Reports - The Promise](#)

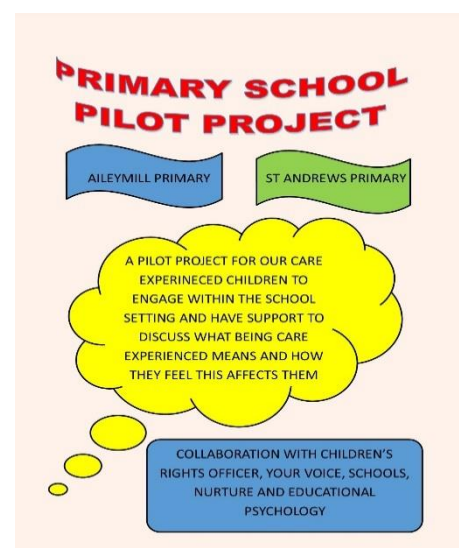
Care Experienced Children and Young Peoples Attainment Fund

This year we have continued to operate a self-directed fund model for supporting attainment for care experienced children and young people. This has given access to equipment, services or activities that otherwise would be out with the means of the child and their family. Some of the activities/equipment have helped with digital inclusion, outdoor learning, and access to community groups, tutoring and work experience. The fund continues to be valued and going forward will also contribute to practice developments including the provision of a virtual head teacher and extended provision of the child's planning and improvement team.

Children's Rights

This year as a focus we will be looking at how we help keep the Promise in Inverclyde and the incorporation of Children's rights throughout. A large part of this will be family engagement and how we ensure where possible we are supporting families holistically and inclusively.

We will be working closely with both primary and secondary schools on how we promote and engage with Children's rights in various new ways to fully embrace our community and keep their needs at its heart.



Adoption Assessment/Young People's Views

The voice of children, young people and their families continue to be heard throughout the adoption process. The "Adoption Reflections" Workbook is a key part of the PAR-S assessment process and explores the lifelong impact of trauma and loss and the importance of connections. Listening to the Voice of the Child, young person and their families, is a key focus for the Adoption Team in 2022, in line with "The Promise" and "UNCRC". Inverclyde's 'Proud to Care' group has representation from children who have experience of adoption. Moving forward we are keen to hear from the children who have siblings who have been adopted and to have the voice of the child better represented at the adoption panel.

Sibling Relationships

Part 13 of the Children (Scotland) Act 2020 and the Looked after Children (Scotland) Amendment Regulations 2021 now places a statutory duty to ensure siblings are supported to stay together. We are committed to the National Practice Guidelines which supports and helps practitioners implement this legislation. Within the adoption service, there has been a review of the training material and resources to ensure staff and potential carers understand the importance of the sibling relationship when children are placed for adoption. This is also a key focus of the adoption recruitment strategy which encourages adopters to be open to larger sibling groups, while understanding the importance of maintaining contact with the key people in the child's life. When a child cannot be placed with their sibling, we have ensured that all parties are aware of the legal duty to promote contact between looked after children and young people and their siblings.

Permanently Progressing Research

Inverclyde Council is delighted to be involved in Phase 2 (2020-24) 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. Phase 2 builds on the findings of Phase 1 to find out where they are living, their legal status, experiences, what enhances wellbeing and bolsters resilience and what resources are available to them and their families. Inverclyde Council are committed to focus on the key messages and findings from the research through focused work with children and their carers. This work focuses on;

- Belonging and Permanence
- Contact/Family time
- Sharing information with carers and adoptive parents
- Transitions using the UEA Model
- Helping children understand their personal histories,
- Talking with children about their birth family
- Post adoption support.

Birth Ties Support Project

The Birth Ties project resumed face to face contact in May 2021. The group continues to meet twice monthly and is facilitated by 2 workers who offer advice and counselling to parents whose children have been placed with an adoptive family. The team offer practical and emotional support to these parents and work in partnership with services such as Housing, Income Maximisation, Alcohol and Drug Recovery Services and Community Mental Health. In 2022, there has been a successful funding bid for a scoping exercise to further expand and develop the project, in partnership with a third sector provider, in consultation with parents with lived experience.

Adoption Support

Since June 2021 support services have been face to face. The Peer Support Groups are regular events which continue to be well attended and provide a local way of networking with other adopters. A variety of sessions are hosted with a mixture of formal and social opportunities. This year's Post Adoption Support Groups focus on issues such as Life Story Work, Good Self-Care, Managing Difficult behaviour, Family and Friends Group, Understanding trauma in education and managing sibling contact.

The '*Families Together*' group was established during Covid. This is an adopter-led support group which focuses on informal support between adopters and their children within the community.

During 2022, we hope to explore the idea of a therapeutic playgroup for our families and their children. This would focus on aiding the attachment between caregiver and child, in a safe, play-based environment alongside other adopters and children. We hope to expand and develop a training package to offer support and advice to schools and nurseries to better understand the issues affecting children in education.

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. Children with additional support needs and their carers were significantly impacted by the pandemic as support services closed, reduced or changed their delivery methods. Families continue to face challenges following this period however support services commissioned by the HSCP (community and residential short break) have now resumed albeit with some reductions to residential short breaks as the backlog is worked through.

Specialist Children's health services have also been working on programmes aimed at improving the diagnostic process for children with autism. From February 2020 to August 2022 a quality improvement approach to test change, aligned to local and national ASD strategies has been utilised.

Working in Partnership with the Children's Rights Officer an accessible information leaflet "The Autism Detectives" has been developed. Feedback from a child and a parent was positive

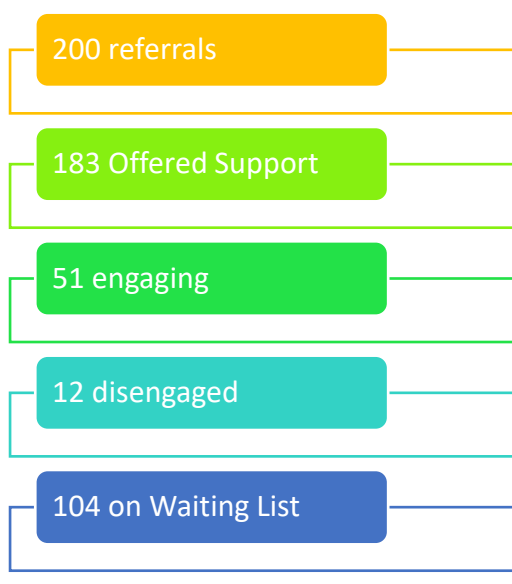
“It was very thoughtful and made me worry less” – Child with autism

“I particularly like the leaflet as it made my son much less anxious about the appointment” – Parent

Waiting times for diagnosis have more than halved from 92 to 39 weeks despite an increase in referral rate. Conversion rates of assessment to positive diagnosis is sitting above national benchmark of 75% over the last 6 months.

Wellbeing Services, One to One Counselling and Group Work Programmes

Action for Children has been commissioned to provide a wellbeing service for children in Inverclyde since September 2020. Whilst there has been some slow progress in being able to offer group sessions and face to face contact for children due to the restrictions with the Covid-19 pandemic there has been an upward trend in appointments offered.



The impact continues to be felt since the project became operational in 2020, with a growing number of referrals having as the main presenting concern anxiety. The source of anxiety is often quoted to be as a result of pandemic impact on families, friendships, school and CYP’s capacity to cope with their environment. The challenges they have been presented with over the last 2 years, in an uncertain world, continue to cause them concerns, worries, and anxious thoughts and feelings, as heard by our staff.

A number of CYP with existing vulnerabilities have accessed counselling, with the majority engaging and completing agreed session. While we continue to work to a model of 8 sessions with each CYP, many CYP experience intermittent or regular absences from school, which has required a more patient and measured approach to continuing to engaging them in

support, over a longer period of time, while we continue to be mindful of the balance for those still waiting on their opportunity to access the service.

With the support of school staff young people are encouraged and made aware that their absences from school are not a barrier to their continued access to counselling support, to allay any fears that missing sessions may result in the withdrawal of a service to them, which is not the case. Indeed, many CYP are often on reduced timetables and attending counselling sessions may be amongst the few regular appointments they are able to keep. Action for Children's ethos is encapsulated in a phrase that was prominently displayed across services and promotional materials for the organization several years ago "as long as it takes" which we demonstrate by our approach to engage with CYP over time, looking to overcome any barriers or hurdles, to ensure we have given CYP every opportunity to access services.

As a number of CYP accessing counselling have been involved with multiple services throughout their lives, whether directly or indirectly, not all of them have had positive experiences or outcomes, so it is essential we take time to build trust and relationships to then be in a place to offer therapeutic support to CYP, at a time and pace that is appropriate for them and so hopefully impacting their wellbeing positively for longer.

Keeping an "open door" when engagement and attendance can be a concern, demonstrates to CYP that their thoughts and feelings are taken into account, and the service is not delivered "to them" but they are actively involved in leading the direction of the work within the counselling sessions, with the support and guidance of the counsellors.

The majority of referrals are received from secondary schools. Each of these schools has a counsellor dedicated to delivering a day each week, while sessions across primary schools are coordinated on a rotational basis to allow counsellors to move between schools based on the referrals received. As a result, waiting times to be seen may vary based on the availability of counsellors across schools, with the longest waiting period 6 months. Most referrals are seen in a significantly shorter period of time however.

We continue to work to maintain and raise the profile of the service to widen the access available to all Inverclyde schools CYP and parents/carers who feel the service is what their children might need.

Group Work

Blues Programme

Improved access to schools and loosening of restrictions around pupils mixing in groups allowed the service to coordinate and deliver the Blues Programme, after making alternative provision during Year 1.

Delivery was agreed for the initial round with Inverclyde Academy and Notre Dame HS in September 2021, followed by St Stephens, St Columba's Gourock, and Clydeview in November 2021. St Columba's Kilmacolm and Port Glasgow High school followed in January 2022. Preliminary work was carried out in each school prior to delivery, including presenting the content and aims of the Blues Programme to all S3 pupils, before completing the Centre for Epidemiological Studies Depression Scale (CES-D) questionnaire with all S3 pupils.

19 programmes in total were delivered across all 7 schools, with the following figures:

- TOTAL CES-D's completed by pupils = 686
- 58% scoring under the threshold at which pupils are invited to take part (393 pupils)
- 42 % scoring over the threshold and invited to take part in programmes (293 pupils)
- Of those 293 pupils invited to take part 61% began the programme (190 pupils)

2021-22 Blues Programme outcomes

- 97 % of secondary pupils (S3) gave a 4 or 5 star rating for Blues Programme sessions, from a scale of 1 to 5
- 51.69% of Blues participants score improved pre to post intervention, 35.91% remained the same, and 12.4% of scores decreased.

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Example school outcomes Blues Programme

- improvement of 62.5% of young people **able to talk more about your mental health and wellbeing** post intervention
- improvement of 36% increase in average **Confidence** pre to post intervention
- improvement of 66.6% of young people showing an improved **Relationship with Family & Friends**
 - improvement of 70% of young people stated **attendance at school and involvement in learning** improved post intervention.
 - improvement of 31% in **Self Esteem** pre to post intervention
 - an increase of 92% in those stating they **Know When to Ask For Help** pre to post intervention
 - an increase of 83% in those stating **Know Who to Ask for Help** pre to post intervention
 - 62.5% rated Blues 5 out of 5 stars, 33% rated Blues 4 out of 5 stars, with 4% rating Blues 3 out of 5 stars

Bouncing Back

We continued to deliver Bouncing Back sessions across all P7 classes, with the transition the pupils would be making from P7 to S1 a focus of the work. These sessions were scheduled throughout the last school term after Easter.

All 20 primary schools and St Columba's Kilmacolm junior school took part in Bouncing Back in the post Easter term, with over 27 sessions being delivered, to include all CYP, engaging circa 740 children. Cedars School of Excellence were offered the intervention but declined to participate this year.

An adapted version of Bouncing Back for Craigmarloch School, designed with input from staff to be appropriate for pupils needs, was delivered, and similar was offered in Lomond View, which developed into weekly drop-in sessions for individual YP, agreed with the school after trialing group work sessions. These were decided as not the appropriate intervention at the time for the school, as a transition with new pupils joining was taking place.

Bouncing Back outcomes

- **87.2% of P7 pupils gave a 4 or 5 star rating for Bouncing Back sessions, from a scale of 1 to 5**

Inverclyde Emotional Well Being Triage Group

The Scottish Government has commissioned partners working with Children and Young People to develop the Children and Young Peoples Community Mental Health Services (CYPCMHS) Framework within Inverclyde. The objective of this work is to ensure:

“Every child and young person in Scotland will be able to access local community services which support and improve their mental health and emotional wellbeing.

Every child and young person and their families or carers will get the help they need, when they need it, from people with the right knowledge, skills and experience to support them. This will be available in the form of easily accessible support close to their home, education, employment or community.”

To achieve this objective the Emotional Wellbeing Triage Group has been set up to allow for agencies to provide the earliest most appropriate support to children young people within Inverclyde. Ensuring the right support at the right time whilst only having to tell their story once

By doing this work, the aim is to:

- Develop our learning as to the circumstances around how multiple, duplicate and inappropriate referrals to statutory services occur
- Build step-up/step-down processes between agencies as circumstances change for families and young people
- Eliminate experiences of referral knockbacks and re-referral to ensure families and young people get the right help at the right time whilst only telling their story once
- Improve signposting for families and young people
- When a referral has been sent to a single agency that is deemed not appropriate that service should seek consent from the parent and/or young person to bring to triage meeting.

The referral will be presented by the referring agency. A multi-agency group of representatives will discuss the referral and decide upon the most appropriate resource to offer to the family. These representation will give consideration to these six key GIRFEC questions:

- What can I do now to help this child/young person?
- What can my agency do to help this child/young person?
- What is the view of the child and the family?
- What is getting in the way of this child/young person’s wellbeing?
- Do I have the information I need to help this child/young person?
- What additional help – if any – may be needed from others?

Representation

A multidisciplinary team across health education social work and third sector has been set up for this purpose. Each agency must appoint a representative (and a deputy who is able to make a decision in their absence, to attend) who has a coordinating and authorising role.

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How Social Work Services are Improving Outcomes for Criminal Justice

Inverclyde Community Justice Partnership

The Inverclyde Community Justice Partnership, chaired and hosted by Inverclyde Health and Social Care Partnership, continued to meet throughout 2021/2022 and was mainly focused on the progress of a new National Strategy for Community Justice and its impact on delivery within Inverclyde.

In order to better understand the impact stigma has on different groups in Inverclyde, the Community Justice Partnership led on a workshop at the Challenging Stigma Event 'Oor Bairns'. A number of participants had a rich knowledge in the community justice arena, providing a considerable insight into the stigma experienced by people involved with the justice system. Discussion centred on employability and the stigma that families also experience as a result of having a loved one in prison.

Community safety and public protection

The North Strathclyde MAPPA Unit is hosted by Inverclyde HSCP. It serves six Local Authorities, 3 Police Divisions and 2 Health Boards. The Unit organises MAPPA meetings for all level 2 and 3 individuals managed under the MAPPA arrangements. This brings together a number of staff from various services and agencies. The function of a MAPPA meeting is to create a Risk Management Plan to manage individuals who pose a risk of serious harm to their community. Due to the Government's Covid-19 social distancing requirements alternative arrangements for these meetings were required. These are now hosted virtually and during 2022/23 the feasibility of moving to a hybrid model (where some agencies will have the option to attend in person) will be explored.



6 Case audits completed



25 MAPPA meetings (level 2 or 3)



39 Environmental Risk Assessments



7 Training events

A key process in the management of individuals subject to MAPPA is the Environmental Risk Assessment (ERA) process. The purpose of the ERA is to identify any housing related risks associated with individuals living within the community or about to be released into the community. An individual can have more than one assessment completed, particularly where the focus is on identifying a manageable property following release from custody.

As part of the North Strathclyde MAPPA commitment to excellence a Case File Audit is conducted in each Local Authority area. This comprises of three cases reviewed twice yearly. All six Local Authorities were reviewed in 2021/2022 with 36 cases completed. No issues of concern were identified.

Strategic Needs and Strengths Assessment

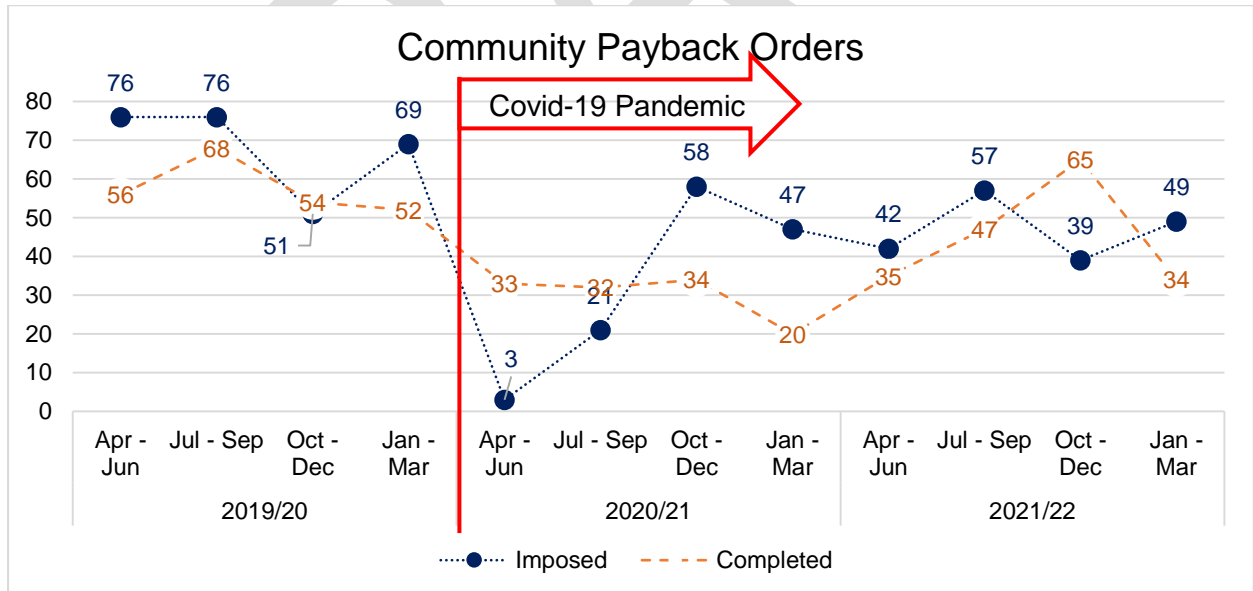
Work has been undertaken during the reporting year to assist the Inverclyde Community Justice Partnership in the delivery of a Strategic Needs and Strengths Assessment to inform the creation of an Inverclyde Community Justice Outcomes Improvement Plan (CJOIP) in April 2023. This document will pull together a range of data sets from nationally available data, to community planning priority action data, to aggregated data on specific needs/issues of Criminal Justice Social Work service users.

Early Action System Change- Women involved in the Criminal Justice System

Progress continued during 2021/2022 with regards to the Early Action System Change (Women involved in the Criminal Justice System). Phase one of the Project concluded in August 2021 with a Test of Change proposal which was informed by both women with lived/living experience of the Criminal Justice system and front line staff from both the statutory and third sectors with practical knowledge of supporting such women.

Community Based Sentencing Options

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.



Source: Swift

Changes to legislation in 2022 introduced a tenth requirement; Restricted Movement Requirement. This can now be imposed at the point of initial sentencing where previously it was limited to individuals who were at risk of having their original community sentence breached. Preparatory work was undertaken during the reporting year by the Service in advance of its introduction across Scotland in May 2022.

Courts also have the option to place individuals on Structured Deferred Sentence (SDS), which is also provided by Criminal Justice Social Work. SDS aims to provide a structured intervention for individuals upon conviction and prior to final sentencing. In so doing it can help individuals who have offended becoming further drawn into the justice system as well as address the underlying causes of their offending. This complements the range of credible community options available across Inverclyde and was introduced during the reporting year.

The case study below offers an example of how SDS has been used within Inverclyde to provide a person centred, proportionate response for an individual who was assessed as not requiring statutory supervision. This contributed to positive outcomes for the individual including improved overall wellbeing and a reduced risk of further offending.

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B's story

Mr B was a mature individual who appeared before the Court as a first offender. He pled guilty to a domestic offence and a Criminal Justice Social Work Report was requested. The report writer assessed Mr B as being at low risk of further offending. Mr B exhibited appropriate victim empathy and, although he had been drunk at the time of the offence, did not appear to have significant issues with alcohol. It was identified that mental health issues, lack of confidence and social isolation were issues underlying the offence and the report writer recommended that these could be most appropriately dealt with by way of a structured deferred sentence (SDS).

The Court agreed to a SDS for an initial period of three months. Mr B met with his allocated Criminal Justice support worker weekly. It was recognised that he was an isolated individual lacking in confidence and the Criminal Justice support worker focused on developing an open and honest relationship with him.

Although alcohol was a factor in the offence, Mr B maintained that it was not a significant issue and was resistant to seeking specialist support in this area. As an alternative, he agreed to discuss his alcohol use with his allocated Criminal Justice support worker and for her to monitor his ongoing alcohol use.

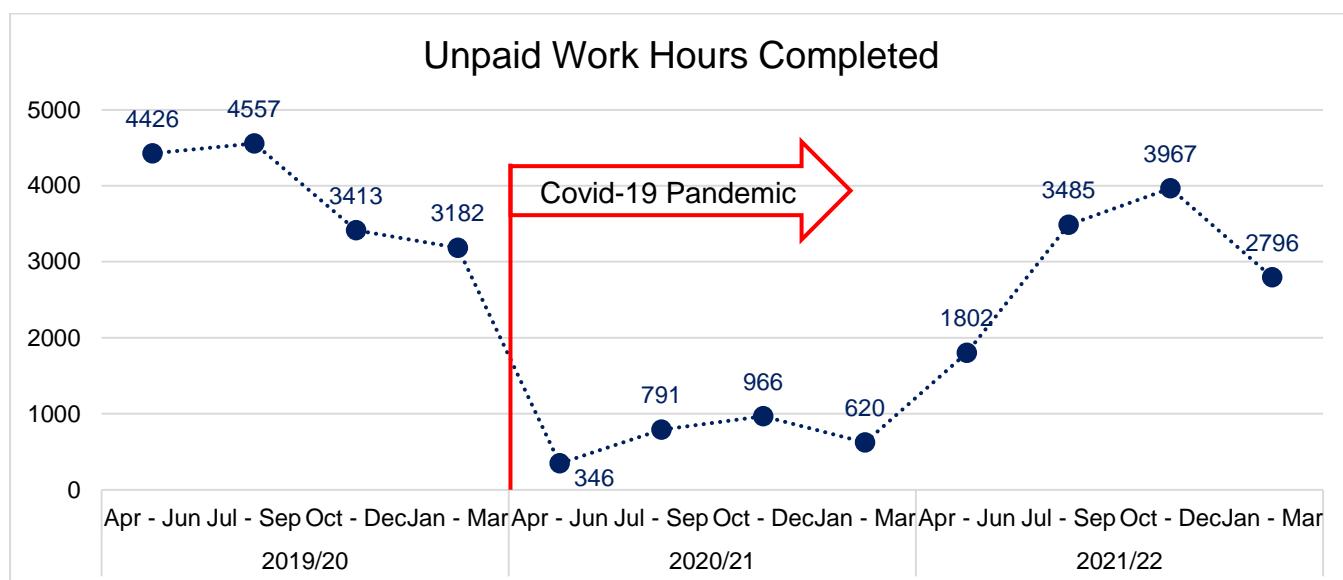
Mr B was supported to self-refer to mental health services, he was referred to a local counselling and therapy service and supported to attend a local community care forum.

By the end of the three month period, there was an overall improvement in Mr B's mood and mental health. He had been abstinent from alcohol throughout and intended to continue his engagement with the Community Care forum and mental health services (including the counselling and therapy service) voluntarily after completion of the SDS period, at which time a progress report was submitted to the Court. Mr B was nervous about attending Court for disposal, so his Criminal Justice support worker accompanied him.

The Sheriff considered the report from the Criminal Justice support worker and accepted that Mr B did not require further CJSW involvement and admonished him. Mr B went on to reconcile with his partner.

Unpaid Work

Throughout the reporting year our Unpaid Work Service had to work within a range of Covid-19 mitigation measures that have impacted on service delivery. A cautious approach was adopted to service recovery to ensure that in the event of any subsequent restrictions we had contingency plans to facilitate safe service delivery.



Source: Swift

The total number of hours of Unpaid Work completed in 2021/22 was 12,050, up 42% from last year (2,723) but still 22.6% below pre pandemic figure of 15,578 hours.

In May 2021 our outdoor projects resumed that had previously been assessed as being Covid-19 safe.

Initially the ratio of Unpaid Work supervisors to service users remained static at a maximum of 1:3, with only one project operating per day. However by the summer of 2021 the Service had begun to move forward from this with additional projects being opened up and our ratio of Unpaid Work supervisors to service users increasing where possible to our standard of 1:5.

Initial projects during spring and summer of the reporting period mirrored previous offers:

- ✓ Coves Reservoir Project – ongoing outdoor grounds work
- ✓ Devol Gardening Project – ongoing gardening project in conjunction with Inverclyde Shed
- ✓ Fitzgerald Centre Project – gardening, growing and other groundwork maintenance
- ✓ A local bowling club – repainting fences, gardening
- ✓ Walked Routes to School – many paths had become overgrown & slippery; cleared and cleaned.
- ✓ Vulnerable individuals – gardening etc.

The photos below highlight some of the work undertaken



During the reporting year, the Service commissioned Action for Children (AfC) to provide Unpaid Work placements and other purposeful activity to young people aged 26 years and under. In addition to supporting these young people to complete their Unpaid Work hours the aim is to offer holistic support to help them with any barriers they are facing and in so doing help reduce further involvement with the justice system.

22 Referrals to AfC

- | | | | |
|--------------|------------------|----------------------|----------------------|
| Construction | Community work | Horticulture | Catering |
| Podcasting | Holistic support | Offence focused work | Health and wellbeing |

Additionally 35 industry specific qualifications were awarded in areas such as: Safety Awareness, Manual Handling, Use and Care of Hand Tools, Food Hygiene and Abrasive Wheels. Notably some young people completed more than 1 qualification. The rationale to these courses is that these will support young people into employment opportunities across Inverclyde.

Unpaid Work Sub Group

Building on the work undertaken in 2020/2021 the Group has continued to support a variety of pieces of work during the reporting year including

- ✓ Developed a referral pathway between Criminal Justice Social Work and Inverclyde Council Community Learning and Development (CLD)
- ✓ How Unpaid Work could support the diverse range of community groups and organisations across Inverclyde

Prison Based Social Work

Covid-19 has continued to impact on long term prisoners and their suitability for testing in the community in advance of their liberation. Acknowledging a need to have an offer for individuals, work between Inverclyde prison based Social Work, Inverclyde community based Criminal Justice Social Work and staff from Scottish Prison Service has ensured that individuals can travel to Inverclyde in advance of their liberation. This enables individuals to meet with their allocated community based Criminal Justice Social Worker who will also be able to facilitate connections with any service providers who will support them.

How Social Work Services are improving outcomes for people with Mental Health Services

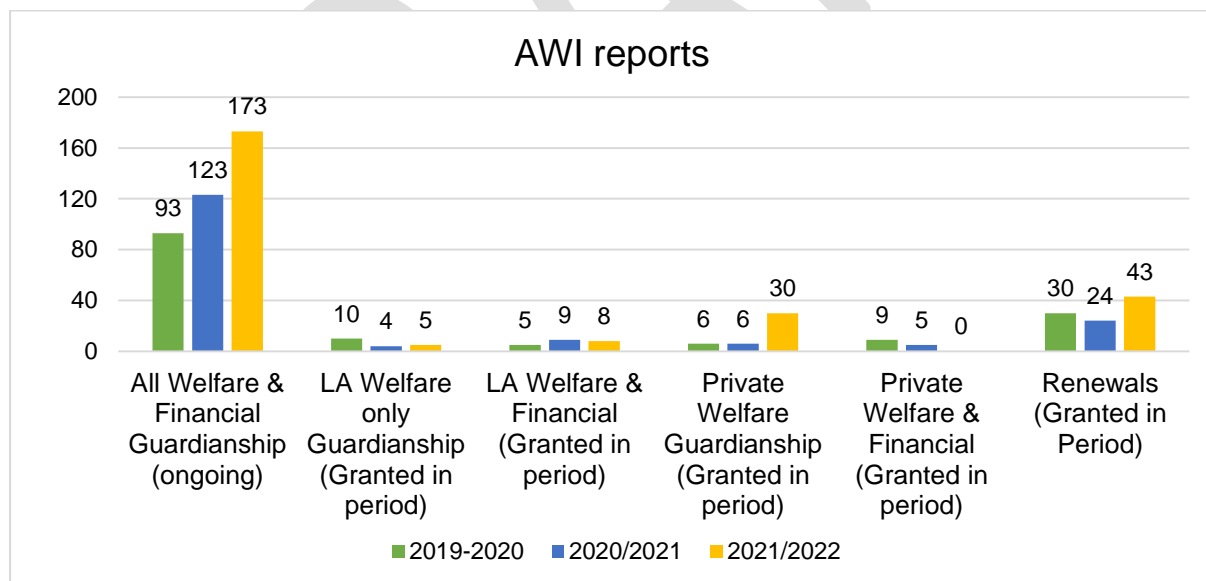
Mental Health Officer Service (MHO)

The action plan arising from MHO service review has been implemented with additional full time MHO staff now recruited. An element of the sustainability programme is continuing to attract and support existing qualified Social Workers in the HSCP to achieve the MHO qualification to build the staffing capacity required to meet a rising service demand. Candidates have been identified and supported from other service areas to complete the qualification i.e. Community Learning Disability Team and Alcohol and Drugs Recovery Service.

Procedures have been reviewed and improved to more fully enable the SWIFT system for recording, monitoring and reporting of the MHO Service statutory work.

The Adults with Incapacity (Scotland) Act 2000 creates provisions for protecting the welfare of adults who are unable to make decisions for themselves because of a mental disorder or an inability to communicate. It allows other people to make decisions on behalf of these adults about things like: arranging services.

The graph below details the number of Adults with Incapacity (AWI) reports carries out from 2019 – 2022. There has been a significant increase in reports being carried out rising by 80 over the three year period. Private Welfare Guardianship and renewals granted within the period have risen within the period 2021/22.

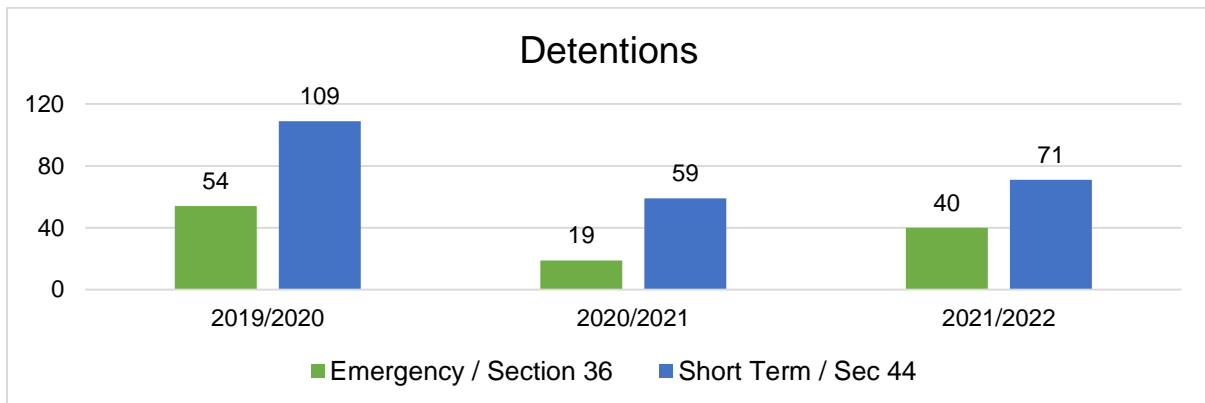


Source: CMHT / SWIFT

Section 44 of the Mental Health (Care and Treatment) (Scotland) Act 2003 sets out the procedure for granting a short-term detention certificate.

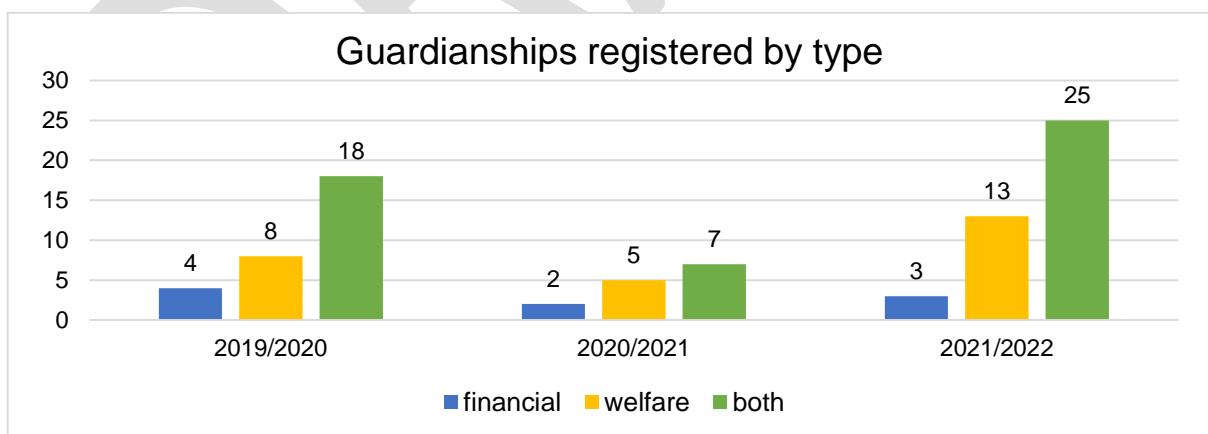
Section 36 is an emergency detention certificated which allows a person to be held in hospital for up to 72 hours while their condition is assessed.

Detentions within Inverclyde have fluctuated in numbers from 2019 – 2022. There are a higher number of Section 44 short term detentions being granted each year compared to Section 36 emergency detentions.



Source: CMHT / SWIFT

A guardianship order is a court appointment which authorises a person to act and make decisions on behalf of an adult with incapacity. There has been an increase in guardianships registered over the last 3 years with 41 guardianships being registered in 2021/22 compared to 14 the previous year.



Source: CMHT / SWIFT

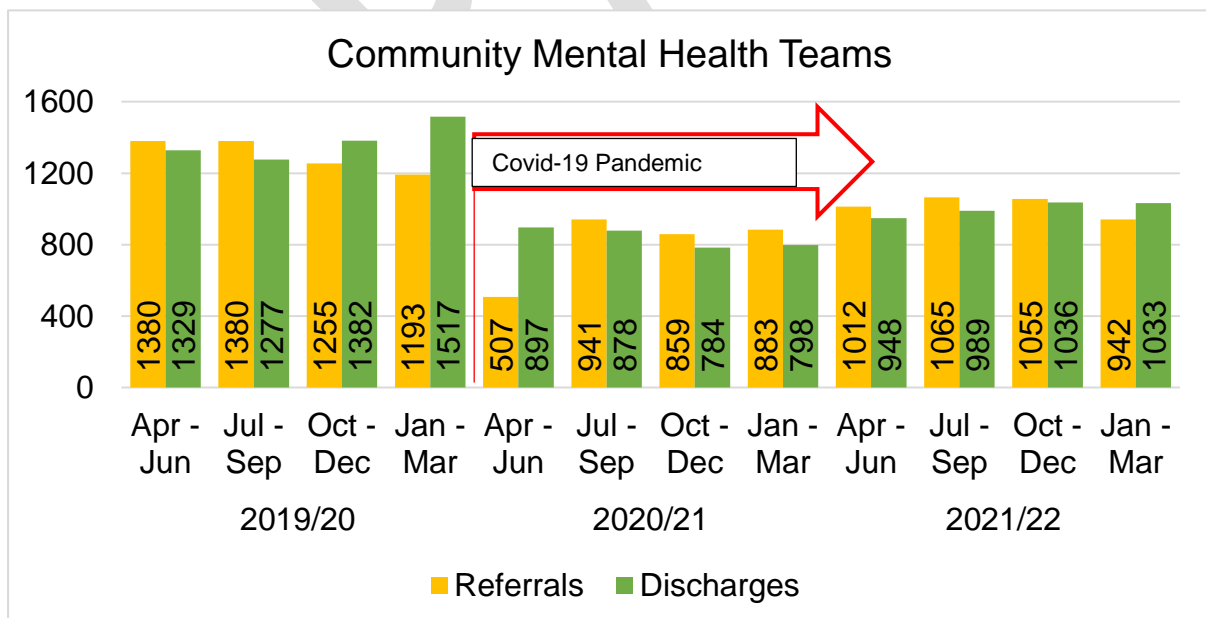
Community Mental Health Services

The integrated nature of Community Mental Health Services provision means Social Work is critical to delivery of the full range of services available and wider strategic work in service development and improvement throughout NHS Greater Glasgow and Clyde and within Inverclyde HSCP.

Essential mental health treatment services are coordinated and delivered by the Community Mental Health Services (CMHS) across the adult and older adult population. CMHS continue to provide capacity to serve Inverclyde's needs for urgent mental health assessments in the community in tandem with the centralised GGC wide Mental Health Assessment Units as well as programmes of scheduled treatment/support and an accessible duty service. There are challenges in recruitment across all disciplines with several jobs going through multiple rounds of recruitment due to no applicants and also no suitable applicants.

The hybrid arrangement of placing staff across office/remote based working along with blended approaches to delivering interventions, from face to face to utilising technology where appropriate, has remained a necessity in flexible service delivery. Covid-19 pandemic restrictions and guidance have continued to steer much of this however service delivery remains underpinned by individual service user assessed need, risk, vulnerability, and associated legislation where indicated.

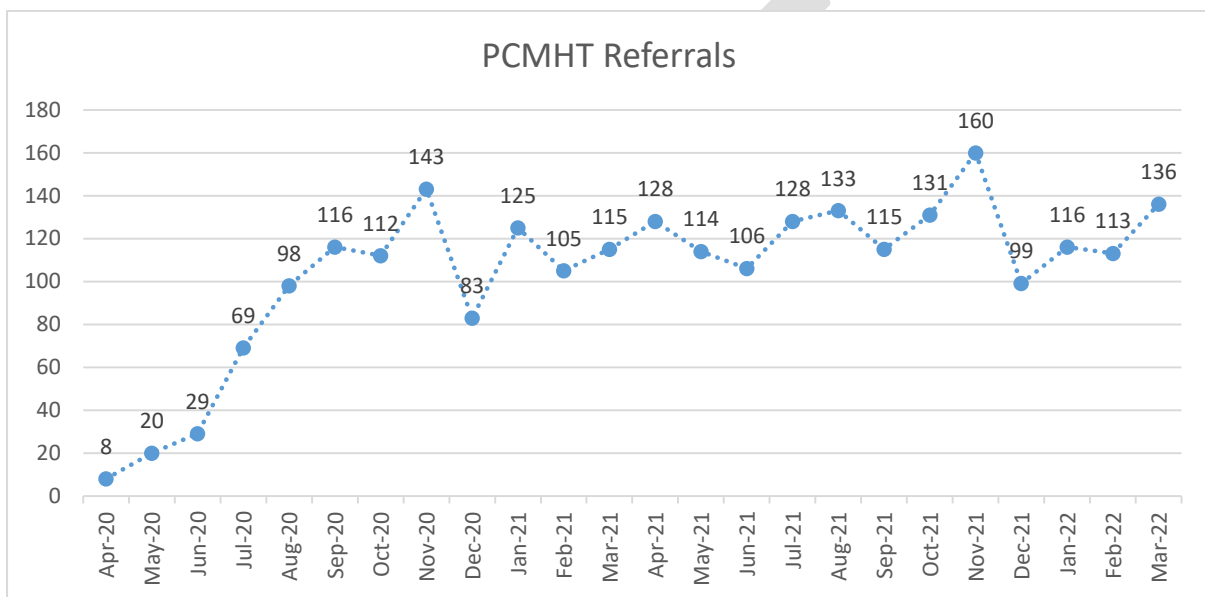
At the onset of the pandemic caseloads were reviewed and individuals allocated a risk assessed priority of Red, Amber or Green to inform frequency and type of contact with regular review to ensure status remains current. This RAG status continues and is now viewed as a critical element in understanding and supporting the demands at an overarching service level as well as for the individual service users.



Source: EMIS Microstrategy Dashboard

Primary Care Mental Health Team (PCMHT)

The Primary Care Mental Health Team (PCMHT) and Community Response Service (CRS) are primarily nurse led services however they have a key interface with Social Work colleagues to support person centred outcomes focus, public protection and achieving the right service at the right time for individuals using the service.



Source: EMIS Micro strategy Dashboard

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

The integrated Adult Community Mental Health Team (CMHT) and Older Persons Community Mental Health Team (OPMHT) provide specialist multidisciplinary assessment and evidence based interventions as determined by assessment, risk and vulnerability.

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

Critical to this is working in partnership within the HSCP, 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 past year has continued to present challenges in the face of the global pandemic however the Social Work staff have regularly demonstrated their commitment and flexibility in providing appropriate evidence based services for the people of Inverclyde. The ability to support agile working for staff and use of technology has continued to be of high value in service delivery.

Improving interface working arrangements within Community and In-patient Mental Health Services, Homelessness, Alcohol and Drugs Recovery Service (ADRS) and Criminal Justice colleagues has continued. Community and in-patient mental health and ADRS have now established a joint Incident Review Group. This adds further robustness and standards of consistency to related decision making for Inverclyde HSCP as well as further augmenting interface work between these services and their frequently shared service users.

Quality evidence based improvement work also continues within the CMHS to ensure safe, timely and effective person centred care. This supports statutory elements of service delivery as well as broadening assurance in developments related to NHS GGC Mental Health Strategy and service users receiving the right service at the right time and in a more seamless way. Examples of this include the following.

- Action 15 of the Scottish Government Mental Health Strategy 2017-27 committed to providing 800 additional mental health workers across Scotland by 2022 to improve the accessibility of support within key areas such as Emergency Departments and GP practices. Inverclyde has contributed to a number of GGC wide initiatives as part of this including the development of Mental Health Assessment Units, increased liaison services within general hospitals and the piloting of peer support workers within Mental Health Services. Locally Action 15 funding has been used to support the development of the Distress Brief Intervention initiative, increase capacity and develop new ways of working within the Primary Care Mental Health Team and introduce a new 'Inreach worker' post that helps ensure individuals admitted to hospital are able to be discharged back home with appropriate support at the earliest opportunity.

- Recovery Orientated Care is an underlying principle of the NHS GGC Mental Health Strategy with the Adult Community Mental Health Team (CMHT) promoting the principles of personalised recovery in all aspects of support and interventions.

Covid-19 reduced the number of referrals and, therefore, discharges across all the teams. The numbers are increasing now but still not quite back to pre-pandemic levels. Although complexity is increasing.

DRAFT

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

Inverclyde Alcohol and Drug Recovery Service

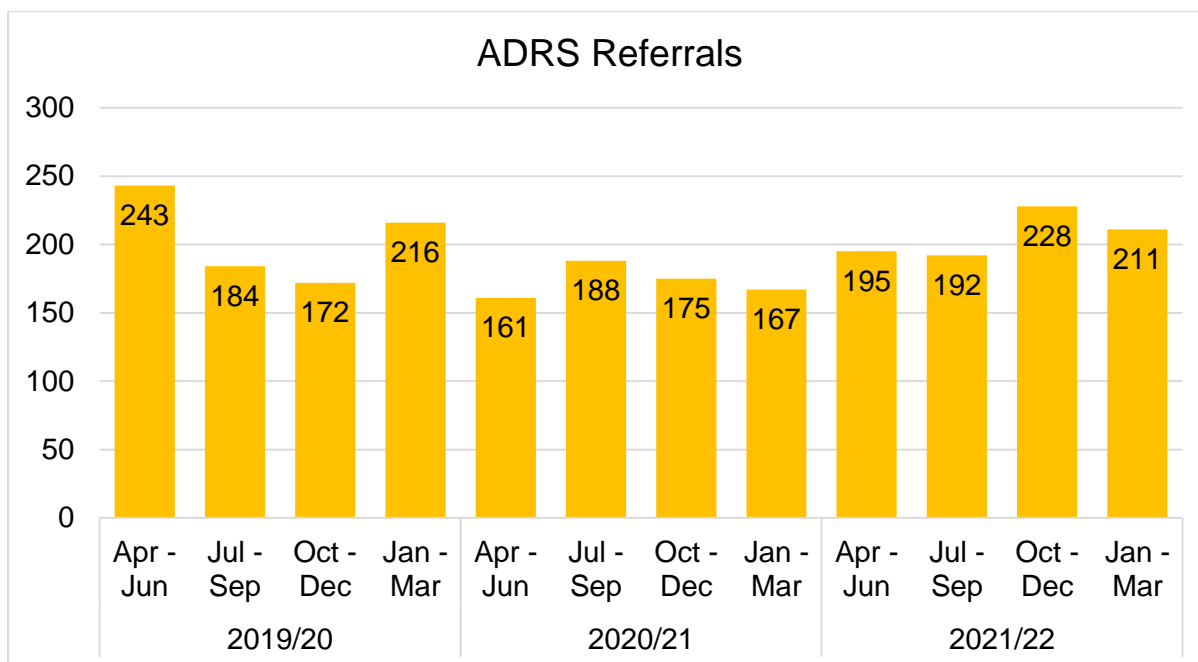
Our integrated service provides a range of care and treatment options to people affected by alcohol and drugs and who have complex needs.

Inverclyde ADRS has continued to deliver essential care, treatment and support throughout the pandemic, including the statutory social work function in relation to public protection, overseen by a Team Leader /Senior Social Worker and two social workers but working in partnership with the wider range of health professionals and social care staff who make up the team, ensuring there was capacity in the service to meet demand. Scheduled contact continues to be based on level of risk and need. At the beginning of the pandemic all Board wide service redesign, including the ADRS Review Implementation Plan was suspended. This has since reconvened with the final areas of implementation complete with the recruitment of the social care workforce. This has now been concluded and recruitment to the social care workforce of Alcohol and Drug Recovery Workers and Senior Alcohol and Drug Recovery Workers in the final phase. Inverclyde ADRS also expanded the acute addiction liaison nurse team to provide additional reactive capacity through an assertive outreach approach for those hard to reach or engage who are most at risk of harm or overdose.

Essential face to face contact has been maintained throughout the pandemic. Initial support to deliver prescriptions to those who were shielding still continues for people confirmed as having Covid-19 and socially isolating has remained in place throughout the pandemic.

As we incrementally increase all functions of the service, community alcohol detoxification, develop our assertive outreach nurse liaison team including acute liaison, test of change pilot in Primary Care and nursing response to near fatal overdose and interface with other partners and service areas. There are plans in place to support GPs in primary care who currently run shared care clinics.

The Scottish Government also launched new Medication Assisted Treatment (MAT) Standards which are evidence based to enable the consistent delivery of safe, accessible, high-quality drug treatment across Scotland. Additional clinic time has been made available to ensure there is capacity for same day prescribing, where clinically appropriate. The service is working with other ADP partners and other HSCP's across Greater Glasgow and Clyde to ensure full implementation locally.



Source: SDMD (Scottish Drug Misuse Database) and DAISy (Drug and Alcohol Information System)

Alcohol and Drug Recovery Service

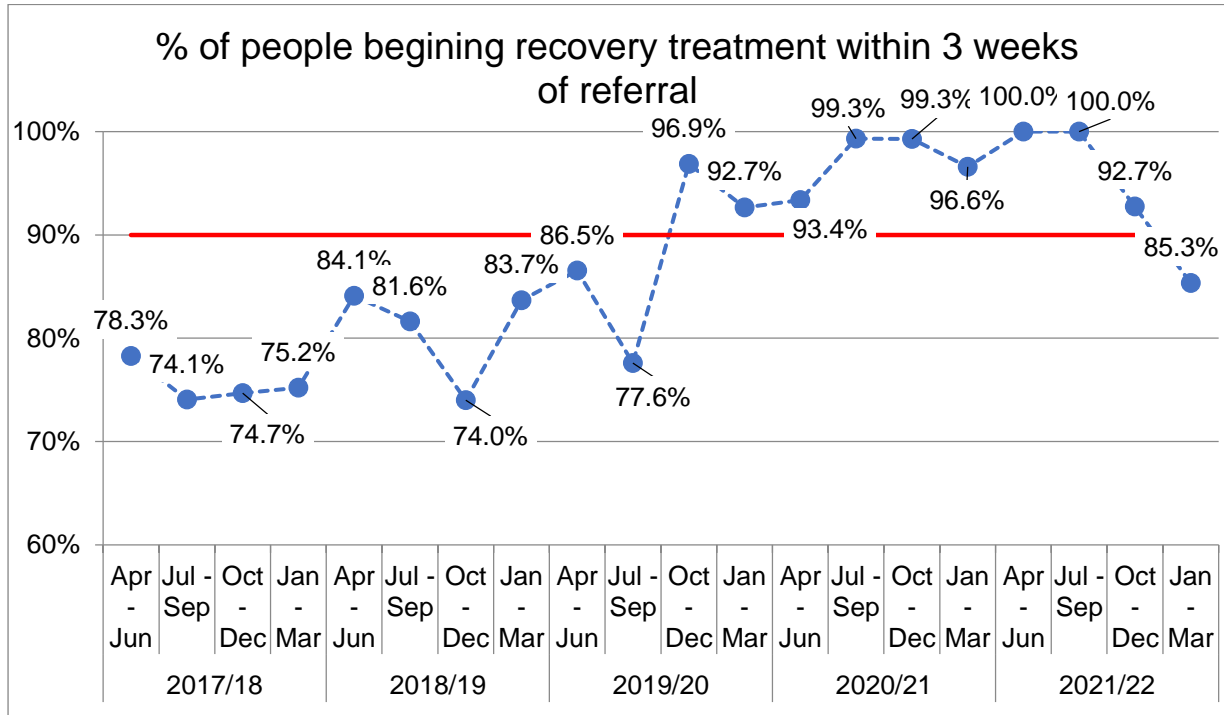
Key challenges have been

- Continued prescription deliveries;
- Incorporating a caseload from one GP practice who withdrew from the shared care model;
- Uncertainty of temporary funding for the Team Lead and two Band 6 Nurse posts supporting the test of change in Primary Care,
- Non-Fatal Overdose work and overall reactive capacity to crisis situations;
- The developing new models of care including implementation and reporting of MAT standards without any additional resource.

Governance and oversight of practice has been reviewed. The Head of Service chairs an overarching Mental Health and ADRS joint Care Governance Group with professional leads and senior officers contributing to the scrutiny. Cases include near misses, deaths or other serious incidents. Learning points, recommendations or the need for a Significant Adverse Event Review is agreed by the group which feeds into the wider Inverclyde HSCP and NHS Greater Glasgow and Clyde governance structures.

Beginning treatment

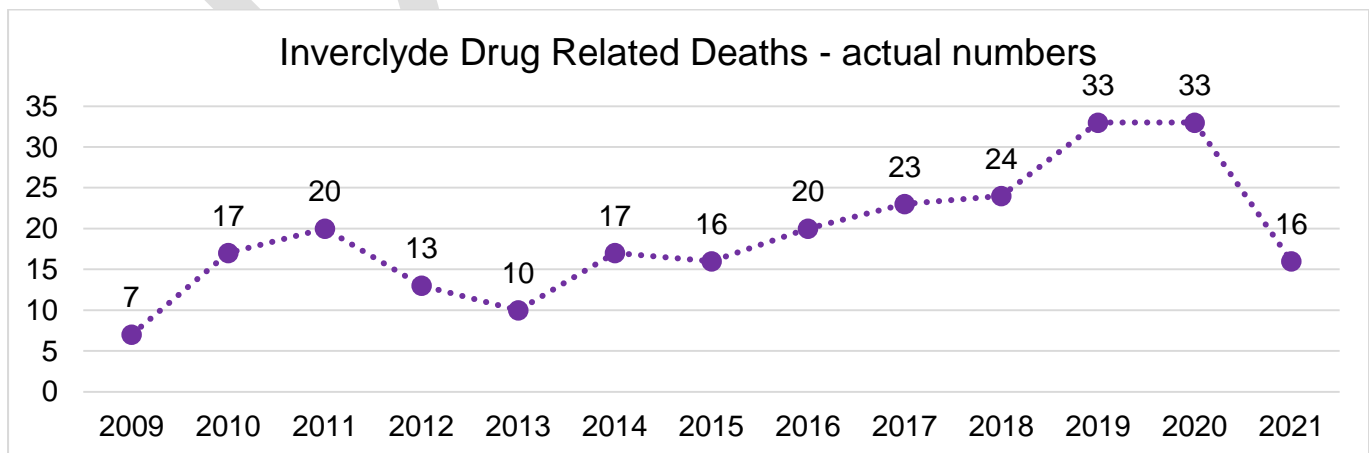
A national target has been set by the Scottish Government that states “90 percent of clients will wait no longer than 3 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery”. See people quickly gets them onto a journey of recovery sooner, thus leading to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



Source: SDMD (Scottish Drug Misuse Database) and DAISy (Drug & Alcohol Information System)

Drug related deaths

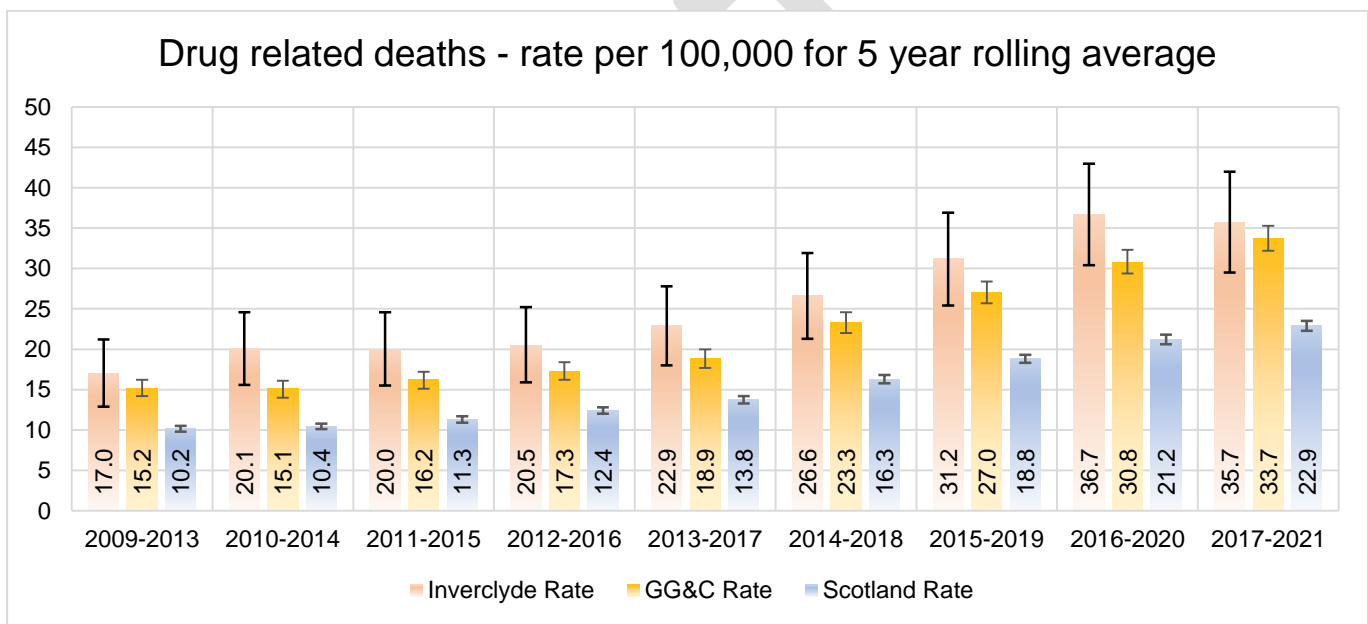
In 2021 there was a reduction in the number of drug-related deaths in Inverclyde from 33 in 2020 to 16. While this reduction is welcome, we still have a challenge to further reduce this number.



Source: NRS

Comparing our 5 year age-standardised rate for 2017- 2021 Inverclyde remains the third highest in Scotland with only Glasgow city and Dundee city higher.

Local Authority Area	Age-standardised rate per 100,000 population
Dundee City	45.2
Glasgow City	44.4
Inverclyde	35.7



Source: NRS

Preventing Drug Related Deaths

In 2021, after adjusting for age, people in the most deprived areas were more than 15 times as likely to have a drug-related death as those in the least deprived areas (64.3 per 100,000 population compared with 4.2). 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.

Inverclyde Alcohol and Drug Partnership's (ADP) 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

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.

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)
- ✓ 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 of harm into treatment and try to keep them established within treatment services via the ADRS Liaison Nursing Team who are working to improve pathways of care
- ✓ 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, if clinically appropriate can be offered as a treatment
- ✓ 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

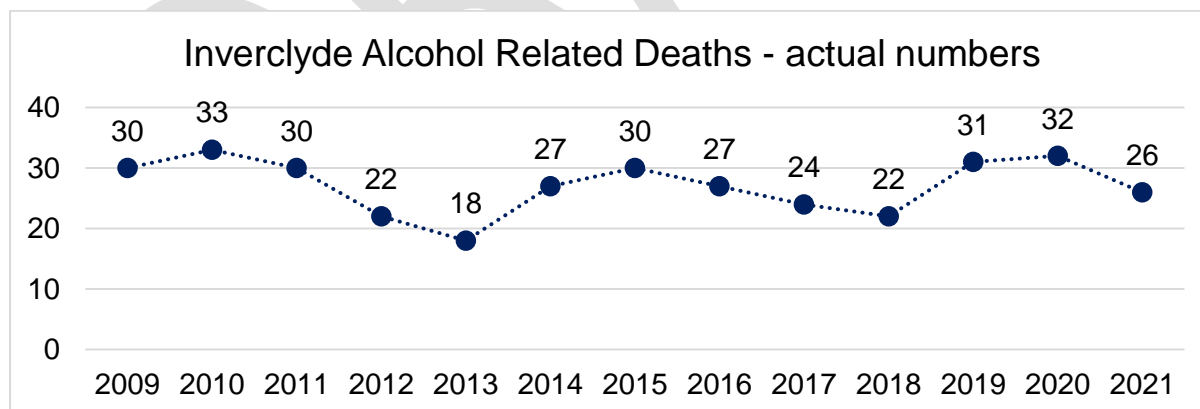
Analysis from the 2019 drug-related deaths in Inverclyde indicated that 30.3% of people were in police custody in the six months prior to their death. Inverclyde ADP has secured funding from the national Drug Death Task Force to employ Peer Navigators in Greenock Police Custody as a means of early help. 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.

A key priority in Inverclyde's Anti-Poverty Strategy is utilising 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 has initially targeted Greenock Town Centre followed by a second phase targeting Port Glasgow. This pilot recognises the challenges to overcome in relation to reducing poverty and increasing employment opportunities while tackling health inequalities.

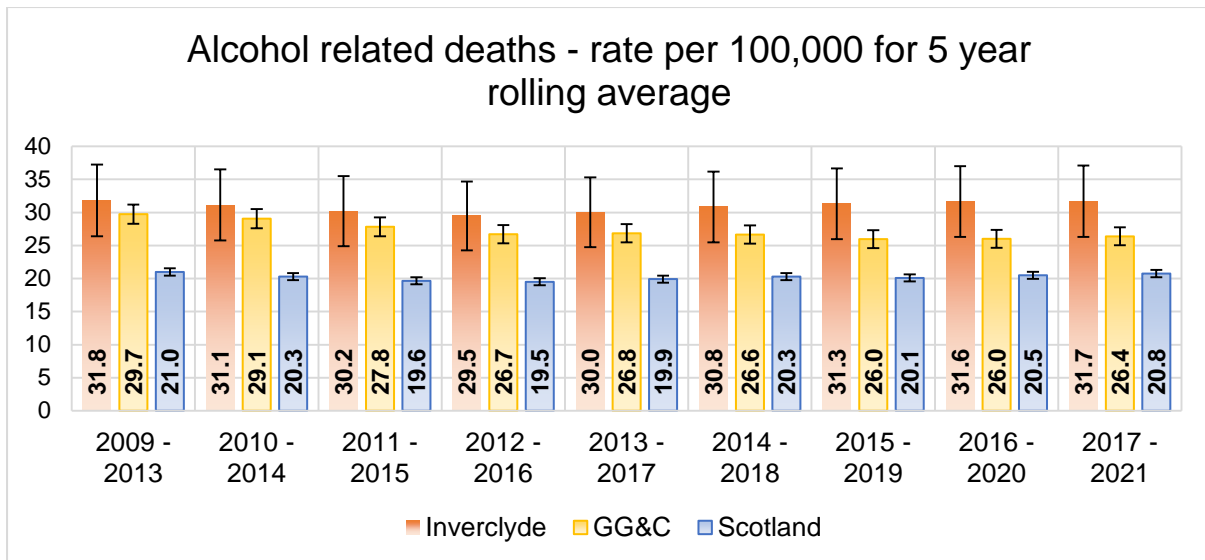
Other developments being progressed by Inverclyde ADP that may also help to prevent drug related deaths include more system wide changes, including developing a recovery community and where people are given hope that change is possible and people can and do recover. A key barrier is around stigma and 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.

Alcohol Specific Deaths

In 2021 there were 26 recorded alcohol specific deaths in Inverclyde, down 6 from the 2020 figure of 32.



Source: NRS



Source: NRS

Preventing Alcohol Specific Deaths

NHS GG&C have undertaken an audit of alcohol specific deaths and Inverclyde was included in this cohort. Findings from this report are being presented to the Drug Related Death Monitoring Group with a view to develop an action plan to reduce alcohol specific deaths in Inverclyde.

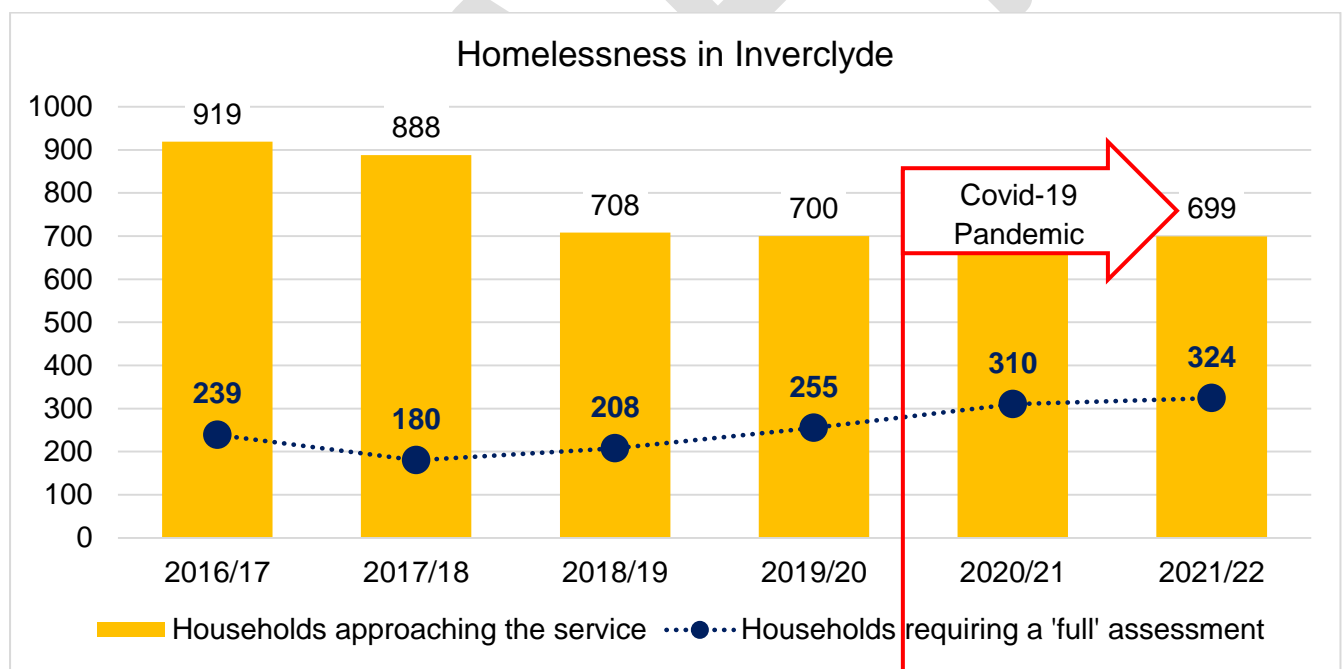
In addition, Inverclyde HSCP are actively involved in providing responses with regards to applications made to the Inverclyde Licensing Board. The Alcohol and Drugs Partnership (ADP) is also supporting the refresh of our local Alcohol Profile. This will inform the Inverclyde Licensing Forum in considering issues of over-provision across Inverclyde and at a locality level.

Inverclyde ADP closely monitor the number of Alcohol Brief Interventions delivered locally and are in the process of exploring opportunities to expand this in wider settings. This will be included as an action to support the prevention of alcohol specific deaths.

How Social Work are Improving Outcomes for People in Homelessness

The pandemic continues to impact on homelessness with 699 total presentations for 2021/22, of these 324 required a full assessment/temporary accommodation. These figures are in line with 2020/21 service activity.

Full Homelessness Cases	
Closed <ul style="list-style-type: none"> • 358 in 2021/22 • up from 295 in 2020/21 	Average case length <ul style="list-style-type: none"> • 25.6 weeks in 2021/22 • Down from 32.4 weeks in 2020/21



Source: Swift

Housing first remains a priority of the service to ensure that those with complex needs, are given the right support to obtain and sustain a tenancy. Ten people started (a permanent tenancy) on the housing first model, with nine of these still open to housing first support and an additional three more waiting to move into tenancies. This model will be expanded further throughout the coming year.

We have worked with our service users and the Registered Local Landlords to convert tenancies to become the permanent home for an individual or family who are in temporary accommodation, are settled and have made positive connections in that local community family.

Lost contact with people who have been assessed as homeless remains an issue. However this is steadily reducing progressively from 12.4% of people losing contact with the service in the first quarter of the year reducing to 10.3% by the end of quarter four.

A more detailed approach to homelessness prevention and increase in housing options approach led to prevention cases being open longer over the year with 659 prevention cases were closed in 2021/22 when compared with 823 prevention cases closed in the previous year. This has been due to more involved ongoing engagement with landlords (private & RSLs), Advice and Environmental Services, Legal Service Agency, ICIL etc. in order to ensure tenancy sustainment and maximising available housing options.

Tenant Grant Fund

Inverclyde received £93k from the Scottish Government to address COVID related rent arrears. The Homeless Team have worked in collaboration with housing strategy, housing benefit and registered social landlords to identify those at risk of homelessness who meet the qualifying criteria.

At the end of March 2022 there were 45 live applications with arrears of just over £87k. Twenty nine cases have been processed for payment with £38k of grants being awarded. The full allocation will be awarded which will go some way to preventing homelessness for a number of tenants across Inverclyde.

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

Greenock Health and Care Centre

In May 2021 staff and services moved in to the new Greenock Health and Care Centre which was officially opened by the Cabinet Secretary for Health & Social Care on 20th October 2021. This was the culmination of several years of planning and development and offers a modern, spacious environment from which to deliver a range of health & care services that will benefit patients and staff alike. Firmly embedded within the community, facilities include a café and courtyard garden incorporating a memorial to our colleague Janice Graham, the first healthcare worker to die from COVID in Scotland. A tranquil place of reflection this garden is also designed for use by the CAMHS team as an alternative place when working with young people.



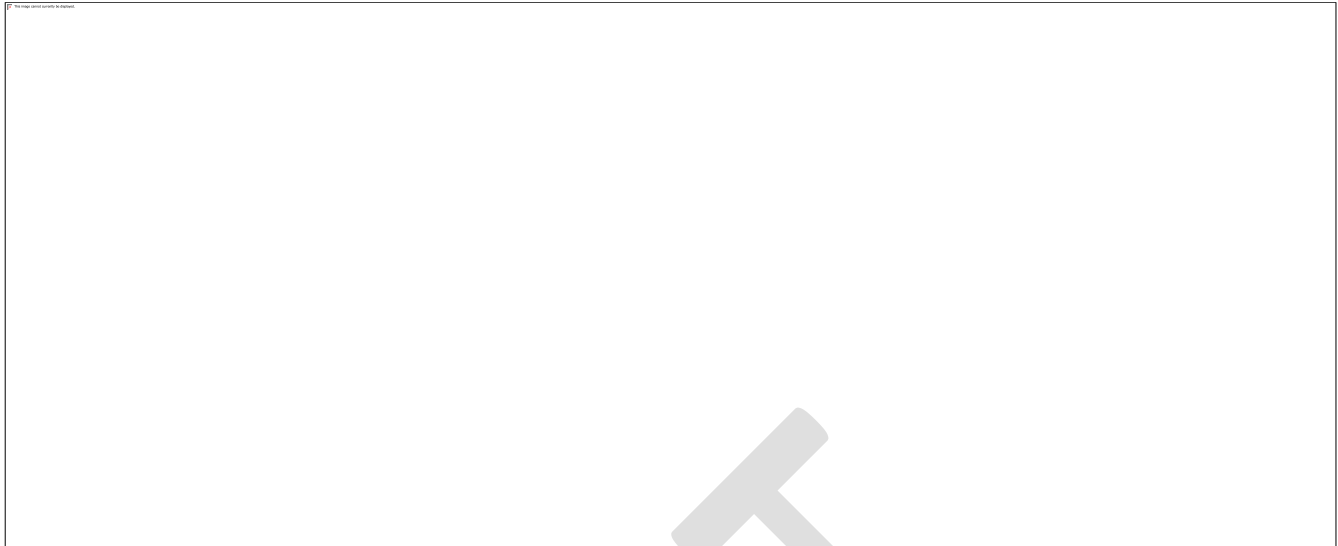
A range of HSCP staff and GPs participated in online workshops which supported the development of a Primary Care Estate Strategy. Facilitated by Hub West and Higher Ground Healthcare Planning, the strategy offers short, medium & long term options for consideration and which will form the basis of future planning conversations.



Since its implementation in January 2019, Access 1st has continued to deliver the single point of access to Inverclyde Health and Community Care Services.

The team consists of a Team Leader, 3 Social Work Assistants and is supported by 6 Business Support staff.

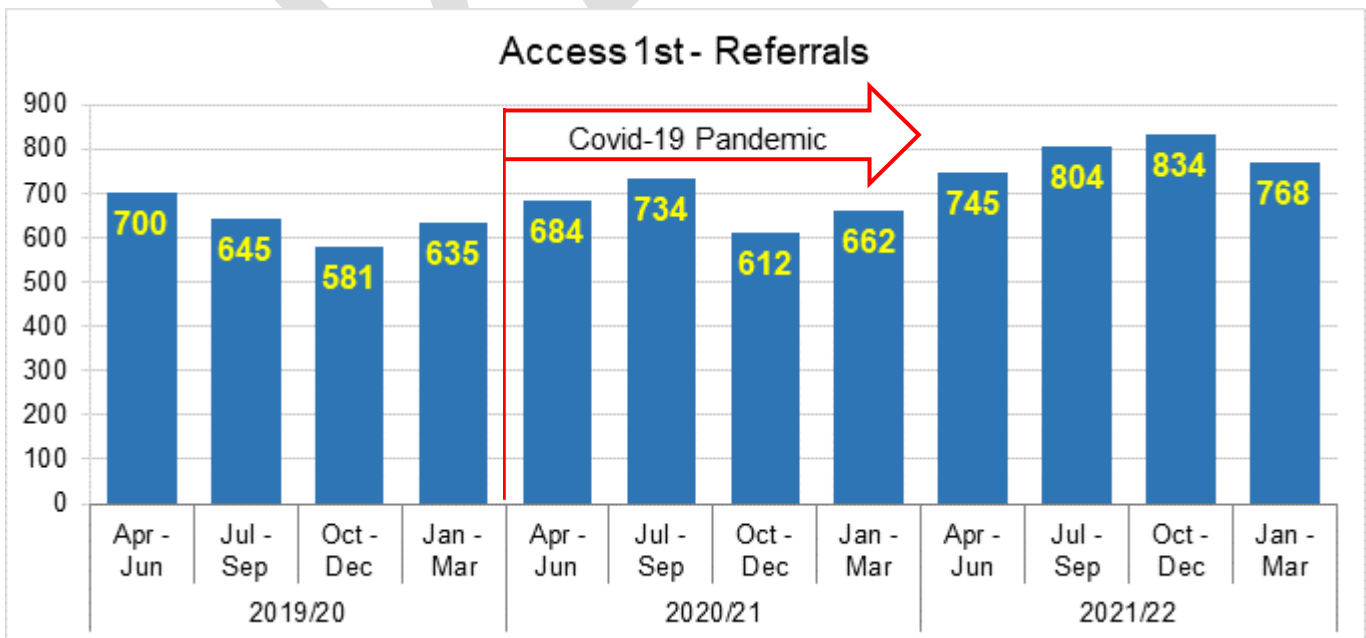
In the 2021/22 reporting period Access 1st received 3151 referrals and key performance indicators were established to monitor the length of time taken for processing referrals.



Source: Access 1st Team

As the chart indicates, the majority of the referrals received (80%) were processed within three days. However 3% of referrals took over 9 days to complete; these were predominately due to Access 1st being unable to contact the referrer or awaiting information from a service to enable a response.

The Access 1st approach to screening and responding to new referrals, has reduced the operational demand on individual teams to better focus on more complex levels of need.



Source: Swift

Assessment Care Management

The Assessment and Care Management (ACM) service is part of Inverclyde HSCP (Health and community care) as a result the service is integrated with all health professionals allowing good multidisciplinary working practices.

This includes ACM West team, ACM East Team and ACM Gourock.

The services provide an outcome focused review service through the Community care review team and care home review teams. Access First Team provides a single point of access to service users in Inverclyde which is also the main gateway and single point of access for all referrals to the ACM service.

The short breaks bureau provides respite support, alternative day care opportunities and carers support to all service users in Inverclyde. Is also single point of access for day care services.

Discharge Team facilitates an individual's safe discharge from Hospital and ensures all service users receive the care and support on discharge from hospital.

The service provides Adult support and protection service to vulnerable adults that are at risk of harm. Other legislation underpinning the service provided is adult with incapacity act 2000, mental health care and treatment act, social work Scotland act and health and community care act.

The ACM service provides an emergency duty system to all adults in Inverclyde 5 days per week. Social work standby provides an emergency duty service out of office hours.

The ACM Teams have close relationships all Health services, Nursing, RES, support at home and home first through weekly locality meetings.

The Teams have a very close relationship with voluntary sector and third sector partners in Inverclyde which is vitally important to how we provide immediate and longer term support to service users in Inverclyde.

The pandemic did have an impact on how the ACM functioned and provided a service. Covid-19 safe working practices were introduced in work places and home visits and care homes.

A Covid-19 home visit protocol was put in place to assist staff with this. Visits to service users home were limited to critical and substantial need being identified. However ACM service continued to provide an ACM duty service and access first service throughout the pandemic. The team worked closely with the voluntary sector to provide humanitarian support such as shopping, delivering medication and meals to vulnerable adults in Inverclyde.

Adult Protection

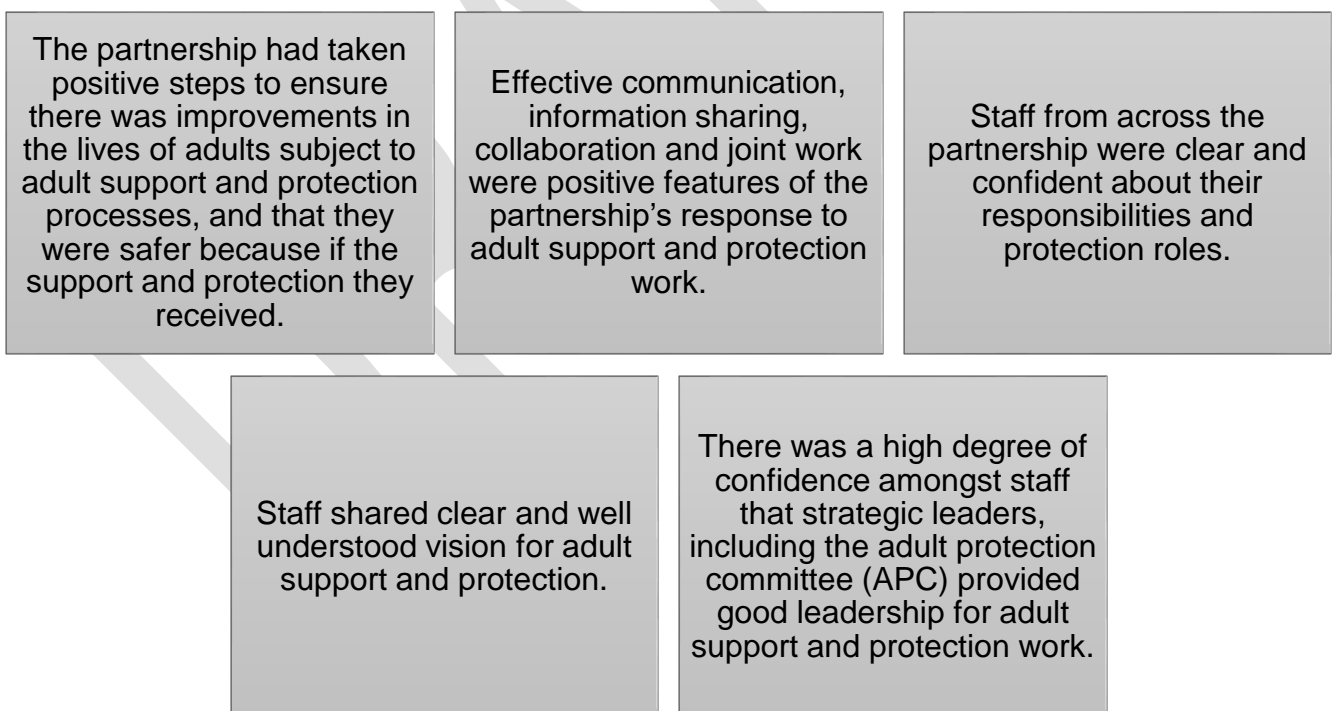
Adult Protection Inspection

In January 2021 the Care Inspectorate completed an adult protection inspection virtually, which provided challenges for the inspection process.

Inverclyde was rated 'good' following this inspection. The Care Inspectorate raised that some Adult protection risk assessments and chronologies were not on HSCP Adult Protection templates on Civica system. Also, evidencing application of the 3 point test in case notes and investigation reports was not explicit. This has now been addressed in terms of the implementation of the shared agency chronology and adult protection inquiry template on Civica System. Going forward adult protection reports will only be accepted on HSCP adult protection templates that are recorded on Swift. The Inquiry template will improve the quality of evidencing the application of the 3 point test in case notes on Swift.

It was concluded that the partnerships key processes for adult support and protection were effective with areas of improvement. There were clear strengths supporting positive experiences and outcomes for adult at risk of harm, which collectively outweighed the areas of improvement.

Strengths



Priority areas for improvement

The partnership's practice standards and operating procedures need to be revised to ensure service managers apply a more consistent approach to adult support and protection chronology, risk assessment and protection planning work.

The partnership should review its key processes documentation and ensure it more accurately records the three-point test. The focus should be on screening inquiry, and investigation activity.

The partnership quality assurance performance framework should be further developed and more consistently applied to ensure a better understanding of results and the improvements required.

The chief officers group and adult protection committee should scrutinise quality assurance activity more robustly and ensure identified improvement work is carried out.

Adult Protection

For the financial year 2021/22 there were 260 adult protection referrals with the 5 year average being 222.2, a 17.46% increase. The numbers referred under the auspices of adult protection range from 9 to 29 per month.

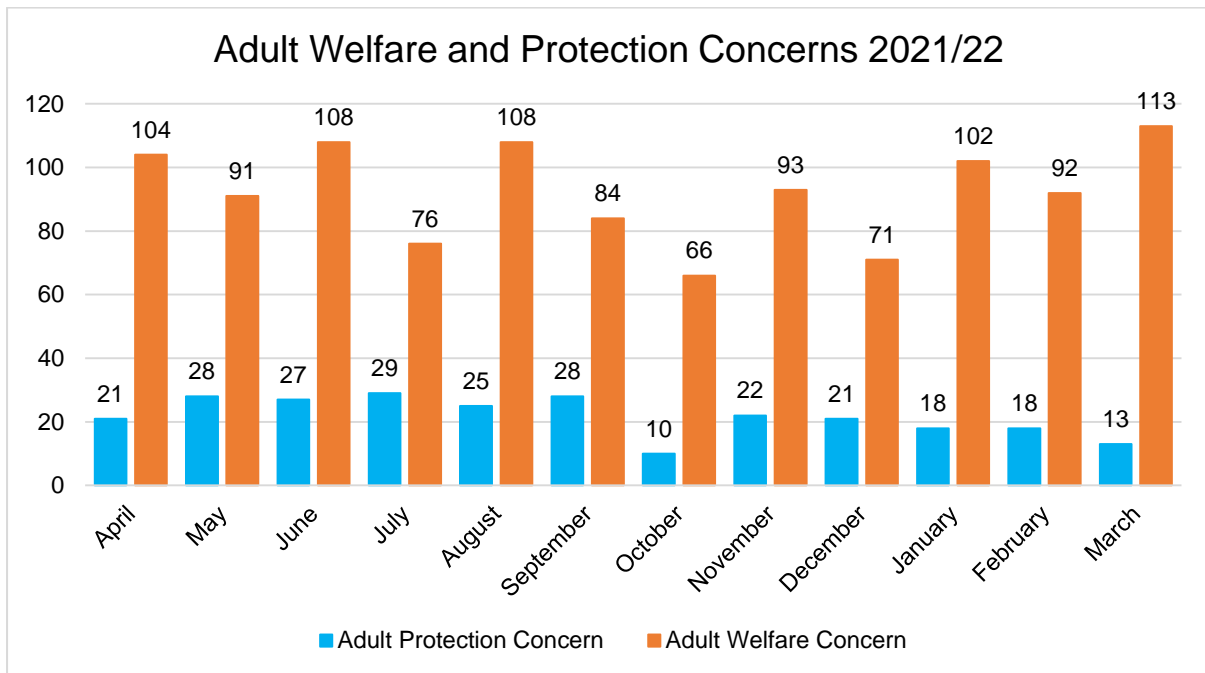
The increased number of referrals made under the auspices of adult protection requires to be considered in the context of those referred under the auspices of adult welfare. Since 2015 the number of referrals made under the auspices of adult welfare has increased by 65%. For 2020/21 there was a 15% increase with an approximate 10% increase year on year for the preceding years. The current figures indicate that the number of adults referred under the auspices of adult welfare has plateaued for 2021/22 with a slight decrease from 2020/21.

The total number of adults referred under auspices of both adult protection and adult welfare has stabilised with a shift to more adults being referred under the auspices of adult protection.

Changes to legislation, such as GDPR, and changes to systems, personnel, process, procedures, guidance and training used and delivered by external agencies does impact on considerations ,including of thresholds for referral , and therefore adult protection figures locally and nationally.

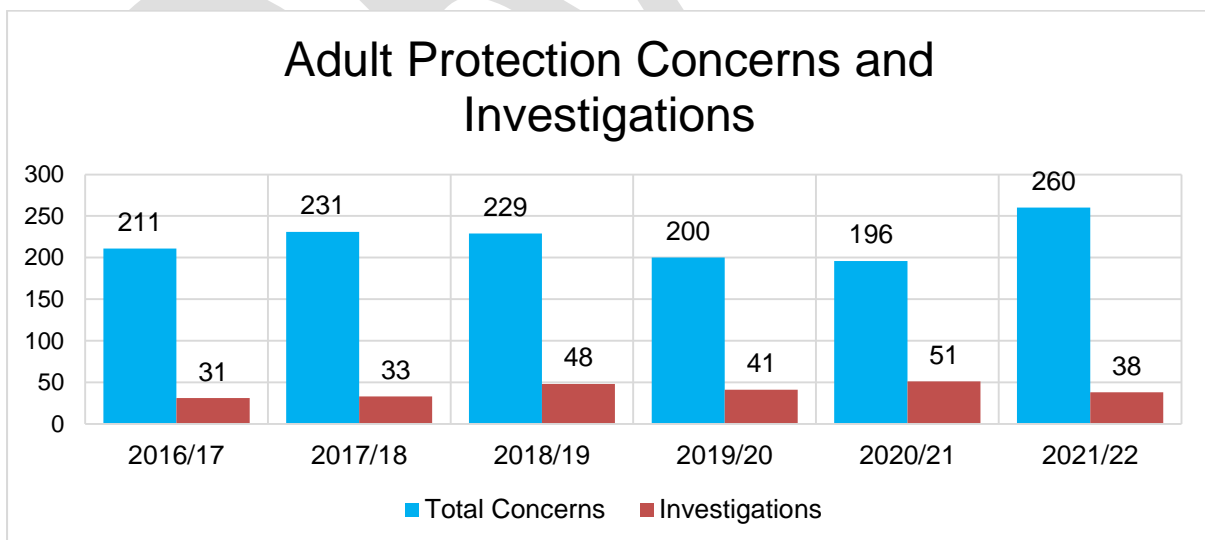
In addition a national or local focus on a particular type of harm or source of referral can also impact on the number of referrals made under the auspices of adult protection. Throughout the pandemic there is and has been a focus on adult protection and quality of care in care homes. For 2021/22 there is a 110% increase in the adult protection referrals made by care homes.

Existing good relationships have been built upon and greatly assisted work with local care homes to ensure supported by the HSCP. The emphasis has been on care homes sharing their adult protection concerns in order for appropriate advice, support and action to be determined and provided. The majority of referrals have not required to be progressed via the adult protection process.



Source: Swift

The numbers of investigations by financial year fluctuate. For last 5 years the number has ranged between 31 and 48 per annum. The average number of investigations carried out per annum over the last 5 years is 41.8. For financial year 2021/22 there have been 38 investigations and is within the per annum range.



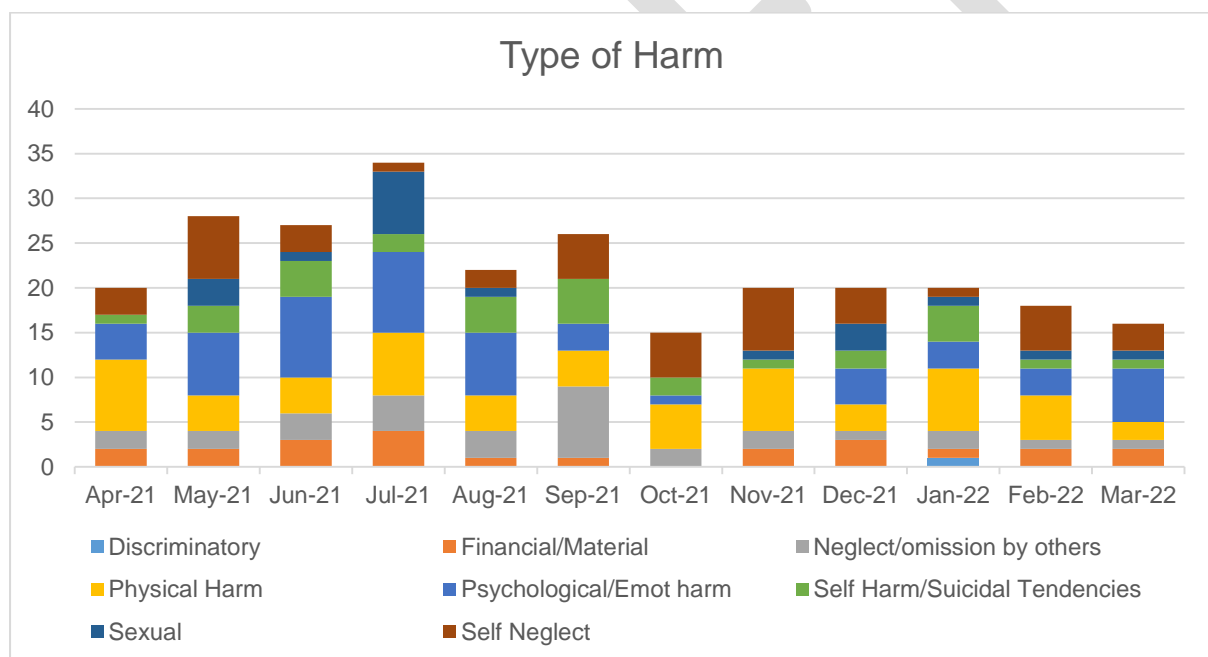
Source: Swift

The following two graphs detail type of harm and location of harm, April 2021 to March 2022 with the highest type of harm being Psychological/Emotional Harm and Private address being the most common location of harm.

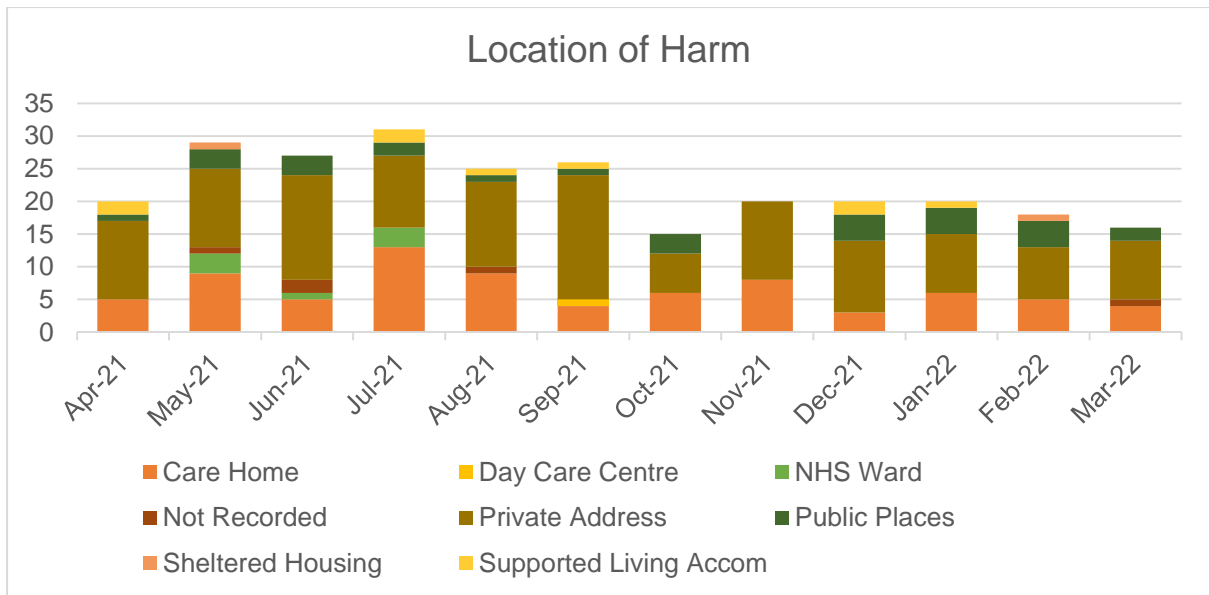
As in all previous years the most common location of harm is Private address and from analysis at greatest risk from the people closest to them such as relatives within, out with house hold, friends and current or former partners or spouses.

Only the principal category of harm can be reported for each investigation but it can be the case that more than one type of harm is applicable.

Since 2008 Physical and Financial Harm have been the highest category types reported with Psychological/Emotional Harm in most years being the third main category type. The impact of the pandemic is the most likely reason for the prevalence of this harm type. Police Scotland make the most referrals locally and nationally .There has been a 79.5% increase in referrals from Police Scotland in 2021/22 and who are often responding to adults who are experiencing Psychological/Emotional Harm.



Source: Swift



Source: Swift

Most adults at risk of harm have comorbid conditions. The principle client categories recorded continue to remain unchanged over last 6 years:

- Alcohol Problems
- Dementing Illness
- Learning Disability
- Mental Health
- Physical Frailty
- Physical Disability

Self-Directed Support Implementation

Following on from the Self Directed Support National implementation plan and recognition of Audit Scotland 2017 recommendations, the local work plan in 2022/2023 has focussed on engagement with services across HSCP, learning and development, the implementation of outcome focussed approaches and quality assurance.

- **Quality assurance**

As part of Quality Assurance Framework within HSCP, the programme includes self-evaluation of case file audits of health community care, learning disability and mental health team.

Due to Covid-19 restrictions 21/22 self-evaluation and case file audit has been unable to take place. As we progress out of lockdown and Covid-19 pandemic we intend to carry out a case file audit, self-evaluation event and self-evaluation over the next 6 months. This will also allow us to evaluate and provide quality assurance outcomes and recommendations for SDS during the Covid-19 and national recovery programme going forward.

- **Major system change- Systems and processes - Implementation of outcome focussed approaches**

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 and is 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 (**C**onversation, **O**utcome focus, **N**eed assessment, **R**isk analysis, **A**gree outcomes and **D**isagreement recorded). Briefings across the ACM/Discharge Team, Learning disability, Older Peoples Mental Health Team Homecare, Occupational Therapy and District Nursing have been completed.

Follow up workshops will continue in 2022/23 with programme of workshops in identified areas such as outcome focussed support plans alongside indicative budgets.

Work alongside the Carers Act Implementation Officer has been developed in order for service users support plan and adults' carers support plan, young carer's statement to complement each other within the Swift system. This will allow for streamlined process for care managers, practitioners around the recording of assessment of service user, carers and families. Training in relation to this will take place in May 2022.

- **Policy and procedures**

A supplement has been added to the support planning practitioner's guidance on outcome focus approaches. This details guidance on first person recording and outcome focussed recording with the CONRAD tool.

The summary map for SDS budget approval has been amended with indicative budgets under £20,000 to be approved by Team leaders. This change allows for increased creativity and autonomy of practitioners to build support plans around outcomes. This is now imbedded in the HSCP CCRG process.

The review document has been revised in line with SDS principles and outcome approaches. It has also been designed to incorporate Health and Social Care Standards. This is now fully implemented in Health and Community Care in Inverclyde.

In recognition of the need to measure of outcomes and the impact on service users, a Wellbeing evaluation project has been developed by SPAEN (Scottish Personal Assistant Employers Network) are measuring wellbeing in relation to social care. This has involved a cohort of service users from Your Voice Community Connectors, HSCP ALFA (Active Living for All) group and direct payment recipients across a 9 month period. This enabled us to measure wellbeing of service users and provide information for support planning process for individuals. This has been paused since the start of Covid19 however will be reinstated in next 6 months as part of the national recovery programme.

- **SDS invigoration campaign**

Work has been completed to update publicity material such as leaflets, posters and brochures as part of communication plan. The communication plan moving included a twitter campaign and community event involving providers and various stakeholders will recommence in next six months.

- **Commissioning**

In collaboration with Your Voice, a digital resource is now in place. This is in line with the reinvigoration of SDS across Inverclyde and the commissioning strategy where HSCP promote a variety of providers of support and the variety of support being provided. Provider's forums continue to be held across Learning disabilities, Care at home and Care homes are running on a quarterly basis.

- **Statistics**

The table below details SDS options for 21/22.

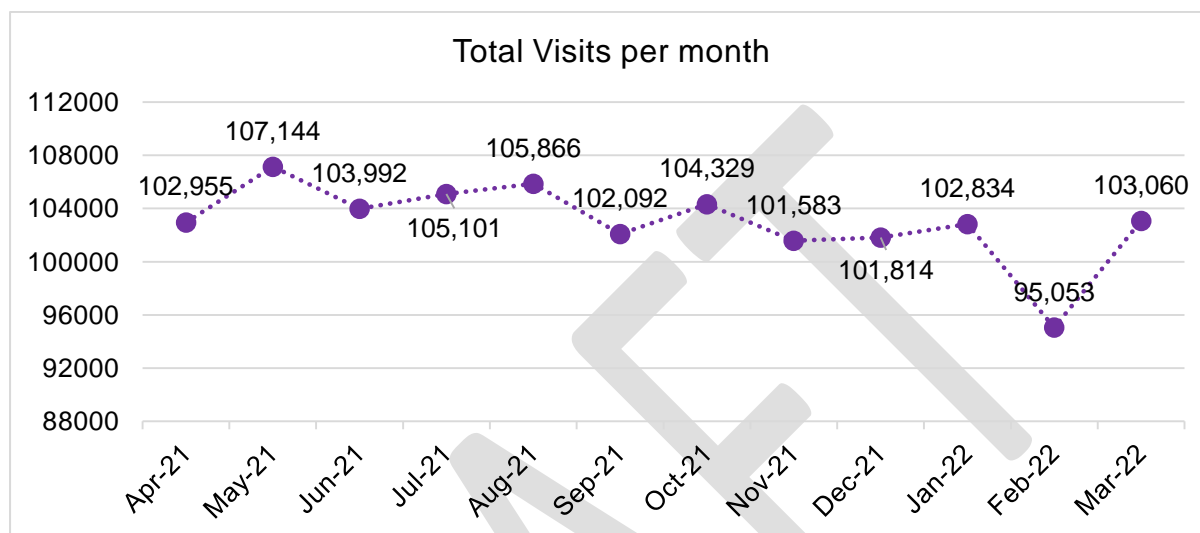
SDS1	SDS2	SDS3	SDS4
39	117	2883	64

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Care and Support at Home

Over the past 12 months, the service, HSCP and commissioned, have delivered **1,235,823** visits to 1971 service users in the community. The service continues to deliver on average 103k visits per the calendar month. There remains to be a year on year increase in the overall amount of visits being provided, with us now providing more internal visits than pre-pandemic.

Note, the reduction in visits for February 2022 is due to there being 28 days in the month.



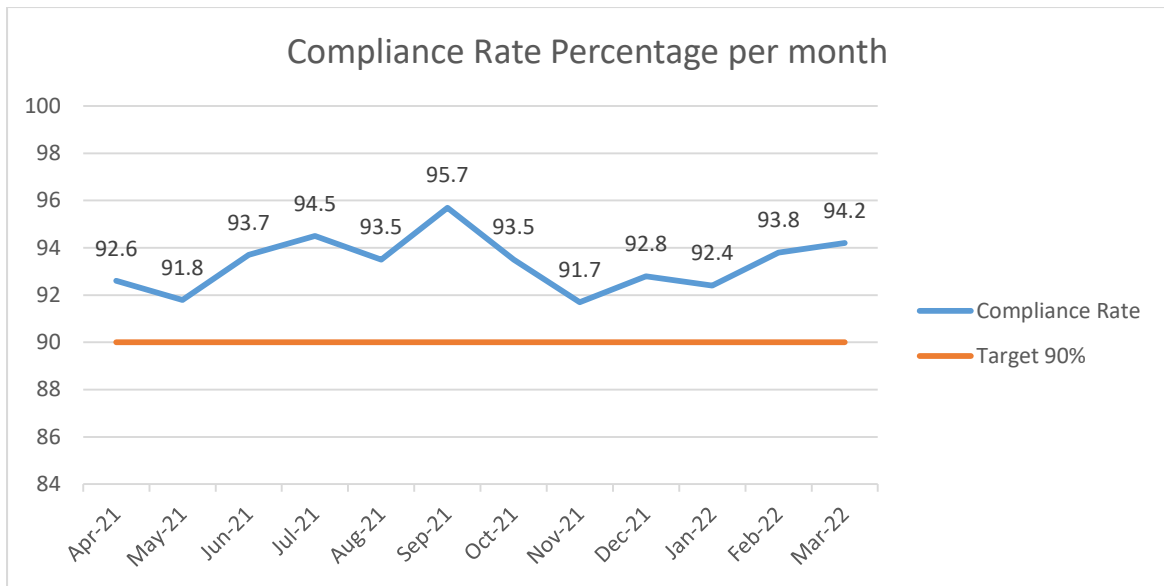
Source: CM2000

The service continues to monitor service delivery, working with our external partners to ensure that we are continuing to deliver a high standard of care to our service user group in the community.

Through our Electronic Call Monitoring system (CM2000), we are able to ensure service is being planned and delivered in line with commissioned contract and the system provides us with essential information in relation to the monitoring and compliance of service delivered. This ensures that the level of service is accurate for each service user and can be adjusted dependent on assessed level of need.

Compliance / confirmation of Care at Home visits delivered – PI target is 90%

A key issue from service user feedback is ensuring staff are on time for visits. 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. Inverclyde continues to have the highest compliance nationally.



Source: CM2000

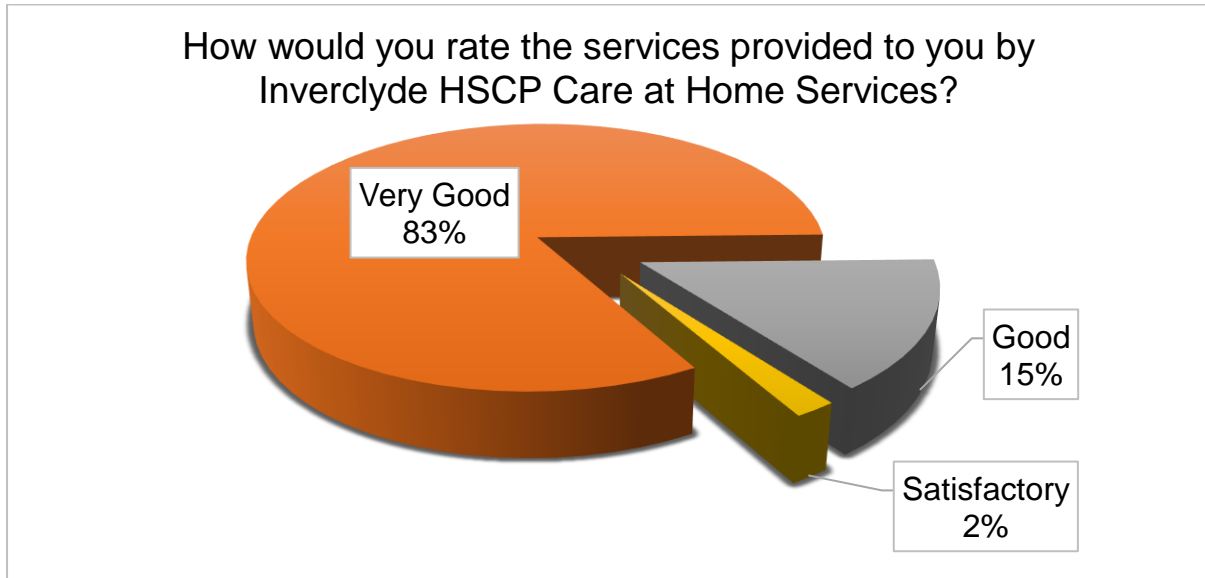
Care at Home were nominated and won the HSCP Staff award 2021, this was an amazing achievement for the team in recognition of the continued hard work throughout a very difficult year.

The service maintained regular quality assurance visits to ensure we achieved our performance indicators for service delivered, the key indicators for service users is around the quality of service, the punctuality of visits and the continuity of staff.

There continues to be a high level of satisfaction amongst our service users despite the challenges that the service has faced in the past 12 months. This reflects in the feedback forms completed by service users during our Quality Assurance visits.

Service User Satisfaction with overall service

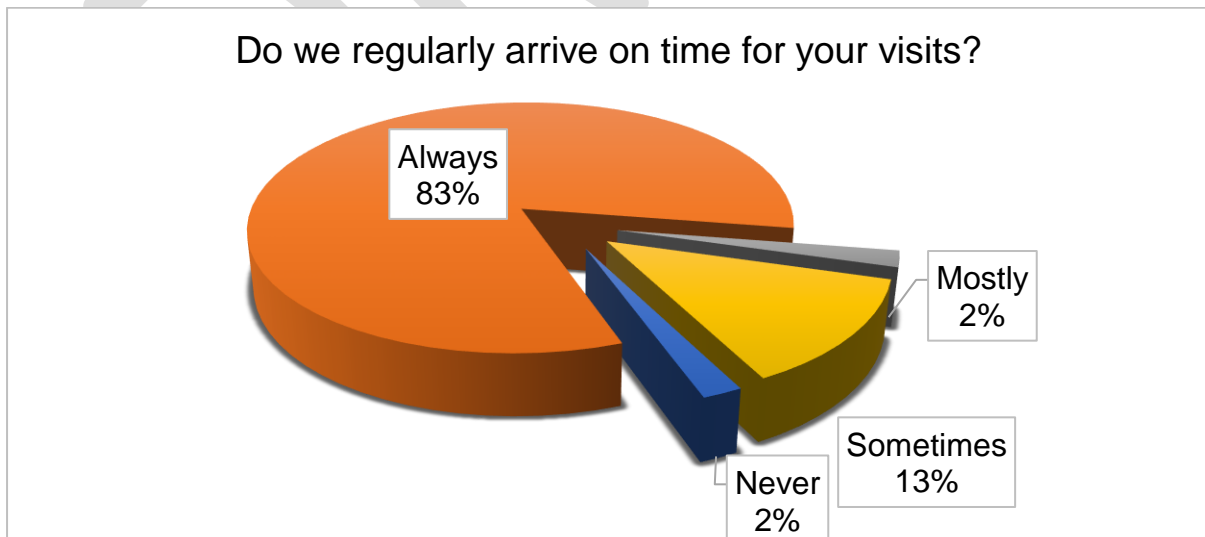
98% of service users rated us 'good' or 'very good' when rating the service we provided to them. Where less positive feedback is provided and was rated as satisfactory, analysis showed dissatisfaction around continuity of care being the reason. Service users reported that the changes to their regular support workers was disconcerting.



Source: Service User Feedback Survey

Service User satisfaction around Punctuality of the service

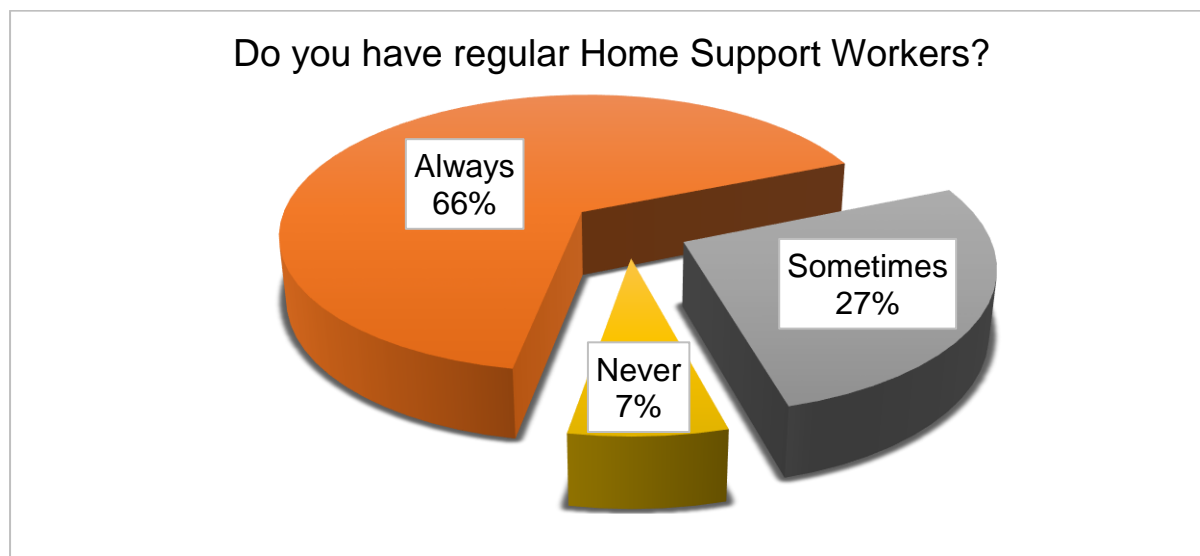
There is a slight drop from the previous years for visit punctuality however this was anticipated due to the level of adjustments required due to the continuing impact of Covid-19 related absence. A high standard was still maintained.



Source: Service User Feedback Survey

Service User Satisfaction around Continuity of Care

Similarly the impact of COVID 19 impacted the continuity of care although the service minimised this as much as possible. Overall service users recognised the additional challenges in the last year.



Source: Service User Feedback Survey

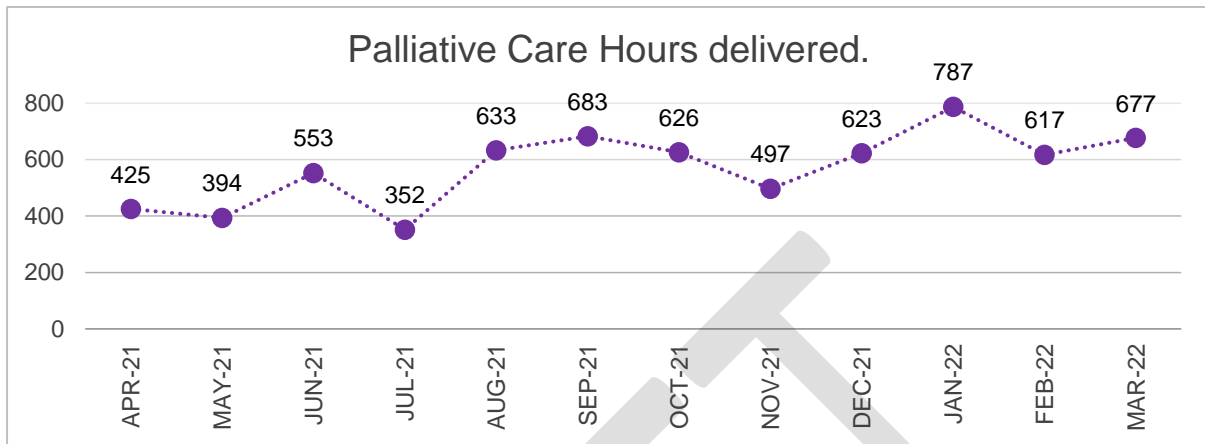
The Care & Support at Home Service has continued to provide a critical service to the community of Inverclyde during the pandemic. Similar to the national picture Care & Support at Home Services have been impacted by staff absence due to isolation requirements and vacancy management issues, however the service maintained critical support to the community.

Within Care and Support at Home recruitment continues to be the main pressure impacting on availability of service for both the HSCP and commissioned providers. The service is seeing a high turnover rate and an ageing staff group alongside the additional challenges in the last year has resulted in a significant loss of skill and experience over the last year.

The service is now undergoing a review of Care & Support at Home Services which will initially report back in autumn 2022.

Palliative Care Hours Delivered

We commenced a Palliative Care service in mid-2019. This service supports service users to remain in their own home at end of life. Over the past 12 months there has been an increase in referrals and use of the service for end of life care. This has resulted in a 37% increase of palliative hours delivered.



Source: CM2000

Feedback received regarding the palliative team continues to be very positive from service users and family members, comments below;

"I cannot praise your staff enough. They have been excellent throughout their time here"

"Words can't express how grateful I, and all the family are for the attentive, kind, sensitive and funny way all of you looked after Mum. Every one of you are a credit to the profession and we are lucky to have you."

"So many thanks for all the care and diligent manner in which you carried out your duties, my father had a dignified and respectful time at the end."

Technology Enabled Care Services (TEC)

Analogue to Digital (A2D)

Inverclyde HSCP, Technology Enabled Care have been reviewing the current Community Alarm equipment following an announcement by Ofcom that the analogue telephone network will be switched off in 2025 across the UK. The system will be replaced with a Digital network which all telephones will require to operate over.

The change to a digital network will impact on the analogue community alarm/ telecare systems currently supplied to our 2000 Inverclyde service users. This will require all community alarms/telecare sensors to be replaced prior to the switch off date of 2025.

Inverclyde has successfully evidenced the successful operation of digital alarm units connecting through to the alarm receiving centre. A replacement program has been commenced with the first 250 Units purchased.

Technology Enabled Care

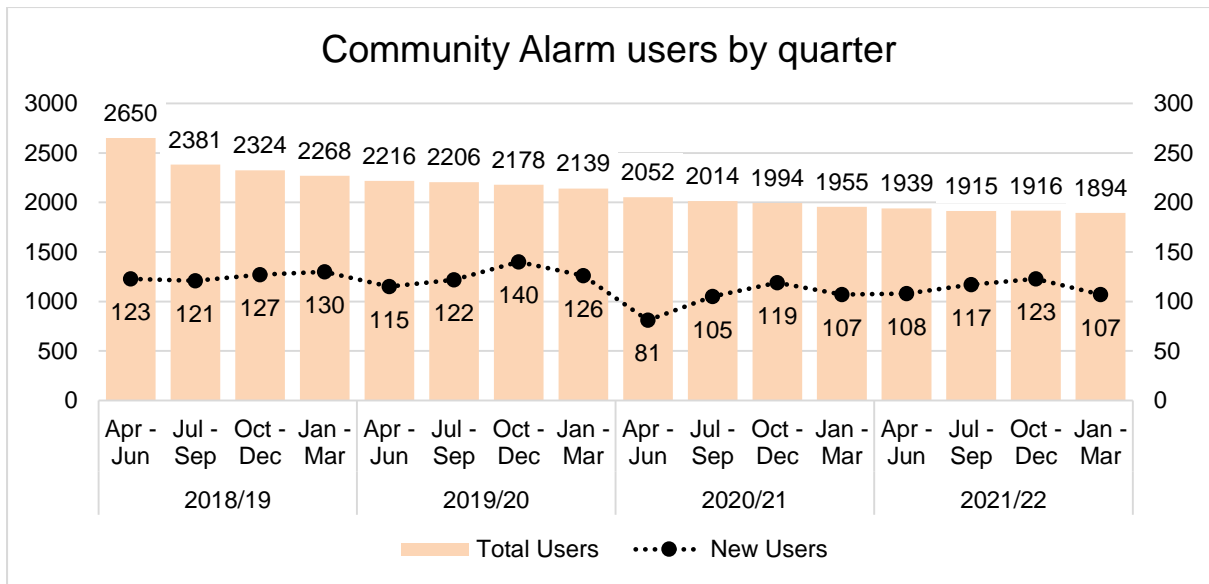
In March 2021, the total number of service users was 1955. This figure reduced to 1894 by March 2022 (a reduction of 61), the number of new service users from April 2021 – March 2022 was 455 which is slightly higher than the previous 2 years. The drop in total service users can be attributed to the continuing impact of the Covid-19 pandemic across the service. Total withdrawals April 2020 – March 2021 were 507 compared to 531 in April 2021 – March 2022, a slight increase of 24.

2021-2022 continued to be a challenging year for all services as was 2020-2021 due to the Covid-19 pandemic. As a service Technology Enabled Care continue to provide emergency response to our service users following activation of a community alarm, providing unscheduled visits 24 hours per day 365 days of the year.

Facilitating hospital discharges with urgent installation of alarm technology on a patients discharge remains a priority of Technology Enabled Care. Supporting the potential need for hospital beds within the acute setting during a period of extreme pressure.

Due to the current rise in the cost of living and significant increases in the cost of utility bills we are expecting to see a potential rise in withdrawal requests from our service users over 2022/23. We will be monitoring this closely over the coming year to ensure the safety of our service users.

The service continues to provide a life line for our service users, from responding to emergency situations to providing general reassurance and support.



Source: Swift

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Independent Living Services

Due to the demand on the service for increased urgent (same or next day response) around 42% of referrals, the service has been redesigned to have a specific Urgent Hub model which staff across Health And Social Care are rotated onto and provides a Multi-Disciplinary Team approach to supporting complex community situations to support people to remain safe and at home in the community.

The duty service has been remodelled utilising telephone assessments and video consultation to provide a responsive service to non-complex enquiries.

The Service continues to assess supporting care services with alternative tailored moving and handling solutions and in the last year have prevented the need for care provision by 351 care hours per week at initial assessment, and following review of current service users care provision reduced the need for care by 119 care hours per week.

A new equipment and adaptations management system has been designed with a plan to roll out along with assessment training to prospective professionals with a view to reduce waiting times and cross referrals for equipment and minor adaptations.



Service Users have benefitted from this service:

- 292 benefitted from receiving 1,091 items of equipment via a hospital referral
- 3,674 benefitted from receiving 9,014 items of equipment via a community referral



Loan Equipment

- 4,660 items of equipment recycled
- Saving £634,124 if purchased new



Housing Adaptations

- 1,630 minor (less than £1,000) housing adaptations
- 399 major adaptations

Source: ELMS2

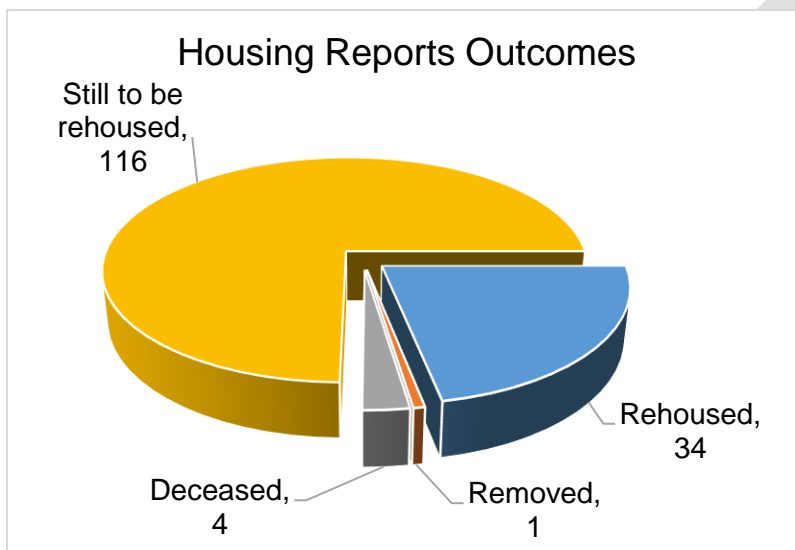
Referrals

The Community Rehab and Enablement service have supported 2005 referrals in the last year, 3392 referrals have been processed within Community OT and Sensory Impairment and 1566 Blue Badges have been issued.

Housing

155 Housing reports have been completed for people whose current home environment restricts their ability to live independently. Working closely with Housing partners around specialist housing provision, 20 people who have complex housing needs have moved to new build properties within the area in the last year.

The service has identified around 20 homes that are local and accessible on the market for Registered Social Landlords locally to consider as part of the Acquisitions programme for housing in Inverclyde.



Source: Centre for Independent Living

Carers

Inverclyde HSCP works with partners across Inverclyde to support Carers and Young Carers. Our primary partner is Inverclyde Carers Centre (ICC) who offer practical support, advice and information, emotional support accessing mainstream services as well as a strong and campaigning voice our Carers in Inverclyde and nationally.

As with every other social care organisation the HSCP and ICC had to adapt and change how support was offered to our Carers taking account of the increased social isolation during the pandemic our Carers were experiencing with the reduction of face to face contact and peer support.

Infection Control was a major aspect of protecting Carers and the cared for and the HSCP worked to establish free access to PPE for this group as well as up-to-date information around vaccination which was communicated through the ICC.

The HSCP continued to support Carers and Young Carers throughout the pandemic by maintaining Carers support plans and providing short breaks away from the traditional residential / nursing care home respite as due to the pandemic nursing home were closed quickly for infection control reasons. Due to the reduction in care options available, our carers and cared for person had to consider their options.

At 31st March 2022



2280 carers registered with the carers centre



116 carers newly registered since January



25 new Adult carers support plans completed since January



Carers self assessment

- 369 Carers completed in 2021/22
- 611 Carers completed in 2020/21; this was part of the Carers Covid Vaccination Programme

As we recover from the pandemic, service including the Carers Centre, are now fully open our carers can now directly access the carers centre and all face to face support in addition to direct access to short breaks through the Carers Centre as well as HSCP Short Breaks Bureau. The number of short breaks, respite, and alternatives to respite provided is detailed below.

An up to date Adult carer's support plan has now gone live on swift and training has been provided to care managers ensuring that carers have an individual support plan.

Respite provided during 2021/22



Community Learning Disability Update

The Community Learning Disability Team provides services to over 300 people with a wide range of needs. The majority of people using the service experienced changes to their support packages due to Covid-19, with most social activities restricted, however, the Fitzgerald Centre was one of the first day services to open after the Covid-19 closures.

Learning Disability Day Services and staff in the community team have kept up regular contact with service users and carers to ensure critical support is maintained. Feedback from carers and services users during this difficult period confirmed the importance of building-based Day services as one of the preferred options for some people with Learning Disability.

To ensure Inverclyde has a building base fit for the future, particularly for people with complex learning and physical disabilities, plans for building the new Learning Disability Hub have continued with plans now at the advanced design stage. The plans have been up-dated to achieve low carbon emission standards, and additional funding has been secured from the Derelict and Vacant Land fund. The Project Board meets every three weeks and has been progress on the LD Hub project there has been a Communications and Engagement group facilitated by TAG to ensure that service users and carers are involved in the plans for the new Hub.

The CLDT participated in a Dementia project group over the past year to develop guidance for care homes on the needs of people with Learning Disability who may develop early dementia or require care home admission.

Services for adults with Autism have been subject to review, and a test of change around transition will soon be completed.

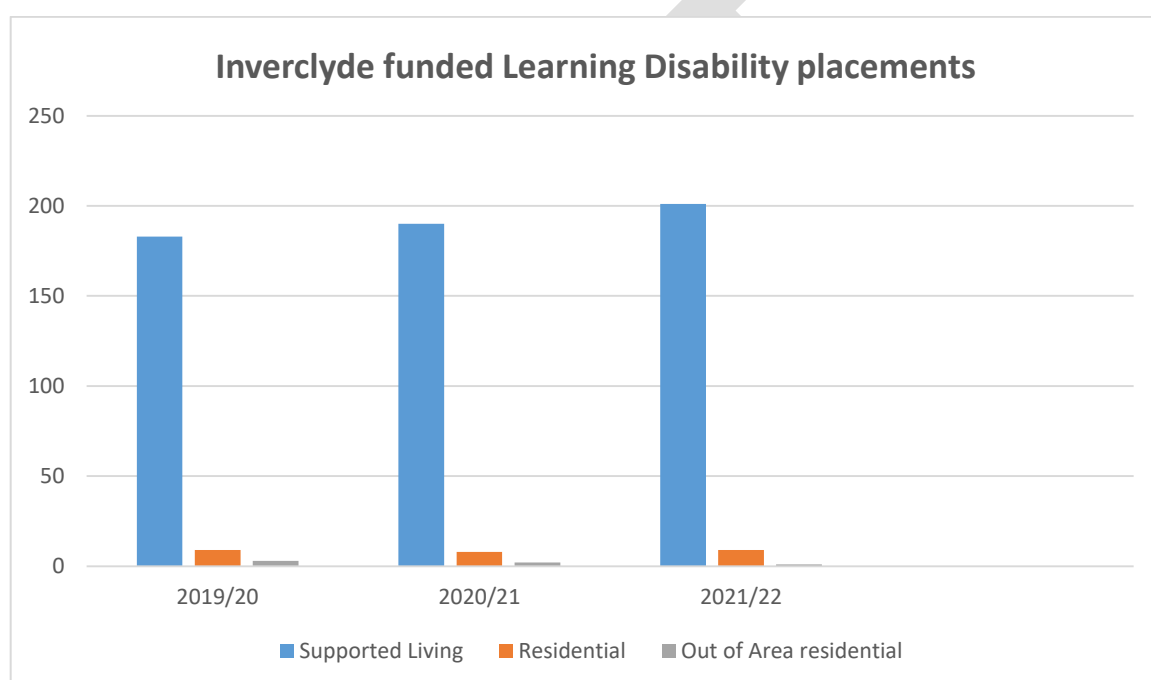
Our aspirations are to continue to build on the foundation work around supporting health promotion and activity in partnership with other agencies to reduce the demand on our services and focus some of our resources upstream in prevention.

The Maximising Independence agenda that is being adopted across Scotland is key to the way the service operates. Over the last year the demand for crisis work has increased and we have remodelled within the team to support this work.

A Quality Improvement approach has been developed, and the service are learning and upskilling staff in areas such as the use of CRAFT (Comparative Risk Assessment Framework and Tools) and Routine Sensitive Enquiries across the whole integrated team, and Positive Behaviour Support training (at post-graduate level) for 3 members of the team.

Redesign of Services and Learning Disability Hub

The CLDT has worked closely with River Clyde Homes and Cloch to create more blocks of supported living on the core and cluster model and is in talks with other housing providers, to expand the number of specialist supported housing places for adults with learning disabilities in Inverclyde. There are currently only a small number of adults with learning disabilities placed out of area, with the number in external residential placements reduced to 1 person. Work has continued to reduce out-of-area placements, increase local Supported Living options and plan for young people leaving care and moving up to adult services.



Review of Learning Disability Night Services

The CLDT has continued to carry out reviews both in-person and through virtual platforms throughout the past year. Individuals with Sleepovers have been reviewed with the goal of reducing the number of individual night services, by connecting tenants in core-and-cluster developments or to night response services. Transformation Funds were bid for to cover some additional review officer time and Telecare costs. New TEC systems have been installed in Lyle Street, Redholm and Station Road services to facilitate shared night services. While the review of night services is not yet complete, more than £100,000 of recurring savings has already been identified.

Service users and staff at Fitzgerald Centre walk for wellbeing

Due to the nature of support that the team provide they thought of alternative ways to improve their wellbeing. The team, and people that they support, virtually travelled to Japan to accomplish the Mount Fuji challenge. This took them on a 46-mile (74km) journey around

the Fuji Five Lakes and up to the peak of Mount Fuji. Their combined steps and distance were calculated, including swimming, walking and carrying out physiotherapy exercises.

Below is part of the art project that the service users have been working on which gave the team the inspiration for the challenge:



Below is a display that the team created in the main corridor to remind them of their achievement and the fun that they had during it.

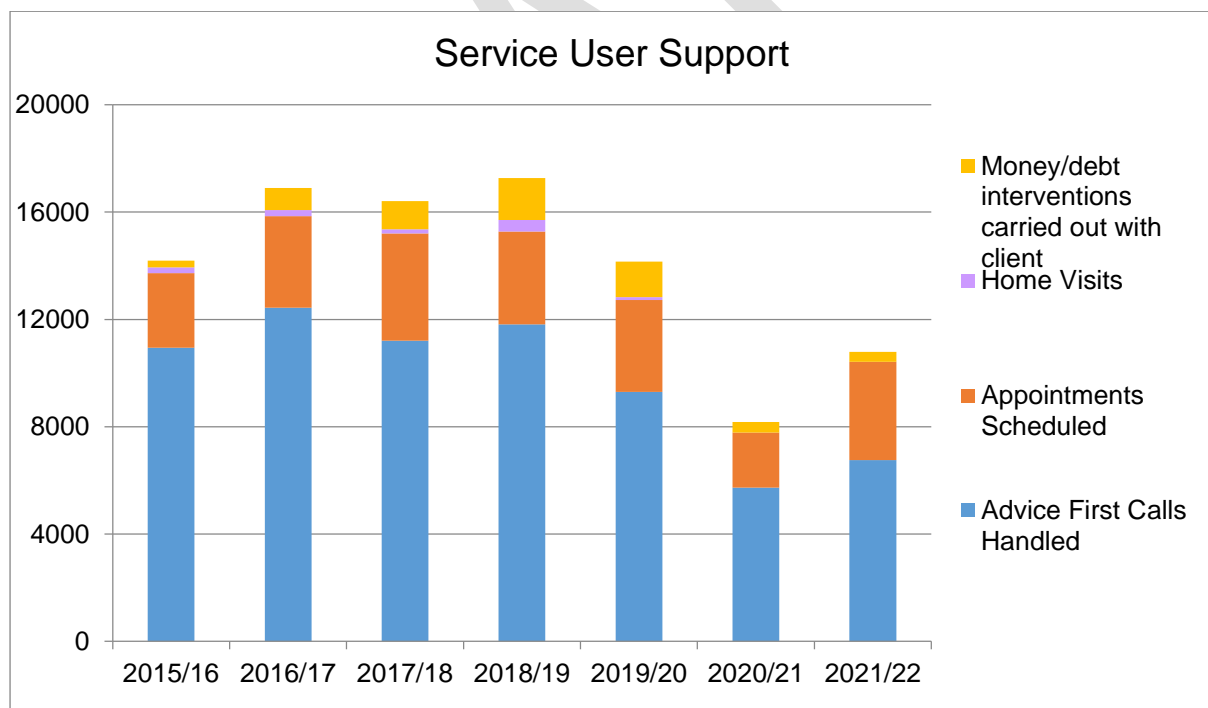


Financial Inequality

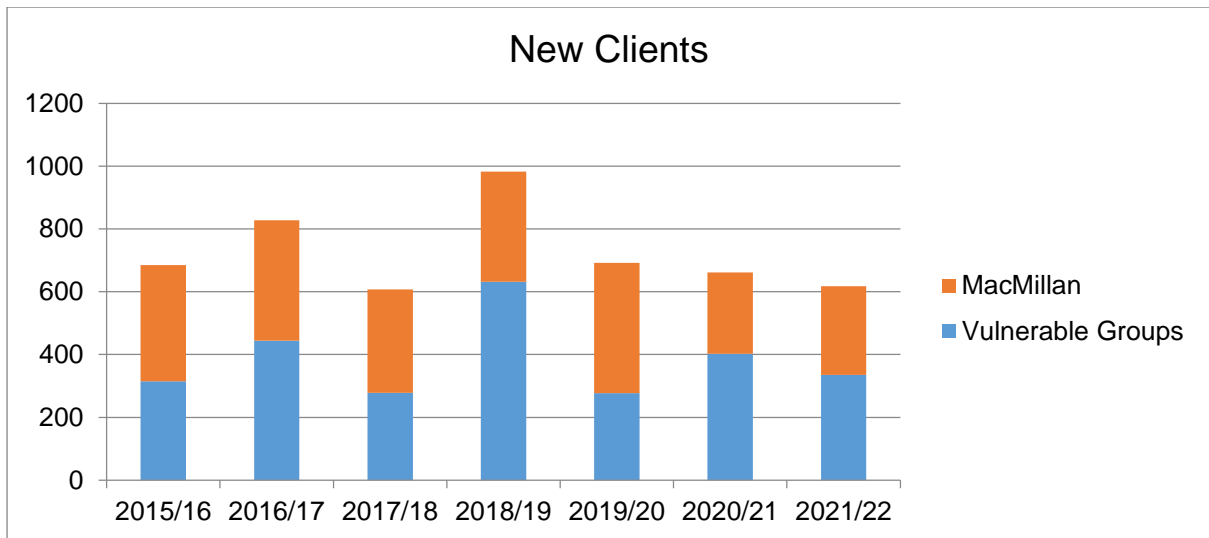
As the HSCP Advice Service's continued to support people recovering from Covid-19 Pandemic during 2021/22, the scale of the approaching cost of living crisis was starting to become apparent. The most additional financial support provided throughout Covid-19 stopped or reduced such as the increased rate of Universal Credit. Evidence from our own and commissioned services is that clients are raising concerns around future cost of living. The service has been preparing for the implementation of the new Scottish Social Security benefits with Child Disability Payment being launched in November 2021 and Adult Disability Payment beginning in Inverclyde at the end of August 2022.

The Macmillan Benefits Service continued to support individuals with a cancer diagnosis and directly supported the development of the local plans and pathway for Improving the Cancer Journey.

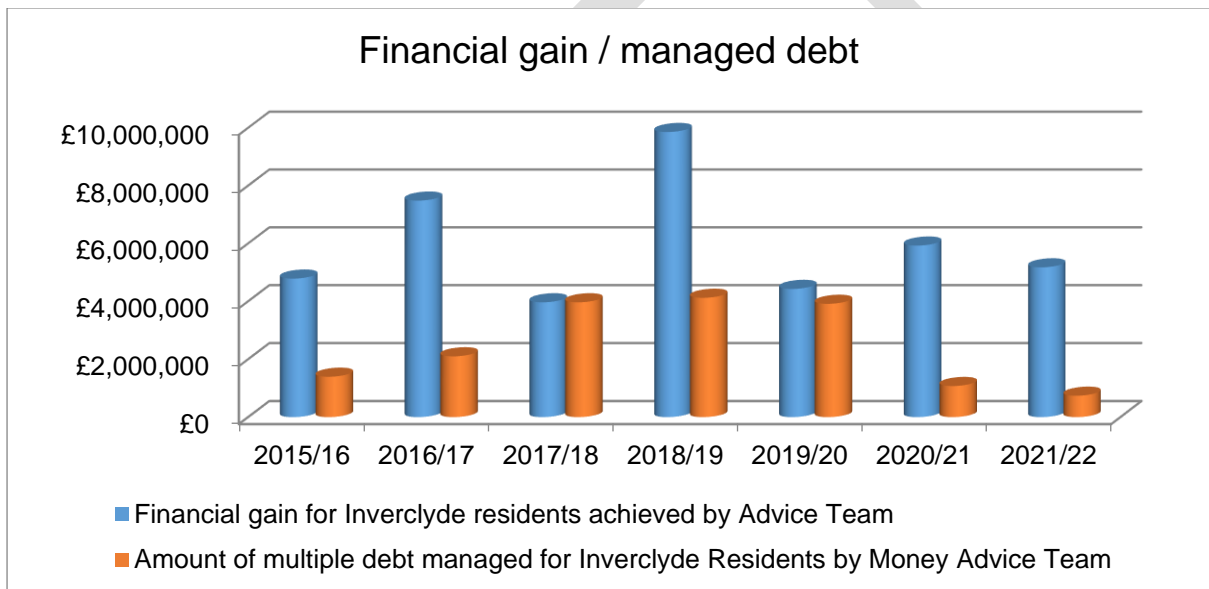
Financial gains during 21/22 are shown in the chart below.



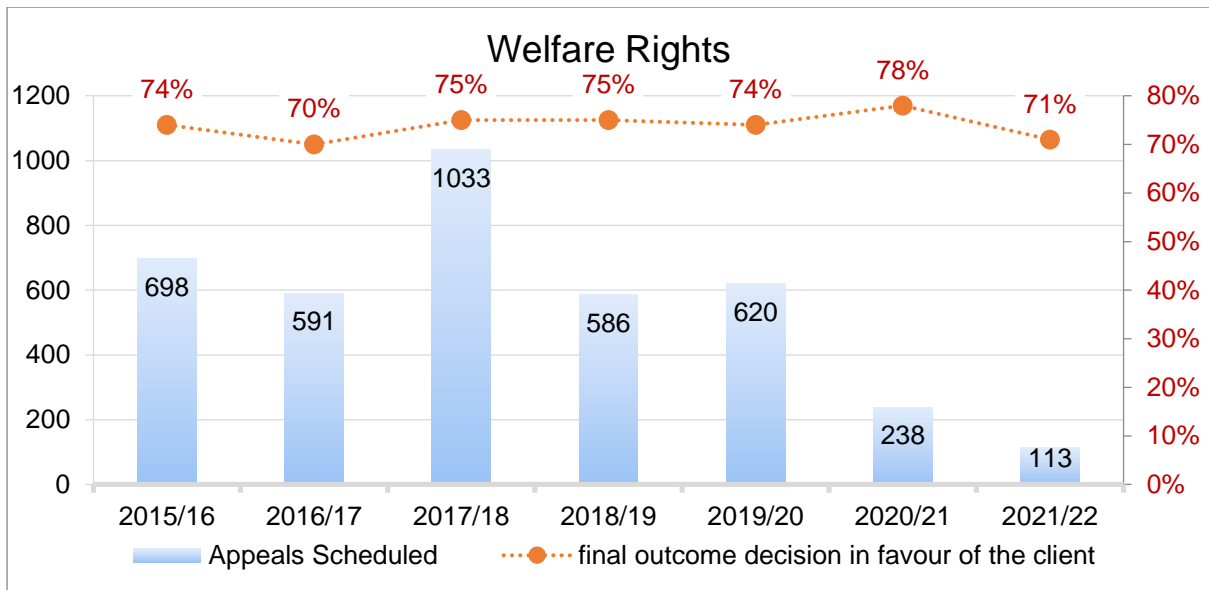
Source: Advice Pro



Source: Advice Pro



Source: Advice Pro



Source: Advice Pro

The chart above shows the number of benefits appeals supported. These remain lower than in previous years due to the continued use of virtual appeals by HM Courts & Tribunals and the continued use of extension period to existing awards therefore reducing the number of reviews and subsequent appeals. Final outcomes in favour of the client have remain consistently above 70%.

New Scots Integration Work

The [New Scots refugee integration strategy 2018-2022](#) is built on partnership and collaboration, led by the Scottish Government, COSLA and the Scottish Refugee Council and sets out a vision for a welcoming Scotland where refugees and people seeking asylum are able to rebuild their lives from the day they arrive.

Inverclyde has continued to play its part in supporting refugee resettlement with many Afghan and Syrian refugees now firmly resettled and embedded within the local community. With the Ukrainian crisis we are now supporting a number of Ukrainians who have been supported through the Homes for Ukraine scheme to come to Scotland. Throughout 2022/23 we expect our New Scots population to grow and look forward to supporting Inverclyde to embrace our new populations.

The rollout of the mandated National Transfer Scheme for unaccompanied asylum seeking children by the Home Office has seen the number of unaccompanied asylum seeking young people in Inverclyde increase with placements being provided within residential and foster care. Along with continuing care this does create additional resource pressures.

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4. RESOURCES

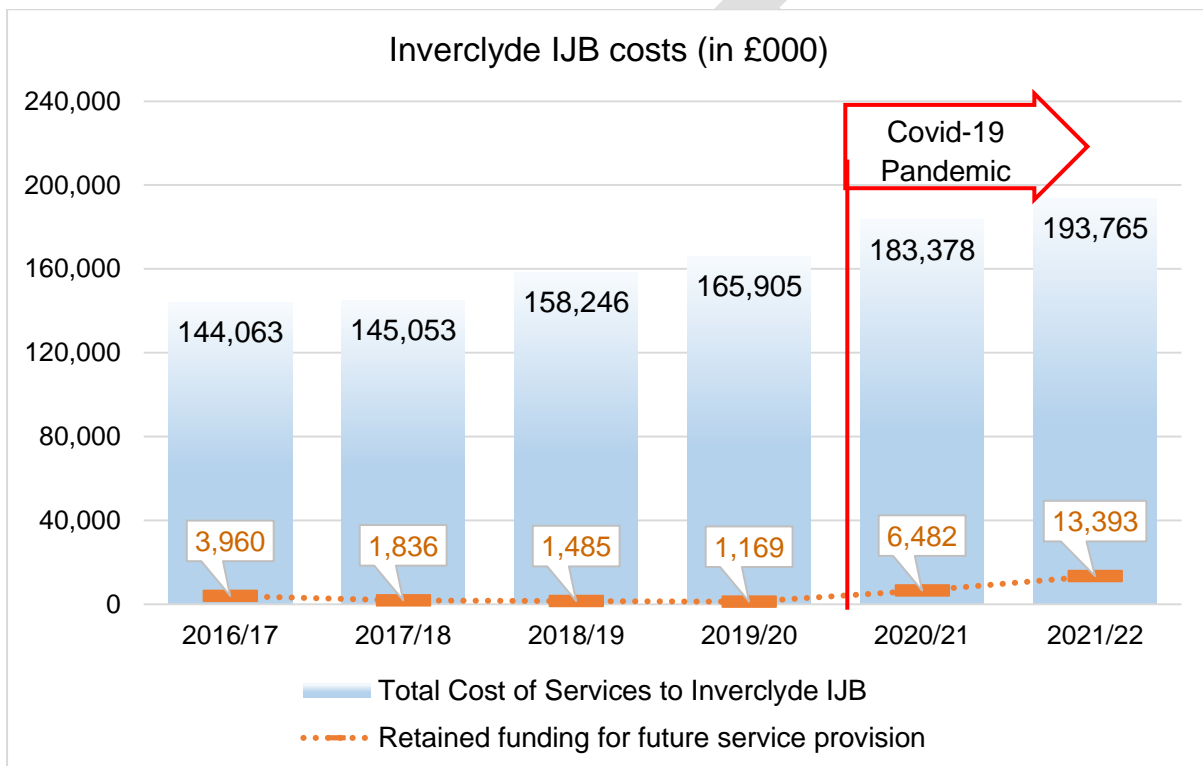
Inverclyde IJB Financial Summary by Service

	2017/18	2018/19	2019/20	2020/21	* 2021/22
	£000	£000	£000	£000	£000
Strategy and Support Services	2,591	2,416	2,111	2,133	1,881
Older Persons	26,867	27,020	28,407	30,383	31,015
Learning Disabilities	10,653	11,898	12,545	12,299	13,286
Mental Health – Communities	5,804	6,712	7,101	7,485	7,807
Mental Health – In Patients	9,338	8,729	9,737	10,607	10,689
Children and Families	12,986	13,738	14,114	14,711	16,571
Physical and Sensory	2,659	3,117	3,203	2,939	3,166
Addiction / Substance Misuse	3,389	3,464	3,181	3,826	3,807
Assessment and Care Management / Health and Community Care	7,772	8,258	9,981	10,789	13,055
Support / Management / Administration	3,807	4,174	4,339	450	2,840
Criminal Justice / Prison Service	(38)	26	49	148	85
Homelessness	967	791	1,043	1,173	1,240
Family Health Services	21,766	25,547	27,056	29,618	25,911
Prescribing	18,817	18,591	18,359	18,242	19,166
Covid-19 pandemic Funding				10,400	7,288
Change Fund	1,236	1,133	1,044	0	0
Cost of Services directly managed by Inverclyde IJB	128,614	135,614	142,270	155,201	157,805
Set aside	16,439	22,632	23,635	28,177	35,960
Total cost of Services to Inverclyde IJB	145,053	158,246	165,905	183,378	193,765

Taxation and non-specific grant income	(146,889)	(159,731)	(167,074)	(189,860)	(207,158)
Retained funding for future service provision	1,836	1,485	1,169	6,482	13,393

*At the time of publishing the 2021/22 figures were provisional and still to be approved by committee.

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	2021/22
	£000	£000	£000	£000	£000
Projected surplus / (deficit) at period 9	(1,426)	(897)	(37)	(690)	855
Actual surplus / (deficit)	1,836	1,485	1,169	6,482	13,393
Variance in Under/(Over) Spend	3,262	2,382	1,206	7,172	12,538

Explanation of variances

2017/18 - spend on Earmarked Reserves lower than anticipated coupled with a higher than anticipated overall underspend on services, mainly Social Care, as outlined in the Annual Accounts

2018/19 - higher than anticipated underspends on services, mainly Social Care, as outlined in the Annual Accounts

2019/20 - higher than anticipated underspends on services due to delayed spend on some projects funded through reserves, delay in filling vacancies and additional income received in year, as outlined in the Annual Accounts

2020/21 - variance is higher than anticipated, as a result of underspends on services due to Covid-19 pandemic and delays on some projects funded through reserves, delay in filling vacancies and additional funding for Covid-19 pandemic costs received in 2020/21, being carried forward to reserves for future years spend.

2021/22 – the main reasons for movement in the position since period 9 is additional Covid-19 funding from Scottish Government received to fund spend in 2022/23 of £8.130m, additional Winter Pressures funding of £1.135m, and funding for Primary Care Improvement, Mental Health Recovery and Renewal, Alcohol and Drug Partnership and a few smaller funds totalling £4.367m. These funds have all been earmarked for use in the next financial year.

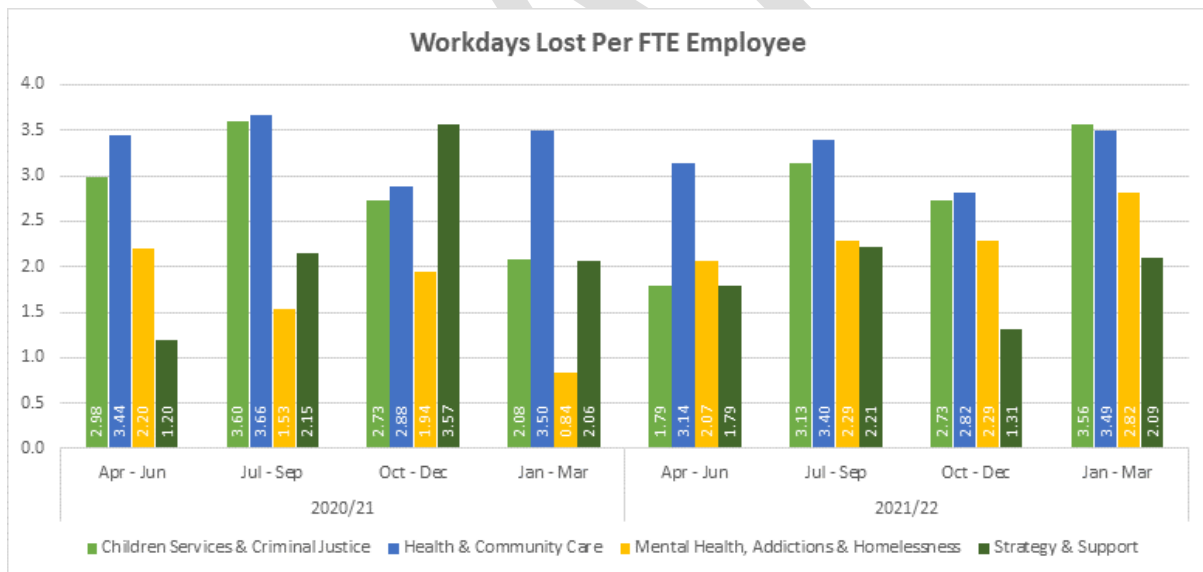
5. WORKFORCE

HSCP Staff (*Inverclyde Council employees only*)

In February of this year, Inverclyde Council implemented a pilot Hybrid Working whereby staff undertake some of their work at their contractual place of work and some from home. The exact balance will vary depending on the role and responsibilities.

The chart and graph below details the number of HSCP employees and the number of workdays lost (per Full Time Equivalent hours (37 hours))

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Number of employees	1038	1044	1036	1054	1089.25	1113
FTE equivalent	834.69	840.1	831.92	838.86	866.9175	889.83
Number of Sessional Workers	108	98	80	99	154	144
Number of Modern Apprentices	4	4	2	3	3	2
Workdays lost (per FTE)	11.96	14.57	9.53	12.96	11.9	10.93



Workforce Challenges

There continues to be significant challenges encountered across Inverclyde HSCP including staffing difficulties which has directly impacted the service delivery in numerous areas including Children's, Mental Health, Occupational Therapy, Care at Home and Community Learning Disability.

The HSCP workforce is predominately female over age 45, and employed on a part time basis. Those aged below 45 account for around 38% of staff with only 19% being under 35. There are more council employed staff in the older age groups however across both employers, this part of our workforce accounts for considerable skills and knowledge which could leave a significant skill gap over the next 5 -10 years if we do not take steps to address it. There is also an increase in those still working over the age of 65 particularly within council employed staff. This may be due to increases in pension age however it is difficult to predict the impact of retirement as schemes such as the Refresh Programme and Retire and Return influence this.

Almost a third of council staff are employed on temporary contracts which impacts on recruitment, retention and turnover. Across both organisations, as is the experience nationally, recruitment challenges exist exacerbated by the often temporary nature of funding and key skills gaps.

Children and Families saw some longer periods of stability in the last year, however, the recent trends have begun to show a marked reduction again. In addition to staff turnover further vacancy has arisen due to maternity leave and long term sick leave. Vacancies are processed in a timely manner however the number and quality of candidates applying has been variable with some recruitment cycles yielding no suitable candidates. Neighbouring authorities continue to recruit at the same time, therefore we are often in direct competition to authorities closer to the city.

Substantive appointments were made to 2 of the 4 Children's service manager posts during 2021/22, this resulted in all 4 posts having a permanent member of staff appointed, providing some short term stability. However further changes due to long term absence have created temporary changes in the service manager team and at head of service level.

Throughout the pandemic in both 2020/21 and 2021/22 a different approach was taken to the support given to newly qualified social workers (NQSW) – this was broadly successful in ensuring training and learning opportunities that could be achieved within a COVID working environment. With reflection some of the lessons learned have been used to contribute to a successful bid for funding to be one of the areas to pilot the SSSC supported year for NQSW. It is hoped this will help attract candidates for future recruitment work.

Within Care and Support at Home, recruitment continues to be the main pressure impacting on availability of service for both the HSCP and commissioned providers. The service is seeing a high turnover rate and an ageing staff group alongside the additional challenges in the last year has resulted in a significant loss of skill and experience over the last year.

Community Learning Disability Team, and all the services commissioned for adults with Learning Disabilities, recruitment and retention of staff continues to be a pressure. Sickness absence rates have been kept relatively low across the team, but there have been some retirements of experienced staff. Due to COVID, training has been affected, however, Day Ops staff have maintained all their mandatory training including Promoting Positive Behaviour. Members of the CLDT have completed additional qualifications in the past year, including MHO training and a post-graduate certificate in Positive Behaviour Support. Two newly qualified Social Workers have recently been recruited to the CLDT and we will implement the new programme for induction and support of NQSW staff.

Staff engagement

The Quality and Learning team is currently establishing a programme of induction and training for the newly qualified social worker supported year. This is part of the early implementation scheme proposed by the Scottish Social Services Council (SSSC.) This “pilot” year will be evaluated by SSSC and will inform practice in the future when this support for new workers is likely to become mandatory. The support involves increased supervision, a protected caseload and a diary of learning. The extra support for new social workers is intended to help attract and retain staff.

The team is also creating a pilot practice learning hub where social work students will be offered a generic experience while on placement. This will involve practice educators from Quality and Learning working closely with various teams to ensure that students have a varied and challenging experience while on placement with Inverclyde HSCP.

The Dementia Training Co-ordinator has undertaken a training needs analysis and has re-started “Informed about Dementia” training. This is available to all HSCP staff and relevant others in the community. The co-ordinator is developing training in the next stages of the Promoting Excellence framework and will offer the “Skilled” level to relevant people in the near future. Subject specific workshops will also be available for staff who require specialist knowledge.

The SVQ Centre continues to offer qualifications to staff who face SSSC registration requirements. The qualifications on offer include vocational awards at Scottish Credit and Qualifications Framework Levels 6, 7, 9 and 10.

Future Workforce planning, Inverclyde HSCP aims to:-

- Equip our staff with the skills they need to deliver better outcomes for them and our service users;
- Enable and upskill all of those who need support, focusing on their abilities and what they can do, rather than limitations;
- Consider ways in which we can make careers in Health & Social Care in Inverclyde more attractive;
- Consider options to make the best use of our resources to deliver our services in the most effective and efficient way; This includes through appropriate skill mix to ensure the right people with the right skills are doing the right job;
- Take in to account the effects of future funding uncertainties and the changing landscape of health and social care such as the developing National Care Service

Work Place Wellbeing Matters Plan

A 3 year plan was launched (2020 – 2023) to support the HSCP's organisational recovery and to ensure support for the mental health and wellbeing of the HSCPs staff remains a priority.

The overall aim of the plan is:

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

The local Inverclyde implementation of this agenda has focused on a partnership working approach, in collaboration with our staff side representatives, 3rd sector and independent sector colleagues.

The work and initiatives carried out last year have been built on and support with health and wellbeing continues throughout the HSCP and throughout Inverclyde with our partners. Below is a summary of what was achieved since the last report:

Wellbeing Fund - A Wellbeing Fund has been established to support and promote health and wellbeing across the health and social care workforce. Staff and teams can apply for funds to support health and wellbeing initiatives. Staff teams have made the most of the fund by applying for various team activities e.g. team building outdoor events such as paddle boarding, kayaking, scavenger hunts, creating a safe outdoor fire and pizza making. Other teams have opted for indoor events such as team building through art, hatchet throwing, massage, spa days and wildlife identification team building outdoor events, team building indoor events, spa days, lunch and afternoon tea. Some of the teams have applied for funds to decorate and create a quiet, relaxing space for staff to go to and another team has applied to erect a garden of remembrance at their place of work.

- **Leisure Activities** - We have linked in with Inverclyde Leisure to provide closed fitness classes for Inverclyde Council employees.
- **Z-cards** - Currently in the process of having z-cards printed for HSCP staff which will have the details of important health and wellbeing contact numbers, both local and national.
- **Central Repository/Hub** - We have developed a Council wide wellbeing hub on the external website which is accessible to all staff (and the local community). The HSCP has a separate page which staff can access to find local and national health and wellbeing resources easily.
- **Monday Messages** - We continue to circulate information, on a 2-3 weekly basis, signposting local and national resources, training etc. to the entire staff team within HSCP and to our 3rd sector and independent sector colleagues.
- **Healthy Working Lives** - The annual assessment is on 'pause' whilst the national team focus on other priorities. The working group has started back up again and working hard to ensure that we meet the criteria to retain the Gold Award.
- **Wellbeing Events** - During Mental Health Awareness Week, 5 virtual wellbeing events were held: Stress Management; Wellbeing in Grief; Keeping Active at Work; Being Active at Work; and Managing Stress Mindfully. The events were offered out to all staff across the HSCP and the Council.
- **Mental Health Leadership and Mental health e-learning modules**

Winter Wellness Week

Inverclyde HSCP were awarded Winter Pressures money from Scottish Government for Health and Social Care (including 3rd and independent sectors) and Primary Care staff, advising that it should be used to support the wellbeing of these workforces.

You're Voice Inverclyde



Over 50 staff attended the event at various point during the day and the feedback was extremely positive – people found it fun, interesting and informative and, more importantly, they enjoyed the time out of their normal day-to-day to catch up, take a breath and have a cuppa!

In addition to all of the above, we teamed up with Inverclyde Leisure and TBR Health to offer free access to fitness classes, swim, sauna etc. during Winter Wellness Week – staff took up the opportunity to attend classes and take time to go for a swim either during or after work.

Compassionate Grit (focussing on taking the lead with mindset, motivation and goals)



Rig Arts Inverclyde hosted a wellbeing drawing workshop



Inverclyde Advice Services – delivered a session on financial wellbeing



We had our first 'in person' event where we were joined by lots of our local partner organisations.

Competition time with JD Gyms



Parklea Branching Out



Nurture

Inverclyde HSCP will continue to implement and develop the staff wellbeing plan to ensure staff wellbeing is supported and improved

Report To:	The Inverclyde Council	Date:	1 December 2022
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/73/22/AP/22
Contact Officer:	Alan Puckrin	Contact No:	01475 712090
Subject:	2022/32 Financial Strategy - Update		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to present the updated Financial Strategy to the Council for review and approval.
- 1.3 The report reflects the Office for Budget Responsibility's assessment of the impact of the Chancellor's Autumn Statement of 17 November. The key messages are ones of higher taxation and constrained public sector spending in the medium term in order to address the fiscal deficit and reverse the increases in inflation/interest rates.
- 1.4 All funding models and appendices have been updated and reviewed in line with the request of the June, 2022 Council. With the School Estate Management Plan (SEMP) model now at an end with the completion of Gourock Primary School, this is no longer included as a specific appendix and on-going costs are now reflected in core budgets.
- 1.5 After many years of low interest rates the recent increases will have a significant impact on the Loans Charges model contained in Appendix 9. These are outlined in more detail in the body of the report.
- 1.6 The Strategy clearly sets out the considerable financial challenges facing the Council in the short, medium and longer term. The first of these challenges being to approve a balanced 2023/24 Revenue Budget and 2023/26 Capital Programme by early March, 2023.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Council approve the latest update to the Council's Financial Strategy and the continued significant impact of the global and UK economic position.
- 2.2 It is recommended that the Council note the mid-range estimated 2023/26 funding gap of £20.6 million set out in table 4a in the Financial Strategy.
- 2.3 It is recommended that the Council agree that the following are built into the 2023/25 Budget:
1. The £1million contribution to the 2022/25 Capital Programme from the Capital Fund is deferred until 2023/24.

2. £500,000 from the Insurance Fund is used to reduce service Insurance Fund contributions by £100,000/ year between 2023/24 and 2027/28.
3. That the recurring City Deal Funding Model contribution is reduced by £100,000/ year from 2023/24.
4. That a one off sum of £1.2million is earmarked to be added to the Loans Charge Funding Model in 2023/24 to keep the underlying position of the Funding Model in surplus.
5. That in relation to 4 above, the Internal Resources Income budget is increased by £300,000 from 2023/24 due to the medium term continued increase in interest rates, and that the projected time limited surplus Internal Resources Interest over 2023/26 totalling £4.6million is factored in to the consideration of the use of Reserves as part of the current Budget exercise.

Alan Puckrin
Interim Director, Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

- 3.1 The latest six monthly review of the Financial Strategy takes into account the approved 2022/23 Budget, the Scottish Government's Resource Spending Review issued on 31 May and the impact of the current levels of inflation and interest rates. The report reflect the impact of the Chancellor's Autumn Statement of 17 November.
- 3.2 It can be seen from table 3 in paragraph 7.7 that the 2022/25 estimated funding gap is £16.2 million before any decision on whether to increase Council Tax over 2023/25. This table factors in the "flat cash" settlement for Local Government for the period 2022/26 announced by the Scottish Government as part of the Resource Spending Review.
- 3.3 Table 4a confirms that based on this latest information and the local assessment of certain figures by the Section 95 Officer, the mid-range scenario shows that the Council faces a net potential funding gap of £20.6 million over the 2023/26 period part of which relates to eliminating the use of Reserves to help balance the budget by 2025/26. In line with Best Practice, Tables 4b and 4c illustrate scenarios for the 2023/26 Revenue funding gap based on different assumptions around Government Grant, income, inflation and budget pressures. These Tables show potential funding shortfalls of £11.6 million to £28.0 million.
- 3.4 Table 5 in paragraph 7.12 shows that, overall the 2022/25 Capital Programme has a £2.7 million funding shortfall which is within the 5% over commitment limit set by the Council. As the Scottish Government has also confirmed a "flat cash" settlement for capital until 2026 at least, the Council will need to consider any investment on new projects very carefully and also review existing assets to ensure those remaining can be adequately maintained.
- 3.5 Greater clarity on the medium term financial position for the Council from both the UK and Scottish Governments is expected before Christmas and this will be reflected in Budget reports and the next update of the Financial Strategy.
- 3.6 All funding models and appendices have been updated and reviewed in line with the request of the June, 2022 Council. With the School Estate Management Plan (SEMP) model now at an end with the completion of Gourock Primary School, this is no longer included as a specific appendix and on-going costs are now reflected in core budgets.

4.0 PROPOSALS

- 4.1 The estimated 2023/26 funding gap shown in Table 4a has increased by £1.4million since the June update despite the approval of a further £2.2million of adjustments / savings and is due to increase in pay/non-pay inflation over 2022/24. The assumptions underpinning this estimate will be kept under close review. In respect of appendices 4-9, the proposals are as follows:
- 4.2 Appendix 4 - General Fund Reserves - It can be seen that the Free Reserve is projected to be £3.435million by 31 March, 2023 which is £0.565million less than the recommended minimum. It is expected that this matter will be addressed via a combination of further in year underspends and decisions regarding the use of reserves as part of the 2023/25 Budget.
- 4.3 Appendix 5 - Capital Fund - It was agreed as part of the 2022/23 Budget to allocate £1.0million from the Capital Fund to support Capital Programme. However, due to slippage in two large capital receipts it is now intended to delay this contribution to 2023/24.

- 4.4 Appendix 6 - Repairs & Renewal Fund - This Fund contains a number of long term funding commitments and will reduce overtime. Following an earlier decision to reduce a funding source for the replacement/refurbishment of all weather football parks it is expected that in the medium term funding demands on this aspect of the Fund will increase.
- 4.5 Appendix 7 - Insurance Fund - The most recent annual position was reported to Policy & Resources Committee in November. The Fund balance was assessed by an independent actuary in 2022 and it is proposed to reduce the Fund balance by £500,000 by reducing service contributions to the Fund by £100,000 over the 5 year period 2023/24-2027/28. It can be seen that the Fund balance is projected to reduce considerably over the next 10 years.
- 4.6 Appendix 8 - City Deal - Following the latest review of project costs/interest rates it is proposed to reduce the recurring allocation to this model by £100,000 to £220,000 from 2023/24.
- 4.7 Appendix 9 - Loans Charges - The recent increase in internal borrowing interest rates and the transfer of the School Estate Loans Charges into this model have resulted in a time limited deficit of around £1.0million. In order to address this it is proposed to allocate £1.2million from Reserves as part of the 2023/25 Budget as a one off sum to keep the underlying Funding Model in surplus.

The recent significant increases in interest rates have resulted in higher investment returns (thus benefiting loans charges) and higher internal resources interest which is a cost to the Loans Charges Model. The net impact on loans charges is outlined above but there is a projected recurring benefit to the Council of £300,000 per year in the medium term and a one-off time limited benefit over 2022/26 estimated to be £4.6million.

Members need to appreciate that these figures are best estimates and could change quickly in the event of global/UK events and decisions. This underscores the benefit of 6 monthly reviews of the Financial Strategy and the regular reports to Members on Treasury Management matters.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)	x		
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Loans Charges	Other payments	2023/24	£1.2million		Funded from the review of Reserves as part of the 2023/25 Budget

General Fund Reserves	Unallocated Reserves	Over 2022/26	(£4.6million)		Time limited estimate of surplus Internal Resources Income due to current balances and interest rates
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Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Insurance Fund contributions	Various	2023/24	(£100,000)		Payment reduction over 2023/28
City Deal	Other payments	2023/24	(£100,000)		
Internal Resources Interest	Income	2023/24	(£300,000)		Increases budget from £200k- £500k from 2023/24

5.3 Legal/Risk

Section 11 of the Financial Strategy contains a list of risks identified by the Chief Internal Auditor and associated mitigations in relation to the overall financial position of the Council and the assumptions used in arriving at the figures presented.

5.4 Human Resources

There are no HR implications.

5.5 Strategic

The Financial Strategy is a key strategic document and forms part of the Council's Performance Management Framework feeding into the development of Corporate Directorate Management Plans.

6.0 CONSULTATION

6.1 The contents of the Strategy and associated appendices have been endorsed by the Corporate Management Team.

7.0 BACKGROUND PAPERS

7.1 None.



Financial Strategy

2022/23 – 2031/32

December 2022

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 - Short to Medium Term Capital Projections
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8. Treasury Management
9. Reserves
10. Monitoring and Reporting Arrangements
11. Risk Management

Appendices

Appendix 1 - Short-Term Issues

Appendix 2 - Medium-Term Issues

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Appendix 4 - General Fund Reserves

Appendix 5 - Capital Fund

Appendix 6 - Repairs & Renewals Fund

Appendix 7 – Insurance Fund

Appendix 8 – City Deal

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1.1 Foreword

This latest revision of the Council's Financial Strategy has been prepared at time when the impact of the pandemic, global economics, supply issues and most recently the impact of the war in Ukraine are resulting in financial and economic pressures 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 whilst contributing to the Net Carbon Zero targets and support the needs of the local community.

The recent Scottish Government Resource Spending Review has confirmed a very challenging core settlement for Local Government over the 2022/27 period. 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 use of Government grants, 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 previous Budgets but the need to further increase charges will need to be reviewed in coming months/years.

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 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 24 February 2022 the Council agreed the 2022/23 Revenue Budget. The Council also took strategic decisions on the use of Reserves and also agreed the 2022/25 Capital Programme which took into account the latest Government Grant settlement information.

Table 2 – Short Term Summary – Approved Revenue and Capital Budgets

	2022/23 £million
<u>General Fund Revenue Budget</u>	220.372
<u>Financed by</u>	
Government Grant (Including NDR)	(185.285)
Council Tax	(32.945)
Approved Contribution from General Reserve	(2.142)
	0
<u>Capital Programme (2022/23)</u>	
Approved Spend (At November 2022)	19.70
<u>Financed by</u>	
Government Grants	8.27
Capital Receipts	0.07
Other Grants/CFCR	5.87
Prudential Borrowing	0.13
Resources Carried Forward from prior year	14.79
Surplus in Resources in 2022/23	9.43

4.0 Overall Economic Position

UK Context

- 4.1 The Covid pandemic elicited a fiscal response from the UK Government which was without precedent in peace time. 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 Spring Statement in March 2022 reported a much changed position due to the emergence of higher and more persistent inflation, some linked to the anticipated impact of the war in Ukraine. This necessitated a change of thinking on tax and spend with higher inflation, lower growth and higher interest levels forecast for the 2022-2025 period.
- 4.3 Since the Spring statement the UK Government has been through unprecedented change with two Prime Ministers, four Chancellors and a Financial Statement in September which caused significant turbulence in the Financial Markets. The UK Government acted to “steady the ship” with a new Prime Minister, a new Chancellor of the Exchequer and a key Budget Statement on 17 November supported by appropriate OBR analysis.
- 4.4 The Autumn Statement was characterised by increases in tax for both energy companies and individuals plus increasing payments to those on benefits and in receipt of pensions. The bulk of the downward pressure on Departmental budgets was deferred until after the next election.
- 4.5 Forward estimates show inflation peaking around now and then dropping sharply over the next 12-18 months and moving into a negative position in 2025/26. Interest rates are expected to peak next year and then begin to reduce.
- 4.6 The Office of Budget Responsibility (OBR) November forecasts are shown in the table below.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
GDP (real) annual % change	4.2	(1.4)	1.3	2.6	2.7
Inflation (CPI) annual % change	9.1	7.4	0.6	(0.8)	0.2
Unemployment Rate	3.6	4.1	4.9	4.7	4.3
Public Sector Borrowing	177	140	84	77	80
Debt as a % of GDP	90	96	97	98	98
Interest Rates %	2.5	4.8	4.5	4.1	3.8

Scottish Context

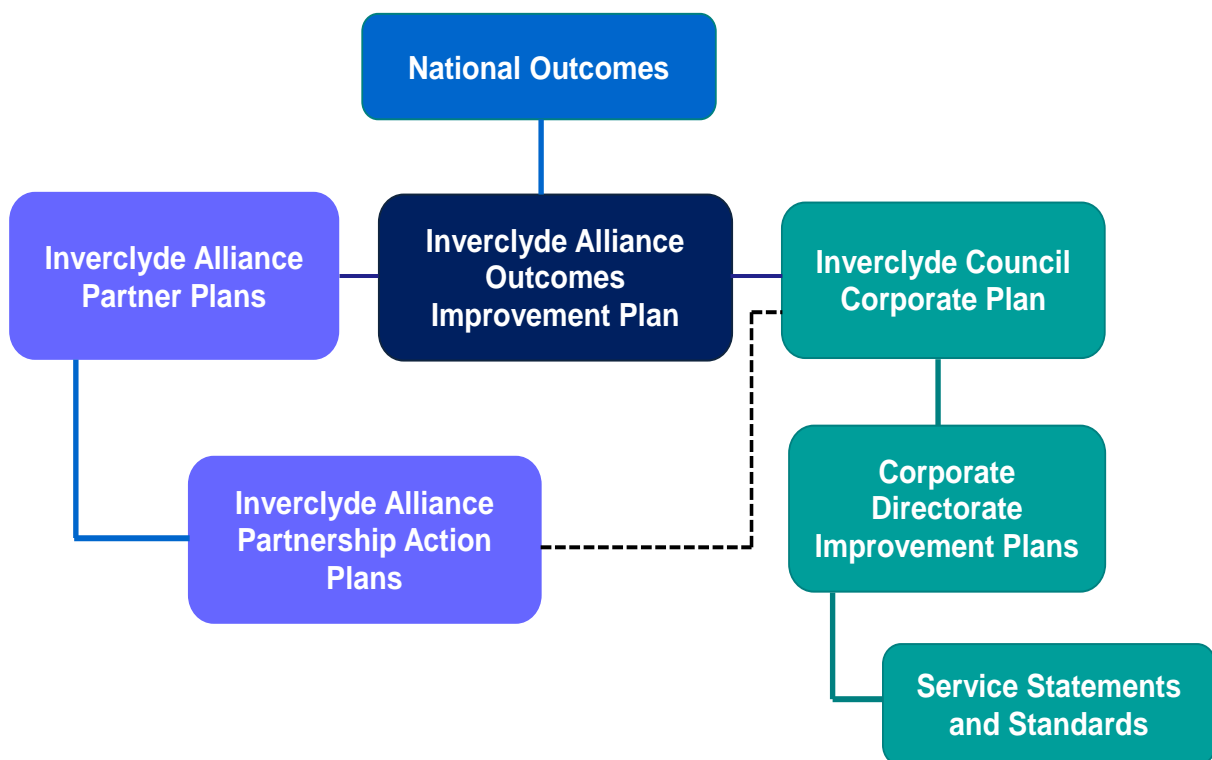
- 4.7 After requests from Cosla for several years for greater medium term funding certainty, the Scottish Government issued the Resource Spending Review (RSR) on 31 May 2022. The RSR covered the 5 year period 2022/23 – 2026/27 from a Resource/Revenue perspective. The RSR was balanced on its “central” assumption ie: Income/Taxes matched Expenditure plans.
- 4.8 Local Government are due to receive challenging core revenue settlements over the period with Grant/NDR being the same in cash terms in 2025/26 as it is in 2022/23. The Fraser of Allander Institute reported that this represents a 7% real terms cut using the GDP deflator. If a CPI deflator was used, then the real terms cut is significantly higher.
- 4.9 There was little indication in the RSR, that there will be a significant reduction in ring fencing or input mandating. Without this flexibility then the Council faces having to implement significant

budget cuts focussed on only a part of the overall Budget. However, a recent letter from Mr John Swinney indicates that some flexibility may be possible. Detail around this is awaited.

- 4.10 The Autumn Statement identified £1.5billion in consequentials for Scotland over 2023/25. The hope for Local Government is that some of this will be received by Councils to offset existing pressures. Additionally, the Scottish Government has the scope to increase taxes in order to fund the various policy initiatives already announced.
- 4.11 The RSR confirmed that the 2021 announcement of “flat cash” Capital Grant settlements to 2025/26 remains the case. This makes funding for the maintenance of the existing estate challenging before considering how investment within town centres or in net zero projects will be financed.
- 4.12 Councils expect to receive their detailed grant settlement in December 2022 although latest indications are that this will cover one year only.

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 2018/23** 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 2019/23 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 2021, the Policy and Resources Committee approved the extension of the Corporate Plan and CDIPs to 31 March 2023. The extension to the planning term for a further year ensured that all key stakeholders (current and future) were provided with an opportunity to be consulted on their views on what the Council and Alliance's new priorities should be. Consultation on the Council and Partnership priorities ended in September 2022.

5.5

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 initially contained three strategic priorities to be delivered in partnership, however following review of the plan in 2020, an additional strategic priority related to Economy was 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.

- 5.9 The fundamental issue for the Council is that at some point if the decline in population continues 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 continued to be case between mid-2020 and mid-2021, although the gap between the two decreased slightly compared to the previous year. 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 place Inverclyde's population in mid-2021 at 76,700, a decrease of -0.5% from 77,060 in 2020. The population of Inverclyde accounts for 1.4% of the total population of Scotland. Population estimates from the Census 2022 results will be published until 2023, however the local response rate for Inverclyde was 84.2%, which is a cause for concern.
- 5.11 The latest mid-year population estimates (2021) show that 16% of Inverclyde's population is aged between 0 – 15 years, which is slightly less than the percentage for Scotland, 17%. 62% of the population is aged 16 – 64 years, compared to 64% in Scotland. 22% of Inverclyde's population is aged 65 years and older compared to 20% 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. It should be noted that the 2018 based population projections were produced prior to the pandemic.
- 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:
- 3.9% of working age benefit claimants are claiming unemployment benefits. Of this, a higher proportion of 18 – 24 year olds (6.2%) are claiming than 25 – 49 year olds (4.7%) or 50+ year olds (2.4%). (As at September 2022).
 - Economic inactivity rates in Inverclyde are slightly lower than the national rate 22.5% compared to 22.9% (July 2021 – June 2022). The economic inactivity rate in Inverclyde has been lower than the Scottish average since October 2020.

- The percentage of workless households in Inverclyde is 22.1% compared to 18.1% in Scotland (January – December 2020)
- Approximately 81.8% of working age adults in Inverclyde have NVQ1 and above, or other formal qualifications. 86.4% of the Scottish population have NVQ1 and above or other formal qualifications (January 2021 – Dec 2021).
- Median earnings for full time workers living in the area (Gross Weekly Pay) increased between 2020 and 2021 from £560.90 to £570.10. The Scottish average was £622.00.
- Working age people account for 62% of all people in Inverclyde (2021 mid-year population estimates). This is 2% 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.

Following a governance review in 2018 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 had reduced considerably but the recent increases in utility costs and reductions in income due to Covid are likely to require a significant increase in funding.

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 receives 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 its governance and financing. This is likely to also impact upon the Council and is being closely monitored by officers.

6.0 Financial Management

Corporate Governance

- 6.1 The Council positively promotes the principles of sound corporate governance within all aspects of its activities. From a financial management perspective the Council adheres to the CIPFA Financial Management Code. Formal adoption of the code by the Council is scheduled early 2023.
- 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 February 2022 and are an essential component of the corporate governance of the Council.
- 6.6 The Financial Regulations are designed to facilitate the smooth running of the Council, protect its interests and the interests of members and officers, and ensure the proper administration of all the Council's financial affairs, including, Partnerships, The Common Good and Sundry Accounts.
- 6.7 Head Teachers must also comply with the Financial Regulations, with the exception of virement which is defined in the Devolved Management of Resources Scheme.

Roles and Responsibilities

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

Elected Members

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

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

Corporate Management Team

- 6.11 The Chief Executive, 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 2022/23 Budget was based on the Council receiving Revenue Grant/Non-Domestic Rates Income of £ 185.285m.
- 7.4 When the Council's own projection of Council Tax Income based on 97.0% collection rate (£32.945m) and the use of reserves is added then the income for the Council in 2022/23 is projected to be £220.372m.
- 7.5 The Financial Strategy covers the period 2022/32 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 of 10 years plus. This examines a number of long term issues including the sustainability and affordability of borrowing and investment decisions.
- 7.6 The Council has agreed a Reserve Strategy which requires a minimum unallocated General Fund Reserve of approximately 2% of turnover. Based on the 2022/23 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.
- 7.7 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 2022

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Base Budget for Prior Year	202.040	218.230	222.328
<u>UPLIFTS FROM PRIOR YEAR</u>			
<u>Inflation (Note 1)</u>			
Pay Inflation	3.000	6.740	2.600
Other Inflation	1.200	4.400	1.000
Income	-0.130	0.000	0.000
	<u>4.070</u>	<u>11.140</u>	<u>3.600</u>
<u>Budget Increases (Note 2)</u>			
General Pressures	0.400	1.960	0.100
New Pressures P&R Nov 21	0.934	0.000	0.000
	<u>1.334</u>	<u>1.960</u>	<u>0.100</u>
<u>Adjustments (Note 3)</u>			
Other Adjustments Applied	0.054	0.000	0.000
New Funding Per SG Settlement	14.313	0.000	0.000
Contribution from Reserves	-1.093	2.000	2.000
Net Revenue Budget Before Savings	<u>220.718</u>	<u>233.330</u>	<u>228.028</u>
<u>Funded by: (Note 4)</u>			
Revenue Grant/NDR Income	185.285	189.083	188.083
Council Tax Income (Net of CTR)	32.945	33.245	33.245
	<u>218.230</u>	<u>222.328</u>	<u>221.328</u>
Annual Budget Before Savings (Surplus)/Deficit	<u>2.488</u>	<u>11.002</u>	<u>6.700</u>
Cumulative Budget Gap before Savings	<u>2.488</u>	<u>13.490</u>	<u>20.190</u>
<u>Savings Applied (Cumulative)</u>			
Adjustments Approved September 2017	-0.300	-0.300	-0.300
Adjustments Approved September 2019	-0.040	-0.040	-0.040
Adjustments Approved November 2019	-0.019	-0.019	-0.019
Savings Approved November 2020 P&R	-0.012	-0.012	-0.012
Savings Approved December 2020 Full Council	-0.490	-0.517	-0.517
Savings Approved February 2021	-0.037	-0.037	-0.037
Savings Approved March 2021	-0.190	-0.190	-0.190
Savings Approved September 2021	-0.200	-0.200	-0.200
Savings Approved November 2021	-0.380	-0.380	-0.380
Savings Approved December 2021	-0.132	-0.162	-0.162
Savings Approved February 2022	-0.397	-0.397	-0.397
Savings Approved February 2022 Full Council	-0.291	-0.375	-0.375
Adjustments Approved August 2022 P&R	0.000	-0.135	-0.135
Savings Approved September 2022 P&R	0.000	-0.608	-0.608
Savings Approved November 2022 P&R	0.000	-0.610	-0.635
Approved Budget (Surplus)/Deficit	<u>0.000</u>	<u>9.508</u>	<u>16.183</u>

Finance Strategy Notes – December 2022

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 2023/25 reflect proposals identified in the 2022/23 budget set February 2022, excluding the Social Work estimated pay award for 2023/24 onwards, and reflects recent information resulting from the negotiated pay award. As a result, an allowance of 6% is included for 2023/25.
- b) Other Inflation – Inflation had been at a low rate in recent times and as such the allowances have been greatly reduced. However, there has been a significant increase in inflation over the last 6 months and the allowance is now exceeded leading to an additional £2.4m allocated for 2023/24 as approved in the Budget Update Report Policy & Resources Committee November 2022.
- c) Income – Reflects an annual increase of 3% on fees & charges income up to 2022/23 as part of the budget decisions approved November 2019. No increase has been applied from 2023/24 budget position.

Note 2 Budget Increases

- a) General Pressures – Reflects allowance identified in the 2022/23 budget set February 2022, rephased as approved in the Budget update report Policy & Resources Committee November 2022. The Committee approved a further allowance of £0.9m for 2023/24.
- b) New Pressures – Reflects decisions taken at the November 2021 Policy & Resources Committee.

Note 3 Adjustments

- a) Other Adjustments – Reflects Scottish Government funding for minor projects.
- b) New Funding – Reflects new funding received as part of the Settlement March 2022. The majority of the funding relates to new funding for Health & Social Care Partnership and new teachers.
- c) Contribution from Reserves – As part of the 2021/22 budget process, the Council approved use of reserves to fund the 2021/23 budget. The 2022/23 budget approved February 2022 increased the use of reserves by £2.951m to balance the budget resulting in £4m of reserves utilised to balance the budget. Offsetting this, the Council received £1.858m one off share of £120 million from the Scottish Government. This was used to reduce the contribution from reserves funding the 2022/23 budget. The Council agreed to allocate £2m from reserves towards the 2023/24 budget and 2024/25.

Note 4 Funded By

- a) Reflects 2022/23 Finance Settlement included in Scottish Government Circular 1/2022. The 2022/24 figures are estimated based on continuing grant loss due to Depopulation. The Scottish Government Resource Spending Review confirmed that the £120 million one off funding will now be mainlined into the recurring General Revenue Grant. Figures reflect the Council share £1.858 million on a recurring basis. 2023/25 figures are estimated in line with the Scottish Government Resources Spending Review and includes a share of Government Grant towards the 2022/23 pay award of £2.94m.
- b) Council Tax Income is shown net of Council Tax Reduction (CTR) Scheme. Grant is included within Council General Revenue Grant for CTR. Figures reflect decision to increase Council Tax by 1.95%

on 24 February 2022. No uplift has been assumed for years 2023/25. Policy & Resources Committee approved an adjustment to Council Tax Income budget of £0.3m due to an increase in the Council Tax Base.

Other Short to Medium Term Revenue Issues

The significant risk associated with the short to medium term budget position will be around inflation allowances, including utilities, contracts and any unresolved pay award plus increasing demand for certain services. Close monitoring and regular reporting to Committee will ensure officers report any significant variances at the earliest opportunity. The Resource Spending Review by the Scottish Government has provided greater clarity regarding the challenges faced by the Council over the medium term. In light of this the Council Strategy is to provide clarity on service levels, investment and job security at the earliest possible time.

7.8 Long Term Revenue Issues

Looking beyond 2026 becomes increasingly difficult with uncertainty around the level of funding likely to be available.

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

Post 2025/26 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.**
- **The current global UK and Scottish economic situation and the resultant speed with which inflation will return to pre-covid/Brexit levels.**
- **The current “cost of living crisis” will continue to impact on Council Services from both a demand and funding perspective.**
- **Health and Social Care integration is due to 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.**

7.9 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.

7.10 Table 4 shows the high level estimate of the 2023/26 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 changing position in the short/medium term impact of inflation, the economy and funding for the Public Sector.

Table 4a**2023/26 Budget Gap - Mid-Range Scenario**

	2023/24	2024/25	2025/26	2023/26
	£m	£m	£m	£m
Block Grant Increase	(1.8)	0.0	0.0	(1.8)
Continuing Impact of Depopulation	1.0	1.0	0.7	2.7
Inflation - Pay	2.4	2.6	2.0	7.0
- Non-Pay	3.4	1.0	1.0	5.4
Pressures				
- General Pressures	2.0	0.1	0.6	2.7
Savings Approved to Nov,2022	(2.4)	0.0	0.0	(2.4)
Inflation Shortfall 2022/23	3.0	0.0	0.0	3.0
Reduced Use of Reserves	2.0	2.0	0.0	4.0
Funding Gap	9.6	6.7	4.3	20.6

a/ £4.0m from Reserves used in 2022/23 is reduced by £2.0m/year over 2023/25.

b/ 2023/24 Grant figures include £1.8million one off grant from 2022/23 now mainlined

c/ Pay & Non-Pay inflation and Pressures excludes HSCP

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

e/ Includes no Council Tax increase (3% annual increase would raise £1.0 million per year)

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

Key Assumptions	2023/24	2024/25	2025/26
	%	%	%
GRG/NDRI Cash Movement	0.0	0.0	0.0
Pay Inflation	3.0	3.0	2.0

Table 4b**2023/26 Budget Gap - Optimistic Scenario**

	2023/24	2024/25	2025/26	2023/26
	£m	£m	£m	£m
Block Grant Increase	(3.6)	(1.8)	(1.8)	(7.2)
Continuing Impact of Depopulation	0.5	0.5	0.5	1.5
Inflation - Pay	2.4	2.0	1.5	5.9
- Non-Pay	3.0	0.8	0.5	4.3
Pressures				
- General Pressures	2.0	0.1	0.4	2.5
Savings Approved to Nov,2022	(2.4)	0.0	0.0	(2.4)
Inflation Shortfall 2022/23	3.0	0.0	0.0	3.0
Reduced Use of Reserves	2.0	2.0	0.0	4.0
Funding Gap	6.9	3.6	1.1	11.6

a/ £4.0m from Reserves used in 2022/23 is reduced by £2.0m/year over 2023/25.

b/ 2023/24 Grant figures include £1.8million one off grant from 2022/23 now mainlined

c/ Pay & Non-Pay inflation and Pressures excludes HSCP

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

e/ Includes no Council Tax increase (3% annual increase would raise £1.0 million per year)

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

Key Assumptions	2023/24	2024/25	2025/26
	%	%	%
GRG/NDRI	1.0	1.0	1.0
Pay Inflation	3.0	2.5	1.5

Table 4c**2023/26 Budget Gap - Pessimistic Scenario**

	2023/24	2024/25	2025/26	2023/26
	£m	£m	£m	£m
Block Grant Decrease	(1.8)	1.8	1.8	1.8
Continuing Impact of Depopulation	1.0	1.0	1.0	3.0
Inflation - Pay	3.2	3.2	2.0	8.4
- Non-Pay	4.0	2.0	1.0	7.0
Pressures				
- General Pressures	2.0	0.6	0.6	3.2
Savings Approved to Nov,2022	(2.4)	0.0	0.0	(2.4)
Inflation Shortfall 2022/23	3.0	0.0	0.0	3.0
Reduced Use of Reserves	2.0	2.0	0.0	4.0
Funding Gap	11.0	10.6	6.4	28.0

a/ £4.0m from Reserves used in 2022/23 is reduced by £2.0m/year over 2023/25.

b/ 2023/24 Grant figures include £1.8million one off grant from 2022/23 now mainlined

c/ Pay & Non-Pay inflation and Pressures excludes HSCP

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

e/ Includes no Council Tax increase (3% annual increase would raise £1.0 million per year)

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

	2023/24	2024/25	2025/26
Key Assumptions	%	%	%
GRG/NDRI Cash Movement	0.0	-1.0	-1.0
Pay Inflation	4.0	4.0	2.0

7.11 Short to Medium Term Capital Projections

The Council agreed a 3 year Capital Programme covering 2022/25 in February 2022. A 5% overprovision was built in to allow for increased resources/project cost reductions.

7.12 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, whilst 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. This will leave the Council £3 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.

Even were Local Government Capital Grants to increase in the longer 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 2022/2025 (Medium Term Capital Projections)

Table 5

<u>Expenditure/Projects by Committee</u>	<u>2022/23</u> <u>£m</u>	<u>2023/24</u> <u>£m</u>	<u>2024/25</u> <u>£m</u>	<u>Totals</u> <u>£m</u>
Policy & Resources	0.74	0.90	0.59	2.23
Environment & Regeneration	14.76	19.45	6.99	41.20
School Estate	1.86	5.09	3.00	9.95
Education & Communities (Exc School Estate)	1.78	2.11	0.17	4.06
CHCP	0.56	3.12	6.20	9.88
	19.70	30.67	16.95	67.32
<u>Financed By</u>				
Government Grant	8.27	6.00	6.00	20.27
Sales/Contributions	0.07	0.89	0.32	1.28
Other Income	4.38	3.09	0.00	7.47
Revenue	1.49	1.82	2.75	6.06
Prudential Borrowing	0.13	8.00	6.62	14.75
Resources Carried Forward	14.79	0.00	0.00	14.79
	29.13	19.80	15.69	64.62
				2.70
Shortfall in Resources				

Notes

1 As per November 2022 P&R Committee

8.0 Treasury Management

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

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

- 8.4 Table 6 below shows the Council’s debt and investments position as at 31/10/22.

Table 6 – Council’s Debt and Investment Position – 31/10/22

The Council’s treasury portfolio position at 31/10/22 comprised:

		Principal		Average Rate
		<u>£000</u>	<u>£000</u>	
Fixed rate funding	PWLB	81,985		3.58%
	Market	40,000	121,985	
Variable rate funding	PWLB	0		4.89%
	Market	59,748	59,748	
TOTAL DEBT			181,733	4.01%
TOTAL INVESTMENTS			43,508	2.52%

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 just over £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 31/03/22 = £3.719 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 31/03/22 = £4.633million

- (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 31/03/23 = £(0.049) 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 31/03/230. = £2.988 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 current significant deterioration in the economic outlook and the impact this has on the local community has an unsustainable impact on Council budgets.</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.</p>

Short-Term Issues (2022/24)

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	Funding gap inherited by the New Council in May 22.	The use of reserves in 2022/23 and ongoing funding pressures will require quick and decisive action from the new Council which will have a significant impact on certain services.	Policy & Resources Committee agreed to address the £4m use of Reserves in 2022/23 by December 2022.	Alan Puckrin/CMT	December 2022
	Inflation	Uncertainty over the length of inflation pressures are not fully clear over the period.	Inflation allowances are regularly reviewed. Regular monitoring and reporting to CMT/Members.	Alan Puckrin	Ongoing
	Pay & Grading	If the “bottom loading” of pay settlements continues then it is likely the Council will require to revisit the Pay & Grading model.	2022/23 Pay Award is known and action needed at this time.	Steven McNab	Ongoing issue.
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.	Kate Rocks	Ongoing

	Children's Services	Significant demand in the system will lead to increased costs.	Strategy put in place as part of the 2022/23 Budget. Monitor and report as required.	Kate Rocks	From April 2022
Education & Communities	Inverclyde Leisure – Reduction in Income and increased Utility costs.	A major source of income for IL comes from its fitness gyms. Competitors have moved into the area and this plus Covid legacy and current exceptional increases in utility costs could lead to an increase in Council funding.	Estimated 2023/24 shortfall of £1.4million reported. Options developed to address this matter.	Ruth Binks	January 2023 Consultation. March 2023 Decision.

Medium-Term Issues (2024/26)

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	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
	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 to review Council Tax and will potentially review NDR.	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
	Equal Pay	No provision for outstanding claims.	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

<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>
Social Care	Review of future of Adult 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.	Kate Rocks	March 2023
	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.	Kate Rocks	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 to Council and IJB.	Kate Rocks	? 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	June 2023

Long-Term Issues (Post 2026)

<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	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	Impact of National Care Service	Cost, disruption and impact on rest of the Council.	Monitor and report to Council/IJB.	Louise Long/Kate Rocks	Ongoing
Education & Community	School Estate.	Plans will be required for recommencement of a new School Estate Plan from the late 2020's. This will have significant financial and policy challenges.	Commence consideration at the appropriate time and factor into any investment plans.	Ruth Binks/Stuart Jamieson	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	November 2022 (Action Plan)
	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

Finance Strategy
General Fund "Free" Reserves
December 2022

	£000
Reserves Balance at 31st March 2022	3,719
Budgeted Contribution to Reserves: Note 1	
2021/22 Outturn Earmarked for 2022/23	16,925
	<u>0</u>
	16,925
Planned Use of Reserves 2022/25 Note 2	(17,065)
Projected Surplus (Deficit) 2022/23 Note 3	(144)
Projected Free Reserves Balance 31st March 2023	3,435

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

Notes:

- 1/ 2022/23 figures reflect £2.951m use of reserves to fund the revenue budget as approved at 2022/23 budget setting process.
- 2/ Represents decisions taken between March 2018 and March 2022 and based on latest phasings.

<u>Approved Use of Reserves</u>	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
March 2018 - £8.858m	(191)	(17)	0	(208)
March 2019 - £4m	(30)	0	0	(30)
March 2020 - £8.207m	(303)	(291)	0	(594)
March 2021 - Use of Reserves	(7,918)	0	0	(7,918)
February 2022 - £9.175m	(6,175)	(1,000)	(1,000)	(8,175)
March 2022 - £0.140m	(140)	0	0	(140)
	<u>(14,757)</u>	<u>(1,308)</u>	<u>(1,000)</u>	<u>(17,065)</u>

- 3/ Figure reflects projected deficit reported to Policy & Resources Committee November 2022 (Period 6) and Budget Current Position Policy & Resources Committee November 2022 :

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Projected Surplus / (Deficit) (Period 6)	(2,026)	0	0	(2,026)
Scottish Government £120m One off Payment	1858	0	0	1,858
Proposed Write back of Covid EMR (Jun 22)	24	0	0	24
	<u>(144)</u>	<u>0</u>	<u>0</u>	<u>(144)</u>

AP/AE
01/11/22

Finance Strategy
Capital Fund

		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Balance B/fwd		(157)	49	(1,179)	(1,374)	(1,408)	(1,443)	(1,479)	(1,516)
Additions (Estimate)	a	(791)	(1,230)	(165)	0	0	0	0	0
Interest (Estimate)		(3)	2	(30)	(34)	(35)	(36)	(37)	(38)
Principal Repayments		0	0	0	0	0	0	0	0
Other Payments	b	1,000	0	0	0	0	0	0	0
Balance at Year End		49	(1,179)	(1,374)	(1,408)	(1,443)	(1,479)	(1,516)	(1,554)

- Notes
- a
- 2022/23 SEMP Receipts, £1.062 remainder of Greenock Academy
AMP Receipts, £0.050m, Glenbrae
Other Receipts, £0.189m, Kempock Place, Leperstone Avenue & minor receipts
Other Receipts, return of £0.510m, Land at Upper Bow
 - 2023/24 SEMP Receipts, £1.140 Sacred Heart, Holy Cross
Other Receipts, £0.090m, Leperstone Avenue
 - 2024/25 Other Receipts, £0.165m, former Garvel Centre, Crescent St
- b Other Payments:
- 2022/23 £1m payment to fund Capital Programme (approved March 2021)

Finance Strategy
Repairs & Renewals Fund

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Balance B/fwd	(3,369)	(2,988)	(2,762)	(2,745)	(2,778)	(2,812)	(2,848)	(2,883)
Additions:								
Leisure Strategy	a (134)							
Affordable Housing Fund								
Energy Efficiency Fund	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Maintenance Payments:								
Environmental Maintenance	36	41	36	36	36	36	37	75
Leisure Strategy	b 414	241						
Former Housing Repairs & Renewals Fund	c 90							
Affordable Housing Fund	d 50	50	50					
Energy Efficiency Fund								
Interest								
Environmental Maintenance	(12)	(18)	(12)	(12)	(11)	(11)	(10)	(9)
Leisure Strategy	(29)	(38)	(22)	(22)	(23)	(24)	(24)	(25)
Former Housing Repairs & Renewals Fund	(27)	(40)	(29)	(30)	(31)	(32)	(33)	(33)
Affordable Housing Fund	(4)	(5)	(2)	(1)	(1)	(1)	(1)	(1)
Energy Efficiency Fund	(2)	(4)	(3)	(3)	(3)	(3)	(3)	(4)
Balance:								
Environmental Maintenance	e (518)	(495)	(471)	(447)	(422)	(397)	(370)	(304)
Leisure Strategy	(1,075)	(872)	(894)	(916)	(939)	(963)	(987)	(1,012)
Former Housing Repairs & Renewals Fund	(1,139)	(1,179)	(1,208)	(1,238)	(1,269)	(1,301)	(1,334)	(1,367)
Affordable Housing Fund	(142)	(97)	(49)	(50)	(51)	(52)	(53)	(54)
Energy Efficiency Fund	(114)	(119)	(123)	(127)	(131)	(135)	(139)	(144)
Balance at Year End	(2,988)	(2,762)	(2,745)	(2,778)	(2,812)	(2,848)	(2,883)	(2,881)

Finance Strategy
Repairs & Renewals Fund

Notes

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

Updated: MT, 9th Nov 2022

Insurance Fund

	<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>2032/33</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>	<u>£m</u>
Opening Balance	4.633	3.933	3.715	3.477	3.219	2.941	2.643	2.425	2.177	1.999	1.788
Contribution to Fund (a)	0.450	0.350	0.350	0.350	0.350	0.350	0.450	0.450	0.550	0.550	0.550
Payments Made From Fund (b)	(0.390)	(0.410)	(0.430)	(0.450)	(0.470)	(0.490)	(0.510)	(0.540)	(0.570)	(0.600)	(0.630)
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)	-
	4.618	3.715	3.477	3.219	2.941	2.643	2.425	2.177	1.999	1.788	1.708
Estimated Outstanding Charges at 31 October 2022 (e)	(0.685)										
Balance for Future Claims	3.933	3.715	3.477	3.219	2.941	2.643	2.425	2.177	1.999	1.788	1.708

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.

A further £100,000 annual reduction will be applied from 2023/24 for 5 years and ending in 2027/28.

(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 2022 was £0.271 million.

(d) Estimated Council contribution of £1.5 million 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 2022.

City Deal - As at 31.10.22

Capital	<u>£m</u> <u>15/22</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>25/26</u>	<u>£m</u> <u>26/27</u>	<u>£m</u> <u>27/28</u>	<u>£m</u> <u>28/29</u>	<u>£m</u> <u>Total</u>
Overall Grant	275	80	15	30	60	60	60	60	640
Inverclyde's Grant Received/ Estimated	6.250	5.082	1.000	1.000	0.000	0.000	0.000	1.000	14.332
Project Spend									
Ocean Terminal	6.966	2.624	0.503	0	0	0	0	0	10.093
Inverkip	0.018	0.232	2.800	0.200	0	0	0	0	3.250
Inchgreen	0.087	5.842	3.200	0.298	0	0	0	0	9.427
Council Contribution - Inchgreen	0	0	(1,400)	0	0	0	0	0	(1,400)
Grant Eligible Costs	7.071	8.698	5.103	0.498	0	0	0	0	21.370
Annual Grant (Shortfall)/Surplus	-0.821	-3.616	-4.103	0.502	0.000	0.000	0.000	1.000	-7.038
Cumulative (Shortfall)/Surplus	-0.821	-4.437	-8.540	-8.038	-8.038	-8.038	-8.038	-7.038	
Revenue	<u>£m</u> <u>15/22</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>25/26</u>	<u>£m</u> <u>26/27</u>	<u>£m</u> <u>27/28</u>	<u>£m</u> <u>28/29</u>	
Revenue Budget	1481	320	220	220	220	220	220	220	
PMO Central Team Costs	0	(58)	(62)	(66)	(70)	(74)	(78)	(81)	
Interest Charge	0	(90)	(220)	(220)	(170)	(150)	(130)	(120)	
Contribution to Inchgreen	0	(1,400)	0	0	0	0	0	0	
Planned Write Back to Reserves	0	0	0	0	0	0	0	0	
Balance at Year End	1,481	253	191	125	105	101	113	132	

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 Inverkip. Figures exclude partner contributions. Ocean Terminal cost approval increased by £400k in 2022
- 2/ The Council initially set aside up to £400,000 per year but approved saving an £80k saving in Sept 2019. From 2023/24 it reflects a proposed further £100,000 savings. A £1.4million contribution to the Inchgreen Project is to come from the cumulative balance in 2022/23.
- 3/ Assumes that the City Deal will pass the 2nd milestone in 2024 and as such the UK and Scottish Government will honour their grant commitments.
- 4/ Regional projects have first call on the grant hence why from 2025/26 the Council's level of grant falls. Estimates only at this time as Regional projects are under review. Grant phasing for 2023/24 and beyond is therefore indicative at this stage.
- 5/ The Interest Charge is based on the investment return foregone by the Council on the assumption the capital investment will be funded from cash balances and fully repaid by 2035. Interest rates used , 22/23(2.5%) and 23/25 (2.0%), 2025/26 onwards (1.5%)

Finance Strategy
Loan Charges

		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	2031/32 £'000	2032/33 £'000
Balance B/fwd		337	393	(202)	(688)	(972)	(921)	(588)	(340)	271	1,128	1,970
Projected Loan Charges	a	12,036	17,497	17,488	17,386	17,151	16,969	17,154	16,891	16,745	16,860	16,702
Available Budget	b	12,092	16,902	17,002	17,102	17,202	17,302	17,402	17,502	17,602	17,702	17,802
Loan Charge Surplus/(Deficit)		56	(595)	(486)	(284)	51	333	248	611	857	842	1,100
Other Adjustments:												
None		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
Balance at Year End		393	(202)	(688)	(972)	(921)	(588)	(340)	271	1,128	1,970	3,070
Interest Rate (Assumed):		3.84%	4.02%	3.75%	3.67%	3.71%	3.67%	3.73%	3.76%	3.81%	3.99%	4.11%

Notes

Revised projections as at Nov 2022 and excludes Loan Charges relating to funded models (City Deal, Birkmyre Trust and, for 2022/23, SEMP). From 2018/19 onwards, general capital grant is applied to core allocations only and not to individually funded models.

- a Includes loan charges for new LD Centre based on spend between 2021/22, 2022/23, 2023/24 and 2024/25.
£100k annual cost increase from 2023/24 to reflect prudential borrowing of £1.5m.
Projected principal repayments on new projects are calculated on annuity basis.
- b Adjustments to Available Budget:
For 2022/23
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.
£400k reduction in budget.
Budget increased by £1,130k due to budget and projected VRP loan charges now included above and not separately budgeted for.
Budget adjusted for £60k reduction in loan charges agreed in February 2022 and for Food Waste Collection saving (£14k reduced).
For 2023/24
Budget increased by £4,715k due to budget and projected SEMP loan charges now included above and not separately budgeted for.
Budget from 2023/24 onwards increased by £100k annually for annual Prudential Borrowing.
Budget adjusted for £5k reduction in loan charges for Food Waste Collection saving.

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Chief Executive	Report No:	IC/02/22/LL
Contact Officer:	Louise Long	Contact No:	01475 712701
Subject:	Management Structure		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to seek the Council's approval for a new management structure. The interim management structure was last considered by the Council in October 2021 which agreed that the new permanent structure would be brought forward in Autumn 2022.
- 1.3 Once fully in place the new management structure aims to bring stability, create resilience and support the delivery of the Council's ambitions over the period of the current Council whilst taking account of the current significant financial challenges. It is proposed that there are three phases as follows; Phase 1, to stabilise the Corporate Management Team structure, Phase 2, to factor in any impact of the current review of the Council's shared services arrangements with West Dunbartonshire Council and the 2023/25 Budget setting, and in Phase 3 to factor in the implications of the proposed National Care Service.
- 1.4 This report recommends a reduction in the statutory allowance for two chief officer posts to bring it in line with other local authorities.
- 1.5 The Council's key governance documents will need updated to reflect the proposed management restructure, and this would take place following the Council's consideration of this report.

2.0 RECOMMENDATIONS

It is recommended that the Council agrees as follows:

- 2.1 To approve Phase 1 of the management structure with the focus on the Corporate Management Team, in line with paragraphs 4.2 to 4.7 of this report.
- 2.2 To agree to commence the recruitment of the Director of Environment & Regeneration on a permanent basis, in line with paragraph 4.2 of this report.
- 2.3 To agree that the Chief Financial Officer and the Head of Legal & Democratic Services report directly to the Chief Executive from 1 April 2023.
- 2.4 To agree to the reduction of the statutory allowance for the Chief Financial Officer from 1 April 2023 as outlined in paragraph 4.3 of this report and Chief Social Work Officer as outlined in paragraph 4.4 of this report.
- 2.5 To note that further reports with recommendations for the implementation of Phases 2 and 3 of the management restructure, will be brought forward to future meetings of the Council over the

next 18 months, taking into account the impact of the 2023/25 Budget setting, the review of the Council's shared services arrangements with West Dunbartonshire Council and the proposed National Care Service.

- 2.6 To delegate authority to the Head of Legal & Democratic Services, in consultation with other relevant officers, to update the Scheme of Delegation (Officers), Financial Regulations and the Standing Orders relating to Contracts to reflect the decisions of the Council in respect of this report.

Louise Long
Chief Executive

3.0 BACKGROUND AND CONTEXT

- 3.1 The Senior Management Structure was reviewed in February 2018. At that time the Council also amended its committee structure. The restructure delivered a reduction of 10 FTE management in senior posts and a saving of £675,000. This also resulted in a significant reduction in senior management capacity. Appendix 1 shows the structure approved at that time. The full management changes were to be phased by March 2020, however, the Covid pandemic occurred, and additional capacity was added by creating an Interim Head of Covid, that arrangement having ceased in March 2022.
- 3.2 In October 2020, the Council agreed that interim management arrangements would be put in place following the retirement of the Corporate Director of Environment, Regeneration & Resources and the Head of Legal & Property Services. The interim structure created two interim service director posts who split the Environment, Regeneration & Resources Directorate remit. As part of the interim arrangements the Council agreed that the Head of Legal and Property role also be split with a new post of Head of Legal & Democratic Services (Monitoring Officer) and a new post, the Interim Head of Property Services. The statutory payment for the Monitoring Officer was reduced from 10.5% to 5% in line with other local authorities. These interim management arrangements are shown as Appendix 2 to this report.
- 3.3 On 28 October 2021 the Council considered and approved the continuation of the existing interim senior management structure until April 2023. Interim directors remain in place and Head of Covid Recovery returned to his substantive post. This was to retain sufficient capacity whilst the Council sought to recover from the Covid-19 pandemic and provide time for greater clarity on the potential impact of the proposed creation of the National Care Service.
- 3.4 Further to the October 2021 meeting, the Council has recruited a permanent Head of Legal & Democratic Services and a new permanent Chief Officer Inverclyde Health & Social Care Partnership (IHSCP), those officers commencing in post in January 2022 and August 2022 respectively. In addition, this period has also seen the retirement of the Council's Chief Social Work Officer in August 2022 which post is currently being recruited to on a permanent basis.
- 3.5 The interim structure has supported the organisation's recovery, however, there have been recruitment difficulties in key posts, and challenges around senior management resource capacity, causing resilience issues. It is important to stabilise the senior management structure and enable recruitment to key posts to take place within Environment & Regeneration. There are significant challenges set out below that will have a major impact on the Council moving forward requiring a review of the current structure and capacity.
- 3.6 Firstly, the financial challenges facing the Council are significant. The Budget setting process in February / March 2023 is likely to mean difficult decisions with a major impact on a number of Council services. There is currently an estimated £16.3 million funding gap that needs to be addressed across 2023/25.
- 3.7 Secondly, the Council is currently in the process of having an independent review conducted on its shared services arrangements with West Dunbartonshire Council. This review, commissioned jointly with West Dunbartonshire Council, has now been concluded, and the consultant's report is being reviewed by both authorities. The outcomes of the review will be reported to the Environment & Regeneration Committee and Shared Services Joint Committee in January 2023, and thereafter to Inverclyde Council in February.
- 3.8 Thirdly, whilst the National Care Service proposals are progressing, there is still a notable lack of clarity on a number of key aspects including what areas from the Council's portfolio of services would be transferred.

4.0 PROPOSALS

- 4.1 Given that the impact of the above challenges will not become clear at the same time, the proposal is to consider the management restructure in three phases:

Phase 1 (From April 2023)

To stabilise the Corporate Management Team structure and allow the necessary recruitment to commence. This will result in reverting back to two Directorates with the Chief Financial Officer and Head of Legal & Democratic Services moving to be line managed by the Chief Executive. The Chief Financial Officer and Head of Legal & Democratic Services have regular contact with the Chief Executive who provides both with regular direction and support. It makes sense that these functions report directly to the Chief Executive. This would result in the alignment of the Director post with the remit of the Environment & Regeneration Committee.

- 4.2 The Director of Environment & Regeneration oversees key regulated services, the Council's assets and the regeneration of the area in addition to being responsible for driving the Net Zero agenda. Regeneration is a priority area of the Council and it is important that the post holder focusses on developing opportunities with UK and Scottish Governments plus private business to attract funding and investment into the area. It is proposed that the annual salary of the post remains on COSLA Chief Officer Spinal Column Point 43 (currently £106,288) and that a recruitment process to fill the post on a permanent basis is commenced immediately. The post will be advertised externally.
- 4.3 The Chief Financial Officer, who has been in post since 2006, has advised that he currently intends to retire at some point in 2024. In order to allow him to fully focus on the unprecedented financial challenges facing the Council in the medium term and to allow for a smooth transition to his replacement, it is proposed to transfer responsibility of ICT and Customer Services to the Head of Legal & Democratic Services. This will allow the Information Governance and Customer Services/Complaints functions to be under a single Head of Service. Associated with this it is proposed to align the statutory uplift of the Chief Financial Officer to that of the Head of Legal & Democratic Services with effect from 1 April 2023.
- 4.4 The Council's Chief Social Work Officer has recently retired. The role is being covered on an interim basis by the Head of Health & Community Care. The IHSCP have commenced the recruitment of a new permanent Head of Children & Families and Criminal Justice (CSWO) and it is proposed that in line with the previous decision in relation to the Head of Legal & Democratic Services and the proposal regarding the Chief Financial Officer in 4.3 above, the post has the statutory officer uplift reduced from 10.5% to 5% on the standard Head of Service salary in line with other local authorities. This is a shared post with Health and with therefore the saving in salary will be shared equally.
- 4.5 The Interim Head of Property Services remains in place to build capacity around modernisation of the Council and Net Zero, funded by the underspend within Environment & Regeneration staffing. This will be reviewed in Phase 2.
- 4.6 Appendix 3 shows the proposed structure from 1 April 2023.
- 4.7 Phase 2 (Report to Council by June 2023)

Phase 2 would review the management structure based on savings taken as part of the 2023/25 Budget plus decisions taken in respect of the above-mentioned review of shared services. The Council has significant financial challenges and, depending on the areas approved for savings, a review of middle management may be required.

An evaluation of the benefits of shared services is ongoing and will recommend the future options for consideration. The evaluation will be reported to the Environment & Regeneration Committee and the Shared Services Joint Committee in January 2023. If there were any changes suggested

these can be considered within this Phase of the management review. It is expected that proposals around Phase 2 will be reported to Council by June 2023.

4.8 Phase 3 (Report to Council by June 2024)

The National Care Service represents potentially the most significant change in the Scottish public sector since local government reorganisation in 1996. The current Bill suggests that Adult Services, Criminal Justice and Children & Families could move to a National Care Service. These proposals are currently going through parliamentary committees. COSLA and professional organisations are making representations that all social care should remain with local authorities. As a minimum, Homelessness, New Scots and Welfare Services are not included, meaning these will certainly return to the Council.

4.9 The implementation of the National Care Service, if approved, is expected to be in 2026 and therefore the implications for the Council and its structures will not be sufficiently known until 2024. It is therefore proposed that this final phase of the restructure is reported to Council by June 2024.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	✓		
Legal/Risk		✓	
Human Resources	✓		
Strategic (LOIP/Corporate Plan)	✓		
Equalities & Fairer Scotland Duty		✓	
Children & Young People's Rights & Wellbeing		✓	
Environmental & Sustainability		✓	
Data Protection		✓	

5.2 Finance

There is a small saving arising from the change from the previous Corporate Director salary to that of the Director of Environment & Regeneration plus the reduction in the statutory officer percentage for the 2 posts highlighted in the report. It is proposed that this saving is retained meantime pending any proposals contained in the Phase 2 report in June 2023.

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
Various	Employee Costs	2023/24	(£28k)		It is proposed to retain this saving pending consideration of Phase 2 of the Management Structure.

5.3 Legal/Risk

The proposals will stabilise the management structure by building in resilience and creating capacity thus reducing risks within the Council.

5.4 Human Resources

The human resource implication arising from this report are included within it.

5.5 Strategic

The recommendations in this report will support the progression of the Council's strategic objectives.

5.6 Equalities and Fairer Scotland Duty

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
✓	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, assessed as not relevant and no EqIA 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 – Assessed as not relevant under the Fairer Scotland Duty.

5.7 Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
✓	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.8 Environmental/Sustainability

Summarise any environmental / climate change impacts which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
✓	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.9 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 – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

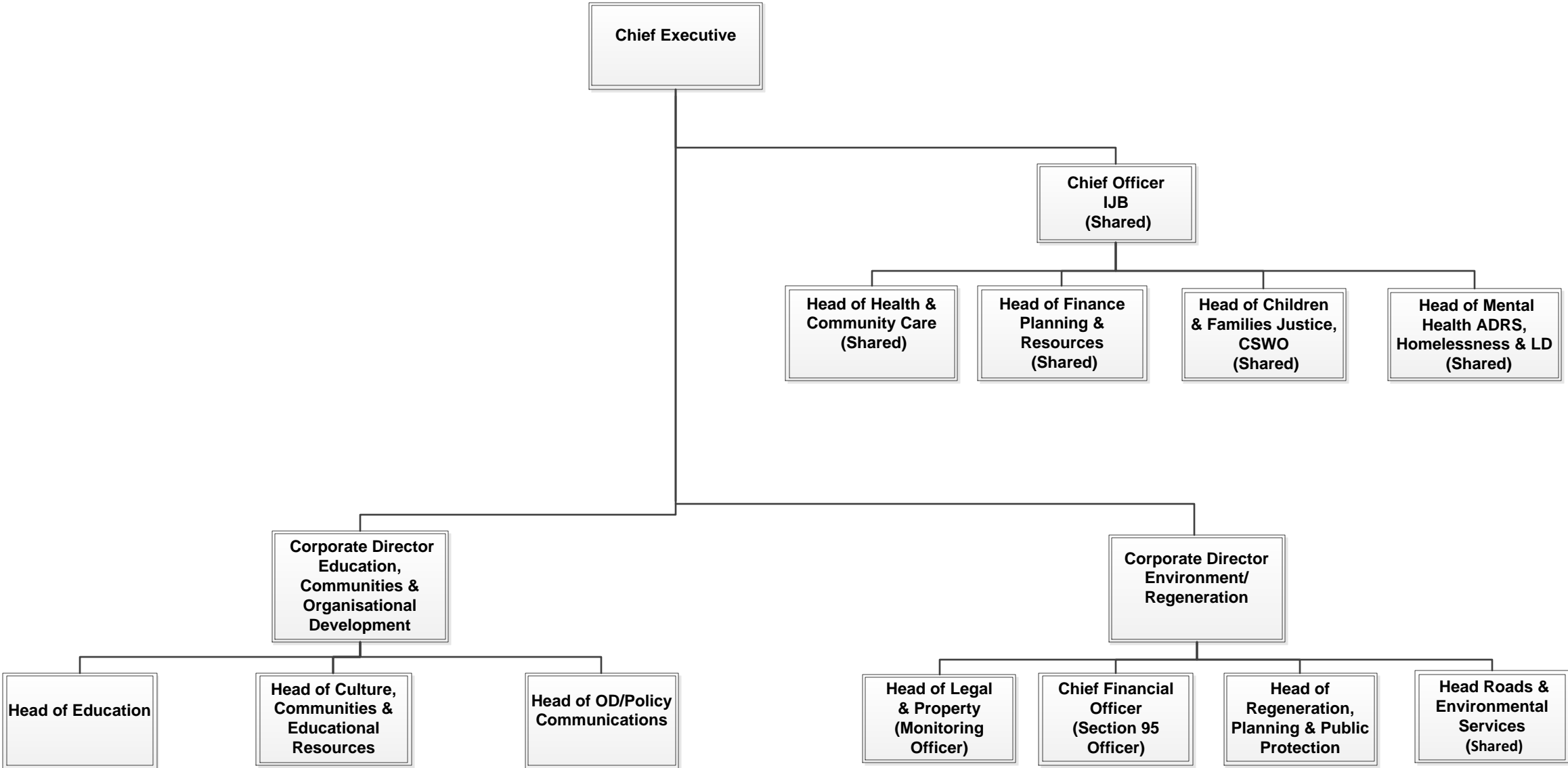
6.0 CONSULTATION

6.1 Consultation has taken place with the trades unions and potentially affected individuals.

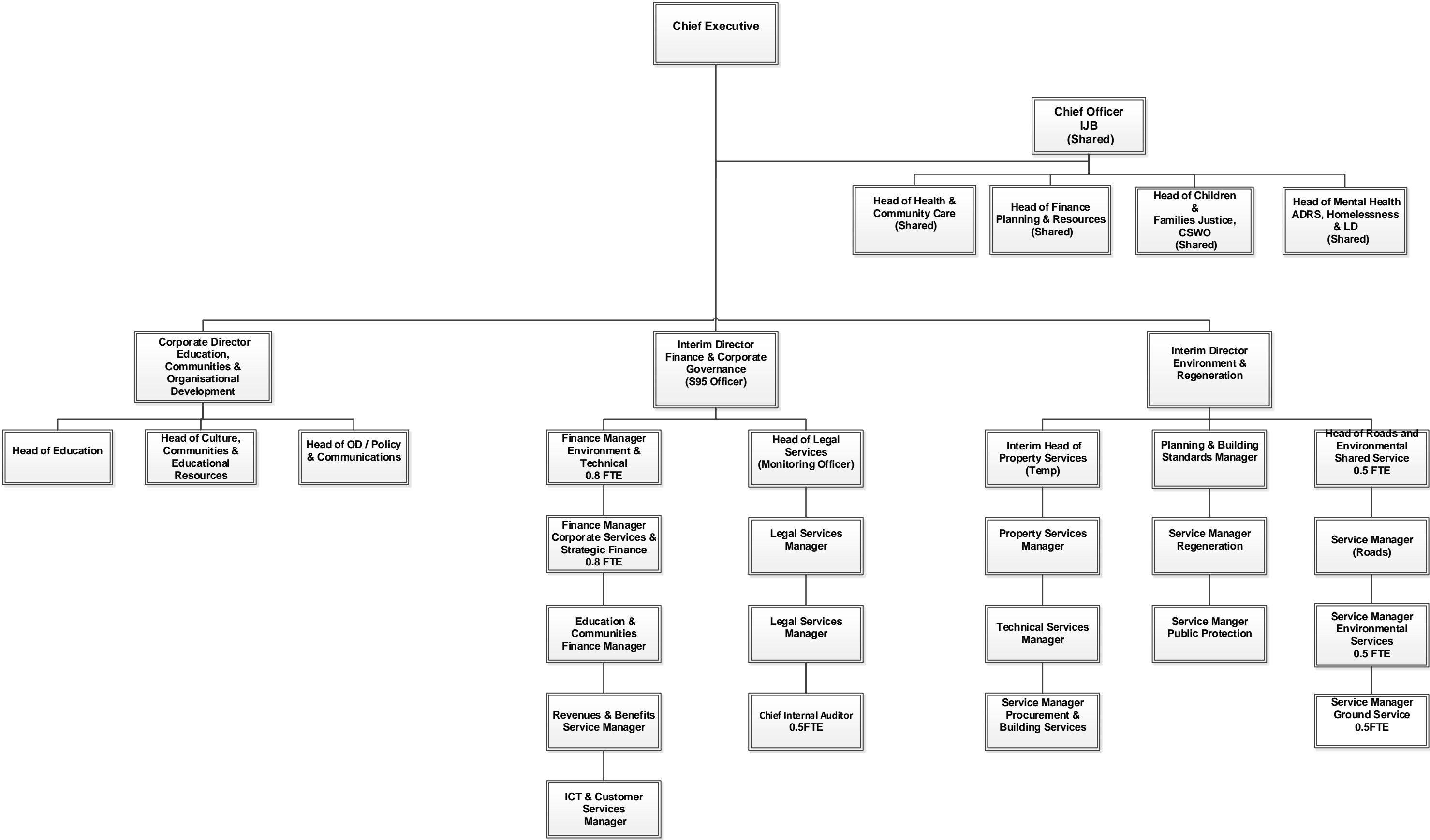
7.0 BACKGROUND PAPERS

7.1 None

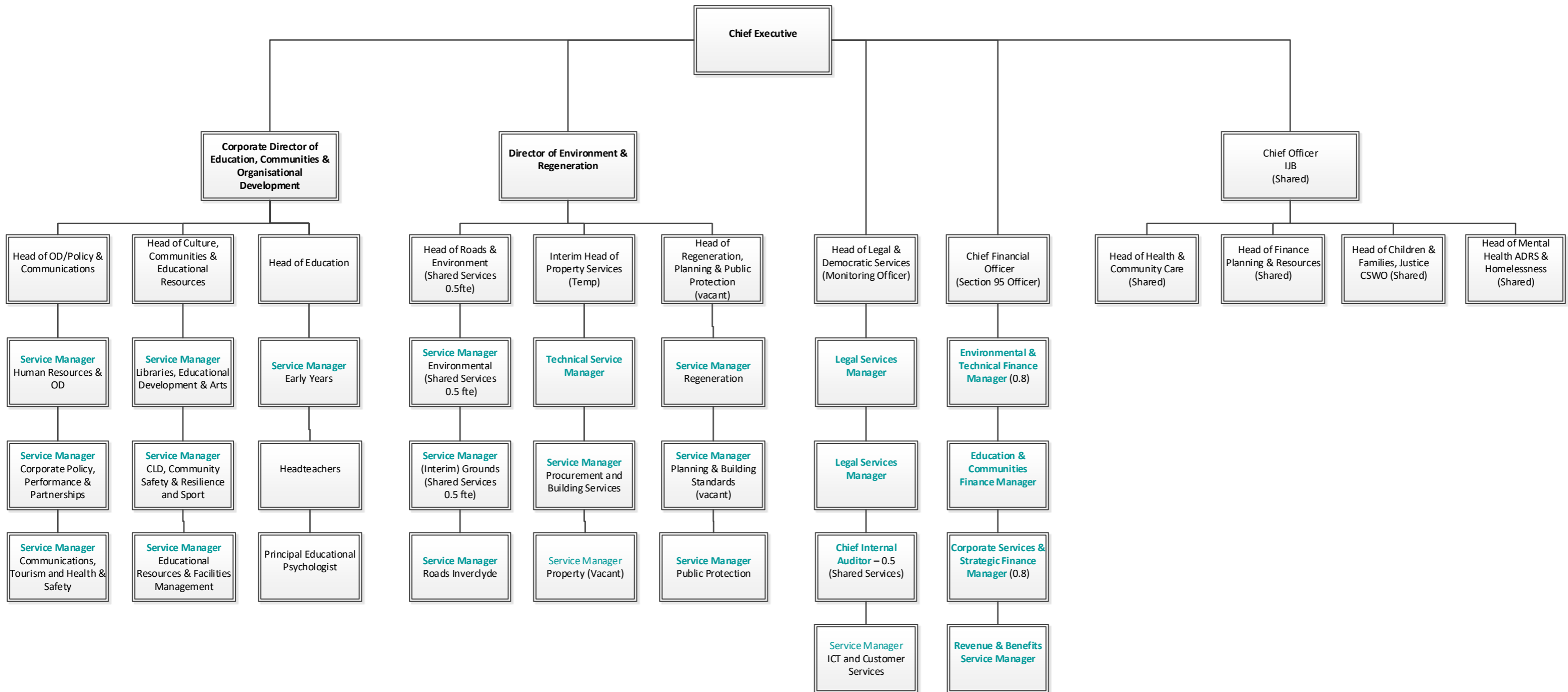
**CHIEF OFFICER STRUCTURE
APPROVED 2018**



**CORPORATE MANAGEMENT TEAM
PROPOSED STRUCTURE TO APRIL 2023**



**CORPORATE MANAGEMENT TEAM
PROPOSED NEW STRUCTURE
FROM APRIL 2023 TO JUNE 2023**



* Corporate Director of Education, Communities & Organisational Development remains unchanged.
 * Director Environment & Regeneration – Finance and Legal line management moves to the Chief Executive.
 * Interim Head of Property Services beyond June will be covered in Phase 2 report.

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Head of Legal & Democratic Services	Report No:	LS/105/22/CM
Contact Officer:	Colin MacDonald	Contact No:	01475 712113
Subject:	Council Timetable Changes		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 This report seeks the Council's agreement (a) to move the scheduled meeting of the Planning Board from 3pm on Wednesday 4 January 2023 to 1pm on Monday 9 January 2023 and (b) set a time and date for a special meeting of the Inverclyde Council in December in order to consider proposals relating to the 2023/25 Budget.

Planning Board

- 1.3 The current cycle of meetings was agreed by Elected Members at the statutory meeting of the Council which took place on 19 May 2022. A meeting of the Planning Board is scheduled to take place on 4 January 2023, with the relevant agenda papers due to be published on 20 December 2022.
- 1.4 In January 2022, Elected Members on the Planning Board expressed concerns that there was insufficient time to read and consider the agenda papers for that meeting due to the publication of these papers being so close to the Christmas break.
- 1.5 The proximity of the publication date to Christmas also created difficulties for officers in ensuring that Elected Members received hard copies of the agenda papers.
- 1.6 It is anticipated that a meeting of the Local Review Body (LRB) will be held in January 2023, with the seven Members of the Planning Board who sit on the LRB also receiving agenda papers for this meeting. A suitable date for the Local Review Body will be arranged in conjunction with the Chair and the relevant Elected Members.
- 1.7 Therefore, in order to give Elected Members additional time in which to consider the agenda papers for the January 2023 Planning Board, and to assist officers in issuing hard copies of the agenda papers, it is being proposed to delay the meeting of the Planning Board.

Inverclyde Council

- 1.8 At the meeting of the Policy & Resources Committee on 15 November 2022, Elected Members were provided with an update on the 2023/25 Revenue Budget in anticipation of the Draft Local Government Budget Settlement for 2023/24, which the Scottish Government has advised is

intended to be announced on 15 December 2022. In addition, the Policy & Resources Committee had previously agreed the need to approve £4.0million in savings prior to Christmas 2022.

- 1.9 It is, therefore, being proposed that a special meeting of the Inverclyde Council take place at 4pm on Thursday 15 December 2022 to consider savings and other proposals related to the 2023/25 Revenue Budget.

2.0 RECOMMENDATIONS

- 2.1 That the Council agrees to reschedule the January meeting of the Planning Board to Monday 9 January 2023 at 1pm.
- 2.2 That the Council agrees to hold a special meeting of the Inverclyde Council on Thursday 15 December 2022 at 4pm and that officers will liaise with the Provost to finalise arrangements.

Iain Strachan
Head of Legal & Democratic Services

3.0 IMPLICATIONS

3.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial			X
Legal/Risk			X
Human Resources			X
Strategic (LOIP/Corporate Plan)			X
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

3.2 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					

3.3 Legal/Risk

N/A

3.4 Human Resources

N/A

3.5 Strategic

N/A

4.0 CONSULTATION

4.1 None.

5.0 BACKGROUND PAPERS

5.1 None.

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Head of Legal & Democratic Services	Report No:	LS/108/22
Contact Officer:	Colin MacDonald	Contact No:	01475 712113
Subject:	Inverclyde Academy Young Enterprise Company 'Wicked Wicks' – Request by Councillor Cassidy		

1.0 PURPOSE AND CONSIDERATIONS

- 1.1 The purpose of this report is to advise the Council of a request received from Councillor Cassidy relative to Inverclyde Academy's Young Enterprise Company 'Wicked Wicks'.
- 1.2 The terms of Councillor Cassidy's request are set out in appendix 1 to the report.

2.0 RECOMMENDATION

- 2.1 That the Council considers the request by Councillor Cassidy.

Iain Strachan
Head of Legal & Democratic Services

Appendix 1

INVERCLYDE ACADEMY YOUNG ENTERPRISE COMPANY 'WICKED WICKS' WINS RENFREWSHIRE YOUNG ENTERPRISE COMPANY OF THE YEAR 2022

The Council is requested to:

- (1) Welcome the news that Inverclyde Academy's Young Enterprise Company 'Wicked Wicks' has been named winner of the Renfrewshire Young Enterprise Company of the Year 2022.
- (2) Note the group of 7 S6 Inverclyde Academy pupils formed the company as part of the Young Enterprise Company Programme.
- (3) Understand that the company Wicked Wicks made their own range of candles and wax melts which they sold locally and at the Young Enterprise Fair at Braehead. That the company chose to go down the sustainable packaging route, were they repurposed salsa jars for candles instead of buying new ones; used broken crayons from the art department in school as colouring for their candles instead of them being thrown out; used paper bag packaging for their wax melts and cardboard to package their candles.
- (4) Further note that one member of the team won the Banter Award at the Young Enterprise Trade Fair for their excellent sales skills while, competing against schools and pupil from across Renfrewshire. That another one of the team members was also Runner Up for the UK-wide YE Journey Award which recognised the value of their growth and personal development.
- (5) Further Understand that the team benefited enormously in terms of personal growth, built up knowledge of customer care, communications, teamwork and developed production and management skills, which they take on into future studies and careers. And that they all gained a level 6 qualification for their efforts with Glasgow Kelvin College which recognised their business and enterprise skills.

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Chief Executive	Report No:	IC/22/01/01/SJ
Contact Officer:	Stuart Jamieson	Contact No:	01475 712402
Subject:	Inverclyde Task Force		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to provide an update to Council in respect of the Inverclyde Task Force.
- 1.3 At its meeting in April 2022, the Council agreed that a new multi-agency Inverclyde Task Force be established based on agreed terms of reference, reporting to the full Council and monitored through the Inverclyde Alliance local outcome improvement plan (LOIP); and noted that a report updating on the progress of the Inverclyde Task Force would be presented to the December meeting of the Council, and six-monthly thereafter.
- 1.4 The Task Force has been formed and has met on two occasions with the next meeting scheduled for 23rd January 2023. An Officers group has also been created to facilitate multi agency actions and responses between Task Force meetings. In addition, the Local Employment Partnership and the Economy Partnership Groups have been re-purposed to support the Task Force objectives.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Council:
- (1) Note the activity of the Inverclyde Task Force and continue to support its purpose.

LOUISE LONG
CHIEF EXECUTIVE

3.0 BACKGROUND

- 3.1 In November 2021, the Council Leader and Chief Executive met with the Scottish Government Cabinet Secretary for Finance and the Economy to examine underlying long term issues affecting Inverclyde and identify opportunities to address those.
- 3.2 A briefing was presented to the Cabinet Secretary and, following discussion, it was agreed that a new task force be created to examine opportunities and bring partners together to seek solutions.
- 3.3 The briefing paper highlighted a range of key facts about Inverclyde including population rates and deprivation levels.
- 3.4 The briefing also noted the impact of Covid-19 on Inverclyde and funding issues affecting local government in Scotland.
- 3.5 The briefing document also highlighted requests for assistance from the Scottish Government including support for the local economy; the local government settlement; investment in public infrastructure; investment in housing and the Council's commissioning of a report from the Fraser of Allander Institute and the previous ask of the Scottish Government to create a case for special funding for Inverclyde.
- 3.6 The Task Force has been formed and has met on two occasions with future meetings scheduled. Ministerial presence has occurred at both meetings, supported by senior civil servants from both the UK and Scottish Governments, and senior officers from Public Sector Agencies. As well as agreeing the terms of reference, the first meeting received the Fraser of Allander Report - Supporting Economic Recovery in Inverclyde, West Dunbartonshire & Argyll & Bute.
- 3.7 At the first meeting the Task Force recognised the importance of addressing population decline by increasing affordable housing, implementing employment initiatives and improving local infrastructure; supporting economic regeneration by developing a knowledge exchange economy, a strategy of industrial specialisation, addressing a skills mismatch and attracting new high-profile firms to the region; and addressing inequality and poverty by encouraging inclusive growth, building community engagement, introducing employment initiatives retrofitting homes and buildings and introducing social lending initiatives as highlighted in the Fraser of Allander Report.
- 3.8 A copy of the minutes from the first meeting of the Task Force have been attached to the report as appendix 1.
- 3.9 At the second meeting a presentation was made about the current projects which are either underway or at bid stage including Greenock Ocean Terminal, Inchgreen, Inverkip, Shared Prosperity Fund, Levelling Up Fund and the Clyde Green Freeport Bid. During this presentation the important function which Inchgreen Dry Dock could play was discussed. The Inverclyde Chamber of Commerce presented a business survey on their membership views of their challenges in Inverclyde. Officers presented a survey on land and business premises and advised the Task Force on the work of the Local Employability Partnership and the Economy Groups, which are chaired by the Chief Executive and the Interim Director – Environment and Regeneration respectively.
- 3.10 Several actions resulted from the meeting and Officers will present any outcomes from these actions within a future report, as part of the six-monthly cycle, to the Council.

4.0 IMPLICATIONS

The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial			X

Legal/Risk			X
Human Resources			X
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

4.1 Finance

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

4.2 Legal

N/A

4.3 Human Resources

N/A

4.4 Strategic (LOIP/Corporate Plan)

Additional investment supporting Inverclyde and addressing long term health inequalities would be a crucial element of stabilising population decline in Inverclyde and helping to take steps towards repopulation and the future sustainability of communities.

5.0 CONSULTATIONS

5.1 N/A

6.0 BACKGROUND PAPERS

6.1 N/A

**Minutes of the meeting of the
Inverclyde Taskforce Group
Monday 27 June 2022 at 2.00 pm
Via Webex**

PRESENT

Councillor Stephen McCabe	Leader of Inverclyde Council (Chair)
Louise Long	Chief Executive – Inverclyde Council
Councillor Michael McCormick	Inverclyde Council
Councillor Elizabeth Robertson	Inverclyde Council
Councillor Lynne Quinn	Inverclyde Council
Councillor Graeme Brooks	Inverclyde Council
Ruth Binks	Corporate Director Education, Communities & Organisational Development – Inverclyde Council
Stuart Jamieson	Interim Director – Environment & Regeneration – Inverclyde Council
Jennifer Horn	Regeneration Manager – Inverclyde Council
George Barbour	Service Manager: Communications, Tourism and Health & Safety – Inverclyde Council
Professor Mairi Spowage	Director – Fraser of Allander Institute
Sharon Kelly	Head of Operations (West Region) – Skills Development Scotland
Paul Zealey	Regional Skills Planning Lead – Skills Development Scotland
Mark Spragg	President – Inverclyde Chamber of Commerce
David McCarrey	Area Commander – Scottish Fire and Rescue Service
Liz Connolly	Principal – West College Scotland
Hisashi Kuboyama	Development Manager – Federation of Small Businesses
Ronnie Cowan	MP
Stuart McMillan	MSP
Neil Bibby	MSP
Andrew Docherty	Glasgow City Region Lead – CLGU Scotland
Craig Birrell	Scotland Office
John Provan	Scottish Government Official
Ivan McKee MSP	Minister for Business, Trade, Tourism and Enterprise

IN ATTENDANCE

Lisa Mitchell	Chief Executive's Office
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APOLOGIES

Laurence Rockey	Director – Scotland Office
Councillor David Wilson	Inverclyde Council
Jamie Greene	MSP
Gavin McDonagh	Riverside Inverclyde

ACTION

1. Welcome, Apologies & Introductions

Councillor McCabe (Chair) welcomed everyone to the meeting. Councillor McCabe welcome Stuart McMillan MSP as his Joint Chair and advised he looked forward to working together to benefit the citizens of Inverclyde.

Councillor McCabe advised that the Taskforce was initiated from a meeting between Inverclyde Council's Leader and The Cabinet Secretary for Finance and the Economy (Kate Forbes).

Louise Long advised that the purpose of this meeting is for partners to work

together to improve the Inverclyde economy by creating opportunities for business and residents.

2. Terms of Reference

It was noted the Terms of Reference were approved by the Inverclyde Council Committee meeting on 21 April 2022.

Louise highlighted measurements of success contained within the Terms of Reference include maximising funding opportunities, supporting growth industries to create more green and blue jobs and returning to pre-pandemic employment rates.

The terms of reference were agreed by the group.

3. Presentation by Fraser of Allander Institute

Mairi Spowage gave a presentation on supporting economic recovery in Inverclyde. Mairi highlighted that 3 local authorities (Argyll & Bute, West Dunbartonshire and Inverclyde) face similar challenges including population decline, supporting economic recovery in areas requiring regeneration and addressing issues such as inequality and poverty.

Mairi advised that a 3-stage approach was taken:

- (i) Comprehensive review of literature.
- (ii) Examination of a set of indicators (9 across 4 domains – demographics, industry, poverty and related measures) to compare Inverclyde to all other local authorities in Great Britain and to identify similar “sister” local authorities.
- (iii) Primary research carried out in “sister” areas.

It was highlighted that Inverclyde comes second lowest out of 357 councils across Great Britain in relation to population and industrial decline measures. Similar councils’ outwith Scotland are located in Wales and the North East of England.

It was noted that policymakers were interviewed and it was highlighted that policies implemented to tackle challenges centred around the following:

- policy context
- skills and knowledge economy – governments could provide incentives to education providers to offer courses that may not be in demand now but will be essential to address future challenges
- attracting investment – certain types of policies can encourage the relocation of high profile organisations to a region
- foundational economy – policymakers often neglect the side of the economy that creates and distributes essential goods and services
- infrastructure and housing – there are benefits which come from spending public money in the local economy.

Councillor McCabe thanked Mairi for her presentation and opened up the meeting for questions / comments.

Councillor Quinn asked if Inverclyde was second lowest for just those 9 indicators. Mairi confirmed that this was the case. Inverclyde was identified as needing more assistance than other local authority areas across Scotland and the UK.

Councillor Robertson highlighted that the collaboration of partners is a feature in those local authorities which are successful – this needs to be replicated across Inverclyde. Mairi advised of the importance of investing and developing skills.

Ivan McKee advised that partnerships is a key factor and university and colleges are a part of this. A success factor is about where inward investment will be focussed on. Inverclyde needs to maximise on the assets it already has.

Stuart McMillan advised that population decline in Inverclyde is the key issue. Mairi confirmed that it is a feature and young people need encouragement to stay in local areas and to engage in the local economy. How do we get the best out of young people living in the area? How do we get the labour supply we need and who has the relevant skills?

4. Challenges / Opportunities

Councillor McCabe advised of the importance of taking advantage of opportunities – the meeting was opened up for comments.

Councillors Brooks highlighted affordable housing and queried whether rules can be reviewed in relation to RSLs / stock transfer to allow for more affordable housing in Inverclyde. Councillor Brooks highlighted that the Council of Economic Transformation met last year (chaired by Kate Forbes) and ideas were suggested for economic transformation. Mr McKee advised that the 10 year strategy for Economic Transformation has been published which has 77 actions to be progressed across skills, regional development and productivity etc.

David McCarrey advised of the opportunities to join up services – it is about improving and bringing services together.

Mark Spragg reflected that we needed to stay focused on the key elements that would make the biggest impact.

Liz Connolly advised that West College Scotland are seeking a new campus investment in Greenock and thinks more partnership working can be undertaken. It is about thinking where Inverclyde can position itself for future investments.

Stuart Jamieson highlighted that appropriate office accommodation is in short supply in Inverclyde – it acts as a barrier to those companies wishing to relocate to Inverclyde. Mark Spragg highlighted that his business is unable to relocate to Inverclyde due to lack of suitable properties. Mark advised he is happy to contribute to discussions on what businesses require to relocate to Inverclyde. Councillor McCormick asked if the fiscal policy could be changed in relation to business rates?

Councillor Robertson highlighted that there is a willingness from partners to work together. Inverclyde needs to help itself but it also needs assistance with regional and national partners to move forward.

Councillor Quinn highlighted connectivity issues within Inverclyde which comes up regularly with those individuals who are working remotely. Remote worker hubs could be established to share knowledge and skills. Councillor Quinn asked if we have a review of the skills shortage – do we have further data? It was highlighted that Inverclyde has a high number of creative industries which could be expanded upon.

Ronnie Cowan advised that this group needs to come up with a shared vision and plan for Inverclyde.

Neil Bibby advised of the issues with the ferries contract with Fergusons – these are works that we don't wish to be transferred to other countries but it was highlighted that there are skill gaps in this area.

Craig Birrell advised that the Scotland Office to happy to offer assistance where possible. He suggested if the Taskforce wanted the UK Minister to attend he would advocate this on Inverclyde's behalf.

5. Focus and Frequency of Meetings

Louise thanked everyone for their contributions to this meeting. It was noted that work can be progressed in relation to place and people.

All

Paul Zealey advised that Skills Development Scotland are happy to provide support in relation to the people focus. Paul highlighted that there are labour shortages and skills shortages.

Louise advised that sub structures will be reviewed.

LL

To allow for information to be collated for the next meeting it was agreed for the next meeting to take place in 10 – 12 weeks and thereafter meetings will be arranged for every 8 weeks.

LM

Report To:	Inverclyde Council	Date:	1 December 2022
Report By:	Head of Legal & Democratic Services	Report No:	LS/107/22/CM
Contact Officer:	Colin MacDonald	Contact No:	01475 712113
Subject:	Treasury Management – Mid-Year Report 2022/23 – Remit from Policy & Resources Committee		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

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

1.3 The Policy & Resources Committee at its meeting of 15 November 2022 considered a report by the Interim Director Finance & Corporate Governance (1) advising of the operation of the treasury function and its activities for the first six months of 2022/23 as required under the terms of the Treasury Management Practice 6 (TMP6) on 'Reporting Requirements and Management Information Arrangements', and (2) requesting that the report be remitted to the Inverclyde Council for approval.

1.4 A copy of the report and its appendix to the Policy & Resources Committee is attached as Appendix 1.

1.5 The Policy & Resources Committee decided the following:

- (1) that the contents of the Mid-Year Report on Treasury Management for 2022/23 and the ongoing work to seek to ensure the delivery of financial benefits for the Council during the current uncertainty and beyond be noted; and
- (2) that the report be remitted to the Inverclyde Council for approval.

2.0 RECOMMENDATIONS

2.1 The Council is asked to approve the Mid-Year Report on Treasury Management for 2022/23 as required under the terms of the Treasury Management Practice 6 (TMP6) on 'Reporting Requirements and Management Information Arrangements'.

Iain Strachan
Head of Legal & Democratic Services

Report To:	Policy & Resources Committee	Date:	15 November 2022
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/65/22/AP/KJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Treasury Management – Mid-Year Report 2022/23		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is:

- a. To advise the Committee of the operation of the treasury function and its activities for the first six months of 2022/23 as required under the terms of Treasury Management Practice 6 (“TMP6”) on “Reporting Requirements and Management Information Arrangements”.
- b. To request that the Committee remits the report to the Full Council for their approval.

1.3 As at 30 September 2022 the Council had gross external debt (including PPP) of £238,424,121 and investments (cash balances managed in house) of £53,834,980. This compares to gross external debt (including PPP) of £246,163,995 and investments of £34,338,655 at 31 March 2022. £7.0 million of the reduction is due to the early repayment of PWLB debt which arose from the spike in interest rates following the former Chancellor’s 23 September statement.

1.4 The Council operated within the required treasury limits and Prudential Indicators for the year set out in the Council’s Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee notes the contents of the Mid-Year Report on Treasury Management for 2022/23 and the ongoing work to seek to ensure the delivery of financial benefits for the Council during the current uncertainty and beyond.

2.2 It is requested that the Committee remits the report to the Full Council for approval.

Alan Puckrin
Interim Director Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

- 3.1 The Council is required by the revised CIPFA Code of Practice on Treasury Management 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 2022/23.
- 3.2 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.”
- 3.3 The treasury management issues arising during the first six months of 2022/23 were:
- a. The Council’s debt (including PPP) has reduced during the period by £7,739,874 due largely to the early repayment of 2 PWLB loans totalling £7,000,000 plus regular monthly repayments on the PPP contract.
 - b. The Council’s investments have increased by £19,496,325 due to additional net cash flows into the Council including funds held for the IJB.
 - c. As at 31 March 2022 the Council had under borrowed against its capital financing requirement by £32,306,000. The latest projection is for the under borrowing to increase to £52,991,000 as at 31 March 2023. Under borrowing means that the Council is using funds it currently has to cash flow capital expenditure rather than bringing in funds from borrowing. The projected level of under borrowing is considered manageable but the position is kept under review in light of Council capital financing and other funding requirements.
 - d. There is considerable financial market volatility and economic uncertainty in the UK and around the world largely caused by the impact of inflation, rising interest rates, commodity prices and supplies, and the conflict in Ukraine.
 - e. The forecast in February 2022 was for the Bank Rate to rise to 1.25% by the end of 2022 and remain at that level until at least March 2025. The situation is significantly different now with Bank Rate raised to 2.25% in September and forecast to be as high as 4.00% at the end of 2022 and increasing to 5.00% in early 2023 before gradually dropping to 2.50% by September 2025.
 - f. PWLB rates for new borrowing had been expected to remain largely unchanged through to March 2025 but there have instead been increases in PWLB rates particularly in August and then even higher in September. Rates increased by around 2.80% for shorter periods and by around 1.80% for longer periods. The volatility during the 6-month period resulted in spreads between the high and low rates for some loan periods of up to 3.34% (e.g. borrowing rates for 3 years of 2.08% in May were 5.45% in late September).
 - g. The Council’s treasury advisers expect PWLB rates to remain at around current elevated levels over the remainder of the financial year then falling slowly 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 current projection was for £7,600,000 of borrowing to fund the repayment of PWLB borrowing maturing in January but given the strong cashflow position this now looks unlikely. Borrowing may be undertaken if funds are required and if it is prudent to borrow. Any borrowing undertaken will be reported to Committee.
 - i. The higher PWLB rates at the end of September gave the opportunity for the Council to repay some PWLB debt early using investments. The Council repaid £7,000,000 of PWLB borrowing early and received a discount of £62,200 for doing so (lower PWLB rates would have meant the Council paying a large premium for repaying early). The average interest rate for the repaid debt was 3.77% and Officers would plan to borrow at a lower rate than this in 2023/24.
 - j. The Council did not undertake any other debt restructuring during the first six months of 2022/23 and remained within its Prudential Indicator and Treasury Management limits.

- k. With Bank Rate increases during the period (from 0.75% up to 2.25%), more increases forecast, and the rate of increase uncertain, investment rates are above the current Bank Rate but varying depending on market expectations.
- l. The Council's investments earned a rate of return of 1.31% during the period. This was lower than the SONIA benchmark by 0.39% due largely to the benchmark rate being affected by market expectations of further Bank Rate increases.
- m. All investments were in accordance with the Council's investment policy and no institutions with which investments were made had any difficulty in repaying those investments and interest in full during the period.
- n. The Council's investments were with counterparties that have high creditworthiness (the Bank of Scotland, Santander UK, NatWest Bank PLC, and Nationwide Building Society) and in accordance with the Council's investment strategy.

3.4 The Council's debt position was as follows:

	At 31 March 2022	At 30 September 2022
	£	£
Total Excluding PPP	188,748,995	181,761,121
PPP Debt	57,415,000	56,663,000
Total Including PPP	246,163,995	238,424,121

Further detail is given in the following table:

	At 31 March 2022		At 30 September 2022		Movement In Period
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	89,029		81,985		(7,044)
- Market *	71,000		55,000		(16,000)
	160,029	3.84%	136,985	3.73%	(23,044)
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	28,400		44,400		16,000
- Temporary #	320		376		56
	28,720	4.87%	44,776	4.85%	16,056
Total Debt (Excl PPP)	188,749	4.00%	181,761	4.01%	(6,988)
PPP Debt	57,415		56,663		(752)
Total Debt (Incl PPP)	246,164		238,424		(7,740)

* - 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 during the period, 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.

3.5 The Council's investment position was as follows:

	At 31 March 2022		At 30 September 2022		Movement In Period
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	0	0.00%	15,000	2.48%	15,000
- Notice Accounts	14,594	0.55%	36	1.59%	(14,558)
- Deposit Accounts	19,745	0.66%	38,799	2.16%	19,054
Totals	34,339	0.61%	53,835	2.22%	19,496

Maximum level of investments in period: £59,173,693 on 15 August 2022

Minimum level of investments in period: £30,684,072 on 29 April 2022

Daily average for the period: £45,357,928

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 2022/23.

3.6 2022/23 Latest Projection Compared to Estimates in 2022/23 Strategy

The latest 2022/23 projection compared to the estimates in the 2022/23 strategy:

	2022/23 Estimate	2022/23 Latest Projection
<u>Borrowing Requirement</u>	£000	£000
New borrowing	7,400	0
Alternative financing requirements	0	0
Replacement borrowing	7,600	0
TOTAL	15,000	0
<u>Prudential/Treasury Management Indicators</u>		
	£000	£000
Capital financing requirement (As at 31 March 2023)	283,887	283,091
Gross external debt including PPP (As at 31 March 2023)	251,581	230,100
(Under)/over borrowing against CFR	(32,306)	(52,991)
	£000	£000
Gross Capital Expenditure	18,892	22,436
Ratio of financing costs (including PPP) to net revenue stream	10.49%	10.22%
Ratio of net debt (debt and PPP less investments) to net revenue stream	100.5%	96.9%

3.7 2022/23 Mid-Year Position Compared to Limits in 2022/23 Strategy

The 2022/23 mid-year position compared to limits in the 2022/23 strategy:

Prudential/Treasury Management Indicators

Authorised limit for external debt

- Borrowing
- Other long-term liabilities

Operational boundary for external debt

- Borrowing
- Other long-term liabilities

Upper limit on sums invested for periods longer than 365 days (Actual is maximum in period)

Upper limits on Fixed/Variable borrowing maturing in each period (LOBOs included based on call dates and not maturity dates) at end of period

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and within 30 years
- 30 years and within 50 years
- 50 years and within 70 years

Council Policy Limits

Maximum Percentage of Debt Repayable In Year

Maximum Proportion of Debt At Variable Rates

Maximum Percentage of Debt Restructured In Year

2022/23 Limits		2022/23 Mid-Year Actual Position	
£000		£000	
230,000		181,761	
58,000		56,663	
288,000		238,424	
£000		£000	
212,000		181,761	
58,000		56,663	
270,000		238,424	
£000		£000	
10,000		0	
Fixed	Var.	Fixed	Var.
45%	35%	4.2%	24.6%
45%	35%	12.4%	-
45%	35%	0.7%	-
45%	35%	11.0%	-
45%	35%	4.2%	-
45%	35%	20.9%	-
45%	35%	22.0%	-
25%		22.0%	
45%		24.6%	
30%		3.7%	

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

	Forecast Per 2022/23 Strategy (February 2022)	Latest Forecast (September 2022)
2022/23	0.75%	5.00%
2023/24	1.25%	4.00%
2024/25	1.25%	2.75%

3.9 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.

- 3.10 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 2022/23 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month SONIA compounded)
£45,357,928	1.31%	1.70%

The Council's return was lower than the benchmark by 0.39% due largely to SONIA including market expectations of further Bank Rate increases.

4.0 PROPOSALS

- 4.1 It is proposed that the Committee consider the contents of Section 3 of the report, seek any assurances from Officers, and thereafter remit the Mid-Year Report to the Council for approval.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk		X	
Human Resources			X
Strategic (LOIP/Corporate Plan)			X
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

5.2 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					

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.

5.3 **Legal/Risk**

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

5.4 **Human Resources**

None.

5.5 **Strategic (LOIP/Corporate Plan)**

None.

6.0 **CONSULTATION**

6.1 This report includes the latest advice from the Council's treasury consultants (Link Treasury Services Limited).

7.0 **BACKGROUND PAPERS**

7.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2021 Edition
Inverclyde Council – Treasury Management Strategy Statement and Annual Investment Strategy 2022/23-2025/26.

Appendix 1**CASH BALANCES MANAGED IN-HOUSE
ACTUAL AS AT 31 MARCH 2022 AND 30 SEPTEMBER 2022**

The following is an analysis of cash balances managed in-house as at 31 March 2022 and at 30 September 2022:

	As At 31 March 2022	As At 30 September 2022
	£	£
<u>Fixed Term Deposits</u>		
Bank of Scotland	0	0
NatWest Bank PLC	0	10,000,000
Nationwide Building Society	0	5,000,000
	0	15,000,000
Average Interest Rate	0.00%	2.48%
<u>Notice Accounts</u>		
Bank of Scotland	0	0
Santander UK	14,593,749	35,873
	14,593,749	35,873
Average Interest Rate	0.55%	1.59%
<u>Deposit Accounts</u>		
Bank of Scotland	19,744,400	38,798,600
Santander UK	506	507
	19,744,906	38,799,107
Average Interest Rate	0.66%	2.16%
TOTAL	34,338,655	53,834,980
Average Interest Rate	0.61%	2.25%

Since 30 September 2022, the Council has repaid £7m of PWLB debt (receiving a net £62k discount) and entered into a £7m Fixed Term Deposit with Bank of Scotland.

Appendix 2**FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2022/23 AND ACTUAL AT 30 SEPTEMBER 2022**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2022/23 and the actual as at 30 September 2022 are:

	2022/23	2022/23
	Estimate For Year	Actual For 1 April 2022 To 30 September 2022
	£000	£000
Cash balances managed in-house		
- At Start of Year	35,000	34,339
- At End of Year/Period	32,151	53,835
- Change in Year/Period	(2,849)	19,496
- Average daily cash balances	33,576	45,358
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	354	354
- Advances	235	0
- Repayments	58	23
- At End of Year/Period	531	331
Loans made to third parties		
- At Start of Year	113	120
- Advances	0	5
- Repayments	24	10
- At End of Year/Period	89	115
Total of all investments		
- At Start of Year	35,469	34,815
- At End of Year/Period	32,773	54,283
- Change in Year/Period	(2,696)	19,468

The loans made to third parties includes a £50,000 loan to Shared Interest Society Limited ("Shared Interest") as approved by the Policy & Resources Committee in August 2017. Shared Interest is a company that uses funds invested by individuals and organisations to allow it to provide loans to fair trade businesses around the world.

Report To:	Inverclyde Council, as Trustees of the Watt Institution	Date:	1 December 2022
Report By:	Head of Legal & Democratic Services	Report No:	LS/102/22
Contact Officer:	Diane Sweeney	Contact No:	01475 712147
Subject:	Gourock Burgh Coat of Arms Proposals – Remit from the Education & Communities Committee		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to request the Council, as Trustee of the Watt Institution, to agree to the decision made by the Education & Communities Committee relative to the removal of the Dardanelles Memorial Window from the Watt Institution.

1.3 The Education & Communities Committee at its meeting on 1 November 2022 considered a wide-ranging report by the Corporate Director Education, Communities & Organisational Development on the logistics of removing the Gourock Burgh Coat of Arms from a number of locations, including the Dardanelles Memorial Window in the Watt Institution. A copy of the said report is annexed to this report.

1.4 The Education & Communities Committee decided the following in relation to the removal of the Dardanelles Memorial Window from the Watt Institution:

- (1) that the Committee (a) acknowledges and thanks the Dardanelles Memorial Fund Committee for the fundraising efforts and commission of the Dardanelles Memorial Window in the Watt Institution, and (b) agree that, at the request of the Dardanelles Memorial Fund Committee, the Dardanelles Memorial Window be removed and returned to the Dardanelles Memorial Fund Committee.

It is to be noted that the Council will meet the costs associated with the removal of the Dardanelles Memorial Window, which have been estimated at approximately £3,220.

2.0 RECOMMENDATIONS

2.1 The Council, as Trustees of the Watt Institution, are asked to agree with the decision of the Education & Communities Committee on 1 November 2022 relative to the removal of the Dardanelles Memorial Window from the Watt Institution, namely to approve the same, subject to all necessary consents being obtained.

Iain Strachan, Head of Legal & Democratic Services

Report To:	Education & Communities Committee	Date:	1 November 2022
Report By:	Corporate Director Education, Communities and Organisational Development	Report No:	EDUCOM/50/22/AW
Contact Officer:	Alana Ward, Service Manager	Contact No:	01475 712330
Subject:	Gourock Burgh Coat of Arms Proposals		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to:

(1) Update the Committee on work which has taken place to examine the logistics of applying Inverclyde's Historical Links to Slavery Working Group's proposals to remove the Gourock Burgh coat of arms from display where practicable and cover or produce additional information on the coat of arms in any location where removal or covering may prove problematic; and

(2) Seek approval from the Committee to go ahead with the recommended options following an options appraisal, and carry out further community engagement on this matter, including the consideration of creating a new coat of arms for the Gourock area.

1.3 Following the results of a public consultation and recommendations from Inverclyde's Historical Links to Slavery's Working Group that the Gourock Burgh coat of arms, likely depicting an enslaved man, was offensive, the Education and Communities Committee, at its meeting of 25 January 2022, agreed to its removal from Council-owned/controlled properties where practicable. Officers have since been examining the logistics of removing it from display, or covering it, on a case-by-case basis.

1.4 There are six known instances of the Gourock Burgh coat of arms on display on Council-owned/controlled property. Following an options appraisal, it is proposed that this Committee agrees to the following actions:

Location	Recommended Action
Gourock Municipal Buildings	Remove figure and blank fascia
Provost's Lamp Post, Shore St	Remove coat of arms
Gamble Halls, Gourock	Remove coat of arms
Gourock Pavilion	Remove coat of arms
Dardanelles Memorial Window, Watt Institution	Remove window
Gourock War Memorial	No changes to memorial

- 1.5 In addition, further work could take place on engaging with bodies responsible for other instances of the coat of arms, and also on examining the feasibility of creating a new coat of arms for the Gourock area, which would be the subject of a further report to this Committee.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee agrees to the removal of the figure and hand and the blanking of the fascia of the coat of arms above the entrance to the Gourock Municipal Buildings.
- 2.2 It is recommended that the Committee agrees to the removal of the acrylic panes containing the coat of arms and the temporary replacement of these with plain acrylic on the Provost's Lamp Post on Shore St, Gourock.
- 2.3 It is recommended that the Committee agrees to the removal of the coat of arms from the side entrance of the Gamble Halls and from the top of the pavilion at Gourock Park.
- 2.4 It is recommended that the Committee acknowledges and thanks the Dardanelles Memorial Fund for the fundraising efforts and commission of the Dardanelles Memorial Window in the Watt Institution, and that, at the request of the Dardanelles Memorial Fund Committee, it is recommended that the Committee agrees to the removal of the window and its return to the Dardanelles Memorial Fund Committee.
- 2.5 It is recommended that the Committee agrees to leave the coat of arms on the Gourock War Memorial as there is no figure in this version.
- 2.6 It is recommended that the Committee remits officers to investigate the feasibility of creating a new coat of arms for the Gourock area.
- 2.7 It is recommended that the Committee remits the Corporate Director Education, Communities and Organisational Development to engage with the responsible bodies for other instances of the coat of arms in the Inverclyde area (see Appendix 3).

Ruth Binks

Corporate Director Education, Communities and Organisational Development

3.0 BACKGROUND AND CONTEXT

- 3.1 At its meeting of 16 June 2020, the Policy and Resources Executive Sub-Committee considered a report (GM/LP/069/2020) by the Head of Legal & Property Services on a request received from Cllr McCabe in response to the concerns raised by the Black Lives Matter campaign relative to Scotland's links to the slave trade. It was decided:
- (1) that a report should be submitted on Inverclyde's historical connections to the slave trade and the ways in which these connections can be recognised in today's society including recommendations as to how community reparations could be made.
 - (2) that consultation be carried out with all relevant community organisations and the ward members relative to the former Gourock Burgh Council coat of arms, and that the result of these consultations be included in the report set out in (1) above.
- 3.2 At its meeting of 1 September 2020, the Education and Communities Committee approved a report (EDUCOM/44/20/AW) proposing the formation of a working group to examine Inverclyde's historical connections to slavery. The working group was established in early 2021 and met throughout the course of that year to look at issues arising from local links to the slave trade.
- 3.3 At its meeting of 25 January 2022, the Education and Communities Committee considered a report (EDUCOM/04/22/AW) by the working group which examined Inverclyde's historical links to slavery and made recommendations for further actions. The Committee agreed:
- (1) that the work completed by the working group so far be noted and that officers be commended for the depth of research which had gone into the report;
 - (2) that the work of the Inclusive Education curriculum sub-group be noted;
 - (3) that it be agreed (a) that the Gourock Burgh coat of arms be removed from display or covered on a case by case basis where practicable; and (b) to produce additional information on the coat of arms in any location where removal or covering may prove problematic; and
 - (4) that it be remitted to officers to submit a further report examining the logistics of applying the Working Group's proposals, and suggesting ideas for further community engagement on this matter.
- 3.4 Report EDUCOM/04/22/AW set out a proposed process to be carried out for each instance of the display of the coat of arms on Council-owned property:
- Assessment of the practical and cost implications for any action;
 - Any building standards, listed building or other planning implications;
 - Any title or other legal constraints that may apply;
 - Obtaining consent of any tenants or other parties with an interest in the property in question;
 - Any further Committee approvals that may be required (actions with budget implications may require to be remitted to the appropriate service committee).
- 3.5 Following approval of report EDUCOM/04/22/AW, the working group has been divided into a number of sub-groups to take forward the recommendations, including a group looking at the recommendations relative to the Gourock Burgh coat of arms. The proposals below represent the work of the sub-group looking at the Gourock Burgh coat of arms. The group was Chaired by the Corporate Director Education, Communities and Organisational Development, and group members were drawn from Cultural, Planning and Property Services.
- 3.6 Following approval of report EDUCOM/04/22/AW, one further instance of the Gourock Burgh coat of arms being displayed in Council-owned properties has come to light; it is displayed on the

Gourock War Memorial. The approach set out above will also be followed for any other locations that may be identified in future.

4.0 PROPOSALS

4.1 Table 1 shows the location, implications, options, recommendations, and justifications for further action on each instance of display of the Gourock Burgh coat of arms. Pictures of each location can be found in Appendix 1.

Table 1 – Locations, implications, options, recommendations and justifications

Location	Cost/Planning/Legal implications	Options	Recommendations	Justification
Gourock Municipal Buildings	<p>£1,000 for a stonemason to erect a scaffold, remove the figure, and blank the fascia of the coat of arms.</p> <p>Building owned by Inverclyde Council.</p> <p>Listed building consent required. Officers to contact Historic Environment Scotland (HES) to progress.</p>	<p>A – Leave in situ with interpretation of the Gourock Burgh coat of arms (Appendix 2).</p> <p>B – Remove figure, hand, and blank the fascia of the coat of arms.</p>	B - Remove figure and blank the fascia of the coat of arms.	Cost and further approvals needed are minimal. Removal not problematic and therefore recommended to progress.
Provost Lamp Post, Shore St, Gourock	<p>Lamp post is due for refurbishment because of corrosion and change to LED. The Head of Shared Services Roads has agreed that the roads department can contain the cost within its standard work.</p> <p>Lamp post owned by Inverclyde Council.</p> <p>No planning/legal implications.</p>	<p>A – Remove acrylic panes containing coat of arms and replace with plain acrylic.</p> <p>B – Remove acrylic panes containing coat of arms and temporarily replace with plain acrylic until a new coat of arms for Gourock is approved for use and can be applied to the acrylic panes of the lamp post.</p>	B - Remove acrylic panes containing coat of arms and temporarily replace with plain acrylic until a new coat of arms for Gourock is approved for use and can be applied to the acrylic panes of the lamp post.	Cost and further approvals needed are minimal. Removal not problematic and therefore recommended to progress.

Gamble Halls, Shore St, Gourock	No implications	A – Remove	A – Remove	No cost or further approvals needed for removal. Removal not problematic and therefore recommended to progress.
Pavilion, Gourock Park, Gourock	No implications	A - Remove	A - Remove	No cost or further approvals needed for removal. Removal not problematic and therefore recommended to progress.
Dardanelles Memorial Window, Watt Institution, Greenock	<p>The cost of removing the window and replacing with leaded glass to match the surround is £3,220.</p> <p>Building owned by Inverclyde Council in its capacity as Trustee of the Watt Institution. Window commissioned and paid for by Dardanelles Memorial Fund.</p> <p>Listed building consent required. Officers to contact Historic Environment Scotland (HES) to progress.</p>	<p>A – Leave it in situ with interpretation of the Gourock Burgh coat of arms (Appendix 2) Possible to link to the Dardanelles Memorial Fund’s fuller narrative via QR code.</p> <p>B – Remove the section of the window containing the coats of arms.</p> <p>C – Remove entire window and return to Dardanelles Memorial Fund</p>	C – Remove entire window and return to Dardanelles Memorial Fund.	<p>The Dardanelles Memorial Fund have specifically requested that the window be returned to them.</p> <p>The consent of the Council, as Trustee of the Watt Institution, would be required for this removal.</p>

Gourock War Memorial	Approx. £500 to blank fascia. Ownership of the Gourock War Memorial can be researched if necessary. Listed building consent.	A – Leave in situ.	A – Leave in situ.	The figure is not on this version of the coat of arms and thus removal and/or interpretation are unnecessary.
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4.2 It is also proposed that officers will work towards an application to the Court of the Lord Lyon in Edinburgh for the establishment of a new coat of arms for the Gourock area which can be used in place of the Gourock Burgh coat of arms. The cost of creating a new coat of arms is likely to be a maximum of £2,925. This would then be the subject of a further report to this Committee.

4.3 It is also proposed that where there are instances of the Gourock Burgh coat of arms in places not owned or controlled by the Council, the Corporate Director Education, Communities and Organisational Development will engage with the owners or responsible persons around the use of the coat of arms. A draft letter for this purpose has been prepared (Appendix 3).

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk		X	
Human Resources		X	
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty	X		
Children & Young People's Rights & Wellbeing		X	
Environmental & Sustainability		X	
Data Protection		X	

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
EMR	Covid-19 – Recovery of Cultural Events EMR		£1,000 for Gourock Municipal Buildings; £2,925 to create a new coat of arms; £3,220 to remove Dardanelles		Up to £40,000 has already been allocated to the Historical Links to Slavery reparatory plan, of which the financial implications in this paper form a part. If the Committee agrees to the recommendations contained within this report, the costs shown

			memorial window and replace with plain glass = £7,145		here will be funded as part of this £40,000; this report is not seeking additional funds.
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Annually Recurring Costs/ (Savings)

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

5.3 Legal/Risk

There are no known Legal implications contained within this report. All necessary planning and building consents will be sought prior to work being undertaken.

5.4 Human Resources

There are no known Human Resources implications contained within this report.

5.5 Strategic

The proposals in this report help deliver LOIP priority 3 – 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 and Corporate Plan priority 8 – to preserve, nurture and promote Inverclyde’s unique culture and heritage.

5.6 Equalities and Fairer Scotland Duty

The proposals in this report help deliver two elements of the general equality duty, namely:

- Advance equality of opportunity between people from different groups
- Foster good relations between people from different groups

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

X	YES – Assessed as relevant and an EqIA is required.
	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, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(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 – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: the proposals contained within this report do not reduce inequalities of outcome caused by socio-economic disadvantage.

5.7 **Children and Young People**

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.8 **Environmental/Sustainability**

Summarise any environmental / climate change impacts which relate to this report.

There are no environmental/climate change impacts arising from the proposals contained within this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.9 **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 – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION




- 6.1 Inverclyde’s Historical Links to Slavery working group carried out a significant public consultation as part of its work, including a targeted consultation specifically on the Gourock Burgh coat of arms with Gourock ward members, Gourock community councils, the Gourock communication and engagement group, the Gourock Regeneration Forum, other community groups in the Gourock area, and the two secondary schools in Gourock: Clydeview Academy and St Columba’s High School. Of 127 views expressed about the coat of arms, 77 (61%) people were in favour of its removal and 50 (39%) were in favour of its retention. Full results of the consultations can be found in Education and Communities Committee Report EDUCOM/04/22/AW.

7.0 BACKGROUND PAPERS

- 7.1 Equalities Impact Assessment – <https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments/equality-impact-assessments-2022>

Appendix 1
Gourock Coat of Arms Locations

GOUROCK COAT OF ARMS – LOCATIONS

<p>Gourock Municipal Buildings Shore Street Gourock</p> <p>Coat of arms carved in stone above the entrance. Sable man and hand with dagger sit separately from shield.</p>	
<p>Provost lamp post Shore Street Gourock</p> <p>Lamp installed 1995; panes are acrylic and easily removable / replaceable. Coat of arms on the acrylic part of the lamp.</p>	
<p>Gamble Halls Shore Street Gourock</p> <p>Coat of arms above side door. Easily removed.</p>	

Pavilion
Gourock Park
Gourock

Coat of arms on top of the pavilion facing into the park. Easily removed.



Dardanelles Memorial Window
Watt Institution
Greenock

Coat of arms featuring the figure and hand holding a dagger is on one section of the window which features the Burghs of Greenock, Gourock and Port Glasgow coats of arms.

Gourock War Memorial
Albert Road
Gourock

Coat of arms on side of memorial. Figure is not featured on this coat of arms.



Appendix 2

The Gourock Burgh Coat of Arms

The Gourock Arms, granted in 1954, is made up of arms from the Stewart and the Darroch families. The Darrochs were successful businessmen with estates in the West Indies who bought the estate of Gourock from the Stewarts in 1784.

The Darroch arms date from 1794. Part of their arms depicts the heraldic symbol of a 'demi sable man' here holding a dagger. In 1958 in his 'The Story of Gourock 1858-1958' the author Colin Milne relates a story of a rebellion of the enslaved on Darroch's West Indies estates. He describes the 'demi sable man' as being the rebellion's leader attempting to take his own life when faced with capture. This is the only known record of this story and so far no evidence has been found to support it.

In the eighteenth century the trade in enslaved peoples was a profitable business for the port cities of Britain. In Scotland, at first, it had been the trade in salted herring, exported as a cheap food for the plantation workers that connected Scottish ports to this trade. Ultimately Scottish ports became key players in what became known as the 'triangular trade'. This trade saw goods shipped from British ports to be traded in Africa. These goods were then replaced by enslaved peoples as cargo on the horrendous journey west across the Atlantic. These people were forcibly taken from their homes and sold to work the sugar, tobacco and cotton plantations of the Caribbean and America. Finally the goods produced by enslaved labour were shipped back to the British Isles for sale and distribution. The ports of the Clyde, as a developing maritime and trading powerhouse, were at the heart of the 'triangular trade' in goods tied to enslavement. Great fortunes were made through first exporting herring and then importing goods such as tobacco and sugar and this helped drive the industrial and civic development of the area.

As part of the process of Inverclyde examining its historic links to the trade in enslaved peoples, the arms, with its depiction of what many see as an enslaved person was identified by the public as a key issue to be addressed.

Following public consultation with the people of Gourock and those within our communities with lived experience of racism it was decided that it was no longer appropriate to represent our inclusive communities with a coat of arms that includes a figure that to many is a visual embodiment of the horrors of enslavement.

Whilst we may never know the exact reason behind the inclusion of the 'demi sable man' and what it represents, it was decided to remove the arms from public display wherever possible and where not, to tell the story of how the arms are part of Inverclyde's historic links to the trade in enslaved peoples so viewers can better understand Inverclyde's complex history.

Appendix 3

Suggested text for letter to bodies responsible for display of Gourock Coat of Arms

Dear Sirs,

Ref – Gourock Burgh coat of arms

I write in respect of the Gourock Burgh coat of arms, which may be displayed in one of your properties/on your correspondence/etc. [insert/delete as appropriate]

In 2020, Inverclyde Council requested that officers submit a report on Inverclyde's historical connections to slavery and the ways in which these connections can be recognised in today's society including recommendations as to how community reparations can be made. It further decided that consultation be carried out with relevant community organisations and the Ward Members relative to the Gourock Burgh Council coat of arms, which may depict an enslaved man, and that the result of these consultations be included in the report.

I enclose a copy of the full report which was approved at the Education and Communities Committee on 25 January 2022. In summary, there were 205 respondents to the consultation on the Gourock Burgh coat of arms, 50 respondents felt the arms should be retained and 77 respondents felt the coat of arms should be changed or removed (23 respondents didn't know). Representations were made to Inverclyde's Historical Links to Slavery Working Group by people of colour that the depiction of a likely enslaved man on the coat of arms was offensive, hurtful, and unwelcoming. The report therefore recommended that the Gourock Burgh coat of arms should be removed from display, or covered on a case by case basis where practicable, or that the council would produce additional information on the coat of arms in any location where removal or covering may prove problematic.

This was a decision made by the Education and Communities Committee of Inverclyde Council and as such it only affects the coat of arms as displayed on Council-owned properties. It is entirely your decision whether to take similar action, or continue displaying the coat of arms on your properties/on your correspondence/etc. [insert/delete as appropriate]. However, I felt it was appropriate to let you know about the decision of the Council, and the reasons behind it, and would encourage you to give consideration to a similar course of action.

I can also advise that Council officers are currently investigating the feasibility of creating a new coat of arms for the Gourock area.

Please feel free to contact me should you have any queries about this correspondence.

Yours sincerely

Ruth Binks
Corporate Director Education, Communities and Organisational Development

ENC

Report To:	Inverclyde Council as Trustee of Council's Charities	Date:	1 December 2022
Report By:	Honorary Treasurer	Report No:	FIN/73/22/AP/KJ
Contact Officer:	Kevin Jackson	Contact No:	01475 712226
Subject:	Trust Funds Annual Accounts 2021-22		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to ask the Council, in its capacity as the sole trustee (the Trustee) of the Birkmyre Trust and the Watt Institution Trust Fund, to adopt the examined Annual Accounts of the Birkmyre Trust and the Watt Institution Trust Fund for 2021/22.
- 1.3 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
- 1.4 The Trustee of the Birkmyre Trust previously agreed funding of £40,000 towards works to upgrade the multi-use games area at Birkmyre Park, this funding was drawn down in 2022/23.
- 1.5 In June 2022, the Trustee of the Watt Institution Trust Fund approved a proposal to use £25,500 from the Fund to improve the safety and security of collections at the Watt Institution.
- 1.6 The Watt Institution Trust Fund received a donation of £8,000 from Dr Daniel Temianka and his wife Dr Zeinab Dabbah, this will be reflected in the 2022/23 Annual Accounts. There is a separate item on the agenda for this meeting to consider a proposal that the Watt Institution Trust Fund meet the cost of the removal of the Dardanelles Memorial Fund Window, at the Watt Institution.

2.0 RECOMMENDATION

- 2.1 It is recommended that the Council, in its capacity as the sole trustee of the Birkmyre Trust and the Watt Institution Trust Fund, review and approve, respectively, the Annual Accounts for the Birkmyre Trust and Watt Institution Trust Fund for the year ended 31 March 2022 included in the attached appendices.
- 2.2 It is recommended that Council, in its capacity as the sole trustee of the Watt Institution Trust Fund, welcome the donation received from the Temianka Foundation received during 2022/23 Accounting period.

Alan Puckrin
Honorary Treasurer

3.0 BACKGROUND AND CONTEXT

3.1 It is good practice for Council, in its capacity as the sole trustee of the Birkmyre Trust and the Watt Institution Trust Fund to approve the examined Annual Accounts and ask that the Provost and Treasurer sign and date the Trustee's Annual Report and Balance Sheet no later than 9 months after the financial year end. These Trusts are not registered charities and accordingly do not require to be filed with an external agency. The Independent Examiner has confirmed that the financial statements present fairly the finances of the Trusts.

3.2 The two Trusts concerned are:

- Birkmyre Trust
- Watt Institution Trust Fund

Birkmyre Trust

3.3 The Accounts of the Birkmyre Trust show that the Trust's expenditure exceeded income during the year and a deficit of £33,941 was drawn down from the reserves brought forward, £4,174 was added to the Usable Revenue Reserve and £38,115 deducted from the Unusable Reserves. In addition, £7,324 was added to the Unusable Reserves as a result of an enhancement to the Trust fixed assets.

3.4 The Usable Revenue Reserves, available to support services at the discretion of Trustee, now stands at £108,633. 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 £1,217,359.

3.5 Previously the Trustee agreed to allocate £40,000 funding towards upgrade works for the multi-use games area at Birkmyre Park, funding will be drawn down in 2022/23.

Watt Institution Trust Fund

3.6 The Accounts of the Watt Institution Trust Fund show that the Trust's expenditure exceeded income during the year and the deficit of £259 was deducted from the reserves brought forward. The Trust has a balance of £56,887 on its Revenue Reserve available to provide services in accordance with the objects of the Trust.

3.7 A report has been requested by the Education and Communities Committee on installing electronic donations terminal at the Watt Museum to help generate more income. Officers will provide a report back to Committee with timelines and costings of the proposal.

3.8 In June 2022, the Trustee approved the use of £25,500 from the Fund to improve the safety and security of collections at the Watt institution.

3.9 During 2022/23, the Watt Institution Trust Fund received a substantial donation from Dr Daniel Temianka and his wife Dr Zeinab Dabbah of £8,000. The funding will be recorded as a receipt in the 2022/23 Financial Accounts. There is a separate item on the agenda for this meeting to consider a proposal that the Watt Institution Trust Fund meet the cost of the removal of the Dardanelles Memorial Fund Window, at the Watt Institution.

3.10 The independent examination of the accounts of the said Trusts has been completed by Alison Bell ACMA, 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 said Trusts for the period.

3.11 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.

4.0 IMPLICATIONS

4.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk		x	
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

4.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Watt Trust	Income	22/23	(8)		Donation received from Temianka Foundation

Annually Recurring Costs/ (Savings)

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

4.3 Legal/Risk

There are no legal implications arising from this report aside from those highlighted regarding the approval of the accounts. The legal background to the Council's status as sole trustee of the said Trusts is detailed in the appendices to this report. Elected members have separately been given training on the legal duties of charity trustees.

4.4 Human Resources

There are no human resources implications arising from this report.

4.5 Strategic

There are no strategic implications arising from this report.

5.0 CONSULTATIONS

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

6.0 LIST OF BACKGROUND PAPERS

6.1 None.

Birkmyre Trust

Annual Report and Financial Statements 2021-22



Year ended 31 March 2022

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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 2022.

Reference and Administrative Information

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

Current Trustees

- Councillor Pam Armstrong
- Councillor Francesca Brennan
- Councillor Graeme Brooks
- Councillor Paul Cassidy
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor James Daisley
- Councillor Colin Jackson
- Councillor Kirsty Law
- Councillor Stephen McCabe
- Councillor Martin McCluskey
- Councillor Michael McCormick
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha McGuire
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Sandra Reynolds
- Councillor Elizabeth Robertson
- Councillor David Wilson

Other Trustees During The Year

- Councillor Ronnie Ahlfeld (resigned 4 May 2022)
- Councillor Martin Brennan (resigned 4 May 2022)
- Councillor Gerry Dorrian (resigned 4 May 2022)
- Councillor Jim MacLeod (resigned 4 May 2022)
- Councillor Chris McEleny (resigned 4 May 2022)
- Councillor Jim McEleny (resigned 4 May 2022)
- Councillor Luciano Rebecchi (resigned 4 May 2022)

Chair

- Provost Drew McKenzie (appointed 19 May 2022)
- Former Provost Martin Brennan (resigned 4 May 2022)

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal & Democratic 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 Examiner

- Alison Bell ACMA

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 2022.

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 gym-based classes including spin, metafit, kettlebells, circuits, and a silver session class. For larger group fitness classes, we work closely with

Kilmacolm Community Centre. Several 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 can use all the sites within our portfolio, from group fitness at Greenock Sports Centre to the Health Suite at the Waterfront. Birkmyre continued to be a leading light when it came to audit performance, by scoring the highest in the latest round of annual health and safety audits. This allowed the team and facility to receive this award at the Inverclyde Leisure Recognition Evening. This is testament to the hard work by the staff each day. Recently Brian Gilmour has taken over the day to day running of the facility taking the role of Fitness Co-Ordinator. Brian has worked at near all the Inverclyde Leisure gym's and brings a wealth of experience to the role.

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. Alessia recently extended her stay at Birkmyre by renewing her lease agreement over the next coming years. 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!

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 can 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 2021-22, Birkmyre Gym like all facilities in the UK continued its recovery from the COVID-19 pandemic. Membership numbers over the year have grown as we continue to work hard in getting members back into the gym. We are confident of achieving this

target, due to the dedication and stellar customer service that our team ensure to offer.

Birkmyre Fitness gym views itself very much part of the community in Kilmacolm, and as such our partnerships with the Birkmyre Bears Rugby Club, St Columba's school and local business' is very important. With sports now no longer being restricted to virus guidelines, the rugby club are back in full of weekend matches and using the changing facilities twice weekly for their training sessions. 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.

The Running Festival continued its annual gathering, with record numbers competing in the Half-Marathon event. Throughout the 3 events (Half-Marathon 10K and 3K) we had over 350 runners, while also seeing 25 future stars take part in the Toddle Waddle to start the day. The Kilmacolm Unofficial Running Club (KURC) as every year were a fantastic support, taking care of a large stretch of the course with marshals and providing a well needed water station for the runners.

2021-22 was a positive year for the facility which shown growth following the tough times that we have all been through. With plans in place to further enhance the centre, we are sure that we can continue this positive trajectory for year 2022-23, and the future years to come.

Financial Review

Income and Expenditure for the Year ended 31 March 2022

The Income and Expenditure Statement on page 8 provides an analysis of the income and expenditure for the twelve months from 1 April 2021 to 31 March 2022.

The Trust incurred expenditure of £59,349 (2020-21: £40,371) covering insurance £491 (2020-21: £588), loan interest £2,104 (2020-21: £2,459), governance costs £333 (2020-21: £333) and annual depreciation charge £49,097 (2020-21: £36,991). Income of £25,408 (2020-21: £17,868) was received; £25,270 from rents and pitch hires (2020-21: £17,814) and £138 (2020-21: £54) from interest on short-term deposits with Inverclyde Council.

The deficit for the year of £33,941 (2020-21: £22,503) was deducted from the reserves brought forward: £4,174 was added to the Usable Revenue Reserves (2020-21: £3,965 added) and £30,791 was deducted

from the Unusable Reserves (2020-21: £26,468 deducted). There was no deduction from the Unusable Reserves due to revaluations (2020-21: £99,665).

Assets and Liabilities at 31 March 2022

The balance sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2022.

The reserves of the trust are £1,348,966 (2020-21: £1,375,583). Usable revenue reserves are £108,633 (2020-21: £104,459), the unusable Revaluation Reserve stands at £1,217,359 (2020-21: £1,263,929) and the unusable Capital Adjustment Account balance is £22,974 (2020-21: £7,195).

The carrying value of the land and buildings held by the trust is £1,290,725 (2020-21: £1,332,498). Within the year, £7,324 of additions were added to the land and buildings held (2020-21: £0). Inverclyde Council holds cash of £108,633 (2020-21: £104,459) on behalf of the trust. The trust has borrowings for capital investment of £50,392 (2020-21: £61,374) advanced by Inverclyde Council of which £11,462 (2020-21: £10,982) 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 £108,633 (2020-21: £104,459).

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.

The £40,000 allocation from the trust for Birkmyre Park will be drawn down in 2022/23 to fund works on the MUGA and works previously carried out on the Putting Green reinstatement and the creation of a small football pitch area including fixed goals.

Conclusion

The trust's expenditure exceeded income during the reporting period and the deficit of £33,941 (2020-21: £22,503) has been deducted from the reserves brought forward.

The trustees look forward with some confidence. The trust has a balance of £108,633 (2020-21: £104,459) 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 1st December 2022 and signed on behalf of all trustees.

Provost Drew McKenzie

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 2022 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 2021-22 (The "Code"). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alison Bell ACMA

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 2020-21		Note	Total 2021-22
£			£
588	Insurance Costs	3	491
0	Property Repairs		0
333	Governance Costs	4	333
36,991	Annual Depreciation Charge	5	49,097
0	Other Property Costs		7,324
37,912	Gross Expenditure		57,245
(2,761)	Hire of Pitches		(10,058)
(3,053)	Rental for Nursery School		(3,212)
(12,000)	Rental for Leisure Centre	3	(12,000)
(17,814)	Gross Income		(25,270)
20,098	Cost of Services		31,975
2,459	Interest Paid	3	2,104
(54)	Interest Received	3	(138)
2,405			1,966
22,503	(Surplus) or Deficit on the Provision of Services		33,941
22,503	Net (Increase) or Decrease before Transfers		33,941

Balance Sheet as at 31st March 2022

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 2021		Note	31 March 2022
£			£
Non-current Assets			
1,332,498	Property, Plant and Equipment	5	1,290,725
Current Assets			
104,459	Cash and Cash Equivalents	6	108,633
Current Liabilities			
(10,982)	Short-term Borrowing	7	(11,462)
Long-term Liabilities			
(50,392)	Long-term Borrowing	7	(38,930)
1,375,583	Net Assets		1,348,966
Reserves			
104,459	Usable Reserves		108,633
1,271,124	Unusable Reserves		1,240,333
1,375,583	Total Reserves		1,348,966
<p>The notes on pages 13 to 16 form part of the accounts. Approved by the trustees on 1st December 2022 and signed on their behalf by:</p>			
<p>Provost Drew McKenzie 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 2022

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	104,459	1,263,929	7,195	1,375,583
Movement in reserves in the year				
Total income and expenditure	(33,941)	0	0	(33,941)
Charges for depreciation of non-current assets	49,097	0	(49,097)	0
Addition/Enhancement to Fixed Assets	0	0	7,324	7,324
Revaluation adjustment to Revaluation Reserve	0	0	0	0
Statutory provision for the principal repayment of loan charges	(10,982)	0	10,982	0
Total adjustments between accounting basis and funding basis under regulations	38,115	0	(30,791)	7,324
Net increase or (decrease) before Transfers to other Statutory Reserves	4,174	0	(30,791)	(26,617)
Difference between fair value depreciation and historical cost depreciation written off to Capital Adjustment Account	0	(46,570)	46,570	0
Balance at 31 March carried forward	108,633	1,217,359	22,974	1,348,966

Comparative Figures for 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

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 2021-22

	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	(17,122)	49,097	31,975
Financing and Investment (Income) and Expenditure	12,948	(10,982)	1,966
(Surplus) or Deficit on the Provision of Service	(4,174)	38,115	33,941
Opening Fund Balance at 1 April	104,459		
Surplus/(Deficit) on Fund Balance in the year	4,174		
Closing Fund Balance at 31 March	108,633		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	49,097		49,097
Financing and Investment (Income) and Expenditure		(10,982)	(10,982)
Difference between General Fund (Surplus)/Deficit and Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	49,097	(10,982)	38,115

Comparative Figures for 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

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 2021-22 (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 2020-21 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 £491 to the trust (2020-21: £588). Interest of £138 was received from, and interest of £2,104 was paid to, Inverclyde Council (2020-21: £54 and £2,459). As at 31 March 2022, Inverclyde Council held £108,633 for the trust (2020-21: £104,459). The trust owed £50,392 to Inverclyde Council (2020-21: £61,375).

The trust received a rental of £12,000 (2020-21: £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 (2020-21: £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 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.

2020-21 £		2021-22 £
	Valuation	
1,616,782	At 1 April	1,332,498
0	Additions in year	7,324
0	Disposals in year	0
(284,284)	Other Adjustments/Transfers	0
1,332,498	At 31 March	1,339,822
	Depreciation and Impairment	
147,628	At 1 April	0
36,991	Depreciation charge for the year	49,097
(184,619)	Other Adjustments/Transfers	0
0	At 31 March	0
1,332,498	Balance Sheet as at 31 March 2022	1,290,725

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.

2020-21		2021-22	
£		£	£
100,494	Balance at 1 April 2021		104,459
Net Cash Inflow from Operating Activities			
(20,098)	Net surplus/(deficit) on the cost of services	(24,651)	
36,991	Adjustments for non-cash movements	49,097	24,446
Net Cash Outflow from Investing Activities			
0	Expenditure on property, plant & equipment	(7,324)	
54	Interest received	138	(7,186)
Net Cash Inflow from Financing Activities			
0	Receipts of long-term borrowing	0	
(10,523)	Repayment of long-term borrowing	(10,982)	
(2,459)	Interest paid on borrowing	(2,104)	(13,086)
104,459	Balance at 31 March 2022		108,633

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.

2020-21		2021-22	
£		£	
Amounts due within 12 Months			
10,523	At 1 April 2021		10,982
0	New Borrowings		0
10,982	Transfer from Debt over 12 Months		11,462
(10,523)	Repayments to Inverclyde Council		(10,982)
10,982	Balance at 31 March 2022		11,462
Amounts due over 12 Months			
61,374	At 1 April 2021		50,392
0	New Borrowings		0
(10,982)	Transfer to Debt under 12 Months		(11,462)
50,392	Balance at 31 March 2022		38,930

Note 8 Payments to Trustees

No trustee, or any people related to a trustee, were remunerated during the year. Nor was there any requirement for any expenses to be paid.



Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 www.inverclyde.gov.uk

Watt Institution Trust Fund

Annual Report and Financial Statements 2021-2022



Year ended 31 March 2022

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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 2022.

Current Trustees

- Councillor Pam Armstrong
- Councillor Francesca Brennan
- Councillor Graeme Brooks
- Councillor Paul Cassidy
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor James Daisley
- Councillor Colin Jackson
- Councillor Kirsty Law
- Councillor Stephen McCabe
- Councillor Martin McCluskey
- Councillor Michael McCormick
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha McGuire
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Sandra Reynolds
- Councillor Elizabeth Robertson
- Councillor David Wilson

Other Trustees During The Year

- Councillor Ronnie Ahlfeld (resigned 4 May 2022)
- Councillor Martin Brennan (resigned 4 May 2022)
- Councillor Gerry Dorrian (resigned 4 May 2022)
- Councillor Jim MacLeod (resigned 4 May 2022)
- Councillor Chris McEleny (resigned 4 May 2022)
- Councillor Jim McEleny (resigned 4 May 2022)
- Councillor Luciano Rebecchi (resigned 4 May 2022)

Chair

- Provost Drew McKenzie (appointed 19 May 2022)
- Former Provost Martin Brennan (resigned 4 May 2022)

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal & Democratic 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 Examiner

- Alison Bell ACMA

Structure, Governance and ManagementStructure

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 ActivitiesObjectives

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

A large part of the year was taken up with the work required for the McLean Museum and Art Gallery's renewal of Accredited Museum Status – the UK wide professional standard for museums. The result of the submission is not yet known.

Extensive work has been undertaken behind the scenes on collections management programmes in preparation for the accreditation submission, to improve access to collections and the information they contain, increase and improve the stores, and to support the delivery of the National Lottery Heritage Fund Watt Voices project. This work will be ongoing for many years to come. In support of this, funding was obtained from the British Museum Trust for resources to make elements of the natural sciences collections (palaeontology, geology, entomology, oology and herbaria) more accessible. With the support of the National Museums of Scotland, the McLean is part of a network of museums across the UK looking at the issues around increasing access to and knowledge of natural sciences collections through digital platforms – the museum has begun 3D scanning of the collection and making these accessible digitally and will be trialling making 3D prints of artefacts within the collections as part of education work with schools.

As part of the Heritage Fund Watt Voices project, a Creativity Space was created on the ground floor of the building. This room and its resources will act as a focal point for creativity for families, groups and individuals as part of programmes developed in house and through its use by community groups. Currently the space is used by groups working with people with early onset dementia and those dealing with mental health issues to support

wellbeing and deal with social isolation through fostering a sense of community through creativity.

A major donation to the Watt Institution of \$10,000 was made after the financial year by Dr Daniel Temianka, and his wife Dr Zeinab Dabbah, of California, USA. Dr Temianka is the son of renowned virtuoso violinist, conductor, author and music educator Henri Temianka, who was born in Greenock in 1905, and generously donated a sculptural bust of his father, created by acclaimed sculptor Miriam Baker, to the Watt Institution in 2016. Dr Temianka was delighted to hear of the plans to create a Creativity Space within the Watt Institution and wished to contribute to the overall funding package. Dr Temianka's generous donation will be used to support the ongoing development of the Creativity Space and run activities and events, including free to attend creative workshops, which would not have otherwise been possible. The donation will be included in the accounts for 2022/23.

In support of the wider Watt Voices project objectives, work is ongoing in researching new artefacts to go on display and making changes to the visitor offer to make better use of space to increase the collections on display and interpretative engagement opportunities. To support this the museum will be launching a new Egyptian Gallery in the New Year to better tell the story of Greenock's historic connection to the study of ancient Egyptian history and to free up extra space to increase display of the social history collection encompassing the history of all the communities that make up Inverclyde.

Staff have also been working on launching a digital story telling space for use by community groups called 'Community Voices'. Situated next to the newly created Creativity Space, it will provide the opportunity for groups to create and exhibit short digital stories about Inverclyde's history and to tell stories that are not reflected in the collections.

A successful funding bid to Museums Galleries Scotland (MGS) provided a grant for the employment of a Digital Learning and Engagement Officer to work with communities to develop the Watt's offer and shape and improve digital capacity going forward. Projects have included:

- The Butterflies and Minibeasts of Inverclyde project funded by the Royal Society Places of Science Fund delivered in partnership with the Inverclyde Ranger Service at Clyde Muirshiel Regional Park focussing on the promotion and digitization of the natural history collection and in support of STEM learning.

- A monthly digital reminiscence newsletter, Inverclyde in the News 40 Years Ago, in partnership with the Greenock Telegraph using the Telegraph archives held at the Watt Library.
- Regular Family History for Beginners presentation delivered virtually.
- Local history reminiscence sessions delivered both digitally and in person to partners including; Glenfield and Bagatelle care homes, Inverclyde Association for Mental Health, Crown Day Care, the WISHES (Women's initiative for socialisation, health, education and skills) group and the Best Friends group with YourVoice.
- Cine Poetry workshops inspired by museum collections in partnership with the Inverclyde Writer in Residence and West College Scotland media students.
- Digital creative writing prompts based on the museum collections for the Writer's Well creative writing group.
- *Who Do You Think You Are?* Project in partnership with the family learning worker at All Saints Primary and Inverclyde CLD based around genealogy and research skills.

The success of this project will lead to it being promoted by MGS as a best practice case study.

In partnership with a range of groups and individuals including the Music Service and Circus 250, the Watt ran a very successful and well attended programme of visual and performing arts events for Summer of Fun and the autumn. Book Bug sessions have been launched on a Saturday morning to great success with high numbers regularly attending. This runs alongside the regular monthly Fair Trade Fair which continues to be a success. 'Watty Bear' activities for children and young families continue to draw large and repeat numbers of participants with over two hundred taking part in the Easter Bear Hunt alone.

The Watt ran a series of successful talks and gallery tours on Inverclyde's historic links to slavery and an exhibition telling the story of some of the Abolitionists who came to Inverclyde to speak is generating great interest as it tells a little-known story of Inverclyde's past.

The service has been involved in Inverclyde's Historic Links to Slavery project, in particular working on the collation of all the public submissions of sites, events and individuals connected with slavery as part of a heritage audit. This work formed the starting point for the development of an inclusive curriculum for the area and

will form the basis of a heritage trail on links to slavery to be developed in partnership with Inverclyde Community Development Trust and members of community groups and organisations to launch next year.

The Archive Service continues to run a successful volunteer programme in support of making the information held within the archives accessible to the public. The work on documenting the Watt Library's historic book collection has been completed with 5,704 works catalogued to increase public awareness of, and accessibility to, the collection.

The Watt supported Inverclyde Heritage Network in running Inverclyde's first Heritage Day as part of Local and Community History Month, The event gave groups and individuals in heritage the chance to get together and promote their work to the public. The day saw some three hundred and thirty people attend an event at the Watt. It is planned that this will be an annual event going forward.

Financial Review

Income and Expenditure for the Year ended 31 March 2022

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 2021 to 31 March 2022.

Running costs in 2021/22 were £0 (2020-21: £0) and £333 (2020-21: £333) on governance costs. There were no contributions made by the council to cover historic costs this year (2020-21: £0). Income of £74 (2020-21: £30) was received from interest on short-term deposits with Inverclyde Council.

The deficit of £259 (2020-21: £303) was taken away from the reserves of £57,146 to give a carry forward balance of £56,887.

Assets and Liabilities at 31 March 2022

The balance sheet on page 9 provides an analysis for the Trust of the assets and liabilities as at 31 March 2022.

The reserves of the Trust are £56,887 (2020-21: £57,146) 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 no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £56,887 (2020-21: £57,146).

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.

In June 2022 the Trustees approved a proposal to use £25,500 from the Fund to improve the safety and security of collections at the Watt Institution.

Conclusion

The Trust's expenditure exceeded income during the reporting period and the deficit of £259 (2020-21: £303) has been taken from the reserves brought forward. The Watt Institution Trust Fund has a healthy balance of £56,887 (2020-21: £57,146) of Revenue Reserves.

Approved by the trustees on 1st December 2022 and signed on behalf of all trustees.

Provost Drew McKenzie

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 2022 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 2021-22 (The CODE). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Alison Bell ACMA

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 2020-21	Note	Usable Reserves: Revenue 2021-22
£		£
0		0
333	7	333
0	6	0
333		333
0		0
(30)	2	(74)
303		259
0		0
303		259
(57,449)		(57,146)
(57,146)		(56,887)
<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 11 to 12 form part of these financial statements.</p>		

Balance Sheet as at 31st March 2022

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 2021		Notes	31 March 2022
£			£
	Current Assets		
57,146	Cash and Cash Equivalents	8	56,887
	Current Liabilities		
0	Creditors	9	0
57,146	Net Assets		56,887
	Reserves		
57,146	Usable Reserves: Revenue		56,887
57,146	Total Reserves		56,887
<p>The notes on pages 11 to 12 form part of these accounts. Approved by the trustees on 1st December 2022 and signed on their behalf by:</p>			
<p>Provost Drew McKenzie 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 2021-22 (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 2020-21 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 £74 was received from the local authority (2020-21: £30). As at 31 March 2022, Inverclyde Council held £56,887 for the trust (31 March 2021: £57,146).

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 £5.0 million (2020-21: £4.9 million) for the buildings and £17.8 million (2020-21: £17.8 million) for its collections of heritage assets. The heritage assets are to be revalued prior to the closure of the Council's 2022-23 Annual Accounts.

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 2021-22 (2020-21: £0).

Note 6 Income

There was no income in 2021-22 (2020-21 £0).

Note 7 Governance Costs

Inverclyde Council provides support services to the trust at a fee of £333 (2020-21: £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.

2020-21 £		2021-22 £
57,449	Balance at 1 April	57,146
	Net Cash (Outflow) from Operating Activities	
(333)	Net surplus/(deficit) on the cost of services	(333)
0	Adjustments for non-cash movements	0
	Net Cash Inflow from Investing Activities	
30	Interest Received	74
0	Net Cash Inflow from Financing Activities	0
57,146	Balance at 31 March	56,887

Note 9 Creditors

There were no creditors as at 31st March 2022



Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 www.inverclyde.gov.uk