
Report To:	Policy & Resources Committee	Date:	15 August 2023
Report By:	Chief Financial Officer	Report No:	FIN/39/23/AP/LA
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Subject:	Approach to the March 2024 Budget		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to provide the Committee with an initial assessment of the Council's short to medium term budget position and to seek decisions on elements of the approach to be taken in determining the March 2024 Budget.
- 1.3 The June Finance Strategy reported an estimated £18.1 million funding gap over 2024/27, before any increase in Council Tax. The Scottish Government Medium Term Financial Strategy (MTFS) confirmed that the challenging financial environment for local government is likely to continue.
- 1.4 The Verity House Agreement, signed on 30 June 2023 includes several commitments which if delivered, would help in the development of the forthcoming budget via greater focus on outcomes not inputs, less ring fencing and earlier/greater collaboration in the development of policies. The full Agreement is in Appendix 1. Updates on progress will be reported to Committee over coming months.
- 1.5 The Members Budget Working Group (MBWG) have considered several matters regarding the approach to the development of the March 2024 Budget and have recommended the following for Committee to consider:
1. Budget Period – The budget consists of a firm 2 year Revenue Budget covering 2024/26 in addition to the standard 3 year Capital Programme covering 2024/27.
 2. Council Tax – In order to reduce the volume of unnecessary savings developed and consulted upon, the proposal is for Committee to agree an early indication of the quantum of increased Council Tax (in percentage and/or financial terms) it is proposed to raise over 2024/26.
 3. Savings – In addition to the remaining savings not approved from the March 2023 Budget, the Corporate Management Team are developing further options totalling approximately £3.0million. Following consideration by the Committee, savings options and the proposed Council tax increase will form the Budget Consultation later in the financial year.
 4. The 2023/24 Council contribution to the IJB should include an extra £821,000 in relation to the IJB estimated share of the Scottish Government 2023/24 pay award contribution.
- 1.6 To support the budget development the CMT have reviewed the approved Delivering Differently change programme and are recommending the addition of 7 new projects as well as amending the scope of several existing projects. Details are covered in Appendices 2-4.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes the estimated 3 year funding gap faced by the Council, the growing pressures on the Capital Programme and the key messages from the Scottish Government MTFs which confirm that the significant financial challenges facing the Council remain.
- 2.2 It is recommended that the Committee welcomes the contents of the Verity House Agreement and notes the potential flexibilities this could provide to the Council in developing the March 2024 Budget.
- 2.3 It is recommended the Committee approves the proposals in section 4 of the report namely:
- That the Council develops a 2 year Revenue Budget for approval in March 2024 covering the period 2024/26 and a 3 year Capital Programme covering 2024/27,
 - That the Budget Consultation includes an assumed increase in Council tax income of £5.0million by 2025/26,
 - That £821,000 from the Scottish Government contribution to the 2023/24 pay award be added to the Council's contribution to the IJB in 2023/24.
 - That the Delivering Differently project proformas in appendices 3 and 4 be approved,
 - That the Chief Executive be given delegated authority to progress VER trawls associated with the Delivering Differently programme and the new savings options being developed by the CMT on the basis that any proposed releases will require approval by elected members.
- 2.4 It is recommended that the Committee notes that an update report including proposals in respect of savings options and the Budget Consultation will be presented to Committee in September.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

3.1 The Council approved the 2023/24 Revenue Budget and 2023/26 Capital Programme on 2 March 2023. The revenue budget was balanced, after adjustments, via the approval of £6.653million of savings, a 5.3% increase in Council Tax and the use of £3.0million from Reserves. The Capital Programme included a further £4.0 million from Reserves and resulted in a £3.037million over provision of projects which was an over provision of 4.7%, within the 5.0% over provision limit set by the Council.

3.2 The unaudited Annual Accounts for 2022/23 were approved for submission by the Audit Committee on 29 June and these included surplus reserves of £3.4million at 31 March 2023 which is £2.2million more than the last figure reported to Policy & Resources Committee in May. In line with previous years, details of the main reasons for the movement are reported elsewhere on this agenda.

3.3 Scottish Government Medium Term Financial Strategy

The Scottish Government issued the Medium Term Financial Strategy (MTFS) for 2023/28 on 25 May with the main messages being:

- There are cash and real terms increases in funding over 2024/28 however this is being outstripped by increases in spending resulting in an estimated funding gap of just over £1 billion in 2024/25.
- In 2024/25 there is a £0.7 billion negative tax reconciliation relating to 2021/22.(Note: Tax adjustment now set at £0.4billion -July 2023)
- Capital resources are expected to decline in cash and real terms with the gap between capital spending plans and resources of almost £1 billion by 2025/26.
- Assumption for pay is 2.0% from 2024/25 but the intention set out in the May 2022 strategy that the pay bill is held at the same level i.e: increased wages paid for by reduced employee numbers, has been relaxed.
- Health spend is assumed to grow by 4% per year putting more pressure on remaining portfolios including Local Government

The MTFS confirms the challenging financial position faced by the Scottish Government and that decisions will be needed in the short/medium term to better align income and expenditure. This indicates the likelihood of another very challenging settlement for local government in 2024/25.

3.4 Verity House Agreement

A new Partnership Agreement between the Scottish Government and COSLA was agreed on 30 June, this is being called the Verity House Agreement and a copy is attached at Appendix 1. There are several commitments within this agreement which if delivered in time for the 2024/25 settlement will assist the Council in managing some of the financial pressure reported above. Specifically, a significant reduction in ring fencing, a focus on outcomes not inputs, a presumption for local flexibility and wherever possible, multi-year certainty are welcome commitments.

Specific short-term milestones have been set out and progress against these and other developments will be reported to Committee.

3.5 There are several areas where early decisions on the approach to the budget to be approved in March 2024 are required and these are listed below :

- **Budget Period-** Cosla and local authorities have been pressing for multi -year settlements for many years with the last 3 year settlement occurring in 2013/16. The Verity House Agreement indicates a commitment to move towards this albeit may be impractical to deliver this at an individual council level by December 2023.

- **Council Tax** - The level of Council Tax plays a key role in any budget. Each 1% increase in Council Tax is now estimated to raise approximately £350,000. An early decision on the potential level of increased income to be raised from Council tax will have a bearing on the level of new savings to be developed and consulted upon. Committee will also be aware that a consultation is in progress regarding potential changes to the Council tax banding multipliers which may give further scope for increases in Council tax income from 2024/25.
- **Savings**- Currently the CMT are assuming that the remaining savings developed but not taken in March 2023 will all be included in the savings options available to elected members. The situation regarding potential teacher and pupil support assistant savings requires to be clarified but the wording in the Verity House Agreement gives an indication that there may be a change in the current approach of imposing significant financial penalties were teacher numbers to be reduced.
- **Integrated Joint Board Pay Award Contribution**- Indications from the IJB Chief Officer are that unlike 2023/24, savings will be required to balance the IJB Budget. The Chief Executive, Chief Officer and the two Chief Financial Officers will be in regular communication during the budget process to ensure that where possible a consistent approach is taken and that there are no unintended consequences in the development of both budgets. However, an early decision is needed regarding whether the estimated social care employee share of the extra £2.408 million Scottish Government funding for the 2023/24 pay award allocated to the Council is passed onto the IJB. This is estimated to be £821,000.

3.6 **Capital Programme**- The capital programme usually represents a less contentious aspect of the overall budget with funding pressures largely being addressed by either use of reserves or increases in prudential borrowing. However, given the assessment of capital resources in the Scottish Government MTFs, pressures on the Revenue Budget /Reserves and the significant investment requirements identified in the Net Zero Strategy and Asset Management Plans, then there is a need to start addressing the growing medium- term pressure on the Council's capital budgets. As part of the June Financial Strategy the Council agreed to allocate an extra £100,000 annually to 2030/31 to fund £1.5million of prudential borrowing however, this will still leave around £2.0million shortfall in available resources each year simply to maintain existing general allocations in cash terms.

3.7 **Delivering Differently Programme**-The Policy & Resources Committee oversees the Council's Delivering Differently change programme and receives reports on progress no less frequently than annually. The latest summary position is shown in Appendix 2. As part of the 2023/24 Budget, several projects were completed and as such the CMT has developed potential new projects. As was the case last year, a short pro-forma has been completed for each for consideration by Committee and are included in Appendix 3 (existing projects) and Appendix 4 (proposed projects). Most of the proposals are not expected to result in material savings but rather focus on reducing pressures and making better use of current resources.

4.0 PROPOSALS

4.1 Following discussions with the MBWG the following paragraphs provide the CMT recommended approach to each of the matters raised in paragraph 3.5 along with the associated rationale.

4.2 **Budget Period** - Given the position outlined in both the Scottish Government MTFs and the Council's Financial Strategy, a medium-term approach to the development and approval of savings and increases in Council tax would be the most effective and efficient way to approach the Budget. Mindful of officer capacity and the time available, the CMT would recommend setting a 2024/26 Revenue Budget and 2024/27 Capital Budget by March 2024. In an ideal world the

CMT would propose a 3 year revenue budget but do not believe there is the capacity at officer level to develop and consult upon the significant volume of new savings which would be required to be developed.

- 4.3 **Council Tax/Savings-** Council tax is often viewed as being one of the last decisions taken to ensure a balanced budget. This can often lead to the development of and consultation on many superfluous savings which in turn can cause unnecessary worry in the workforce and community as well as impacting on officer capacity. Given the challenge faced in developing a further £10 million of deliverable savings options, (which would give £15.4 million of options against a £12.6million estimated funding gap over 2024/26), the CMT would recommend members giving an earlier indicative level of increased income from Council tax over 2024/26. This then would help better size the volume of new savings to be developed. The Council tax proposal could then form part of the Public Consultation alongside savings options and demonstrate to the public the inter-dependency between the two.
- 4.4 The CMT recognise that decisions on increases in Council tax are a matter for elected members and as such this matter has been discussed within the MBWG. The MBWG would recommend to Committee that, between any increases generated from changes to the banding multipliers and general increases in Council tax and after considering the £2.0million reduction in the use of Reserves to fund the Revenue Budget between 2023/24 and 2025/26, then an increase in Council Tax income of £5.0million by 2025/26 should form part of the Public Consultation options. If following the current national consultation, the banding multipliers were unchanged, then to raise this sum would require an approximate 14% increase in Council tax over the two years.
- 4.5 If this proposal is agreed in principle, then a further £3.0million of savings options would provide sufficient choice for elected members to consider based on the latest estimated funding gap. An update on the development of savings and proposals for the Public Consultation would thereafter be presented to the next meeting of the Committee.
- 4.6 **Council Contribution to the IJB for the 2023/24 pay award-** The Scottish Government has indicated an expectation that a proportion of the £2.408 million 2023/24 pay award contribution grant is passported to the IJB in relation to the pay uplift for social care employees. This however has not been mandated. Understandably, the IJB would welcome early confirmation from the Council that this funding will be passported to the IJB. The CMT would recommend passing over the IJB share of the allocation which is estimated to be £821,000 on the basis that the IJB thereafter will address any budget pressures over 2024/26 without any further general increase in the Council contribution to the IJB.
- 4.7 **Capital Programme-** The CMT propose that given the existing and growing pressures on the capital programme there is the need to review the physical asset base as part of the coming budget. It is proposed that an all-member workshop takes place to highlight the challenges in more detail and to commence a review process which will feed into the 2024/27 Capital Programme.
- 4.8 **Delivering Differently-** The CMT would recommend the approval of the pro-formas included in Appendix 3 and 4 on the basis that updates will be reported on individual projects to the relevant committee with the annual update on the progress of the overall programme coming to this Committee in November.

5.0 IMPLICATIONS

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

SUBJECT	YES	NO
Financial	x	
Legal/Risk	x	
Human Resources	x	
Strategic (Partnership Plan/Council Plan)	x	
Equalities, Fairer Scotland Duty & 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
HSCP	Employee Costs	2023/24	£0.821m		Funded from the Scottish Government contribution to the 2023/24 pay award.

5.3 Legal/Risk

There are no specific legal implications arising from the proposals in the report but the need for appropriate consultation and assessment of the impact of savings is an important part of the development of budget proposals and will be overseen by the CMT.

There are several areas of risk in determining the budget gap over 2024/26 namely around inflation (pay and non-pay), Scottish Government Grant settlements and the impact of any unfunded legislative changes such as Fair Work First becoming a funding condition. There is however an "upside" risk relating to the potential impact of implementing the actions from the Verity House Agreement and the potential for a reduction in employer's pension contributions. As these matters are anticipated to become clearer in the autumn it is proposed that the Public Consultation is delayed until later in the year.

5.4 Human Resources

Authority is sought from Committee for the Chief Executive to undertake VER trawls to inform the development of proposals relating to projects within Delivering Differently and the new savings options being developed by the CMT on the understanding that any releases will require Committee approval.

5.5 Strategic

With the continuing pressure on Council resources, it is critical that the budget proposals reflect the strategic priorities set out in the Council Plan.

6.0 CONSULTATION

6.1 The MBWG and Trades Unions via the Joint Budget Group have been consulted on the proposals within this report.

7.0 BACKGROUND PAPERS

7.1 None.

New Deal with Local Government

Verity House Agreement

NEW DEAL WITH LOCAL GOVERNMENT PARTNERSHIP AGREEMENT

The Convention of Scottish Local Authorities (COSLA) and the Scottish Government have today agreed a new Partnership Agreement, setting out our vision for a more collaborative approach to delivering our shared priorities for the people of Scotland.

This agreement – to be known as the ‘Verity House Agreement’ - sets out the way we will work together, how we will approach our shared priorities, and how we will engage.

We have agreed three shared priorities – tackling poverty, just transition to net zero and sustainable public services - and recognise that each of these encompasses a breadth of existing activity and potential programmes of joint work, and that local flexibility will be required to maximise impact. This agreement is a high-level statement of intent upon which we will build.

By end September 2023:

- Improved engagement on budgetary matters will be well underway, in preparation for the Scottish Budget in December.
- We will conclude a Fiscal Framework between Scottish Government and Local Government, of which regular budget engagement will be a key part.
- We will develop and agree a shared programme of activity underneath each of the three priorities, which will focus on the period between now and the next Scottish Council Elections in 2027.

By end October 2023:

- A first joint review of Specific Grants and In-Year Transfers to Local Government will be undertaken with a view to identifying those which can be baselined into the General Revenue Grant or General Capital Grant from financial year 2024-25, creating more freedom and flexibility for Councils to address our shared priorities in locally appropriate ways.

By end August 2024:

- We will have jointly considered the first year of implementation of the Verity House Agreement and the Fiscal Framework as a whole, and agree any alterations or addendums required to ensure the ongoing effectiveness of these two key documents.

Partnership Agreement between Scottish and Local Government 2023

Scottish and Local Government will work together to:

1. **tackle poverty**, particularly child poverty, in recognition of the joint national mission to tackle child poverty
2. **transform our economy through a just transition to deliver net zero**, recognising climate change as one of the biggest threats to communities across Scotland, and
3. **deliver sustainable person-centred public services** recognising the fiscal challenges, ageing demography and opportunities to innovate.

To address these shared priorities, we have jointly accepted that changes are required to our relationship - *the way we work together, how we will approach our shared priorities, and how we engage with each other in a positive and proactive manner.*

This agreement is a statement of our intent from this point forward and provides a high-level framework for our partnership – it does not create legal obligations but it is Scottish and Local Governments' clear starting point and public commitment to the principle of regular and meaningful engagement, and respect for each other's democratic mandate, in order that we can work together more effectively to improve the lives of the people of Scotland.

A: The way we will work together

1. A positive working relationship should be based on **mutual trust and respect**, recognising the need for effective and responsible joint leadership as we work on our shared priorities.
2. We will **focus on the achievement of better outcomes** locally for individuals and communities, and jointly develop simple structures for assurance and accountability that recognise local difference but reduce burdensome reporting.
3. Scottish Government and Local Government, through COSLA and its network of professional networks including SOLACE, will work together to **consult and collaborate as early as possible in all policy areas** where Local Government has a key interest, has a significant place-based leadership locus and/or is the key delivery mechanism.
4. **Powers and funding** for Local Government will be reviewed regularly to ensure adequacy and alignment with effective delivery of outcomes. *The powers held by local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.*
5. From this point onwards, the default position will be **no ring-fencing or direction of funding**, unless there is a clear joint understanding for a rationale for such arrangements for example where quantum needs to be assessed over a transitional period to ensure the costs are accurately understood. Additionally, current funding lines and in-year transfers will be reviewed ahead of the draft 2024-25 Budget Bill, with a view to merging into General Revenue Grant funding (more details will be set out in the Fiscal Framework).
6. **Community Planning Partnerships** will be recognised as a critical mechanism for the alignment of resource locally, focussed on prevention and early

intervention, and delivering our shared priorities. Scottish Government will ensure that those public bodies that can contribute to community planning, play their part, including in involving local third sector and community bodies in promoting and improving wellbeing.

7. **Where we disagree**, we will seek to deal with these matters constructively in the spirit of cooperation, through the engagement mechanisms described in Section D of this agreement
8. Established negotiating arrangements for pay will be recognised and respected, **and we will work jointly to ensure better strategic alignment on workforce issues across the public sector, including fair work.**

B: How we will approach our shared priorities

9. At the heart of the decisions we take nationally and locally will be a commitment to the **realisation of human rights for all.**
10. Scottish Government will recognise and value the roles and responsibilities of Local Government and as such, will work to incorporate into Scots Law the **European Charter of Local Self-Government** as soon as possible.
11. In keeping with the Charter, both parties agree the maxim “**local by default, national by agreement**”. This recognises that public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
12. Where Ministers seek to explore **national delivery models** for matters which directly concern Local Authorities, Local Authorities should be fully involved in the policy development process from the outset and appropriately involved in the decision making, and the rationale for considering national delivery be clearly evidenced and outcomes focussed.
13. Where national approaches are being progressed, insofar as is possible and effective, there will be a **presumption in favour of local flexibility**, unless evidence of meeting outcomes dictates otherwise.
14. Local Government will respect and value the roles and responsibilities of the Scottish Government and Scottish Parliament, and all parties will act in **good faith in discussions where there is clear rationale for national approaches**, recognising the benefits these can bring for people and communities.
15. Scottish and Local Government will work together to **conclude the Local Governance Review** by the end of this parliamentary term, with an equal focus on the fiscal, functional and community empowerment that will enable public service reform, innovation and collective, whole system improvement.
16. Scottish and Local Government will work together strategically to advance **public service reform**, building on the joint work under the Covid Recovery Strategy. This will include working constructively and quickly **to remove barriers** which hinder flexibility focusing initially on those common challengesⁱ identified through the Covid Recovery Strategy, and to enable the design and delivery of services for and around people.
17. Scottish Government and Local Government commit to **evidence-based policy making**, using data to understand issues and to then identify the most appropriate means of tackling them.

18. Any required **reporting and data collection** will be proportionate, fit-for-purpose and will support transparency, accountability and future decision-making at both a local and national level.
19. Through the development of a robust Fiscal Framework, which will include meaningful early budget engagement, the **Local Government Settlement will be simplified and consolidated**, clear routes to explore local revenue raising and sources of funding will be established, and wherever possible multi-year certainty will be provided to support strategic planning and investment.

C: Accountability and Assurance

20. Scottish Government and Local Government will jointly agree a **monitoring and accountability framework**, drawing on proportionate reporting and data collection, to provide evidence and visibility over progress towards agreed outcomes.
21. Audit Scotland and the Accounts Commission Scotland will be invited to support and provide independent evaluation of progress.
22. Existing **strategic and service level plans and associated reporting will be streamlined and refined** to be utilised within this assurance process without creating duplication. This will include but not be limited to Local Outcome Improvement Plans, Children's Services Plans, Child Poverty Plans and Climate Change Plans.

D: Engagement

23. The **First Minister and COSLA President** will meet twice a year to discuss progress towards shared priorities, achievement of better outcomes for people and communities, and other key issues.
24. **COSLA's Leadership Sounding Board and a group of key Cabinet Members** led by the Deputy First Minister will meet quarterly - at least two of these meetings will be informal.
25. A robust and regular process for **early budget engagement** will be embedded in the Fiscal Framework, with an underlying principle of "no surprises".
26. Through a refreshed role and remit, Scottish Government's **Place Directors will act as ambassadors** for Local Government and Community Planning Partnerships across portfolios and programmes and will build a strong understanding about place-based leadership and the local plans that focus on our shared priorities.
27. The **Strategic Review Group (SRG)ⁱⁱ** will provide assurance that Scottish and Local Government are maintaining all commitments set out in this agreement.
28. **Portfolio and programme level engagement** (both official and political e.g. COSLA Spokespeople and Cabinet Secretaries/Ministers) will support this overarching governance through regular and meaningful joint oversight, reporting to the SRG.

ENDNOTES

ⁱ Challenges identified through the COVID Recovery Strategy were:

- Number of Competing Priorities
- Reporting Requirements
- Collaborative Working across Scottish Government
- Crisis Response to “Hot Topics”/World Events
- Data & Intelligence Sharing
- Funding Flexibility
- Resources (including inconsistencies of resource support from national partners across CPP areas)

ⁱⁱ Established in 2021 as part of the Local Government Engagement Plan, the **Strategic Review Group’s** (SRG) main purpose is to facilitate regular strategic level political engagement, led on behalf the Scottish Government by the Cabinet Secretary with overall responsibility for the Local Government relationship (and extended to other Cabinet Secretaries and Ministers where relevant) and COSLA senior politicians.

The SRG provides a regular forum to agree delivery priorities, outcomes to be achieved and acts as a mechanism to resolve issues and barriers. The SRG meets five times each year to set direction and priorities and aims to align decision making processes with those that are required by the internal governance arrangements within COSLA, ensuring that key decisions are planned in partnership with built in opportunity and processes to address unforeseen issues or areas of disagreement. The outputs of SRG, which should be agreed at the end of each meeting, assist the Cabinet Secretary to develop a wide overview of the interests of Local Government and represent these in Cabinet discussions.

In May 2023 the membership of the SRG is as follows:

Scottish Government : Deputy First Minister and Cabinet Secretary for Finance ; Minister for Local Government Empowerment and Planning.

Local Government : COSLA President and COSLA Vice President.



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W W W . g o v . s c o t

	Area to be reviewed	Objective	Saving/Cost Avoidance/ Pressure	Lead Officer(s)	Employee Impacts?	Timeline	Position as at 7 July 2023
1	IJB Budget process	To review and agree the process to determine the 2022/23 and future Council contributions to the IJB.	N/A	A Puckrin/ C Given/ K Rocks	No	September 2022 P&R	COMPLETE
2	Participatory Budgeting	To embed a participatory budget process within the Council to achieve the 1% minimum budget allocation requirement	N/A	R Binks	No	2021/22 update September, 2022 P&R Committee	Now operational business. COMPLETE
3	Shared Services with West Dunbartonshire	To review the appetite for /benefit of continuing with current arrangements and/or investigating future arrangements.	Saving/ Cost Avoidance	L Long	Yes	Council – May 2023 Audit Options Report -Autumn 2023	Council agreed to end the Environmental & Roads Shared Service from 31.5.23. Report due the Joint Committee regarding the Internal Audit shared arrangement in the autumn. Council progressing an internal assessment of options to feed into the review.
4	Roads Technical Services Restructure	As the RAMP reduces then the level of fee income will reduce and there needs to be a review of the level of technical support	Cost Avoidance	S Jamieson	Yes	December, 2023	Review being progressed informed by the decisions taken as part of the March 2023 Budget.
5	Trade Waste	To determine whether the Council provision is cost effective or whether an alternative model is needed.	Cost Avoidance	S Jamieson	Yes	E&R January, 2024	Report approved March 2023 E&R Committee. An in-house service will remain. Charges increased by 10% whilst a further review of costs/ charges takes place as part of the 2024/25 Budget.
6	IL Delivery Model	Due to the significant increases in property costs within the IL estate and reductions in income , a review of the estate and services delivered is required.	Cost Avoidance/ Saving	S Jamieson/ R Binks	Yes (IL)	TBC	Initial review overtaken by 2023/24 Budget savings proposals but post Budget the need to review the sustainability of the IL estate remains and how to progress this matter is to be discussed at the MBWG over the summer.
7	New Ways of Working	To reduce the office footprint and generate savings in light of the implementation of hybrid working	Saving	S Jamieson/ M Rae	Yes	Hybrid Working Policy – Sept 2023	The one year pilot period of the hybrid working strategy commenced in June 22. Post pilot it has been agreed to continue with hybrid working and a Policy is due to be presented to the Policy & Resources Committee in September 2023. Following the Levelling Up Fund award and the impact on the campus, the project focus has moved to making best use of the office space and will be led by the Director, Environment & Regeneration.

	Area to be reviewed	Objective	Saving/Cost Avoidance/ Pressure	Lead Officer(s)	Employee Impacts?	Timeline	Position as at 7 July 2023
8	Secondary School Catering	Secondary School catering income has reduced considerably and as such a review is needed to increase uptake and/or reduce the cost base.	Cost Avoidance	R Binks	Yes	E&C January 2023	A review of catering provision in schools has now concluded. Business Case to replace the aged CRB system approved by CMT (15.3.23) Digital Modernisation Group. Tender being progressed. COMPLETE.
9	Revised Property Services Structure	To offset the expected reduction in fee income the CMT approved a new structure in February, 2022. This requires a VER trawl in order for the new structure to be in place by April, 2023	Cost Avoidance	S Jamieson	Yes	Implement - March, 2023	COMPLETE
10	Attainment Challenge Funding Reduction	Funding for SAC will reduce by 80% by 2025. This will require a reduction of several dozen posts which will require close working with HR and TUs	Cost Avoidance	R Binks	Yes	Fully Implement August, 2024 Annual update to E&C Cttee	On 23/11/21 the SG announced their plans for the SAC refresh from April 22. This will see funding reduce from approx £3.4M in 21/22 down to approx £563K in 25/26. Year 2 – Update to CMT March 2023 re 2023/24 implications and a follow up reported June 2023/ Up date due to September E&C Committee Process will continue the following years in similar fashion.
11	Community Wardens	The scope of service delivered requires to be reviewed per MBWG request as part of the 2022/23 Budget	Saving	S Jamieson	Yes	MBWG October 2022 E&R October, 2022	Options appraisals reported to E&R October Saving options developed and saving approved to reduce team by 8FTE. COMPLETE
12	Family Support Services	Identified by MBWG as an area for review as part of the 2022/23 Budget (Homelink/ Family Support/SAC)	Saving	R Binks/ K Rocks	Yes	E&C Comm - Jan 2023	The review is complete. Saving approved March 2023. COMPLETE
13	Home Care Review	HSCP have been reviewing the Care at Home service which could have significant financial implications	Pressure (for IJB)	K Rocks	Yes	CMT May 2023 IJB June 2023	Creation of new post at higher grade supported by CMT and approved by the IJB 26 June, 2023. Costs to be contained by IJB. New external provider tender to be in place by April 2024. Review complete but on going work will ensure sustainability of service provision and funding. COMPLETE
14	Homelessness	Longer term approach to the delivery of the Homelessness Service to be developed and agreed	Pressure (for the IJB)	K Rocks	Yes	Work plan to be implemented by September 2023	A Programme Board and six sub-groups are now well established with six corresponding action plans and an overarching risk register. Current risks revolve around accessing data on the private rented sector to maximise the potential for a wide variety of housing options in Inverclyde and developing pathways to settled accommodation for vulnerable groups. A full compliment of Assessment and Support Officers is now in place and referrals to the in-house Rapid Rehousing Support Team are gaining momentum.

	Area to be reviewed	Objective	Saving/Cost Avoidance/ Pressure	Lead Officer(s)	Employee Impacts?	Timeline	Position as at 7 July 2023
							Continued demand on temporary accommodation is slowing momentum on decommissioning the Inverclyde Centre however work continues through the sub-groups to improve communication, information and data collation and a timeframe for a complete service re-design.
15	New Social Work Information System	Procurement & implementation of a replacement for SWIFT	One off cost & potential saving	K Rocks	Yes	Update report to IJB- September 2022 Full implementation date of early 2024	Contract has been awarded the for the new SWIFT system. Officers are satisfied that the new system will meet the HSCP requirement for full implementation early 2024. The new system has cost less than expected and the HSCP have return £400k to the Councils capital programme. Implementation being reported to IJB COMPLETE
16	EDRMS	To meet Information Governance requirements and support hybrid working within a modern Council, a comprehensive and corporate approach to EDRM is needed	Pressure/ Cost Avoidance	I Strachan	No	Business Plan to CMT November, 2022	Members approved an approach which is led by service areas and supported by ICT, to focus on service specific improvement projects, rather than a single multi-service EDRMS project. P&R Cttee approved the allocation of £1.0million as part of the 2023/24 Budget and the creation of a Digital Modernisation Board chaired by the Chief Executive. Project to be combined with Migration to Office 365
17	Migration to Office 365/ Cloud	Migration to the Cloud/O365 in line with the ICT Strategy. Will include move to the use of MS Teams	Cost Avoidance	I Strachan	No	Main roll-out – Complete May 2023 Telephony implement by late 2024	MS Teams fully rolled out although Committees will remain WEX for the time being. Training availability cascaded but Digital Modernisation Group to consider how best to deliver. Next phase is to replace telephony. Meetings with vendors on going CMT approved procurement approach in April 2023. Combine with Digital Modernisation project above.
18	Library provision	In light of the overall financial position of the Council and potential new ways of service delivery, a comprehensive review of the library service is needed	Saving	R Binks	Yes	MBWG – November E&C Comm - January 2023	Proposal achieving efficiencies/economies saving £114,000 approved, March 2023 COMPLETE
19	Employability Services	Given the estimated funding gap and the increase in ring fenced funding from the Scottish Government , a review of funding sources and delivery models is required	Saving	S Jamieson	Yes	MBWG October 2022 E&R October 2022	Paving developed and £400k saving approved , December, 2022. COMPLETE

Review Title:	Shared Services- Internal Audit
Directorate:	Chief Executive Services
Service:	Chief Executive
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	<p>The Council agreed in May 2023 that a review of options relating to the future of the current Internal Audit Shared Service be undertaken with West Dunbartonshire Council and reported to the Joint Committee in the autumn.</p> <p>To inform this an internal assessment of options will be progressed over the summer and reported to CMT and thereafter the relevant Committee by early autumn. The review will also address the need to improve capacity in the delivery of risk management within the Council.</p>
Options being considered:	Report to consider all options ranging from the status quo, returning to a standalone service within the Council to a lead authority model.
Authorisation:	
Head of Service:	Alan Puckrin / Iain Strachan
Director:	Louise Long
Finance Manager:	Angela Edmiston
Date:	31/05/23

Delivering Differently - Scoping Paper

Review Title:	Roads Technical Services
Directorate:	Environment and Regeneration
Service:	Physical Assets
Target (Saving/ Pressure Reduction):	Cost Avoidance
Review Detail:	<p>The Roads Technical Services Team is substantially funded through income charged to the Roads Asset Management Plan (RAMP) The complement of the Team was increased as the RAMP increased however in recent years the available RAMP budget has been reduced. External grant funding has however increased in recent years although this is not always recurring so there is less certainty with regards to future funding.</p> <p>The review will consider whether the Technical Team is likely to achieve full cost recovery in light of the reduction in RAMP budgets and considering the impact of external funding with a view to amend budgets from 2024/25 onwards accordingly.</p>
Options being considered:	The review will consider how best to match the Technical Team resources to available income which could result in reduction, status quo or increase of the current team as well as the option for external support.
Authorisation:	
Head of Service:	Eddie Montgomery
Director:	Stuart Jamieson
Finance Manager:	Matt Thomson
Date:	26th May 2023

Delivering Differently - Scoping Paper

Review Title:	Trade Waste Services
Directorate:	Environment and Regeneration
Service:	Regeneration Planning and Public Protection
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	Review of charges and application of policy on the Trade Waste function delivered by the Council following the interim changes applied during the 2023/24 budget setting process to ensure the Council provides a non-subsidised Service going forward.
Options being considered:	Current levels of charging are insufficient to meet the cost of providing the Service, the review will consider options for cost reduction where possible as well as an increase to charges to bring the service to a non subsidised, sustainable position.
Authorisation:	
Head of Service:	
Director:	Stuart Jamieson
Finance Manager:	Matt Thomson
Date:	26th May 2023

Delivering Differently - Scoping Paper

Review Title:	IL estate
Directorate:	Environment and Regeneration
Service:	Physical Assets
Target (Saving/ Pressure Reduction):	Cost Avoidance/Saving
Review Detail:	In light of reduced income, increased utility costs, rates, changing demands and the need to implement a carbon reduction across the IL Estate (Indoor & Outdoor Leisure Facilities, Community Facilities). The review will focus on making recommendations on the extent of the IL estate as part of the March 2024 budget.
Options being considered:	The review will focus on the cost, statutory performance indicators, social value and usage of the estate and the potential for either Building closure or if appropriate asset transfer.
Authorisation:	
Head of Service:	Eddie Montgomery/Tony McEwan
Director:	Stuart Jamieson / Ruth Binks
Finance Manager:	Matt Thomson
Date:	26th May 2023

Delivering Differently - Scoping Paper

Review Title:	New ways of working
Directorate:	Environment and Regeneration
Service:	Physical Assets
Target (Saving/ Pressure Reduction):	Saving / Pressure reduction
Review Detail:	Considering increased utility costs, rates, hybrid working and the need to implement a carbon reduction across the Council Estate the review will focus on making recommendations on the utilisation of the Council estate.
Options being considered:	The review will consider the efficient use of the office footprint considering hybrid working and reduced capacity requirements. It is likely that a reduction in the office estate will be required involving building closure, building disposal and/or demolition. Asset transfer will also be considered.
Authorisation:	
Head of Service:	Eddie Montgomery
Director:	Stuart Jamieson
Finance Manager:	Matt Thomson
Date:	26th May 2023

Delivering Differently - Scoping Paper

Review Title:	Transition from the Scottish Attainment Challenge to the Scottish Equity Funding
Directorate:	Education, Communities and Organisational Development
Service:	Education
Target (Saving/ Pressure Reduction):	Manage the 4 year (2022 – 2026) phased reduction of funding given to the Council in respect of the Scottish Attainment Challenge
Review Detail:	This is a 4 year phased plan for the reduction in funding. This will include a planned reduction in Human Resources employed by the fund as well as a diminution of projects and resources supported.
Options being considered:	<ul style="list-style-type: none">• A plan is in place for the phased reduction of funding.• Any member of staff who has a right to return or who is on a temporary backfill contract is considered as part of the annual staffing exercise.• Contracts in place with external organisations have been timed to take into account the reduction in funding.• An annual return is made to the Scottish Government which clearly outlines the project plan and the aims and objectives of the remaining Scottish Equity Funding.• Annual update to Education & Communities Committee
Authorisation:	
Head of Service:	Michael Roach
Director:	Ruth Binks
Finance Manager:	Mary McCabe
Date:	01/06/23

Delivering Differently - Scoping Paper

Review Title:	Homelessness
Directorate:	HSCP
Service:	
Target (Saving/ Pressure Reduction):	Pressure for the IJB
Review Detail:	<p>To move away from the current traditional hostel-based model based within the Inverclyde Centre as it is not fit for purpose. For the council to deliver on its statutory homeless duties, new emergency accommodation will be required which is trauma informed, person centred and promotes healing rather than stigmatises and retraumatizes individuals</p>
Options being considered:	<p>A four-tiered model of accommodation is being considered to take account of the range of tenancy and support needs, rather than a lift and lay of the current hostel and staff model on a new site.</p> <p>Development of model for addressing homelessness with a focus on those with more complex needs.</p> <p>This may create budget pressures through the potential loss of income received through management charges attributed to the Inverclyde Centre. A new rent and charging policy is being developed to mitigate against this.</p> <p>Developing a community-based Housing Options and Homelessness Advice Service operated by the current Assessment and Support Team will ensure a focus is on homeless prevention. Early indications show a reduction in the number of cases becoming full homeless applications.</p>
Authorisation:	
Head of Service:	Gail Kilbane
Director:	Kate Rocks
Finance Manager:	Marie Keirs
Date:	19/07/23

Delivering Differently - Scoping Paper

Review Title:	Digital Modernisation
Directorate:	Chief Executive
Service:	Legal, Democratic, Digital & Customer Services
Target (Saving/ Pressure Reduction):	Saving/Pressure Reduction
Review Detail:	<p>Through its Digital Strategy (2021 – 2024) the Council has agreed the need to increase and promote the range of digital services available to employees and customers, and to exploit the opportunities that digital services can achieve by:-</p> <ul style="list-style-type: none"> • improving user experience and interaction with Council services; • reducing cost to deliver services via channel shift opportunities; and • improving efficiencies and productivity of services. <p>By maximising the adoption of digital modernisation opportunities the Council can enhance its business processes, decision making and service delivery, for the benefit of both employees and citizens, including also service transformation and new ways of working.</p> <p>Digital opportunities can also assist the Council in managing its information effectively, including managing related risks, for instance around records management and information governance compliance.</p> <p>With this context, the Council has established the Digital Modernisation Programme Board (DMPB) to</p> <ul style="list-style-type: none"> • support and drive delivery of the Digital Modernisation Programme; • support and drive the wider progression of digital modernisation across the Council; • ensure the effective management and use of the £1M Digital Modernisation Ear Marked Reserve (see below); and • ensure the effective management of risks to progression of digital modernisation across the Council.

	<p>The DMPB (or CMT, at the request of the DMPB) must approve a project's business case for it to be accepted into the Programme. In addition, the Policy & Resources Committee must approve the use of these Reserves for any specific projects.</p> <p>As a group, the DMPB will ensure there is clear direction, visible ownership, coordination and management support for the progression of digital modernisation across the Council.</p> <p>Progress on the delivery of those digital modernisation projects will be reported to the DMPB by the relevant service area.</p> <p>Updates on progression of the Programme will be reported to P&R Committee every other cycle.</p>
<p>Options being considered:</p>	<p>Options in respect of individual digital modernisation proposals will be considered at the DMPB.</p> <p>The Policy & Resources Committee approved this approach in March 2023.</p>
<p>Authorisation:</p>	
<p>Head of Service:</p>	<p>Iain Strachan</p>
<p>Director:</p>	<p>Louise Long</p>
<p>Finance Manager:</p>	<p>Angela Edmiston</p>
<p>Date:</p>	<p>26 May 2023</p>

Review Title:	Energy
Directorate:	Environment and Regeneration
Service:	Physical Assets
Target (Saving/ Pressure Reduction):	Cost Avoidance/Saving
Review Detail:	Considering increased utility costs and the need to reduce our carbon footprint a review of the Council and IL's utility costs will be carried out. Recommendations to make the estate more energy efficient, including setting of high level future targets, will be made by 31 st March 2024.
Options being considered:	The review will consider both the usage and operation of the estate as well the installation of energy/utilities efficiency measures. Where appropriate procurement of energy solutions will also be considered.
Authorisation:	
Head of Service:	Eddie Montgomery
Director:	Stuart Jamieson
Finance Manager:	Matt Thomson
Date:	26th May 2023

Delivering Differently - Scoping Paper

Review Title:	Recruitment & Retention Initiatives
Directorate:	ECOD
Service:	Organisational Development, Policy & Communications
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	To consider how the Council can better support the retention of existing employees and attract new employees. A report was considered at P&R Committee on 23 rd May 2023 which noted several projects / initiatives being progressed to support employee recruitment and retention. An update report is scheduled to go back to P&R Committee later this year.
Options being considered:	Options being considered and progressed include: <ol style="list-style-type: none">1. New Flexible Working Policy,2. Reduction in Standard Working week (37 to 35 hrs)3. Further development of trainee grades and the payment of university fees for students,4. Explore further employee benefits and salary sacrifice schemes,5. Review of Professional Fees
Authorisation:	
Head of Service:	Morna Rae
Director:	Ruth Binks
Finance Manager:	Angela Edmiston
Date:	7th June 2023

Delivering Differently - Scoping Paper

Review Title:	Review of HR & OD Team
Directorate:	ECOD
Service:	Organisational Development, Policy & Communications
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	To undertake a high-level health check of the team and make recommendations for improvements. The key focus will be around the resilience of the team and ensuring that the team continues to add value and is able to meet future demands.
Options being considered:	<ol style="list-style-type: none">1. Are team resources in the right place for the tasks that need to be completed?2. Are tasks undertaken as efficiently as possible?3. Does the team meet service user needs and demands? Where are the gaps and what can the team do more effectively?4. Is there an option for better use of technology/systems?
Authorisation:	
Head of Service:	Morna Rae
Director:	Ruth Binks
Finance Manager:	Angela Edmiston
Date:	7th June 2023

Delivering Differently - Scoping Paper

Review Title:	Review of Community Learning and Development
Directorate:	Education, Communities and Organisational Development
Service:	Community Learning and Development
Target (Saving/ Pressure Reduction):	Saving
Review Detail:	Reconfiguration of Community Learning and Development Service to ensure all areas of work across CLD are supported.
Options being considered:	This review aims to reconfigure the Community Learning and Development Service following a reduction in FTE as part of the 2023/25 budget process. The Service currently has one service manager with responsibility for: Youthwork and Sport; Adult learning and literacies; Communities; and Community Safety. In recent years, the service has taken on additional responsibilities such as community asset transfer support, locality planning and PB, and the CLD workforce needs to be spread more equitably across the disciplines in order to meet the needs of the Council and communities.
Authorisation:	
Head of Service:	Tony McEwan
Director:	Ruth Binks
Finance Manager:	Mary McCabe
Date:	01/06/23

Delivering Differently - Scoping Paper

Review Title:	Lomond View Academy
Directorate:	Education, Communities and Organisational Development
Service:	Education
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	Aim is to reduce spend in out of authority education placements and provide better and enhanced support to pressures of behaviour of pupils within mainstream schools to avoid exclusion.
Options being considered:	<ul style="list-style-type: none"> • Reorganise existing staffing to create a more bespoke package of pathways that better meets the needs of existing pupil cohort across the secondary sector. A particular focus will be on creating pathways that ensure we do not have to consider out of authority placements as well as develop pathways that allow us to bring pupils back into the LA from existing out of authority placements. • Introduce a primary outreach and support model that ensures a more effective early intervention model and relieves pressure on existing ASN provision who on occasion have taken pupils where their profile may not be the best fit but there have been no other options to date, again with a focus on avoiding out of authority placements. • Merging the current virtual school to support Looked After and Care Experienced Young People with LVA to create an overall and more joined up service model and allowing for a more synergised and targeted use of the staffing resource and expertise we have at our disposal.
Authorisation:	
Head of Service:	Michael Roach
Director:	Ruth Binks
Finance Manager:	Mary McCabe
Date:	01/06/23

Delivering Differently - Scoping Paper

Review Title:	Review of ASN Transport Provision
Directorate:	Education, Communities and Organisational Development
Service:	Educational Resources
Target (Saving/ Pressure Reduction):	Pressure Reduction
Review Detail:	Review to identify what has led to the increased costs associated with the transport of pupils with additional support needs and to identify potential ways to mitigate the costs. Budget is demand-led and an increasing number of pupils are requiring transport. Work will also look at ASN provision across Inverclyde.
Options being considered:	It is difficult to predict the future costs of ASN transport due to it being demand-led and that contracts are subject to fluctuations in transport costs. It is also managed in large part in partnership with SPT, who will have to contribute to the review. The review aims to look at a range of options which could be around types of transport used, whether internal transport would be an option and whether there is a facility to support parents to make their own arrangements for their children and young people to travel.
Authorisation:	
Head of Service:	Tony McEwan
Director:	Ruth Binks
Finance Manager:	Mary McCabe
Date:	01/06/23