

**A meeting of the Policy & Resources Committee will be held on Tuesday 26 March 2024 at 3pm.**

**Members may attend the meeting in person or via remote online access. Webex joining details will be sent to Members and Officers prior to the meeting. Members are requested to notify Committee Services by 12 noon on Monday 25 March 2024 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.**

VICKY POLLOCK  
Interim Head of Legal & Democratic Services

**BUSINESS**

**\*\* Copy to follow**

1. <b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
<b>PERFORMANCE MANAGEMENT</b>	
2. <b>2023/24 Policy &amp; Resources Committee and General Fund Revenue Budget Update as at 31 January 2024</b> Report by Chief Financial Officer, Corporate Director Education, Communities & Organisational Development and Chief Executive	<b>p</b>
3. <b>Policy &amp; Resources Capital Budget and Council 2023/26 Capital Programme</b> Report by Chief Financial Officer	<b>p</b>
4. <b>Corporate Policy and Performance Update: February-March 2024</b> Report by Corporate Director Education, Communities & Organisational Development	<b>p</b>
5. <b>Policy &amp; Resources Committee Delivery and Improvement Plan 2023/24 Performance Report</b> Report by Chief Executive	<b>p</b>
<b>NEW BUSINESS</b>	
6. <b>2024/2025 Budget Update</b> ** Report by Chief Financial Officer	<b>p</b>

7.	<b>Capital Strategy 2024-2034 and Treasury Management Strategy Statement &amp; Annual Investment Strategy 2024/25-2027/28</b> Report by Chief Financial Officer	p
8.	<b>People and Organisational Development Strategy 2024 – 2027</b> Report by Head of Organisational Development, Policy & Communications	p
9.	<b>Update on the Digital Modernisation Programme and Delivery of the ICT and Digital Strategies</b> Report by Chief Executive	p
10.	<b>Review of Council Policy Framework</b> Report by Interim Head of Legal & Democratic Services and Head of Organisational Development, Policy & Communications	p
11.	<b>2024 Inverclyde Community Council Elections</b> Report by Interim Head of Legal & Democratic Services and Corporate Director Education, Communities & Organisational Development	p
12.	<b>Tender for the Provision of Electronic Call Monitoring System: Care at Home Services – Delegated Authority and Change of Weightings</b> Report by Chief Officer, Inverclyde HSCP	p
<b>ROUTINE DECISIONS AND ITEMS FOR NOTING</b>		
13.	<b>Water Quality Management Policy and Control of Asbestos Policy</b> Report by Head of Organisational Development, Policy & Communications	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.

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Enquiries to – **Colin MacDonald** – Tel 01475 712113

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities &amp; Organisational Development and Chief Executive</b>	<b>Report No:</b>	<b>FIN/16/24/AP/AB</b>
<b>Contact Officer:</b>	<b>Angela Edmiston</b>	<b>Contact No:</b>	<b>01475 712143</b>
<b>Subject:</b>	<b>2023/24 Policy &amp; Resources Committee and General Fund Revenue Budget Update as at 31 January 2024</b>		

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## 1.0 PURPOSE AND SUMMARY

1.1  For Decision  For Information/Noting

- 1.2 The purpose of this report is to advise of the Committee's 2023/24 Revenue Budget position at 31 January 2024 and to highlight a projected underspend of £542,000. The report also notes the overall General Fund Revenue Budget projection and the position of the General Fund Reserve at the same date.
- 1.3 The revised 2023/24 Revenue Budget for the Policy and Resources Committee is £15,604,000, which excludes Earmarked Reserves. The latest projection is an underspend of £542,000 (3.5%), a decrease in costs of £163,000 since last Committee. This is mainly due a further underspend within the Non Pay Inflation Contingency. More details are provided in section 3.3 and the appendices.
- 1.4 The latest projection for the General Fund Budget is an underspend of £122,000. This underspend includes a £250,000 cost to the Council for the unfunded element of the 2023/24 Pay Award, included within appendix 6 of which £266,000 will be reimbursed by the Scottish Government in 2024/25. Based on these figures the Council's unallocated Reserves are currently projected to be £4.478million more than the minimum recommended level of £4.0million by 31 March 2024. This is before reflecting the decisions regarding the use of reserves taken on 29 February as part of the 2024/26 Budget.

## 2.0 RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Note the current projected Committee underspend for 2023/24 of £542,000 at 31 January 2024.
- 2.2 Note the projected underspend of £122,000 for the General Fund and the projected surplus reserves of £4.478million at 31 January 2024.
- 2.3 Note that the above projection reflects confirmation that the £655,000 funding held back pending assessment of the 2023 Teachers Census will now be paid in full to the Council.

2.4 Note the projected 2023/24 surplus of £25,910 for the Common Good Budget set out in Appendix 5.

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

### 3.0 BACKGROUND AND CONTEXT

3.1 The revised 2023/24 Revenue Budget for the Policy & Resources Committee is £15,604,000 excluding Earmarked Reserves. This is a decrease of £7,525,000 from the approved budget largely due to allocations from the pay and non pay inflation contingency and additional 2023/24 pay award funding from the Scottish Government yet to be fully allocated. Appendix 1 gives more details of this budget movement.

3.2 The main variances contributing to the net underspend of £542,000 are as follows -

- (a) £23,000 one-off underspend projected for Legal Expenses, not reported at last Committee.
- (b) £60,000 underspend projected for bad debt provision reduction within Housing Benefits, £30,000 movement since last reported to Committee.
- (c) Statutory Additions £40,000 under-recovery, £20,000 movement since P8.
- (d) Housing Benefit Recoveries budget is reporting £40,000 under recovery within income, not reported at last Committee.
- (e) One-off £20,000 overspend for unfunded Housing Benefit costs. This has been identified as a 2024/25 Budget pressure.
- (f) £78,000 combined one-off underspend within ICT computer hardware and software budgets due to the timing of new corporate contracts.
- (g) Projected over-recovery of £34,000 within Income for the ICT service for internal maintenance recharges for computer equipment purchased outside of the refresh programme.
- (h) External Licences fee income is currently projecting an over recovery of £5,000; £27,000 over-recovery on the 2023/24 introduction of fees on short term lets and £32,000 under recovery for liquor income.
- (i) £450,000 underspend within the non-pay inflation contingency budget due to a projected reduced call on this budget as at P8, £50,000 further underspend since last Committee.

### 3.3 Earmarked Reserves

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 January 2024 on these operational Earmarked Reserves is £701,000 (7.95% of projected spend). Appendix 7 gives the overall earmarked reserve position which shows 2.84% spend ahead of the phased budget.

### 3.4 General Fund Budget & Reserves Position

Appendix 6 shows that as at 31 January 2024 the General Fund is projecting a £122,000 underspend (excluding Social Work) which represents 0.5% of the net Revenue Budget. Policy & Resources Committee are projecting £542,000 underspend which is offset by £160,000 overspend within Environment & Regeneration, an overspend within Education & Communities of £10,000.

3.5 An allowance of £250,000 for the unfunded element of the 2023/24 Pay Award has been included with the Scottish Government having included a one off reimbursement of £266,000 within the 2024/25 Grant settlement.

3.6 Appendix 8 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2024 is £8.478 million which is £4.478 million above the

minimum recommended balance of £4 million. The General Fund Reserve position includes additions to the Reserve beyond 2023/24 that were agreed as part of the 2023/24 Budget approved by the Council on March 2023 and the final audited accounts position. The figures do not reflect decisions taken as part of the 2024/26 Budget on 29 February. These will be picked up in reports on the 2024/25 Budget.

### 3.7 Common Good Fund

The Common Good Fund is projecting a surplus fund balance of £25,910 as shown in Appendix 5 and which results in projected surplus fund balance of £149,480 at 31 March 2024. This position reflects the virement approved at the last meeting.

## 4.0 PROPOSALS

4.1 There are no proposals within this report.

## 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
N/A					

### 5.3 Legal/Risk

There are no legal implications arising from this report.

### 5.4 Human Resources

There are no specific human resources implications arising from this report.

## **5.5 Strategic**

There are no specific strategic implications arising from this report.

## **6.0 CONSULTATION**

6.1 Consultation with relevant officers has taken place.

## **7.0 BACKGROUND PAPERS**

7.1 There are no background papers for this report.



**Policy & Resources Budget Movement - 2023/24****Period 10: 1 April 2023 - 31 January 2024**

Service	Approved Budget	Movements			Revised Budget	
	2023/24 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2023/24 £000
Finance	5,630	210	(15)			5,825
Legal, Democratic Digital & Customer Services	5,389	261	(3)			5,647
Organisational Development, Policy & Communications	2,219	164	(5)			2,378
Chief Exec	377	22	(28)			371
Miscellaneous	9,514	(12,664)		4,646	(113)	1,383
<b>Totals</b>	<b>23,129</b>	<b>(12,007)</b>	<b>(51)</b>	<b>4,646</b>	<b>(113)</b>	<b>15,604</b>

**Supplementary Budget Detail**Inflation

Revenue & Benefits - various non pay inflationary uplifts	9
ICT - Inflationary Uplift 23/24	8
HR - Occupational Health contract increase	33
Legal Services Pay Award 23/24	253
Chief Executive Services Pay Award 23/24	22
Finance Services Pay Award 23/24	201
ODHR Pay Award 2023/24	131
Miscellaneous - Pay Inflation Adjustments	(10,558)
Miscellaneous - Various Non Pay Inflation Adjustments	(2,106)
	<u>(12,007)</u>

Virements

Legal - Budget transfer to Property Services for Energy Team	(50)
ICT - Budget Transfer from Physical Assets for New Ways of Working Project	40
Registrars - Budget Transfer from Revenue & Benefits	7
Revenue & Benefits - Budget Transfer to Registrars	(7)
Revenue & Benefits - Budget transfer to Property Services for Energy Team	(8)
Chief Executive - Management restructure within E&R Directorate	(28)
ODHR - Events reduction in Events Management to Common Good	(5)
	<u>(51)</u>

Supplementary Budgets

SNCT 2023/24 Pay Award 2023/24	4,646
	<u>4,646</u>

**Total Inflation & Virements****(7,412)**

**POLICY & RESOURCES**

Appendix 2

**REVENUE BUDGET MONITORING REPORT**

**CURRENT POSITION**

**Period 10: 1 April 2023 - 31 January 2024**

2022/23 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
9,459	Employee Costs	8,864	9,441	9,418	(23)	(0.2%)
623	Property Costs	734	734	734	0	-
892	Supplies & Services	900	918	872	(46)	(5.0%)
2	Transport & Plant	5	5	5	0	-
1,248	Administration Costs	1,306	1,316	1,211	(105)	(8.0%)
37,596	Payments to Other Bodies	41,530	33,581	33,095	(486)	(1.4%)
(26,954)	Income	(30,210)	(30,278)	(30,160)	118	(0.4%)
<b>22,866</b>	<b>TOTAL NET EXPENDITURE</b>	<b>23,129</b>	<b>15,717</b>	<b>15,175</b>	<b>(542)</b>	<b>(3.4%)</b>
	Earmarked reserves		(113)	(113)	0	
<b>22,866</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>23,129</b>	<b>15,604</b>	<b>15,062</b>	<b>(542)</b>	

2022/23 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
12,759	Finance	5,630	5,825	5,819	(6)	(0.1%)
5,234	Legal, Democratic Digital & Customer Services	5,389	5,647	5,525	(122)	(2.2%)
2,279	Organisational Development, Policy & Communications	2,219	2,378	2,402	24	1.0%
<b>2,279</b>	<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>13,238</b>	<b>13,850</b>	<b>13,746</b>	<b>(104)</b>	<b>(0.8%)</b>
360	Chief Executive	377	371	383	12	3.2%
2,234	Miscellaneous	9,514	1,496	1,046	(450)	(30.1%)
<b>4,873</b>	<b>TOTAL NET EXPENDITURE</b>	<b>23,129</b>	<b>15,717</b>	<b>15,175</b>	<b>(542)</b>	<b>0</b>
	Earmarked reserves		(113)	(113)		
<b>4,873</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>23,129</b>	<b>15,604</b>	<b>15,062</b>	<b>(542)</b>	

**POLICY RESOURCES**

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)**

Appendix 3

**Period 10: 1 April 2023 - 31 January 2024**

Outturn 2022/23 £000	Budget Heading	Budget 2023/24 £000	Proportion of Budget £000	Actual to 31/1/24 £000	Projection 2023/24 £000	Over/(Under) Budget £000	Percentage Variance %
	<b><u>Finance Services</u></b>						
38	R&B Legal Expenses	29	17	3	6	(23)	(79.3%)
26	R&B Bad Debt Provison	0	0	(11)	(60)	(60)	(100%)
(270)	R&B Stat Adds	(294)	(212)	(157)	(254)	40	(13.6%)
(124)	R&B HB Recoveries	(110)	(83)	(33)	(70)	40	(36.4%)
23,709	R&B Benefits & Allowances	28,058	23,627	20,181	28,078	20	0.1%
	<b><u>Organisational Development, Policy &amp; Communications</u></b>						
	<b><u>Legal, Democratic Digital &amp; Customer Services</u></b>						
38	ICT - Computer Hardware - Capita	50	42	23	25	(25)	(50.0%)
556	ICT - Computer Software - Capita & Freshdesk	642	535	830	589	(53)	(8.3%)
(55)	ICT Income Recharges (5 Year Computer Refresh)	(25)	(21)	(24)	(59)	(34)	136.0%
(14)	Legal - Income Licences - Other - Short Term Lets	(16)	(13)	(39)	(43)	(27)	168.8%
(106)	Legal -Income Licenses - Stat Charges - Liquor	(122)	(102)	(77)	(90)	32	(26.2%)
	<b><u>Miscellaneous Services</u></b>						
1,750	Non Pay Inflation Contingency	3,562	2,253	22,853	3,112	(450)	(12.6%)
<b>25,548</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>31,774</b>	<b>26,043</b>	<b>43,549</b>	<b>31,234</b>	<b>(540)</b>	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget P10	P10 Spend	Projected Spend	Amount to be Earmarked for 2024/25 & Beyond	Lead Officer Update
			2023/24	2023/24	2023/24	2023/24		
			£000	£000	£000	£000		
B	Early Retiral/Voluntary Severance Reserve	Alan Puckrin	1,995	0	63	250	1,745	Projection for 23/24 is an initial allowance which will be reviewed as decisions are taken on the 2024/26 Budget.
C	Equal Pay	Morna Rae	100	0	0	0	100	Balance for equal pay which is under review on an annual basis.
C	Digital Modernisation	Iain Strachan	1,268	182	138	175	1,093	23/24 has saw the purchases of Schools Cashless Catering System replacement 36K and CRM Replacement systems inidicative timeline 85K. Ongoing discussion for Revenue and Benefits Victoria Forms system that may see spend in 23/24.(est cost 37K) 5k costs relating to FreshDesk implementation.
C	Welfare Reform - Operational	Alan Puckrin	52	0	0	0	52	No spend projected in 2023/24 however expected to be required in future years due to on going employee savings in 2024/25
C	Anti-Poverty Fund	Ruth Binks	2,115	197	168	1,194	921	Detailed report went to November Policy & Resources Committee. Decisions taken as part of the 24/26 Budget will use £658k of the balance.
B	Loan Charge Funding Model	Alan Puckrin	1,645	0	0	1,048	597	December Finance Strategy allocated a further £3.0million over 2023/27 to the EMR to deliver a recurring saving from 2025/26.
C	GDPR	Iain Strachan	19	16	12	12	7	Information governance system contract (Workpro) awarded (2yr+1yr+1yr). Spend committed -now £12k per year. Continued corporate training programme being organised. C/fw for Training Commitments
B	2023/26 Budget Funding Reserve	Alan Puckrin	6,000	0	0	3,000	3,000	Projection per March 2023 Budget decision. £2million in 24/25 and £1 million 25/26. Further £6.0m agreed in principle 1/2/27.
C	ICT Technicians To Support Digital School Inclusion/Covid Recovery	Iain Starchan	70	44	51	56	14	Ongoing Monthly Employee Costs. 1 x Service Desk Operator (until 01/09/24) and 1 x Technical Project Officer (until 01/10/23).
C	Extension of Corporate Policy Post	Morna Rae	44	36	25	35	9	To fund Grade 6 Corp Policy Post until 31st March 2024. Post was vacant from 18 July 2023 but has now been filled and start date confirmed as 26 September 2023, £35k now required. £9k to be written back
C	New Ways of Working	Stuart Jamieson	267	15	9	267	0	Project moving to asset based phase and use of EMR being reviewed.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget P10	P10 Spend	Projected Spend	Amount to be Earmarked for 2024/25 & Beyond	Lead Officer Update
			2023/24	2023/24	2023/24	2023/24		
			£000	£000	£000	£000		
C	HR Resources	Morna Rae	92	76	55	68	24	This is Monies to fund the 2 HR employees for 2023/24 Grade 5 & Grade 7/8. Grade 7/8 employee no longer in EMR post from 18th September, to fund J Kelly additional hours costing £3.8k to 12th Jan 2024. Pay Award for E Gallagher £2.5K. Remainder £24k to be written back.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget P10	P10 Spend	Projected Spend	Amount to be Earmarked for 2024/25 & Beyond	Lead Officer Update
			2023/24	2023/24	2023/24	2023/24		
			£000	£000	£000	£000		
C	Project Resource	Louise Long	135	0	30	40	95	Projects approved to date. HR review (£25k), Co-operative Councils membership, Task Force support and Solace support for difficulty to fill senior Regen posts.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde	Morna Rae	67	27	26	31	36	£27k funding for marketing post to be fully spent. For £40k Historic Links to Slavery Funding - spend £4k expected in early 2024, remainder £36k to be carried forward.
C	Scottish Welfare Fund	Alan Puckrin	77	77	77	77	0	All spent in 23/24. Any underspend in 2023/24 will be added to this reserve at 31.3.24
C	Discretionary Housing Payments - Scottish Govt Grant	Alan Puckrin	28	28	28	28	0	Fully Spent in 23/24
C	Smoothing Reserve (Service Concession)	Alan Puckrin	602	0	0	254	348	Sum to smooth difference between approved £1.65m saving and actual saving per the funding model over 2023/28.
C	Fund March 2023 Budget Decisions		0	0	0	0	0	£3.5 from IRI (3 years)
B	Budget Delivery Reserve	Alan Puckrin	3,000	0	0	250	2,750	Allowance to address inflation volatility and other Budget delivery pressures over the 2024/26 period. Bulk required in 2024/25
C	Student Training Fees	Morna Rae	100	0	19	24	76	Payment of training fees to aid staff recruitment and retention. Services have confirmed cost for courses overall as £34k, with projected spend in 23/24 £24k, £10k in future years. Actual spend to date split £18k HR and £1k Finance. The remainder £66k is to be carried forward, with potential to go back out to services again to apply in 24/25, further details to be confirmed.
<b>Total Category B</b>			<b>12,640</b>	<b>0</b>	<b>63</b>	<b>4,548</b>	<b>8,092</b>	
<b>Total Category C to E</b>			<b>5,036</b>	<b>698</b>	<b>638</b>	<b>2,261</b>	<b>2,775</b>	

**COMMON GOOD FUND****REVENUE BUDGET MONITORING REPORT 2023/24****PERIOD 10 : 1st April 2023 to 31st January 2024**

	Final Outturn 2022/23	Approved Budget 2023/24	Budget to Date 2023/24	Actual to Date 2023/24	Projected Outturn 2023/24
	£	£	£	£	£
<b>PROPERTY COSTS</b>	<b>42,400</b>	<b>56,700</b>	<b>47,900</b>	<b>35,550</b>	<b>58,670</b>
Repairs & Maintenance	17,200	11,000	9,200	4,110	11,000
Rates <b>1</b>	21,160	21,200	21,200	23,170	23,170
Property Insurance	4,040	3,500	0	0	3,500
Property Costs	0	21,000	17,500	8,270	21,000
<b>ADMINISTRATION COSTS</b>	<b>7,930</b>	<b>7,700</b>	<b>1,300</b>	<b>0</b>	<b>7,700</b>
Sundries	1,730	1,500	1,300	0	1,500
Commercial Rent Management Recharge	2,200	2,200	0	0	2,200
Recharge for Accountancy	4,000	4,000	0	0	4,000
<b>OTHER EXPENDITURE</b>	<b>50,450</b>	<b>101,200</b>	<b>100,500</b>	<b>77,700</b>	<b>101,200</b>
Christmas Lights Switch On	10,500	10,500	10,500	10,500	10,500
Christmas Decorations	0	44,000	44,000	24,500	44,000
Gourock Highland Games	29,400	29,400	29,400	29,400	29,400
Comet Festival	13,300	13,300	13,300	13,300	13,300
Events	0	4,000	3,300	0	4,000
Bad Debt Provision	(2,750)	0	0	0	0
<b>INCOME</b>	<b>(127,520)</b>	<b>(177,900)</b>	<b>(147,900)</b>	<b>(153,680)</b>	<b>(193,480)</b>
Property Rental	(159,000)	(228,200)	(190,200)	(190,200)	(228,200)
Void Rents <b>2</b>	34,980	50,800	42,300	36,520	38,220
Internal Resources Interest	(3,500)	(500)	0	0	(3,500)
<b>NET ANNUAL EXPENDITURE</b>	<b>(26,740)</b>	<b>(12,300)</b>	<b>1,800</b>	<b>(40,430)</b>	<b>(25,910)</b>
<b>EARMARKED FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET EXPENDITURE</b>	<b>(26,740)</b>	<b>(12,300)</b>	<b>1,800</b>	<b>(40,430)</b>	<b>(25,910)</b>

Fund Balance as at 31st March 2023 **123,568**

Projected Fund Balance as at 31st March 2024

**149,478****Notes:****1 Rates (Empty Properties)**

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined

to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future reports.

**2 Current Empty Properties are:**

12 Bay St  
6 John Wood Street  
10 John Wood Street  
16 John Wood Street  
17 John Wood Street

Vacant since:

April 2015, currently being marketed  
January 2019, currently being marketed  
August 2018  
November 2023  
June 2023

## Policy &amp; Resources Committee

## Revenue Budget Monitoring Report

Period 10: 1 April 2023 - 31 January 2024

Committee	Approved Budget 2023/2024	Revised Budget 2023/2024	Projected Out-turn 2023/2024	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	23,129	15,604	15,062	(542)	(3.47%)
Environment & Regeneration	22,505	24,211	24,371	160	0.66%
Education & Communities	100,759	111,094	111,104	10	0.01%
Social Work & Social Care	68,156	69,672	70,442	770	1.11%
2023/24 Pay Award Impact (Note 1)	0	0	250	250	
<b>Committee Sub-Total</b>	<b>214,549</b>	<b>220,581</b>	<b>221,229</b>	<b>648</b>	<b>0.29%</b>
Loan Charges	16,902	16,902	16,902	0	0.00%
Saving Approved yet to be Allocated (Note 1)	(100)	(100)	(100)	0	0.00%
Additional Turnover Savings unallocated (Note 3)	0	(133)	(133)	0	0.00%
Service Concession Flexibility	(1,650)	(1,650)	(1,650)	0	0.00%
Transfer to Earmarked Reserves	0	563	563	0	0.00%
<b>Total Expenditure</b>	<b>229,701</b>	<b>236,163</b>	<b>236,811</b>	<b>648</b>	<b>0.27%</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(190,719)	(195,181)	(195,181)	0	0.00%
General Revenue Grant - Teachers Hold Back (Note 4)	(655)	(655)	(655)	0	0.00%
Contribution from General Reserves (Note 5)	(3,000)	(5,000)	(5,000)	0	100.00%
Council Tax	(35,327)	(35,327)	(35,327)	0	0.00%
Integration Joint Board - Contribution from Reserves	0	0	(770)	(770)	100.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(122)</b>	<b>(122)</b>	

**Note 1 - Unfunded impact of 2023/24 Pay Award**

**Note 2 - Approved savings yet to be allocated**

**Note 3 - Additional Turnover Savings unallocated**

**Note 4 - General Revenue Grant - Teachers Hold Back funding to be received**

**Note 5 - General Revenue Grant - £2m funded from Capital Grant**

**Earmarked Reserves**

DMR	300
FSM Holiday Payments	50
Anti-Poverty	113
Turnover Savings	100
<b>Contribution to General Earmarked Reserves</b>	<b>563</b>

**Redeterminations**

Probationer Teachers	(859) ECOD
Teachers Pay Award 2023/24	(2,238) Misc
LG Pay Award 2023/24	(2,408) Misc
Psychologist Probationer	(15) ECOD
Employability Funding	(195) ERR
Ukraine Funding	(453) HSCP
C&F Fostering/Kinship	(237) HSCP
Self Direct Support	(5) HSCP
Summer of Fun	(52) ECOD



**Earmarked Reserves Position Statement**

Appendix 7

**Summary**

<b><u>Committee</u></b>	<b><u>Total Funding 2023/24</u></b>	<b><u>Phased Budget to P10</u></b>	<b><u>Actual Spend To 31 January 2024</u></b>	<b><u>Variance Actual to Phased Budget</u></b>	<b><u>Projected Spend 2023/24</u></b>	<b><u>Earmarked 2024/25 &amp; Beyond</u></b>
	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>
Education & Communities	1,095	541	549	8	818	277
Social Work & Social Care	6,730	1,818	520	(1,298)	2,990	3,740
Regeneration & Environment	9,473	628	2,020	1,392	4,142	5,331
Policy & Resources	17,676	698	701	3	6,809	10,867
	<b>34,974</b>	<b>3,685</b>	<b>3,790</b>	<b>105</b>	<b>14,759</b>	<b>20,215</b>

<b><u>2023/24 %age Spend Against Projected</u></b>	<b><u>2023/24 %age Over/(Under) Spend Against Phased Budget</u></b>
67.11%	1.48%
17.39%	(71.40%)
48.76%	221.61%
10.30%	0.43%
<b>25.68%</b>	<b>2.84%</b>

**Actual Spend v Phased Budget Ahead of Phasing = £105k 2.84%**

**Last Update (Period P8) Behind Phasing = (£193k)**

**Movement in slippage v Phasing £298k**

Clune Park Regeneration

Appendix 8

**GENERAL FUND RESERVE POSITION**  
**Position as at 31/01/24**

	<u>£000</u>	<u>£000</u>
Usable Balance 31/3/23 - Post Audit of Accounts		7700
<u>Available Funding:</u>		
Service Concession	14,748	
IRI 2023/26	3,500	
Use of Earmarked Reserve 2022/23	452	
	<hr/>	18700
Projected Surplus/(Deficit) 2023/24	122	
	<hr/>	122
<u>Use of Balances:</u>		
Support to 2023/26 Budgets	(4,000)	
Net Zero Action Plan	(3,300)	
Anti Poverty Initiatives	(800)	
Employability Smoothing Reserve	(400)	
Digital Modernisation	(1,000)	
Inflation Smoothing Reserve	(3,000)	
2023/26 Capital Programme Funding	(4,000)	
Clune Park Regeneration	(500)	
Voluntary Severance Reserve	(1,700)	
	<hr/>	(18700)
<u>Write Backs</u>		
IL Smoothing Reserve - P&R November 2023		400
2024/26 Budget Update Write Backs - P&R February 2024:		
1140 Hours		63
Gourock Ampitheatre		10
Covid Recovery Grants		150
OD & HR Temp Employees		33
Projected Reserve Balance		<hr/> <b>8478</b> <hr/>

**Minimum Reserve required is £4 million**

Decisions taken as part of the 29 February Budget are not reflected in these figures.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/18/24/MT/GS</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>Policy &amp; Resources Capital Budget and Council 2023/26 Capital Programme</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 The purpose of the report is to provide Committee with the latest position of the Policy & Resources Capital Programme and the 2023/26 Capital Programme as well as reflecting the impact of the 2024/25 Capital Grant settlement confirmed by the Scottish Government on 29 February.

1.3 The Policy & Resources Capital Programme has a capital budget over 2023/26 of £4.489m with total projected spend on budget. The Committee is projecting to spend £0.604m in 2023/24 which is the same as the approved budget.

1.4 The overall 2023/26 Capital Programme budget is £66.693m with projects totalling £69.790m. This represents a £3.097m (4.64%) over allocation. This is within the agreed 5% tolerance. In the current year net slippage of £1.079m, 5.66% is being reported, this is a decrease of £0.699 million since the last report. Expenditure at 31 January was £10.856m (60.39% of projected spend).

1.5 The future years Capital Grant as per the 2024/25 Scottish Government Settlement shows a like for like cash reduction of just over £0.3 million compared to 2023/24 and this is the main reason why the programme now gets close to exceeding the overcommitment threshold of 5%.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee note the current position of the 2023/26 Policy & Resources Capital Budget and the current position of the 2023/26 Capital Programme.

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

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 On 2 March 2023 the Council approved the 2023/26 Capital Programme as part of the overall Budget approval factoring in additional funding to fund the shortfall in annual capital grant compared to the annual capital allocations. A revised 2024/28 Capital Programme was agreed by the Council on 29 February 2024 and will be the basis for future reports to the Committee.
- 3.2 The Committee have been advised on a regular basis of the pressures on the capital resources received by the Council, increased contract cost and increasing maintenance demands on the asset base. This requires to be addressed over the medium term as part of the 2024/28 Capital Programme.

#### **2023/26 Policy & Resources Capital Position**

- 3.3 The Policy & Resources capital budget is £4.159m. The current projection is £4.159m which means total projected spend is on budget.
- 3.4 The approved budget for 2023/24 is £0.604m and the Committee is projecting to spend £0.604m in 2023/24. The spend at 31 January is £0.428m (70.86%) of the approved budget.
- 3.5 PC Refresh Programme – The Phase 2 replacement programme to refresh 520 PCs across the school estate was completed over the summer break. The programme to refresh 118 PCs in School Management and Offices is now complete. This project was completed during term time with the cooperation of schools and Education HQ to allow the programme to be completed with minimal disruption. The final project to replace existing primary classroom desktop PCs with portable trolleys containing laptops is underway. This will provide a more flexible option for schools and will enable some existing dedicated computer suites to be repurposed for other functions. 296 devices have been ordered, once complete no further spend is anticipated.
- 3.6 Server and Switch Replacement – The implementation programme to replace and expand the Corporate Network Storage system is complete. A server and system upgrade to the Council's telephony system was completed successfully in September 2023. This allows the refresh of all current systems to the latest version and will provide the foundation of any migrations to cloud based services in the future. Upgrade of core servers for a range of Council applications has now concluded. No further spend is anticipated from this budget line.
- 3.7 As part of the 2023/26 budget setting process £4m was added to a small existing contingency to meet potential cost increases, fund unforeseen projects and to protect core service delivery from unexpected fluctuations in costs. This budget will be allocated by this Committee following the receipt of relevant reports. To date £2,050,000 has been allocated by Committee leaving an unallocated balance of £2.081million.

#### **Overall 2023/26 Capital Programme**

- 3.8 The overall 2023/26 Capital Programme reflects the 2023/24 capital grant. The total grant for 2023/24 of £10.587m is significantly higher than the £6.0m initially estimated. This includes the second year of the additional funding package for the Local Authority pay award (£1.872m), an increase in the grant for Coastal Protection (£0.150m), an increase in funding for Play Parks (£0.126m), an increase in funding for the community business fund (£0.025m), an increase for Nature Restoration (£0.306m), an increase in funding for flooding (£0.027m) as well as the £2.0m Revenue/Capital Grant swap, leaving a core grant of £6.079m.

3.9 The Capital Programme also reflects the confirmed 2024/25 capital grant. The 2024/25 allocation is £6.022m, however this includes £0.052m allocation for Coastal Change Adaptions which is passported to the Property Assets budget and £0.188m for Play Parks strategy which is passported to the Environmental budget. Therefore, core funding is £5.782m or around £0.3million less in cash terms than 2023/24.

The reduction in capital grant has increased the 3 year over commitment to £3.097m/4.64%, which is getting closer to the overcommitment threshold of 5%.

3.10 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 31 January 2024 expenditure in 2023/24 was 60.39% of projected spend. Phasing and projected spend has been reviewed by the budget holders and the relevant Director. The position in respect of each individual Committee is reported in Appendix 2 and in paragraph 3.12 of this report. Overall Committees are projecting to outturn on budget.

3.11 In the current year net slippage of £1.079m, (5.66%) is currently being reported, a decrease of £0.699m in comparison to the previous reporting period. This is due to slippage within Health and Social Care (£2.281m), offset with advancement within the Education and Communities Committee (£0.210m) and Environment & Regeneration Committee (£0.992m).

3.12 The position in respect of individual Committees for 2023/24 is as follows:

#### Policy & Resources

Expenditure as at 31 January 2024 is £0.428m against an approved budget of £0.604m. There is no net slippage within this committee to date.

#### Environment & Regeneration

Expenditure at 31 January 2024 is £7.753m against an approved budget of £13.091m. Net advancement of £0.992m (7.55%) and is mainly due to slippage in Coastal Change Adaptions (£0.150m), the Watt Institute DDA Works (£0.109m) and Place Based Funding (£0.400m) offset with advancements within Sustrans projects (£0.250m), Flooding works (£0.250m), Waterfront Lifecycle Works (£0.126m), New Ways of working (£0.009m), Town & Village Centre projects (£0.251m) the RAMP (£0.627m) and play Area Strategy (£0.126m) as well as other minor movements across the program.

#### Education & Communities

Expenditure at 31 January 2024 is £2.528m against an approved budget of £2.487m. Net advancement of £0.210m (7.74%) mainly due to slippage within the Port Glasgow New Community hub project (£0.277m) offset with advancements within the Lifecycl Fund (£0.183m), Free School meals (0.093m), Projects complete on site (£0.107m), CO2 Monitors in schools (£0.027m) and the Waterfront Leisure Centre training pool moveable floor (£0.060m) as well as other minor advancements within the committee.

#### Health & Social Care

Expenditure at 31 January 2024 is £0.147m against an approved budget of £2.601m. Net slippage of £2.281m (87.70%), due to slippage within the New Learning Disability Facility project (£2.081m) caused by delays in receiving the full market testing information from contractors which has required a further period of due diligence and the Swift Upgrade (£0.200m).

3.13 2023/24 continues to be another challenging year for delivery of the capital program, officers will endeavour to advance projects when possible, in an attempt to keep slippage within the 10% threshold.

## 4.0 PROPOSALS

- 4.1 The continued annual shortfall between the Councils core asset investment requirement and the level of Capital Grant continues to put pressure on the wider finances of the Council and this matter forms part of the Asset Management Workstream due to be progressed in 2024/25.

## 5.0 IMPLICATIONS

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

There are no Finance matters arising from this report.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

### 5.3 Legal/Risk

The approved Governance documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event an overspend is unavoidable.

### 5.4 Human Resources

There are no HR matters arising from this report.

## **5.5 Strategic**

The overall Capital programme contains many projects which contribute to the strategic priorities of the Council. As a result, timeous delivery of projects remains a focus for officers.

## **6.0 CONSULTATION**

6.1 This report has been prepared based on updates to the relevant Strategic Committees.

## **7.0 BACKGROUND PAPERS**

7.1 None.

	1	2	3	4	5	6	7	8
<u>Project Name</u>	<u>Est Total Cost</u>	<u>Actual to 31/3/23</u>	<u>Approved Budget 2023/24</u>	<u>Revised Est 2023/24</u>	<u>Actual to 31/01/2024</u>	<u>Est 2024/25</u>	<u>Est 2025/26</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Environment, Regeneration &amp; Resources</u></b>								
<b><u>ICT</u></b>								
Storage/Backup Devices/Minor Works and Projects	46	23	2	23	12	0	0	0
Rolling Replacement of PC's	812	418	24	394	269	0	0	0
Meeting Room, Videoconferencing & Hybrid Working Equipment	18	9	51	9	3	0	0	0
Server & Switch Replacement Programme	356	178	17	178	144	0	0	0
Home Working Allocation	15	15	10	0	0	0	0	0
Annual Allocation	1,161	-	500	0	0	576	585	0
<b><u>ICT Total</u></b>	<b>2,408</b>	<b>643</b>	<b>604</b>	<b>604</b>	<b>428</b>	<b>576</b>	<b>585</b>	<b>0</b>
<b><u>Finance</u></b>								
Medium Term Capital Program Support	1,751	-	0	0	0	300	1,090	361
<b><u>Finance Total</u></b>	<b>1,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>1,090</b>	<b>361</b>
<b>TOTAL</b>	<b>4,159</b>	<b>643</b>	<b>604</b>	<b>604</b>	<b>428</b>	<b>876</b>	<b>1,675</b>	<b>361</b>



Capital Programme - 2023/24 - 2025/26

Available Resources

	A	B	C	D	F
	2023/24	2024/25	2025/26	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	10,154	5,834	5,750	-	21,738
Capital Receipts (Note 1)	279	315	315	-	909
Capital Grants (Note 2)	4,568	640	-	-	5,208
Prudential Funded Projects (Note 3)	3,107	4,357	9,093	625	17,182
Balance B/F From 22/23	12,687	-	-	-	12,687
Capital Funded from Current Revenue	(136)	6,186	3,544	-	9,594
	<u>30,659</u>	<u>17,332</u>	<u>18,702</u>	<u>625</u>	<u>67,318</u>

Overall Position 2023/26

Available Resources (Appendix 2a, Column A-C)	<u>£000</u>
	66,693
Projection (Appendix 2b, Column B-D)	69,790
(Shortfall)/Under Utilisation of Resources	<u>(3,097)</u>
(Shortfall)/Under Utilisation of Resources %	<u>(4.64)%</u>

**Notes to Appendix 2a****Note 1 (Capital Receipts)**

	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000
Sales	214	315	315	-	844
Contributions/Recoveries	65	-	-	-	65
	279	315	315	-	909

**Note 2 (Capital Grants)**

	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000
Government Grant - Place Based Funding	407	-	-	-	407
Free School Meals	-	107	-	-	107
Renewal of Play Parks	126	188	-	-	314
Cycling, Walking & Safer Streets	520	345	-	-	865
SPT	790	-	-	-	790
Road Safety Improvement Fund	114	-	-	-	114
Spaces for People	-	-	-	-	-
Nature Restoration Fund	306	-	-	-	306
CO2 Monitors in Schools	-	-	-	-	-
Electric Vehicles	-	-	-	-	-
Sustrans	2,305	-	-	-	2,305
SFA Pitches	-	-	-	-	-
	4,568	640	-	-	5,208

**Note 3 (Prudentially Funded Projects)**

	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000
Vehicle Replacement Programme	481	814	1,464	-	2,759
Borrowing in lieu of VRP Reduction	-	636	-	-	636
Asset Management Plan - Depots	36	64	274	-	374
Capital Works on Former Tied Houses	8	-	200	125	333
Clune Park Regeneration	(638)	-	250	500	112
Neil Street/Crosshill Childrens Home Replacement - CoS	-	-	-	-	-
New Learning Disability Facility	320	1,343	5,405	-	7,068
Interactive Whiteboard Replacement	-	-	-	-	-
Additional Prudential Borrowing to Fund Capital Programme	1,500	1,500	1,500	-	4,500
Additional Prudential Borrowing to meet anticipated Cost Pressures	1,400	-	-	-	1,400
	3,107	4,357	9,093	625	17,182

Capital Programme - 2023/24 - 2025/26Agreed Projects

Committee	A Prior Years	B 2023/24	C 2024/25	D 2025/26	E Future	F Total	G Approved Budget	H (Under)/ Over	I 2023/24 Spend To 31/01/2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	643	604	876	1,675	361	4,159	4,159	-	428
Environment & Regeneration	10,219	14,128	12,079	18,495	845	55,766	55,766	-	7,753
School Estate	300	1,747	1,607	6,958	-	10,612	10,612	-	1,557
Education & Communities (Exc School Estate)	509	1,176	513	557	251	3,006	3,006	-	971
HSCP	332	320	3,450	5,605	-	9,707	9,707	-	147
<b>Total</b>	<b>12,003</b>	<b>17,975</b>	<b>18,525</b>	<b>33,290</b>	<b>1,457</b>	<b>83,250</b>	<b>83,250</b>	<b>-</b>	<b>10,856</b>

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/12/24/RB/KB</b>
<b>Contact Officer:</b>	<b>Morna Rae</b>	<b>Contact No:</b>	<b>01475 712065</b>
<b>Subject:</b>	<b>Corporate Policy and Performance Update: February-March 2024</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 This report provides the Committee with an update on Corporate Policy and Performance matters relating to:

- Cyber Security and Resilience Annual Report.
- Gaelic Language Plan: Bòrd na Gàidhlig response to Implementation Report 2022/23.
- Local Government Benchmarking Framework (LGBF) 2022/23.
- Self-evaluation to support continuous improvement.
- International Women's Day 2024.

## **2.0 RECOMMENDATION**

2.1 It is recommended that the Committee notes the latest updates in relation to Corporate Policy and Performance.

**Ruth Binks**  
**Corporate Director**  
**Education, Communities and Organisational Development**

### **3.0 BACKGROUND AND CONTEXT**

3.1 A Corporate Policy and Performance update report is considered at every meeting of the Policy and Resources Committee; the last such report was submitted to the meeting of the Committee on 6 February 2024.

Min Ref  
P&R Cttee  
6.2.24  
Para 54

### **3.2 Cyber Security and Resilience Annual Report**

3.3 The annual Cyber Security and Resilience Report was presented to the Corporate Management Team (CMT) updating the latest position regarding the Council's current resilience and security position. The Report noted that the Council has a strong and well-considered approach to cyber security. ICT is well-supported by Senior Council Officers and the CMT and delivers a multi-level approach to preventing cyber security incidents. ICT extends a cautious approach to network and infrastructure configuration to reduce the impact on the overall security of the systems it provides. It welcomes the scrutiny of external testing and audit processes. It noted that the Council had once again successfully completed Public Services Network Accreditation for 2023/24 and that the Council was meeting all current obligations to the Scottish and UK Government in terms of cyber security resilience and compliance actions.

### **3.4 Gaelic Language Plan: Bòrd na Gàidhlig response to Implementation report 2022-2023.**

Following the submission of Inverclyde Council's Gaelic Language Plan Implementation Report 2022-23 on 24<sup>th</sup> May 2023, a formal response to the report was received from Bòrd na Gàidhlig on 25<sup>th</sup> January 2024. In its response, the Bòrd noted the following areas of good progress made by the Council:

- Developing the provision of community Gaelic classes;
- Developing options of sessions available to school pupils outwith the classroom setting;
- Sharing bilingual content on the Council's social media account.

3.5 Regarding areas for further development, the Bòrd has asked that the Council make further progress in creating bilingual content on the Council's website in order to give equal respect to both Gaelic and English. This action is being progressed by the Corporate Policy Team and Education Services.

### **3.6 LGBF 2022/23 update**

3.7 The Improvement Service introduced a new approach to reporting LGBF data in spring 2023, with a move to an interactive online dashboard which provides access to the data and analysis at an indicator, service, family group and Council level at various points throughout the year. The Committee previously considered 2022/23 performance data for 38 LGBF measures, which were reported in the Inverclyde Council Annual Performance Report 2022/23. A dashboard refresh was carried out in February 2024, and benchmarking data for Inverclyde Council is now available for a total of 82 of the 102 measures within the framework.

3.8 A further and final refresh is expected in May 2024 and will include information on performance in relation to looked after children and the remaining outstanding pupil attainment data. An analysis of Inverclyde Council's performance across the whole framework will be presented to the first meeting of this Committee after the final data release and a dedicated Elected Member Briefing will be arranged to provide an additional opportunity for discussion and scrutiny.

### 3.9 Self-evaluation to support continuous improvement

The Council's self-evaluation framework, which was approved in March 2023, includes a commitment to carrying out a corporate self-evaluation on an annual basis, with a focus on areas of corporate risk or importance. The CMT has agreed that the next assessment will focus on the Council's performance in relation to the seven Best Value themes. To support this, a bespoke assessment framework has been developed for Inverclyde Council by the Improvement Service, which will be completed by Management Teams from Inverclyde Council and the HSCP. The aim of the assessment is to identify strengths and areas for improvement linked to the delivery of Best Value. The assessment will also help to address the recommendation within the Annual Audit Report 2022/23 that the Council should implement a process to report on overall Best Value achievement and delivery.

### 3.10 International Women's Day 2024

An event took place at The Watt Institution to celebrate International Women's Day on 8 March 2024. An informative talk, delivered by the Council's Archivist, explored the real women behind stories of witches and witchcraft in Inverclyde and beyond. There was also an opportunity to explore the *Witches in Word not Deed* art installation. A British Sign Language Interpreter was present at the event. While attendance was free, people were requested to book beforehand. The event proved to be very popular, with tickets reserved well in advance.

## 4.0 PROPOSAL

- 4.1 It is proposed that the Committee notes the latest updates relating to the area of Corporate Policy and Performance.

## 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(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 and Sustainability		X
Data Protection		X

### 5.2 Finance

There are no financial implications arising from this report.

One off Costs

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

Annually Recurring Costs/(Savings)

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

### 5.3 **Legal/Risk**

There are no direct legal implications arising from this report.

### 5.4 **Human Resources**

There are no direct human resources implications arising from this report.

### 5.5 **Strategic**

The matters referred to in this report are of relevance to the following Council Plan 2023/28 Theme:

#### **Theme 3: Performance**

- High quality and innovative services are provided, giving value for money.

## 6.0 **CONSULTATION**

6.1 None.

## 7.0 **BACKGROUND PAPERS**

7.1 None.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Executive</b>	<b>Report No:</b>	<b>PR/11/24/RB/KM</b>
<b>Contact Officer:</b>	<b>Louise Long</b>	<b>Contact No:</b>	<b>01475 712146</b>
<b>Subject:</b>	<b>Policy &amp; Resources Committee Delivery and Improvement Plan 2023/24 Performance Report</b>		

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## **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 update on the progress made in the delivery of the Policy and Resources Committee Delivery and Improvement Plan 2023/26.
- 1.3 This is the second performance report on the Committee Plan, which is coming to the end of its first year. It provides information on the delivery of the Action Plan as at mid-February 2024 and the latest performance data for KPIs.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee consider the progress made in the delivery of the Policy and Resources Committee Delivery and Improvement Plan 2023/26.
- 2.2 The Committee is also asked to note that a refreshed Committee Delivery and Improvement Plan will be brought to the next meeting of this Committee for approval.

**Louise Long**  
**Chief Executive**



### **3.0 BACKGROUND AND CONTEXT**

3.1 Committee Delivery and Improvement Plans 2023/26 are a key component of the Council's refreshed strategic planning and performance management framework. The Committee Plan enables scrutiny of:

- Strategic activity within the Committee remit; and
- How the Committee is helping to deliver the Council Plan outcomes.

3.2 The Policy and Resources Committee Delivery and Improvement Plan 2023/26 was approved on 23<sup>rd</sup> May 2023. Committee Delivery and Improvement Plan has also been approved by the Environment and Regeneration Committee and the Education and Communities Committee.

3.3 The Committee Plans will be refreshed annually to remove completed actions and capture new strategic activity and risk.

### **3.4 PERFORMANCE OVERVIEW**

3.5 This is the second performance report on the new Committee Plan and covers the progress made to mid-February 2024. It includes an update on the status of the action plan and KPIs. A summary of performance is provided below with the full performance report provided in the Appendix.

#### Delivery and Improvement Action Plan 2023/26

3.6 The following actions / sub-actions are now complete:

- The Council Plan and Committee Delivery and Improvement Plans are in place.
- An amended local Non-Domestic Rate Empty Relief Policy and a Second Homes Council Tax levy policy were approved on 6<sup>th</sup> February 2024.
- The 2024/25 Council Budget and Council Tax rate were agreed at a special meeting of the Council on 29<sup>th</sup> February 2024.
- An Amended scheme of Establishment for Community Councils was approved and adopted on 7<sup>th</sup> December 2023. The Community Council elections have also taken place.
- The Alcohol Licencing Policy Statement was approved and adopted by the Inverclyde Licencing Board on 26<sup>th</sup> October 2023.
- The Coaching and Mentoring Scheme has now been implemented.
- The Council has been awarded Equally Safe accreditation.
- The refresh of the performance appraisal process is finished and a new initiative 'Positive Conversations' has been implemented.
- The contract backlog has been addressed and related improvements following a 'lessons learned' session have been implemented.
- A Policy review schedules has been developed.
- Learning and development arrangements and the corporate e-learning induction have been reviewed and updated.
- The review of management capacity within the HR&OD team has been completed and reported to this Committee.
- The revaluation of Heritage Assets has been completed, in line with the Audit Action.
- Embedded cyclical revaluations and indexations of Property, Plant & Equipment (PPE) in line with audit requirement was completed as part of the 2022/23 accounts and is now embedded in operational practice.

3.7 There has been slippage in the following actions/ sub-action:

- Development of Actions Plans and Key Performance Indicators to support the delivery of the Partnership Plan. The delivery structures will be confirmed at the March meeting of the Alliance Board with the action plan development led by these groups.
- Development of Service Plans for each Head of Service to support the Committee Delivery and Improvement Plans. One Service Plan is currently in draft form and will be finalised now that the Head of Regeneration, Planning and Public Protection has started in post. All other Service Plans have been considered by the CMT.
- Implementation of Victoria Forms within HR and explore other potential processes within HR for review and automation. Forms that are fully implemented include Bank Mandate, Termination, Change of Circumstances, Personal information, Interview Outcome and Entry to Service. Sickness notification and certification is currently in the testing phase. Vacancy management is in development and planned for testing in April 2024. Good progress has been made, however the roll out has not been as fast as originally hoped.
- Streamline the approach to obtaining references for new employees. A new process has been developed, including move to verbal references in first instance. An evaluation of this new approach has been carried out and proposals for going forward will be presented to the CMT in March 2024.

3.8 The following actions / sub-actions have not yet started:

- Conduct a review of the new performance management arrangements. This will take place once the first full year of the new planning cycle is complete.
- Implementation of the amended Non-Domestic Rate Empty Relief Policy and Second Homes Council Tax Levy Policy. These policies will take effect from 1 April 2024.
- Refresh of the Council's Digital and ICT Strategies, to be adopted by P&R during 2024. The work on this has started with an overall completion date of 31<sup>st</sup> October 2024.
- The feasibility of introducing an HR&OD Helpdesk model will be investigated following the appointment of new postholder within the HR&OD team.

3.9 All remaining actions within the action plan are on track.

### 3.10 KPI Performance

Performance in quarter 3 was on target (green status) for the following measures:

- Total days lost due to sickness absence.
- Number of complaints received per 1,000 population.
- The number of data breaches notified to the Information Commissioners Office.
- The percentage of FOIs and EIRS responded to on time.

3.11 Performance was below target, but within a 5% tolerance (amber status), for the following KPIs:

- Council Tax in-year collection was slightly below target. The projected reduction in in-year Council tax collection has been reported throughout 2023/24. The main reason appears to be linked to on-going pressures on household finances and changes to national Debt Recovery regulations.

3.12 Performance was 5% or more below target (red status) for the following KPIs:

- The number of corporate training courses attended has fallen below target. Attendance at training courses will naturally fluctuate throughout the year in response to legislative requirements, new policy developments etc. Whilst the number of training courses attended

has fallen below the quarterly target, the cumulative total of attendances for the year April - December 2023 is on target.

#### 4.0 PROPOSALS

- 4.1 The Committee is asked to note the progress that has been achieved in delivering the actions within the Policy and Resources Committee Delivery and Improvement Plan 2023/26.
- 4.2 The Committee is also asked to note that the annual refresh of the Committee Plan will be presented to next meeting of this Committee on 4<sup>th</sup> June 2024, along with a year-end progress report on performance in 2023/24.

#### 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(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
N/A					

#### 5.3 Legal/Risk

There are no legal implications associated with this report, whilst the key Committee risks are highlighted within the full Committee Plan 2023/26.

#### 5.4 Human Resources

There are no human resources implications associated with this report.

## 5.5 **Strategic**

The Policy and Resources Committee Delivery and Improvement Plan 2023/26 directly supports the new Council Plan 2023/28 and is closely aligned to the delivery of the Council Plan outcomes.

## 6.0 **CONSULTATION**







6.1 None.

## 7.0 **BACKGROUND PAPERS**

7.1 None.








## Appendix 1: Committee Delivery and Improvement Plan Action Plan

### Strategic Theme: People



Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
CMTE/ PR001  Partnership Plan 2023/33	Implementation of a new Partnership Plan 2023/33 for Inverclyde Alliance, underpinned by an effective governance, delivery and reporting framework.	Development of Actions Plans and Key Performance Indicators to support the delivery of the Partnership Plan.	31-Oct-2023	 Slippage	The updated delivery structure will be considered by the Alliance Board at its meeting in March 2024. Action plan development will be led these groups.
		Further development of the locality planning model for Inverclyde, linked to the Community Council review.	31-Mar-2024	 On track	Proposals for the development of Locality Planning will be discussed with the Alliance Board in March 2024. This builds on the successes of the current models and provide improvement.
CMTE/ PR002 Council Plan 2023/28	Implementation of a new Council Plan 2023/28, supported by new Committee Delivery and Improvement Plans.	Inverclyde Council Plan 2023/28 given formal approval by The Inverclyde Council.	20-Apr-2023	 Complete	The Council Plan was approved by full Council on 20th April 2023.
		The Committee Delivery and Improvement Plans are approved by their respective Committee.	31-May-2023	 Complete	The Environment & Regeneration Committee Plan was approved on 4 May 2023, the Education & Communities Committee Plan was approved on 9th May 2023 and the Policy and Resources Committee Plan approved on 23rd May 2023.
		Development of Service Plans for each Head of Service to support the Committee Delivery and Improvement Plans.	31-Oct-2023	 Slippage	Five Service Plans have been reviewed by the CMT. The remaining Service Plan is currently in draft form and will be finalised and reviewed by the CMT once the new Head of Service is in post.
		Carry out a review of the new performance management arrangements by the Corporate Management Team.	31-Mar-2024	 Not yet started	This will be carried out once the first full year of the new planning cycle has been completed.

## Appendix 1: Committee Delivery and Improvement Plan Action Plan

### Strategic Theme: Place







Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
<b>CMTE/ PR003</b>  <b>Development of new local policies</b>	Development of new local policies in relation to both non-domestic rates empty property relief scheme and 2nd Homes Council Tax levy.	Development of a local Non-Domestic Rate Empty Relief Policy.	30-Sep-2023	 Complete	A report to the Policy and Resources Committee on 6 <sup>th</sup> February 2024 considered the proposed Policy amendments and the amended policy was approved. Amendments agreed for implementation in 2024-25.  Secondary legislation laid in November 2023 permits a limited degree of flexibility with Council Tax on second homes. Proposed policy amendments were developed and subject to public consultation and the amended Policy approved by the Policy and Resources Committee on 6 <sup>th</sup> February 2024.  Comes into effect from 1 April 2024.
		Implementation of new Non-Domestic Rate Empty Relief Policy.	01-Apr-2024	 Not yet started	
		Development of a 2nd Homes Council Tax Levy Policy.	31-Jan-2024	 Complete	
		Implementation of the new 2nd Homes Council Tax Levy Policy	01-Apr-2024	 Not yet started	
<b>CMTE/ PR004</b>  <b>Scheme of Establishment for Community Councils</b>	Update and adoption of the Scheme of Establishment for Community Councils, with those Community Councils formed following elections.	Drafting of, and engagement on, new Scheme of Establishment for Community Councils, including with residents, Community Councils and Elected Members.	14-Nov-2023	 Complete	The stage 3 consultation concluded on 16 November 2023, with a report to The Inverclyde Council on 7 <sup>th</sup> December 2023.  The amended scheme was approved and adopted at a special meeting of The Inverclyde Council on 7 <sup>th</sup> December 2023.  Nominations for the election of Community Councillors closed on 7 <sup>th</sup> February with the result that 9 Community Councils have been established or re-established, with 2 Community Councils not established due to not enough nominations being received.
		Adoption of new Scheme of Establishment for Community Councils.	14-Nov-2023	 Complete	
		Elections held for Community Councils.	14-Dec-2023	 Complete	

## Appendix 1: Committee Delivery and Improvement Plan Action Plan

Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
<b>CMTE/ PR005</b>  <b>Alcohol Licensing Policy Statement</b>	The adoption of a new Alcohol Licensing Policy Statement by Inverclyde Licensing Board.	Drafting of, and engagement on, new Alcohol Licensing Policy Statement, including with residents, Inverclyde Licensing Forum, Inverclyde Licensing Board, Police Scotland and NHS/ADP.	30-Nov-2023	 Complete	The public consultation closed on 24th October 2023, and approved and adopted by Inverclyde Licensing Board on 26th October.
		Adoption of new Alcohol Licensing Policy Statement by Inverclyde Licensing Board.	30-Nov-2023	 Complete	As per above update. Adopted on 26 <sup>th</sup> October 2023.






## Appendix 1: Committee Delivery and Improvement Plan Action Plan

### Strategic Theme: Performance







Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
<b>CMTE/ PR006 People and OD Strategy</b>	Implementation of the final year of the People and Organisational Development (POD) Strategy 2020/23 and development of a new Strategy for 2024/26.	Implementation of the Coaching and Mentoring Scheme, as set out in the POD 2020/23.	31-Dec-2023	 Complete	The scheme was approved by the CMT in November 2023 and has now been implemented. Applications for both mentors and mentees were open from 8th January until 4th February 2024. Matching exercise has been carried out between mentors and mentees.
		Achievement of Equally Safe Accreditation.	31-Jul-2023	 Complete	Equally Safe accreditation has been achieved, with notification of this received on 27th October 2023.
		Refresh and update of Performance Appraisal processes.	30-Sep-2023	 Complete	The refresh is now complete and the next stage is the roll out. The Performance Appraisal policy has been replaced by 'Let's Talk – A Positive Conversation'. Three information training sessions ran throughout October.
		In consultation with key stakeholders, identify and develop new initiatives for the POD 2024/26.	31-Mar-2024	 On track	Consultation on the new POD has been carried out and the new POD will be considered by the Policy and Resources Committee at its meeting on 26th March 2024.
<b>CMTE/ PR007 Multi-year budget</b>	Development of a multi-year budget for Inverclyde Council, which receives Committee approval.	Approval of the Revenue Budget for the period 2024/26.	31-Mar-2024	 Complete	A Special Council meeting was held on 1 <sup>st</sup> February 2024 to agree a number of significant matters in principle and to progress a second consultation on savings and Council Tax.
		Approval of the Capital Budget for the period 2024/27.	31-Mar-2024	 Complete	A medium-term programme covering 2024/28 was reported to the MBWG and agreed to support the use of £4.4m from reserves to address estimated funding gap.  The 2024/25 Council Budget and Council Tax rate were agreed at a special meeting of the Council on 29 <sup>th</sup> February 2024.










## Appendix 1: Committee Delivery and Improvement Plan Action Plan

Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
<b>CMTE/ PR008</b>  <b>Asset Accounting and Reporting</b>	Strengthen the approach to asset accounting and reporting.	Embedded cyclical revaluations and indexations in line with audit requirements.	30-Sep-2023	 Complete	Completed as part of the 2022/23 accounts and is now an operational task.
		Revaluation of Heritage assets in line with Audit Action.	30-Jun-2023	 Complete	1st stage 100% complete. Valuations completed and reported to Audit Committee. Phase 2 due 2 June 2024
		Compliance with IFRS 16.	30-Jun-2024	 On track	Developing internal spreadsheet to track relevant leases.
<b>CMTE/ PR009</b>  <b>Modern- isation of the Council</b>	Delivery of projects associated with modernisation of the Council.	Have 4 Digital Modernisation projects approved by the DMPB/P&R and implemented.	31-Mar-2024	 On track	<p>This Committee approved four new projects on 15<sup>th</sup> August 2023. Procurement action has been completed and project initiation and implementation has begun as below:</p> <ul style="list-style-type: none"> <li>• Freshdesk Service Desk Renewal – Project underway, cloud-based system is in place and configuration and implementation started. Estimated Project Completion June 2024</li> <li>• Verint CMS Upgrade – Project initiation meetings complete and supplier resource allocated. Estimated project Completion September 2024</li> <li>• WorkPro Complaints Handling System – Procurement complete – awaiting supplier resource for implementation.</li> <li>• Schools Catering Contract Refresh – On Schedule for completion during Easter Break</li> </ul>
		Continue delivery of the Council's Digital Strategy to deliver better services for customers and citizens, including through Channel Shift.	31-Mar-2024	 On track	The Modernisation Programme Board was established in May 2023. A development session with the Improvement Service and front-line managers was held on 29 <sup>th</sup> August 2023 to identify areas for digital improvement. Business Cases have been developed, or are in development, for a number of service proposals.




## Appendix 1: Committee Delivery and Improvement Plan Action Plan






Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
		Continue delivery of the Council's ICT Strategy to support the changing face of the Council, including through progression of migration towards a cloud-based service including a hybrid telephony solution.	31-Mar-2024	 On track	The ICT Strategy identified 4 key action areas: 1. Asset Management Programme & Cloud Migration Strategy; 2. Service Provision; 3. Information Security 4. Procurement Strategy  Good progress is being made across all 4 Action Areas, with regular reports progress to this Committee
		Refresh the Council's Digital and ICT Strategies, to be adopted by P&R during 2024.	31-Oct-2024	 Not yet started	Initial discovery workshop with team members and development of wider Digital and Customer Service Strategy held on Feb 28 <sup>th</sup> 2024.
<b>CMTE/ PR010</b>  <b>Review of HR &amp; OD systems and processes</b>	Conduct a review of the Human Resources, Organisational Development and Payroll IT systems and transactional processes.	Monitor implementation of Victoria Forms and explore other potential processes for review and automation.	31-Dec-2023	 Slippage	Forms that are fully implemented include Bank Mandate, Termination, Change of Circumstances, , Personal information, Interview Outcome and Entry to Service. Sickness notification and certification is currently in the testing phase. Vacancy management is in development and planned for testing in April 2024.
		Maximise functionality of current CHRIS 21 system and consider further options to support service delivery.	30-Jun-2024	 On track	Work with COSLA has continued on the use of Talentlink to generate contracts with the testing of contract templates. Further application, including business case was presented to the Digital Modernisation Board.
		Address contract backlog and implement improved processes and monitoring.	31_Dec-2023	 Complete	Lessons learned session has taken place and related improvements implemented.
		Consider HR+OD Helpdesk model to filter and support responses to phone calls and emails.	31-Mar-2024	 Not yet started	This will be progressed following the appointment of a new postholder.

## Appendix 1: Committee Delivery and Improvement Plan Action Plan



Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
<b>CMTE/ PR011</b>  <b>Recruitment Processes</b>	Improve the recruitment and appointment processes.	Streamline the approach to obtaining references for new employees.	31-Jan-2024	 Slippage	A new process has been developed, including move to verbal references in first instance. An evaluation of new approach has been carried out and proposals for going forward will be presented to the CMT in March 2024.
		Review the approval process.	30-Jun-2024	 On track	Mapping of the approval process has been undertaken and a report will be presented to the CMT.
		Develop onboarding protocols/process.	31-Mar-2024	 On track	A change of approach for following up references has been implemented. Improved monitoring for contract issue implementation have been put in place. Face to face corporate inductions now resumed. The corporate e-learning induction content has also been reviewed.
<b>CMTE/ PR012</b>  <b>Policy Review Framework</b>	Develop a framework for policy review, update of policies as required and improvement in employee communications on policies.	Develop a policy review schedule.	31-Dec-2023	 Complete	A policy review schedule has been developed.
		Engage with Services and develop a programme to promote key policies.	31-Mar-2024	 On track	Ongoing promotion of existing and new policies took place during January focusing on mentoring and coaching, followed by Positive Conversations.
<b>CMTE/ PR013</b>  <b>Learning and Development</b>	Review of the provision of learning and development activity.	Further invest in corporate knowledge and skills development.	30-Jun-2024	 On track	Employees have commenced professional qualifications.
		Review current learning and development arrangements and update corporate e-learning induction.	30-Jun-2024	 Complete	Corporate e-learning induction content has been reviewed and updated. In addition, a review of the face-to-face induction sessions has been carried out and sessions scheduled every two months for the rest of the year.

## Appendix 1: Committee Delivery and Improvement Plan Action Plan
















Code & Title	Action	Sub-action	Due Date	Current Status	Progress Commentary
CMTE/ PR014  HR&OD Capacity and Resilience	Review the capacity and resilience within the HR&OD Service.	Review the management capacity within the HR+OD Team	30-Nov-23	 Complete	Review completed and approval to increase employee resource given by the Policy and Resources Committee in November.
		Establishment of key posts / development roles to support service delivery	31-Dec-2024	 On track	Post advertised and recruitment underway.
		Review roles, remits and designations within HR+OD Service	30-Jun-2024	 On track	Following the appointment of new postholders, including Service Manager and Team Leader roles, remits and designations will be further developed to minimise single person dependencies, support succession planning and ensure that there is roles are up to date. HR Support Team terminology incorporated in establishment of new roles.

Action Status	
	Cancelled / not delivered
	Not started
	Slippage
	On track
	Complete

The measures below have been added to the KPI scorecard following the Elected Member KPI workshop and the latest data provided.

Title	Q4 2022/23 Value	Q1 2023/24 Value	Q2 2023/24 Value	Q3 2023/24 Value	2023/24 Target	Latest Note
Number of properties in receipt of Empty Property Relief	-	-	129	142		2022/23 figure was 187. This is a 'data only' PI as performance is influenced by wider economic conditions outwith the control of the Council.
Value (£) of Empty Property Relief	-	-	£ 263,367	£263,822		2023/23 figure was £303,665. This is a 'data only' PI as performance is influenced by wider economic conditions outwith the control of the Council.

Quarterly service performance data is provided for the following indicators.

Title	Q4 2022/23 Value	Q1 2023/24 Value	Q2 2023/24 Value	Q3 2023/24 Value	Target	Status	Long Trend	Short Trend	Latest Note
Council tax in year collection level	95.9%	27.6%	53.3%	80.2%	80.8%				The end of year target is 95%. Performance at the end of quarter 3, 2022 was 83.3%.
Invoices paid within 30 days (%)	95.82%	97.79%	96.4%	95.9%	95.5%				
Total days lost due to sickness absence (days lost per full time employee)	-	2.85 days	2.18 days	2.81 days	9 days		-		The full year figure is the number of days lost during the year. The cumulative total at the end of Q3 is 7.8 days.
Employee Turnover	-	3.04%	5.55%	2.13%	10%		-		Quarterly performance long trend will appear following the addition of more data. Methodology has changed recently changed to capture all leavers, including multi-posts. Quarterly data has been calculated in same way.
Corporate Training Courses Attended	-	149	196	50	125		-		Attendance at training courses will naturally fluctuate during the year e.g. attendance in previous quarters was higher due to mandatory Fire Safety Awareness Training being carried out. Whilst performance is below target in the quarter, the total number of attendances is on track to meet its target at the year-end (500).
SOCITM Accessibility Score (website overall accessibility score)	94	94	95	94	95				A score of 90 and above is regarded as 'excellent'.

Title	Q4 2022/23 Value	Q1 2023/24 Value	Q2 2023/24 Value	Q3 2023/24 Value	Target	Status	Long Trend	Short Trend	Latest Note
No. of complaints received (per 1,000 population)	-	0.66	1.186	0.795	1		-		The overall target for the year is no more than 4 per 100,000 population.
Th number of Data Breaches notified to the Information Commissioners Office	-	0	0	0	0.5		-		Quarterly performance long trend will appear following the addition of more data.
% of FOIs and EIRs responded to on time	91.52%	92.27%	95.45%	96.2%	92%		-		
Digital transactions via the CSC Portal	-	75%	81%	75%	75%		-		Digital transactions have been increasing since 2018, when annual performance was 6.5%.

PI Status	
	Alert
	Warning
	OK
	Unknown
	Data Only

Long Term Trends	
	Improving
	No Change
	Getting Worse

Short Term Trends	
	Improving
	No Change
	Getting Worse

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/19/24/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Capital Strategy 2024-2034 and Treasury Management Strategy Statement &amp; Annual Investment Strategy 2024/25-2027/28</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 The purpose of this report is to request that the Committee remits to the Inverclyde Council, for the approval, the 2024-34 Capital Strategy and the Treasury Management and Annual Investment Strategy 2024/25- 2027/28 and specifically the following:

- a) Prudential Indicators and Treasury Management Indicators, Authorised Limits for 2024/28 and Treasury Policy Limits (Section 2 of Appendix 2)
- b) Policy on Environmental, Social & Governance issues for investments (paragraph 3.12 of Appendix 2)
- c) List of Permitted Investments (including those for the Common Good Fund) (paragraph 3.17 and Appendix A of Appendix 2)
- d) Policy on repayment of Loans Fund advances (Section 4 of Appendix 2).

1.3 In line with last year's strategy the Capital Strategy highlights the significant challenges the Council faces to continue to fund the maintenance of the existing asset base and legislative requirements especially in relation to Net Zero and taking into account the latest financial assessment from the Scottish Fiscal Commission of projected capital resources available to the Scottish Government. The Strategy clearly identifies that robust action is needed in the short term to address this to ensure limited resources are directed to the areas of highest policy priority and any dis-investment is managed sensitively.

1.4 The Treasury Management Strategy incorporates the decision by the Council on 29 February to change the write back periods for a number of Council assets which generated a recurring saving of over £0.4million and a back-dated "over-payment" boost to reserves over £3.75million.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee review the Capital Strategy 2024-34 in Appendix 1, note the significant financial challenges the Council faces in maintaining the existing asset base and thereafter remits the Capital Strategy to the Full Council for approval.

2.2 It is recommended that the Committee considers the contents of the report, the Treasury Management and Investment Strategy set out in the Appendix 2 and remits the report and Treasury Management and Investment Strategy to the Full Council for approval.

**Alan Puckrin, Chief Financial Officer**

### **3.0 BACKGROUND AND CONTEXT**

#### **3.1 Capital Strategy**

The production of a Capital Strategy which is reviewed annually is a requirement of the CIPFA Prudential Code. The document requires to be considered along with the Treasury Strategy and thereafter approved by the Inverclyde Council. It is viewed as being one of the key strategic financial documents along with the Council's Financial Strategy which help govern the strategic direction for the Council's financial planning.

3.2 Over the last 15 years the Council has undertaken a significant amount of work on Asset Management Planning (AMP) and has used a combination of internal expertise and external peer review in the development of several AMPs. Once created, the AMPs are embedded within the Council's Committee Development Improvement Plans (CDIPs) and ensure the Capital Programme formulation process has a strong alignment between the Council Plan priorities and capital investment decisions.

3.3 The Capital Strategy emphasises the need for the Council to take a strategic approach when arriving at decisions around capital investment and specifically to ensure that investment plans are appropriate and financially sustainable in the longer term. The annual production and updating of the Capital Strategy allied to the Treasury Strategy, Capital Programme approval and Financial Strategy all ensure that the Elected Members are able to take Capital investment decisions in the knowledge of these long-term implications.

3.4 On 31 March 2023 the Council owned property plant and equipment assets valued at £485million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £581 million. The maintenance of such a large asset base in the context of core Capital Grant from the Scottish Government of under £6million is not sustainable and this has been flagged during recent budget processes.

3.5 Whilst officers will continue to access capital support/grants from the Scottish Government and partner agencies, these are often unable to fund core asset maintenance. Therefore, Elected Members face a choice of either significantly increasing the level of revenue resources to future capital programmes against the backdrop of the considerable revenue budget pressures, or to reduce the asset base.

3.6 Officers have advised on several occasions of the unsustainability of the status quo and this plus the requirements of the Net Zero agenda need to act as a catalyst for a fundamental review of the Council's asset base. The £400,000 net Savings Workstream target agreed as part of the 2024/26 Budget has set an initial target and work needs to progress at pace to ensure this sum is realised, if not exceeded.

#### **3.7 Treasury Management & Investment Strategy**

CIPFA revised the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management in December 2021. Inverclyde Council have adopted the Code of Practice on Treasury Management and comply with the Prudential Code.

The revised codes had an immediate requirement that Councils must not borrow to invest primarily for financial return (which this Council does not do) with the following main changes implemented from financial year 2023/24:

- a. All investments are to be attributed to either Treasury Management, Service Purposes or Commercial Purposes.
- b. The risks associated with investments for Service or Commercial Purposes should be proportionate to the Council's financial capacity.
- c. Councils must not borrow to invest for the primary Commercial purpose of financial return. Where financial returns arise from a project, they should be incidental to its primary purpose.
- d. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt (Inverclyde Council has no commercial investments).



- e. A new prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream.
  - f. A new treasury indicator known as the Liability Benchmark is required.
  - g. The monitoring and reporting of all forward-looking prudential indicators is required at least quarterly and any significant deviations must be highlighted (this will be done as part of the regular Finance Service reporting to the Policy & Resources Committee)
  - h. The knowledge and skills required by Officers and by Elected Members is to be proportionate to the size and complexity of the treasury management conducted by the Council.
  - i. The Council must create new Investment Management Practices (IMP) to manage risks associated with non-treasury investments (similar to the current Treasury Management Practices - TMPs).
  - j. Environmental, social and governance (ESG) issues are to be addressed within the Council's treasury management policies and practices (including in TMP1).
- 3.8 The Local Government in Scotland Act 2003 and supporting regulations (the Act) require the Council to 'have regard to' the CIPFA Prudential Code (the Prudential Code) and the CIPFA Code of Practice on Treasury Management (the Code) to set Prudential and Treasury Indicators for at least the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 3.9 The Act and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 3.10 It is a statutory requirement for the Council to produce a balanced budget. A local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue are affordable within the projected income of the Council for the foreseeable future. The projected revenue impact of the 2024/28 Capital Programme was built into the approved 2024/26 Revenue Budget.

## 4.0 PROPOSALS

### 4.1 Capital Strategy

It is proposed that the Committee review the contents of the Capital Strategy 2024-2034 as contained in Appendix 1 and thereafter remit the Strategy to the Full Council for approval.

### 4.2 Treasury Management Strategy and Annual Investment Strategy

The proposed Treasury Management Strategy and Annual Investment Strategy is attached as Appendix 2 and includes:

- a. Prudential Indicators and Treasury Management Indicators, Authorised Limits for 2024/28, and Treasury Policy Limits (paragraphs 2.1 to 2.15)
- b. Policy on ESG issues for investments (paragraph 3.12)
- c. List of Permitted Investments (including those for the Common Good Fund) (paragraph 3.17 and Appendix A).

The Council will be requested to approve the Treasury Management Strategy and Annual Investment Strategy including indicators, policies, limits, and permitted investments.

## 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

Whilst there are no direct financial implications arising from approving the two strategies it is clear how the Council maintains and funds the current asset base will be a prime consideration as part of future budget rounds.

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.

### One off Costs

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

### Annually Recurring Costs/ (Savings)

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

## 5.3 Legal/Risk

Any borrowing or lending is done under the Council's legal powers.

The monitoring and management of risks on treasury activities (including borrowing, investments, and cash flow) is undertaken on a daily and ongoing basis in line with the Treasury Management Policy Statement approved by the Full Council and with Treasury Management Practices (TMPs) and Investment Management Practices (IMPs) produced and kept under review.

The Council has a Creditworthiness Policy (in Appendix 2) that is used to determine the types of permitted treasury investments and the criteria for investments and periods. The policy sets out the risks from each investment type (credit/counterparty risk, liquidity risk, market risk, interest rate risk, and legal and regulatory risk) and is submitted for Elected Member approval each year as part of the Treasury Strategy and Investments Strategy report.

## 5.4 Human Resources

None.

## 5.5 Strategic

None.

## 6.0 CONSULTATION

6.1 This Treasury Strategy in appendix 2 includes the latest advice from the Council's treasury consultants (Link Treasury Services Limited).

## 7.0 BACKGROUND PAPERS

7.1 None



## **Capital Strategy**

**2024 – 2034**

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**1.0 INTRODUCTION**

- 1.1 The production of a Capital Strategy which is reviewed annually is a requirement of the CIPFA Prudential Code. The document requires to be considered along with the Treasury Strategy and thereafter approved by the Inverclyde Council. It is viewed as being one of the key strategic financial documents along with the Council’s Financial Strategy which help govern the strategic direction for the Council’s financial planning.
- 1.2 The traditional focus of Local Government budgeting tends to be on the Revenue Budget with the annual cycle of Grant settlements from the Scottish Government, the identification of savings and investment plans and the approval of the budget along with Council Tax in February/March. As part of this the Council will generally approve a three year Capital Programme (although a 4 year plan has been approved for 2024/28). In recent years the capital budget has been a less contentious issue for Elected Members with the Council approving significant amounts of prudential borrowing as well as contributions from Revenue Reserves in order to deliver an ambitious Capital Programme
- 1.3 Details of the Council’s asset base, borrowing and debt are included within the audited financial accounts considered by Members and attracts far less attention than the Revenue Budget and Reserve position. At the 31<sup>st</sup> March 2023 the Council owned property plant and equipment assets valued at £484.5million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £580.5million. Much of the investment in this Asset Base has been funded by borrowing over preceding decades. The Council’s external borrowing as at 28<sup>th</sup> February 2024 was:-

PWLB Debt	£106.4 million
LOBO Debt	£ 29.5 million
Market Debt	<u>£ 40.4 million</u>
	<u>£176.3 million</u>

The bulk of this debt is due to be repaid at the point that the loan matures with some £26.2 million of the PWLB Debt due to be repaid by 31<sup>st</sup> March 2034 after refinancing of short-term borrowing undertaken in 2023/24..

- 1.4 Allied to this the Council maintains a Loan Charges record which is an internal record of investment and is currently written down on annuity basis using the expected life span of the asset created/work carried out. For example a new school will generally be written off over 45 years (extended from 40 years per approval at Inverclyde Council, 29<sup>th</sup> February 2024) whereas a roads resurfacing contract will be written off over 25 years. As at the 31<sup>st</sup> March 2024 the expected value of the Council’s internal loan debt is £222.6 million. The repayment costs in 2023/24 are projected to be £17.7 million and these repayments include both Capital and Interest and are referred to as Loan Charges. It is Loan Charges which are funded by the Council’s Revenue Budget.
- 1.5 Over the last 10-15 years the Council has undertaken a significant amount of work on Asset Management Planning. The first Asset Management Plan related to the School Estate (the SEMP) which resulted in an ambitious and comprehensive new build and upgrade programme for the full School Estate. Thereafter asset plans were created in respect of the main leisure facilities, the roads assets, office and depot assets, ICT assets and most recently, open spaces. All Asset Management Plans are linked to the Committee Delivery Improvement Plans (CDIPs) with delivery reported throughout the year as part of the cyclical Capital Programme updates.
- 1.6 Asset Management Plans take into account the number, type and condition of the assets to which the plan relates and thereafter looks ahead to future investment needs with associated financial implications to be factored into future years Capital Programmes. Delivery of an Asset Management Plan may require decisions from Members regarding a whole estate investment approach which will potentially identify assets which the Council should no longer retain. This will lead to investment in fewer assets but to a higher quality. This has certainly been the case in respect of schools, offices and depots where the Council’s property footprint has reduced considerably over the last 15 years

Classification - No Classification

with the sums saved from buildings no longer in existence reinvested in the remaining buildings and resulted in an improved estate.

- 1.7 A significant benefit of having long term Asset Management Plans is that it allows longer term Capital Planning and the Capital Strategy includes Investment Plans for the next 10 years. This allows the Council to identify whether it's longer term Capital Investment Plans are affordable and sustainable and provides time for corrective action to be taken.
- 1.8 The Council is coming to the end of a period of ambitious investment. This has seen a significant increase in the Council's Loan Fund Debt over the last 15 years and projections indicate that the Loan Fund Debt will peak at approximately £229.6 million in 2026/27. On the basis of limited prudential borrowing in future years the Loan Fund debt will reduce to around £176 million by 2033/34. Therefore, there needs to be a correlation between the reduction in the Council's internal loan debt and the repayment of the Council's external borrowing to the PWLB. This is covered in more detail in the Treasury Strategy.
- 1.9 One issue which the Capital Strategy and Treasury Strategy require to demonstrate is the affordability and sustainability of the Council's Asset Management Plans, to enable Members to see the longer term financial implications of policy and investment decisions.
- 1.10 Much of the affordability assessment depends on the Council's Treasury Strategy and this is also presented to the Policy & Resources Committee annually prior to the 31<sup>st</sup> March each year. The main indicators in the Treasury Strategy cover a four year period and the Capital Strategy will better align the timescales for the Treasury Strategy, Investment Strategy and Capital Programme. Based on the projected trajectory of the Council's loans fund and external borrowing then the Treasury Strategy is currently to borrow on a short term basis due to the projected reduction in borrowing rates in the medium term. The latest possible maturity date for the market loans varies from 2066-2077 although, dependent on macroeconomic changes there is always the possibility that lenders may wish to trigger repayment of their loans with the Council, as happened several times in 2023.
- 1.11 The Chief Financial Officer is supported in monitoring the Council's Capital, Treasury and Investment position by both internal officers and also the Council's Treasury Advisor with whom he meets three times per year. This external support is a vital check and balance in ensuring the Council is receiving the best possible advice and support in managing the Council's considerable asset base, borrowings and future investment plans. This enables the Chief Financial Officer to provide regular reports to the Policy & Resources Committee and the Inverclyde Council on the Council's Treasury Strategy, Treasury Annual Report and Mid-Year Report as well as frequent updates on the Capital Programme.
- 1.12 The Capital Strategy pulls all these aspects together and aims to provide a valuable addition to Elected Members overall understanding of the Council's finances and the wider impacts on policy choices in coming years.

## 2.0 GOVERNANCE AND REGULATORY FRAMEWORK

### Legal and Regulatory Framework

- 2.1 The legal framework under which treasury management operates mainly involves:
- the Local Government (Scotland) Act 1973
  - the Local Government (Scotland) Act 1975
  - the Local Government etc. (Scotland) Act 1994
  - the Local Government in Scotland Act 2003
- and
- Regulations and statutory guidance issued under powers in the above Acts.
- 2.2 In addition, CIPFA issued the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, both of which were last revised in December 2021.

The Prudential Code requires Councils to ensure that capital expenditure and investment plans are affordable, that borrowing and other long-term liabilities are prudent and at sustainable levels, and that treasury management and investment decisions are taken in accordance with professional good practice. The Code requires the production and monitoring of Prudential Indicators.

The Treasury Management Code includes requirements for Councils to consider the objectives of their treasury management activities and the effective risk management of those activities. The Code requires the production of a Treasury Management Practices document which sets out how the Council will seek to achieve its treasury management policies and objectives and how it will manage and control its treasury management activities. The Code also requires that, as a minimum, the following reports be submitted to the Council each year: a treasury management strategy, a mid-year review, and an annual report after the year-end.

- 2.3 The main regulations and statutory guidance that apply are:
- a) Local Government Capital Expenditure Limits (Scotland) Regulations 2004  
These require that Councils “have regard” to the Prudential Code when determining “the maximum amount which a local authority can afford to allocate to capital expenditure”.
  - b) Local Government Investments (Scotland) Regulations 2010  
Scottish Government Finance Circular 5/2010 was issued under these Regulations and requires the approval of annual Investment Strategies and Permitted Investments by Members as well as an Annual Report on Investments to Members within 6 months of the financial year-end.
  - c) The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016  
Scottish Government Local Government Finance Circular 7/2016 was issued under these Regulations and replaced provisions for local authority borrowing, lending and loans funds that were in the Local Government (Scotland) Act 1975. The Circular includes requirements in relation to the prudent annual charging against the Revenue Budget for the cost of capital projects (Loan Charges) and permitted methods of calculating those charges.

Changes are being made to these Regulations from 1 April 2024 under which the maximum write-off period for these annual charges for individual projects will normally be 50 years and any changes to write-off periods for individual projects will no longer be able to be applied to prior years.

Other changes to the Regulations were proposed by the Scottish Government in November 2023 and included the removal or restriction of use of the annuity method for calculating these annual charges. These proposals have now been deferred for further

discussion with changes now being proposed from 1 April 2027 at the earliest.

- d) Scottish Government Local Government Finance Circular 7/2018  
This Guidance replaces a Finance Circular issued in 2007 that was issued under powers in the Local Government in Scotland Act 2003. The Guidance permits accounting adjustments for some types of treasury management activities, including where Councils have incurred premiums or received discounts when refinancing PWLB loans taken out by the Council.
  
- e) Scottish Government Local Government Finance Circular 10/2022  
This Guidance replaces a Finance Circular issued in 2010 that was issued to address accounting arrangements for PFI and similar arrangements. It allows a change to the accounting treatment whereby the cost of the PFI arrangement can be accounted for over the anticipated useful life of the asset rather than the contract life.

**Governance**

- 2.4 The Capital Expenditure budget is approved by the Council and monitored by the Policy & Resources Committee with oversight of individual projects by the Strategic Committees.
  
- 2.5 For Treasury Management, officers prepare a Treasury Management and Investment Strategy for each year (including Permitted Investments for the year, the Authorised Limit for External Debt, and the Treasury Management Policy Statement), a Mid-Year Report, and an Annual Report. These reports are submitted to the Policy & Resources Committee for review and for remission to the Full Council for formal approval, in line with the regulatory requirements above. Where the Council undertakes debt rescheduling, this is reported to the Policy & Resources Committee and the Full Council in line with agreed policy.
  
- 2.6 The cost of Treasury Management activity is included in the Revenue Budget and Budget reports to Committee as Loan Charges. Loan Charges are comprised of the annual charges for the write-off of the cost of capital projects over an appropriate period along with the interest and expenses costs from borrowing and the Treasury Management activities.
  
- 2.7 The Chief Financial Officer has delegated authority to make the necessary arrangements for authorised borrowing, the temporary investment of funds, and specified changes to the Treasury Management Practices. This authority is also delegated to each of the 3 Finance Managers where the Chief Finance Officer is absent (as approved by the Council on 30 November 2017). Treasury Management requirements are also included in the Council’s Financial Regulations.
  
- 2.8 The Treasury Management Practices (“TMPs”) is an operational document that is updated at least every 3 years and that set-out the main principles under the Treasury Management Code and how the Council will comply with those principles. The TMPs were last updated in February 2023.

**Risk**

- 2.9 Given the long timescales involved in capital investment and treasury decisions, risk is a fundamental consideration for consideration. Within the Capital Strategy, Appendix A summarises the main risks identified by officers whilst a separate analysis of Treasury Management & Investment risks is included in that document.



### 3.0 ASSET MANAGEMENT PLANS

- 3.1 A number of years ago the Council identified the need to align capital investment against the policy priorities of the Council. This resulted in the creation of a number of comprehensive Asset Management Plans (AMPs). The first Asset Management Plan related to the School Estate (the SEMP) which resulted in an ambitious and comprehensive new build and upgrade programme for the full School Estate. Thereafter asset plans were created in respect of the main leisure facilities, the roads assets, office and depot assets, ICT assets and most recently, open spaces.
- 3.2 Over the last 15 years the Council has undertaken a significant amount of work on Asset Management Planning and has used a combination of internal expertise and external peer review in their development. Once created the AMPs are embedded within the CDIPs and Capital Programme formulation process to ensure that there is a strong alignment between the Council's overarching Priorities and capital investment decisions.
- 3.3 The Asset Management Plans not only document and quantify all the assets held and their assessed condition but also create a sustainable investment plan which can then be factored into future years Capital Programmes. In addition the creation of the Asset Management Plan will lead to Members considering a whole estate investment approach which will potentially identify assets which the Council should no longer retain.
- 3.4 A significant benefit of having long term Asset Management Plans is that it allows longer term Capital Investment Plans for a minimum of the next five years but the capability to project this forward for a further period of time. This allows the Council to identify whether it's longer term Capital Investment Plans are affordable and sustainable and provides time for corrective action to be taken. The next part of this section provides an overview of the current position of the Asset Management Plans being progressed by the Council.

### 3.5 Net Zero

The Environment & Regeneration Committee of 28 October 2021 approved the Net Zero Strategy 2021-2045 which sets out Inverclyde Council's route map to achieving net zero greenhouse gas emissions by 2045. The Net Zero Action Plan 2022-2027 was approved at a special meeting of the Environment & Regeneration Committee on 30<sup>th</sup> November 2022 and this sought to capture and collate current activities that are funded from existing budgets and to also identify new actions which will require additional funding and/or resources. An allocation of £3.3m for 2023/26 was approved as part of the 2023/24 budget setting process to allow a focus on the following areas of activity:

- Reducing energy use in buildings through improved data collection, controls and targeted energy audits;
- Reducing energy demand in buildings through increased building based renewable generation;
- Introduction of low/zero carbon heating within smaller scale assets e.g. Early Years Establishments;
- Offsetting (insetting) via local peatland restoration projects;
- Fleet decarbonisation through car and light commercial vehicle transition to ULEV including expansion of charge point provision.

The Council has been successful in securing external funding support for a number of Net Zero related projects including £0.873m for two peatland restoration projects, work at Dowries farm has recently been completed with phase 1 of the 3 year Hardridge Farm project nearing completion. Funding support has also been secured from Museums Galleries Scotland and the Scottish Football Association for LED lighting projects at the Watt Institute and for floodlighting upgrades across pitches in Inverclyde.

In terms of the impact on existing assets, it is recognised that the 2045 targets for Net Zero will involve circa 80% of the buildings currently in use. Retrofitting the existing building stock is a colossal

challenge in transitioning the built environment to net zero. The sheer scale of the task has been expressed in UK wide studies which indicate that it would require one building being retrofitted every 35 seconds between 2020 and 2050 in the UK.

The current Net Zero Action Plan noted that actions towards the end of the initial five-year period include low / zero carbon heating for larger facilities such as primary schools with the current market and available technology limiting the options for heat decarbonisation. It also noted that any heat decarbonisation projects require to be considered in tandem with the action plan item dealing with feasibility studies on deep retrofit which will address the core building fabric performance and associated heat demand beyond the basic decarbonisation of the heating systems. Costs associated with retrofit and fabric upgrades are currently not included in the action plan and will be subject to further detailed feasibility studies and reports. To date there have been retrofit studies undertaken on two primary school buildings, two office buildings and one leisure estate asset with work in this area also being undertaken through a Net Zero Collaboration Group in partnership with hub West Scotland and Built Environment Smarter Transformation (BE-ST) to maximise knowledge sharing and pooling of resources in areas such as the retrofit challenge.

The Council has recently published its draft Local Heat and Energy Efficiency Strategy and associated Delivery Plan with public consultation on-going. The evolving legislation in the area of Net Zero including the on-going Scottish Government consultation on the Heat in Buildings Bill will affect the approach to achieving minimum energy efficiency standards and way we heat our homes, workplaces and other buildings.

There are significant technical, financial and operational considerations / barriers involved in the transition to net zero emissions for each and every retained building / asset. The capital costs will broadly be proportionate to the size / type of facility with smaller facilities at the lower end of the scale and with larger highly serviced / more complex facilities at the upper end.

### **3.6 School Estate Management Plan & Expansion of Early Learning & Childcare**

The Council has invested in excess of £270m on its school estate over the life of the School Estate Management Plan. The rationalisation of the estate was completed by the end of 2013. Over the period of the programme there has been a net reduction of 12 primary schools (from 32 to 20) and a net reduction of 2 secondary schools (from 8 to 6) with 2 of the remaining 6 secondary schools co-located within a shared community campus.

Significant progress has been made in addressing the number of Condition category C (Poor) and D (Bad) rated schools from 7 Secondary Schools and 21 Primary Schools at the start of the programme to all schools across all sectors rated A (Good) or B (Satisfactory) by 2016. In terms of Suitability there has also been significant progress made in ratings through the programme of comprehensive refurbishment and new build.

The plan prior to the COVID-19 lockdown would have seen all major projects completed in 2020 reflecting the approval of the acceleration of the School Estate Management Plan agreed as part of the budget setting process in March 2016. The St Mary's Primary School project was completed in October 2020 with completion of the final project at Gourock Primary School in December 2022 delayed due to the impact of a combination of the insolvency of the main contractor and COVID-19. The demolition of the last remaining decant facility, the former Sacred Heart Primary School, was completed in June 2022.

In addition to the projects taken forward and completed in 2014/15 to facilitate the Scottish Government commitment to the provision of 600 hours of Early Learning and Childcare, additional expenditure was approved in March 2016 to address works required to improve asset condition and suitability across the stand-alone facilities within the Early Years estate. The Council funded elements of the Early Years estate plan were completed with the final project to refurbish Hillend Children's Centre operational as of October 2021.

The increase in entitlement to early learning and childcare from 600 hours to 1140 hours required substantial levels of investment in workforce and infrastructure to support the expansion. Inverclyde Council submitted its initial expansion plan to the Scottish Government in September 2017 (October 2017 Education & Communities Committee) with a revised plan and financial template submitted in March 2018 (special Education & Communities Committee in June 2018). The Scottish Government confirmed a total Capital grant of £5.98m to Inverclyde Council as part of the overall 1140 hours funding for the infrastructure and capital funded elements of the expansion plan to be delivered between 2017/21. The original plan was phased from 2017/18 onwards to ensure that the required expanded capacity would be in place by 2020 however as a result of the impact of COVID-19, in April 2020 an order revoked the change to the 2014 Children and Young People's Act that requires education authorities to secure 1140 hours of ELC provision for all eligible children from August 2020. As a result of the progress already made within Inverclyde in the implementation of 1140 hours, it was possible to develop contingency plans to ensure that 1140 hours was still implemented across Inverclyde as of August 2020. All core 1140 hours expansion projects were completed with the final project for the new Larkfield Early Learning Centre operational as of November 2021.

The Scottish Government has previously confirmed capital funding allocations to support the phased expansion of free school meals to primary school children to be used to support initial investment in school infrastructure, including school catering and dining. The Education & Communities Committee approved the early adoption of Universal Free School Meals in Primary Schools across Inverclyde from August 2023. A programme of works across fourteen primary schools was delivered during June 2023 and over the summer holiday period to support the implementation.

The Education Capital programme includes a lifecycle fund designed to address maintaining the condition and suitability of the revitalised estate. The fund allocations are profiled such that the initial allocation of circa £0.4million in 2014/15 increased to £3m per annum. The lifecycle works address the on-going requirement for investment in the estate to maintain the overall condition of the assets at a good/satisfactory level. The allocation of this funding is based on annual review of the externally procured condition surveys and physical inspection of the various properties by the Council's Property Service. The most recent external condition surveys were undertaken via Aecom during 4<sup>th</sup> Quarter 2019 and are due for renewal in 2024. These surveys and Property Services assessment inform the allocation of future lifecycle funding across the estate and this is becoming increasingly important, particularly for the properties that were included early in the original programme.

A wider Learning Estate Review and strategy is now required to address the next 10+ years and future of the Learning Estate. Work has commenced on this in respect of roll projection analysis and assessment of the possible impacts of the new Local Development Plan and potential new housing provision. The strategy will require to consider the Condition of the estate from external surveys and Property Services reviews. A full review of all suitability surveys was completed in conjunction with Education Services and Heads of each establishment and this information was reflected in the 2021 Core Facts return. The strategy will also consider other works streams such as the 2021/28 Education Services Digital Learning Strategy. Energy efficiency and the implications of the Inverclyde Net Zero Strategy and associated 2022/27 Action Plan including the continued focus on adoption of a Net Zero Public Sector Buildings Standard and imminent legislation such as the Heat in Buildings Bill, will all have to be considered as far as practicable in future asset strategies.

The Council has undertaken a comprehensive assessment of its estate to identify the presence of Reinforced Aerated Autoclaved Concrete (RAAC). It has been confirmed that one school (St Michael's Primary School in Port Glasgow) has RAAC present and in line with industry guidance, a management strategy has been implemented. Options for permanent remediation are currently being investigated and will represent a funding pressure in the context of the available limited capital funding resources available for estate lifecycle investment.

### 3.7 Office AMP

The Council's Office rationalisation proposals were originally presented and approved in September 2010. Linked with this was the prior approval in March 2010 for the development of a Customer Service Centre within Greenock Municipal Buildings designed to transform the way the Council communicates with its customers. The programme was part of a wider programme to modernise the Council's operations and working practices which included initiatives such as mobile and flexible working, electronic document management (EDRMS) and greater use of technology. The Offices Asset Management Plan (AMP) was taken forward on the premise that fewer desks than employees would be provided with the final projects within the Offices AMP completed in Autumn/Winter 2017. The Office Rationalisation programme resulted in a reduction of circa 40% of occupied floor space and circa 28% in terms of desk numbers with an increased potential desk space ratio through more efficient use of space across the same number of retained properties.

With the completion of the Office rationalisation programme, the majority of the Council's Operational Office space is now contained within the Greenock Municipal Buildings Campus. This is comprised of the main Municipal Buildings (including the refurbished/renovated former District Court offices), the Wallace Place Building, the James Watt Building and Hector McNeil House. Property Services had undertaken studies across the Campus at the end of 2019, both internally and through external specialist space planning consultants, with a view to identifying where possibilities exist for more efficient use of space and to address improvements where existing space is less suitable for current use and/or in poorer condition. The challenges posed by COVID-19 necessitated a shift to different agile working delivery models including increased flexible, mobile and homeworking arrangements. As part of the COVID-19 Organisational Recovery Plan the Council reviewed its agile working and other key policies resulting in the development of a Hybrid Working Strategy which has now been embedded within a new Flexible Working Policy following the completion of a 12 month pilot. As part of the Council's Delivering Differently Programme, a New Ways of Working project has also been established to examine the changes to the ways offices are being used within and out with the Campus including changes in the use of technology and the potential for increased use of Electronic Document Management processes. The previously completed space studies are being revisited as part of this work stream to assess the potential property / ICT investment implications connected with new ways of working. This workstream has involved the mothballing of the James Watt building from early 2023/24 facilitated through minor works undertaken across various assets to enable the relocation of staff. The potential reduction in employees from savings exercises plus the announcement of the successful Levelling-up Funding bid which will impact the Hector McNeil House building are also key considerations in the New Ways of Working Project.

The future maintenance and lifecycle requirements of this element of the Council's estate strategy are contained / addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2.4m General Property Service capital allocation monitored through the Environment & Regeneration Committee.

### 3.8 Depot AMP

The Council's Depot rationalisation has involved the centralisation of Grounds, Waste and Transport at Pottery Street in Greenock with a Gourock Civic Amenity site and the Building Service Unit (BSU) workshop at Devol in Port Glasgow. The original Depot Asset Management Plan budget of £13m was reduced by £2.8m through a review of phasing and scope with the development of the masterplan and a refinement of the strategy / proposals. The majority of projects were completed by mid-2019 incorporating the phased works at Pottery Street including the salt barn, civic amenity site, vehicle maintenance facility / offices, fuel and vehicle wash facilities, and the refurbishment of the corner depot building / offices. The final element of the Depot AMP involving the Gourock Civic Amenity facility has been partially completed with the existing Kirn Drive Civic Amenity facility closed at the end of January 2022 and temporarily relocated to Craigmuschat Quarry. The demolition of the existing Kirn Drive Depot building and removal of fuel tanks was completed in June 2022. The future provision in Gourock was again considered as part of the recent budget setting process and

was not taken forward as a saving, with a requirement to now review the temporary provision at Craigmuschat.

**3.9 Leisure AMP**

The Council undertook a review of its key Leisure Sites prior to 2009 which included reports covering a review of strategic sites and a pitches strategy, with a view to modernisation and reconfiguration of leisure provision within Inverclyde. Consultation was also undertaken with SportsScotland who allocated £1m in facilities grants, part funding specific projects at Parklea and Ravenscraig. A planned investment profile was presented to Committee in September 2009 with an initial implementation timescale of August 2012.

Following the implementation of the original Leisure Strategy above, a number of further projects were taken forward (Ravenscraig Activity Centre / Inverclyde Indoor Bowling / Lady Octavia Sports Centre / Boglestone Community Centre) through joint Council / Inverclyde Leisure funded projects.

In 2018 the Council agreed to allocate £120,000 annually to supplement the funding in the Leisure Repairs and Renewals Fund to meet the life cycle costs associated with the large 3G Pitch estate. The on-going requirements for major maintenance and lifecycle replacement of sports pitches across the Leisure Estate are addressed through the Leisure Pitches Strategy Asset Management Plan and capital allocations monitored through the Education & Communities Committee. Condition surveys were undertaken via external specialists in late 2019 across the Leisure and School Estate pitches to inform a review of the Asset Management Plans and lifecycle replacement allowances. This information together with data on individual pitches hours of use from Inverclyde Leisure formed the basis of a revised asset plan which was approved by the September 2020 Education & Communities Committee. A programme of rejuvenation and carpet replacement works commenced in 4<sup>th</sup> Quarter 2020 with 5 full size leisure pitch and 5 school estate pitch/MUGA carpet replacements completed to date including minor rejuvenation works at Inverkip Community Hub and carpet replacement of 5-a-side carpets at Lady Octavia Sports Centre.

The major maintenance and lifecycle replacement requirements of the buildings for the Leisure Estate remains with the Council and this element of the Council's estate strategy is addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2.4m General Property Service capital allocation monitored through the Environment & Regeneration Committee. Minor day to day maintenance and 'consumables' are the responsibility of Inverclyde Leisure in accordance with the Service Level Agreement which regulates access, standards of maintenance and division of responsibilities. The allocations through this fund will be vital in the coming years to address significant elemental renewal of ageing assets.

As part of the Council's Delivering Differently Programme, the Council and Inverclyde Leisure completed a strategic review of all indoor, outdoor and community leisure facilities in Inverclyde. This activity was aligned with the 2023/25 Budget recognising the Inverclyde Leisure business model pressures such as shortfalls in income, increases in utilities, and other inflationary pressures such as pay. A report was submitted to the November 2022 Education and Communities Committee outlining proposals to reduce the funding pressure addressing a potential major reduction in the Inverclyde Leisure managed estate. The proposals were subject to public consultation and were considered as part of the previous budget setting process, however, no decisions in respect of a reduction in Leisure estate assets have been taken at this time.

**3.10 Roads AMP**

The Roads Asset Management Plan sets out the Council's strategy for maintaining the road network and its associated assets. Asset Management uses lifecycle planning to make best use of the available resources for the long term-term benefit of the asset. The Asset Management approach ensures an appropriate prioritisation of works in line with available budgets.

Classification - No Classification

Investment is allocated to prioritise the delivery of corporate objectives and to provide best value to Inverclyde Council and its customers. Asset Management provides a framework for this process by identifying and prioritising needs across the network. Lifecycle planning is used to minimise whole life costs to ensure efficient and effective use of resources.

Through the identified asset management plan, Inverclyde Council will make best use of available resources in maintaining its road network and associated infrastructure.

The Council approved a comprehensive Roads Asset Management Strategy (RAMS) which was then utilised to develop the Roads Asset Management Plan (RAMP) and funding model in August 2012. A total of £29m was proposed for the period April 2013 to March 2018 to improve the roads infrastructure – carriageways, footways, lighting columns and structures, this included road and pavement resurfacing works, an extensive road patching and pothole repairs programme, street lighting replacement works and improvements to bridges and roads structures.

Further to this investment, a second phase of RAMP funding was allocated to the value of £15m for the period April 2018 to March 2023. The latest RAMS 2024 - 2029 has been completed with an annual budget allocation of £2.75 million per year to continue with the prioritised capital network programme.

The RAMP has resulted in a reduction in the number of Inverclyde’s roads, footways, streetlights, and road structures which require costly ongoing defect repair treatments while providing increased future lifespan.

From the implementation of the RAMP in 2013 to present, the Road Condition Indicator (RCI) has significantly reduced, demonstrating that the planned investment is resulting in a significant improvement to the condition of Inverclyde’s road network.

During this time Inverclyde Council has received awards from The Association for Public Service Excellence (APSE) for the most improved performer in 2016 for Roads, Highways and Winter Maintenance and for Street Lighting in 2017 and again in 2019.

**3.11 Vehicle AMP**

The purpose of the Vehicle AMP is to provide the Council with an efficient, flexible method of procuring and operating fleet items that reflects good fleet management practice plus a cyclical replacement of fleet assets over a 7 year cycle taking advantage of public sector collaborative procurement frameworks. A review of the replacement policy will have been undertaken to reflect the budgetary position taking cognisance of the increased costs of vehicles, and requirement to move towards Ultra Low Emission Vehicles (ULEVs).

In addition it led to the introduction of a dedicated Fleet Management System and Fleet Tracking System. Without a fleet asset management plan the Council would experience a return to inefficient practices including increased fleet downtime, an increase in expensive ‘spot’ hire vehicles, a requirement to increase workshop staff levels and an increase in both material and sub-contractor costs. Looking to the future the Vehicle AMP will continue taking advantage of the latest technological advances both in terms of vehicle and management/telematics systems driving forward efficiencies within the fleet asset management plan.

The Council have previously taken advantage of bridge funding from Transport Scotland and technological advances allowing greater battery range has allowed a significant increase in the number of ULEVs on the Council fleet. In 2017/18 there were 4 pure electric ULEVs accounting for 8% of fleet vehicles within the car/people carrier and light van categories, increasing to 38 (76%) by 2020/21. Funding from the Councils Net Zero has contributed to the replacement of four ULEVs , The Council now have 34% of its fleet under 3500kg GVM as ULEV with plans to have 100% ULEV within this category by 2030. The Council will require to identify funding for replacement ULEVs to continue to comply with the Scottish Government target of ending the sale of new petrol or diesel

cars and light vans in Scotland by 2032. This will be considered as part of the Council's Net Zero Strategy.

The technology to further introduce ULEVs into the medium and heavy commercial fleet continues to develop quickly and the continued funding of the Vehicle AMP will allow the Council to take advantage of these new technologies when established. In conjunction with this, consideration will require to be given to significant infrastructure requirements given the power requirements to charge large commercial vehicles, particularly when being charged at the same time in one central hub such as the Pottery Street depot.

**3.12 Open Spaces AMP**

The Council has also developed an initial Open Space AMP which incorporates Burial Grounds and the Crematorium. The wide range and nature of the assets covered and legacy works required in some areas makes the preparation of a systematic and cyclical detailed AMP challenging. Focus has been on the maintenance of existing infrastructure.

In 2023/24 funding from the Nature Restoration Fund (NRF) has allowed the development of future "shovel ready" projects. Additional funding streams through the NRF will assist in developing larger schemes. A focus on naturalisation, tree growing and biodiverse rich projects will support the Council's Net Zero ambitions. Additional ongoing maintenance however will become an issue in later years with revenue pressures on facilities as they age,

Based on the information to date an annual capital sum of £200,000 is allocated for general lifecycle maintenance. In addition the Council will explore opportunities to attract external funding where possible.

Works on expanding the Burial Grounds provision at Knocknaisrhill and replacing the Council's cremators in 23/24 ensure some capacity within our Burial Grounds and Crematorium. However development work will be required in 2 to 3 years for further cemetery expansion.

**3.13 ICT Asset Plan**

The ICT Asset Management Programme intends to provide a modern ICT infrastructure providing the most appropriate level of equipment, at best value to the Council across all of Inverclyde Council's Offices and Schools. It aims to allow staff to undertake their roles and responsibilities in as efficient and flexible a manner as possible and provide teachers and pupils with modern and sustainable learning technologies. The ICT AMP has an annual budget of £0.534m, a reduction from £0.594k due to budget savings.

In line with the best practices for ICT Asset Management, the physical lifecycle of an ICT Asset has two distinct phases:

- Planning & Procurement
- Lifecycle & Disposal

The Council has adopted a policy of deploying laptops as the default device for officers and students unless there is a technological or configuration requirement that would require a desktop. ICT had implemented a four-year desktop and laptop refresh strategy and in 2023/24 phases 2 and 3 of the 4 phase School device refresh programme, following the corporate refresh completed in 2020/21 completed a full refresh across the corporate estate to allow for the introduction of Hybrid working.

In 2023/24 phase 2 of the refresh programme refreshed the remaining ICT/Business Studies suites in each high school. Phase 3 replaced devices in administration, libraries and other classroom environments. Phase 4 will replace primary school classroom and computer suite desktop PCs with laptops and trollies, a further 450 devices are scheduled to be purchased and deployed.

Classification - No Classification

Completion of phase 4 was scheduled to be completed in 204/25 but due to budget savings may extend into the following FY. The projected budget savings will reduce the number of devices to be replaced by approximately 115 devices and extend the refresh programme beyond the current 4 year cycle.

The total number of devices in the programme is 6219

	Desktop PCs	Notebook PCs	Tablet PCs	Total
<b>Schools</b>	1972	2458	45	4475
<b>Corporate</b>	256	1442	46	1744
<b>Total</b>	2228	3900	91	6219

The programme also includes provision for replacement of core ICT equipment such as network storage, servers and infrastructure and the procurement and implementation of other services to support Hybrid working such as videoconferencing equipment.

**3.14 Scheme of Assistance**

Section 72 of the Housing (Scotland) Act 2006 requires Local Authorities to prepare and make publicly available a statement which sets out the Council's approach to providing householders with advice and/or assistance on how to repair, improve, maintain or adapt their home. The 2006 Act paves the way for applications for assistance with adaptations to be treated separately from applications for assistance with repairs and includes a general duty to provide financial assistance to make a house suitable for a disabled person. All eligible adaptation works will receive a minimum of 80% grant assistance or, at the discretion of the Council, 100% grant can be awarded.

The provision of a Care and Repair/Small Repairs Service who assist eligible applicants with the grant process and progression of adaptation works. Care and Repair operate a small repairs service for plumbing, electrical, joinery and general household jobs. The services are available to homeowners and tenants in the private sector who are either disabled or are over 60 years of age.

Year	Number of Homes Adapted	Small Repairs Provided
15/16	174	1705
16/17	181	1587
17/18	171	1701
18/19	19	1582
19/20	169	1620
20/21	133	582
21/22	162	1818
22/23	128	1204

The number of adaptations increased in 21/22 after the pandemic. Number of adaptations 22/23 is lower than 21/22 due to the type of adaptation, rise in costs and availability of resources/materials. Number of small repairs is lower than 22/23 due to reduction in service, agreed through the contract.

It should be noted that the Scheme of Assistance budget was increased to £0.806m from 2023/24 to address inflationary pressures. Projected figures for 2023/24 are 135 adaptations and 750 small repairs, again being lower due to the reduction in service agreed through the contract, there is currently no evidence of unmet need.

**3.15 HSCP Asset Management**

In addition to the regular review of HSCP properties to identify opportunities for reconfiguration of services that support co-location, work has been undertaken across the NHS Greater Glasgow & Clyde area to develop a Primary Care Property Strategy which seeks to better understand the current utilisation of property and its suitability for existing and future service provision. This strategy



will assist with future business cases and inform board infrastructure investment decisions.

A number of shared service offices were addressed as part of the Offices Asset Management plan and consolidation within the Hector McNeil House building completed in 2014. Two further major HSCP projects were delivered with Scottish Government funding support, the Adult and Older People Complex Care Beds facility (Orchard View) opened in summer 2017, and the Greenock Health and Care Centre became operational in March 2021.

Further asset areas were addressed via the phased re-provisioning of Inverclyde's Children's Residential Services with one unit (Kylemore) completed in March 2013, a further unit (Cardross – 'the View') completed in January 2018, and the final unit (Crosshill) completed in October 2022 following delays experienced through a combination of the insolvency of the original main contractor and COVID-19.

The Strategic Review of Services for Adults with Learning Disabilities in Inverclyde was signed off by the Integration Joint Board in December 2016. As part of the Service redesign, a number of properties historically used by the service were decommissioned and flats at Lynedoch Street and Hope Street vacated and released back to the relevant Registered Social Landlords. Golf Road was vacated in June 2018 and the McPherson Centre decommissioned in September 2018 with full integration into the Fitzgerald Centre following work within the Fitzgerald Centre to upgrade personal care facilities, storage and sensory areas undertaken over summer 2018. The longer term plan remains for a new Inverclyde Community Hub with business case approved in February 2020. The progression of the project has been delayed through COVID and has also involved the approval of additional funding and a fundamental review of the design proposals to address the overall affordability of the project including the adoption of a low carbon design approach with the support of external grant funding through the Low Carbon Fund / Vacant and Derelict Land Investment Programme (VDLIP). The final re-tender exercise is due to be completed at the end of 1<sup>st</sup> Quarter 2024.

The homelessness service has implemented a change programme to drive forward a full-service redesign in response to recommendations made by The Homelessness and Rough Sleeping Action Group which includes the development of a Rapid Rehousing Transition Plan (RRTP). The rebranding of the service as a Housing Options and Homelessness Advice Service was a major milestone with the cross-sector partnership and early intervention involved in this approach fundamental to reducing the need for temporary accommodation by preventing homelessness. A review of the estate and accommodation requirements are an integral part of the ongoing change programme / service redesign.

Other specific property issues remain for Health & Social Care around the future of the Centre for Independent Living store, the continued lease of the Unpaid Work Unit at Kingston Industrial Estate and there is a need to review provision at the Wellpark Centre and the Hillend Centre.

Day to day investment in the HSCP buildings is funded from the general Property AMP but the funding for transformational change in service delivery requires to be funded elsewhere. For the Children's Units, funding came from a combination of prudential borrowing funded by service savings, reserves and core capital grant. The new Inverclyde Community Hub will also be funded largely by prudential borrowing.

The Scottish Government consulted on proposals for a National Care Service (NCS) to achieve changes to the system of community health and social care in Scotland. On 20th June 2022, the Scottish Government introduced the National Care Service (Scotland) Bill to the Scottish Parliament. Scottish Government propose to make amendments to the Bill at Stage 2, in response to evidence taken at Stage 1 and ongoing feedback from stakeholders as part of the Scottish Government's co-design programme. Several key changes were referred to in recent correspondence, including a move away from establishing 'Care Boards', in favour of reform of Integration Authorities. It remains the intention for Scottish Ministers to directly fund reformed integration authorities. It is unclear how this will affect the approach to asset management with the uncertainty impacting the ability to confidently make medium and long term decisions around future asset requirements.

**3.16 Coastal Assets**

Provision was made in the 2020/21 budget to address the progression of surveys and mapping of Council coastal assets i.e. sea walls and other coastal defence installations/structures to establish condition and any current/future capital project works required. A number of surveys have been undertaken through external specialist consultants with priority marine side remedial works at the Greenock Waterfront area currently on-going. Surveys of the Newark to Kelburn walkway were undertaken in first quarter 2023 with a condition report completed which identified a need for periodic reinspection, and that significant remedial works are likely to be required in the medium term to ensure the existing coastal walkway protection measures remain effective. A survey of the sea wall and defences at Gourrock Outdoor Pool was completed in October 2023 with condition report received and recommendations to follow. The work in this area will continue as part of the wider Corporate Asset Management strategy and activity and will be aligned with Coastal Change Adaptation activity. of available internal resources which are being prioritised on delivery of the wider capital programme. Coastal assets condition and effectiveness represent a funding pressure in the context of the available limited capital funding resources available for asset lifecycle investment.

**3.17 City Deal**

Although not a specific Asset Management Plan the Council does have major investment plans in relation to the Glasgow Region City Deal which has a £1.13 billion Capital Infrastructure investment programme covering the 8 Local Authorities in the Glasgow City region. Inverclyde Council currently has 3 projects in various stages of development with an estimated total Capital cost of £33.7million, £22million of which is funded through the City Deal investment and Council contribution with the balance funded by external partners. The past year has seen the Greenock Ocean Terminal project reach completion and open, the approval of the Outline Business Case for Inverkip and Inchgreen works complete in February 2024.

The Scottish and UK Government investment is due to be paid over a 20 year period ending in 2035. Due to the timing difference between the Council incurring expenditure by 2025 and the receipt of grant, the Council will require to finance the cashflow implications as well as loan charges in relation to the Council's projected £1.3 million contribution. The funding for this has been allowed for in the Council's recurring Revenue Budget and forms a specific appendix within the Financial Strategy.

**3.18 Levelling Up Fund**

Again, whilst not a specific Asset Management Plan the Council has recently received confirmation of £19.39m Levelling Up Fund grant towards a £21.6m project to redevelop Greenock Town Centre. The project will see the transformation of the town centre with demolition of the elevated A78 dual-carrageway along with Hector McNeill House and 40% of the existing Oak Mall retail centre resulting in easier access to the area for residents and visitors, with the resultant additional space having the potential for a new college campus, town centre housing and new cultural opportunities. The project continues to progress with design of the road, demolition plans, public realm plans and the creation of a new charity who are taking on the Glebe project. This project has clear implications for the Office and HSCP AMPs and is being considered within the overall New Ways of Working project.

**3.19 Greenock Towns Fund**

In September 2023, the UK Government Department for Levelling Up, Housing and Communities announced that Greenock was one of 7 areas in Scotland to be allocated funding for the UK government's Long Term Plan for Towns. Greenock will receive a 10-year endowment-style fund with £19.5million of funding split between Revenue (RDEL) of £4.6m and Capital (CDEL) of £14.9m support released over a 10 year period from 2024/25 to 2033/24, with a light touch assurance from DLUHC. Inverclyde Council has received £50,000 of capacity funding in 2023/24 paid as an RDEL grant and on establishment of a Town Board a further £200,000 in RDEL capacity funding will be released in April 2024. The Town Board must be set up by 1<sup>st</sup> April 2024 and will advise on how best to utilise the funding to support the Development of the Long Term Plan which requires to be submitted by 1<sup>st</sup> August 2024.

**4.0 THE CAPITAL PROGRAMME**

- 4.1 The Council traditionally approves a rolling three year Capital Programme each budget cycle. The February 2024 budget saw the approval of a 4 year Capital Programme covering 2024/28 which takes the programme to the end of the current Council.
- 4.2 Annual capital budget allocations are provided for investment in the core assets identified via the Asset Management Plans with these allocations intended to maintain the existing assets to acceptable standards. The allowances do not generally allow for expansion or replacement of existing assets which would normally be addressed through specific investment proposals.
- 4.3 The UK exit from the EU, the impact of COVID, increased global demand for materials and most recently the impact of the conflict in Ukraine had a significant impact on the delivery of the capital programme. These issues have inevitably led to both cost pressures and project delays. As a result a £4 million cost pressure allowance was included in the 2023/26 budget to help address these pressures. In addition a further £4.4million was allocated from Reserves to ensure the 2024/28 Capital Programme stayed within funding parameters.
- 4.4 Current annual allocations amount to £9.622m (see table below) This amount includes the reductions applied to ICT and Zero Waste as part of the 2024/28 Budget.

Recurring annual Grant Allocations:

ICT	£0.534m
Roads (RAMP)	£2.750m
Zero Waste Fund	£0.045m
Parks & Open Spaces	£0.200m
Property	£2.400m
Scheme of Assistance	£0.573m
Leisure Pitches	£0.120m
School Estate	£3.000m
Total Annual allocations	£9.622m

General Capital Grant in 2024/25 £5.782m

The Scottish Government spending review in 2021 confirmed the General Capital Grant will remain at the current level until at least 2025/26 and the latest projections from the Scottish Fiscal Commission indicate that in the medium term capital resources are expected to become even tighter. Officers have assumed a continuation of the current level of Capital Grant £5.75m to 2027/28. The General Capital Grant in 2024/25 then is approximately £3.8million short of the current allocations which in turn have been frozen at 2023/24 levels resulting in real terms funding reductions. The current Financial Strategy assumes that the Council will prudentially fund £1.5 million of capital investment annually to 2030/31 which will partially address this pressure for the next 6 years. The remaining shortfall of approximately £2.3m per year will require to be funded from either capital receipts, revenue reserves and prudential borrowing or reductions in the asset base.

- 4.5 Other investment includes the Vehicle Replacement Programme however this is funded via ongoing prudential borrowing and is not reliant on the General Capital Grant. In addition, specific investment proposals are considered either as part of the budget setting process or via reports to Strategic Committees. Any such proposals would require to be funded by way of prudential borrowing and/or one-off allocations from reserves.
- 4.6 In addition to the core capital grant the Council receives Specific Capital Grant awards from the Scottish Government plus can apply for grants from other bodies such as Strathclyde Passenger Transport and Sustrans.

- 4.7 The Council has undertaken a comprehensive assessment of its estate to identify the presence of Reinforced Aerated Autoclaved Concrete (RAAC). It has been confirmed that one school (St Michael’s Primary School, Port Glasgow) and one office (Princess Street House, Port Glasgow) have RAAC present and in line with industry guidance, a management strategy has been implemented. Options for the permanent remediation are currently being investigated and will represent a funding pressure in the context of the limited capital resources available for estate lifecycle investment. The Council continues to work in close partnership with the Scottish Government on this matter and to follow their guidance and that of other authoritative bodies.
- 4.8 In recognition of potential increase in resources or cost reductions the Council will overprovide by up to 5% against available resources. It needs to be borne in mind that if extra resources or cost reductions do not occur then savings will be required.
- 4.9 A summary of the proposed 2024/28 Capital Programme is shown below. This was approved by the Council in February 2024. The longer term affordability of the capital investment requirements are covered in more detail in section 6 of the Strategy.

**Proposed Capital Programme 2024/2028**

<u>Expenditure/Projects by Committee</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Totals</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Policy & Resources	0.876	1.675	0.895	0.534	3.980
Environment & Regeneration	12.112	18.308	8.090	7.840	46.350
School Estate	1.607	3.458	4.750	4.750	14.565
Education & Communities	0.513	0.557	0.251	0.120	1.441
HSCP	3.450	5.605	0	0	9.055
	18.558	29.603	13.986	13.244	75.391
 <u>Financed By</u>					
Government Grant	5.834	5.750	5.750	5.750	23.084
Sales/Contributions	0.315	0.315	0.315	0.315	1.260
Other Income	1.409	0	0	0	1.409
Revenue	6.169	3.544	2.564	2.433	14.710
Prudential Borrowing	4.357	8.593	2.714	2.464	18.128
Resources Carried Forward	13.547	0	0	0	13.547
	31.631	18.202	11.343	10.962	72.138
Shortfall in Resources					3.253
Recommended maximum overcommitment (5% of Resources)					3.607
Flexibility					(0.354)

**5.0 DEBT AND FIXED ASSETS**

- 5.1 One objective of the Capital Strategy is to demonstrate the sustainability and affordability of its capital expenditure and investment plans. Much of the affordability assessment depends on the Council’s Treasury Strategy. The period of the Treasury Strategy is currently four years and one positive development arising from the creation of a Capital Strategy will be to align the timescales for the Treasury Strategy, Investment Strategy and Capital Programme.
- 5.2 A key requirement of the Treasury Strategy is to set the Prudential Indicators which will determine limits around borrowing, investment and affordability and thereafter feeds directly into the Revenue Budget process. The Treasury Strategy is considered by the Policy & Resources Committee in March and thereafter the Council.
- 5.3 There are 3 distinct areas where it is important that the inter relationships are highlighted as these are at the heart of understanding the Council’s overall approach to capital investment and long term financial planning.

**Loan Charges/Loan Fund Debt** – Loan Charges records are the Council’s internal record of capital investment. Sums incurred are currently written down on annuity basis using the expected life span of the asset created/work carried out. The Loan Charges records allocate the capital incurred against the asset created/improved.

Loan Charges are an internal calculation and no money leaves the Council but it is Loan Charges which form the charge to the Revenue Budget as a proxy for depreciation.

**External Debt-** To fund capital works the Council will in many cases have to borrow funds. The traditional route for local government remains to borrow from the Public Works Loan Board (PWLb) but a significant amount of borrowing has also been carried out from other lenders and this is referred to as Market Debt. Interest is paid on these loans throughout the year and these costs form the basis of the calculation of the loan charges interest rate.

**Balance Sheet Fixed Assets** - As part of the statutory Annual Accounts the Council prepares a Balance Sheet and the largest sum within this is the value of assets held by the Council. Assets are revalued on a rolling basis every 5 years although adjustments can be made in the interim in the event of a material impact on the assets value. Depreciation is applied to the assets prior to inclusion on the Balance Sheet. Depreciation does not form part of the revenue budget and is reversed out of the accounts when calculating the Council’s available Usable Reserves.

The financial position of these three areas is explained further in the following paragraphs.

**5.4 Loan Fund Debt**

The Council has recently concluded a significant period of ambitious investment in the School Estate, Leisure Estate, Roads Assets plus the rationalisation of the Office and Depot Estate. This has seen a significant increase in the Council’s Loan Debt over the last ten years and projections indicate that the Loan debt will peak at approximately £230 million in 2026/27 but on the basis of limited prudential borrowing in future years the loan debt will reduce to around £176 million by 2033/34. Thereafter the debt gradually reduces and by 2043 there is only £99 million of the current debt outstanding. Given the current shortfall between Government Grant and annual capital requirements highlighted in section 4, it is likely that Prudential Borrowing and hence debt will need to substantially increase over this period with the resultant increase in pressure on the Council’s Revenue Budget.

**5.5 External Debt**

The Council’s external borrowing as at 28<sup>th</sup> February 2024 was:-

PWLB Debt	£106.4 million
LOBO Debt	£ 29.5 million
Market Debt	<u>£ 40.4 million</u>
	<u>£176.3 million</u>

The bulk of these loans are Maturity Loans i.e.: principal is due to be repaid at the point that the loan matures, with some £26.2 million of the PWLB Debt due to be repaid by 31<sup>st</sup> March 2034 after refinancing of short-term borrowing in 2023/24. Thereafter however there is a 21 year period where under £23 million is due to mature unless called in by the market lenders or the Council restructures its PWLB debt.

Taking 5.4 and 5.5 together then by 2038, on the basis of the Capital Expenditure plans outlined in this Strategy, the External Debt will exceed Loans Fund Debt. By 2044 the amount of External Debt would exceed Loan Charges Debt by £37 million if nothing else changes. However, given the significant gap between Scottish Government Capital Grant and basic investment requirements, officers do not believe that the above scenario will occur due to the Council’s requirement to increase the level of prudential borrowing significantly over the medium/longer term. .

**5.6 Balance Sheet Fixed Assets**

At the 31<sup>st</sup> March 2023 the Council owned property plant and equipment assets valued at £484.5million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £580.5million. This figure is significantly larger than the previous year due to the rolling valuation and indexation process which was carried out on assets during the year.

The average Asset Life Outstanding as at 31<sup>st</sup> March 2023 for the different category of assets is shown in the undernoted table. From this it can be seen that for the 3 main non-PPP asset categories, the average remaining life is approximately 21.8 years.

	Average	
	Asset Life	Asset Life Outstanding
AUC	58.33	54.67
Community Assets	36.83	28.83
Infrastructure	30.45	17.55
OLB	26.78	18.99
PPP	34.93	27.29
VPE	5.70	1.56

It should be noted that the Asset Life Outstanding is reviewed at each valuation and provided the Council is undertaking appropriate maintenance and investment then the life will be extended thus ensuring that Asset values continue to exceed Long Term Borrowing in the Balance Sheet. In tandem with this the Policy & Resources Committee approved a Loan Charges repayment Policy in 2019 which extended the write off period for some classes of capital work. The net effect has been to spread loan charge payments over a longer period.

5.7 On 16<sup>th</sup> February 2023 the Council approved the use of the flexibility offered under Finance Circular 10/2022 with regards the accounting treatment of Service Concession Arrangements, ie the Council’s Schools PPP contract, from 2023/24. This in effect extends the PPP debt from 30 years

Classification - No Classification

to 45 years, ie to 2053/54 with the asset life being amended accordingly. It should be noted that while this is reflected in the Asset Life above some components of the asset, such as Plant & Equipment, have a shorter life, resulting in a weighted average life for the PPP assets of 34.93 years, less than the 45 years noted.

- 5.8 In summary therefore, for the Council to maintain its considerable asset base, it will need to undertake capital investment over and above the projected Scottish Government Grant/Capital Receipts. This will require future borrowing whilst ensuring that the Council achieves a closer correlation between Loans Fund Debt and External Debt in the longer term. This will be achieved by ensuring that the majority of new borrowing from 2025 will be carried out for short to medium term periods i.e. up to 10-25 years.

## 6.0 LONGER TERM INVESTMENT PLANS

- 6.1 It can be seen from Section 4 of the Capital Strategy that it is unlikely that Government Grant and estimated Capital receipts will be sufficient to meet the required investment levels for the Council to maintain its current asset base. The current Financial Strategy assumes that the Council will prudentially fund £1.5 million of capital investment annually to 2030/31. Any prudential borrowing will need to be funded from savings delivered by the investment or revenue savings. This will require the Council takes a conscious decision to disinvest in certain assets, reduce the number of assets it holds or cut day to day services.
- 6.2 The current annual allocations make no allowance for the transition to Net Zero. An allocation of £3.3m has been approved for 2023/26 to allow a focus on reducing energy use in existing buildings, decarbonisation of the Council fleet and offsetting and the Council has been successful in attracting grants to assist with peatland restoration however there is no allowance for retrofitting the existing building stock. Such retrofitting will be technically and operationally challenging and will involve significant additional capital investment in the period to 2045, funding will require to be identified to address this.
- 6.3 It should be noted that this level of investment takes no account of inflation or any one off Capital investment requirements not included in the core life cycle maintenance allocations. Any such investment requirements will be flagged up in the relevant Asset Management Plans and following consideration as part of the normal governance processes would be factored into future Capital Strategy reports.
- 6.4 All the above indicates the unprecedented pressures on the Council's capital investment resources. These pressures are being contained at present via the use of one-off reserves and maintenance requirements being suppressed by the high levels of capital investment over the last 15 years. As assets created/refurbished at that time get older and investment requirements increase then the current asset base/ funding approach is simply unsustainable.
- 6.5 To begin to address this the Council has approved the creation of an Asset Management savings workstream to be progressed during 2024/25. Whilst this has a £400,000 net revenue savings target a secondary and potentially larger saving will be in future capital investment requirements. To achieve recurring savings of this order will require clear prioritisation and a longer term view from Elected Members informed by the Asset Management Plans developed to support this Strategy.
- 6.6 Appendices B and C show the impact of the level of capital investment on the Loan Charges earmarked reserve, loan charges and loan debt for the period to 2043/44. From Appendix C it can be seen that projected Loan Charges would drop by £1.1 million between 2024/25 and 2033/34 whilst over the same period the Loan Debt will drop by £43.7 million.
- 6.7 Despite the ongoing need for prudential borrowing the Council will see a reduction in the proportion of its Revenue Stream which is spent on servicing loan charges and also a significant reduction in the ratio of loan debt to Revenue Stream. From Appendix C it can be seen that the Loan Debt as a percentage of Revenue Stream drops by 19.8% over the 2024/34 period, whilst the % of the Revenue Stream spent on Loan Charges drops by 0.64% to 6.41%.



**7.0 CONCLUSIONS**

- 7.1 The Capital Strategy provides an opportunity for a number of related aspects of the Council’s overall finances to be pulled together into a summarised document. From this it can be seen that:
- a) The Council is well advanced in its Asset Management Plan preparation and delivery with major investment in all aspects of its asset estate over the last 15 years or more.
  - b) The Council keeps a long term view of its long term borrowing and funding and this informs the current Treasury Strategy.
  - c) The Council has a robust governance process via the Financial Regulations, Prudential Code, Risk Management and Budget Process to ensure that Asset Management Plans and the Capital Strategy are affordable in the medium to longer term.

The current proposals within the Capital Strategy are affordable and can be met from the current Loan Charges allocation without further cost to the Council Tax payer.

It should be noted however that, as can be seen in section 4, the current capital allocations are anticipated to be approximately £3.8m in excess of the annual capital grant going forward, while this has been addressed in the 4 year budget to 2027/28 in the longer term the shortfall will require to be funded from either capital receipts, revenue reserves and prudential borrowing or reductions in the asset base.

- 7.2 The Capital Strategy emphasises the need for the Council to take a long term view when taking decisions around Capital investment and specifically to ensure that investment plans are appropriate and financially sustainable in the longer term. The annual production and updating of the Capital Strategy allied to the Treasury Strategy, Capital Programme approval and Financial Strategy will all ensure that the Council are able to take Capital investment decisions in the knowledge of the long term implications.

The area of Treasury and Capital investment requires risks to be continually managed and monitored. Part of this is covered in the Governance Section (Section 2), however the following paragraphs list other risks and how the Council manages these. The risks are shown in bold with the mitigation in normal typeface.

**1/ The Capital Strategy does not reflect the objectives set out in other strategic plans of the Council.**

The Capital Strategy provides a high level overview of the various Asset Management Plans, Financial Strategy and Treasury Strategy all of which closely link to the plans the Council has signed up to. It is acknowledged that there will inevitably be other financial investment requirements over the next 20 years not quantified at this point in time however the Capital Strategy will be updated as further information becomes available regarding these strategic plans.

**2/ The Council does not have adequate funding to fully address the Net Zero Strategy**

The Net Zero Action Plan 2022-2027 collates existing activities and seeks to identify actions which will require additional funding/resources required to fully address the Net Zero Strategy 2021-2045. While funding has been allocated as part of the 2023/24 budget process to address the Action Plan no further funding is currently available to implement the Strategy. This will involve a significant level of investment over the period to 2045, funding for which will require to be in addition to current capital allocations and is currently not identified.

**3/ The directorate planning process will identify a range of additional budget pressures over and above those currently considered in this Financial Strategy.**

The Directorate Planning Guidance identifies that Committee Development Improvement Plans (CDIP) should reflect the resources allocated – the need for additional resources to achieve a particular priority should be specifically identified via the Council’s approved governance processes prior to the preparation of the CDIP.

**4/ Forecasts within the Capital Strategy are not accurately determined or reviewed on a regular basis.**

The Capital Strategy will set out the expected levels of expenditure and income for the future. The forecasts are arrived at through careful consideration of historic trends and current AMP investment levels plus advice on interest rates and borrowing costs from the Council’s Treasury Advisors.

Throughout the financial year, the Council regularly monitors its financial performance against its capital and treasury budgets and will revise projections and/or take action where necessary.

**5/ The Council has insufficient capital resources to sustain capital commitments.**

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. To support this process an Asset Management saving workstream has been approved to take place over 2024/26

Regular review of existing Asset Management Plans and Policy Priorities ensures that the Council’s investment plans remain affordable. The Council is in regular contact with its Treasury Advisors to identify opportunities to reduce Treasury costs within the parameters of the Prudential Indicators.

**6/ Given the major Global Economic uncertainty the Council is exposed to major fluctuations in the financial markets**

The Council’s Treasury and Investment Strategy supported by the associated Treasury Management Policies and Prudential Indicators provides a robust framework within which officers operate to ensure that the Council is not materially exposed to short term fluctuations in the financial markets.

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**Finance Strategy**  
**Loan Charges**

		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	2033/34 £'000
<b>Balance B/fwd</b>		1,645	2,013	2,235	2,609	2,814	1,924	1,111	765	630	600	940
Projected Loan Charges	a	17,734	17,370	16,818	17,087	17,282	17,305	16,938	16,827	16,722	16,352	16,279
Available Budget	b	16,902	16,592	16,192	16,292	16,392	16,492	16,592	16,692	16,692	16,692	16,692
Loan Charge Surplus/(Deficit)		(832)	(778)	(626)	(795)	(890)	(813)	(346)	(135)	(30)	340	413
Other Adjustments:												
Transfer from Reserves	c	1,200	1,000	1,000	1,000	0	0	0	0	0	0	0
		1,200	1,000	1,000	1,000	0	0	0	0	0	0	0
<b>Balance at Year End</b>		<b>2,013</b>	<b>2,235</b>	<b>2,609</b>	<b>2,814</b>	<b>1,924</b>	<b>1,111</b>	<b>765</b>	<b>630</b>	<b>600</b>	<b>940</b>	<b>1,353</b>
Interest Rate (Assumed):		4.40%	4.33%	3.98%	3.88%	3.77%	3.66%	3.64%	3.70%	3.75%	3.80%	3.90%

## Notes

Revised projections as at February 2024 and excludes Loan Charges relating to City Deal and Birkmyre Trust.  
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 to 2025/26.  
£100k annual cost increase from 2023/24 to reflect prudential borrowing of £1.5m to 2030/31 (June 2023 Finance Strategy).  
Projected principal repayments on new projects are calculated on annuity basis.
- b Adjustments to Available Budget:  
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 to 2030/31 (June 2023 Finance Strategy).  
Budget adjusted for £5k reduction in loan charges for Food Waste Collection saving.  
For 2024/25  
Budget reduced by £410k from 2024/25 onwards  
For 2025/26  
Budget reduced by £500k from 2025/26 onwards
- c £1.2m agreed December 2022  
£3m agreed December 2023, allocated £1m each year 2024/25 to 2026/27

**LONG TERM LOANS FUND PROJECTIONS BASED ON CAPITAL STRATEGY**

	Loans Fund Debt End of Year	Total Loan Charges	Assumed Interest Rate	Revenue Stream	% of Loans Fund Debt to Revenue Stream	% of Loan Charges to Revenue Stream
	£000	£000	£000	£000		
2024/25	219,673	17,384	4.33%	246,419	89.15%	7.05%
2025/26	226,175	16,832	3.98%	248,569	90.99%	6.77%
2026/27	229,551	17,089	3.88%	247,969	92.57%	6.89%
2027/28	225,646	17,282	3.77%	247,969	91.00%	6.97%
2028/29	218,128	17,305	3.66%	248,969	87.61%	6.95%
2029/30	210,657	16,938	3.64%	249,969	84.27%	6.78%
2030/31	203,152	16,827	3.70%	250,969	80.95%	6.70%
2031/32	194,048	16,722	3.75%	251,969	77.01%	6.64%
2032/33	185,070	16,352	3.80%	252,969	73.16%	6.46%
2033/34	176,009	16,279	3.90%	253,969	69.30%	6.41%
2034/35	166,686	16,457	4.06%	254,969	65.38%	6.45%
2035/36	157,203	16,467	4.19%	255,969	61.41%	6.43%
2036/37	148,878	15,242	4.40%	256,969	57.94%	5.93%
2037/38	140,834	14,803	4.54%	257,969	54.59%	5.74%
2038/39	132,744	14,667	4.67%	258,969	51.26%	5.66%
2039/40	124,541	14,761	4.94%	259,969	47.91%	5.68%
2040/41	116,084	15,008	5.26%	260,969	44.48%	5.75%
2041/42	107,503	15,139	5.65%	261,969	41.04%	5.78%
2042/43	98,812	15,023	5.89%	262,969	37.58%	5.71%
2043/44	90,196	14,910	6.37%	263,969	34.17%	5.65%

## Notes:

1. The Revenue Stream is an estimate of GRG/NDRI plus Council Tax.
2. The Total Loan Charges excludes cash flow interest charged for City Deal projects.
3. The % of Loan Charges to Revenue Stream above excludes debt charges on PPP assets and so is not comparable with the Ratio of Financing Costs to Net Revenue Stream included in the Treasury Strategy.



**Treasury Management Strategy**  
**and**  
**Annual Investment Strategy**  
**2024/25 – 2027/28**

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## 1.0 INTRODUCTION

- 1.1 CIPFA revised the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management in December 2021. Inverclyde Council have adopted the Code of Practice on Treasury Management and comply with the Prudential Code.
- 1.2 The Local Government in Scotland Act 2003 and supporting regulations (the Act) require the Council to 'have regard to' the CIPFA Prudential Code (the Prudential Code) and the CIPFA Code of Practice on Treasury Management (the Code) to set Prudential and Treasury Indicators for at least the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.3 The Act and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.4 It is a statutory requirement for the Council to produce a balanced budget. In particular, a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue are affordable within the projected income of the Council for the foreseeable future. The projected revenue impact of the 2024/28 Capital Programme was built into the approved 2024/25 Revenue Budget.

## 2.0 CAPITAL/TREASURY MANAGEMENT POSITION, PRUDENTIAL INDICATORS, TREASURY MANAGEMENT INDICATORS AND POLICY LIMITS

### Current Treasury Management Position

- 2.1 The Council's treasury management position at 28 February 2024 comprised:

	Principal		Average Rate
	£000	£000	
<b>DEBT</b>			
Fixed Rate funding	PWLB 106,378 LOBO 16,000 Market 40,000	162,378	4.18%
Variable Rate funding	PWLB 0 LOBO 13,500 Market 394	13,894	4.93%
		176,272	4.24%
Other Long-Term Liabilities (PPP)		53,256	---
<b>TOTAL DEBT</b>		<b>229,528</b>	
<b>INVESTMENTS</b>			
Call Accounts		5,290	5.15%
Notice Accounts		52	3.99%
Fixed Term Deposits		0	---
<b>TOTAL INVESTMENTS</b>		<b>5,342</b>	5.14%

The Investments above are for treasury management cash balances only and exclude non-cash balances treated as investments under Investment Regulation 31 (see Appendix 3 for categories).

**Capital Expenditure and Borrowing**

2.2 The Council's Gross Capital Expenditure is estimated as:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£000	£000	£000	£000	£000
Capital Programme (Excluding Levelling-Up Project)	22,952	23,451	28,916	20,096	13,134

2.3 The Council's borrowing requirement (which takes account of the estimated Capital Expenditure, borrowing maturing and requiring to be refinanced, estimated future Council investment balances and expenditure to be incurred from using the PPP Service Concession Arrangement flexibility) is as follows:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£000	£000	£000	£000	£000
New borrowing	0	10,000	19,000	6,000	0
Alternative financing arrangements	0	0	0	0	0
Replacement borrowing	34,500	12,500	22,000	0	0
<b>TOTAL</b>	<b>34,500</b>	<b>22,500</b>	<b>41,000</b>	<b>6,000</b>	<b>0</b>

2.4 The Capital Financing Requirement is the amount of capital expenditure to be funded from borrowing that has not yet been repaid by the Revenue Budget as part of the loan charges.

The Council's Gross External Debt compared to the Capital Financing Requirement as at each year-end (including the effect of the proposed borrowing in paragraph 2.3) is as follows:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£000	£000	£000	£000	£000
Capital Financing Requirement (CFR)	296,487	292,714	298,305	300,713	295,781
External Debt (Including PPP)	229,298	236,981	253,227	254,128	247,967
Under/(Over) Against CFR	67,189	55,733	45,078	46,585	47,814

The above table shows that the Council expects to be under borrowed each year. Under borrowing means that the Council is using cash it already has (e.g. in earmarked reserves and other balances) to cash flow capital expenditure rather than bringing in new funds from borrowing. The projected level of under borrowing is considered reasonable but the position is kept under review in light of Council capital financing and other funding requirements.

This report does not include the impact on borrowing/investments for the potential transfer of HSCP reserves held by the Council to the proposed National Care Service.



**Debt Limits**

2.5 The Council's Authorised Limit is a control on the maximum level of external debt whilst the Operational Boundary is a limit that external debt is not normally expected to exceed. It is proposed that the limits are:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>
<b>Authorised limit for external debt</b>	£000	£000	£000	£000	£000
Borrowing	222,000	243,000	248,000	252,000	255,000
Other Long-Term Liabilities (PPP)	56,000	54,000	51,000	49,000	46,000
<b>TOTAL</b>	<b>278,000</b>	<b>297,000</b>	<b>299,000</b>	<b>301,000</b>	<b>301,000</b>
<b>Operational boundary for external debt</b>	£000	£000	£000	£000	£000
Borrowing	207,000	228,000	233,000	237,000	240,000
Other Long-Term Liabilities (PPP)	56,000	54,000	51,000	49,000	46,000
<b>TOTAL</b>	<b>263,000</b>	<b>282,000</b>	<b>284,000</b>	<b>286,000</b>	<b>286,000</b>

Approval is being sought for the Authorised Limits for 2024/25 to 2027/28.

2.6 The Council sets limits on the maturity of fixed rate and variable rate borrowing for the coming financial year. The limits proposed for 2024/25 are:

<b>Maturity Structure</b>	<b>Fixed Rate</b>		<b>Variable Rate</b>	
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	45%	0%	35%	0%
12 months and within 24 months	45%	0%	35%	0%
24 months and within 5 years	45%	0%	35%	0%
5 years and within 10 years	45%	0%	35%	0%
10 years and within 30 years	45%	0%	35%	0%
30 years and within 50 years	45%	0%	35%	0%
50 years and within 70 years	45%	0%	35%	0%

The proposed limits are the same as set in 2023. They reflect the requirement that the Council's LOBO debt is treated based not on when the debt is due to mature but on when the lender could request an increase in the interest rate (when the Council could accept the increase or repay the debt).

2.7 The Council sets limits relating to the management of debt. The limits proposed are:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2023/24</b>
	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Projected Outturn at Year-End</b>
Maximum percentage of debt repayable in any year	25%	25%	25%	25%	22.70% (Repayable in 2077/78)
Maximum proportion of debt at variable rates	45%	45%	45%	45%	7.87%
Maximum percentage of debt restructured in any year	30%	30%	30%	30%	16.24%

The proposed limits are the same as set in 2023.

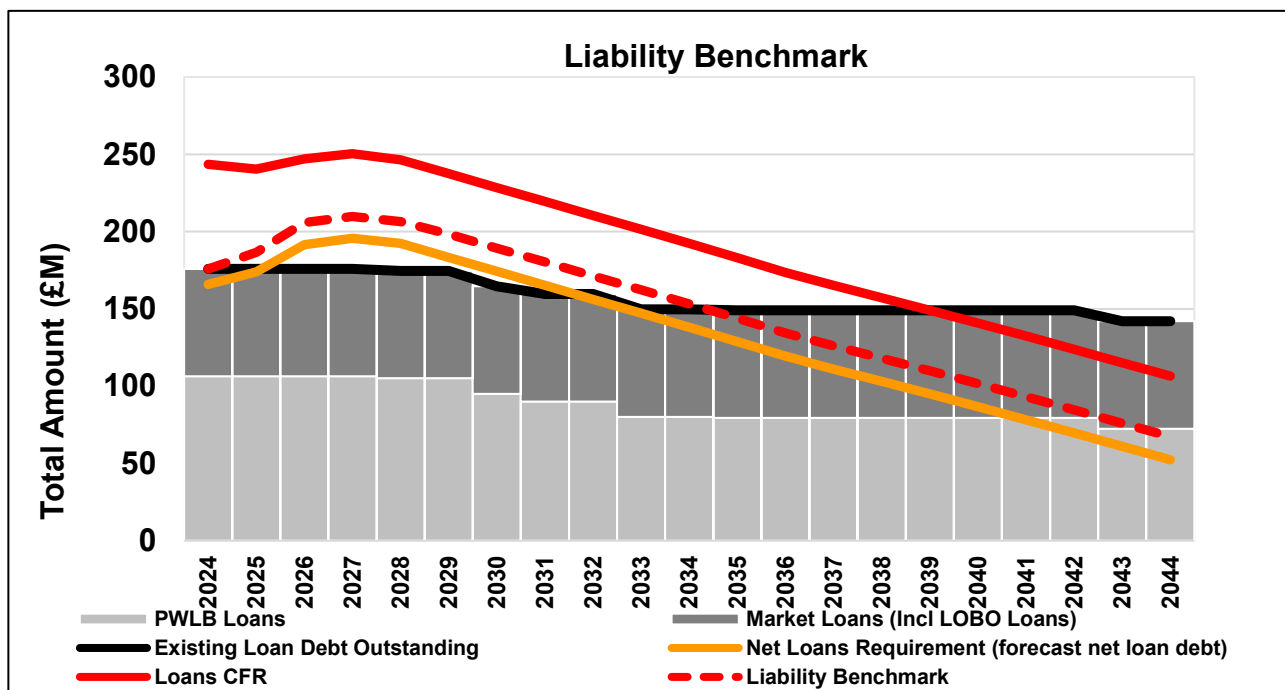
2.8 The Prudential Code requires that the Council states how interest rate exposure is managed and monitored:

All of the Council’s PWLB debt is currently at fixed rates. The LOBO and Market debt contains some debt at fixed rates, some small elements at variable rates and some (the LOBOs) where the rates can change (subject to the terms of the debt contract). The Council’s investments, which are all for less than 1 year, are all variable or regarded as variable under the treasury management rules.

These interest rate exposures are managed and monitored by the Council through management reports on treasury management that are received and reviewed by the Chief Financial Officer.

**Liability Benchmark**

2.9 The Liability Benchmark is a requirement in the revised Treasury Management Code. It is calculated from the Council’s treasury management debt less investments plus an amount for cash flow/liquidity requirements and is shown in the graph below (the dashed line) with the existing loan debt (PWLB and Market and LOBO Loans), the Loans CFR (Capital Financing Requirement excluding PPP), and the forecast net loan debt position.



The following points should be noted:

- a. The graph shows the current Liability Benchmark for 2023/24 plus 20 years (longer than the minimum recommended by CIPFA) but the Council’s treasury management debt runs beyond that period.
- b. The graph includes the impact of the current position plus the approved capital programme (including prudential borrowing) which covers the years up to 2027/28. It does not include any projected additional borrowing or requirement beyond that (albeit that borrowing may well be required depending on plans at the time).
- c. Where loans outstanding are currently projected to be less than the Liability Benchmark above, this indicates a borrowing requirement where the Council is underborrowed and exposed to interest rate, liquidity and refinancing risks. Where loans outstanding are projected to be greater than the Liability Benchmark, this indicates a borrowing requirement where the Council is overborrowed and exposed to credit and reinvestment risks and a possible cost of carry due to different debt and investment interest rates.

**Affordability**

2.10 In relation to affordability, the ratio of financing costs (including for PPP) to the Council's net revenue stream is estimated as:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Ratio of financing costs (including PPP) to net revenue stream	8.98%	8.19%	8.45%	8.71%	8.85%

The latest Local Government Benchmarking Framework data is for 2022/23 and shows Inverclyde's percentage of 9.65% as the highest in Scotland, having been the second highest for 2021/22.

The Council's financing costs are affordable and fully funded from the Council's Revenue Budget and reflect the costs of the significant capital programme works and improvements undertaken by the Council on the School Estate and other assets.

2.11 The ratio of net debt to the Council's net revenue stream is estimated as:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Ratio of net debt (debt and PPP less investments) to net revenue stream	94.5%	91.1%	96.1%	96.8%	94.3%

2.12 The ratio of net income from commercial and service investments to the Council's net revenue stream (a new requirement from 2023/24) is estimated as NIL, as follows:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Projected</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Ratio of net income from commercial and service investments to net revenue stream	0.00%	0.00%	0.00%	0.00%	0.00%

**Investments**

2.13 The Council's estimated investments position (after the proposed borrowing in paragraph 2.3) is shown in Appendix B and includes transactions treated as investments under the Investment Regulations. Included in Appendix B (as Cash balances managed in house) are the following estimated Bank Deposits:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Cash balances managed in house</b>	£000	£000	£000	£000
1 April	10,000	12,555	14,360	14,093
31 March	12,555	14,360	14,093	14,095
Change in year	2,555	1,805	(267)	2

2.14 The Council sets upper limits for the total investments invested for over 365 days. The proposed limits are as follows:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>	<b>Limit</b>
Upper limit for total principal sums invested for over 365 days	£000 10,000	£000 10,000	£000 10,000	£000 10,000	£000 10,000

The Council has not entered into any investments of more than 365 days during the year to date and does not expect to do so during the remainder of the year.

### Accounting Changes – Leases

- 2.15 As of 31 March 2024, the accounting treatment of operating leases is planned to change and the value of those leases must be added to the Council's debt and assets. The values for the leases are being determined to comply with the changes to the accounting treatment. Any impact on the indicators and limits above will be included in future reports on Treasury Management activities.

## 3.0 PROPOSED TREASURY STRATEGY AND INVESTMENT STRATEGY

### Interest Rate Forecasts

- 3.1 The Council has appointed Link Treasury Services Limited as treasury advisers with part of their service being to assist the Council to formulate a view on interest rates. Link's latest interest rate forecasts (as at 5 February 2024) are:

As At	Bank Rate	Investment Rates			PWLB Borrowing Rates			
		3 month	6 month	1 year	5 year	10 year	25 year	50 year
	%	%	%	%	%	%	%	%
March 2024	5.25	5.30	5.20	5.00	4.50	4.70	5.20	5.00
June 2024	↓	↓	5.10	4.90	4.40	4.50	5.10	4.90
Sept 2024	4.75	4.80	4.60	4.40	4.30	4.40	4.90	4.70
Dec 2024	4.25	4.30	4.10	3.90	4.20	4.30	4.80	4.60
March 2025	3.75	3.80	3.70	3.60	4.10	4.20	4.60	4.40
June 2025	3.25	3.30	3.30	3.20	4.00	4.10	4.40	4.20
Sept 2025	3.00	3.00	3.10	3.10	3.80	4.00	4.30	4.10
Dec 2025	↓	↓	↓	↓	3.70	3.90	4.20	4.00
March 2026	↓	↓	↓	↓	3.60	3.80	↓	↓
June 2026	↓	↓	↓	↓	↓	3.70	4.10	3.90
Sept 2026	↓	↓	↓	↓	3.50	↓	↓	↓
Dec 2026	↓	↓	↓	3.20	↓	↓	↓	↓
March 2027	↓	↓	↓	↓	↓	↓	↓	↓

- 3.2 The UK Bank rate of 5.25% set in August 2023 saw the eleventh increase in a row at the Monetary Policy Committee meetings from May 2022. As shown above, the forecast is for rates to start to fall in the second half of 2024 through to September 2025 and remain steady thereafter at 3.00%.

### Treasury Strategy – Borrowing

- 3.3 The proposed borrowing is as shown in paragraph 2.3 whilst the proposed authorised limit for 2024/25 is shown in paragraph 2.5.

The replacement borrowing in 2023/24 was largely due to LOBO loans being repaid either due to the lender wanting to increase the loan rate under the contract so giving the Council the chance to repay without paying a premium or, in one case, a lender just allowing repayment without a premium. As shown above, PWLB rates are forecast to fall and so the borrowing in 2023/24 has been for short periods to allow the Council to refinance in 2024/25 and 2025/26 when rates are expected to be lower.

- 3.4 Any borrowing will depend on an assessment by the Chief Financial Officer based on the Council's requirements and financial position, adopting a cautious but pragmatic approach and after seeking advice and interest rate/economic forecasts from the Council's treasury advisers.

Any borrowing undertaken will be reported to the Policy & Resources Committee.

### 3.5 Policy on Borrowing in Advance of Need

The Council does not and will not borrow more than its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- Consider the definition of such borrowing within the Code on the Investment of Money By Scottish Local Authorities
- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- Ensure the ongoing revenue liabilities created, and the implications for the future plans and for the budgets have been considered
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- Consider the merits and demerits of alternative forms of funding
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- Consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk and other risks and the level of such risks given the controls in place to minimise them.

The maximum extent to which borrowing in advance would be undertaken by this Council is the borrowing requirement identified in paragraph 2.3 above for 2024/2028.

### **Treasury Strategy - Debt Rescheduling**

- 3.6 PWLB-to-PWLB debt restructuring would normally give rise to large premiums unless, as has been the case since the autumn of 2022, rates increased to levels at which some loans could be repaid either for low premiums payable by the Council or discounts receivable by the Council.
- 3.7 As short-term borrowing rates are expected to be cheaper than longer term rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short-term nature and the likely cost of refinancing those short-term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.
- 3.8 The Council is more likely to look at making savings by running down investment balances as short-term rates on investments are expected to continue to be around or lower than the rates paid on the debt currently held (albeit that the differential is expected to be lower than for some years).
- 3.9 The reasons for any rescheduling to take place will include:
- The generation of cash savings and/or discounted cash flow savings but at minimum risk;
  - Helping to fulfil the strategy outlined above; and
- Enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).
- 3.10 Any debt rescheduling will be reported to the Policy & Resources Committee and the Full Council and will be within the Treasury Policy Limits.

## **Investments – Policies/Strategy**

### 3.11 Investment Policy

The Council will have regard to the Local Government Investment (Scotland) Regulations 2010 and accompanying finance circular and the revised CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (“the CIPFA TM Code”). The Council’s investment priorities are:

- (a) The security of capital  
and
- (b) The liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity (i.e. Council’s investment priorities for treasury investments will consider security then liquidity and then yield/return). The risk appetite of this Council is low in order to give priority to the security of its investments.

3.12 The Treasury Management code revised in December 2021 requires that “The organisation’s credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation’s ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.”

3.13 The policy agreed in 2023 for ESG considerations is as follows:

“This Council will seek to bring ESG (environmental, social and governance) factors into the decision-making process for investments.

For short term investments with counterparties, this Council utilises the ratings provided by Fitch, Moody’s and Standard & Poor’s to assess creditworthiness, which include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.”

3.14 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

3.15 Counterparty limits will be as set through the Council’s Treasury Management Practices.

3.16 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### 3.17 Permitted Investment Types

There are many investment instruments that the Council could use, each having different features and risks.

The list of investment instruments proposed for possible use by the Council (including those for the Common Good Fund) and for which Council approval is being sought are listed in Appendix A along with details of the risks from each type of investment.

The list of proposed investments reflects a low risk appetite and approach to investments by the Council.

**There are no changes to the proposed Permitted Investments from those agreed in 2023.**

3.18 Creditworthiness Policy

The Council's proposed Creditworthiness Policy for 2024/25, as follows, is unchanged from that agreed in 2023.

3.19 The Council uses the creditworthiness service provided by Link Treasury Services Limited. This service uses a sophisticated modelling approach using credit ratings from the three main rating agencies - Fitch, Moody's, and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies (indicating the likelihood of ratings changes for a counterparty or the expected direction of ratings for a counterparty)
- Credit Default Swap ("CDS") spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries.

3.20 This modelling approach combines credit ratings, credit watches and credit outlooks in a risk weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments.

The approach is reviewed by Link as required in light of banking system and regulatory changes e.g. as happened with the reduction in importance of support ratings for individual banks due to the removal of implied government support to banks.

3.21 The Council will use counterparties within the following durational bands and with the following limits per counterparty (bands and limits as set through the Council's Treasury Management Practices):

Colour Category	Maximum Period for Individual Investments	Current Limit for Total Investments with Individual Counterparty
Purple	2 Years	£15m
Blue (Nationalised or Semi-Nationalised UK Banks)	1 Year	£15m
Orange	1 Year	£15m
Red	6 Months	£15m
Green	100 Days	£10m
No Colour	Not To Be Used	£NIL

The maximum period for individual investments with the Council's own bankers will be as in accordance with the above table whilst the limit for total investments with them will be £50m or as agreed by Committee or Full Council. The limit for any other group of counterparties will be £30m or as agreed by Committee or Full Council.

Members should note that these are the maximum periods for which any investment with a counterparty meeting the criteria would take place but subject to the Council's policy on Permitted Investments and instruments.

3.22 The Link creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of Short-Term rating of F1 and a Long-Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

Classification : Official

- 3.23 All credit ratings are monitored on an ongoing basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
  - In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. The Council also uses (where available) market data, market information and information on external support for banks.

- 3.24 It is proposed that the Council will only use approved counterparties:
- a. from the UK
  - or
  - b. from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if not issued by Fitch).

Countries currently meeting this criterion (as at 23 February 2024) include Australia, Canada, France, Germany, Sweden, the USA, and the UK.

- 3.25 Investment Strategy  
Appendix B includes forecasts of investment balances.

- 3.26 The Bank Rate was increased from 5.00% to 5.25% in August 2023, the eleventh increase in a row at the Monetary Policy Committee meetings. Link's forecast is for the rate to start to fall in the second half of 2024 through to September 2025 and remain steady thereafter at 3.00%. Their Bank Rate forecasts for financial year ends (March) are as follows:
- 2024/25 3.75%
  - 2025/26 3.00%
  - 2026/27 3.00%.

- 3.27 Link advise that, for 2024/25, clients should budget for an investment return of 4.55% on investments placed during the financial year for periods of up to 100 days.

- 3.28 The Council uses an investment benchmark to assess the performance of its investments. The benchmark being used is the 3-month SONIA compounded interest rate. This replaced LIBID rates which, for all periods, stopped being produced at the end of 2021.

- 3.29 The Council will avoid locking into longer term deals unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this Council.

#### **Policy on Use of External Service Providers**

- 3.30 The Council uses Link Treasury Services Limited as its external treasury management advisers and uses the services of brokers for investment deals as required.

- 3.31 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon external service providers. All decisions will be undertaken with regards to all available information including, but not solely, the treasury advisers.

- 3.32 The Council also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.



**Policy on Scrutiny, Monitoring and Change of Investment Policies and Practices**

- 3.33 The Treasury Management Practices (TMPs) of the Council set out the operational policies and procedures in place to implement the treasury management strategy and the principles set out in the treasury management policy statement. They are intended to minimise the risk to the capital sum of investments and for optimising the return on the funds consistent with those risks.
- 3.34 The TMPs are kept under review, with a full revision every 3 years. The TMPs were updated in February 2023 to include issues required by the revised Code.
- 3.35 Investment Management Practices (IMPs) were prepared in February 2023 as required by the revised Treasury Management Code.
- 3.36 A copy of the TMPs and the IMPs may be obtained from Finance Services.

**Training for Members**

- 3.37 The last training session on Treasury Management was held for Members on 6 September 2022.

**4.0 LOANS FUND ADVANCES**

- 4.1 Where capital expenditure is funded by borrowing (referred to as loans fund advances), the debt financing costs are paid from the Revenue Budget as loan charges comprised of the repayment of debt and interest and expenses costs on the borrowing.
- 4.2 The Council is required to set out its policy for the repayment of loans fund advances from options set by the Scottish Government:
  - a. For loans fund advances made before 1 April 2016 the policy will be to maintain the practice of previous years and use the Statutory Method with annual principal repayments being calculated using the annuity method.
  - b. The annuity method is also being used for loans fund advances made after 1 April 2016. In applying the annuity method to new advances in any year, the interest rate used in the annuity calculation will be the Council’s loans fund pool rate for the year (including expenses) as rounded up to the nearest 0.01%.

The Scottish Government issued a consultation paper in November 2023 which included a proposal to remove or greatly restrict the use of the annuity method from 1 April 2024. The proposals have been deferred for further discussion with any changes now being proposed from 1 April 2027 at the earliest.

- 4.3 As part of the 2024/26 Revenue Budget as approved by Full Council on 29 February 2024, the Council approved a change to the write-off periods for new build schools and Childrens’ Homes that resulted in a one-off saving as at 31 March 2024 along with a recurring saving from 2024/25, as included in the 31 March balances below.
- 4.4 The outstanding loans fund advances (representing capital expenditure still to be repaid from the Revenue Budget) are:

	2022/23	2023/24	2024/25
	Actual	Projected	Estimated
	£000	£000	£000
Balance As At 1 April	226,749	223,816	222,586
Add: One-off Change to Write-off Periods	0	3,387	0
Add: Advances For The Year	5,251	3,080	4,730
Less: Repayments For The Year	8,184	7,697	7,644
Balance As At 31 March	223,816	222,586	219,672

Classification : Official

4.4 For the projected loans fund advances outstanding as at 31 March 2024, the liability to make future repayments (excluding debt interest and expenses) is as follows:

	£000
Year 1	7,644
Years 2-5	30,950
Years 6-10	38,291
Years 11-15	35,346
Years 16-20	32,976
Years 21-25	29,798
Years 26-30	25,909
Years 31-35	12,946
Years 36-40	4,560
Years 41-45	1,288
Years 46-50	1,183
Years 51-55	642
Years 56-60	76
Years 61-65	66
Years 66-70	79
Years 71-75	96
Years 76-80	116
Years 81-85	140
Years 86-90	169
Years 91-95	204
Years 96-100	107
TOTAL	222,586

**PERMITTED INVESTMENTS  
AND RISKS/CONTROLS/OBJECTIVES FOR EACH TYPE OF PERMITTED INVESTMENT**

The Council approves the following forms of investment instrument for use as Permitted Investments:

	<b>Minimum Credit Criteria</b>	<b>Liquidity Risk</b>	<b>Market Risk</b>	<b>Max % of Total Investments</b>	<b>Max. Maturity Period</b>
<b>Deposits</b>					
Debt Management Agency Deposit Facility (DMADF)	---	Term	No	Unlimited	6 Months
Term Deposits – Local Authorities	---	Term	No	80%	2 Years
Call Accounts – Banks and Building Societies	Link Colour Category GREEN	Instant	No	Unlimited	Call Facility
Notice Accounts – Banks and Building Societies	Link Colour Category GREEN	Notice Period	No	80%	6 Months
Term Deposits – Banks and Building Societies	Link Colour Category GREEN	Term	No	95%	2 Years
<b>Deposits With Counterparties Currently In Receipt of Government Support / Ownership</b>					
Call Accounts – UK Nationalised/ Part-Nationalised Banks	Link Colour Category BLUE	Instant	No	Unlimited	Call Facility
Notice Accounts – UK Nationalised/ Part-Nationalised Banks	Link Colour Category BLUE	Notice Period	No	80%	6 Months
Term Deposits – UK Nationalised/ Part-Nationalised Banks	Link Colour Category BLUE	Term	No	95%	1 Year
<b>Securities</b>					
Certificates of Deposit – Banks and Building Societies	Link Colour Category GREEN	See Note 1 Below	See Note 1 Below	80%	2 Years
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)</b>					
Money Market Funds (CNAV or LVNAV)	AAAmmf with Fitch or equivalent with Moody's/ Standard & Poor's	See Note 2 Below	See Note 2 Below	50%	Call Facility

Notes:

1. The Liquidity Risk on a Certificate of Deposit is for the Term of the Deposit (if the Certificate is held to maturity) or the Next Banking Day (if sold prior to maturity). There is no Market Risk if the Certificate is held to maturity, only if the Certificate is sold prior to maturity (with an implied assumption that markets will not freeze up and so there will be a ready buyer).
2. The objective of Money Market Funds is to maintain the value of assets but such Funds hold assets that can vary in value. The credit ratings agencies, however, require the unit values to vary by almost zero. CNAV funds are Public Debt Constant Net Asset Value funds whilst LVNAV funds are Low Volatility Net Asset Value funds. There are also Variable Net Asset Value funds (VNAV) but these are not to be included as Permitted Investments.

Investments will only be made with banks/building societies that do not have a credit rating in their own right where the Council's treasury advisers have confirmed that any obligations of that bank/building society are guaranteed by another bank/building society with suitable ratings.

The Council will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). Countries currently meeting this criterion include Australia, Canada, France, Germany, Sweden, the USA, and the UK.

**Non-Treasury Investments**

In addition to the table of treasury investments above, the definition of "investments" under the Investment Regulations includes the following items that the Council approves as Permitted Investments:

	<b>Minimum Credit Criteria</b>	<b>Liquidity Risk</b>	<b>Market Risk</b>	<b>Max % of Total Investments</b>	<b>Max. Maturity Period</b>
<b>Non-Treasury Investments</b>					
(a) Share holding, unit holding and bond holding, including those in a local authority owned company	Assessment would be made of company in which any holding was to be made	Period of holding	Yes	10%	Unlimited
(b) Loans to a local authority company or other entity formed by a local authority to deliver services	Assessment would be made of company or entity to which any loan was to be made	Period of loan	No	20%	Unlimited
(c) Loans made to third parties	Assessment would be made of third party to which any loan was to be made	Period of loan	No	25%	Unlimited
(d) Investment property	Assessment would be made of property to be held as investment property	Period of holding	Yes	10%	Unlimited

In relation to the above, Members should note that the Council is unlikely to become involved with category (a), will have loans under category (b) (to Inverclyde Leisure), will have loans to third parties under category (c) arising from decisions on such loans made by the Council, and may have investment property under category (d) should there be a reclassification, due to accounting rules, of individual properties held by the Council.

Independent and expert advice and scrutiny arrangements will be put in place for non-Treasury Investments where required and the powers under which new non-Treasury Investments are proposed will be determined as part of the process for proposing and agreeing such investments.

### **Permitted Investments – Common Good**

The Common Good Fund's permitted investments are approved as follows:

	<b>Minimum Credit Criteria</b>	<b>Liquidity Risk</b>	<b>Market Risk</b>	<b>Max % of Total Investments</b>	<b>Max. Maturity Period</b>
Funds deposited with Inverclyde Council	---	Instant	No	Unlimited	Unlimited
Share holding, unit holding and bond holding, including those in a local authority owned company	Assessment would be made of company in which any holding was to be made	Period of holding	Yes	10%	Unlimited
Investment property	Assessment would be made of property to be held as investment property	Period of holding	Yes	95%	Unlimited

### **Treasury Risks Arising From Permitted Instruments**

All of the investment instruments in the above tables are subject to the following risks:

1. **Credit and counter-party risk**

This is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the Council particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA-rated organisations have the highest, relative, level of creditworthiness.

2. **Liquidity risk**

This is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. The column in the above tables headed as 'market risk' show each investment instrument as being instant access, notice period i.e. money is available after the notice period (although it may also be available without notice but with a loss of interest), or term i.e. money is locked in until an agreed maturity date.

3. **Market risk**

This is the risk that, through adverse market fluctuations in the value of the principal sums that the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long term increase in value.

4. **Interest rate risk**

This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Prudential Indicators and Treasury Management Indicators in this report.

5. **Legal and regulatory risk**

This is the risk that the Council, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

The risk exposure of various types of investment instrument can be summarised as:

- low risk = low rate of return
- higher risk = higher rate of return.

For liquidity, the position can be summarised as:

- high liquidity = low return
- low liquidity = higher returns.

**Controls on Treasury Risks**

1. **Credit and counter-party risk**

This Council has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes.

2. **Liquidity risk**

This Council undertakes cash flow forecasting to enable it to determine how long investments can be made for and how much can be invested.

3. **Market risk**

The only investment instruments that the Council has agreed as Permitted Investments and that can have market risk are Certificates of Deposit. Although they have a market value that fluctuates, the market risk does not arise if the Certificates are retained until maturity - only if they were traded prior to maturity if the need arose.

4. **Interest rate risk**

This Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or, alternatively, seeks to minimise expenditure on interest costs on borrowing.

5. **Legal and regulatory risk**

This Council will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.

**Unlimited Investments**

Investment Regulation 24 states that an investment can be shown in the above Permitted Investments tables as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment. However, it also requires that an explanation must be given for using that category.

The authority has given the following types of investment an unlimited category:

1. **Debt Management Agency Deposit Facility (DMADF)**

This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury i.e. the UK Government's credit rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government-issued treasury bills or gilts.

2. High Credit Worthiness Banks and Building Societies

See paragraphs 3.18 to 3.24 for an explanation of this authority's definition of high credit worthiness. While an unlimited amount of the investment portfolio may be put into banks and building societies with high credit worthiness, the authority will seek to ensure diversification of its portfolio with the following limits:

- Limit for any single institution (except Council's bankers): £15m
- Limit for Council's bankers: £50m (or as approved by the Council or Committee)
- Limit for any one group of counterparties: £30m (£50m or as approved by the Council or Committee for the group including the Council's bankers).

3. Funds Deposited with Inverclyde Council (for Common Good funds)

This has been included so that, under the Permitted Investments, all funds belonging to the Common Good can be deposited with Inverclyde Council (and receive interest from the Council) rather than requiring the Common Good funds to be invested under separate Treasury Management arrangements.

**Objectives of Each Type of Investment Instrument**

Investment Regulation 25 requires an explanation of the objectives of every type of investment instrument which an authority approves as being 'permitted':

1. Deposits

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date, or until the end of an agreed notice period, or is held at call.

a) Debt Management Agency Deposit Facility (DMADF)

This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. It is, however, very useful for authorities whose overriding priority is the avoidance of risk. The longest term deposit that can be made with the DMADF is 6 months.

b) Term deposits with high credit worthiness banks and building societies

See paragraphs 3.18 to 3.24 for an explanation of this authority's definition of high credit worthiness. This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The Council will seek to ensure diversification of its portfolio of deposits as practicable and as explained above. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.

c) Notice accounts with high credit worthiness banks and building societies

The objectives are as for 1.b) above but there is access to cash after the agreed notice period (and sometimes access without giving notice but with loss of interest). This can mean accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit.

d) Call accounts with high credit worthiness banks and building societies

The objectives are as for 1.b) above but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.

2. Deposits With Counterparties Currently In Receipt of Government Support/Ownership

These institutions offer another dimension of creditworthiness in terms of Government backing through either direct (partial or full) ownership or the banking support package. The view of this Council is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view even if the UK sovereign rating were to be downgraded in the coming year.

  - a) Term deposits, notice accounts and call accounts with high credit worthiness banks which are fully or semi nationalised

As for 1.b), 1.c) and 1.d) above but Government ownership implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This Council considers that this indicates a low and acceptable level of residual risk.
3. Securities
  - a) Certificates of Deposit

These are shorter term negotiable instruments issued by deposit taking institutions (mainly banks) so they can be sold ahead of maturity if the need arises. However, that liquidity (and flexibility) comes at a price so the interest rate on a Certificate of Deposit is less than placing a Term Deposit with the same bank.
4. Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)
  - a) Money Market Funds (MMFs)

By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or risk appetite to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60-day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.
5. Non-Treasury Investments
  - a) Share holding, unit holding and bond holding, including those in a local authority owned company

The objectives for the holding of shares, units, or bonds (including those in a local authority owned company) will vary depending on whether the Council wishes to undertake actual investments in the market or has the holding as a result of a previous decision relating to the management or provision of Council services. This Council will not undertake investments in the market in shares, units, or bonds but may, if required, hold shares, units, or bonds arising from any decisions taken by the Council in relation to the management or provision of Council services.
  - b) Loans to a local authority company or other entity formed by a local authority to deliver services

Having established a company or other entity to deliver services, a local authority may wish to provide loan funding to assist the company or entity. Any such loan funding would be provided only after consideration of the reasons for the loan, the repayment period for the loan, and the likelihood that the loan would be able to be repaid by the company or entity. Such loan funding would be provided from Council Revenue Reserves rather than from borrowing.



c) Loans made to third parties

Such loans could be provided for a variety of reasons such as economic development or to assist local voluntary groups. Any such loan funding would be provided only after consideration of the reasons for the loan, the repayment period for the loan, and the likelihood that the loan would be able to be repaid by the third party concerned.

d) Investment property

An investment in property would give the Council exposure to risks such as market risk (movements in property prices), maintenance costs, tenants not paying their rent, leasing issues, etc. This Council does not currently undertake investments involving property but may have investment property should there be a reclassification, due to accounting rules, of individual properties held by the Council.

**FORECASTS OF INVESTMENT BALANCES**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments for the next three years, in line with the time frame of the Council's capital investment programme. The following forecasts are for the next four years:

INVESTMENT FORECASTS	Purpose Of Investment	2024/25	2025/26	2026/27	2027/28
		Estimate	Estimate	Estimate	Estimate
		£000	£000	£000	£000
<b>Cash balances managed in house</b>	Treasury				
1 April		10,000	12,555	14,360	14,093
31 March		12,555	14,360	14,093	14,095
Change in year		2,555	1,805	(267)	2
Average daily cash balances		11,278	13,458	14,227	14,094
<b>Holdings of shares, bonds, units (includes authority owned company)</b>	Service				
1 April		2	2	2	2
Purchases		0	0	0	0
Sales		0	0	0	0
31 March		2	2	2	2
<b>Loans to local authority company or other entity to deliver services (Inverclyde Leisure)</b>	Service				
1 April		260	211	161	109
Advances		0	0	0	0
Repayments		49	50	52	54
31 March		211	161	109	55
<b>Loans made to third parties</b>	Service				
1 April		93	68	53	50
Advances		0	0	0	0
Repayments		25	15	3	0
31 March		68	53	50	50
<b>Investment properties</b>	Commercial				
1 April		0	0	0	0
Purchases		0	0	0	0
Sales		0	0	0	0
31 March		0	0	0	0
<b>TOTAL OF ALL INVESTMENTS</b>					
1 April		10,355	12,836	14,576	14,254
31 March		12,836	14,576	14,254	14,202
Change in year		2,481	1,740	(322)	(52)

The movements in the forecast investment balances shown above are due largely to ongoing treasury management activity in accordance with the Council's treasury management strategy or, for loans made to third parties, in accordance with Council decisions made in respect of such loans.

All of the Council's cash balances are managed in-house with no funds managed by external fund managers.

The "holdings of shares, bonds, units (includes authority owned company)" are unredeemable bonds that have been held by the Common Good Fund for many years. Given their nature, they have been shown as being for Service Purposes rather than for Commercial Purposes.

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Head of Organisational Development, Policy &amp; Communications</b>	<b>Report No:</b>	<b>PR/15/24/RB/MR</b>
<b>Contact Officer:</b>	<b>Morna Rae</b>	<b>Contact No:</b>	<b>01475 712923</b>
<b>Subject:</b>	<b>People and Organisational Development Strategy 2024 – 2027</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to advise the Policy and Resources Committee of progress made against the 2020-23 People and Organisational Development Strategy and seek approval of the 5<sup>th</sup> edition of the strategy for 2024-27.
- 1.3 The actions and priorities within the People and Organisational Development Strategy 2020-2023 have been progressed over the period, with corresponding updates presented to Committee. An overview of key areas of completed work is noted in para 3.2 below. The delivery of the strategy has supported the Council in having an engaged, motivated, trained and qualified workforce to deliver on its work through a very challenging period.
- 1.4 The 2024-27 strategy has been developed in conjunction with stakeholders and sets out a number of key workforce and organisational development priorities across the following four themes:-
- Organisational Development (Planning for the Future)
  - Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)
  - Employer of Choice (Continuous Improvement)
  - Fairness & Equality (Promoting Equality, Dignity & Respect)

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Policy and Resources Committee
- notes the progress made in relation to the 2020-23 strategy, and
  - approves the 5th edition of the strategy for 2024-27.

**Morna Rae**  
**Head of Organisational Development,**  
**Policy & Communications**

### 3.0 BACKGROUND AND CONTEXT

- 3.1 Inverclyde Council formally introduced an Organisational Development Strategy in 2009. Since then the Council has continued to give Organisational Development (OD) a prominent role, with the People and Organisational Development Strategy guiding its implementation across the Council. The lifespan of our fourth strategy is about to end and this report seeks the approval of a refreshed and revised strategy for the period 2024-2027.
- 3.2 The 2020-23 People and Organisational Development Strategy contained a wide range of actions which were completed, with delivery coordinated by the Workforce Development Group. Updates on key developments were also provided to CMT and Committee. In addition to a range of ongoing activity such as (i) close partnership working with trade unions, (ii) use of recruitment fairs to attract staff, and (iii) the redesign and re-evaluation of jobs making the remit and salary more attractive, some specific examples along with impacts include:

Initiative	Impact
Undertaking the Workforce Refresh programme to attract new employees into the Council from the local community	<p>This approach received recognition in the 2023 Association for Public Service Excellence awards.</p> <p>It resulted in applications from those aged under 30 increasing by 496 and an extra 94 young workers employed within the Council.</p> <p>All of those newly employed through the programme were Inverclyde residents and 20% were previously unemployed.</p>
Supporting equality and diversity across the Council workforce in terms of gender, age, disability and other protected characteristics. For example through the Staff Disability Forum, Disability Confident Scheme (DCS) at Level Three, and the Modern Apprenticeship Programme.	<p>Increasing percentages of employees are willing to share information on their disability, ethnicity or sexual orientation for the analysis of demographics.</p> <p>In terms of age diversity, since 2019-20 the number of Modern Apprentices has more than doubled.</p> <p>The Employee Survey shows a steady increasing trend in relation to agreement with the statement <i>Inverclyde Council accepts and supports equality and diversity</i>.</p>
Undertaking the hybrid working pilot	<p>The 2022 Employee Survey reported benefits of hybrid working including 53% of responders having a better work life balance, and 34% being less distracted by working at home. 93% of those working on a hybrid basis said that they had adjusted well to the change.</p> <p>Hybrid working is an option consolidated in the updated Flexible Working Policy.</p>
Promotion of employee recognition schemes such as the Pride of Inverclyde Awards	<p>A successful 2023 event was held to recognise employee achievements, with plans underway for the 2024 awards. It provided an opportunity to showcase the work and dedication of employees.</p>
Development of a new approach to performance appraisals	<p>“Positive Conversations” has been developed and recently launched. Informal feedback to date has been very positive.</p>

Development of an internal coaching / mentoring programme for managers	The mentoring programme was developed and initiated in early 2024 with a wide range of mentors and mentees engaged in the programme.
Conducting an employee survey	The 2022 Employee Survey was carried out, with the highest response rate since its implementation. The results have fed into a range of initiatives including the new People and Organisational Development Strategy. There have been ongoing positive trends over the employee surveys in relation to statements such as : <ul style="list-style-type: none"> <li>• Inverclyde Council is open and honest with its employees</li> <li>• Inverclyde Council is a caring and supportive employer</li> <li>• I receive regular recognition or praise for doing good work</li> <li>• My manager keeps me informed about what is happening in the Council</li> <li>• Management decisions are effectively communicated to me</li> </ul>
Implementation of health and wellbeing initiatives and roll out of new Occupational Health provision	Sickness absence days per employee (non-teacher) 2022-23 were 11.3 days. This is against a Scotland figure of 13.2 days. Inverclyde ranks 6 out of 32 local authority areas with the lowest figure in our Local Government Benchmarking Framework “family group”.  Sickness absence days per teacher for 2022-23 were 6.8. This is the same as the national figure. Inverclyde ranks 16 out of 32 local authority areas, with a mid ranking in our “family group”.
Promotion of flexible working options and the creation of an updated Flexible Working Policy.	Between 2020/21 and 2021/22, the number of employees who submitted a request to work flexibly rose by more than two thirds.
Developing the approach to corporate induction	A face to face corporate induction session for new employees was piloted for 6 months. Of the 69 attendees 99% agreed that they learned something new about the Council. All participants stated that they understand how their work contributes to the aims of the Council Plan, and they understand what is expected of them as a Council employee and what they can expect of the Council as an employer.  The corporate induction session is now being mainstreamed.

3.3 The main purpose of the strategy is to ensure that the Council can continue to deliver its core objectives, with an engaged and motivated workforce in a climate of financial and resource constraints, alongside increased service delivery demands. As well as recognising that we require a strong workforce to deliver across all Council Plan themes it has a particular focus on the outcomes of “High quality and innovative services are provided, giving value for money” and “Our employees are supported and developed”.

3.4 Stakeholder engagement on this latest version of the strategy has included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service

Managers and feedback from the Employee Opinion Survey. Consultation on the development of this strategy has also taken place with the Trade Unions, the Women’s and Staff Disability Forums and the Workforce Planning and Development Group which has representation from all Directorates of the Council. It is also informed by the Workforce Information Activity Report (WIAR), which provides statistical analysis.

- 3.5 The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the themes of Organisational Development; Employee Skills Development, Leadership, Succession Planning; Employer of Choice and Fairness & Equality. These themes will be supported by key HR Policies and an action plan which will be developed in consultation with services and Trade Unions to ensure it supports the delivery and achievement of key service priorities and outcomes. The Council’s Workforce Planning & Development group will contribute to the development and monitoring of the key components and actions of the plan. It will ensure greater awareness of specific initiatives and plans and also inform policy development. Progress reports will also be brought to the Corporate Management Team with updates on key developments also provided to Committee.
- 3.6 The draft People and Organisational Development Strategy 2024-2027 is provided at Appendix 1 for Committee approval.

**4.0 PROPOSALS**

- 4.1 It is recommended that the Policy and Resources Committee
  - notes the progress made in relation to the 2020-23 strategy, and
  - approves the 5<sup>th</sup> edition of the strategy for 2024-27.

**5.0 IMPLICATIONS**

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
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**

No additional costs have been identified with the delivery of actions within the strategy to be achieved within service budgets.

One off Costs

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

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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 legal or risk implications arising from this report.

### 5.4 Human Resources

This strategy supports the training and development of employees.

### 5.5 Strategic

The strategy supports a skilled and engaged workforce to deliver across all Council Plan themes and has a particular focus on the outcomes of “High quality and innovative services are provided, giving value for money” and “Our employees are supported and developed”.

### 5.6 Equalities, Fairer Scotland Duty & Children/Young People

#### (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 and will be made available on the Council website: <a href="https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments">https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments</a>
	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: Provide reasons why the report has been assessed as not relevant.

(c) 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.

**6.0 CONSULTATION**

6.1 Consultation has been undertaken with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the Employee Opinion Survey. Consultation on the development of this strategy has also taken place with the Trade Unions, the Women's and Staff Disability Forums and the Workforce Planning and Development Group which has representation from all Directorates of the Council.

**7.0 BACKGROUND PAPERS**

7.1 None.



*Organisational Development, Policy & Communications*

**Inverclyde Council  
People and Organisational Development  
Strategy  
2024 - 2027**

## 1 Introduction

The people who deliver public services in Inverclyde are at the heart of what we aim to achieve in our Council Plan. The expertise, energy and creativity of the workforce will be essential if we are to succeed in pursuing our ambitious and wide ranging agenda aimed at improving public services. As well as recognising that we require a skilled and engaged workforce to deliver across all Council Plan themes it has a particular focus on the outcomes of “High quality and innovative services are provided, giving value for money” and “Our employees are supported and developed”.

This is the fifth Inverclyde Council Organisational Development Strategy and covers the period 2024–2027. Stakeholder engagement on this plan has included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the Employee Opinion Survey. Consultation on the development of this strategy has also taken place with the Trade Unions, the Women’s and Staff Disability Forums and the Workforce Planning and Development Group which has representation from all Directorates of the Council. It is also informed by the Workforce Information Activity Report (WIAR), which provides statistical analysis.

The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the following four key themes:-

- Organisational Development (Planning for the Future)
- Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)
- Employer of Choice (Continuous Improvement)
- Fairness & Equality (Promoting Equality, Dignity & Respect)

## 2. Strategy Rationale and Context

In seeking to build the workforce we need to deliver today and transform for the future the strategy takes account of key challenges and opportunities we face.

There are increasing service delivery pressures upon the Council driven by economic constraints and demographic demands. We understand that our local population levels are decreasing, so there are less people living in Inverclyde that we can draw from to become our workforce. In addition the concentration of older population is increasing, which will place increased demands on Council services.

There are significant challenges in recruitment across some sectors of the workforce. As well as national shortages in some skillsets there is competition in relation to other local authorities as well as the private sector. The increase in automation and technological solutions means many jobs now require increased digital skills. Upskilling and re skilling the current workforce is therefore essential, as is attracting and retaining new employees with strong digital skills.

The ways in which people work and feel about their work has changed following the pandemic. Research suggests that an increasing number of workers view work as transactional, and feel confident about their ability to find a new posts and seek increasing work-life balance. Employers must meet increasing expectations for practices that support diversity and inclusion, flexibility in working practice, mental wellbeing, and opportunities for career progression. Consequently adapting to the expectations and needs of the workforce has become increasingly important for employee attraction and retention.

The increasing cost of living has put further strain on many local people including our workforce. Nationally this has led to a greater focus on pay and conditions and a growing Fair Work agenda in Scotland.

How we use our physical estate is under review. Net Zero ambitions and the costs of running numerous buildings underpin discussions on estate rationalisation. Our workforce will therefore be expected to work within different physical settings in the future.

All of these factors drive a requirement to innovate and work more effectively and efficiently. Inverclyde Council must strengthen how it attracts and retains employees in an increasingly competitive labour market with increased demands for career development and flexible working practices.

### 3. Key Themes

#### 1. Organisational Development (Planning for the Future)

**Aims:**

- Excellence in people & performance management and organisational design, and
- To identify current and future workforce challenges and solutions.

**We will do this by:**

- Developing appraisal approaches;
- Improving workforce data availability and reporting;
- Improving recruitment and appointment processes;
- Improving absence management, and
- Assessing our pay and grading structure.

**What success looks like:**

- Maximisation of employee performance;
- Resources are deployed in the right areas, and
- Efficient and effective structures are in place across the Council.

#### 2. Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)

**Aims:**

- Employees are sufficiently trained, qualified and experienced and
- Our leaders are developed to lead, motivate and inspire to deliver quality services which meet service demands.

**We will do this by:**

- Developing learning and development programmes;
- Responding to the training needs across the Council;
- Strengthening employee induction, and
- Supporting delivery of service workforce delivery plans.

**What success looks like:**

- The skills and abilities of our employees match the needs determined by our changing service demands, and
- Leaders feel empowered and have opportunities to innovate.

### 3. Employer of Choice (Continuous Improvement)

#### Aims:

- Reputation as an employer of choice with as innovative and modern employment practices and
- Future employees are attracted and existing employees retained by promoting Inverclyde Council as a great place to live and work

#### We will do this by:

- Development of employee benefits package;
- Implementing approaches to improve the physical, mental and financial wellbeing of our employees;
- Improving communication and engagement channels with employees;
- Reviewing our Conditions of Service;
- Promoting flexible working opportunities, and
- Strengthening succession planning.

#### What success looks like:

- Positive employee engagement and satisfaction levels, and improved employee retention, and
- Reduced challenges in recruitment.

### 4. Fairness & Equality (Promoting Equality, Dignity & Respect)

#### Aims:

- Our employees, customers and partners are treated fairly and with respect at all times, and
- Positive promotion of culture of equality, dignity and respect.

#### We will do this by:

- Improved equality data collection, analysis and reporting;
- Strengthened approaches to equality impact assessments;
- Partnership working with trade unions;
- Implementation of trauma informed approaches, and
- Maintenance of Disability Confident Leader status.

#### What success looks like:

- Our workforce is diverse with fair opportunities for all, and
- Employees and customers report positive experiences in engaging with the Council.

## 4. Delivery and Monitoring

These themes will be supported by key Human Resource and Organisational Development policies and an action plan. The Council’s cross Service Workforce Planning & Development group will contribute to the development and monitoring of the key components and actions of the plan. It will ensure greater awareness of specific initiatives and plans and inform policy development. Six monthly progress reports will also be brought to the Corporate Management Team with updates on key developments also provided to Committee.

Alongside monitoring progress against actions a wide range of statistical information in relation to employees is analysed and reported. The Workforce Information and Activity Report contains analysis of attendance and performance appraisals, training activity, employee demographics and health and safety activity. The Inverclyde Council Equality Mainstreaming Report sets out provides information on the Protected Characteristics of the Council’s employees, Pay Gap 2020/21 and 2021/22 details relating to Disability, Ethnicity and Gender, together with the Council’s Equal Pay Statement. Inverclyde Council conducts an Employee Survey every three years to better understand the views of employees.

<b>Statistical Report</b>	<b>Reported To</b>	<b>Frequency</b>
Workforce Information and Activity Report	Heads of Service and Directors	Quarterly
	Corporate Management Team	Annually
	Policy and Resources Committee	Annually
Inverclyde Council Equality Mainstreaming Report	Corporate Management Team	Two years
	Policy and Resources Committee	Two years
Internal HR and OD process statistics	Relevant illustrative performance indicators will be included in the six monthly reporting to the CMT.	Six monthly

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Executive</b>	<b>Report No:</b>	<b>PR/17/24/LL/AM</b>
<b>Contact Officer:</b>	<b>Allan MacDonald</b>	<b>Contact No:</b>	<b>01475 712710</b>
<b>Subject:</b>	<b>Update on the Digital Modernisation Programme and Delivery of the ICT and Digital Strategies</b>		

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## 1.0 PURPOSE AND SUMMARY

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to update the Committee on the work of the Council's Digital Modernisation Programme. This report notes the progress in procurement with several suppliers being engaged, procurement actions being completed, and project initiation meetings being completed.
- 1.3 It reports the progress on appointing an additional Project Officer and the further submission of requests for support from services to progress applications via the Project Board Earmarked Reserve.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the update on the work of the Digital Modernisation Programme, and the projects within it.
- 2.2 It is recommended that the Committee approves the proposed upgrade to Chris21, the use of the Digital Modernisation EMR for project costs including support from another Local Authority and a temporary post to manage and support the project.
- 2.3 It is recommended that the Committee note the update on the work of the Council's ICT Service.

**Louise Long**  
**Chief Executive**

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 At its meeting on 21 March 2023, the Committee noted the creation of a Digital Modernisation Project Board (DMPB), chaired by the Chief Executive, to oversee delivery of the Council's Digital Modernisation Programme. The DMPB meets bi-monthly, and includes representation from the 3 Directorates plus ICT, Legal, Finance and HR, its purpose being to provide support and challenge and ensure that momentum is maintained in the delivery of individual digital modernisation projects. The Digital Modernisation Programme is intended to comprise projects of a more tactical nature that seek to implement digital improvements aligned to specific service requirements, but also aligned to wider strategic objectives.
- 3.2 Linked to this, as part of the approval of the Council's Revenue Budget for 2023/24, on 2 March 2023, it was agreed that £1M of reserves be utilised towards digital modernisation. Specifically, it was agreed that these reserves are to fund investment in digital modernisation within the Council, including increased officer capacity, to improve both internal service processes/efficiency and access to services for the public, with the use of the reserves to be as agreed by the Committee. As reported to the Committee in August 2023, this fund has been consolidated with other reserves and now totals £1.25 million.
- 3.3 In considering the projects that might be included in the Digital Modernisation Programme, relevant service areas will need to prepare business cases, supported by the ICT Team, which would then require approval from the DPMB/Corporate Management Team, and it will also be a requirement that the business cases can demonstrate the following:-
- That there is full service area support for the project, with a commitment to make suitable officer resources available;
  - That the project will support delivery of the Council's wider strategic objectives, including the Council Plan, the Council's Digital Strategy, the Council's ICT strategy and the New Ways of Working Programme;
  - That the project will improve regulatory compliance in respect of information governance;
  - That the project has a clear timescale for delivery;
  - That any anticipated efficiency savings are identified; and
  - That the project will help deliver improvements in service delivery for the benefit of citizens and other service users.

### **4.0 PROJECTS & PROPOSALS**

#### **Digital Modernisation Project Updates**

- 4.1 There are several projects being taken forward by the Digital Modernisation Programme, and others for which business cases are being prepared.
- 4.2 Since the last update to Committee several projects have taken significant steps forward:
- The CRM (Verint) replacement programme has completed procurement, and a Project Initiation Meeting has been completed with the suppliers. It is anticipated that this will be a 6–8-month project.
  - Corporate Complaints System (WorkPro) has completed procurement action and work to progress the implementation and add additional FOI licences is scheduled.
  - HR TalentLink Contract management System is in development and is scheduled to be live in June.



- Schools Catering System Replacement (ParentPay) is on track and scheduled for roll-out following the spring holiday.
- Service desk replacement (FreshDesk) procurement is complete, and the system is in development. The online TEST site is active, currently being populated with user and asset details.
- The board approved Implementation of Victoria Forms for Council Tax and NDR and a stand-alone e-billing solution for Council Tax customers. Initial spend £37K and £3K ongoing costs.

4.3 The following proposals have been submitted for review to the Project Board:

- Communications Events online forms - Proposal for a digital solution for online forms from traders and customers
- Community Learning & Development - to track learning outcomes.
- HR & OD Business Change Resource – a post that would be responsible for the Chris21 upgrade.
- Roads & Transportation (RIMS) Proposal & Property Management System (WMS) Proposal – Service is working on proposals but limited resource is impeding development.

Progress will be reported to Committee as s proposals are developed to business case/procurement as appropriate.

### **Chris21 Upgrade and HR & OD Business Change Resource**

4.4 In 2023 the Chief Executive commissioned an external review of the Human Resources and Organisational Development (HR & OD) Service. The results of this have previously been reported to the Policy and Resources Committee, including the recommendation that modernisation of the current Payroll and & HR system (CHRIS21) is undertaken. Officers have carried out benchmarking with other local authority areas and research on what is available. It is proposed that there is an upgrade from the version of CHRIS21 currently used. This will allow ongoing updates from the service provider and additional functionality. This, in turn, will minimise manual workarounds, create more efficient working practices, improve data collection and analysis, alongside developments in management information.

4.5 Funding is sought for:

- costs of the upgrade from the service provider.
- (ii) costs of using expertise from another local authority area to support implementation, provide advice and additional technical solutions and customisation
- (iii) a temporary post to manage and support the implementation of the upgrade, associated testing, development of related training, liaison with the other local authority and creation of self-service guides.

This totals £124,796, which is being sought from the Digital Modernisation Fund. The recurring additional maintenance fee of £7172 will be contained within the Directorate budget.

4.6 The aim is to have the system implemented and operational by October 2024.

- 4.7 The Digital Project Officer post is currently being advertised, this post will work with Digital Project Team Leader to develop the business cases and implement agreed projects. The Post is a two-year temporary post.

### **Updates on Delivery of the Council's ICT and Digital Strategies**

- 4.8 The ICT Service leads on delivery of the Council's ICT and Digital Strategies. As the Committee will be aware, these strategies aim to increase and promote the range of digital services available to employees and customers and to exploit the opportunities digital services can achieve by:
- Improving user experience and interaction with Council Services.
  - Reducing cost to deliver services via channel shift opportunities; and
  - Improving efficiencies and productivity of services.
- 4.9 The ICT Team has been taking forward a number of initiatives in implementation of these strategies:
- The next phase of Microsoft 365 development will focus on collaboration and developing apps and tools from the wide range available within the Microsoft 365 environment, overseen by the Microsoft 365 Development Sub-Group.
  - A new self-service password reset function is being rolled out, through Microsoft 365, to enable Council/HSCP staff to reset their Microsoft 365 passwords from any internet connected device at any time of day. This will allow accessibility "anytime anywhere" and enable staff to reset their own passwords outside of the service desk's standard opening hours, which will in turn reduce workload for the service desk and support those staff that work on a remote/hybrid basis under the Council's revised Flexible Working Policy.
  - Decommissioning of a large section of the Data Centre is nearing completion.
  - The PC refresh programme continues to focus on the School Estate, a full hardware refresh having been completed for the Corporate Estate in 2021/22. In FY 23/24 there will have been 1700 devices replaced in the school estate. The final tranche of just under 300 replacement devices in the Primary Estate is under way.
  - Replacement of the current schools Bring Your Own Device (BYOD) network pilot has successfully concluded across the full school estate
  - A number of improvements to the Council's cyber security arrangements, have been implemented, with additional actions in progress.
  - The current Scottish Wide Area Network (SWAN) contract is concluding and the contract for SWAN2 has been awarded. ICT have evaluated the new contract with a view to continuing as members of this group, and contract negotiations are nearing conclusion with the sites and connectivity required being agreed.

## **5.0 IMPLICATIONS**

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
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

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report</b>	<b>Virement From</b>	<b>Other Comments</b>
DM EMR	ODHR	2024/25	£125k £37k £5k		Chris21 Upgrade
	Finance	2023/24	£37k		Council Tax/NDR Victoria Forms
	ICT	2023/24	£5k		Freshdesk Implementation

### Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
ODHR	Computer Maintenance	-2024	£7k	-	To be contained within current Service budgets-
Finance	Computer Maintenance	2024	£2.5k		To be contained within current service budgets
ICT	Computer Maintenance	2024	£14k		To be contained within current service budgets.

As part of the 2024/26 Budget strategy the Council approved a savings workstream relating to Digital Modernisation . The savings target is £100,000 phased £20,000 2024/25 and £80,000 2025/26. Progress against these targets will be monitored via the DPMB and reported to Committee where appropriate

## 5.3 Legal/Risk

The adoption of new digital ways of working, such as referred to in this report, will help the Council ensure compliance with its regulatory duties, in particular around information governance and records management and help mitigate the risk to operational delivery that is posed by some current working practices. There are, naturally, risks associated with the adoption of new systems. These risks would need reviewed, and suitable mitigations put in place. However, the Council also needs to consider the risks of not progressing such initiatives, including with information governance compliance and Council service delivery but also staff retention. The DMPB has a risk register which is reviewed at every meeting.

## 5.4 Human Resources

The development and implementation of modernisation and digitalisation will help the Council maximise the potential of its staffing capacity. To facilitate this, there is a need to increase understanding and awareness of these opportunities and thereafter ensure that appropriate resources are available to allow these opportunities to be grasped. The funding and governance approved for the Digital Modernisation Programme will help address this.

## 5.5 Strategic

Increasing investment in the development and roll out of modernisation and digitalisation projects will support a number of key strategic and policy directions of the Council. This includes supporting delivery of the Council's Digital Strategy (2021 – 2024), which recognises 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 (i) improving user experience and interaction with Council services; (ii) reducing cost to deliver services via channel shift opportunities; and (iii) improving efficiencies and productivity of services. In addition, the Digital Modernisation Programme will help support delivery of the Council Plan (2023-28), and in particular Theme 3 (Performance), by helping the Council achieve the provision of high quality and innovative services, giving value for money.

## 5.6 Data Protection

Has a Data Protection Impact Assessment (DPIA) 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.

Although a DPIA was not required for this report, adoption of certain digital solutions will assist the Council in ensuring it is meeting its obligations around the storage and use of personal data. A DPIA would also be required prior to adoption of certain solutions, to ensure that any personal data was suitably protected, such as employee records.

## 6.0 CONSULTATION

6.1 The Corporate Management Team and the DMPB have been consulted on this report.

## 7.0 BACKGROUND PAPERS

7.1 N/A.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Interim Head of Legal &amp; Democratic Services/ Head of OD, Policy &amp; Communications</b>	<b>Report No:</b>	<b>LS/015/24/IS</b>
<b>Contact Officer:</b>	<b>Vicky Pollock/Morna Rae</b>	<b>Contact No:</b>	<b>01475 712710</b>
<b>Subject:</b>	<b>Review of Council Policy Framework</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 Council policies are the key link between the Council's vision and values, its strategic objectives, and its day to day operations. In many cases, policies are critical to ensure the Council complies with its legislative and regulatory obligations and applicable standards. It is also essential for good governance, and the efficient and effective running of the Council, that officers clearly understand the policies applicable to their role, and their responsibilities in relation to the implementation of Council policy.

1.3 The purpose of this report is to refresh the Council's policy framework, and fulfil an action from its 2022/23 external audit.

1.4 Firstly, the report recommends the approval of a policy hierarchy, to ensure a consistent approach across the Council to the creation, and application, of policies.

1.5 Secondly, and linked to the above, the report recommends the approval of a refreshed Council Policy Template, to again ensure a consistent approach to the creation and review of policies.

1.6 Thirdly, following recent work by all Directorates, a list of all current Council policies has been compiled. It is proposed that this forms the basis of a single publicly accessible list of all Council policies. This would enable all interested parties, including Council staff and citizens, to be sure of the applicable policies that are in place at any given time. In addition, this list will be used to ensure all policies are kept under regular review, with the review of some more historic policies prioritised.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Policy & Resources Committee approves the Council policy hierarchy included in Appendix 1.

2.2 It is recommended that the Policy & Resources Committee approves the Council Policy Template included in Appendix 2, which will be rolled out across Council service areas by the Corporate Quality Improvement Group, together with guidance and training.

- 2.3 It is recommended that the Policy & Resources Committee notes the list of policies and strategies included in Appendix 3, provides such feedback as it considers appropriate, and notes that officers will take forward the review of those policies in accordance with the planned review dates, subject to such adjustment as the relevant Director considers appropriate.
- 2.4 It is recommended that the Council otherwise notes the content of this report, the actions that officers are intending to take and that an update on progress will be reported back to the Committee every other cycle.

**Vicky Pollock**  
**Interim Head of Legal & Democratic Services**

**Morna Rae**  
**Head of OD, Policy & Communications**

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 Council policies are the key link between the Council's vision and values, its strategic objectives, and its day to day operations. In many cases, policies are critical to ensure the Council complies with its legislative and regulatory obligations and applicable standards. It is also essential for good governance, and the efficient and effective running of the Council, that officers clearly understand the policies applicable to their role, and their responsibilities in relation to the implementation of Council policy.
- 3.2 In addition to the policies set by the Council, which will have been agreed by elected members, sitting as Inverclyde Council or Committee, the Council will also have a large number of procedures and guidelines, which help to set out and advise on operational actions to be taken to implement policy.
- 3.3 Currently, the Council does not have a single publicly accessible list of all its policies. In the absence of such a list, no-one, be it Elected Members, officers or the public, can be sure of the applicable policies that are in place at any given time. In addition, the absence of such a list means the Council is unable to ensure its policy framework is kept under regular review. The Council's policy template is also not consistently used, and has not been reviewed for some years.
- 3.4 KPMG, the Council's external auditors, also highlighted this in its annual audit report for FY 2022/23, which was reported to the meeting of Inverclyde Council on 16 November 2023. Specifically, their report highlighted a number of policies which were beyond their due date for review, including the following:-
- Anti Fraud, Corruption & Irregularity Policy
  - Code of Practice on Teacher Competence
  - Employee Code of Conduct
  - Health & Safety Policy
  - Records Management Policy
  - Recruitment Selection Policy
  - Dignity & Respect at Work Policy
  - Whistleblowing Policy
- 3.5 KPMG recommended that all out of date policies are prioritised for updating and review/approval by the Council/relevant Committee as soon as is practicable. Whilst it is to be noted that the Records Management Policy was the subject to review in August 2023, Officers agreed that following a review of all policies and their next review dates an update would go to this meeting of the Policy & Resources Committee, including a timetable for updating all policies, with suitable prioritisation. A link to the November 2023 Council report is included here:- <https://www.inverclyde.gov.uk/meetings/meeting/2607>

### **4.0 PROPOSALS**

- 4.1 To address the issues identified in this report, as summarised above, it is proposed that a number of actions are taken forward.
- 4.2 In the first place, however, it is important that the Council has an agreed policy hierarchy. Such a hierarchy will promote consistency and good governance, by clearly defining what is meant by "a policy", the levels of authorisation related to it, the key elements that must be included, and how that differs to strategies, procedures and guidance. A proposed policy hierarchy is set out in Appendix 1 to this report.

- 4.3 In the second place, and as noted in the above report by KPMG, the Council's Corporate Quality Improvement Group has approved a refreshed corporate template for Council policies. This is included in Appendix 2 to this report. Subject to the Committee's approval, this will be rolled out across Council service areas by the Corporate Quality Improvement Group, together with a guidance note and staff training, to assist services in the drafting and development of new policies, and the review of existing ones.
- 4.4 The remaining actions relate to a recent review of all Council policies, and the creation of a Council wide policy register. Once created this register would be available on the Council's website, so that all interested parties can search and have access to the current Council policies that might be of interest to them. This will ensure suitable transparency and accountability around the creation and use of these key elements of Council service delivery. Once created, the policy register will be maintained by the Policy team, and updated by service areas submitting new/updated policies to it, once approved by Council/Committee.
- 4.5 Following a review by Directorates and the Corporate Management Team, Appendix 3 includes details of all current Council policies, as categorised in accordance with the above-mentioned policy hierarchy. Also included are the lead service area, the date of the last review and the date of the next planned review. The CMT have reviewed this, and their views around the prioritisation of these reviews factored into the planned review dates. In the usual way, updated policies will be submitted to the relevant Committee/Board for review and approval. Subject to the nature of the Policy in question, and relevant legislative and regulatory considerations, it is expected that going forward, the default review period for Council policies will be 5 years. In addition, going forward when approval is sought for a new/revised policy to be adopted, authority will be sought for officers to make any minor changes that are required for operational reasons or to reflect changes in the relevant legislative/regulatory framework or changes in the Council's management structure.
- 4.6 Having all the Council's policies identified and captured in this way will also enable the CDIPs to be updated to include the policies overseen by each Committee.
- 4.7 The policy review exercise has identified a number of policies which have not been reviewed for a significant period. Officers have no operational concerns over the continued application of these policies, having regularly taken into account any relevant local or national updates and guidance and any legislative developments. These policies will be prioritised for review.
- 4.8 Given the HSCP's separate governance arrangements, it will conduct its own review of those policies and strategies that are specific to the delivery of those services the Inverclyde Integration Joint Board is responsible for.
- 4.9 The actions that this report proposes are important, as evidenced by their inclusion in KPMG's annual audit report. However, it must be recognised that the work involved in updating these policies, including any necessary public/third party consultation, will potentially have an impact on officer capacity, and also the capacity of the Council's Committees, given a policy requires the approval of Council/Committee. As noted above, this has been taken account of in the proposed planned review dates, but these will likely need adjustment as this work moves forward, given competing officer priorities. In addition, following review it may be that certain policies are no longer required, are proposed to be merged with others or else should be categorised as procedures or guidance, and as such not require Committee approval. It should also be noted that not all policies will need detailed discussion at Committee prior to approval, and it is likely the majority will only involve more minor changes/updates, and as such could be dealt with under the Routine Decisions/Items for Noting section of the agenda.
- 4.10 It is proposed that an update on progress on this work will be reported back to the Committee every other cycle.



## 5.0 IMPLICATIONS

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

There are no financial implications arising directly from this report, and it is envisaged that the required resources will be contained within existing budgets.

### 5.3 Legal/Risk

The review of the Council's policy framework will assist the Council in ensuring that its policies are regularly reviewed and kept up to date, in accordance with regulatory changes and best practice. This will, in turn, help mitigate regulatory and other risks to the delivery of Council services.

### 5.4 Human Resources

There are no human resources implications arising directly from this report, and it is envisaged that the required resources will be contained within existing budgets. However, as noted above, there may be an impact on officer time which will need to be factored into the prioritisation of this over other competing work.

### 5.5 Strategic

The proposals in this report will assist the Council in delivering its strategic objectives, by ensuring that its policy framework is regularly reviewed. In particular it will help deliver Theme 3 of the Council Plan, namely that the Council will provide high quality and innovative service, giving value for money.

### 5.6 Equalities, Fairer Scotland Duty & Children/Young People

There are no such implications arising directly from this report, but the proposals set out in this report will help ensure the Council's duties in respect of these are met in its policy framework.

### 5.7 Environmental/Sustainability

There are no such implications arising directly from this report, but the proposals set out in this report will help ensure the Council's duties in respect of these are met in its policy framework.

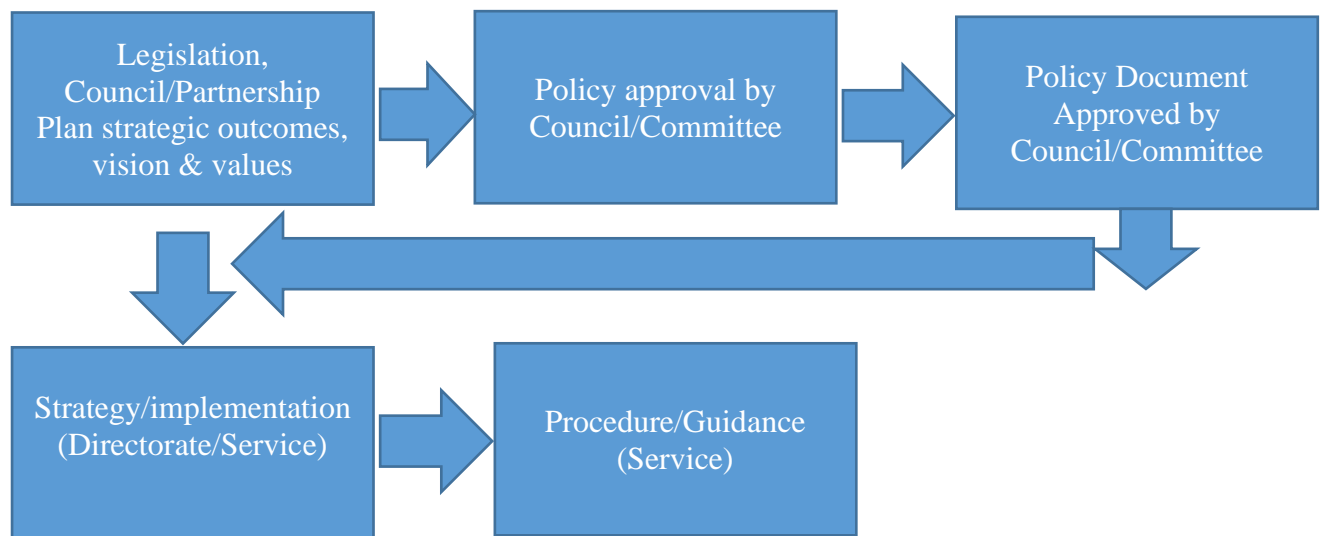
## **6.0 CONSULTATION**

- 6.1 The Corporate Management Team has been consulted on this report, and support it. Subject to the Committee's decision, the relevant Convenors/Vice-Convenors of the Council's other Committees/boards will be consulted on the timing of when individual policies and strategies come forward for review.

## **7.0 BACKGROUND PAPERS**

- 7.1 N/A

## APPENDIX 1 – Policy Hierarchy



### Council Policy – Approved by Council/Committee

- Requires a minuted decision of the Council/Committee;
- The decision will be logged in the Council's policy register. The policy register will be maintained by the Policy team and published on-line.
- The CDIP for each Committee will include a list of all those policies and strategies that particular Committee has oversight on.

### Documentation – Policy

- A policy document is required by legislation or Council//Committee decision;
- It is agreed by Council, Committee/Board;
- Council staff will be required to understand their responsibilities and comply with the policy when carrying out their duties. Additional training and written guidance for staff may be required.

### Policies:-

- Are mandatory;
- Ensure the Council complies with legislation, Council/Committee decisions and applicable standards;
- Ensures a consistent approach to management of staff and/or treatment of citizens/service users;
- Promotes operational efficiency, internal controls and helps mitigate risk;
- States guiding principles of management and operation;
- Will likely give authority to nominated officers to establish related strategies, procedures and guidelines; and
- Will be included on the Council's policy register together with a link to the report through which it was approved, on the Council's website.

### Strategies

- Are a method of implementation of Council policy and/or the Council Plan, and take the form of a plan for the implementation of a certain strategic direction, such as the Council's Net Zero Strategy or the Digital Strategy; and
- Will generally have been approved by the Council/Committee/Board.

## **Procedures**

- A procedure outlines detailed operational action to be taken in relation to a particular matter;
- Agreed by service SMT/DMTs and are mandatory within the designated area;
- Unlikely to have been approved by Council/Committee/Board, given operational nature;
- Describes comprehensively and concisely the steps to be taken to complete an operational activity and actions required to satisfy any relevant external compliance requirements;
- Clearly distinguished from policy and strategy by addressing operational actions rather than principles underpinning those actions; and
- Assign responsibilities for implementation and maintenance.

## **Guidelines**

- Provide guidance and advice on the implementation of key areas that may be the subject of legislation, policy, strategy or procedure.
- Agreed by service SMT/DMTs and are mandatory within the designated area;
- Unlikely to have been approved by Council/Committee/Board, given operational nature;
- Have the following features:-
  - Provide specific details on particular matters;
  - Are advisory but not mandatory;
  - Include context applicable to a specific service;
  - Are based on good or best practice; and
  - May include checklists or proformas.

## **APPENDIX 2 – Council Policy Template**

**Name of Policy**

Inverclyde Council is an Equal Opportunities employer

This document can be made available in other languages, large print, and audio format upon request.

## Document control

Document responsibility		
Policy title	Corporate group	Service

Change history		
Version	Date	Comments

Distribution		

Policy review		
Updating frequency	Next review due	Responsible Officer

Policy review and approval			
Name	Action	Date	Communication

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ENVIRONMENT & REGENERATION DIRECTORATE POLICY/STRATEGY REGISTER – CURRENT STATE TRACKER

NAME OF POLICY/STRATEGY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Corporate Asset Management Strategy 2019/22	Head of Physical Assets	Physical Assets	Environment & Regeneration	December 2019	31 March 2024 - (is an item in current E&R CDIP – Performance item 4)	Y – E&R Committee 29 <sup>th</sup> Oct 2020
Net Zero Strategy 2021/2045	Head of Physical Assets	Physical Assets	Environment & Regeneration	n/a	No planned review, managed via action plan(s)	Y – E&R Committee 28 <sup>th</sup> Oct 2021
Procurement Strategy 2022/25	Procurement & Building Services Manager	Procurement	Environment & Regeneration	March 2022	Annual Procurement Reporting with new strategy due late 2025	Y – P&R Committee 22 <sup>nd</sup> Mar 2022
Roads Asset Management Strategy 2018/2023	Environmental Services Manager	Roads Services	Environment & Regeneration	January 2017	Ongoing by March 2024	Y – E&R Committee 12 <sup>th</sup> Jan 2017
Winter Maintenance Policy, Procedures & Resources 2023/24	Environmental Services Manager	Physical Assets	Environment & Regeneration	September 2023 – reviewed annually	September 2024 – reviewed annually	Y – E&R Committee
Traffic Calming Policy	Environmental Services Manager	Roads Services	Environment & Regeneration	August 2017	N/K	Y – E&R Committee 31 <sup>st</sup> Aug 2017
Local Development Plan	Service Manager – Planning &	Planning and Building Standards	Environment & Regeneration	June 2021	April 2026	Y- various



**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

	Building Standards					
Economic Regeneration Strategy	Regeneration Manager	Regeneration	Environment & Regeneration	October 2021	2026	E+R Committee
Local Housing Strategy	Service Manager – Safer Communities	Public Protection	Environment & Regeneration	November 2023	October 2024	E+R Committee – October 2023
Business Continuity Policy	Service Manager – Safer Communities	Public Protection	Environment and Regeneration	November 2023	2026	P+R Committee November 2023
Local Heat and Energy Efficiency Strategy	Head of Physical Assets	Physical	Environment and Regeneration	December 2023	December 2028	E&R Committee January 2024

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

**OD, POLICY & COMMUNICATIONS POLICY/STRATEGY REGISTER – CURRENT STATE TRACKER**

<b>NAME OF POLICY/STRATEGY</b>	<b>LEAD OFFICER</b>	<b>SERVICE AREA</b>	<b>DIRECTORATE</b>	<b>DATE OF LAST REVIEW</b>	<b>DATE OF NEXT PLANNED REVIEW</b>	<b>COMMITTEE APPROVAL – Y/N, AND DATE</b>
Code of Conduct (Employees)	Service Manager - HR & OD	OD, Policy & Communications	ECOD	December 2018	June 2024	Yes – P&R Committee 2000
Confidential Reporting Policy (Whistleblowing)	Service Manager - HR & OD	OD, Policy & Communications	ECOD	February 2012	June 2024	Yes – P&R Committee Feb 2012
Dignity & Respect at Work Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	March 2017	June 2024 (likely combine with Grievance Policy)	Yes - P&R Committee March 2017
Discipline Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	September 13 Updated 2017	Sept 24	Yes - P&R Committee Sep 2013
Domestic Abuse	Service Manager - HR & OD	OD, Policy & Communications	ECOD	April 09	June 24	Yes – P&R Committee 2009
Equality & Diversity	Service Manager - HR & OD	OD, Policy & Communications	ECOD	February 18	June 24	Yes - P&R Committee 2018
Family Friendly	Service Manager - HR & OD	OD, Policy & Communications	ECOD	December 12(last update July 22 – but statutory)	December 24	Yes – P&R Committee Dec 2012
Flexible Working Policy	Service Manager – People & Change	OD, Policy & Communications	ECOD	September 2023	September 2026	Yes – P&R Committee September 2023

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

NAME OF POLICY/STRATEGY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
	Management					
Grievance Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	April - 2008	June 2024 (likely combine with Dignity & Respect at Work Policy)	Yes – P&R Committee 2008
Health & Wellbeing Strategy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	2021	March 2024 (likely combine with People and Organisational Development Strategy)	Yes – P&R Committee 2021
Job Evaluation Maintenance of the Scheme	Service Manager - HR & OD	OD, Policy & Communications	ECOD	September 09 (reviewed against national changes Oct 23)	December 24	Yes – P&R Committee 2009
Media and Social Media Protocol	Service Manager – Communications, Tourism and Health and Safety	OD, Policy & Communications	ECOD	January 19 (operational update)	December 24	Yes – P&R Committee Nov 2015
Menopause Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	Mar 19	2025	Yes – P&R Committee Nov 2019
Overpayment of Wages	Service Manager - HR & OD	OD, Policy & Communications	ECOD	April 16	September 24	Yes - P&R Committee Jan 2004

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

<b>NAME OF POLICY/STRATEGY</b>	<b>LEAD OFFICER</b>	<b>SERVICE AREA</b>	<b>DIRECTORATE</b>	<b>DATE OF LAST REVIEW</b>	<b>DATE OF NEXT PLANNED REVIEW</b>	<b>COMMITTEE APPROVAL – Y/N, AND DATE</b>
Pension and Retirement Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	November 21	2025 (likely combine with Voluntary Severance Policy)	Yes - P&R Committee Nov 2021
Recruitment & Selection Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	October 20 (operational update)	September 2024 (likely combine with Redeployment Policy and Relocation Policy)	Yes - Jan P&R Committee Jan 2017
People & Organisational Development Strategy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	2020	March 2024 (likely combine with Health & Wellbeing Strategy)	Yes – P&R Committee 2020
Redeployment Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	May 2014	September 2024 (likely combine with Recruitment & Selection Policy and Relocation Policy)	Yes- P&R Committee 2009
Relocation Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	January 2011	September 2024 (likely combine with Recruitment & Selection Policy and Redeployment Policy)	Yes- P&R Committee Jan 2011
Reservist Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	January 17	December 2024	Yes – P&R Committee Jan 2017
Supporting Employee Attendance Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	June 17	September 2024	Yes - P&R Committee June 2017

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

NAME OF POLICY/STRATEGY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Voluntary Severance Policy	Service Manager - HR & OD	OD, Policy & Communications	ECOD	June 2017	2025 (likely combine with Pension & Retirement Policy)	Yes – P&R Committee June 2017
Performance Management Framework	Service Manager – Communications, Tourism and Health and Safety	OD, Policy & Communications	ECOD	March 2023	September 2025	Yes – P&R Committee March 2023
Corporate Health and Safety Policy	Health & Safety Team Leader	OD, Policy & Communications	ECOD	February 2024	2028	Y - P+R Committee Feb 2024
Infection Control	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2015	2024	Y – P+R Committee 2015
Water Quality & Legionella	Health & Safety Team Leader	OD, Policy & Communications	ECOD	March 2024	2028	Schedule for March P&R Committee
Construction Design and Management Regulations	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2009	2025	Y – P&R Committee 2009
First Aid	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2018	2024	Y – P+R Committee 2016
Fire Risk Assessment and Fire Safety	Health & Safety Team Leader	OD, Policy & Communications	ECOD	February 2024	2028	Y - P+R Committee Feb 2024

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

<b>NAME OF POLICY/STRATEGY</b>	<b>LEAD OFFICER</b>	<b>SERVICE AREA</b>	<b>DIRECTORATE</b>	<b>DATE OF LAST REVIEW</b>	<b>DATE OF NEXT PLANNED REVIEW</b>	<b>COMMITTEE APPROVAL – Y/N, AND DATE</b>
Management of Asbestos	Health & Safety Team Leader	OD, Policy & Communications	ECOD	March 2024	2028	–Schedule for March P&R Committee
Smoke Free Policy	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2017	2025	Y – P&R Committee 2017
Moving & Handling	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2016	2024	Y - Schedule for March P&R Committee 2016
Violence, Managing Aggression and Lone Working in the Workplace	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2012	June 2024	Y – 2012
Workplace Transport and Occupational Road Risk	Health & Safety Team Leader	OD, Policy & Communications	ECOD	2015	2024	Y - 2009

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

**EDUCATION/CULTURE, COMMUNITIES & EDUCATIONAL RESIOURCES POLICY REGISTER – CURRENT STATE TRACKER**

NAME OF POLICY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Promoting Positive Relationships	Principal Educational Psychologist	Education	ECOD	November 2019	June 2024	Y – E and C Committee Nov 2019
Anti-Bullying	Principal Educational Psychologist	Education	ECOD	March 2020	August 2025 (in line with Respect Me review)	Y – E and C Mar 2020
Schools Financial Scheme of delegation	Head of Education	Education	ECOD	March 2024	March 2026	Y – E and C Mar 2024
Early Learning Centres - Admissions	Quality Improvement manager – Early Years	Education	ECOD	January 2023	January 2024	Annual refresh review takes place, will take full policy to committee for approval November 2024
Additional Support for Learning Policy	Education Officer - Inclusion	Education	ECOD	October 2022	June 2025	Y – E and C November 2022
Policy on Admissions and Pupil Placement in Mainstream Schools	Head of Education	Education	ECOD	September 2023	2028	Y E and C Sept 2023
Review of Parental	Education Officer	Education	ECOD	September 2022	2026	Y – E and C Sept 2022

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

NAME OF POLICY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Involvement Strategy 2022						
Protecting Children and Supporting their Wellbeing	Head of Education	Education	ECOD	2024	March 2025	Y – E and C March 2024
Attendance strategy	Depute Principal Educational Psychologist	Education	ECOD	New policy	May 2024	Y – will be taken to E and C
Bereavement and loss guidance	Principal Educational Psychologist	Education	ECOD	Jan 2020	Jan 2025	Y E and C Jan 2020
Management rules for museums and libraries	Cultural Services Manager	Libraries	ECOD	2024	February 2034	Y – E and C 21 Jan 2014 (and subsequently full Council)
Acceptable Usage policy	Cultural Services Manager	Libraries	ECOD	2018	2022	N
Collection development policy	Cultural Services Manager	Watt Institution (Museum)	ECOD	2021	November 2024	Y – E and C 2 November 2021 (and full council)
Collections care and conservation policy	Cultural Services Manager	Watt Institution (Museum)	ECOD	2022	March 2025	Y – E and C 8 March 2022 (and full Council)



**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

NAME OF POLICY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Documentation policy	Cultural Services Manager	Watt Institution (Museum)	ECOD	2022	2025	Y – E and C 8 March 2022 (and full Council)
Collecting policy	Cultural Services Manager	Watt Institution (Archives)	ECOD	2021	November 2024	Y – 2 November 2021 (and full Council)
School transport Policy	Tony McEwan	Education	ECOD	2019	November 2024	Y – E and C Sept 2019
Community Safety & Reliance Strategy (Alliance)	Service Manager - CLD	Communities	ECOD	June 2023	June 2026	Y – Alliance Board 2023
Violence against Women and Girls Strategy (Alliance)	Service Manager - CLD	Communities	ECOD	June 2023	June 2026	Y – Alliance Board 2023
CLD 3 year strategy (Alliance)	Service Manager - CLD	Communities	ECOD	2021	June 2024	Y – Alliance Board October 2021
Community GTVO	Service Manager - CLD	Communities	ECOD	Feb 2021	May 2024	Y – E and C May 2021

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

**FINANCE POLICY/STRATEGY REGISTER – CURRENT STATE TRACKER**

NAME OF POLICY/STRATEGY	LEAD OFFICER	SERVICE AREA	DIRECTORATE	DATE OF LAST REVIEW	DATE OF NEXT PLANNED REVIEW	COMMITTEE APPROVAL – Y/N, AND DATE
Non Domestic Rates – Empty Property Relief	Revenues & Benefits Manager	Finance	CES	February 2024	February 2026	Y – P&R Committee 6 February 2024
Discretionary Non Domestic Rates Relief	Revenues & Benefits Manager	Finance	CES	April 2018	May 2024	Y – P&R Committee 6 <sup>th</sup> February 2018
Long Term Empty and Second Homes Council Tax	Revenues & Benefits Manager	Finance	CES	February 2024	February 2027	Y – P&R Committee 6 February 2024
Discretionary Housing Payment	Revenues & Benefits Manager	Finance	CES	November 2023	February 2026	Y – P&R Committee November, 2023
Housing Benefit War Pension Disregard	Revenues & Benefits Manager	Finance	CES	April 2023	April 2027	Y – P&R Committee 23 May 2023
Treasury Policy Statement	Finance Manager	Finance	CES	March 2023	March 2024	Y – 20 April 2023 Full Council
Reserves Policy	Chief Financial Officer	Finance	CES	April 2023	April 2026	Y – P&R Committee 23 May 2023
Corporate Debt Policy	Revenues & Benefits Manager	Finance	CES	January 2023	December 2026	Y – P&R Committee 31 January 2023
Capital Strategy 2023/33, Treasury Management Strategy	Chief Financial Officer	Finance	CES	April 2023	April 2024	Y – 20 April 2023 Full Council

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

Statement & Annual Investment Strategy 23/24 – 26/27						
2023/33 Financial Strategy	Chief Financial Officer	Finance	CES	6 monthly update to Full Council	6 monthly update to Full Council	Y – 1 December 2023 Full Council

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

**LEGAL, DEMOCRATIC, DIGITAL & CUSTOMER SERVICES**

**POLICY/STRATEGY REGISTER – CURRENT STATE TRACKER**

<b>NAME OF POLICY/STRATEGY</b>	<b>LEAD OFFICER</b>	<b>SERVICE AREA</b>	<b>DIRECTORATE</b>	<b>DATE OF LAST REVIEW</b>	<b>DATE OF NEXT PLANNED REVIEW</b>	<b>COMMITTEE APPROVAL – Y/N, AND DATE</b>
Anti Fraud, Corruption and Irregularity Policy	Chief Internal Auditor	Internal Audit	Chief Executive Service	June 2017	September 2024	Yes, Audit Committee June 2017
Risk Management Strategy	Head of Legal, Democratic, Digital & Customer Services	Legal Services (Information Governance)	Chief Executive Service	November 2023	November 2026	Yes, Policy & Resources Committee November 2023
Data Protection Policy	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	May 2023	May 2026	Yes, P & R Committee May 2023
Policy for the Retention and Disposal of Documents and Records Paper and Electronic	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	September 2020	June 2024	Yes, P & R Committee September 2020
Records Management Policy	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	August 2023	August 2026	Yes, P & R Committee August 2023
Acceptable Use of Information Systems Policy	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	November 2022	November 2025	Yes, P & R Committee November 2022
Unacceptable Actions Policy	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	September 2015	November 2024	Yes, P&R Committee September 2015

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

Information Classification Policy	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	September 2017	March 2025	Yes, P&R Committee September 2017
Policy and Procedures for Authorisation of Covert Surveillance and Covert Human Intelligence Services (RIPSA)	Legal Services Manager	Legal Services (Information Governance)	Chief Executive Service	November 2023	November 2024	Yes, P & R Committee November 2023, annual report
Scheme of Establishment of Community Councils	Legal Services Manager	Legal Services (Community Councils)	Chief Executive Service	December 2023	December 2028	Yes, Full Council December 2023
Petitions Criteria	Legal Services Manager	Legal Services (Committee Services)	Chief Executive Service	November 2017	December 2024	Yes, Full Council November 2017
Inverclyde Council - Scheme of Funding for Community Councils	Legal Services Manager	Legal Services (Community Councils)	Chief Executive Service	December 2023	December 2028	Yes, Full Council December 2023
Licensing Board Alcohol Policy Statement	Legal Services Manager	Legal Services (Licensing)	Chief Executive Service	October 2023	October 2028	Yes, Inverclyde Licensing Board October 2023
Licensing Board Gambling Policy Statement	Legal Services Manager	Legal Services (Licensing)	Chief Executive Service	December 2021	December 2024	Yes, Inverclyde Licensing Board December 2021
Sexual Entertainment Policy	Legal Services Manager	Legal Services (Licensing)	Chief Executive Service	April 2022	October 2024	Yes, General Purposes Board April 2022
Short Terms Lets Policy	Legal Services Manager	Legal Services (Licensing)	Chief Executive Service	September 2022	June 2024	Yes, General Purposes Board September 2022

**INVERCLYDE COUNCIL POLICY/STRATEGY REGISTER – P&R COMMITTEE 26 MARCH 2024**

ICT Strategy	Service Manager – ICT & Customer Services	ICT & Customer Services	Chief Executive Service	May 2021	June 2024 (likely combine with Digital Strategy)	Yes, P&R Committee, May 2021
Digital Strategy	Service Manager – ICT & Customer Services	ICT & Customer Services	Chief Executive Service	May 2021	June 2024 (likely combine with ICT Strategy)	Yes, P & R Committee, May 2021



### 3.0 BACKGROUND AND CONTEXT

3.1 At the meeting of 7 December 2023, the Council appointed the Chief Executive as Returning Officer and approved a provisional timetable for the 2024 Inverclyde Community Council Elections. Formal Notice of Election for all community council areas was published on 17 January 2024, and the period for submission of nominations closed on 7 February 2024.

3.2 Following the close of nominations, the following community councils were re-established:

- Gourock Community Council;
- Greenock West and Cardwell Bay Community Council;
- Greenock South West Community Council;
- Inverkip and Wemyss Bay Community Council;
- Kilmacolm and Quarrier's Village Community Council;
- Larkfield, Braeside and Branchton Community Council; and
- Port Glasgow West Community Council.

3.3 Additionally, the following community councils were established as of new in areas that, prior to the elections, had no community council:

- Greenock East Community Council; and
- Port Glasgow East Community Council.

3.4 Insufficient numbers of nominations were received to establish community councils for the following areas:

- Greenock Central Community Council; and
- Holefarm and Cowdenknowes Community Council.

In terms of the Scheme for the Establishment of Community Councils in Inverclyde (the Scheme), it is open to the Council to seek a second call for nominations within a 6 month period of the close of the first call, for one or more of these areas.

3.5 Officers in Community Learning and Development (CLD) continue to engage with established TARAs, action groups and other community bodies in the areas of the community councils that have not been established. The feedback to date is that there is limited appetite for the established of community councils at this time, and the officer view is that:

- continued engagement with these groups to with a view to encouraging greater interest in a community council is a more effective use of resources than a second call for nominations; and
- were such a second call issued, it is unlikely that community councils in these areas would be effectively established.

Officers would therefore not recommend a second call for nominations at this time.

3.6 In summary, of the 11 community council areas:

- 9 have been established or re-established in this process; and
- 2 remain without an established community council.

Declarations of Results were published for all community council areas on 12 February 2024 and can be downloaded from the Council website at:

[www.inverclyde.gov.uk/ccelection](http://www.inverclyde.gov.uk/ccelection)

3.7 If a minimum of 20 electors in an area without a community council provide the Council with a written request that a community council be established in that area, then under Section 52 of the Local Government (Scotland) Act 1973 the Council is required to arrange elections or other voting arrangements for that purpose. This provides a mechanism for interim elections for such an area will be held if a community desire that a community council be formed prior to the next regular Inverclyde wide elections in the 4 yearly cycle.



## 4.0 PROPOSALS

- 4.1 Initial meetings have been organised by officers for each of the established community councils, and CLD officers continue to attend these first meetings to provide support and to deal with initial administrative matters, such as appointment of officer bearers and agreement of a meeting cycle.
- 4.2 CLD officers will continue to support the development of each of the established community councils. An induction event has been arranged for the 20<sup>th</sup> of March 2024 in which the good practice resources that have been developed will be launched. The resources will be available online via the dedicated community council section on the Moodle platform and paper format upon request. This event will create a platform to discuss training needs with the aim of creating a training calendar and further digital and paper based resources.
- 4.3 CLD Officers have an established relationship with existing community bodies in areas in which no community council has been established. CLD Officers will continue to provide development support to ensure that communities have a platform to have their say and for their views to be represented.
- 4.4 At the Special Meeting of Inverclyde Council of 28 September 2023, one of the meetings called in the recent review of the Scheme, officers undertook that if following these elections there remained community council areas without an established community council, then officers would bring a report to a future meeting of the Inverclyde Council within a year of the elections on developments of community council activity. Such a report will include set out the outcomes from the officer activity detailed in the paragraph above and the feedback from the community.

## 5.0 IMPLICATIONS

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
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

Any one off or recurring costs arising from the recommendations in this report will be contained within existing budgets.

### 5.3 Legal/Risk

The Legal and Risk implications are dealt with in the body of this report.

### 5.4 Human Resources

None.

### 5.5 Strategic

The Inverclyde Partnership Plan encompasses the Community Empowerment (Scotland) Act 2015 and the Inverclyde Community Learning and Development 3 year plan has Community Empowerment as a key strategic priority. Supporting and engaging community councils is key to achieving this priority. The Community Empowerment (Scotland) Act 2015 gave rights to community bodies and duties to public sector authorities, and as the most local tier of statutory representation in Scotland, Community Councils bridge the gap between local authorities and communities and help to make those authorities aware of the opinions and needs of the communities they represent.

### 5.6 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 The Community Council Champion has been consulted in the preparation of this report.

## 7.0 BACKGROUND PAPERS

7.1 None.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Chief Officer, Inverclyde HSCP</b>	<b>Report No:</b>	<b>PR/13/24/KR/AB</b>
<b>Contact Officer:</b>	<b>Alan Best</b>	<b>Contact No:</b>	<b>01475 712964</b>
<b>Subject:</b>	<b>Tender for the Provision of Electronic Call Monitoring System: Care at Home Services – Delegated Authority and Change of Weightings</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to seek Committee approval to grant delegated authority to the Interim Head of Legal & Democratic Services to accept a tender and to change the tender weightings for the forthcoming tender process for the provision of an Electronic Call Monitoring System for Care at Home Services as per the Standing Orders for Contracts and 20.3 (ii) and 16.3.
- 1.3 The current Contract for the provision of an Electronic Call Monitoring System for Care at Home Services will expire on 31<sup>st</sup> July 2024, with an optional extension period of up to 12 months.
- 1.4 It is anticipated that the tender for the provision of an Electronic Call Monitoring System for the Electronic Call Monitoring System will be advertised on Public Contracts Scotland in Mid-March with a contract start date of 1<sup>st</sup> July 2024.
- 1.5 The contract period will be 1<sup>st</sup> July 2024 until 31<sup>st</sup> March 2028 with 2 optional one year extension periods to 31<sup>st</sup> March 2029 and 31<sup>st</sup> March 2030. It should be noted that the period from 1<sup>st</sup> July 2024 until 31<sup>st</sup> March 2025 will be an implementation period and thereafter it is for ongoing support and maintenance of the system.
- 1.6 As in all cases with Social Care Service provision, the quality of the service is of paramount importance. In light of this, it is recommended that the contract is awarded on a 60% Quality and 40% Cost of Service weighting split to help ensure the required quality of service and best value cost of service can be procured. This is a reversal of the weighting split in Contract Standing Order 16.2.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee grants delegated authority to the Interim Head of Legal & Democratic Services to:
- I. Approve the award of Contract for the period 1<sup>st</sup> July 2024 until 31<sup>st</sup> March 2028 with options to extend until 31<sup>st</sup> March 2029 and 31<sup>st</sup> March 2030;

- II. Enter into all contractual documentation necessary to complete the award of the Contract; and
- III. Approve the use of a 60% Quality and 40% Cost of Service weighting in the forthcoming tender for the Inverclyde HSCP Electronic Call Monitoring System for Care at Home Services and therefore suspend Contract Standing Order 16.2

**Kate Rocks**  
**Chief Officer, HSCP**

### 3.0 BACKGROUND AND CONTEXT

- 3.1 The current Contract for the Electronic Call Monitoring System was awarded on 1st August 2023 for a period of 12 months, via Crown Commercial Services (CCS) G-Cloud 12 Framework Agreement, with an option to extend for a period of up to 12 months. The extension period will be aligned with the implementation plan of the successful bidder.
- 3.2 The new Contract has a planned implementation period from 1<sup>st</sup> July 2024 to 31<sup>st</sup> March 2025 and thereafter will be for the ongoing support and maintenance of the system until 31<sup>st</sup> March 2028 with 2 optional one year extension options.
- 3.3 The system is required to manage the delivery of care with a range of easy-to-use, mix-and-match solutions including real-time care monitoring, mobile monitoring (via a mobile app), scheduling of visits, allowing the HSCP, and external providers, to maximise the usage of available resources, invoicing & payroll/ financial management, as well as allowing the ability to provide detailed specific reports using the business intelligence reporting functionality for example:

An Electronic Call Monitoring system provides:

- **Verifying Visit Completion:** ECMS systems can confirm that care workers attended assigned Service users ensuring the delivery of care and records the visit duration, service tasks delivered and report back any issues in relation to the wellbeing of their Service Users. This ensures clients receive the agreed level of planned care and visits as detailed in their support plan to meet their assessed need and also helps with billing accuracy where commissioned providers assist in care provision.
- **Improved Staff Scheduling:** By tracking visit times, ECMS helps identify scheduling issues and optimise future rosters for better efficiency of staff, better planned routes to reduce travel time and associated costs.
- **Enhanced Service User and Staff Safety:** Knowing a care worker is at a Service Users location provides peace of mind that the Service user is safe and being 'checked in on'. Some other features such as lone worker alerts allow us to ensure staff safety as 'panic alerts' can be activated by staff in the community to highlight any problematic situations they may be in.
- **Data-driven Quality Assurance:** ECMS data can be used to monitor trends and identify areas where care delivery can be improved. It also provides the information required for statutory returns to both the Care Inspectorate and Scottish Government. For external monitoring of providers, it evidences the actual care delivery and ensure the HSCP pays for the correct service provided.
- **Real-time Communication:** ECMS systems allow for updates to be sent to all stakeholders in the delivery of care ensuring that the residents of Inverclyde get the best possible service.

### 4.0 PROPOSALS

- 4.1 The aim of the tender is to procure a high quality and cost effective system to deliver the service, ensuring that the HSCP can be confident service users receive the services they require.
- 4.2 It is proposed that, to proceed to award the Contract with an anticipated start date of 1<sup>st</sup> July 2024 delegated authority for this is granted to the Interim Head of Legal & Democratic Services.

4.3 It is recommended that the Contract is awarded on a 60% Quality and 40% Cost of Service weighting split. This will help to ensure the required quality of service and best value cost of service can be procured.

## 5.0 IMPLICATIONS

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

A tender exercise was carried out in 2022 and this identified that there will be an increase in costs for this service. At that time, the exercise did not proceed to award as a result of budget availability and specification compliance. Therefore, the tender has been rescoped and budget is now reflective with current market conditions.

### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Care at Home	Payments to Other Bodies	2024-25	£80,000	Existing budget provision	For one-off implementation costs 1 <sup>st</sup> July 2024 – 31 <sup>st</sup> March 2025

### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Care at Home	Payments to Other Bodies	1 <sup>st</sup> April 2025	£250,000	Existing HSCP budget provision	For up to 5 Years Support and Maintenance.

## 5.3 Legal/Risk

There are no implications arising as a result of this report.

#### **5.4 Human Resources**

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

#### **5.5 Strategic**

The delivery of this contract will help ensure the Council meets its statutory obligations in relation to the provision of a care at home service.

### **6.0 CONSULTATIONS**

6.1 None.

### **7.0 BACKGROUND PAPERS**

7.1 None.

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>26 March 2024</b>
<b>Report By:</b>	<b>Head of Organisational Development, Policy &amp; Communications</b>	<b>Report No:</b>	<b>PR/16/24/RB/MR</b>
<b>Contact Officer:</b>	<b>Morna Rae</b>	<b>Contact No:</b>	<b>01475 712923</b>
<b>Subject:</b>	<b>Water Quality Management Policy and Control of Asbestos Policy</b>		

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## 1.0 PURPOSE AND SUMMARY

1.1  For Decision  For Information/Noting

1.2 The purpose of this report is to seek approval of a new Water Quality Management Policy and an updated Control of Asbestos Policy.

1.3 Inverclyde Council is required to ensure that the risks to employees and others from Legionella bacteria and other water quality risks, and asbestos containing materials are managed in line with its legal duties. The creation of a new Water Quality Management Policy and updated Control of Asbestos Policy supports compliance with these duties.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Policy and Resources Committee
- Approves the Water Quality Management Policy, and
  - Approves the updates to the Control of Asbestos Policy.

**Morna Rae**  
**Head of Organisational Development,**  
**Policy & Communications**



### 3.0 BACKGROUND AND CONTEXT

- 3.1 The Health and Safety at Work etc. Act places a duty on employers to prepare a written statement of their general policy and as part of that policy to have in place arrangements for the implementation of health and safety. The Water Quality Management policy and the Control of Asbestos Policy together with associated guidance and arrangements will form part of the Council's health and safety management system.
- 3.2 Inverclyde Council is required to ensure that the risks to employees and others from Legionella bacteria and other water quality risks, are managed in line with its legal duties as defined by the Control of Substances Hazardous to Health (as amended) Regulations 2002, and the Health and Safety at Work etc. Act 1974. Under the approved code of practice as part of the duty to manage Legionella risks, the Council must, for those premises it owns, occupies, manages or for which it has responsibility:
- identify and assess sources of risk;
  - where appropriate, prepare a written scheme for preventing or controlling the risk;
  - implement, manage and monitor precautions;
  - keep records of the precautions taken, and
  - appoint a competent person with sufficient authority and knowledge of the installation to help take the measures needed to comply with the law.
- 3.3 The Water Quality Management Policy (available at Appendix) 1 has been devised to support compliance with these responsibilities.
- 3.4 Inverclyde Council is required to ensure that the risks to employees and others from asbestos containing materials are identified, and managed in line with its legal duties as defined by the Control of Asbestos Regulations 2012 (as amended), the Management of Health and Safety at Work regulations 1999 and the Health and Safety at Work etc. Act 1974. Under the Control of Asbestos Regulations 2012 as part of the duty to manage, the Council must for those premises it owns, occupies, manages or for which it has responsibility:
- Find out if there are Asbestos Containing Materials (ACMs) in the premises;
  - Where it is not clear, or there has been no risk assessment undertaken, the Council will presume all materials contain asbestos unless there is strong evidence to the contrary;
  - Make and keep up to date, a record of the location and condition of ACMs or presumed ACMs;
  - Assess the risk from the material and undertake remedial work as necessary;
  - Prepare a plan that sets out how the risks are to be managed;
  - Take the necessary steps to put the plan into action and ensure it is implemented;
  - Review and monitor the plan every 12 months or if there has been any significant change or is no longer valid;
  - Provide information on the location and condition of the material to anyone liable to work on or disturb it and
  - Also ensure that Regulation 6 of (CAR 2012) "Assessment of exposure" is adhered to.
- 3.5 The Control of Asbestos Policy has been subject to periodic reviews, with the most recent taking place in 2017. The key update in the latest version (at Appendix 2) relates to the roles and responsibilities section.

#### 4.0 PROPOSALS

- 4.1 It is recommended that the Policy and Resources Committee
- Approves the Water Quality Management Policy, and
  - Approves the updates to the Control of Asbestos Policy.

#### 5.0 IMPLICATIONS

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

No additional costs have been identified with the delivery of actions within the policies.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

#### 5.3 Legal/Risk

Failure to comply with statutory regulations and associated Codes of Practice relevant to the management of Legionella in water systems and the Control of Asbestos could result in enforcement action being taken against the Council. The determination of risk is complex and is taken per establishment through both Legionella and Asbestos risk assessments.

#### 5.4 Human Resources

Staff will require appropriate training for the roles and responsibilities and may require to form part of job descriptions and person specifications.

## 5.5 **Strategic**

This report helps deliver Corporate Plan Organisational Priorities 9 and 10, delivering effective management of resources and motivated, trained, and qualified employees that deliver quality services.

## 6.0 **CONSULTATION**

6.1 Consultation has taken place with the Corporate Health and Safety Committee, and Trades Union colleagues.

## 7.0 **BACKGROUND PAPERS**

7.1 None.

**APPENDIX 1**

Version 1.0  
Produced by:  
*Health and Safety*  
Inverclyde Council  
Municipal Buildings  
GREENOCK  
PA15 1LX

# Water Quality Management



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**DOCUMENT CONTROL**

<b>Document Responsibility</b>		
<b>Name</b>	<b>Title</b>	<b>Service</b>
Pauline Ramsay	Health and Safety Team Leader	OD, HR and Comms

<b>Change History</b>		
<b>Version</b>	<b>Date</b>	<b>Comments</b>
1.0		

<b>Distribution</b>		
<b>Name</b>	<b>Date</b>	<b>Designation</b>
CMT and Extended Management Team		
Union Representatives		
UNITE		
UNISON		
GMB		
EIS		
SSTA		
NAWUWT		

*Distribution may be made to others on request*

A copy of this policy will be placed on Icon, a hard copy should be made available where relevant to those employee who do not have access to icon.

<b>Policy Review</b>		
<b>Review Date</b>	<b>Person Responsible</b>	<b>Service</b>
March 2028	H&S Team Leader	OD Policy & Coms

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## 1. INTRODUCTION

- 1.1. Legionella is hazardous to human health, and can cause a number of respiratory illnesses, the most serious of which is Legionnaires disease, which is a potentially fatal form of pneumonia and everyone is susceptible to infection.
- 1.2. The bacteria is common and found naturally in the environment in water sources such as rivers. Outbreaks of the illness occur from exposure to Legionella growing in purpose-built systems where water is maintained at a temperature high enough to encourage growth, e.g. cooling towers, evaporative condensers, hot and cold water systems and spa pools.
- 1.3. People contract Legionnaires' disease by inhaling small droplets of water (aerosols), suspended in the air, which contain the bacteria. The risk from Legionella is increased if:
  - the water temperature in all or some parts of the system is between 20-45°C
  - it is possible for breathable water droplets to be created and dispersed e.g. aerosol created by a cooling tower, or water outlets
  - water is stored and/or re-circulated
  - there are deposits that can support bacterial growth providing a source of nutrients for the organism e.g. rust, sludge, scale, organic matter and biofilms
- 1.4. In order to control Legionella hot water should be stored at least at 60°C, however there is a scalding risk to vulnerable groups and individuals, control of this risk will also be considered in this policy and supporting guidance.
- 1.5. The Council recognises its statutory responsibilities in respect of the control of legionella and other water borne diseases and will adopt the necessary measures to ensure that its policy, on water quality, reduces risks to employees, contractors, and others who may use Council premises.
- 1.6. This document sets out the Council's Water Quality Policy and defines the procedures that are required to be in place to meet legal obligations concerning the risks and effective management of Legionella and other water borne infections. This policy should be read in conjunction with the Procedures and Guidance for Water Quality document.

## 2. POLICY STATEMENT

- 2.1. It is the policy of Inverclyde Council that all hot and cold water storage and distribution systems are specified, designed, installed and maintained so far as to prevent exposure to legionella bacteria and to ensure , so far as is reasonably practicable, the absence of scalding risks to vulnerable groups. The council will comply with the Approved Code of Practice: [Legionnaires' disease: The control of Legionella bacteria in water systems \(L8\)](#) which contains practical guidance on how to manage and control the risks in your system, as well as all other associated legislation.
- 2.2. The Council will ensure that design, component selection, specifications, system construction, installation and maintenance work comply with the requirements of BS EN 806 and BS 8558: 2015.
- 2.3. A high standard of health and safety performance is recognised as an integral part of the council's service delivery. Therefore, sufficient resources will be allocated to meet the requirements of the council's Water Quality Management Policy.

2.4. This standard will be achieved by:-

- Ensuring that the risks from legionella or other bacterial infections are identified and assessed in all properties.
- Systems for managing risks from legionella or other bacterial infections are established.
- Where feasible engineering and designing out risk from legionella.
- Setting clear responsibilities for communicating and promoting the Council's commitment to prevent exposure to legionella bacteria through adequate information instruction and training.
- Ensuring strict compliance with the Council's Legionella Management Plan which is detailed in the arrangements and guidance document which should be read in conjunction with this policy.
- Ensuring that scalding risks are controlled for vulnerable groups.

### **3. SCOPE**

- 3.1. This policy applies equally to all employees regardless of grade, experience or role within the organisation. The policy also applies to contracted staff as far as is reasonably practicable.
- 3.2. This policy applies to all hot and cold water storage and distribution systems in Council owned and managed buildings. i.e. schools, residential care facilities, depots, public buildings etc.
- 3.3. It also applies to other storage or distribution systems which have operating temperature above 20°C and may release a spray or aerosol for example:
  - Vehicle washing facilities
  - Water features such as fountains
  - Sprinkler systems
  - Re-circulatory 'grey water' and rain water storage and harvesting systems.
  - Private or untreated water supplies, including boreholes
  - Lathe and machine tool coolant systems.
- 3.4. Inverclyde Council does not, at the time of issue of this document, operate any cooling towers or similar evaporative condensing equipment.
- 3.5. Where a property is leased, either to a third party, or by the Council, responsibilities for the management of Legionella will be clearly defined.
- 3.6. Parts of this policy are managed and administered by Physical Assets

### **4. CONSULTATION & IMPACT ASSESSMENT**

- 4.1. Inverclyde Council recognises the importance of employee consultation and is committed to involving all employees in the development of policies and procedures. The following groups are formally consulted:
  - Trade Union Representatives through the Corporate Health and Safety Committee.
  - All Chief Officers.



- Employees via the Council Intranet.

4.2. An Equalities Impact Assessment was carried out using the Council's Equalities Impact Assessment Template.

## 5. LEGAL FRAMEWORK

The following legislation underpins this policy.

- 5.1. There is a legal requirement for the Council to comply with the Control of Substances Hazardous to Health Regulations 2002 which provide a framework of actions designed to assess, prevent or control the risk from bacteria like Legionella. Advice on the preferred means of compliance with the regulation is contained in L8 Approved Code of Practice (ACOP). Legionnaires' Disease: The Control of Legionella bacteria in Water systems.
- 5.2. The duties imposed in COSHH 2002 supplement the provisions laid down in the Health and Safety at Work etc Act 1974 (the HSW Act) along with duties imposed by other regulations (listed below):
  - a) The HSW Act requires employers to conduct their work in such a way that their employees will not be exposed to health and safety risks, and to provide information to other people about their workplace, which might affect their health and safety;
  - b) The Management of Health and Safety at Work Regulations 1999 ("the Management Regulations") require employers and self-employed people to make an assessment of the risks of the health and safety of themselves, employees and people not in their employment, arising out of or in connection with the conduct of their business – and to make appropriate arrangements for protecting those peoples health and safety;
  - c) The Workplace (Health, Safety and Welfare) Regulations 1992 which require employers to maintain workplace buildings so as to protect occupants and workers;
  - d) The Construction Design and Management Regulations 2015 ("CDM Regulations 2015") require that risks, including those related to water quality are designed out of buildings.
  - e) The Civic Government (Scotland) Act 1982 places duties on landlords to take reasonable care to see that tenants and other people are safe from personal injury or disease caused by a defect in the state of the premises.
  - f) Employers are required to:
    - Identify and assess sources of risk;
    - Manage any risks;.
    - Prevent or control any risks;
    - Keep and maintain the correct records
    - Carry out any other duties they may have.

## 6. ROLES & RESPONSIBILITIES

In addition to the accountabilities laid out in the Corporate Health and Safety Policy the following responsibilities are specific to this Policy.

<b>Designation</b>	<b>Role</b>	<b>Responsibilities</b>
Chief Executive	Duty Holder	<p>Overall Duty Holder – The Health and Safety at Work etc Act 1974 places general duties on employers to ensure, so far as is reasonably practicable, the Health safety and welfare of employees and anyone who may be affected by their undertakings.</p> <p>Secondary legislation including the Control of Substances Hazardous to Health 2002, impose duties relating to the safe management and control of substances hazardous to health including bacterial infections.</p>
Director Environment and Regeneration	Duty Holder (Control of water quality including Legionella bacteria)	<p>Delegated Duty Holder by the Chief Executive for the control of water quality and legionella bacteria in water systems. Ensuring the Council complies with ACOP (L8) which gives specific information on the management and control of Legionella.</p> <p>Ensuring council compliance under the Health and Safety at Work etc Act 1974 to risks from legionella bacteria, other water borne infections and safety of hot water systems which may arise from work activities.</p> <p>In addition there is subordinate legislation including the Control of Substances Hazardous to Health Regulations 2002 (COSHH) which provide a framework of duties designed to assess, prevent or control the risks from hazardous substances, including biological agents such as legionella, and take suitable precautions.</p>
Head of Physical Assets	Responsible Person	<p>Appointed water quality responsible person by the Duty Holder (Control of Water quality and Legionella Bacteria in Water Systems) The Responsible Person is described as someone with responsibility for managing and controlling all identified risks relating to water quality including Legionella.</p>
Service Manager Assets	Deputy Responsible Person	<p>Delegated as the day to day responsible person by the Head of Physical Assets for managing and controlling all identified water quality risks by ensuring appropriate systems and resource are in place to implement the</p>

		policy, procedures and guidance..
Property Management Team Leader	Appointed Team	Appointed Team within the Service by the Responsible Person(s)  Ensuring the Appointed Person is meeting the requirements set out by the Duty Holder(s) and Responsible Person(s). and providing support to the appointed person where required.
Property Officer (Statutory Compliance)	Appointed Person	Manages the day-to-day requirements for the Control of Legionella Bacteria and general water quality. Temperature checks, testing, cleaning risk assessments, remedial works etc. Control of record keeping and highlighting any issues arising which cause concern.
Health and Safety Team Leader	Competent advisor	Responsible for controlling, reviewing and updating the procedures and policies relating to Water Quality in collaboration with the Duty Holder(s) and Responsible Persons(s), and providing competent advice as per the requirements of the Management of Health and Safety at Work regulations.  Monitoring compliance with these procedures and policies.
Employees	Compliance with this policy and procedure.	Comply with any processes or procedures laid down in this policy and to bring to the attention of the appointed person any concerns regarding these procedures or water quality issues.
Other relevant roles		
Technical Services Manager	Responsible person for design and build	The Technical Services Manager is delegated responsibility for ensuring that all new build design and refurbishment works take into account the requirement for ensuring that plant and water systems are designed and constructed to be safe and without risks to health when used at work. This should be carried out in consultation with the responsible persons and dutyholders. Any work carried out must be in accordance with HSE ACOP L8: The Control of Legionella Bacteria in Water Systems.

<p>Lead Officers/ Responsible persons of individual premises</p>	<p>Senior managers responsible for building safety.</p>	<p>The named Lead Officers or Responsible Person for a building is responsible for ensuring that the Water Log Book is held in a safe location on site and made available to water quality contractors who visit the premises to carry out monitoring and testing of water systems.</p> <p>They are also responsible for ensuring that any delegates task such as weekly flushing of water systems are carried out in accordance with the water quality risk assessment. This action should be recorded in the relevant section of the Water Log Book. Any significant defect or non-conformance should be reported promptly.</p>
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**7. TRAINING/INFORMATION**

**7.1. Information**

Inverclyde Council recognises the need to provide staff with relevant information on water quality management. Employee awareness will help with the implementation of this policy. Information will be made available on the Council’s Intranet System ICON, via Line Managers and Trade Union Safety Representatives or via Organisational Development, Human Resources and Comms. The information will be updated on a regular basis.

**7.2. Training**

The Council recognises that training of managers/team leaders and employees is important to ensure that all employees have the necessary skills to carry out the requirements of this policy. Training will be made available to all relevant staff with identified duties within the written control scheme or, if identified through the risk assessment process, other specialist training can be made available. All training provided will include information about this Council policy.

**8. MONITORING, EVALUATION & REVIEW**

This policy was ratified by the Council’s Policy and Resources Committee on 26 March 2024 and implemented immediately thereafter.

Regular monitoring and review are necessary to measure the effectiveness of the policy and to ensure it remains relevant to the needs of the Council. This policy will be subject to monitoring and review on a regular basis by the Corporate Health and Safety Section via the Corporate Health and Safety Committee.

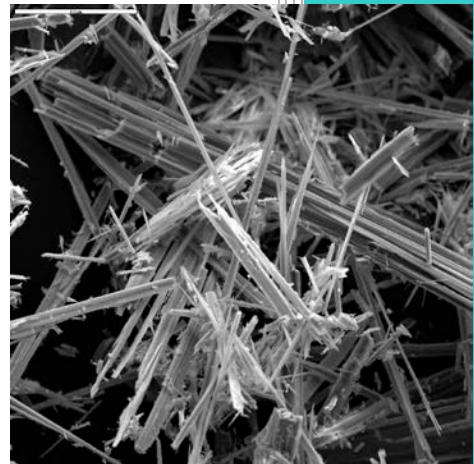
The policy will be reviewed every four years thereafter unless there is significant change in legislative requirements or risk assessment identifies a need for review. Measuring the effectiveness of the policy will include the auditing of compliance with this policy.



## APPENDIX 2

Version 2.5  
Produced by:  
*Health and Safety*  
Inverclyde Council  
Municipal Buildings  
GREENOCK  
PA15 1LX

# Control of Asbestos



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Inverclyde  
Council  
March 2024

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## DOCUMENT CONTROL

Document Responsibility	
Role	Service
Health and Safety Team Leader	OD, Policy and Comms

Change History		
Version	Date	Comments
2.1	07/02/12	Policy reviewed and updated to reflect changes in the Council Structure and changes to legislation.
2.2	June 2012	Updated to reflect 2012 regulations
2.3	July 2012	Project Asbestos Checklist updated
2.4	July 2017	Policy reviewed and updated to reflect changes in the Council Structure and changes to legislation. Project Asbestos Checklist updated.
2.5	Sept 2023	Removal of the arrangements section and updating of roles and responsibilities.

Distribution
<b>CMT and Extended Management Team</b>
Trades Union Representatives
UNITE
UNISON
GMB
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SSTA
NAWUWT

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Policy Review		
Review Date	Person Responsible	Service
March 2028	H&S Team Leader	OD, HR & Comms

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## 1 INTRODUCTION

- 1.1 For many years, products containing asbestos have been extensively used for a range of applications in a variety of locations. Whilst the use of asbestos is now banned in the UK, asbestos containing materials (ACM's) are still present in a number of locations including the Council's corporate premises, schools, commercial premises, community halls and leisure facilities. The council have procedures in place to remove asbestos where possible.
- 1.2 Asbestos is hazardous to health and exposure to asbestos fibres can have long term implications to health with effects taking up to 40 plus years to be seen. Asbestos is the single greatest cause of work-related deaths in the UK.
- 1.3 Asbestos is low risk if in good condition and not disturbed or damaged. However if disturbed or damaged fibres are released into the air and can be breathed in becoming a danger to health.
- 1.4 This policy sets out the commitment of Inverclyde Council to provide a safe and secure environment free of asbestos, or where it cannot be removed managed in appropriate manner to keep it safe for employees, visitor, service users and members of the public. It applies to all persons who have access to, use of, or are responsible for the maintenance of Inverclyde Council premises.
- 1.5 The Council recognises its statutory responsibilities in respect of the control of ACM's and will adopt the necessary measures to ensure that its policy, to identify and manage ACM's, reduces risks to employees, contractors, and others who may use Council premises.
- 1.6 This document sets out the Council's Asbestos Policy and defines the procedures that are required to be in place to meet legal obligations concerning the risks and effective management of ACM's. This policy should be read in conjunction with the Procedures and Guidance for Asbestos document.

## 2 POLICY STATEMENT

Under the Control of Asbestos Regulations 2012 as part of the duty to manage, the Council will, for those premises it owns, occupies, manages or for which it has responsibility:

- 2.1 Find out if there are ACM's in the premises.
- 2.2 Where it is not clear, or there has been no risk assessment undertaken, the Council will presume all materials contain asbestos unless there is strong evidence to the contrary.
- 2.3 Keep an up to date record of the type, location and condition of ACM's or presumed ACM's. Monitor on a regular basis as identified in the risk assessment.
- 2.4 Assess the risk from the material and undertake remedial work as necessary.
- 2.5 Prepare a plan that sets out how the risks are to be managed.
- 2.6 Take the necessary steps to put the plan into action and ensure it is implemented.

- 2.7 Review and monitor the plan every 12 months or if there has been any significant change or is no longer valid.
- 2.8 Provide information on the location and condition of the material to anyone liable to work on or disturb it.
- 2.9 Also ensure that Regulation 6 of (CAR 2012) "Assessment of exposure" is adhered to.

### **3 AIMS**

This policy, and associated procedures and guidance, aims to provide guidance and information to Services to help them to manage the risks from asbestos within the workplace in a sensible manner and to provide clear guidance on the procedures to be taken if asbestos is found or disturbed.

### **4 SCOPE**

- 4.1 This policy applies equally to all employees regardless of grade, experience or role within the organisation; who may come into contact with asbestos containing materials (ACM's) on any Council property. The policy also applies to contracted staff and contractors working in Council buildings.
- 4.2 This policy applies to all council owned and managed buildings. i.e. residential care facilities, depots, public buildings etc.
- 4.3 Parts of this Policy are managed and administered by Physical Assets.
- 4.4 Where a property is leased, either to a third party, or by the Council, responsibilities for the management of asbestos will be clearly defined.

### **5 CONSULTATION & IMPACT ASSESSMENT**

- 5.1 Inverclyde Council recognises the importance of employee consultation and is committed to involving all employees in the development of policies and procedures. The following groups are formally consulted:
  - Trade Union Representatives through the Corporate Health and Safety Committee.
  - All Chief Officers.
  - Employees via the Council Intranet.
- 5.2 An Equalities Impact Assessment was carried out using the Council's Equalities Impact Assessment Template.

### **6 LEGAL FRAMEWORK**

The following legislation underpins this policy.

- 6.1 There is a legal requirement for the Council to comply with the Control of Asbestos Regulations 2012 (CAR) in particular, regulation 4 "duty to manage asbestos in buildings." Advice on the preferred means of compliance with the regulation is

contained in L 143 Approved Code of Practice (ACOP). Work with materials containing asbestos.

- 6.2 The duties imposed in CAR 2012 in particular regulation 4 supplement the provisions laid down in the Health and Safety at Work etc Act 1974 (the HSW Act) along with duties imposed by other regulations (listed below):
- a) The HSW Act requires employers to conduct their work in such a way that their employees will not be exposed to health and safety risks, and to provide information to other people about their workplace, which might affect their health and safety;
  - b) The Management of Health and Safety at Work Regulations 1999 (“the Management Regulations”) require employers and self-employed people to make an assessment of the risks of the health and safety of themselves, employees and people not in their employment, arising out of or in connection with the conduct of their business – and to make appropriate arrangements for protecting those peoples health and safety;
  - c) The Workplace (Health, Safety and Welfare) Regulations 1992 which require employers to maintain workplace buildings so as to protect occupants and workers;
  - d) The Construction Design and Management Regulations 2015 (“CDM Regulations 2015”) require the client to pass on information about the state or condition of any premises (including the presence of hazardous materials such as asbestos) to the Principal Designer before any work begins and to ensure that the Principal Contractor has all information relevant to the construction phase plan, and that the health and safety file is available for inspection by any person who needs the information;
  - e) The Civic Government (Scotland) Act 1982 places duties on landlords to take reasonable care to see that tenants and other people are safe from personal injury or disease caused by a defect in the state of the premises.
  - f) As well as imposing a duty to manage asbestos in premises, CAR 2012 requires employers to:
    - Undertake risk assessments before commencing work which exposes, or is liable to expose, employees to asbestos;
    - Produce a plan of work detailing how the work is to be carried out; i.e. Method statements for the work.
    - Either prevent exposure to asbestos or reduce it to, as low a level as is reasonably practical.

## 7 ROLES & RESPONSIBILITIES

In addition to the responsibilities laid out in the Corporate Health and Safety Policy the following responsibilities are specific to this Policy.

<b>Designation</b>	<b>Role</b>	<b>Responsibilities</b>
Chief Executive	Duty Holder	<p>Overall Duty Holder – The Health and Safety at Work etc Act 1974 places general duties on employers to ensure the Health safety and welfare of employees and anyone who may be affected by their undertakings.</p> <p>Secondary legislation including the Control of Asbestos Regulations 2012 impose specific duties on employers and employees related to the management of asbestos.</p>
Director Environment and Regeneration	Duty Holder Control of Asbestos Regulations 2012	Delegated by the Chief Executive as Duty Holder for “The Control of Asbestos Regulations 2012. To ensure the Council comply with ACOP (L143) which gives specific information on the health and safety law that applies to the management of asbestos risks within Council premises.
Head of Physical Assets	Responsible Person	Appointed Asbestos Responsible Person by the Duty Holder (Control of Asbestos) The Asbestos Responsible Person is described as someone with responsibility for managing and controlling all identified risks from asbestos.
Service Manager Assets	Deputy Responsible Person	Delegated as the day to day responsible person by the Head of Physical Assets for managing and controlling all identified risks from Asbestos by ensuring appropriate systems and resource are in place.
Property Management Team Leader	Appointed Team	<p>Appointed Team within the Service by the Responsible Person(s)</p> <p>Ensuring the Appointed Person is meeting the requirements set out by the Duty Holder(s) and Responsible Person(s). and providing support to the appointed person where required.</p>
Property Officer (Statutory Compliance)	Appointed Person	Manages the day-to-day requirements under the Control of surveying, testing, condition checks, remedial works etc. Control of record keeping and highlighting any issues arising which are a cause concern.
Health and Safety Team Leader	Competent advisor	Responsible for controlling, reviewing and updating the procedures and policies relating to the Control of Asbestos in collaboration with the Duty Holder(s) and Responsible Persons(s).

Designation	Role	Responsibilities
		Monitoring compliance with these procedures and policies.
Employees	Compliance with this policy and procedure.	Comply with any processes or procedures laid down in this policy and to bring to the attention of the appointed person any concerns regarding these procedures or the presence or condition of asbestos.

## 8 TRAINING/INFORMATION

### 8.1 Information

Inverclyde Council recognises the need to provide staff with relevant information on asbestos management. Employee awareness will help with the implementation of this policy. Information on asbestos management systems will be made available on the Council's Intranet System ICON, via Line Managers and Trade Union Safety Representatives or via Organisational Development, Human Resources and Comms. The information will be updated on a regular basis.

### 8.2 Training

The Council recognises that training of managers/team leaders and employees is important to ensure that all employees have the necessary skills to carry out the requirements of this policy. Training will be made available to all relevant staff with identified duties within the written control scheme or, if identified through the risk assessment process, other specialist training can be made available. All training provided will include information about this Council policy.

- The authorised person with managerial responsibility for asbestos and nominated deputies will undertake regular accredited training to ensure that they have the appropriate competency to manage asbestos risks. Appropriate courses include:
  - BOHS P405 – Management of Asbestos in Buildings.
- Persons in control of or carrying out construction or maintenance works should receive annual asbestos awareness training.
- Persons in control of premises should receive regular asbestos awareness training.

### 8.3 Communication of the Policy

The Council recognises the importance of communicating the policy to all employees. This policy will be communicated to staff via the Corporate Health and Safety Committee, the Council's team briefing system and a copy will be placed on the Council's Intranet system ICON.

## 9 MONITORING, EVALUATION & REVIEW

This policy was ratified by the Council's Policy and Resources Committee on 26 March 2024 and implemented immediately thereafter.

Regular monitoring and review are necessary to measure the effectiveness of the policy and to ensure it remains relevant to the needs of the Council. This policy will be subject to monitoring and review on a regular basis by the Corporate Health and Safety Section via the Corporate Health and Safety Committee.

The policy will be reviewed every four years thereafter unless there is significant change in legislative requirements or risk assessment identifies a need for review. Measuring the effectiveness of the policy will include the auditing of compliance with this policy.