

Ref: SL/AI

Date: 4 February 2010

I refer to the agenda for the special meeting of the Policy & Resources Committee to be held on Tuesday 9 February 2010 at 4 pm and attach report as undernoted which was not available on the day of issue.

ELAINE PATERSON  
Head of Legal & Administration

1. **Revenue Budget 2010/11 and Capital Programme 2010/14**  
Report by Chief Financial Officer

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



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>9 February 2010</b>
<b>Report By:</b>	<b>Alan Puckrin</b>	<b>Report No:</b>	<b>FIN/09/10/AP/GJ</b>
<b>Contact Officer:</b>	<b>Chief Financial Officer</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2010/11 Revenue Budget and 2010/14 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to supply Committee with sufficient information to allow consideration of the 2010/11 General Fund Revenue Budget and the 2010/14 Capital Programme.

## 2.0 SUMMARY

- 2.1 The Council approved the 2009/11 Revenue Budget and 2009/13 Capital Programme in February 2009. Within 2010/11 budget it was highlighted that there were various assumptions around future pay awards, inflation levels and the size of any potential reductions in Government funding.
- 2.2 The Committee has received various reports throughout the year in respect of the 2010/11 Revenue Budget and the Capital Programme. The Council received details of the 2010/11 Revenue and Capital Settlements from the Scottish Government in November 2009 and this included increased savings targets as a result of the funding reduction from Westminster. In addition the Grant settlement contains a further £1.04 million were the Council to decide to freeze Council Tax for 2010/11.
- 2.3 The Chief Financial Officer and the Corporate Management Team have met with the various Political Groups and the Unions through the Joint Budget Group over the last number of weeks and have provided a significant amount of information in respect of the Revenue and Capital Budgets plus the Common Good Budget and the General Fund Reserves. The report contains a number of Appendices which summarise the information provided.
- 2.4 It would be possible for the Committee to agree the adjustments outlined in the Appendices. This would result in a General Fund Budget for 2010/11 with a projected contribution to Reserves of £757,000 and a 4 Year Capital Programme covering the period 2010/14 which has a shortfall in resources of approximately 1.2%. However Committee may wish to agree an amendment and a standard pro-forma was supplied to all Political Groups for this purpose.
- 2.5 Whilst Committee is being asked to confirm the previously approved 2010/11 Revenue Budget at this point in time, much of the information supplied has focussed on the extremely challenging financial position expected to face Local Government for the period 2011/14 and beyond. The Council is in a relatively strong financial position both in terms of its General Fund Revenue Budget but also its General Fund Reserves however there is no doubt that the challenges which face Inverclyde Council's finances over the next two spending reviews will be the greatest which the organisation or its predecessors will ever have faced.

- 2.6 Based on the Financial Strategy the Council requires to find approximately £28 million savings over the period 2010/14 to balance its Revenue Budget. At the December meeting of the Policy & Resources Committee a Savings Strategy was agreed. This was based on the development of saving work streams to be led by individual members of the Corporate Management Team which would cover all areas of the Council budget. Appendix 6 details the work streams, lead officers, high level savings targets and timescales for decisions. It can be seen that these work streams currently have an estimated savings target of £21.9 million. Any shortfall between the savings actually required and the savings delivered via the work streams will require to be met by further savings which will require to be largely made up of Service reduction and withdrawal.
- 2.7 Any employee implications in these papers have been discussed with the Trade Unions via the Joint Budget Group who have confirmed their agreement to the proposed 2010/11 Revenue Budget and 2010/14 Capital Programme. However, the Joint Trade Unions have reserved their position relative to the development of detailed proposals for the Saving Work Streams shown in Appendix 6.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Committee consider the proposals from the CMT in respect of the 2010/11 General Fund Revenue Budget and either approve the figures in Appendix 1 or an appropriate amendment.
- 3.2 It is recommended that Committee consider the proposals from the CMT in respect of the 2010/14 Capital Programme and either approve the proposals in Appendix 2 or an appropriate amendment.
- 3.3 It is recommended that Committee note the latest SEMP Funding Model contained in Appendix 3.
- 3.4 It is recommended that Committee either approve the proposals from the CMT for the use of the General Fund Reserves as outlined in Appendix 4 or an appropriate amendment.
- 3.5 It is recommended that Committee either approve the proposals from the CMT in respect of the Common Good Fund as contained in Appendix 5 or appropriate amendment.
- 3.6 It is recommended that Committee agree to the savings work streams outlined in Appendix 6 and remit it to Officers to progress the work streams whilst reporting back to the appropriate Committees on progress throughout 2010/11 and beyond.
- 3.7 It is recommended that Committee notes the Risk Analysis set out in Appendix 7.
- 3.8 It is recommended that Committee notes the Equality Impact Assessment attached as Appendix 8.
- 3.9 It is recommended that Committee notes that the appropriate resolution in respect of the level of Council Tax for the financial year 2010/11 will be taken at the Full Council meeting on 18 February 2010.

Alan Puckrin  
Chief Financial Officer

#### **4.0 BACKGROUND**

- 4.1 The 2009/11 Revenue Budget and 2009/13 Capital Programme were agreed on 12 February 2009. At the time it was highlighted that there were a number of assumptions included within the 2010/11 Budget around pay and other inflation plus an estimate of an envisaged efficiency cut arising from the Chancellor's Pre-Budget Statement in November 2008. These issues could require adjustments to the 2010/11 Budget in the event that they could not be managed within the overall bottom line.
- 4.2 Update reports have been presented to the Policy & Resources Committee throughout the year including the agreement of 1% Efficiency Savings in September 2009 and details of the 2010/11 Settlement in December 2009.

#### **5.0 GRANT SETTLEMENT 2010/11**

- 5.1 The Scottish Government announced the Grant Settlement for Local Authorities in late November 2009 and the details of this were reported to the Policy & Strategy Committee on 15 December 2009. The announced settlement included a reduction of £131 million in Councils' Revenue Grant arising from a reduction in funding passed on from Westminster. Inverclyde Council's share of this reduction was £2.15 million. The Settlement announcement also advised that the Capital Grant for the Council was to be reduced by £0.58 million in 2010/11 being its share of the £43 million reduction in Capital Funding.
- 5.2 The Policy & Resources Committee in December 2009 agreed that Officers were to review the 2010/14 Capital Programme in light of the expected reductions in Capital Funding over future years.
- 5.3 The Government's Grant Settlement confirmed the mainlining of two former ring fenced areas of funding namely, Fairer Scotland Fund which is now fully incorporated within the Revenue Grant Settlement and the Private Sector Housing Grant which is now split between General Revenue Grant and General Capital Grant Funding.
- 5.4 Finally the Government's Grant Settlement for Inverclyde Council included a £1.04 million Grant in the event that the Council agrees to freeze Council Tax for 2010/11.

#### **6.0 INFORMATION CONTAINED IN THE APPENDICES**

- 6.1 There are 8 Appendices attached to this report and the following paragraphs will explain the content and purpose of each of them.
- 6.2 Appendix 1 shows the position of the 2010/11 Revenue Budget reflecting adjustments made in respect of the latest information and decisions taken by Members such as the decision to reduce funding to areas formally funded by Fairer Scotland Funding by £1 million. This Appendix also contains the impact of a number of recommendations made by the CMT which are covered in later pages within the Appendix.
- 6.3 Appendix 2 contains a report prepared by the Chief Financial Officer for all Members in respect of the action taken in respect of the 2010/14 Capital Programme. Were Committee to agree to the recommendations contained in this report then it is estimated that the 2010/14 Capital Programme will be balanced after taking account of a £5 million projected reduction in Resources from the Government over that period.
- 6.4 Appendix 3 contains the latest position of the School Estate Management Plan Funding Model after incorporating the impact of the recommended amendments to the 2010/14 Capital Programme. From this Appendix it can be seen that the overall programme remains in balance throughout the financing period and this Appendix is simply for noting and information.

- 6.5 Appendix 4 gives Committee information in respect of the General Fund Reserves highlighting the projected level of various Reserves and Funds as at 31 March 2010 and also contains recommendations as regards the minimum level of Reserves and proposed usage of Reserves from the Corporate Management Team. It can be seen from the Appendix that there is a balance available for one-off use of £0.95 million.
- 6.6 Appendix 5 contains a short report and details in respect of the Common Good Fund Budget. The report highlights that the Chief Financial Officer recommends that the balance on the Common Good Budget should not fall below £150,000 and also reaffirms the reliance which the Common Good Fund Budget has on income from shops in Port Glasgow Town Centre.
- 6.7 Appendix 6 contains detail in respect of the Savings Work Stream which is covering more detail in Section 8 of the report.
- 6.8 Appendix 7 contains a Risk Analysis of a number of issues relating to the Budget.
- 6.9 Appendix 8 contains the Council's Equality Impact Assessment of the Budget which is a best practice requirement.

## **7.0 ISSUES FOR COMMITTEE TO CONSIDER**

- 7.1 The Committee could simply confirm the adjustments to the already approved 2010/11 Revenue Budget contained in the Appendices as this would deliver a legal and balanced budget for the Council including the 2010/14 Capital Programme.
- 7.2 Officers have met with each Political Group a number of times over the last few weeks and provided various reports and briefings to all Members in order that specific budget proposals could be developed by Members if they so wish. To support this process a standard pro-forma was supplied to all Political Groups in order to ensure a consistency of advice and presentation.
- 7.3 In developing any amendments to the Budget as presented in the Appendices the Committee is reminded to be mindful of the significant financial challenges which face the Council in future years. The last Financial Strategy presented to Members in December 2009 estimated that funding reductions of £28 million will be required by the Council over the period 2010/14 on the basis of detailed analysis carried out by Solace, CIPFA Directors of Finance and the Centre of Public Policy for the Regions.

## **8.0 SAVING WORK STREAMS**

- 8.1 Officers have proposed the development and progression of a number of Corporate / Crosscutting Work Streams in order to generate the significant savings required over the next 3 year period. The proposal being that each saving work stream is allocated a lead Senior Officer which will report back to the relevant Committees with updates being reported on progress to the Policy & Resources Committee. This approach was approved by the Policy & Resources Committee in December 2009.
- 8.2 Targets for each of the Work Streams have now been included and are reflected in Appendix 6 to this report. The Committee is asked to note the savings targets at this stage are high level estimates but based on the best professional estimate of officers and these savings require to be achieved by March 2013. The Committee will note that the total estimated savings target in the Work Streams is currently £21.9 million.
- 8.3 Any shortfall between savings achieved from the Work Streams and the ultimate savings required will have to be closed by other means. This will include Service Reduction / Withdrawal and/or increased Government Funding. Officers will keep targets under regular review and will incorporate progress both in updates in respect of the Financial Strategy but also regular reports to the Policy & Resources Committee.

## **9.0 CONSULTATIONS**

- 9.1 As has been the case for the last number of years the Corporate Management Team has engaged with the Unions via the Joint Budget Group throughout the process. Through this process the Unions have agreed to the proposals contained in the 2010/11 Revenue Budget. However, the Joint Trade Unions have reserved their position relative to the development of detailed proposals for the Saving Work Streams shown in Appendix 6.
- 9.2 In addition discussions on the impacts of proposals contained in this report have been discussed with officers from Inverclyde Leisure and Riverside Inverclyde.

## **10.0 RISK ISSUES**

- 10.1 The approval of an Annual Budget of approximately £250 million and the Capital Programme of over £80 million is a significant decision for the Council and as such it is appropriate that a Risk Analysis is carried out. This is contained in Appendix 7 which identifies the main risks the likelihood and impact of these risks and the mitigating factors put forward by Officers.

## **11.0 EQUALITIES**

- 11.1 Appendix 8 contains the Council's Equalities Impact Assessment prepared by the Acting Director of Education. The preparation of having an Equalities Impact Assessment is recognised good practice.

2010/11 Budget - Position as at 9/2/10

	<u>£000</u>	<u>£000</u>
■ Base Budget 15/12/09 P&R		(356)
 <u>Add: Adjustments</u>		
■ Highholm Saving delayed until 2012	227	
■ Joint Board Savings against allowance	(400)	
■ FSF Corporate Recharge stopped	117	
■ Prudential Funding Binnie St - Not needed in 2010/11	(115)	
■ Prudential Funding Whiteboards/PC's - Not needed in 2010/11	(120)	
■ Rephasing of Unitary Charge (SEMP) Grant - 2010/11	(56)	<u>(347)</u>
 <u>Less: Further Savings</u>		
■ FSF Allocation Reduction	(1,000)	
■ 3rd/4th Tier Retirals/Vol Severance (See note 1)	-	
■ Do not implement 2010/11 Workforce Development Fund Increase	(50)	
■ Family Tax Credit Free School Meal Saving	(70)	
■ Balance of 2010/11 Pressures	(130)	
■ Insurance Fund Actuarial Review	(100)	
■ 2010/11 Increases in Government Funding not used (App 1 Page 2)	(191)	<u>(1,541)</u>
 <u>Add: CMT Recommendations</u>		
■ Increase contribution to Riverside Inverclyde (App1 Page 3 -5)	487	
■ Contribution to AMP funding model (App1 Page 6)	1000	<u>1,487</u>
		 <u><u>(757)</u></u>
Projected Contribution to Reserves 2010/11		<u><u>(757)</u></u>

Note 1

Figures will not be known until end of March. Proposed that any savings in 2010/11 are transferred to the VST/Early Retiral Earmarked Reserve.

Extra Funding – 2010/11 Settlement

<u>Area</u>	<u>Amount</u> <u>£000</u>	<u>Recommendation</u>
Respite Care	25	No action – Council increased funding by £70k in 2008/09
Regeneration	146	See specific proposal for RI Funding.
SNH Transfer	12	No action. Council put extra funding into this area over and above SNH funding in 2009/10
Zero Waste Fund	53	Allocate extra £50k to Depot replacement funding model.
Child Trust Funds	5	£35k already agreed for £2010/11 for Our Corporate Children – No further action.
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Proposed to allocate £50,000 resulting in a £191,000 saving.



Briefing Note For: All Members  
Subject: Riverside Inverclyde Funding  
By: Chief Financial Officer

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**Appendix 1**

**Page 3**

- 1/ The purpose of this note is to make a recommendation to the Members whereby the Council can address a future funding requirement by utilising some of the surplus recurring savings anticipated in 2010/11.
- 2/ The Council is legally committed to contribute £24million to Riverside Inverclyde by 2016/17. A plan for achieving this is included as an appendix in the Financial Strategy.
- 3/ In the 2010/11 Base Budget the Council has a Revenue contribution of £1.613 million to Riverside Inverclyde. This is due to increase to £1.85 million in 2011/12, £2.15 million in 2012/13 and £2.25 million in 2013/14. i.e. by the end of the next spending review Inverclyde Councils contribution to Riverside Inverclyde will have increased by £637,000.
- 4/ Members are aware of the intention to ensure that extra savings are made in 2010/11 in order to mitigate future saving pressures from 2011/12 onwards. Rather than all surplus savings in 2010/11 being placed in reserves and used in one off items of spend it makes sense for part of these excess savings to be used to reduce ongoing Revenue Expenditure requirements. As such it is proposed that the contribution to Riverside Inverclyde in 2010/11 be increased to £2.1 million i.e. an increase of £487,000 from that built into the Base Budget.
- 5/ Appendix 1 shows the current position of the contributions to Riverside Inverclyde as included in the Financial Strategy whilst appendix 2 shows the impact of the increase proposed. From this it can be seen that by having a significant increase in contribution in 2010/11 then it minimises any further increases required and certainly mitigates the requirement for any further increase over the next spending review period.
- 6/ In addition to the medium term financial advantages of this approach there is a clear Policy rationale for the Council increasing its contribution to Riverside Inverclyde in order to stimulate Economic Development whilst the Country is in the grip of a recession.
- 7/ Finally Members should be aware that contributions to Riverside Inverclyde are only released as and when money is expended and as such any unspent sums from contributions set aside for Riverside Inverclyde are carried forward as an earmarked reserve.

AP/CF  
8/1/10

Current Profile

Riverside inverclyde  
Funding Profile  
2006/7 → 2016/17

<u>Year</u>	<u>Revenue</u> <u>£000</u>	<u>Capital</u> <u>£000</u>	<u>Other</u> <u>£000</u>	<u>Total</u> <u>£000</u>
To 31/03/08	1,772	700	1,878	4,350
2008/9	1,840	85	1,112	3,037
2009/10	1,513	-	-	1,513
2010/11	1,613	-	-	1,613
2011/12	1,850	-	-	1,850
2012/13	2,150	-	-	2,150
2013/14	2,250	-	-	2,250
2014/15	2,350	-	-	2,350
2015/16	2,450	-	-	2,450
2016/17	2,437	-	-	2,437
	<b>20,225</b>	<b>785</b>	<b>2,990</b>	<b>24,000</b>

The above funding profile is currently under review to take into account other possible land/asset transfers to Riverside Inverclyde.

AP/CF  
22/12/2009

Proposed Profile

Riverside inverclyde  
Funding Profile  
2006/7 → 2016/17

<u>Year</u>	<u>Revenue</u> <u>£000</u>	<u>Capital</u> <u>£000</u>	<u>Other</u> <u>£000</u>	<u>Total</u> <u>£000</u>
To 31/03/08	1,772	700	1,878	4,350
2008/9	1,840	85	1,112	3,037
2009/10	1,513	-	-	1,513
2010/11	2,100	-	-	2,100
2011/12	2,100	-	-	2,100
2012/13	2,100	-	-	2,100
2013/14	2,100	-	-	2,100
2014/15	2,200	-	-	2,200
2015/16	2,200	-	-	2,200
2016/17	2,300	-	-	2,300
	<b>20,225</b>	<b>785</b>	<b>2,990</b>	<b>24,000</b>

The above funding profile is currently under review to take into account other possible land/asset transfers to Riverside Inverclyde.

AP/CF  
22/12/2009

Briefing Note To: All Members

Appendix 1

Briefing Note By: Chief Financial Officer

Page 6

Subject: Utilisation of FOM Savings to Fund Asset Management

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- 1/ The high level indicative savings target from the FOM is £3.8 million. Within the draft workstream targets this figure has been reduced to £3.5 million over the period 2010/14.
- 2/ Against this sum has been placed an indicative cost of £2.1 million recurring to reflect
  - a) The £200,000 saving already incorporated within the 2010/11 Revenue Budget.
  - b) £400,000 in respect of the ongoing running costs of the investment to date including the Customer Service Manager, Prudential Loans Charges and Software Maintenance Costs.
  - c) £1.5 million being the high level estimate of the Prudential Funding required in order to deliver the office accommodation and Depot Asset Management plans outlined to members in December 2009.
- 3/ The already approved savings for 2010/11 required by the FOM have been achieved via the current Voluntary Severance Trawl of admin/clerical staff. The savings required to fund the new Customer Service Manager Post have also been achieved whilst the balance of the recurring FOM costs are not required until 2011/12.
- 4/ An initial Asset Management Plan Funding Model is being developed and at this early stage it is apparent that a significant level of one off Revenue Funding will be required. In addition it is expected that significant Capital Expenditure will begin to be incurred from 2011/12 in order to meet the timescales for delivery of both the new office accommodation and depot accommodation. Therefore provision requires to be made to meet the recurring loans charges costs by 2011/12 at the latest.
- 5/ It is proposed therefore that £1 million be added to the 2010/11 Revenue Budget for inclusion in the Asset Management Funding Model. By adding this funding in 2010/11 it will create a one off sum which can also be used to meet the costs associated with feasibility studies, extra resources, decants and mothballing properties over the life of the Asset Management Funding Model. Inclusion of the sum in 2010/11 will also significantly address one of the main outstanding funding requirements of the Council over the next spending review period.
- 6/ The main issue the Members need to be aware of if they take this action is that FOM savings in 2011/12 need to be sufficient to cover this £1 million cost. However based on previous projections in respect of release 1 to 6 then there is due to be gross saving of over £3.2 million by 2011/12.
- 7/ Summary

Based on the high level figures produced in respect of the FOM and the Asset Management Plan then Members should consider setting aside a significant sum from the 2010/11 budget and beyond in order to fund its Asset Management Plan requirements. Based on the FOM projections previously supplied this should comfortably be funded over the anticipated FTE reductions over the next 2 financial years.

AP/CF  
13/1/10

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**Report To:** All Members

**Date:** 9/02/2010

**Report By:** Chief Financial Officer

**Report No:** FIN/07/10/AP/LM

**Contact Officer:** Alan Puckrin

**Contact No:** 01475 712223

**Subject:** 2010/14 Capital Programme

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to seek Members approval for the proposed 2010/14 Capital Programme which has been reviewed by CPIG and CMT in light of the anticipated reduction in resources from the Government.

## 2.0 SUMMARY

- 2.1 The last Policy and Resources Committee agreed that Officers should bring forward a revised 2010/14 Capital Programme in light of the expected reduction in resources over the 2010/14 period. At the time it was estimated that approximately £5 million would require to be removed from the programme in order to ensure that projected expenditure matched resources available.
- 2.2 The CPIG has met on a number of occasions to review Capital Expenditure requirement in light of the reduced resources available and the CMT have agreed recommendations for Members to consider as shown on appendices A and B.
- 2.3 From the appendices it can be seen that over the period 2010/14 the projected resources are £80.3 million whilst projected expenditure is £81.3 million. These figures exclude Prudential borrowing in respect of the School Estate Management Plan which is dealt with through the School Estate Management Plan Funding Strategy rather than being directly funded from the Capital Programme.
- 2.4 The relevant Heads of Service have confirmed that the amounts allocated for Property, Roads and Lighting, ICT and Private Sector Housing Grant should be sufficient to maintain the current Asset Infrastructure. It is acknowledged that these levels of investment will not significantly enhance the Council's Asset Infrastructure and this will only be achieved through specific investment strategies such as the School Estate Management Plan, Asset Management Plan or Vehicle Replacement Strategy.
- 2.5 Within the investment proposed Members are asked to agree that the procurement of the strategic site at Drumfrochar Road approved at the Policy & Resources Committee on 15<sup>th</sup> December, at a cost of £0.5 million is now included in the Capital Programme under the financial year 2010/11. In addition it is recommended that £80,000 per year be allocated to the Zero Waste Fund in lieu of extra Government Funding received in 2010/11 which is expected to recur in future years.
- 2.6 It is recommended to the Members that no further projects be identified at this point in time albeit it is recognised that it would not be unusual for the Capital Programme to be over provided by up to 5%. However in light of the uncertainty over the level of Capital Resources following the next spending review the most prudent course of action would be to largely match projected expenditure and available resources. This situation can be reviewed in future years once the outcome of the next Spending Review is known.

- 2.7 Appendix C shows how the sums recommended for individual investment programmes differ from those included in the Budget approved in February 2009 or from resources allocated by the Government.

### 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Members consider the recommendation from CPIG and thereafter confirm the Capital Programme or recommend amendments as part of the Budget consideration on 9<sup>th</sup> February 2010.

Alan Puckrin  
Chief Financial Officer

Capital Programme 2010/14

Resources Available

		<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>Totals</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Core Grant		3793	4000	3500	3000	14293
PSHG		695	682	670	658	2705
Supported Borrowing		5360	4500	4500	4500	18860
Sales (Ex-SEMP)	(Note 1)	440	148	364	-	952
Other Receipts	(Note 2)	876	-	5700	-	6576
CFCR		660	88	-	-	748
Prudential Borrowing		11076	11813	2807	5950	31646
Carry Forward 2009/10		4579	-	-	-	4579
Total Resources		<u>27,479</u>	<u>21,231</u>	<u>17,541</u>	<u>14,108</u>	<u>80,359</u>

Note 1

Includes Vehicle Sales 2010/13 & Redholm Sales 2012/13 (£0.300m)

Note 2

Includes £640k (GGCHB), £90K (Common Good), £146k (Safer Streets Grant) in 2010/11  
£5.7m in 2012/13 all relates to Rankin Park development

Capital Programme 2010/14

Proposed Expenditure

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>Totals</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>New Core Asset Investment</u>					
Property	1050	1000	1000	1000	4050
Roads & Lighting	1400	1400	1400	1400	5600
ICT	500	500	500	600	2100
PSHG	630	630	630	630	2520
<u>Specific Projects</u>					
SEMP	4800	4800	4800	4800	19200
Leisure Strategy	6576	7827	5572	950	20925
New Depot	-	2500	2500	5000	10000
AMP	500	TBC	TBC	TBC	500
ZWF	80	80	80	80	320
Police	360	360	360	360	1440
<u>Completing 2009/12 Programme</u>					
I&P	2260	680	265	-	3205
SSC	3053	451	251	-	3755
Regeneration	1948	3456	-	-	5404
Education	-	-	-	-	0
Social Care	1125	1118	70	-	2313
	<u>24,282</u>	<u>24,802</u>	<u>17,428</u>	<u>14,820</u>	<u>81,332</u>



Capital Programme 2010/14

Reductions in Investment Programmes

		<u>2010/11</u> <u>£000</u>	<u>2011/12</u> <u>£000</u>	<u>2012/13</u> <u>£000</u>	<u>2013/14</u> <u>£000</u>	<u>Totals</u> <u>£000</u>
Property - Current	(Note 1)	1200	2000	2000	2000	7200
- Proposed		1050	1000	1000	1000	4050
	Reduction	<u>150</u>	<u>1000</u>	<u>1000</u>	<u>1000</u>	<u>3150</u>
Roads & Lighting - Current		1000	1700	1700	1700	6100
- Proposed		1400	1400	1400	1400	5600
	Reduction	<u>-400</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>500</u>
ICT - Current		500	800	800	800	2900
- Proposed		500	500	500	600	2100
	Reduction	<u>0</u>	<u>300</u>	<u>300</u>	<u>200</u>	<u>800</u>
PSHG - Current		695	682	670	658	2705
- Proposed		630	630	630	630	2520
	Reduction	<u>65</u>	<u>52</u>	<u>40</u>	<u>28</u>	<u>185</u>
SEMP - Current		4922	5039	5161	5285	20407
- Proposed		4800	4800	4800	4800	19200
	Reduction	<u>122</u>	<u>239</u>	<u>361</u>	<u>485</u>	<u>1207</u>
	Total Reduction	<u>-63</u>	<u>1891</u>	<u>2001</u>	<u>2013</u>	<u>5842</u>

Note 1

Assumes Office & Depot investment is funded through Asset Management Funding Model.

## School Estate - Earmarked Reserves

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Earmarked Reserve b/fwd	1,786	3,994	5,352	4,955	4,866	4,326	3,868	3,543	3,706	3,713	3,642	3,475	3,199	3,109
Available Savings added (a)	1,880	2,493	2,942	3,743	4,248	4,692	4,907	4,907	4,907	4,907	4,907	4,907	4,972	4,972
Extra Financing (b)	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Prudential Schools Loan Charges (c)	-1,868	-2,106	-2,704	-3,505	-4,053	-4,487	-4,523	-4,531	-4,535	-4,540	-4,545	-4,550	-4,555	-4,561
Unitary Charge Payment (d)	-477	-2,909	-8,219	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042
One Off Costs (e)	-528	-587	-977	-211	-674	-737	-750	-246	-390	-454	-537	-565	-283	-30
Extra Revenue Repairs (f)	-313	-360	-49	-224	-116	-230	-263	-271	-279	-288	-296	-305	-314	-324
Cash Flow Deficit Funding (g)	0	0	-44	-196	-249	0	0	0	0	0	0	-67	-214	-66
Unitary Charge RSG (h)	264	1,577	5,404	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096
<b>Earmarked Reserve c/fwd</b>	<b>3,994</b>	<b>5,352</b>	<b>4,955</b>	<b>4,866</b>	<b>4,326</b>	<b>3,868</b>	<b>3,543</b>	<b>3,706</b>	<b>3,713</b>	<b>3,642</b>	<b>3,475</b>	<b>3,199</b>	<b>3,109</b>	<b>3,404</b>

(a) Per figures 13/08/09 - Based on full years actual expenditure 09/10 budget.

(b) Per 2008/09 budget and £1 million for Shared Campus approved Feb 2009.

(c) Assumes Inverclyde Academy, Newark Primary & Shared Campus are Prudentially funded.

Uses a pool fund rate of 4.75% from 2012/13.

(d) Based on Financial close figure of £8.842 million plus £200k contingency and assuming inflation from 2013/14 will be contained in the core Council inflation budget.

(e) After 2022/23 one-off costs cease.

(f) Increased Revenue Repairs.

(g) Assumes 4.0% Internal Borrowing Rate on any short term cashflow funding of capital investment. Based on Capital contribution being frozen at £4.8 m from 2010/11.

(h) Government have yet to include full funding in Council settlements from 2011/12.

2010/11 Budget  
General Fund Reserves Position

- 1/ A key aspect of the consideration of the General Fund Revenue Budget and Capital Programme is the position of the General Fund Reserves.

A Reserves Strategy was agreed by Council as part of the 2008/09 Budget.

- 2/ Reserves can be held for three main purposes:-

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

- 3/ The Reserves Strategy seeks agreement that the core General Fund Reserve be maintained at a level of 2% of turnover. A turnover of approximately £210 million results in a core General Fund Reserve of £4.2 million.

In the event that the Reserves are projected to fall below this level then members must approve a strategy for bringing Reserves back up to the level over the subsequent three financial years.

- 4/ The Reserves Strategy is predicated on the continued use of earmarked reserves.

In this way, Earmarked Reserves can be separated from the core General Fund Reserve which should allow members to more transparently track the underlying reserves position.

- 5/ For the main reserves/funds there should be a clear protocol on:

- The reason for/purpose of the reserve
- How and when the reserve can be used
- Procedures for the reserve's management and control
- A process and timescale for review of the reserve to ensure ongoing relevance and adequacy

Within Inverclyde Council these main Reserves/Funds comprise; General Fund Reserve, Insurance Fund, Capital Fund and Repairs & Renewals Fund. The latest projected position is shown in on page 2.

- 6/ Page 3 shows the projected position as at 31<sup>st</sup> March 2011 of the core General Fund Reserve should the recommendations contained in this report be accepted. Within this balance is the writing back of £0.9 million of current Earmarked Reserves assessed to be no longer required as at 31<sup>st</sup> March 2010.

1. General Fund Core Reserves – This Reserve represents the Council's contingency for unforeseen/unquantifiable events. The level of the Reserve is recommended by the Chief Financial Officer and is reviewed on an annual basis as part of the Budget Process whilst the projected balance is reported to each Policy and Resources Committee.

Projected Balance 31.03.2010 = £5.04 million

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

Projected Balance 31.03.2010 = £5.4 million

3. Capital Fund – The Capital Fund is a Fund into which Capital Receipt income can be paid and used to fund either capital investment or repay the Principal element of debt repayments. The balance and planned useage of the Capital Fund will be incorporated into the Financial Strategy.

Projected Balance 31.03.2010 = £1.74 million

4. Repairs & Renewals Fund – The Repairs & Renewals Fund consists of sums received from external parties or allocated directly from Council resources which are thereafter released on a phased basis to maintain specific assets. Use of specific allocations to the Fund is agreed at the time contributions are made and the overall position will be reported as part of the Financial Strategy.

Projected Balance 31.03.2010 = £0.30 million

General Fund Reserve  
Projected Balance 31.03.2011

	<u>£m</u>	<u>£m</u>
Projected Core Reserve Balance 31/3/2010	5.0	
2010/11 Surplus (Appendix 1 Main Report)	0.75	5.75
Write back Earmarked Reserves (Note 1)		0.9
		<u>6.65</u>
 CMT Recommendations:		
- Aids and Adaption funding 2010/14		(0.8)
- Flooding Strategy - Initial Allowance		(0.5)
- Implementation of saving workstreams		(0.2)
 Minimum recommended Core Reserve		 (4.2)
 Balance available for One-off Use		 <u>0.95</u>

Note 1: Comprises

- Economic Down Turn Reserve	£0.65m
- FM Efficiency Review Reserve	£0.15m
- 2009/11 Savings Implementation Reserve	£0.06m
- Sundry Minor Earmarked Reserves	£0.04m
	<u>£0.90m</u>

Note 2

Assumes that any saving on the current 2010/11 2.5% Employee inflation, general inflation allowance 3rd/4th Tiers Retirals and any additional surplus generated in 2009/10 be paid into the VST/Early Retiral Earmarked Reserve.

Briefing Note To: All Members

Briefing Note By: Chief Financial Officer

Subject: Common Good Fund Project 2010/11 to 2011/12

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1. The purpose of this short briefing note is to provide sufficient information to Members to enable them to take decisions in respect of the Common Good Budget for the period 2010/12
2. The Common Good Fund derives its income from shops in the centre of Port Glasgow and the vast majority of expenditure relates to Council wide events with smaller costs relating to recharge for the administration of the Fund and the maintenance of the shops in Port Glasgow.
3. It can be seen from the attached tables that the Common Good Fund is financially balanced in 2010/12 on the basis that there is a small contingency for future community events not yet identified.
4. It can be seen that the projected free available Common Good Fund Balance is £177,000. It would be my recommendation that the fund balance should not fall below £150,000 without there being a clear plan as to how the balance could be brought up above this level in the short term.
5. In short therefore there is limited scope for additional spend either of a one off nature or a recurring nature without savings being identified elsewhere within the Fund.
6. Finally members need to remember the Common Good Funds almost total reliance on income from the shops in the centre of Port Glasgow and were there to be any significant increase in either bad debts or voids then Members would need to review the List of Community Events shown in the attached tables.
7. It is recommended that Members consider the contents of this briefing note and thereafter either approve the Budget as presented or table any amendments.

AP/LM  
14/01/10

	2009/10 Budget	Adjustment 2010/11	Inflation	2010/11 Budget	Adjustment 2011/12	Inflation	2011/12 Budget
<b>PROPERTY COSTS</b>							
Repairs & Maintenance	2,000	0	0	2,000	0	0	2,000
Property Insurance	1,000			1,000			1,000
	1,000			1,000			1,000
<b>ADMINISTRATION COSTS</b>							
Sundries	10,500	0	0	10,500	0	0	10,500
Management Allocation	300			300			300
Recharge for Accountancy	2,200			2,200			2,200
	8,000	0		8,000			8,000
<b>OTHER EXPENDITURE</b>							
Christmas Lights Switch On	153,260	A. (15,700)	3,200	140,760	A. 1,100	3,400	145,260
Christmas Dinners/Parcels	9,900		300	10,200		300	10,500
Christmas Decorations	24,000	0	0	24,000		0	24,000
Gourock Highland Games	34,400	0	1000	35,400		1100	36,500
Annistice Service	27,900		800	28,700		900	29,600
Megawatt Festival	5,900		200	6,100		200	6,300
Fireworks	17,700		500	18,200		500	18,700
Contingency for future Community Events	11,900	(15,700)	400	12,300	1,100	400	12,700
	21,560			5,860			6,960
<b>INCOME</b>							
Gross Rent	(165,760)	B. 16,900	(4,400)	(153,260)	0	(4,500)	(157,760)
Void Rents	(161,760)	9,460	(4,600)	(156,900)		(4,700)	(161,600)
Internal Resources Interest	(4,000)	6,940	200	7,140		200	7,340
		500		(3,500)			(3,500)
<b>NET EXPENDITURE</b>	0	1,200	(1,200)	0	1,100	(1,100)	0

Projected Fund Balance as at 31st March 2010

£517,000

Earmarked Fund for 2011 Tall Ships Event

150,000

Earmarked Fund for replacement of SV Comet

0

Projected Available Fund Balance

£177,000

COMMON GOOD FUND

REVENUE BUDGET 2010/11 - 2011/12

ADJUSTMENTS

2011/12

**A. OTHER EXPENDITURE**

Increase/(Decrease) to Contingency to balance Common Good budget

-15700  
-15700

1100  
1100

**B. INCOME**

Decrease to bring in line with 2009/10 projected Income  
Allowance for Void Rents based on 09/10 occupancy  
Revision to Internal Resources Estimate

9460  
6940  
500  
16900

0  
0  
1100



2010/14 Budget  
Savings Workstreams

<u>No</u>	<u>Work stream</u>	<u>Lead</u>	<u>Saving Target</u> £million	<u>Description/Update</u>	<u>Timescale</u> <u>Decisions</u>
1/	<u>Restructures</u> Senior Management  Middle Management	JM  JM	0.4  0.6	<u>Senior Management</u> The Revised Corporate Management Structure was approved at the Special Council Meeting on the 19 November 2009. The implementation of the Structure at Chief Officer level will be completed by 31 March 2010.  <u>Middle Management</u> A targeted voluntary trawl has been undertaken in the context of the approved Corporate Management Structure and recurring savings are being delivered. A detailed proposed Management Structure needs to be completed for below CO level and approved by Council prior to 31 March 2010.	Finalised  2010/11
2/	Transformation Programme (incorporating FOM and other associated activity)  Less: Savings already earmarked  System Specific: <ul style="list-style-type: none"> <li>▪ E-Minutes</li> <li>▪ E-Procurement</li> </ul>	PW  PW	3.5  (2.1)  Nil	Establish revised schedule for further development of customer service and initiation of internal shared services to reflect decisions taken on overall Transformation Programme, delivery of AMP and budget process.  Revised schedule and associated information to be submitted to CMT before end of January, to include proposals to secure wider ownership.  £0.2million already in 2010/14 budget, £0.4million needed to fund on-going costs & £1.5million allowance for AMP.  Previous investment decisions taken in context of M&E Programme to be revisited to ensure that efficiencies have been identified and taken.	From 2010/11  From 2010/11  2010/11

3/	<p><u>AMP</u></p> <p>Offices</p> <p>Depot</p> <p>FM/Cleaning Savings</p> <p>Utility Cost Reduction/Energy Management</p> <p>SEMP (Includes Refinancing)</p>	<p>AF</p> <p>AF</p> <p>AF</p> <p>AF</p> <p>AP</p>	<p>Nil</p> <p>Nil</p> <p>0.3</p> <p>0.2</p> <p>0.5</p>	<p>Proposals reported to Policy &amp; Resources December 2009</p> <p>Review of specifications as part of AMP exercise</p> <p>To deliver real reductions in energy usage. Linked to section restructure proposals.</p> <p>Refinancing will be reviewed once all Schools delivered in 2012</p>	<p>From 2010/11</p> <p>2011/12</p> <p>From 2010/11</p> <p>2012/13</p>
4/	<p><u>Procurement</u></p> <p>Category A &amp; B Spend</p> <p>Commodity Review</p>	<p>A P</p> <p>AP</p>	<p>0.2</p> <p>0.2</p>	<p>Savings from National contracts</p> <p>Savings from contracts let by the Council</p>	<p>From 2010</p> <p>From 2011</p>
5/	<p><u>Commissioning</u></p> <p>2010/11 Reduction in FSF</p> <p>Commissioning Savings (Includes Money Advice, Drugs/Alcohol, Youth/Community Work, Supporting People &amp; Former FSF Projects)</p>	<p>A F</p> <p>PW</p>	<p>1.0</p> <p>1.0</p>	<p>Implementation in process following December 2009 decisions</p> <p>Commissioning Model, building on successful approach utilised for FSF and discussions on process at CMT, to be developed and approved.</p> <p>Proposed model to CMT by end of March for approval along with scoping paper with further detail on policy/service areas to be considered.</p>	<p>Dec 2009</p> <p>From 2010/11</p>

6/	<p><u>Conditions of Service</u></p> <p>Impact of 37 hr week</p> <p>Sick Pay Policy</p> <p>New Starts Working Week</p>	<p>AM</p> <p>AM</p> <p>AM</p>	<p>0.5</p> <p>Tbc</p> <p>0.2</p>	<p>Generating savings from increase in working week from 35 to 37 hours/week from 1/4/12.</p> <p>Target subject to further discussions</p> <p>Review practice of replacing 35 hour employees with 37 hour week contracts.</p>	<p>From 2012/13</p> <p>From 2010/11</p>
7/	<p><u>New Models of Delivery</u></p> <p>External Shared Services</p> <p>Arms Length Companies</p>	<p>JM</p> <p>JM</p>	<p>Nil</p> <p>Nil</p>	<p>Proposals are being developed via the CVCPP following publication of the Arbutnott report. Inverclyde has responded with proposals to prioritise Waste Management; Special Needs Transport and Roads.</p>	<p>2010/11</p>
8/	<p><u>Corporate Savings</u></p> <p>Inflation Review - Pay</p> <p>- Other</p> <p>Top Slice/ 1% Efficiency</p> <p>Centralise Specific Spend</p> <p>Streamline Cost of Democracy</p>	<p>A P</p> <p>AP</p> <p>AP</p> <p>JM</p>	<p>3.0</p> <p>1.8</p> <p>3.6</p> <p>Nil</p> <p>0.05</p>	<p>Review allowance every 6 months as part of Finance Strategy</p> <p>Agree policy as part of 2011/12 budget</p> <p>Review areas where benefit could be obtained by centralising certain areas of spend</p> <p>Review to commence in March 2012 to consider options for revised Committee Structure.</p>	<p>2010/11 &amp; on</p> <p>2010 /11</p> <p>2010/11</p> <p>2012/13</p>

9/	<u>Income</u> New Income Sources Increased Charges Council Tax Increases (2012/14)	AP AP AP	0.2 0.2 3.0	Progress during 2010/11 as part of OIP work Benchmark charging levels with neighbouring authorities as identified via the Arbutnot report. On the basis that Council Tax is frozen for the duration of the existing Holyrood Administration (2010/12), to raise £3 million would require a cumulative increase of 10% over the period 2012/14.	2010/11 2010/11 2012/13 onwards
10/	<u>Policy</u> National Policies Concordat Commitments Areas of increased investment 2004 to date Externally Funded Projects Policy Priorities Allowance	AP AH AP AP AP	? 0.4 0.5 Nil 0.45	Strong likelihood that irrespective of Westminster/ Holyrood election results a review of certain national policies will be required Review Class Sizes/Free School Meals as part of 2010/11 budget Review areas where additional resources have been targeted since 2004 for possible cost saving efficiencies.. On going annual exercise Review need for current allowance of £300k/year for Policy priorities	2010/11 onwards Feb 2010 2011/12 2010/11 onwards Feb 2011
11/	<u>Other Specific Proposals</u> Roll Reduction (2011/12 – 2013/14) Other Savings (2010/14)	AH A P	0.5 1.0	Reduction of 6.2fte in 2011/12 and again in 2013/14 using £40k as the full year cost of an unpromoted teacher, managed through the staffing exercise. Other savings will be achieved on an ad hoc basis & reported from P&R Committee	2011/12 onwards Feb 2010 onwards

Appendix 6

12/	<u>Service Reviews</u>					
	Home Care	RM	0.3	Homecare External review of the homecare service both provided and contracted with a view to securing efficiency in allocation of resource and establishing clear review and compliance requirements in line with service agreements. Options for development to be considered and appraised.	2010/11	
	Planning	AF	0.1	Saving linked to significant technology systems investment within Planning	2010/11	
	Street Scene	AF	0.1	Review of working patterns/practices within Environmental Services	2010/11	
	Early Years	AH	0.2	Various proposals to achieve saving being developed as part of future budgets	2010/11	
	<u>Total</u>		<u>21.9</u>			

20010/11 Budget  
Risk Analysis

<u>Risk</u>	<u>Likelihood</u>	<u>Impact</u>	<u>Mitigating Factors</u>
1/ That the Scottish Government is unable to approve the 2009/10 budget by 12 <sup>th</sup> February 2009 resulting in : a) Council grant funding remaining at 2009/10 levels due to lack of a new budget b) The budget for 2010/11 is agreed but with further reduced funding for Local Government.	Low  Medium	Low  Low	In the short term this would be a cash flow issue for the Council. The Council's Reserves could sustain any shortfall in grant for several months.  On the assumption that any reduction would not be large in % terms the Council has sufficient flexibility in 2010/11 to manage this whilst more detailed proposals are developed for 2011/12.
2/ That an incoming Westminster Government may significantly reduce funding to Holyrood in 2010/11 this necessitating a reduction in currently announced Grant figures.	Medium	Medium	The current 2010/11 revenue proposals project a surplus and this would be utilised in the first instance. Thereafter the Council could utilise Reserves as a one-off on 2010/11 and accelerate delivery of the Savings Work Streams.
3/ That the economic downturn will mean that allowances for inflation/interest rates will vary from actual rates.	High	Low	Every year the Council sets its budget without being 100% clear on Pay/Contract indexation or interest rates. Assumptions are based on latest information and there is sufficient flexibility within the overall budget to manage individual variations.
4/ That the Council is unable to agree a budget on the 9th February 2009.	Medium	Low	Members have been supplied with comprehensive information and officers have responded to all requests for support & information. The statutory deadline for the Council to set Council Tax is 11 <sup>th</sup> March. A delay until this date would delay Council Tax billing for one month and cost approximately £80,000.

# INVERCLYDE COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

## APPENDIX 8

### Context: Why is this important?

Impact assessment provides us with an opportunity to assess risk and check if we have the balance right when setting priorities.

The process allows us to give 'due regard' to our obligations under legislation when making critical decisions about the use of public funds.

'No one should be denied opportunities because of their background, gender, race, age, disability faith or sexual orientation. This principle underpins the work of the Scottish Government and we are integrating this into our activities through the equality impact assessment process. We take our responsibilities under the statutory public sector equality duties seriously, not just because it is a legal requirement but because a more equal Scotland will contribute to a more successful Scotland.'

(Ref: Scottish Government Budget 2008)

Similarly underpinning our budget is a commitment to deliver fair outcomes, make improvements and put in place measures which will address patterns of inequalities and disadvantage.

The impact assessment has been carried out at a high level and considers the impacts associated with our priorities established by the Scottish Government reflected in the Corporate Plan, Community Plan, and Single Outcome Agreement and implemented through Directorate and Service Plans.

These plans outline our priorities and key programmes for investment and change supported by the allocation of resources in the General Revenue Budget and Capital Programme.

Many of the issues in these documents are interconnected and individuals may experience multiple inequalities or cross cutting issues. These documents operate at a strategic level therefore the focus of this impact assessment is at a strategic level.

We need to be flexible and change our priorities to take account of legislative requirements, demographic considerations and additional cost pressures as they arise.

The assessment recognises a number of areas where there is the potential to address inequalities and deliver positive impacts. The realisation of positive impacts will only result where specific measures are applied at service level. The individual programmes, policies and activities which Directorates and Services seek to deliver over the budget period will continue to be subject to equality screening and full equality impact assessment.

There are finite resources which the Council has to deliver all of its services. The budget therefore aims to balance investment with positive impacts where there are negative impacts everything possible has been done to minimise these. The information contained in the EIA contributes to delivering better outcomes for people in Inverclyde.

# INVERCLYDE COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

## APPENDIX 8

<b>Essential Information</b>
Name of the policy: <i>General Fund Revenue Budget and Capital Budget 2009/2011</i>
Is this policy: New <input type="checkbox"/> Reviewed <input checked="" type="checkbox"/>
Name of Officers completing this form: <i>Albert Henderson</i>
Designation (s): <i>Acting Director of Education</i>
Department: <i>Education &amp; Communities</i>
Date of Impact Assessment: <i>22 January 2010</i>

<b>Aims and Objectives</b>
1. Does the policy affect people? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2. What are the main aims of the policy? Please list: <i>The General Fund Revenue Budget and Capital Budget 2009/2011 is aimed to deliver for the Council a balanced revenue budget and investment in the capital programme to benefit the citizens of Inverclyde. The single outcome agreement gives the wider policy context. Employability and employment, Disability, Early years, Mental Health and Addiction, Carers and older people aligned to and specific Equality themes.</i>
3. Who is affected by the policy or who is intended to benefit from the proposed policy and how? Please list. <i>All citizens of Inverclyde are affected by the Council are as all employees of Inverclyde Council.</i>



# INVERCLYDE COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

## APPENDIX 8

4. How will you put the policy into practice and who will be responsible for delivering it? (e.g. other Council departments, partner agencies, communities of interest, equality target groups. Who else is involved in the delivery of this policy?)

*The Revenue and Capital Budget will be put into practice by officers within the services of Inverclyde Council. The financial impacts will be monitored by the Chief Finance Officer and officers in Finance and there will be regular reporting to the Committees of the Council on the implications of the decisions taken as part of the General Fund Revenue Budget and Capital Budget 2009/2011.*

*The Corporate Management Team are also significantly involved in the monitoring the implementation of budget decisions as well as the overall budget. Elected members, through their involvement in Service Committees and their involvement in Policy & Resources Committee are significantly involved in monitoring the budget.*

5. How have they been involved in the process? (e.g. consultation, stakeholders, council working groups)

*A 2 year budget has been set for 2009/11 and the process of engagement over these two years is outlined below.*

*2009/2010*

- *Each department of the Council undertook high level meetings with their senior officers with a view to identifying pressures and identifying savings.*
- *The Corporate Management Team dealt with applications for pressures and dealt with a first level analysis of the savings proposed.*
- *Services completed detailed savings sheets which outlined impacts, on service delivery as well as employees.*
- *Elected members then became involved and the Corporate Management Team consulted with the administration and with the minority groups of the Council. The Chief Finance Officer facilitated the making up of the Revenue Budget for each of these 3 groups.*
- *While the above was in progress, the Corporate Management Team had regular meetings with representatives of the trade unions representing employees of the Council. At all times this group was kept involved in the policy development in respect of the budget and the implications for staff.*

*2010/2011*

- *For this year's budget adjustments the Corporate Management has again engaged with all elected members, the trade unions through the joint budget group, the Extended Corporate Management Team and the Directorate teams. In addition discussions on the impacts of proposals have been discussed with effect from Inverclyde Leisure and Riverside Inverclyde.*
- *Extended Corporate Management Team were consulted on the budget at regular intervals.*

6. What resources are available? Is there any change in the resources available?

*The appended report gives an indication of the existing and additional resources that are provided through the Revenue Budget and the savings which will have to be made in each of the financial years, 2010/2011.*

# INVERCLYDE COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

## APPENDIX 8

7. How does this policy impact on other policies?

*The General Revenue Budget impacts on all of the services of the Council and in terms of pressures, deals with legislative and demographic pressures. The savings have been carefully calculated to limit their impact on policy priorities but the budget itself reinforces the inclusive aims of the Council's overarching equality policies.*

8. How does the policy fit within the wider aims of the Council?

*The policy fits with the wider aims of the Council. The policy reflects the strategic outcomes of the Council's Corporate Plan 2011 and associated aspects of the Council's Single Outcome Agreement 2008. The decisions in the General Fund Revenue Budget are consistent with the administrations manifesto pledges and with the policy direction. The Revenue Budget is consistent with the Equality Statement of the Council. "Equality counts in Inverclyde".*

9. How does this policy impact on different groups of people?

*The impact on service users will be monitored through implementation of Directorate Plans and Performance reports to relevant committees. These will be monitored over all equality areas.*

10. What evidence do you have to help identify any potential impacts of the policy?

(Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)

Evidence	Details
<p>Consultation</p> <p>The Best Value Report put in place systems processes which increase our ability to do this Whole systems approach</p>	<p>Inverclyde has an ongoing process of consultation on all of its major policies functions and activities.</p> <p>Consultation has taken place with officers in each service of the Council, the Corporate Management Team, the Extended Corporate Management Team, the administration of the Council, local minority political groups and the Joint Budget Group. The CPIG group were consulted in respect of the capital budget. Discussions on the impact of the implementation of the budget will take place with the appropriate equalities group across Inverclyde.</p>
<p>Research</p> <p>As above</p>	<p>Further research is required with user groups to determine ongoing impact of policy implementation</p>
<p>Officers' knowledge and experience (including feedback from frontline staff)</p> <p>Officers already doing this well</p>	<p>Officers at a variety of levels in the services have been consulted over the development of the budget and this collective experience has informed the budget policy process.</p>

# INVERCLYDE COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

## APPENDIX 8

in certain areas –evidenced in inspection reports at all levels of the organisation	
Equalities monitoring data	There is a need to review equalities monitoring data across all services in line with the new legislation. This will be applied to future budget policy processes.
User feedback (including complaints)	Feedbacks from the Citizens' Panel Survey and from groups such as community groups and the Parent Council Chairs have informed the political decisions by the administration in respect of the Revenue Budget. The Council has also established a comments, complaints and compliments procedure which helps to determine future plans.
Stakeholders / Other	Potential impacts of the Revenue Budget have been discussed with representatives of Strathclyde Police, Unions, Community Health Partnership, Riverside Inverclyde, Inverclyde Leisure and with River Clyde Homes. Further discussions will take place with relevant equality groups as budget being implemented.

### 11. Impact

What does the information tell you about the potential impact of this policy on the following equality groups?

*Further work has to be done to assess equality impact across target groups and this will be carried out as the budget is implemented.*

Equality Target Group	Positive Impact +	Neutral Impact =	Negative Impact -	Cross cutting theme
Race – actions in place to research and develop this year				
Disability				
Gender (male, female, transgender)				
Religion and Belief				
Age Older people living in poverty				
Lesbian, Gay and Bi-sexual Actions to develop this year				

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12. From the Equality Target Groups you have highlighted above describe the positive and negative impacts and the groups affected.

*Need further development of robust monitoring processes across all equality strands in order to properly assess positive and negative impact. This will be carried out as budget is being implemented.*

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If you do not have any potential negative impacts go to Question 14 and summarise the results of your assessment.

13. **If you have identified any negative impacts** use the matrix below to identify the level of the negative impact and the number of people potentially affected by the negative impact.

Number of People	<p>Your policy is likely to be unlawfully discriminatory.</p> <p>Refer to the EIA Guidance on how to modify your policy.</p>	<p>Your policy is likely to be directly discriminatory</p> <p>You must reject or substantially modify your policy</p>
	<p>Consider ways in which you can minimise or remove any low level negative impact that affects a small number of people.</p> <p>Refer to Measures put in place Mitigating factors and action Further work as a result of doing this highlights our commitment</p>	<p>Your function or policy is likely to be unlawfully discriminatory.</p> <p>Refer to the EIA Guidance on how to modify your function or policy.</p>

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LOW

HIGH

### Level of Negative Impact

14. Summarise the results of the Equality Impact Assessment. Include any action which has been taken as a result of the Equality Impact Assessment. Please note if you have changed, modified or consulted on your policy.

*The General Fund Revenue Budget and Capital Revenue Budget are put in place on an annual basis. This particular policy is a 2-year policy. The policy has been scrutinised by a significant amount of officers and elected members within Inverclyde with a view to how it addresses equality implications.*

15. How will the implementation of the policy be monitored and its impact on equality groups.

*The implementation of the General Revenue Budget and Capital Budget will be by the service committees of the Council; Regeneration Committee, Safe, Sustainable Communities Committee, Education & Lifelong Learning Committee and Health & Social Care Committee and above all, monitored by the Policy & Resources Committee and by the Council itself. Monitoring will be put in place to determine the impact on equality group of the implementation of the budget.*

16. How will the results of monitoring be used to develop the policy and minimise any negative impacts.

*The results of the Revenue Budget monitoring will be used to amend service delivery to minimise any negative impact on equality group.*

17. When is the policy due to be reviewed?

*The policy is due to be reviewed in February 2011 and at this time the Council will respond to further external pressures and guidance and review the policy at this time.*

18. Please use the space below to detail any other matters arising from the Equality Impact Assessment process.

This is the second time we have impact assessed the budget and we have been able to learn from these exercises and the results of the actions to arise from these assessments will feed into future budget setting on an ongoing basis.

The exercise will contribute to Best Value and Continuous Improvement enabling us to develop our outcomes focused on equality, diversity and human rights, building on our achievements to date.

The impact assessment should now be authorised by the officers who completed the form.

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<b>Policy Title:</b>	<b>General Fund Revenue Budget and Capital Budget 2009/2011</b>
Name of Person(s) who completed the Assessment:	Name: Albert Henderson Position: Acting Director of Education Date: 22 January 2010
Authorised by:	Name: John Mundell Position: Chief Executive Date: 3 February 2009

On completion of this step the Equality Impact Assessment will be published on Inverclyde Council's Website.

**Glossary of Terms**

**Direct Discrimination:** treating a person less favourably than another on the grounds of race, disability, gender, sexual orientation, religious/political belief or age.

**In direct discrimination:** the application of a 'provision, criterion or practice' that puts people from different backgrounds at a particular disadvantage and cannot be shown to be a proportionate means of achieving a legitimate aim.

The term '**positive action**' refers to a variety of measures designed to counteract the effects of past discrimination and to help eliminate stereotyping of any kind. Under this broad definition positive action may include initiatives such as the introduction of non-discriminatory selection procedures, training programmes or policies aimed at preventing any harassment.

**Positive discrimination** This is where members of a particular group are given preference over others for no other reason than their belonging to that group. Positive discrimination is **unlawful**.

**Useful Links**

**Resource**

**Webpage**

Disability Rights Commission	<a href="http://www.drc.org.uk">www.drc.org.uk</a>
Equal Opportunities Commission	<a href="http://www.eoc.org.uk">www.eoc.org.uk</a>
Commission for Racial Equality	<a href="http://www.cre.gov.uk">www.cre.gov.uk</a>
Commission for Equality and Human Rights	<a href="http://www.cehr.org.uk">www.cehr.org.uk</a>
Census statistics	<a href="http://www.scrol.gov.uk/scrol/common/home.jsp">http://www.scrol.gov.uk/scrol/common/home.jsp</a>
Images of Disability	<a href="http://www.imagesofdisability.gov.uk">www.imagesofdisability.gov.uk</a>
The Equalities Review	<a href="http://www.theequalitiesreview.org.uk">www.theequalitiesreview.org.uk</a>
European Year of Equal Opportunities	<a href="http://ec.europa.eu/employment_social/equality2007/index_en.htm">http://ec.europa.eu/employment_social/equality2007/index_en.htm</a>
Scotland's Commissioner for Children & Young People	<a href="http://www.sccyporg.uk">www.sccyporg.uk</a>
Women and Equality Unit	<a href="http://www.womenandequalityunit.gov.uk">www.womenandequalityunit.gov.uk</a>
Scottish Index of Multiple Deprivation	<a href="http://www.scotland.gov.uk/Topics/Statistics/SIMD/Overview">www.scotland.gov.uk/Topics/Statistics/SIMD/Overview</a>
Scottish Household Survey	<a href="http://www.scotland.gov.uk/Topics/Statistics/16002">www.scotland.gov.uk/Topics/Statistics/16002</a>

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High Level Summary of Equality Statistics: Key Trends for Scotland 2006	<a href="http://www.scotland.gov.uk/Publications/2006/11/20102424/0">http://www.scotland.gov.uk/Publications/2006/11/20102424/0</a>
Stonewall Scotland	<a href="http://www.stonewallscotland.org.uk/scotland/default.asp">http://www.stonewallscotland.org.uk/scotland/default.asp</a>
LGBT Youth Scotland	<a href="http://www.lgbtyouth.org.uk">www.lgbtyouth.org.uk</a>
Scottish Parliament briefings on equality	<a href="http://www.scottish.parliament.uk/business/research/subject/equal.htm">http://www.scottish.parliament.uk/business/research/subject/equal.htm</a>

### **Acknowledgements**

Inverclyde Council's Equality Impact Assessment has been informed by:

- Scottish Executive's Equality Impact Toolkit
- Argyll and Bute Council Equality Impact Assessment Toolkit