
Report To:	Inverclyde Council	Date: 14 th February 2013
Report By:	Chief Financial Officer	Report No: FIN/10/13/AP/CM
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	Revenue Budget 2013/16, Capital Programme 2013/16 and Common Good Budget 2013/16	

1.0 PURPOSE

- 1.1 The purpose of this report is to provide information to the Council to enable it to set a balanced 2013/16 Revenue Budget, 2013/16 Capital Programme and 2013/16 Common Good Budget.

2.0 SUMMARY

- 2.1 Members have received several reports over the last four months from the Chief Financial Officer outlining the evolving budget position from both the revenue and capital perspective. These reports have been supplemented by all Member presentations and engagement with political groupings and individual Members.
- 2.2 As has been the case for the last number of budgets the Scottish Government has imposed certain conditions on Councils which if breached will result in a significant amount of revenue grant being withheld. These conditions are outlined in the letter from the Cabinet Secretary Finance, Employment and Sustainable Growth contained in Appendix 1.
- 2.3 The latest three year revenue funding gap reported to the Policy and Resources Committee in February was £4.447 million. There has been a further reduction in the funding gap since the production of that report and Appendix 2 shows that the latest funding gap is £4.398 million.
- 2.4 At the December Council meeting a number of new savings workstreams were agreed in principle pending more detail being provided to this meeting of the Council. The six new proposed savings workstreams are shown in Appendix 3 with an associated saving target of £800,000 by 2015/16. In addition Members are asked to approve the revised savings targets for continuing savings workstreams also contained in Appendix 3.
- 2.5 The Council is projected to have Free Reserves of approximately £7.2 million as at 31st March 2014 per Appendix 4. Members may wish to utilise some or all of this sum when setting the 2013/16 Budget. It should be noted that the approved minimum level of reserves is 2% and this equates to approximately £4.0 million. The Free Reserves are the sum in excess of the £4.0 million.
- 2.6 In the last Committee cycle a number of financial implications have been remitted by Service Committees to the budget process. These remits are summarised in Appendix 5 and Section 8, Members are asked to consider these remits when setting the 2013/16 Budget.
- 2.7 Following the December Council meeting the Council effectively balanced the 2013/16 Capital Programme on the basis that there was an approximate 1.5% shortfall in resources over the three year period. A 1.5% shortfall is viewed as being within acceptable parameters. Members may wish to increase the scale of the Capital Programme however the advice of the Chief Financial Officer is that the shortfall in resources should not go beyond the 1.5% figure.

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- 2.8 The Council is also requested to set a three year Common Good Fund Budget and the proposed budget is contained in Appendix 7.
 - 2.9 In line with good practice the Council has prepared a risk register for the budget and will carry out an equalities impact assessment once final budget decisions are taken. The Council is asked to note both these issues.
 - 2.10 The management of the HR implications arising from the three year budget will be a significant exercise for Officers and, as such, in line with previous years, delegated authority is requested for the Chief Executive to release individuals who meet the value for money criteria where that release is required in order to deliver an approved budget saving. This delegated authority is requested until 30th September 2013.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council agree a balanced 2013/16 Revenue Budget taking into account savings options previously issued to Members, Workstream proposals, Committee remits and the available Free Reserves.
- 3.2 It is recommended that the Council approve the specific proposals in respect of the Commissioning Workstream detailed in Appendix 5.
- 3.3 It is recommended that the Council agree the 2013/16 Capital Programme on the basis that the shortfall in resources does not exceed 1.5% of available resources over the three year period.
- 3.4 It is recommended that the Council agree the 2013/16 Common Good Budget as contained in Appendix 7.
- 3.5 It is recommended that the Council note the Risk Register contained in Appendix 8 and that the Equalities Impact Assessment will be completed by the Corporate Director Education, Communities and Organisational Development following confirmation of all budget decisions.
- 3.6 It is recommended that the Council grant delegated powers to the Chief Executive to release individuals who meet the value for money criteria and form part of the approved budget savings until 30th September 2013 on the basis that an update report will be presented to the Policy and Resources Committee detailing releases and costs approved under this delegated authority.
- 3.7 It is recommended that the Council note that a report on the further potential extension of the deadline for offering six added years in order to achieve certain budget savings will be presented to the March Policy & Resources Committee.
- 3.8 It is recommended that the Council notes a formal Council Tax resolution will be required as part of this meeting.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 Members have received a number of reports on the 2013/16 budget position over recent months as follows:

- a) November Policy and Resources Committee
- b) December Full Council
- c) February Policy and Resources Committee

In addition there have been a number of Member presentations and briefings plus engagement with individual political groups and Members.

4.2 It has been the firm recommendation from the Corporate Management Team that the Council should set a three year Revenue Budget and Capital Programme to enable as much time as possible to plan for delivery of projects, delivery of savings and managing any HR implications which flow from the decisions taken.

4.3 Members have been advised that whilst the figures for 2013/14 and 2014/15 are certain, the 2015/16 grant settlement figure is less so as this forms part of the next spending review which will not take place until the Autumn of 2014. However the advice remains that the risks associated with this uncertainty are out weighed by the significant advantages of the Council setting a medium term Revenue and Capital Budget in February 2013.

4.4 In line with previous years engagement with the Trade Unions has taken place via the Joint Budget Group and the Trade Unions have contributed in a constructive manner through these discussions as well as engaging with Members direct.

5.0 REVENUE POSITION

5.1 In line with the last number of years the Scottish Government has made its Revenue Grant to Councils dependent on Councils agreeing to a number of conditions. For the coming financial year these relate to continuation of the Council Tax Freeze, maintaining Teacher numbers in line with pupil numbers and offering a place to all Probationary Teachers who require one. In the event that the Council does not comply with these conditions then it is estimated that the Council's grant will be reduced by at least £1.6 million which equates to a 5% increase in Council Tax. The full text of the letter is contained in Appendix 1.

5.2 The Revenue funding gap has reduced considerably since the initial position reported in August 2012. The evolution and reduction in the funding gap is shown in detail in Appendix 2 with the last reported position to the Policy and Resources Committee being £4.447 million.

5.3 Subsequent to the production of the Policy and Resources report there has been a further saving identified in respect of the Business Property Renovation Allowance Scheme and the proposed Clyde Muirshiel Park requisition which results in the current funding gap over the 2013/16 period being £4.398 million.

5.4 Members were provided on the 10th January with a list of 97 saving proposals prepared by the Corporate Management Team. These saving proposals total £7.08 million and gave Members an element of flexibility when considering how to set a balanced budget for 2013/16 period. Detailed discussions have taken place with various political groupings and at an individual Councillor level, if requested. The Corporate Management Team intention when preparing the savings was to protect front line service delivery as far as possible and the high level analysis of the savings split over seven savings categories is shown in Appendix 2 Page 2. From this it can be seen that the majority of savings relate to changing methods of service delivery, management/back office/overhead reductions and reductions in payments to partners/voluntary organisations. Proposals in relation to reductions in front line staffing and stopping service delivery made up just over 20% of the savings advanced.

6.0 WORKSTREAMS

- 6.1 At the Council meeting on the 20th December 2012 the Council agreed in principle to the 2013/16 Saving Workstream Programme. The anticipated savings from continuing workstreams and the proposed new workstreams totalled £2.04 million by 2015/16.
- 6.2 More detail is now provided in Appendix 3 in respect of the proposed new workstreams and Members are asked to consider the inclusion of workstream savings and the associated targets within the 2013/16 Revenue Budget.
- 6.3 Regular updates in respect of the delivery of the savings workstream programme will continue to be given to the Policy and Resources Committee.

7.0 GENERAL FUND RESERVES

- 7.1 The Council's policy in respect of the General Fund Reserves is that it will hold a minimum 2% of "turnover" to deal with unforeseen events. Based on the 2013/14 Revenue Budget then this equates to approximately £4.0 million.
- 7.2 It is projected that by 31st March 2014 the Council will have approximately £7.2 million of "Free" Reserves ie Reserves above the £4.0 million level. Appendix 4 details the projected position.
- 7.3 Members may wish to take decisions to use some or all of this excess sum when developing proposals in respect of the 2013/16 Budget.
- 7.4 It should be noted that depending on the timing of savings considered by Members then this figure of £7.2 million is likely to increase and this should be factored into calculations by Members.

8.0 OTHER REVENUE MATTERS

- 8.1 Appendix 5 summarises various remits considered by the Education and Communities Committee, Environment and Regeneration Committee and Policy and Resources Committee in the last Committee cycle. Members are asked to consider these issues when setting the 2013/16 Budget.
- 8.2 A specific decision is required in respect of delivering the remaining £204,000 of the Commissioning Workstream. The proposals from Officers are shown in Appendix 5.

9.0 CAPITAL PROGRAMME POSITION

- 9.1 The December Council report highlighted a potential £3.3 million Capital Funding shortfall over the 2013/16 period based on projects agreed. This was in excess of recommended levels and as such the Council agreed to allocate £2.0 million from the Free Reserves to reduce the shortfall in resources to £1.3 million which is approximately 1.5 % of projected spend and within acceptable parameters.
- 9.2 The Scottish Government announced later in December that as a result of the Autumn Statement Budget consequential, Councils would receive £46.2 million from the Scottish Government over 2013/15. It is estimated that Inverclyde Council's share of this will be approximately £450,000 and as such it is recommended that the sum of £2 million allocated in December be reduced by £450,000 thus increasing the amount of Free Reserves.
- 9.3 Members may wish to increase the size of the Capital Programme however the recommendation remains that any additions should be fully funded in order to keep the projected shortfall in resources at no more than 1.5 % of projected spend.

10.0 COMMON GOOD BUDGET POSITION

10.1 Past practice has been to set the Common Good Budget at the same time as setting the overall Council Budget. Appendix 7 contains the recommended Common Good Budget for the period 2013/16. From this it can be seen that on the basis of income projections and allocations to specific events there is a small contingency each year to either supplement events expenditure or to provide a small cushion in the event that income projections do not meet expectations.

11.0 RISK REGISTER

11.1 It is good practice when taking strategically important decisions such as setting a three year budget that Members consider the risks. A short Risk Register is therefore included in Appendix 8.

11.2 The largest risk in respect of the 2013/16 Budget is the uncertainty over the level of Scottish Government Grant income in 2015/16 and inflation levels both in relation to pay and non pay items for 2014/16. The Chief Financial Officer has reviewed these items and taken a professional view based on recent years and latest information and advises that, whilst there will undoubtedly be variations from the figures included in the 2015/16 estimates, overall he does not envisage that material movement in the three year funding gap of £4.4 million.

12.0 EQUALITIES

12.1 It is a requirement in developing the Revenue Budget that an Equalities Impact Assessment is carried out. The detailed sheets provided to Members have indicated the employees/service users impacted by the various savings. The Corporate Director Education, Communities and Organisational Development has taken the lead in this area and the formal Equalities Impact Assessment for the 2013/16 Budget will be prepared on the conclusion of the budget and will be available for Members to review.

13.0 HR MATTERS

13.1 In line with previous budgets there has been ongoing engagement with the Trades Unions throughout the development of this budget via the Joint Budget Group. Specifically there has been detailed discussion on the saving options and Members have separately been advised by the Trades Unions of any concerns in respect of specific savings through direct approaches or correspondence issued to Union Members.

13.2 The Trades Unions input via the Joint Budget Group is absolutely integral to the development of the Budget and has greatly assisted in the position being reported to the Council today.

13.3 In line with previous years it is requested that delegated authority be given to the Chief Executive to release employees who meet the Council's value for money criteria and where release is required in order to deliver the approved savings. This delegated authority is requested to be given until 30th September 2013. An update report in respect of releases granted under this Delegated Authority will be provided to the Policy and Resources Committee.

13.4 At the December Council meeting Officers were requested to review whether there will be a requirement to extend the continuation of the six added years for release of employees beyond the 30th September 2013. Having considered this matter further the Corporate Management Team would recommended that this matter be continued until the Policy and Resource Committee in March 2013 in order that any requests from

Officers be informed by the actual savings agreed by Members today.

14.1 CONSULTATION

14.1 There have been a number of consultation and information giving events in the development of this budget over and above the ongoing discussions with the Trades Unions via the Joint Budget Group.

- a) A Citizen Panel Survey – the results of which were reported to the February Policy and Resources Committee
- b) Community Councils Consultation Event - the results of which were reported to the February Policy and Resources Committee
- c) A Budget Presentation to the Alliance Board on 30th January 2013
- d) Consultation with key partners such as Inverclyde Leisure, Riverside Inverclyde regarding budget saving proposals

15.0 REPOPULATION

15.1 The need for Inverclyde to halt its depopulation reduction achieves greater prominence during the budget process given that population has a significant influence on the level of grant settlement given by the Scottish Government. By setting a balanced medium term Revenue Budget and a Capital Programme which significantly exceeds the resources provided to it then it is believed that the Council is sending a clear message regarding its commitment to the people of Inverclyde to not only be financial responsible but also to play its part as Community Planning lead to stimulate the economy and protect its citizens.

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Councillor David O'Neill
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Copy to: The Leaders of all Scottish local authorities

20 September 2012

Dear Councillor O'Neill

This letter confirms the terms of the settlement to be provided to local government for 2013-14 as part of the 2011 Spending Review and confirms a number of changes to the settlement that we have agreed since then as part of our continuing partnership negotiations. Against the background of the tightest financial constraints for a generation, the settlement package represents a fair settlement in the circumstances and is focussed on delivery of our joint priorities of growing the economy together with protecting front-line services and the most vulnerable in our society. COSLA is invited to agree the terms of the settlement set out below on behalf of local authorities.

Following the local government elections, we have reaffirmed our commitment to our partnership and are clear about the benefits which have flowed from it in the form of more effective delivery of the outcomes that matter to the people of Scotland. I am therefore delighted to confirm that this settlement remains firmly anchored in the ongoing relationship between the Scottish Government and local government and our commitment to working together on our joint priorities.

The detail of the settlement remains as set out in my letter of 21 September 2011 to Councillor Keenan and the changes we have agreed since then are described below.

Under the settlement, all local authorities will continue to work in partnership with Scottish Government in pursuit of our joint priorities, including delivery of the Government's programme as set out in the First Minister's statement to Parliament on 4 September and the *Government Economic Strategy*. As part of this, local authorities, together with their community planning partners, continue to be encouraged to increase their focus on prevention in making decisions about the use of resources.

Investment is a shared priority across the public sector and maximising capital expenditure is critical to economic recovery. I welcome your support in writing jointly with the First Minister to Council Leaders encouraging them to do all that they can to continue to invest, including accelerating investment where possible and to explore to what extent the ability of local government to borrow can sensibly be used to maximise capital expenditure, whilst recognising that decisions to borrow are a matter for individual local authorities.

In addition to the pursuit of our joint priorities, individual local authorities will, in return for this settlement, deliver certain specific commitments.

Maintain a council tax freeze in each of the three years of the Spending Review.

Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.

Delivery of these commitments will be monitored and in the event of a failure to deliver, appropriate adjustments made to distributable resources as described below.

In line with the agreement reached in the Spending Review, it will not be possible for local authorities to select elements of the package, including elements of the funding on offer. As in previous years, the Scottish Government will hold back £70m representing the amount that is included in the settlement to deliver the Council Tax Freeze and £39m for the Teacher commitments in 2013-14 from the Local Government Finance Order put to Parliament in early February. Parliamentary approval to pay out the remaining amount will be sought in March 2013 once all councils have set their budgets and their council tax rates for the year ahead.

Failure to deliver sufficient FTE teachers as reported in the annual census may invoke collective and/or individual sanctions in the shape of corresponding reductions in the local government settlement for future years. Scottish Government and COSLA will agree these numbers in the context of on-going discussions on the effective delivery of school education.

In a departure from the two stage sign-off arrangements agreed for previous settlements, I can confirm that for 2013-14 I will only require those Council Leaders who do not intend to take up the offer and agree the full package of measures to write to me setting out the reasons why they do not wish to comply. Any Leader not intending to take up the offer should write to me confirming their Council's decision by no later than 11 March, but preferably by the end of February, (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2013-14). Any Council not taking up the offer will not receive their share of the monies held back to be distributed later in March 2013.

The total funding as set out in the 2013-14 Draft Budget document, including provision for the council tax freeze, the support for teacher employment, which the Scottish Government will provide to local government is as follows:

Year	£m
2013-14	9,911.2
2014-15	10,131.7

This total includes the Government's estimate of non domestic rate income over the period but does not include a number of other agreed, or still to be finally agreed, sums that will be included in the final local government finance settlements for both 2013-14 and 2014-15 over and above the figures set out in the Local Government Finance Circular 3/2012. These include Early Years (£1.5m/£1.5m); Early Years Task Force (£3m/£3m); and the Blue Badge Scheme (£0.72m/£0.72m); and the Social Fund (lbc).

In addition a further £3m for 2013-14 has been added for Free Personal and Nursing Care and I can confirm that £4.5m will be added at a later date to the budget for 2014-15. In return for this COSLA has agreed to the uprating of these fees in line with inflation.

Within this total, revenue funding will amount to £9,389.1m/£9,368.3m, including the funding to deliver a council tax freeze, and capital £522.1m/£763.4m over the period. This takes into account the re-profiling of -£100m/+£120m/+£100m in capital budgets and comes with a commitment that £100m will be added to Local Government's capital share in the next Spending Review for 2015-16.

The changes included in the total funding package that have been made to our spending plans since publication of Scottish Spending Review 2011 and Draft Budget 2012-13 in respect of local government revenue funding are as follows: a net reduction of £954.7m following the transfer of responsibility for policing from local government to the new Scottish Police Authority (SPA); a net reduction of £274.8m following the transfer of responsibility for the fire service from local government to the new Scottish Fire and Rescue Service. The net sums reflect £4m added for ongoing police and fire costs to local government post reform. Other changes include an increase of £23m as a result of the DWP transfer of the Council Tax Reduction Scheme and an £8m reclassification of the Hostels Grant and Housing Support Grant former AME grants to DEL.

The establishment of the new Scottish Police Authority and Scottish Fire and Rescue Services will also result in a reduction of Capital funding of £14.8m and £15.1m respectively. The Capital funding will however be increased by £34.7m and £47.6m respectively as a result of consequentials resulting from the UK Government.

In partnership with COSLA, a review of the community planning and SOAs framework has been undertaken. Implementing the conclusions from the review will build on progress to date and ensure community planning and SOAs drive forward the focus on outcomes, integration and strong collaboration and preventative approach that is at the heart of ensuring a successful local response to the Christie Commission report.

This settlement package for 2013-14 remains the best outcome that can be achieved in the continuing challenging financial circumstances. The package is focussed on delivery of our joint priorities of growing the Scottish economy and protecting front line services and the most vulnerable in our society, including through a greater focus on prevention. It also provides a robust platform for building on the successes achieved to date under our partnership to continue to deliver better outcomes to the people of Scotland.

JOHN SWINNEY

Revised Base Budget

2013/14 - 2015/16

	2013/14 £	2014/15 £	2015/16 £
Cumulative Budget Gap - June 2012	1,313	8,567	15,891
Adjustments:			
Remove Landfill Allowance Trading Scheme	(927)	(927)	(927)
Residential Care Pressure not Required	(300)	(300)	(300)
Loan Charge Review	(950)	(1,000)	(900)
General Contingency Removed	(420)	(420)	(420)
Pressure Contingency not Required	(730)	(1,660)	(2,640)
1% Savings	(1,138)	(1,676)	(1,764)
Increased 2010/14 Workstream Savings	(65)	(245)	(761)
Other Adjustments	(46)	(157)	(137)
Revised Base Budget November 2012	(3,263)	2,182	8,042
Adjustments:			
Rephasing of existing workstreams	136	60	0
Increased & New Workstreams 2013/16	(85)	(470)	(2,040)
Additional GRG - Police & Fire Ongoing Costs	(50)	(50)	(50)
Transfer of pay pressures to Pay Inflation Allowance	(720)	(1,140)	(1,160)
Other Adjustments	(50)	(50)	(50)
Revised Base Budget December 2012	(4,032)	532	4,742
Adjustments:			
Increase in Council Tax Band D Equivalents	(61)	(61)	(61)
Reduce Council Tax Collection Rate by 0.2%	69	69	69
Inflation Contingency Review	(200)	(260)	(320)
Other Adjustments	(12)	2	17
Revised Base Budget February 2013	(4,236)	282	4,447
BPRA - Loan Charges Savings	0	0	(45)
Clyde Muirshiel Park - Reduction	(4)	(4)	(4)
Revised Base Budget February 2013	(4,240)	278	4,398

2013/16 Budget Savings

97 Individual Savings totalling £7.08 million by 2015/16.

Aim has been as far as possible to protect front line Service delivery by looking at doing things differently/more efficiently or in certain cases, introducing or increasing charges.

Saving Area	Saving by 2015/16
1/ Changing the way we deliver services	£2.52 million
2/ Management/Back Office/Overheads	£1.56 million*
3/ Reductions in Payments to Partners/External Organisations	£0.95 million
4/ Increases in Fees and Charges	£0.45 million
5/ Reductions in Purchases (Front Line)	£0.04 million
6/ Reductions in Staffing (Front Line)	£0.80 million
7/ Stopping doing things	£0.76 million
	£7.08 million

* Further savings from this category totalling £1.76 million were agreed by the Council in November 2012 and a further £2.04 million relating to Category 1 & 2 are proposed to be achieved by 2015/16 via the Savings Workstream Programme.

AP/CM
24/1/2013

Workstreams Proposals

Continuing Workstreams	Target £000	Achieved to 31.3.13 £000	Target 2013/14 £000	Target 2014/15 £000	Target 2015/16 £000	New Savings £000
AMP	560	400	60	100	-	160
SEMP	290	100	-	190	-	190
Procurement	1,440	1,103	177	80	80	40
Home Care	400	200	125	75	-	100
2015/16 Operational Savings	750	-	-	-	750	750
New Workstreams						
Shared Services						
Charging						
Modernisation	800	-	-	-	800	800
Social Transport						
Terms & Conditions						
Sessional Budgets						
	4,240	1,803	362	445	1,630	2,040

AGENDA ITEM NO.

Report to: Corporate Management Team **Date:** 15 January 2013
Report by: Chief Executive **Report No:** CE008/12/JWM
Contact Officer: John W Mundell **Contact No:** 01475 712701
Subject: Shared Services – Workstream Savings Scoping Paper

1.0 PURPOSE

- 1.1 The purpose of this report is to scope out the approach to this workstream saving and to identify:-
- i) What we hope to achieve
 - ii) The approach required
 - iii) A broad timetable

2.0 BACKGROUND

- 2.1 Inverclyde Council already works in partnership to varying degrees with other Councils or partners on a range of shared service arrangements including for example:-
- i) Inverclyde Community Health and Care Partnership (CHCP)
 - ii) Clyde Valley Learning & Development Project
 - iii) Scotland Excel, and
 - iv) Civil Contingencies Service (CCS)
- 2.2 In addition, following the Arbuthnott Review in 2009 into Shared Services across the Clyde Valley, this council, along with the other local authorities in the Clyde Valley, have progressed shared service reviews for four service areas comprising Health and Social Care, Social Transport, Waste Management and Support Services.
- 2.3 Most of the work has been concluded on Health and Social Care and continues on Social Transport. This Council decided as a matter of policy, to withdraw from further participation in the Clyde Valley Waste Management shared service on the basis that it did not offer the best solution for Inverclyde on this occasion. The previous Support Services proposal is now evolving into a shared project for ICT Services and does not include Human Resources, Finance or Internal Audit which will not be pursued at this time.
- 2.4 In the current economic climate, there is an increasing focus on shared service delivery options especially in English local authorities and in some cases, English councils are sharing chief executive and other chief officer roles. There remain a number of other service areas which potentially lend themselves to effective shared service delivery for this council in conjunction with surrounding Councils. Serious consideration should therefore be given to adopt a pragmatic approach by focussing our efforts to develop further potential options as soon as practicable as part of the next three year budget proposals.
- 2.5 Experience has shown that there is a greater chance of success with completing the introduction of shared services delivery if the numbers of partners involved is limited in the first instance to a maximum of two or three.

3.0 WHAT WE HOPE TO ACHIEVE

3.1 This scoping paper will focus on:-

- i) High level objectives
- ii) Leadership;
- iii) Identification of the potential Councils and services involved;
- iv) Benchmarking of existing services, data gathering and identification of potential revised service delivery arrangements
- v) Governance Framework agreements
- vi) Outline timetable

3.2 Political engagement will be required to assess Members' views and appetite for the political impacts of this proposed workstream.

4.0 THE APPROACH REQUIRED

High Level Objectives

4.1 The high level objectives for this workstream will need to be agreed by the parties involved and the following are suggested:-

- i) The delivery of service improvements and increased business resilience;
- ii) The introduction of efficiencies and as a result, the delivery of savings;
- iii) The simplification, standardisation and sharing of the targeted services across the Councils involved;
- iv) The introduction of 'simple' and effective governance arrangements;
- v) The implementation of the revised service delivery arrangements by no later 2015/16;
- vi) Developed via a 'low profile' approach; and
- vii) No overlap with existing Clyde Valley reviews etc.

Leadership

- 4.2 Based on the experience gained from the Clyde Valley Shared Services work, it is essential to secure collective political commitment and leadership for any future shared services work well in advance of any work commencing.
- 4.3 It will also be essential to secure the collective commitment and drive of the respective Chief Executives, following preliminary work to list the potential services involved for implementation by no later than March 2016.
- 4.4 Securing the political and chief officer commitment and direction for progressing shared services locally is an essential ingredient for success. Effective professional working relationships already exist between Inverclyde, Renfrewshire and East Renfrewshire and the three Councils already have the experience of working in partnership through the joint Civil Contingencies Service (CCS).
- 4.5 To ensure the greatest chance of success, it would be advisable to agree a list of service areas for review between the three Councils on a fast track basis within the proposed timetable shown below.

Benchmarking of Services, Data gathering and revised Service Delivery Arrangements

- 4.6 Some preliminary work has already been completed by the respective Heads of Service between the three Councils e.g. Roads and once the list of targeted service areas has been agreed, sponsor Chief Executives and lead officers need to be identified for each of the functions to progress the work.
- 4.7 A consistent approach should be developed and adopted for this phase of the work including the development of proposals

Governance Framework Agreements

- 4.8 An effective Governance Framework needs to be developed and agreed for each of the service areas being considered. The arrangements adopted for the CCS are relatively simple to operate, have proved effective and are not considered to be bureaucratic. It would therefore be beneficial if these arrangements could be considered at least in the first instance, as the preferred option when developing governance proposals for each of the new service areas identified.
- 4.9 Engagement with Trade Unions on a partnership basis will be integral to the success of this workstream.

5.0 A BROAD TIMETABLE

- 5.1 The suggested timetable for each element of this workstream are as follows:-

Work Area	Completion
High Level Objectives	January 2013
Leadership (initial agreement)	January 2013
Identification and agreement of initial Service Areas	February 2013
Agreement of initial detailed delivery Programme	April 2013
Governance Framework Agreements	From June 2013
Proposals Approval	From November 2013
Shared Service Implementation	From Summer 2014

AGENDA ITEM NO.

Report To: Corporate Management Team **Date:** 15th January 2013
Report By: Chief Financial Officer **Report No:** FIN/86/12/AP/LB
Contact Officer: Lesley Bairden **Contact No:** 01475 712257
Subject: Charging Policy – Workstream Savings Scoping Paper

1.0 PURPOSE

- 1.1 The purpose of this paper is to scope out the approach to this workstream saving and to identify:
- What we hope to achieve
 - The approach required
 - A broad timetable

2.0 BACKGROUND

- 2.1 Whilst the Council currently charge for a number of existing services there is potential to increase income from a review of existing charges introducing new charges and ensuring a consistency of approach to determining charges. This was mentioned in the CIVICA report to the Council suggesting that Inverclyde has a lower level of charging than many other Councils.

The Council 2012/13 budget for fees and charges income is £6.3 million, inclusive of a number of statutory charges. As part of the 2013/16 budget process this income will be inflated by 2.5% (£144,000).

- 2.2 At present there is no consistent approach to waivers and concessions. Customers have to apply through various different avenues to get concessions for Council Services with the resultant loss of consistency and increased bureaucracy.
- 2.3 The Government's Welfare Reform agenda will have significant impact on this work stream in particular around concessions and passported benefits

3.0 WHAT WE HOPE TO ACHIEVE

- 3.1 The scoping paper will focus on 4 areas that require development and action
1. Benchmarking of existing and potential new charges.
 2. Mapping of all charges against eligible benefits criteria.
 3. Review of the treatment and accountability for bad debt provision and income collection
 4. Establishing policies for charges and concessions
- 3.2 Political engagement will be required to assess member's views and appetite for the impacts of this proposed workstream.

4.0 APPROACH

4.1 It is proposed that the Chief Financial Officer is the overall lead for this workstream, with four specific tasks

4.2 Establishing Policies for Charges and Concessions:

The CHCP Finance Manager will lead on this area and draft a policy for initial discussion. It is proposed that a senior officer from each directorate be included in a short life group to review and revise as required.

This will require clear links to the Welfare Reform agenda and should also include representation from the Welfare Reform Project Board.

4.3 Benchmarking of Existing and Potential New Charges

The CHCP Finance Manager will lead on this area. Work has commenced and collation of neighbouring Authorities fees and charges is underway. A short life working group will be required with input from each Directorate supported by their accounting team each to complete a review of charges – phase 1 – to identify any obvious “quick wins”.

There will be review of charges – phase 2 which will take a longer term analysis of any likely new areas for introduction of new charges. It is proposed that the same groups, per directorate, undertake this review.

Any impact from phase 1 or phase 2 review of charges on the charging and concessions policy will require ongoing assessment. Similarly any impacts on passported benefits will need to be analysed.

4.4 Concessions Policy & Passporting Benefits

It is proposed that same working group as 4.2 above undertake the initial mapping of passported benefits and review as required per outcome of 4.3 above. The wider exercise will need to consider the impacts from the Welfare reform agenda. This area of work will tie in with the CSC Development Workstream.

4.5 Accounting for Bad Debts

This will ultimately be included in the charging policy, however, given the technical nature of the accounting treatment and current debtor arrangements it is proposed that a specific group be convened to produce an initial proposal for CMT consideration. The Finance Manager will develop this proposal and report back to the Corporate Management Team in due course.

5.0 TIMETABLE

5.1 The timescales for each area of this workstream are:

Work Area	Completion (by end of ...)
Mapping for Passported Benefits	April 2013
Benchmarking	June 2013
Bad Debts & Collections Policy	July 2013
Review of Charges – Phase 1	December 2013
Review of Charges – Phase 2	December 2014
Charging & Concessions Policy	December 2013

Report To:	Corporate Management Team	Date: 15 th January 2013
Report By:	Chief Financial Officer	Report No: FIN/103/12/AP/LA
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	Modernisation Workstream Scoping Paper	

1.0 PURPOSE

- 1.1 The purpose of the report is to scope out the Modernisation Workstream proposal.

2.0 SUMMARY

- 2.1 The Corporate Management Team considered an initial scoping paper in respect of Customer Services on the 1st November 2012. This paper concluded that whilst there may be the possibility for small savings in respect of Customer Services the main focus for Customer Services over the next few years would be improving service quality as far as possible within available resources.
- 2.2 Having considered the matter further I believe that across the Council there should be scope for relatively modest savings in respect of modernisation investment over the next few years. The Council currently retains a Modernisation Fund (funded from both Capital and Earmarked Reserves) in excess of £900,000. At present this fund is being used to support the mobile/flexible working agenda, investments in EDRMS and proposed investments in the Customer Service Centre telephony to meet the requirements of DWP reform and improve service delivery.
- 2.3 At present the Modernisation CIG chaired by Aubrey Fawcett oversees the overall modernisation agenda. Calls against the Modernisation Fund are on the basis of the Business Case which in many of the cases should outline specific savings which can be delivered. Therefore in light of this it is proposed that a relatively modest recurring saving from modernisation be included as a workstream target.
- 2.4 The budget holder for the Modernisation Fund is the Chief Financial Officer and specific awards from the fund will be brought back for consideration by the Modernisation CIG, Corporate Management Team and appropriate, Committee.
- 2.5 It is clearly important that when Business Cases are considered and savings are generated there is total clarity as to where savings are to be scored to avoid double counting with other savings advanced as part of the budget process. Responsibility for the clarity will lie with the Chief Financial Officer and the Modernisation CIG.
- 2.6 It is believed that it is not unrealistic for the Council to have achieved a recurring savings of £100,000 to £150,000 from the Modernisation Agenda by 2015/16. This would equate to approximately 4 to 6 FTE administrative posts or 3 to 4 Supervisor/Team Leader level posts.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the CMT consider the contents of this paper and agree to the inclusion of a Modernisation Workstream as part of the 2013/16 Workstream Programme.

Alan Puckrin
Chief Financial Officer

Report To: CMT

Date: 15 January 2013

**Report By: Head of Environmental and
Commercial Services**

Contact Officer: Jim Bradley

Contact No: 714757

Subject: Social Transport Workstream

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Corporate Management Team of the review of Social Transport Services operated within Inverclyde Council .

2.0 SUMMARY

- 2.1 As part of the work stream for 2013 to 2016 the SMT have agreed that a scoping exercise be undertaken on the Social Transport Services provided by the Council.
- 2.2 Social Transport is provided by Environmental and Commercial Services, Education and Social Work to a number of client groups across a number of services and includes both internal and external suppliers. The range of services includes home to school transport, transport for students with special educational needs, inter school transport for specific subject provision, children to nursery, social work day care centres and adult training centres.
- 2.3 The proposed scope of the review is outlined in section 5.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the CMT agree the terms of reference of the scoping exercise and note that a high level savings target will be in place by the 30th June 2013.
- 3.2 That it be remitted to the Head of Environmental and Commercial Services to report to the CMT on the findings of the review with costed recommendations.

4.0 BACKGROUND

- 4.1 Social transport is provided to a number of clients by Environmental and Commercial Services, Education and Social Work to a number of client groups across a number of services and includes both internal and external suppliers
- 4.2 Social transport is provided for a number of reasons, there is a statutory requirement for Education to provide transport for mainstream students who live out with a predetermined distance from their allocated school, this is the case for both primary and secondary students. There is also a statutory requirement for Education to provide transport for pupils with special educational needs to access the establishment which best supports their needs.
- 4.3 Within social work the users include some of the most vulnerable and deprived within our community. Social transport helps to bring isolated and lonely people together for social and other activities. This can help to prevent poor morale and depression which can lead to deterioration in health, which in turn may place additional demands on social services.

5.0 SCOPING EXERCISE TERMS OF REFERENCE

- 5.1 The Scoping exercise will cover the Social Transport activities undertaken by Inverclyde Council.
- 5.2 The Head of service, Ian Moffat will be the lead officer and will be supported by the following review team members

Jim Bradley – Team Leader, Transport and Waste Collection (Project Manager)
John McWilliams – Transport Officer
Representative from Education
Representative from Social Work
Representative from Finance, Procurement and Representative from Audit (Occasional)
Representative from Trade Union (Occasional)

- 5.3 The remit of the review will be to consider the most cost effective and efficient method of delivering a high quality integrated transport solution for Social Transport within Inverclyde. This should encompass how all current internal service providers including Environmental and Commercial Services, Education and Social Work deliver and procure their transport services. How internal providers liaise with each other and with other service providers in both the wider public sector including the CHCP, NHS and also with community transport groups and the private sector. Consideration should also be given to where our Regional Transport Partnership, Strathclyde Partnership for Transport, can assist in the provision of an integrated transport solution for Inverclyde.
- 5.4 The following key elements will form the scope of the review
- Review all existing policies in respect of entitlement to transport and develop a corporate and consistent approach with options for members consideration.
- Collect data on the activity, cost, (including unit costs per client) of services we

provide both internally and through commissioning external contractors.

- Collect data on the quality of service provided to clients and the compliance of external contractors with legislation and contractual obligations.
- Assess the risks and benefits of our current service delivery.
- Identify opportunities for benchmarking costs and performance against similar organisations to ensure resources are used efficiently.
- Review procurement arrangements to the community sector for the provision of Social Transport to ensure they maximise value for money and reflect local need.
- Consider how we arrange transport services within our own organisation and consider the need for a central team or coordinated approach.
- Review the opening times of day care centres/schools/nurseries to reflect better utilisation of fleet resources.
- Review the use of taxis/private bus companies and consider how efficiencies can be made by providing services within our own organisation and in partnership with other public sector-community providers.
- Consider how Strathclyde Partnership for Transport can assist in delivery of and integrated transport solution for Inverclyde through use of their contract centre, scheduling system software and transport models which they have trialled in other services.
- Consider the specification of vehicles procured to ensure maximum flexibility.
- Consider the contract and working patterns of drivers and if they fully meet service delivery requirements.

6.0 AIMS AND OBJECTIVES

The overall Aims and Objectives of the review shall be to provide an integrated transport solution for social and

- Maintain or improve service delivery and quality .
- Reduce operating costs for Inverclyde Council
- Improve joined-up working with partners in the wider public sector, community and our regional transport partnership.

7.0 KEY DELIVERABLES AND TIMESCALES

The review will have set Deliverables and Milestones

- A quantified and costed position on the range of services and use of transport by our client user groups.
- Identification of efficiencies and savings which can be made through improved or alternate service deliveries.
- A comprehensive future delivery model which identifies user needs and full costs

of service provision.

- A report detailing the model to CMT / Committee with detailed recommendations.

8.0 RESOURCE IMPLICATIONS

In terms of resourcing at this stage there is no implication on resources other than officer time.

9.0 PROJECTED SAVINGS

The Council spends over £3 million on Social Transport including Schools Transport . Any projected savings cannot be quantified at this time however a target will be developed and form part of the 2013/16 workstreams programme. . Social transport is currently provided by Environmental and Commercial Services, Education and Social Work. As part of the scope of the review one of the first aims will be to gather baseline information across all service providers. This will be done in conjunction with our colleagues in Finance. When this baseline has been identified we will be better placed to identify projected efficiency savings that will be generated following the implementation of the review.

10.0 KEY RISKS

The following key risks have been identified

- Failure to supply adequate and appropriate transport for our clients can lead to reputational and potential legal risk.
- The future need of services is unclear and therefore service investment cannot be adequately identified.

11.0 REPORTING MECHANISMS

Development of this workstream activity will be reported through the services Senior Management Team to the Corporate Management team with a report presented to elected members on completion of the scoping exercise and CMT agreement.

Report To:	Corporate Management Team	Date:	15 January 2013
Report By:	Head of Organisational Development, Human Resources and Communications	Report No:	CMT/HR/24/12
Contact Officer:	Alasdair Moore	Contact No:	01475 712016
Subject:	Terms and Conditions – Workstream Savings		

1.0 PURPOSE

- 1.1 The purpose of this report is to scope out the approach to the Workstream Saving.

2.0 BACKGROUND

- 2.1 The Council agreed the Single Status agreement on 18 August 2008. Included within the agreement were revised Terms and Conditions for all Local Government Employees.

The revision included changes to the terms and conditions to achieve budget reduction to compensate for the costs of the revised Pay and Grading model.

- 2.2 Any Workstream Saving will be at the margin of Terms and Conditions for all employee groups however there remain a small number of areas where further investigation and negotiation could generate a saving.
- 2.3 Teacher's terms and conditions are mainly governed by SNCT agreements but when looking at payments there are not many areas where savings could be made.

3.0 OUTCOME

- 3.1 The outcome would be a reduction in terms and conditions generating a saving for the Council.
- 3.2 The alternative to making a saving in this area is a further reduction in jobs.

4.0 APPROACH

- 4.1 Initial discussions with the trades unions have taken place and will continue throughout the process.
- 4.2 Any savings could be phased over financial years 2014/15 and 15/16.

AGENDA-ITEM NO.

Report To: Corporate Management Team **Date:** 15 January 2013
Report By: Head of Organisational Development, Human Resources and Communications **Report No:** CMT/HR/23/12
Contact Officer: Alasdair Moore **Contact No:** 01475 712016
Subject: Sessional Budgets: Workstream Savings

1.0 PURPOSE

- 1.1 The purpose of this report is to scope out the approach to the Workstream saving.

2.0 BACKGROUND

- 2.1 Sessional Budgets are held by Services to engage employees to cover work in specific areas, e.g. CHCP Home Support Workers. Normal practice is for the sessional worker to be engaged by the service direct and then a time sheet is progressed for payment. Changes as to how we progress time sheets now means that the service engage the employee, complete the timesheet and input for payment, after being duly authorised.
- 2.2 A sessional worker is someone who has engaged with the Council on a non specific contract in that there is no commitment on either party to carry out specified duties.
- The sessional worker can opt not to undertake the work as can the Council opt not to offer any work.
- 2.3 There are strict guidelines in place about sessional workers as they are treated differently, no sick pay, etc and if retained on a long term basis then this has to be addressed as they may require to become a temporary employee for a specific period.
- 2.4 An exercise was carried out recently regarding the grading of sessional workers posts. This exercise established the actual spend for a 1 year period and although I have not included the actual budget this does show the actual spend that has been incurred. The gross amount of spend was £618,689.
- 2.5 Teachers cover is carried out through supply with the rate and terms and conditions governed by SNCT agreements but the actual spend on this area is considerable and I would suggest that this is covered within the Workstream.
- 2.6 The impact of the Living Wage increase to £7.50 will require to be absorbed by Services meaning that a 3.3% saving will have to be absorbed.

3.0 PROPOSALS AGREED BY THE CORPORATE MANAGEMENT TEAM

3.1 That a Team is chaired by the Head of Organisational Development, HR and Communications or his representative.

3.2 That the Team consists of :

CHCP Children's Residential and Home Care: one from each as a representative
Education : Teaching and other areas : one from each as a representative
OD,HR & Communications: one representative
Finance (as required)

3.3 That the remit of the team will be to review:

- The practices applied within each Service
- Option to develop monitoring system to ensure sessional employees appointed, terminated appropriately so to limit costs
- To review budgets to ensure that the increase due to the Living Wage can be absorbed
- To see what savings could be made for the Council.
- Timescales completed by March 2014.

3.4 That regular meetings be set up with the appropriate trades unions to discuss the progress.

Head of Organisational Development,
Human Resources and Communications

"Free Reserves" Update

	<u>£million</u>	
Projected Unallocated Balance 31.3.13 (February P&R)	5.01	
less : Use of Reserves (December Council)	(3.50)	Note 1
add : Reduce 2013/16 Capital Contribution	0.45	
: 2013/14 Projected Surplus	4.24	
: Write back Capital Fund (2013/14)	1.00	
Available Reserves 31.3.14	<u><u>7.20</u></u>	

AP/CM
29/1/13

Note 1

	<u>£million</u>
Adoption EMR	0.3
2013/16 Contingency	0.6
2013/16 Capital Programme	2.0
Increased Costs Inverkip	0.25
Increased Officer Capacity	0.35
	<u><u>3.5</u></u>

Committee Remits/Other Revenue Matters

Remits

Committee		Issue	Financial Implications
1)	Environment & Regeneration	Create a fund to address repopulation.	£1.0 million (one-off)
2)	Environment & Regeneration	Extra funding for three further awards requested via the Community Grants Scheme.	£52,491 (one-off)
3)	Education & Communities	Further capital investment in Community facilities and allocation of recurring funding for running costs.	£750,000 (one-off) £75,000 (recurring)
4)	Education & Communities	Impact of no specific extra funding from the Government to assist in accelerating St John's and Kilmacolm Primary School Refurbishments.	£1.0 million (one-off)
5)	Environment & Regeneration	Temporary extra police resource pending implementation of Parking Strategy	£80,000

Other Revenue Matters

- 1) The Commissioning Workstream has £204,000 of its £1.0 million target to achieve. It is proposed to achieve this balance as follows;
 - a) Rephase support to Riverside Inverclyde – From 2014/15 reduce the funding to RI by £100,000 on the basis the sum saved is paid to RI from Economic Development budgets in 2017/18 to ensure the original £24 million funding contribution is achieved.
 - b) Social Care Commissioned Services – Proposal is to achieve £65,000 savings from specific Commissioned services within Social Care by renegotiation of rates/SLA's. Phasing is £20,000 (13/14) and £65,000 (14/15).
 - c) Restructure – Programme Management Support Unit – Proposed to reduce the size of the PMSU in line with reduced Regeneration Fund monies. Will result in the Voluntary Severance of one employee. Saving due from 2013/14.

General Fund Capital Programme - 2013/16

Available Resources

	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
Government Capital Support	5,728	7,838	6,000	19,566
Less: Allocation to School Estate	(4,500)	(4,800)	(4,300)	(13,600)
Capital Receipts	865	220	772	1,857
Capital Grants	468	125	-	593
Prudential Funded Projects	8,735	23,780	4,131	36,646
Balance B/F From 12/13 (Exc School Estate)	505	-	-	505
Capital Funded from Current Revenue	7,941	3,046	1,083	12,070
School Estate Management Plan Funding	22,182	11,579	3,705	37,466
	<u>41,924</u>	<u>41,788</u>	<u>11,391</u>	<u>95,103</u>
Total Expenditure (see following page for details)	40,009	43,577	12,858	96,444
(Shortfall)/Under Utilisation of Resources				<u>(1,341)</u>

General Fund Capital Programme - 2013/16

Sources of Income

	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
Capital Receipts				
Kilmacolm Community Centre/Library	350	-	-	350
Vehicle Sales (Part funds Vehicle replacement Programme)	146	220	772	1,138
Contribution, Inverkip Community Facility	300	-	-	300
Contribution to SV Comet	69	-	-	69
Capital Receipts Total	<u>865</u>	<u>220</u>	<u>772</u>	<u>1,857</u>
Capital Grants				
Sports Scotland	383	-	-	383
Cycling, Walking & Safer Streets	85	125	-	210
Capital Grants Total	<u>468</u>	<u>125</u>	<u>-</u>	<u>593</u>
Prudentially Funded Projects				
Additional ICT (PC & Whiteboards Refresh)	120	120	120	360
Greenock Parking Strategy	-	150	-	150
Vehicle Replacement Programme	217	978	2,198	3,393
Asset Management Plan - Offices	4,695	6,580	570	11,845
Asset Management Plan - Borrowing in Lieu of Receipts	-	920	-	920
Asset Management Plan - Depots	1,900	8,279	1,183	11,362
Leisure & Pitches Strategy	1,388	1,093	-	2,481
Kylemore Children's Home	100	-	-	100
Modernisation Fund	119	350	-	469
Watt Complex Refurbishment	150	2,750	-	2,900
Gourock One Way System	-	2,500	-	2,500
Surplus Prudential Borrowing due to Project Savings	46	60	60	166
Prudentially funded Total	<u>8,735</u>	<u>23,780</u>	<u>4,131</u>	<u>36,646</u>
Capital Financed from Current Revenue				
Regeneration of Port Glasgow Town Centre	290	200	-	490
Play Areas	295	-	-	295
SWIFT Finance Module	35	-	-	35
Lunderston Bay	120	43	-	163
Scheme of Assistance	433	433	433	1,299
Aids & Adaptations (Earmarked Reserve)	100	-	-	100
Flooding Strategy	42	1,250	-	1,292
Additional Funding for Road Improvements	1,627	-	-	1,627
Greenock Parking Strategy	104	100	-	204
Broomhill Community Facility (Community Facility Fund)	150	-	-	150
Inverkip Community Facility	-	-	650	650
Modernisation Fund	25	-	-	25
Port Glasgow Town Centre, Town Hall Refresh	170	20	-	190
Watt Complex Refurbishment	-	1,000	-	1,000
Use of General Fund Reserves	4,550	-	-	4,550
CFCR Total	<u>7,941</u>	<u>3,046</u>	<u>1,083</u>	<u>12,070</u>

General Fund Capital Programme - 2013/16

Approved Programme

	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000
<u>Policy & Resources</u>				
Completion of Existing Programme	307	-	-	307
Annual Allocation (ICT)	567	567	567	1,701
Upgrade to Data Centre	190	-	-	190
Modernisation Fund	144	350	-	494
SV Comet	69	-	-	69
<u>Policy & Resources Total</u>	1,277	917	567	2,761
<u>Environment & Regeneration</u>				
Completion of Existing Programme (Property Services)	436	100	-	536
Annual Allocation (Property Services)	1,000	1,000	1,000	3,000
Central Gourock Development	774	3,500	-	4,274
Regeneration of Port Glasgow Town Centre	290	200	-	490
Leisure & Pitches Strategy	1,738	1,093	-	2,831
Inverkip Community Facility	225	950	-	1,175
Greenock Town Centre	7	-	-	7
Port Glasgow Town Centre Refresh of Town Hall	170	20	-	190
Asset Management Plan - Offices	4,695	6,580	570	11,845
Asset Management Plan - Depots	1,900	8,279	1,183	11,362
Completion of Existing Programme (Roads)	249	125	-	374
Annual Allocation (Roads)	1,455	1,405	1,400	4,260
Flooding Works	42	1,250	-	1,292
Additional Fund For Road Improvements	1,627	-	-	1,627
Greenock Parking Strategy	104	250	-	354
Vehicle Replacement Programme	363	1,198	2,970	4,531
Play Areas	295	-	-	295
Annual Allocation (Zero Waste Fund)	80	80	80	240
Completion of Existing Programme (Environmental & Planning)	50	-	-	50
<u>Environment & Regeneration Total</u>	15,500	26,030	7,203	48,733
<u>Education & Communities</u>				
Scheme of Assistance/Aids & Adaptations	765	1,301	1,383	3,449
Contribution to Watt Complex Refurbishment	150	3,750	-	3,900
School Estate Management Plan	22,182	11,579	3,705	37,466
<u>Education & Communities Total</u>	23,097	16,630	5,088	44,815
<u>CHCP</u>				
SWIFT Finance Module	35	-	-	35
Kylemore Childrens Home	100	-	-	100
<u>CHCP Total</u>	135	-	-	135
<u>Total Expenditure</u>	40,009	43,577	12,858	96,444

General Fund Capital Programme - 2013/16Notes

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>Total</u>
	£000	£000	£000	£000
Note 1				
<u>Further Breakdown of SEMP Expenditure</u>				
Sacred Heart Decant School Upgrade	355	116	-	471
Gourock HS - Refurb for St Columba's	5,156	1,252	-	6,408
ASN School - New Build	3,734	151	-	3,885
Demolish St Stephens HS	150	408	-	558
Primary School Accelerated Programme	546	415	-	961
Ardgowan PS Refurbishment	953	3,218	119	4,290
St Patricks PS Refurbishment	-	215	2,417	2,632
Balance of Lifecycle Fund	296	487	601	1,384
Balance of Contingency	100	1,700	100	1,900
Port Glasgow Joint Campus Secondary School	9,926	3,481	-	13,407
Future Projects	-	19	377	396
Other Projects < £250k	966	117	91	1,174
	<u>22,182</u>	<u>11,579</u>	<u>3,705</u>	<u>37,466</u>

Note 2**Introduction of 2015/16 Allocations**

Allocations:

SEMP	4,300	4,300
Property	1,000	1,000
Roads	1,400	1,400
SOA	500	500
ICT	447	447
ICT Prudentially funded	120	120
Zero Waste Fund	80	80
	<u>7,847</u>	<u>7,847</u>

Resources:

Government Capital Support (Estimated)	(6,000)	(6,000)
Prudential Borrowing (ICT)	(120)	(120)
	<u>(6,120)</u>	<u>(6,120)</u>

Shortfall

<u>1,727</u>	<u>1,727</u>
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Appendix Z

COMMON GOOD FUND
REVENUE BUDGET 2013/16

	2012/13 Budget	2012/13 Protection
PROPERTY COSTS		
Repairs & Maintenance	3,000	14,200
Property Insurance	2,000	13,200
	1,000	1,000
ADMINISTRATION COSTS		
Sundries	8,500	9,700
Management Allocation	300	1,500
Recharge for Accountancy	2,200	2,200
	6,000	6,000
OTHER EXPENDITURE		
Christmas Lights Switch On	149,500	135,310
Christmas Dinners/Parcels	10,500	10,500
Christmas Decorations	18,000	16,570
Gourock Highland Games	36,300	36,300
Armistice Service	29,400	29,400
Comet Festival	6,300	9,700
Fireworks	13,300	13,300
Rent Relief (Society of the Innocents)	12,600	12,600
Diamond Jubilee Celebrations	3,100	3,850
Contingency for future Community Events	17,000	3,000
	0	0
INCOME		
Gross Rent	(161,000)	(214,250)
Void Rents	(193,200)	(193,200)
Internal Resources Interest	35,700	47,450
Lease Premium	(3,500)	(3,500)
	0	(65,000)
NET EXPENDITURE	0	(65,040)
EARMARKED FUNDS		
Replacement of SV Comet	100,570	32,000
	100,570	32,000
TOTAL NET EXPENDITURE	100,570	(23,040)

£243,600

Projected Fund Balance as at 31st March 2013

Projected Fund Balance as at 31st March 2014

Projected Fund Balance as at 31st March 2015

Projected Fund Balance as at 31st March 2016

2013/14 Budget	Adjustment 2013/14	Inflation	2013/14 Budget	2014/15 Adjustment	2014/15 Inflation	Budget 2014/15	2015/16 Adjustment	2015/16 Inflation	Budget 2015/16
3,000	A. 2,000	0	5,000	0	0	5,000	0	0	5,000
2,000	2,000		4,000			4,000			4,000
1,000			1,000			1,000			1,000
8,500	0	0	8,500	0	0	8,500	0	0	8,500
300			300			300			300
2,200	0		2,200			2,200			2,200
6,000			6,000			6,000			6,000
149,500	B. (16,700)	0	132,800	A. 3,600	0	136,400	3,700	0	140,100
10,500			10,500			10,500			10,500
18,000			18,000			18,000			18,000
36,300	(900)		35,400			35,400			35,400
29,400			29,400			29,400			29,400
6,300	2,000		8,300			8,300			8,300
13,300			13,300			13,300			13,300
12,600			12,600			12,600			12,600
3,100			3,100			3,100			3,100
20,000	(17,800)		2,200	3,600		5,800	3,700		9,500
(161,000)	C. 18,200	(3,500)	(146,300)	B. 0	(3,600)	(149,900)	0	(3,700)	(153,600)
(193,200)	9,000	(4,600)	(188,800)		(4,700)	(193,500)		(4,800)	(198,300)
35,700	7,700	1,100	44,500		1,100	45,600		1,100	46,700
(3,500)	1,500		(2,000)			(2,000)			(2,000)
0	3,500	(3,500)	0	3,600	(3,600)	0	3,700	(3,700)	0
68,570	0	0	68,570	(68,570)	0	0	0	0	0
68,570			68,570	(68,570)		0			0
68,570	3,500	(3,500)	68,570	(64,970)	(3,600)	0	3,700	(3,700)	0

£175,030

£175,030

£175,030

**COMMON GOOD FUND
REVENUE BUDGET 2013/16**

Notes:

A. Property Costs
Increase in Repairs & Maintenance to reflect increased need for minor repairs.

2,000	<u>0</u>	<u>0</u>
<u>2,000</u>		

B. Other Expenditure
Decrease in Christmas Decorations to bring in line with core Council Budget
Increase in Armistice Service due to need for road closures at Gourcock Pool
Increase/(Decrease) in available contingency to bring annual budget to break-even.

(900)	3,600	3,700
2,000		
(17,800)	<u>3,600</u>	<u>3,700</u>
<u>(16,700)</u>		

C. Income

Adjustment to Gross Rent and Void Rents based on current occupancy levels
Decrease in Internal Resources Interest as a result of reduced Fund Balance and low interest rates

16,700	<u>0</u>	<u>0</u>
1,500		
<u>18,200</u>		

Projected Income assumes full occupancy with the exception of:

- 10 Bay St (assumed 3 months occupancy)
- 4 John Wood St (assumed no occupancy)
- 10 John Wood St (assumed 3 months occupancy)
- 15 John Wood St (assumed 3 months occupancy)
- 74 Port Glasgow Road (assumed 6 months occupancy)
- 18 Drumfrochar Road (assumed no occupancy)

It should be noted that although rental is assumed for 74 Port Glasgow Road this property will be marketed and will be considered for disposal or rental.

**2013/16 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 2013/14 budget resulting in further reduced funding for Local Government.	Low	Medium	The Council would require to have a managed reduction in its 2013/16 Budget plans however the likelihood of this is low given the SNP Majority.
2/ That the ongoing economic turbulence 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 should be sufficient flexibility within the overall financial envelope to manage individual variations.
3/ That the Council is unable to agree a balanced budget on the 14th February 2013.	Low	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 th March. A delay until this date would delay Council Tax billing for one month and cost approximately £80,000.