

A meeting of The Inverclyde Council will be held on Thursday 4 December 2014 at 4 pm within the Municipal Buildings, Greenock.

GERARD MALONE
Head of Legal and Property Services

BUSINESS

**** Copy to follow**

1. **Apologies and Declarations of Interest**

NEW BUSINESS

2. **Corlic Hill**
Report by Head of Legal & Property Services
3. **Annual Report to Members 2013/14**
Report by Chief Executive
4. **Minutes of Meetings of The Inverclyde Council, Committees, Sub-Committees and Boards**

General Purposes Board	(pp 255 - 258)
Local Police & Fire Scrutiny Sub-Committee	(p 259)
The Inverclyde Council	(pp 260 – 272)
Grants Sub-Committee	(pp 273 – 275)
Audit Committee	(pp 276 – 277)
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Environment & Regeneration Committee	(pp 283 – 289)
Education & Communities Committee	(pp 290 – 295)
Planning Board	(pp 296 – 299)
General Purposes Board	(pp 300 – 301)
** Policy & Resources Committee	(pp 302 –)
** Local Review Body	(pp)
** Environment & Regeneration Committee (Special)	(pp)

5. **The Renfrewshire Educational Trust**
Report by Head of Legal & Property Services
6. **Glasgow and Clyde Valley City Deal – Governance Arrangements**
Report by Head of Legal & Property Services
7. **Effective Democracy: Reconnecting with Communities**
** Report by Corporate Director Education, Communities & Organisational Development
8. **Financial Strategy 2014/2022 Update**
Report by Chief Financial Officer
9. **Chief Social Work Officer – Annual Report**
Report by Corporate Director Inverclyde Community Health & Care Partnership
10. **Update on Greenock Arts Guild: Beacon Arts Centre**
** Report by Corporate Director Education, Communities & Organisational Development

REMITTS FROM COMMITTEES

11. **Proposed Traffic Regulation Order – The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014 – Remit from Environment & Regeneration Committee**
Report by Corporate Director Environment, Regeneration & Resources
12. **Proposed Traffic Regulation Order – The Inverclyde Council, Gourock Waterfront (Waiting Restrictions) Order 2014 – Remit from Environment & Regeneration Committee**
Report by Corporate Director Environment, Regeneration & Resources
13. **Proposed Traffic Regulation Order – The Inverclyde Council, Gordon Street, Greenock (One Way Only) Order 2014 – Remit from Environment & Regeneration Committee**
Report by Corporate Director Environment, Regeneration & Resources
14. **Proposed Traffic Regulation Order – The Inverclyde Council, Canmore Crescent, Greenock (One Way Only) Order 2014 – Remit from Environment & Regeneration Committee**
Report by Corporate Director Environment, Regeneration & Resources
15. **Decriminalised Parking Enforcement – Consultation on Traffic Regulation Orders, The Inverclyde Council (Various Roads) (Inner Greenock) (Controlled Parking Zone) (Variation No 2) Order 2014, The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No 3) Order 2014 and The Inverclyde Council (Off-Street Parking Places) (Variation No 2) Order 2014 – Remit from Environment & Regeneration Committee (Special)**
** Report by Corporate Director Environment, Regeneration & Resources
16. **Treasury Management – Mid-Year Review Report 2014/15 – Remit from Policy & Resources Committee**
Report by Corporate Director Environment, Regeneration & Resources

The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I of Schedule 7(A) of the Act as detailed in the minute of the relevant Committee, Sub-Committee or Board.

NEW BUSINESS

17. Business in the Appendix

Enquiries to – **Rona McGhee** - Tel 01475 712113

Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	Head of Legal and Property Services	Report No:	LP/088/14
Contact Officer:	Jim Kerr	Contact No:	01475 712617
Subject:	Corlic Hill		

1.0 PURPOSE

1.1 The purpose of this report is to introduce the attached report from the Planning Board in relation to the pre-determination hearing for land north and east of Corlic Hill, Greenock which has been referred from the Planning Board to the full Council. It provides background information in relation to the decision of the Planning Board.

2.0 SUMMARY

2.1 A planning application for the erection of 8 wind turbines, the construction of access tracks and ancillary development (including crane hardstandings, cabling, transformers and culverts), the formation of a borrow pit, the erection of a sub-station and control building, the formation of a car park and the erection of temporary construction compounds at Corlic Hill, Greenock was considered by the Planning Board at its meeting on 5 November 2014.

2.2 The Planning Board agreed that planning permission should be refused for the following reasons:

1. The proposed wind farm may adversely impact on the safe operation of Glasgow Airport and en-route traffic to the detriment of public safety.
2. It is contrary to Policies ENV1, criterion (b)(i) and ENV2, criterion (i) of the Inverclyde Local Development Plan as it will adversely impact on visual amenity and, in the case of the latter, is not capable of satisfactory mitigation.
3. It is contrary to Policies ENV2, criterion (f) and INF1, criterion (b) of the Inverclyde Local Development Plan as it will adversely impact on landscape character.
4. It is contrary to Policy INF1, criterion (c) of the Inverclyde Local Development Plan as it will adversely impact upon neighbouring settlements in terms of their visual outlook and enjoyment of the landscape.
5. It is contrary to Policy INF1, criterion (d) of the Inverclyde Local Development Plan as it will adversely impact on the enjoyment of the landscape by recreational users of Clyde Muirshiel Regional Park.
6. It is contrary to Policies INF1, criterion (e), ENV2, criterion (e) and HER6 of the Inverclyde Local Development Plan in that the proposal will have an adverse impact on the setting of the scheduled monument of Lurg Moor Roman Fortlet and Roman Road.

7. The visual impact and impact on landscape character of the proposed development would also be contrary to Scottish Natural Heritage guidance on “Siting and Designing Wind Farms in the Landscape”, Scottish Government online guidance “Onshore Wind Turbines” and the Clyde Valley Strategic Development Plan Authority guidance “Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley”.

3.0 BACKGROUND

- 3.1 The Planning etc. (Scotland) Act 2006 introduced the concept of the hierarchy of developments. The 2006 Act defines the three categories in the hierarchy of development to which all applications for planning permission will be allocated. The three categories are national development, major development and local development.
- 3.2 The National Planning Framework describes and designates developments which are national developments. Scottish Ministers have powers to make regulations to describe classes of development other than national development and to assign each class to either major developments or local developments. Scottish Ministers have made regulations and the proposed development at Corlic Hill is categorised as a major development.
- 3.3 Before determining an application for planning permission for a development within the classes of national developments and major developments which are significantly contrary to the development plan, the planning authority are to give to the applicant and to persons who submit representations to the planning authority in respect of that application in accordance with Regulations made by Scottish Ministers an opportunity of appearing before and being heard by a committee of the authority (known as a ‘pre-determination hearing’). The Head of Planning and Regeneration is satisfied that the proposed development at Corlic Hill is significantly contrary to the development plan; a significant departure is one that would be contrary to the vision or wider spatial strategy of the plan. A pre-determination hearing was therefore held on 5 November 2014.
- 3.4 The purpose of a pre-determination hearing is to make the planning system more inclusive, allowing the views of applicants and those who have made representations to be heard before a planning decision is taken. The planning authority has discretion over how hearings will operate in its area. This Council agreed procedures for pre-determination hearings at the meeting of the Environment and Regeneration Committee held on 17 January 2013.
- 3.5 In order to add further transparency and accountability to the decision-making framework for planning applications, the 2006 Act also amends the Local Government (Scotland) Act 1973 to the effect that cases in which an opportunity to attend a pre-determination hearing must be provided will also have to be decided by the full Council. It follows that the decision on the Corlic Hill planning application has to be taken by the Council.
- 3.6 The full Council can accept the recommendation of the Planning Board and so refuse planning permission for the reasons set out above. Alternatively, if the full Council does not accept the recommendation of the Planning Board, the Council can decide that it is disposed to grant planning permission subject to (1) completion of a planning agreement to deal with decommissioning/reinstatement and community benefit (2) referral to Scottish Ministers as Glasgow Airport has objected and (3) conditions.

Report To: The Inverclyde Council

Date: 4 December 2014

Report From: The Planning Board

Report No: 13/0199/IC
Plan 11/14

**Major Application
Development**

Contact Officer: Jim Kerr

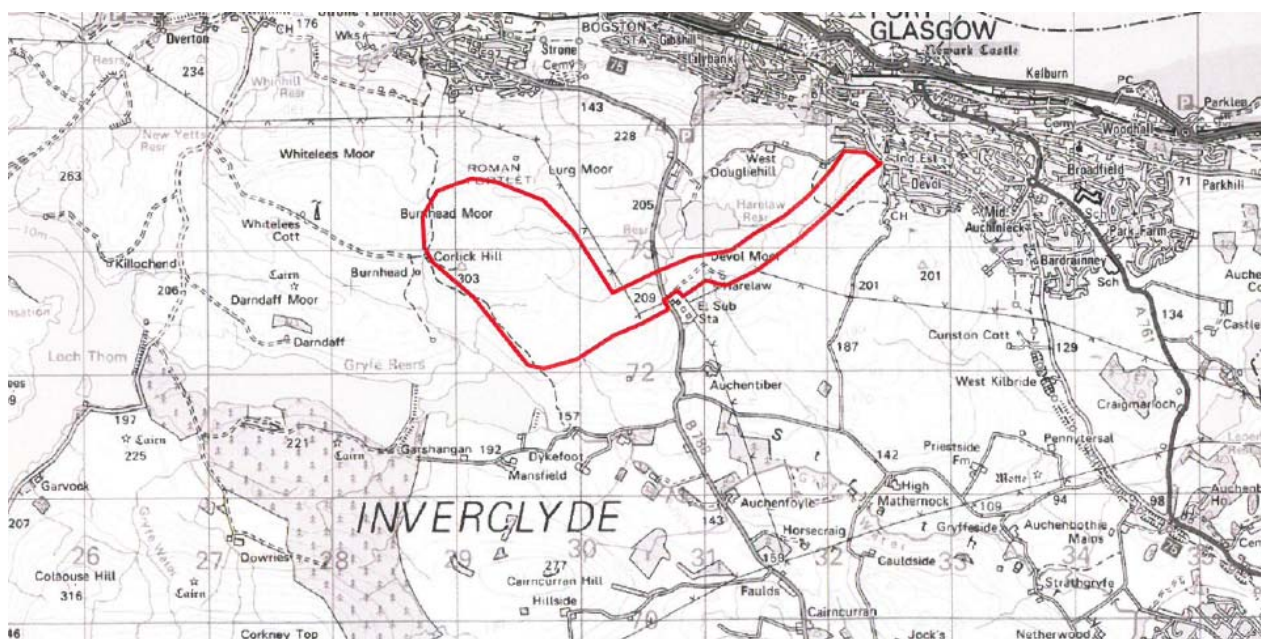
Contact No: 01475 712617

Subject: Erection of 8 wind turbines, the construction of access tracks and ancillary development (including crane hardstandings, cabling, transformers and culverts), the formation of a borrow pit, the erection of a sub-station and control building, the formation of a car park and the erection of temporary construction compounds at

Land north and east of Corlick Hill, Greenock

SITE DESCRIPTION

The application site covers 209 hectares and centres on parts of Burnhead, Lurg and Maukinhill Moors and Corlick Hill, from where it extends north-eastwards in a narrow strip towards Dougliehill Road, Port Glasgow. The boundaries of the site are approximately 3km to the south-east of Greenock town centre, 2.25km to the south-west of Port Glasgow town centre and 6km from Kilmacolm village centre. Within Greenock, the houses closest to the turbines are in Luss Place (1.2kms), while in Port Glasgow and Kilmacolm the closest houses are in Mackie Avenue (1.8kms) and Auchenbothie Gardens (4.6kms). There are individual houses scattered across the fringes of the Moors with those closest to turbines being at Mansfield (approximately 975m), Dykefoot (approximately 1km) and Garshangan (approximately 1.1km).



The site is bisected by the B788 which links Greenock and Kilmacolm. The land to the west of the road is open upland moorland drained by burns flowing towards Knocknairshill Reservoir. The highest parts are concentrated to the north and west around Burnhead Moor, from where the application site generally slopes downwards in an easterly and southerly direction. Moorland or semi-improved pastures generally encircle the site, beyond which are the Gryffe reservoirs to the south and Harelaw Reservoir and the Devol Moor electricity sub-station to the east. To the north the escarpment slopes downward to the housing of upper Greenock while to the south there are scattered individual houses in a mainly moorland setting.

The Glasgow and the Clyde Valley Landscape Character Assessment categorises the land mainly as "Rugged Moorland Hills". The eastern parts of the site are categorised as "Rugged Upland Farmland". Much of the application site is unimproved upland moor grazed by sheep and cattle, consisting of heathers, wild grasses and peat bogs drained by several surface watercourses. Man made features include fences, dry stone walls, electricity pylons and overhead lines. The part of the application site to the east of the B788 consists of mainly semi-improved and improved pasture.

Excepting the eastern part beyond the B788, the application site is within the Clyde Muirshiel Regional Park. There are two Scheduled Monuments (a Roman Fortlet with a Roman Road and a Hut Circle, both on Lurg Moor) outside but close to the eastern application site boundary.

PROPOSAL

The applicant seeks planning permission to construct a wind farm of 8 turbines with ancillary development of transformers, crane hardstandings, cabling, a sub-station and control building, a borrow pit, a car park, a temporary construction compound and a network of access tracks and culverts. The initial proposal was for 10 turbines, but in response to representations made at the initial consultation stage the two most northern turbines were withdrawn and the positions of others were subject to small positional adjustments, generally southwards.

The proposed turbines are 110m in height to blade tip and 65m to hub height. Each turbine has three blades on a rotor hub and is capable of generating 2-3 Megawatts of power. The applicant anticipates the turbines will be grey in colour and positioned on reinforced concrete hardstandings. Transformers and switch gear will be provided adjacent to each turbine and encased in a housing measuring 2.5m by 2.5m by 3m high.

The control building, containing the electricity sub-station, operational controls for the wind farm and a comfort space for personnel is proposed immediately to the west of the B788 and opposite the Devol Moor sub-station. The building is a utilitarian "L" shaped design, a maximum of 21m by 6.2m by 4.6m high and set within a 30m by 30m fenced security compound. A temporary construction compound, measuring 50m by 60m is proposed next to this to provide portable office accommodation, toilet and welfare facilities, storage areas, parking, a receiving area for incoming vehicles and a bunded area for the storage of fuels and oils.

A borrow pit is proposed on site to minimise the volume of stone that will require to be brought into the site for the construction of access tracks. It is anticipated that approximately 35,000 cubic metres of stone will be excavated to cover approximately 7,662sqm of surface. The borrow pit would be restored following excavation.

A network of access tracks, typically 6m wide including "shoulders" on either side, are proposed from Dougliehill Road, extending across Devol Moor and crossing the B788. This will develop into a network of paths connecting the turbines and linking into popular walking routes in the area. The track to the east of the B788 would be approximately 2.1kms in length with those to the west of the B788 totalling approximately 4.9kms. The tracks would mainly be cut into the ground although

there will be short stretches of “floating” track across areas of soft ground, including those areas with peat less than 1m deep. There will also be some water crossings creating culverts.

If approved, it is estimated that construction will take 9-12 months. Using average expenditure per Megawatt for the industry, the applicant estimates that the proposal could generate 23 jobs in Inverclyde and 146 in Scotland during construction. On completion, there is the potential for 5 jobs in Inverclyde and 17 in Scotland to facilitate ongoing maintenance.

The wind farm is expected to have a life of 25 years. If no further application is approved before the end of this time period the turbines will be dismantled and removed, although the turbine bases and the network of tracks would remain in place. The decommissioning period for a wind farm of this size is estimated at six months.

Finally, the applicant supports the principle of Community Funds, with the offer of at least £5,000 per megawatt quoted by the applicant. On the basis of the 30 Megawatts capacity, this would mean £150,000 community fund per year. The £5,000 per Megawatt figure originates in the Scottish Government guidance document “Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments”.

Both a bond associated with decommissioning of the wind farm and securing of the community fund would be addressed under the terms of a Section 75 Agreement should planning permission be granted.

SITE HISTORY

The application covers part of a larger site that was the subject of a previous proposal for a wind farm. This application, submitted in 2003 to the Scottish Ministers under Section 36 of the Electricity Act 1989, was for consent to construct and operate twenty two 100 m high turbines with associated infrastructure. The Council as a statutory consultee objected to the proposal resulting in a public inquiry being held in 2005. Permission was refused as the proposal was contrary to the then development plan primarily as a result of the detrimental impact on Clyde Muirshiel Regional Park and on the operation of Glasgow Airport, conflicting with support for the airport’s future growth.

DEVELOPMENT PLAN POLICIES

Glasgow and the Clyde Valley Strategic Development Plan

Strategy Support Measure 9 – Natural Resources Planning

Low carbon economic growth requires that indigenous supplies of natural resources continue to be developed and that, where feasible, a phased programme of development be established through the life of the plan.

Broad areas of search for surface coals, sand and gravel aggregate, biomass wood-fuel production and wind energy have been outlined in the Spatial Development Strategy and it will be for Local Development Plans to take forward the refinement of these areas to establish their long term potential.

LOCAL DEVELOPMENT PLAN POLICIES

Policy SDS1- Climate Mitigation and Adaptation Reducing Carbon and Energy Use

The reduction of greenhouse gas emissions through a wide range of measures designed to mitigate and adapt to climate change will be promoted by having statutory requirements enforced in

relation to improving the energy efficiency of buildings (existing and new); assisting in achieving renewable energy targets, including micro-renewable energy; assisting the move to zero waste; protecting and enhancing land uses that act as 'carbon sinks' (for example extending woodland cover and protecting valued peat lands); and encouraging more sustainable forms of transport and active travel.

Policy SDS8 - Green Belt and the Countryside

There will be a presumption against the spread of the built-up area into the designated Green Belt and careful management to prevent sporadic development in the designated Countryside, as identified on the Proposals Map.

Policy ENV1 - Designated Environmental Resources

(a) International and National Designations

Development which could have a significant effect on a Natura site will only be permitted where:

- (i) an appropriate assessment has demonstrated that it will not adversely affect the integrity of the site, or
- (ii) there are no alternative solutions, and
- (iii) there are imperative reasons of overriding public interest, including those of a social or economic nature.

Development that affects a SSSI (or other national designation that may be designated in the future) will only be permitted where:

- (iv) it will not adversely affect the integrity of the area or the qualities for which it has been designated, or
- (v) any such adverse effects are clearly outweighed by social, environmental or economic benefits of national importance.

(b) Strategic and Local Designations

Development adversely affecting the strategic and local natural heritage resources will not normally be permitted. Having regard to the designation of the environmental resource, exceptions will only be made where:

- (i) visual amenity will not be compromised;
- (ii) no other site identified in the Local Development Plan as suitable, is available;
- (iii) the social and economic benefits of the proposal are clearly demonstrated;
- (iv) the impact of the development on the environment, including biodiversity, will be minimised; and
- (v) the loss can be compensated by appropriate habitat creation/enhancement elsewhere.

Policy ENV2 - Green Belt and the Countryside

Development in the Green Belt will only be considered favourable in exceptional or mitigating circumstances, while development in the Countryside will only be considered favourably where it can be supported with reference to the following criteria:

- (a) it is required for the purposes of agriculture, forestry or, where appropriate, renewable energy (refer Policy INF1); or
- (b) it is a recreation, leisure or tourism proposal which is appropriate for the countryside and has an

economic, social and community benefit (refer to Policy ECN6); or

- (c) there is a specific locational requirement for the use and it cannot be accommodated on an alternative site (refer Policies INF3 and INF7); or
- (d) it entails appropriate re-use of redundant habitable buildings, the retention of which is desirable for either their historic interest or architectural character or which form part of an establishment or institution standing in extensive grounds (refer to Policy RES7); and
- (e) it does not adversely impact on the natural and built heritage, and environmental resources;
- (f) it does not adversely impact on landscape character;
- (g) it does not adversely impact on prime quality agricultural land;
- (h) it does not adversely impact on peat land with a high value as a carbon store;
- (i) it does not adversely affect the visual amenity of the area and is capable of satisfactory mitigation;
- (j) there is a need for additional land for development purposes, provided it takes account of the requirements of the Strategic Development Plan; and
- (k) it has regard to Supplementary Guidance on Planning Application Advice.

Policy ENV7 - Biodiversity

The protection and enhancement of biodiversity will be considered in the determination of planning applications, where appropriate. Planning permission will not be granted for development that is likely to have an adverse effect on protected species unless it can be justified in accordance with the relevant protected species legislation.

Inverclyde Council, in conjunction with its partners, will continue to develop habitat and species action plans through the approved Local Biodiversity Action Plan (LBAP) in order to manage and enhance the biodiversity of the Inverclyde area.

Policy ENV8 - Water Quality and the Water Related Environment

Proposals for all developments should have regard to their potential impact on the water environment, and specifically to the Clyde Area Management Plan (2009 - 2015) (and future reviews) which supplements the River Basin Management Plan for Scotland. In particular there should be no deterioration to the quality of any water body, and where possible sustainable improvements will be sought. In this regard the Scottish Environment Protection Agency (SEPA) will be consulted by the Council where appropriate. The culverting of watercourses should be avoided wherever possible. Where culverts currently exist, they should be opened up as part of any development, if appropriate and practicable.

Policy INF1 - Renewable Energy Developments

The Council will support development required for the generation of energy from renewable sources, subject to the proposal not having significant adverse effects upon:

- (a) natural heritage designations (international and national designations should not be compromised);
- (b) the landscape and wider environment;

- (c) neighbouring settlements;
- (d) tourism, recreation and conservation matters;
- (e) the built heritage;
- (f) biodiversity and the water environment;
- (g) air quality;
- (h) road safety and service infrastructure; and
- (i) the cumulative effect of such proposals.

Policy HER6 - Development Affecting Archaeological Sites

Development which will have an adverse effect on Scheduled Monuments or their setting will only be permitted in exceptional circumstances and where it is satisfactory having regard to Historic Scotland's 'Managing Change in the Historic Environment' guidance note series. Development on or adjacent to other archaeological sites, as included on the Council's database of sites of archaeological importance, will normally be permitted only where there is no adverse impact on the resource.

Where development is permitted affecting these sites of archaeological importance, conditions will be attached to planning permissions to allow for excavation and recording before or during development. Any survey reports or works sought by the Council will require to be funded by the developer.

CONSULTATIONS

Transport Scotland - No objection subject to conditions to control the movement of any abnormal loads on the trunk road, signage and temporary traffic control measures.

Head of Environmental and Commercial Services - The size and weight of abnormal load vehicles required to transport components has to be advised. Any locations where changes to infrastructure will be required to accommodate vehicles are also to be advised to the Council (including the number and proposed dates of delivery trips). Transport Scotland and Strathclyde Police will also require to be notified of the latter. Any remediation works to roads or verges require to be approved. Section 56 approval will be required at the access point to Dougliehill Road.

Confirmation of SEPA's acceptance to the proposal in relation to Controlled Activities Regulations should be submitted for approval.

Details of the appropriate watercourse crossing designs should be provided. Confirmation of Scottish Water's acceptance to the proposal should be submitted for approval. This should include reference to water quality and emergency provisions for dealing with spillage both during and after construction. Details of both the construction phase and permanent SUDS provisions should be provided together with SEPA's acceptance of the proposals. The developer will remain responsible for the maintenance of all water course crossings.

Argyll And Bute Council - The scale of the turbines, the extent of rotor visibility and the eye catching nature of the rotation of the blades in views from the vicinity of Cardross is such that the development will exert a commanding presence on the skyline above the Clyde. The Council objects to the application.

North Ayrshire Council - Refusal is recommended as North Ayrshire Council's Landscape Capacity Study identifies the Loch Thom Landscape Character Type (which contains the application site) as a landscape of "high overall sensitivity" with no capacity for wind farm development. The proposal will have an unacceptable landscape and visual impact.

Renfrewshire Council - No objection.

Glasgow Airport Safeguarding - Object as the application site is within the Glasgow Airport Control Zone and on one of the main entry/exit lanes to Glasgow Airport. The turbines would impact on radar screens increasing the risk of misidentification of aircraft, increasing controller workload and impacting air safety.

Civil Aviation Authority - The position of all aviation consultees should be established. If approved, the locations, heights and lighting status of the turbines and masts and the height of construction equipment require to be reported to the MOD.

MOD Safeguarding - No objection, but it is required that further contact be made regarding the construction timetable, the maximum height of the construction equipment and the latitude and longitude of every turbine.

National Air Traffic Services - Object due to an anticipated unacceptable impact on 3 radar.

Prestwick Airport - No objection.

Clyde Muirshiel Park Manager - Object due to adverse visual, landscape, ecology and cumulative impacts. There will be habitat disturbance and potential bird strike, and potential adverse effects on tourism, recreation and the cultural heritage.

City Design Co-operative Ltd (the Council's Landscape Consultants) – The siting of 8 wind turbines at 110m high close to the top of Corlic Hill will mark a significant change in the character of the area and in how it is perceived from a distance. The revised proposal will dramatically change the skyline, particularly when seen from a distance. The local impacts on the existing ground conditions and related habitat are likely to be significant and permanent. Local hydrology will be permanently affected by the proposal. Loss/destruction of peat remains a major concern. Overall the form, size, location and impacts of this proposal will be detrimental to the landscape and environment.

Scottish Natural Heritage – The nature and scale of the proposal in this highly sensitive coastal location will result in significant adverse landscape and visual effects and the proposal would have adverse cumulative effects on the wild land area, but this is not considered of sufficient magnitude as to raise an objection.

Relocation of the borrow pit, some turbines and their associated crane pads and access tracks to a less sensitive habitat is suggested. If this is not done a Habitat Management Plan should be secured. The full range of mitigation measures in the Environmental Statement should be adopted. The cumulative landscape and visual impact assessment does not appear to consider the overall effect on either the Rugged Moorland Landscape Character Type or the Clyde Muirshiel Regional Park and there is limited analysis of the impacts of the proposal on recreational access to the Park. The Council should consider securing habitat improvement for birds outwith the turbine envelope to lessen the risk of attracting birds into it. Ground or vegetation clearance should take place outwith April to August inclusive to protect breeding birds. A series of recommended ecological measures is also set out.

Royal Society for the Protection of Birds - No objection, but concerns are expressed on the potential impacts on hen harriers from Renfrewshire Heights Special Protection Area, whooper swans at the Black Cart Special Protection Area, and the loss of blanket bog habitat seeking restoration of bog elsewhere. Should planning permission be granted it is suggested some matters be addressed by planning conditions, including a finalised Species and Habitat Management Plan (SHMP) in consultation with the Habitat Management Group addressing the enhancing of foraging habitat for hen harriers away from the turbine footprint. The establishment of a monitoring group in respect of the SHMP, including annual monitoring is suggested. Vegetation clearance should not

be carried out between April and July inclusive. A contribution should be sought for off-site management works to help re-direct Whooper Swans away from turbines.

Historic Scotland - Object due to the potential for significant adverse effects on the setting of the Lurg Moor Roman Fortlet and Roman Road.

Head of Safer and Inclusive Communities – No objection subject to conditions which will regulate noise emissions from the turbines nearest to houses if these result in disturbance to residents. The submitted information and the distances between the houses and the turbines combined with the prevailing wind direction does not, however, suggest that this will be a problem. All external lighting on the application site should comply with the Scottish Government Guidance Note “Controlling Light Pollution and Reducing Lighting Energy Consumption”.

Scottish Environment Protection Agency West - No objection provided conditions can be attached to a grant of planning permission to address the potential impact on the water environment and the submission of a construction environmental management plan for the site at least 6 weeks prior to construction commencing. If these conditions cannot be applied then SEPA objects to the application.

Scottish Gas Networks - It is essential that no work or crossings of the existing high pressure pipeline occur until a detailed local consultation with Scotland Gas Networks is carried out. A safe distance of one and a half times the hub height requires to be kept from the pipelines.

Scottish Power - No objection provided the turbines are outwith the falling distance from the overhead power lines. It is not clear how Scottish Power apparatus will be affected at this stage.

Scottish Water - No objection.

PUBLICITY

The application was advertised in the Edinburgh Gazette and the Greenock Telegraph on 12 July 2013 and 30 May 2014 advising of the submission of an environmental impact assessment. The application was also advertised in the Greenock Telegraph on 12 July 2013 and 6 June 2014 as a Schedule 3 development, as it is contrary to the development plan, and as there are no premises on neighbouring land.

SITE NOTICES

The nature of the proposal did not require a site notice.

PUBLIC PARTICIPATION

704 representations have been received consisting of 703 objections and 1 supporting representation. The points made may be summarised as follows:

Objections:

Policy concerns:

- The site is under the Scottish Government’s recommended distance of 2kms from the nearest houses.
- The proposal is contrary to the Glasgow and the Clyde Valley Strategic Development Plan as it does not identify Inverclyde as an “area of search for a major wind farm development”.
- As the development is set within the Clyde Muirshiel Regional Park, the proposal is contrary to the Clyde Valley Joint Structure Plan and the Local Development Plan.

- The Local Development Plan identifies land less than 900 metres to the north of the site as potential for residential development.
- The Council has to apply its own historic environment policies and schedule new archaeological finds in the area.

Visual amenity concerns:

- The turbines will adversely impact on the landscape in which they are to be sited.
- The turbines will adversely impact on views from Corlic Hill, which is a popular local recreational attraction.
- The turbines will dominate the skyline and adversely impact on Greenock, the wider land in this area including views from across the river within the Argyll & Bute Council area, and will set an unfortunate precedent.
- The visual impact of the access tracks will deter visitors from visiting this part of the countryside.
- Little thought has gone into the design or location of the control buildings.
- The visual impact of turbines will remain once the wind farm ceases to operate.
- This will lead to a visual industrialisation of the Clyde Muirshiel Regional Park.

Residential amenity concerns:

- The turbines are too close to existing housing; the UK Noise Association recommends that wind turbines not be within 1 mile (1.6km) of houses.
- Noise (including sub-sonic noise and infrasound) from turbines causes sleep disturbance and related health issues (tinnitus, epilepsy, menieres disease, autism, hyperacusis and cardiovascular problems).
- This may result in the pollution of domestic water supplies (this applies to the nearest isolated dwellings which rely on groundwater for their supplies. Access tracks cut across springs that feed the water supplies to 4 houses).
- To avoid contamination of water supplies the applicant should be made to install mains water supplies for the houses most affected.

Environmental concerns:

- There may be pollution of watercourses adversely affecting water supplies to lochs, dams and rivers that support a range of life.
- Development will disrupt the natural drainage of the area irreversibly damaging peat bogs.
- Loss of peat and disturbance to wetland habitat will lead to flooding.
- Construction of the turbine bases, the access tracks, the additional buildings and the formation of the borrow pit will adversely affect the fragile ecosystem.
- Disturbance of peat and blanket bogs will release CO₂.
- There will be a loss of recently planted trees to form the access track.
- The Regional Park is an International Union for Conservation of Nature (IUCN) Category V protected area and an area of Great Landscape Value.
- The development is close to a Special Protection Area (SPA) and a SSSI; both will be adversely impacted.
- There will be an adverse impact on the Wild Land resource.
- EIAs inadequately assess the true impact of windfarms.

Archaeology:

- Insufficient consideration has been given to archaeological related issues. There is a lack of a professional archaeology service within the Council so it cannot reach an informed

opinion on this issue and it leads to a failure to meet the terms of the Scottish Planning Policy and Planning Advice Note 2/2011.

- This is an area of major archaeological significance and remains could be disturbed, destroyed, otherwise lost or have their setting adversely affected by the proposed developments.
- The proposal will end the possibility of this area becoming a major archaeological attraction.
- The “reversible damage to setting” argument advanced by the applicant is an unsustainable position.
- Remains found to date suggest that the area is archaeology rich. Future remains could be lost with development.

Traffic related issues:

- Excessive traffic on the roads will cause disruption.
- There will be noise from construction vehicles.
- There are concerns over the ability of roads to support HGVs (fears of subsidence).

Aircraft safety/aviation issues:

- There will be adverse impacts on radar at Glasgow Airport causing a safety issue.

Tourism:

- The wind farm could adversely impact on the attraction of tourists to Inverclyde and adjoining areas; it will adversely affect the tourist trade which sustains long term employment for a considerable and increasing number of residents in the many small towns and villages around the Clyde Muirshiel Regional Park.
- The potential for tourism is underplayed in the Environmental Statement.

Specific turbine safety related issues:

- Turbines can break, throw ice in winter, fall over or go on fire; as such they are a danger to people, birds and animals.
- Should a fire occur within a turbine the fire service will not be able to tackle it due to the height of the nacelle.
- The pressure waves from turbines can kill bats.
- Turbine blades can cause bird strike.
- There will be potential adverse impacts of shadow flicker from the sun and the moon.
- ETSU-R-97 is an outdated mode of assessing noise from a wind farm [in the UK wind farm noise is generally regulated by ETSU-R-97 which was published in 1996 and is a method of assessment and rating devised by a group of consultants, developers and environmental health officers assembled by the then Department of Trade and Industry].
- Windfarms are inefficient with respect to overall returns.
- Turbines can cause interference with TV reception, radio and mobile phones.

Specific Clyde Muirshiel Regional Park issues:

- All three Planning Authorities connected with the Regional Park require to consider the application.
- It is contrary to the Regional Park’s Charter aims.
- If approved, the applicant may seek to site more turbines in the vicinity (based on developments elsewhere in the Regional Park).
- There is an excessive number of turbines/turbine applications within the Park.

- As the site is within a Regional Park there is concern that precedent may adversely affect designated recreational space in Scotland.

Employment Opportunities:

- Job creation is short term with little in the way of long term employment opportunities to outweigh the other adverse impacts of the proposal.

Concerns over decommissioning

- A decommissioning/restoration bond is required for ground clearance/reinstatement if the developer goes into administration or ceases trading.
- Damage to the site is not totally reversible as tracks and turbine bases will remain after decommissioning.

General points on wind farms/renewable energy

- The carbon “payback” times on wind farms are always underestimated.
- Wind turbines are inefficient.
- Wind farms are no longer wanted by the public in Scotland.
- CO2 savings are exaggerated as conventional power stations are required as back-up for 70% of the time when wind turbines cannot produce electricity.
- Wind power is the worst of the non-fossil fuel generation alternatives when considering CO2 produced during manufacturing of the turbines and quarrying operations.
- CO2 is generated in the manufacturing process.
- There are concerns over profits made by energy suppliers on the back of the Renewable Obligation Certificate.
- More investment should be directed to tidal, wave, hydro or off-shore renewable energy projects.
- Diesel generators will operate on site when turbines do not work.
- There should be a moratorium on further wind energy projects until shale gas as an alternative source of energy is explored.
- Allowing global warming to progress and then deal with the end product would be cheaper than subsidising wind farms.

General points

- Insufficient publicity has been given to the application.
- Financial sweeteners in the form of community funds should not take precedence over environmental and other impacts.
- The proposed community benefit of £150,000 is insufficient to mitigate other adverse effects.
- The photomontages are visually inaccurate (turbines look smaller and more distant than they will be in reality).
- As a result of the Aarhus Convention, EU law requires a Council to carry its own environmental assessment of wind farm proposals.
- To allow the proposal will contravene Article 8 of the Human Rights Act (“everyone has a right to respect for his private and family life, his home and his correspondence”).
- The tracks could be used by joyriders/quadbikes.
- The site may become subject to fly tipping.
- The travelling community could be attracted to set up camp.
- The development will devalue neighbouring properties.

- There will be an adverse impact on flying model airplanes.
- It will adversely affect attempts by the Council to address depopulation of the area by acting as a visual deterrent.
- Legally an LLP should not be running a wind farm.
- Unexploded bombs on the moors could be a construction hazard.
- A life cycle assessment under ISO14040 has not been done [this is part of a family of standards related to environmental management that exists to help organisations minimise how their operations negatively affect the environment, comply with applicable laws, regulations etc., and seek continual improvement of these].
- The nature of the applicant's parent company business interests (coal mining is specifically quoted) are of concern.

Point of support:

- The proposal will contribute towards low carbon targets.

Pre-determination hearing

A pre-determination hearing was held on 5 November 2014. Presentations were delivered by:-

- Mr Alan Baker on behalf of 2020 Renewables Limited (applicant) – issues raised: the safe operation of Glasgow Airport; the visual impact and the impact of the proposal on Scheduled National Monuments and the positive economic benefits arising from the proposed development;
- Mr Stephen Hampson on behalf of Kilmacolm Community Council (objector) - issues raised: the potential adverse visual impact; the importance of the architectural sites forming part of the application site; the close proximity of the proposal to residential areas and conflict with national, regional and local planning policies;
- Mr Nicol Cameron on behalf of Kilmacolm Civic Trust (objector) – issues raised: government policy; inappropriate location of the development within in the greenbelt and countryside; the proximity of turbines to and the impact on rural housing and the environment and shadow and blade movement from the turbines;
- Ms Evelina Longworth (objector) – issues raised: the proximity of the turbines to her home; conflict with national, strategic and local planning guidelines; noise; shadow flicker; visual impact; house values; depopulation; the divisive nature of the community benefits and the extent of public subsidy;
- Mr Kenny McDonald (objector) – issues raised: the impact on the countryside; visual impact; impact on recreation; proximity of turbines to housing; impact on private water supplies; pollution; noise and house prices;
- Mr Robert Maund, Ms Jannis Low and Mr Nigel Willis on behalf of Save Our Regional Park (objector) – issues raised: the planning history of the Regional Park and the site; the number and scale of wind turbines in the vicinity of Clyde Muirshiel Regional Park; regional and local planning policy; the use of Clyde Muirshiel Regional Park as an education asset and contribution to lifelong learning; conservation of the Regional Park for future generations; the health benefits associated with the Park; the local authority's duty to protect water supplies and archaeological impacts;
- Mr David Roach on behalf of Inverclyde Ramblers (objector) – issues raised: vistas from Corlic Hill and archaeological issues;
- Mr Ross Nimmo on behalf of Glasgow Airport Limited (consultee) – issues raised: the potential impact on the safe and efficient operation of airspace and the absence of mitigation solutions in relation to the application site; and
- Mr Alan Brown on behalf of Clyde Muirshiel Regional Park (consultee) – issues raised: landscape and visual impact; ecological impact and tourism and recreation concerns.

The Head of Regeneration and Planning also presented his report on recommendations to the Board following which Mr Baker responded to matters raised by the objectors and consultees in their presentations relating to aviation, residential amenity at Luss Place, water supplies, Clyde Muirshiel Regional Park and planning policy.

Members then asked a number of questions which were answered by Mr Baker, assisted by Mr Alasdair MacLeod with the Board's agreement, Mr Nimmo and the Head of Regeneration and Planning.

ASSESSMENT

In the hierarchy of proposals, this application is a major planning application as defined by The Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009. National planning policy has to be considered including the National Planning Framework (NPF) 3, the Scottish Planning Policy (SPP), the Scottish Historic Environment Policy and the Managing Change in the Historic Environment Guidance Notes. A relevant Scottish Government Circular is 8/2002 (Control of Development in Airport Public Safety Zones) whilst relevant Scottish Government Planning Advice Notes are PAN 2/2011 (Planning and Archaeology), PAN 1/2011 (Planning and Noise). Online Scottish Government renewables advice in the form of the "Onshore Wind Turbines" guidance is also available.

As a government agency, Scottish Natural Heritage (SNH) also provide significant guidance in the form of "Glasgow and the Clyde Valley Landscape Character Assessment", "Siting and Designing Wind Farms in the Landscape", "Assessing the Cumulative Impact of Onshore Wind Energy Developments", "Strategic Locational Guidance for Onshore Wind Farms in Respect of the Natural Heritage" and "Visual Assessment of Wind Farms: Best Practice".

The Development Plan consists of the Glasgow and the Clyde Valley Strategic Development Plan and the Inverclyde Local Development Plan. The Local Development Plan is supported by "Supplementary Guidance on Renewable Energy".

Section 25 of The Town and Country Planning (Scotland) Act 1997 requires that planning applications be determined in accordance with the Development Plan unless material considerations indicate otherwise. In addition to Scottish Planning Policy, guidance and advice, including related advice from Government agencies, further material considerations are the consultation responses, the public representations, the applicant's supporting information including the environmental statement, the planning history of the site and the "Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley" published by the Clyde Valley Strategic Development Plan Authority. The study examines landscape sensitivity to wind turbine development with the aim of presenting a strategic view of landscape sensitivity with reference to landscape character.

The material considerations require to be taken into account when examining the determining issues. Determining issues are the potential impact on the safe operation of Glasgow Airport and aircraft generally; visual impact (from points of interest within the site, nearby settlements, notable landmarks and wider viewpoints on the Clyde Coast); landscape character impact (the significance of the change to the existing character and landform); residential amenity considerations (including noise during construction and operation and shadow flicker); impact on tourism and recreational use of the area; impact on the setting of the scheduled national monuments and other archaeological remains; ecological impact (habitat disturbance, ornithological issues, potential pollution of watercourses and peat disturbances); economic benefit and traffic impact.

Prior to assessing the determining issues it is appropriate to set out the national, strategic and local policy context.

The Policy Context

National Policy

The National Planning Framework (NPF) and the Scottish Planning Policy (SPP) are the two key national planning documents that set the framework for development across Scotland. NPF3 sets a target of 100% of gross energy consumption from renewables by 2020 with an interim target of 50% by 2015. The proposed development would contribute to these targets.

The SPP reinforces the aims of the NPF. It charges the planning system with enabling the transformation to a low carbon economy including deriving 30% of overall energy demand from renewable sources by 2020. This is to be achieved by supporting the development of a diverse range of electricity generation from renewable energy technologies, including the expansion of renewable energy generation capacity. It should also guide development to appropriate locations and advise on the issues to be taken into account when planning applications are assessed. Planning authorities are to set out in the development plan a spatial framework examining suitability for onshore wind farms in three categories: areas where wind farms will not be acceptable (group 1); areas of significant protection (group 2) and areas with potential for wind farm development (group 3). Group 2 requires a maximum 2km separation distance from communities. The extent of the area is to be determined by a planning authority based on landform and other features which restrict views out from towns and villages. The SPP also requires that strategic and local development planning authorities, working together where required, should identify where there is strategic capacity for windfarms. Where acceptable it sets out a list of considerations for wind farm proposals. It also advises that if a proposal is acceptable in land use terms and consent is to be granted, local authorities may wish to engage in negotiations to secure community benefit in line with other Scottish Government guidance.

Strategic Policy

The Glasgow and the Clyde Valley Strategic Development Plan (SDP) sets out a strategic vision to be implemented through a spatial development strategy. A series of support measures are set out to aid implementation of this strategy; the most relevant to natural resources planning is Strategy Support Measure 9. This indicates that in order to promote low carbon economic growth indigenous supplies of natural resources will require to be developed. Wind energy is identified as an environmental action point. The city region has significant potential for onshore wind energy development and the Plan consequently defines broad areas of search for strategically significant wind energy developments having a capacity of 20 MW or more.

Diagram 4 of the SDP provides a framework for assessing development proposals. The proposed wind farm is not within a broad area of search and consequently is not in line with the Spatial Development Strategy of the SDP. In such cases a sustainable location assessment is required. Many of the criteria to be used for undertaking the sustainable location assessment are positive with regard to low carbon energy and minimising climate change, and in terms of demand, the Scottish Government has set ambitious targets for renewable energy generation. Consequently, the proposed development can be assessed positively against Diagram 4, but nevertheless all applications remain subject to Local Development Plan assessment.

Local Policy

As a development which would contribute to achieving renewable energy targets, the proposal is supported in principle by Policy SDS1 of the Local Development Plan (LDP). The associated proposals map locates the application site within the Green Belt and the Countryside under Policy SDS8 and within Clyde Muirshiel Regional Park, a designated environmental resource, under Policy ENV1. Policy ENV2 addresses development in the Green Belt and Countryside, stipulating

that renewable energy development will only be considered favourably where it can be supported with reference to criterion (a). A wind farm is the type of development more associated with rural areas which are generally within Green Belt or countryside locations but consideration needs to be given as to whether or not it is appropriate to the application site. Policy INF1 indicates the Council's support for development required for the generation of renewable energy subject to there being no significant adverse effects on various criteria including the landscape and wider environment; neighbouring settlements; tourism, recreation and conservation matters; the built heritage; biodiversity (also reflected in Policy ENV7) and the water environment (also reflected in Policy ENV8); road safety and service infrastructure and the cumulative effects of such proposals. Given the proximity of archaeological resources, Policy HER6 is also of relevance.

The LDP is supported by "Supplementary Guidance on Renewable Energy". This assists the assessment of renewable energy development proposals and aims to balance between promoting renewable technologies and meeting apparently conflicting national guidance including on the natural environment. The LDP aims to locate renewable energy developments where the technology can operate efficiently and environmental and cumulative impacts can be addressed satisfactorily.

Given the potentially significant impact of the proposal it is appropriate that all aspects of national, strategic and local policy be considered together when addressing the determining issues.

The Determining Issues

Aviation issues

The proposed turbines are predicted to be visible to Glasgow Airport's Primary Surveillance Radar and Glasgow Airport Safeguarding (GAS) advises that this conflicts with safeguarding criteria. This will impact the routing of commercial traffic and general aviation traffic both inbound to and outbound from Glasgow Airport and traffic transiting controlled airspace. It will also increase the risk of misidentification of aircraft, increasing controller workload and impacting air safety.

National Air Traffic Services (NATS) also advises that the proposal has been examined by its technical safeguarding teams and conflicts with their safeguarding criteria, identifying Lowther Hill, Cumbernauld and Glasgow Airport Radars as being of concern.

Aviation related issues are not specifically addressed within the policies of the LDP but the issue of public safety raised by the consultation replies from GAS and NATS is significant and would form a basis for refusal of the application. Neither consultee is indicating that there is an acceptable solution at this stage. Whilst there have been instances of planning permissions for wind farms being granted subject to a suspensive condition on radar mitigation being addressed, the Board has to be influenced by the indication from GAS, in particular, that it would not be agreeable to such a condition as matters stand. The Board also recognises that the appeal decision on the previous wind farm application at Corlic Hill stated the detrimental impact on the operation of Glasgow Airport and conflict with support for its future growth as a reason for refusal.

Visual impact: considerations

That the construction of 8 wind turbines each to a height of 110m and the associated infrastructure will have a visual impact is not in doubt. Enhanced photographs forming part of the environmental statement have been taken from a series of vantage points within the site, from the nearest population centres of Greenock, Port Glasgow and Kilmacoll, from nearby tourist and recreational attractions including Lyle Hill, and from the wider area including Dumbarton Castle, Helensburgh and Loch Lomond and the Trossachs National Park. The visibility of the proposed wind farm from all of these locations indicates the potential widespread impact. It is acknowledged that photomontages will be influenced by weather conditions at the time the photographs were taken,

the position of the camera and the nature of the lens used, but they are nevertheless useful in illustrating the scale and position of turbines relative to the landscape and the skyline.

The Board also notes the applicant's position that the visual impact of a wind farm is temporary and largely reversible and recognises that conditions and a bond arrangement may be put in place obliging the removal of the turbines and associated buildings within a set period of time following decommissioning of a wind farm. Nevertheless the Board has to consider that the turbines will be in place for at least 25 years and that there is no proposal to remove the access tracks.

The Board's assessment of visual impact is considered with reference to three key groups of visual receptors: those within or immediately adjacent to the site, those within the nearest towns and villages, and on those in the wider area and, in particular, towns, villages and key vantage points in the wider Clyde Estuary. This is not to deny that others may also consider themselves affected by the visual impact of the proposal.

Visual impact: within the site

It is clear from public comment and from the Clyde Muirshiel Regional Park Manager that the application site and the area around it are very popular with walkers and ramblers. Indeed, the applicant's environmental statement makes the point that "this is a uniquely wild part of the Clyde Muirshiel Regional Park: unique in the sense that it is a relatively undisturbed area but is in close proximity and highly accessible to nearby populations." It also points out that "its relative lack of development when compared with the settled landscapes that surround it and its proximity to these areas ensure its popularity with local people for recreation in a landscape where they are able to gain a sense of isolation and experience nature. There is a sense of surprise when one reaches the higher ground that one can "escape" so quickly from the settled landscapes below." Clearly the visual impact of the proposed development on recreational users of this part of the Park merits consideration.



View from Corlic Hill

Corlic Hill is a popular local destination for the experience of wilderness and because of views from the site, particularly across the Clyde Coast. Standing on Corlic Hill the viewer is struck by the relatively unspoiled wilderness of the area. Although there is limited existing electrical infrastructure in the form of pylons and overhead lines, the predominant human influence in the landscape is traditional farming in the form of field boundary walls and the calm of reservoirs. As viewed from Corlic Hill the pylons and overhead lines do not break the skyline and are absorbed into the landscape. This point provides a 360 degree view of an almost unspoilt panorama, particularly towards the Clyde Coast, and across the firth to Helensburgh, Cardross and the mountainous terrain towards Loch Lomond and the Trossachs National Park. The proposed turbines would, on the basis of the applicant's photomontages, evidently break the skyline, compromise views including the crucial outlook north and north-eastwards across the Clyde and have a more immediate visual impact than the existing electrical infrastructure on grounds of their proximity,

height and animated nature. Furthermore, the network of tracks connecting the turbines would introduce a visual clutter at ground level which is not presently experienced. There would also be some temporary visual impacts on the site, especially in the opening of a borrow pit to secure on-site construction material.

The recreational user's overall experience of views from Corlic Hill and the landscape would be significantly changed by this development. If the applicant's assertion of the attractiveness of this site is to be accepted then the impact would be adverse as the sense of isolation and experience of nature would be compromised.

In close proximity to the application site there is a series of core paths which facilitate recreational users. The Council's Consultant Landscape Architect considers that "it is in the nature of path users from urban or urban fringe areas, where paths are close to home, to use them habitually. The magnitude of change will be substantial along many of the paths in the area and the significance of the visual impact will be high." Furthermore, the SNH guidance "Siting and Designing Wind Farms in the Landscape" states "impacts on tourists and those taking part in recreation may be relatively brief, but their sensitivity to landscape change is regarded as high because their purpose is specifically to enjoy their surroundings." The Board is supportive of both the Council's Consultant Landscape Architect's assessment and mindful of the SNH guidance and consultation reply in concluding that the visual impact on recreational users would be significant and that this application would adversely affect their appreciation of the natural environment.

Finally under this heading, the Board acknowledges that the proposed buildings within the site will also have a visual impact. It is considered, however, that careful redesign and use of finishing materials on these buildings could give them an appropriate rural appearance. This matter may be addressed by conditions and would not form a basis for refusal of the application.

Visual impact: adjacent to the site and nearest towns and villages

Although there are individual dwellings within close proximity to the application site boundary (Mansfield is approximately 975m distant, Dykefoot is approximately 1km away and Garshangan is approximately 1.1kms remote), town and village views would be most imposing from Greenock. Significant parts of Greenock are within the 2km "community separation" area identified within the SPP. It should, however, be noted that the closest houses at Luss Place, for example, do not have a direct view of the wind farm due to the intervening topography.



View from Newton Street, Greenock

Whilst the escarpment to the rear of Greenock provides a partially successful visual barrier to views of the proposed wind farm from those parts of Greenock closest to it, many residents within 2km would nevertheless have at least a partial view of a number of the turbines. The wind farm would be substantially visible from parts of Greenock. The applicant, in the environmental statement, lays emphasis on the orientation of “key” windows of houses in Greenock away from the wind farm towards the coastline, and seeks to diminish the significance of the proposal to residents. The Council’s Consultant Landscape Architect considers, however, that “in reality the receptors are the living, moving community whose attention will be drawn to the turbines on top of the hill as they go about their daily routines. Change and impact will be very significant within the communities from which the proposal can be seen from the street or garden.” Furthermore, the Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley notes that “groups of people who are most sensitive to their visual environment are usually considered to be residents in their homes and communities, and people accessing the countryside for recreation....” recognising the importance of the mobility of the community in perceptions of views.

Due to the intervening topography and landform there are fewer residences and public vantage points within Kilmacolm that would have a clear view of the proposed wind turbines. The key impacts would be limited to the western extremities of the village, including in particular the elevated areas such as Auchenbothie Gardens and western approaches to the village including along Knockbuckle Road. Views from Port Glasgow are mostly limited to upper areas, and are typically restricted to blade tips and nacelles.

The Board also notes the guidance contained within the SNH publication, “Siting and Designing Wind Farms in the landscape” includes reference to the impact of a wind farm on the skyline. It states that “if the skyline is “simple” in nature, for example over moorland and hills, it is important that wind turbines possess a simple visual relationship to this feature, avoiding variable height, spacing and overlapping of turbines and also, visibility of blade tips intermittently “breaking” the skyline.” As clearly viewed from Newton Street in Greenock as an example, but also from other viewpoints, the turbines appear to be of variable height, spacing between is apparently inconsistent and some appear to overlap whilst the blades of others intermittently break the skyline. The proposal fails to comply with this SNH guidance. The Board concludes that the layout of the wind

farm will have such an impact on a considerable number of residents, particularly in Greenock, as to make the proposal significant and adverse in terms of visual impact in these areas.

Visual impact: Wider area

It is important to recognise that the elevated nature of the site means that it will have a visual interaction with the wider area as well as the immediate environs and closest towns and villages. In this wider sense receptors, particularly from the north banks of the Clyde Estuary, will visually experience the turbines as part of a landscape defined by a series of rolling hills. There is the occasional pylon on the horizon but again, in the context of the proposed wind farm, these have a relatively minor visual impact. There is a substantial shoreline and resident population on the north side of the Clyde that would have sight of the wind farm and, as an example, the enhanced photographs from Helensburgh provided by the applicant illustrate the strong visual impact that the turbines would have. It is the opinion of the Council's Consultant Landscape Architect that "the impacts on acknowledged mobile receptors, road users, are down-played [in the environmental statement] by ignoring the frequency of travel. The sensitivity of these routes is greatly understated" and "the proposed wind farm will be viewed frequently by travellers on this route, possibly twice a day throughout the working week. It is incorrect to assume that simply being a moving receptor on such a route will diminish the significance of the proposal." Indeed, cars and buses using the A814 and rail users on the West Highland Line will have extended views across the Clyde towards the wind farm.

The applicant has also sought to underplay the visual impact with reference to tree cover filtering views from across the Clyde. The Council's Consultant Landscape Architect takes the view that the screening argument "may be applicable during the summer months but the screening effect is virtually non-existent during the winter months. For almost half the year the proposal will be visible through the trees. The impact of change and the significance of that change upon the view is therefore much greater than is suggested in the environmental statement". The Board shares the concerns of Argyll and Bute Council in considering that although the towns, villages, recreational and tourist areas and travel routes on the north side of the Clyde are more distant from the wind farm, distance does not diminish the change to the character of the landscape that this visual impact will bring. All that changes is the magnitude.

Indeed, both the north and south banks of the River Clyde, at this point, should be viewed as a landscape in an holistic sense; development on the skyline having a visual impact on one side of the Clyde will translate to a visual impact on the other side. When considered together, as matters stand, there are very few human skyline influences on either side, with the urban form traditionally hugging the coastline and lower slopes. Approval of the proposed development would significantly change the perception and appreciation of how development has successfully blended with this natural environment.



View from Kilcreggan

Landscape character impact

Landscape character is the distinct and recognisable pattern of elements that occurs consistently in a landscape leading to the way that it is perceived. Landscape sensitivity is concerned with the inherent character of the landscape and the likelihood that this character would be changed by the introduction of development. Landscape capacity refers to the degree to which a particular landscape type or area is able to accommodate change without significant effects on its character, or overall change of landscape character type.

The “Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley” considers the key characteristics of the “Rugged Moorland Hills” landscape character type and concludes that large turbines, of which these are examples, “are unlikely to be successfully accommodated within this landscape.” The Scottish Government advisory document “Onshore Wind Turbines” considers landscape impact and notes that “The ability of the landscape to absorb development often depends largely on features of landscape character such as landform, ridges, hills, valleys and vegetation.” SNH advice in “Siting and Designing Wind Farms in the Landscape” indicates that “it is very difficult to site and design a wind farm upon a variable landform, such as undulating moorland or hills, without presenting a confused image. This is because the wind turbines will be seen from different directions at varying elevations and spacing and against varying backdrops.” Furthermore, it informs that “the character of a skyline may be particularly valued if it conveys a sense of wildness [and] if it forms the backdrop to a settlement.”

Presently, the landscape character is experienced as rolling hills forming a natural backdrop to Greenock and Port Glasgow. Man’s influence on the landscape on and beyond the ridge has been limited, from the Roman Fortlet and associated road, through the construction of stone walls and wire fences, to reservoirs and the electricity pylons and overhead electrical power lines that cross part of the site. The pylons and power lines are noticeable in short distance views from the B788 but are less noticeable from parts of Greenock. Their impact is much lessened by distance. The proposed turbines would have a significant impact on the character of the landscape, including from more distant views due to their animated, visual prominence on the skyline. The applicant has attempted to absorb the turbines into the landscape through their positioning, in particular seeking to reduce the visibility from Greenock. It remains evident, however, that a confused image is presented, notably to Greenock, with overlapping turbines and variable spacing and height. The Board is also concerned by the visual confusion resulting from the juxtaposition of the turbines and the pylons on the site which contributes to a detrimental impact on the landscape.

The character of the skyline and the site itself would change from one of natural rugged moorland to a quasi-industrial landscape through the construction of what is essentially a large electricity generating facility. Given the elevated nature of the site it has an interaction with surrounding landscape character types which would alter the perception of the landscape generally from more distant views such as, for example, Dumbarton Rock. This overall impact would be noticed by visual receptors both nearby and in longer distance views particularly from the Argyll & Bute Council area. This analysis reflects the concerns of North Ayrshire Council.

The Board therefore considers that the proposal would have a detrimental impact on landscape character as this location has little or no capacity for a proposed development of this scale. This application and supporting images have confirmed concerns in the guidance from the Scottish Government, SNH and the Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley over accommodating a development of this nature within this landscape type.

Overall, considering the visual and landscape character impact on receptors from a wide range of views within Inverclyde and elsewhere, the Board concludes that the visual impact of the wind farm is significant and adverse to the extent that it is unacceptable.

Residential amenity

Residential amenity can be affected in a number of ways other than visual impact. Concern has been expressed over noise from construction and operation of the proposed wind farm, shadow flicker from individual turbines as they rotate, and the impact of ground works on water supplies for the isolated houses to the south of the site.

Any development project will produce noise during the construction phase and this has to be accepted. It is more important to ensure that disruption from noise is kept to reasonable levels and hours and this is a matter controlled by legislation operated by the Head of Safer and Inclusive Communities. Considering noise from the operation of the wind farm, the Board notes that the Head of Safer and Inclusive Communities concludes that the level of noise likely to be experienced by the nearest houses would be acceptable. Similarly, although the Board notes the comment on the British Noise Association standards, it is satisfied by the Head of Safer and Inclusive Communities' comments that this is not a basis on which the application should be refused.

Amendment to the initial proposal resulted in the deletion of the turbines nearest to the houses on Luss Place, Dalmoak Road and Arden Road. A combination of distance, ground contours, turbine heights and positioning relative to the sun's path satisfy the Board that concerns over shadow flicker have been satisfactorily addressed.

The isolated houses to the south and south-east of the site do not receive a water supply from the mains; it comes from an unsecured source outwith their control making it a matter between the householders affected and the neighbouring landowner. This should not form grounds for any refusal of planning permission and, furthermore, the Council has no role to play in requiring the applicant to provide mains connections for the isolated houses.

In summary the Board is satisfied that the relationship of the wind farm to houses means that residential amenity is not disrupted by the proposal in any manner that could justify refusal of planning permission.

Impact on tourism and recreational use of the area

The application site is within the Clyde Muirshiel Regional Park. SNH defines Regional Parks as "large areas of attractive countryside which lie close to Scotland's larger towns and cities, and which are therefore popular for outdoor recreation". It is viewed by the International Union for Conservation of Nature and Natural Resources (IUCN) as Category V, which by definition

considers the application site and surrounding area to play more of a role in providing a destination point for local recreational users than for tourists from outwith the area. Part of the application site and wider area is presently served by a network of core paths and the applicant suggests that the proposed development, through the turbine linking access paths and extensions of these proposed paths to link in to existing core paths, will encourage visits to the area. The Board is not convinced of this argument.

As the applicant has made clear, the attractiveness of this site is its unique wildness in close proximity to towns and villages. The development of an electricity generating station on the site will change the very nature of the experience of the landscape that presently attracts visitors. This attraction is evident from the observations of the Clyde Muirshiel Regional Park Manager and from the public representations. The wind farm experience may prove an attraction to people in itself, but they are becoming more commonplace across Scotland. It is likely that familiarity will decrease the “novelty” value. This contrasts with the volume of objections that refer to the relatively natural appearance of the site as a “draw factor” to recreational users. This will be lost should the proposed development take place. On balance, the Board considers that the area’s value to tourism and recreational use will lose more from the change of landscape character than to be gained from the wind farm “attraction”.



View from Dumbarton Castle

Although the application site is not recognised as a specific tourist destination from outwith the local area in its own right, visitors from further afield are attracted to dedicated tourism related facilities within the Park, including the Cornalees Visitor Centre. Indeed there are concerns that the development of a wind farm at this location would lead to a cumulative impact within the Park, and the Board shares the concerns of the Clyde Muirshiel Regional Park Manager that the proposal could adversely impact upon the attractiveness of this part of the Park area as a recreational resource.

It also has to be considered that the site is highly visible from other tourist destinations, including arrivals at Ocean Terminal and visitors across the Clyde at points such as Dumbarton Castle. These tourists would encounter an altered landscape experience which would be particularly noticeable. Indeed the advice from SNH in the document “Siting and designing wind farms in the landscape” makes the point that “impacts on tourists and those taking part in recreation may be relatively brief, but their sensitivity to landscape change is regarded as high because their purpose

is specifically to enjoy their surroundings.” The enhanced photographs provided by the applicant demonstrate how significant a visual impact this would have on a selection of viewpoints in the wider area.

Impact on the setting of two scheduled national monuments and other archaeological remains

Scottish Ministers’ policies on the historic environment are outlined in the Scottish Historic Environment Policy (SHEP) and SPP. These policies are supplemented by PAN2/2011: Planning and Archaeology. In summary, scheduled monuments should be preserved in situ within an appropriate setting. In particular, paragraph 145 of SPP states that development “Where there is potential for a proposed development to have an adverse effect on a scheduled monument or on the integrity of its setting, permission should only be granted where there are exceptional circumstances”. These national policies are reflected in the Inverclyde Local Development Plan where Policy HER6 states that development on or adjacent to scheduled monuments “will normally be permitted only where there is no adverse impact on the resource”.

The application site sits within an area where there are two known scheduled monuments: Lurg Moor Roman Fortlet and Roman Road, and Lurg Moor Hut Circle. Other remains are identified and several more are claimed by those making representations on the application. Historic Scotland objects to the impact on the scheduled monuments. It considers that the setting of these monuments has to be considered in a wide landscape context, including approaches from the south. It is also pointed out that the re-scheduling of the Roman Fortlet in 2011 to include the Roman Road has enhanced the Fortlet’s relationship with the moorland to the south. The applicant’s archaeology adviser considers that only the northern aspects should be taken into account based on the function of the Fortlet. This position is supported by the Council’s Consultant Archaeological Advisor.

On balance, however, the Board considers that the views of Historic Scotland, as the national heritage body and statutory consultee that obliges referral to the Scottish Ministers in the case of a contrary view being supported, holds greater weight. The Board concludes that the proposed development would adversely impact on the setting of these scheduled monuments, contrary to LDP Policy and, with reference to the SPP, there are not considered to be exceptional circumstances which would justify approval of the proposal.

The Board is also required to consider representations that consider it possible that there may be other potential finds within the application site. This information was considered by the Council’s Consultant Archaeological Advisor who has concluded that these would not constitute strong enough grounds for refusal. A watching brief condition across the site would address this matter should planning permission be granted. Such a condition would require that an appropriately qualified consultant be given site access as works proceed to record and recover artefacts and, if necessary, divert construction works to allow finds to remain in situ. There is no concern from either Historic Scotland or the Council’s Archaeological Advisor that there is any indication at this stage that significant antiquity is likely to be uncovered on the site or that it could potentially be a major archaeological attraction.

Ecology issues

Ecological issues and matters of natural heritage are considered in the environmental statement. Disturbance to ecology would occur during both the construction and operational phases. The statement indicates that the layout of the wind farm has been modified to reduce the impact on site ecology. The ecological issues covered include habitat disturbance, ornithological issues, potential pollution of watercourses and peat disturbances.

The Clyde Muirshiel Park Manager, public comment and the RSPB identify similar ecological interests of concern, the latter expressing particular concern over the impact on hen harriers from

the Renfrewshire Heights Special Protection Area, whooper swans at the Black Cart Special Protection Area and the loss of blanket bog.

SNH has considered the environmental statement in depth. It notes that the proposal avoids the areas of deepest peat but also that there is likely to be a degree of hydrological disruption to blanket bog. Impact on bird populations has also been considered by SNH and some concerns are expressed over collision mortality affecting the birds using the Black Cart SPA, but not of such a level as to affect the integrity of the site. Furthermore, in view of the SNH consultation response, it is considered that some of the RSPBs requests go beyond what is reasonable to assess as part of this proposal.

The potential pollution of watercourses is also of ecological concern. Once operational, a wind farm is a type of development that, by its very nature, is unlikely to lead to pollution of watercourses. Pollution incidents would be more likely to occur with fuel leaks from construction traffic or silting of watercourses from disturbed ground. Construction work could also lead to elevated water levels through the disturbance of natural drainage, with possible consequences for raised sediment deposits in reservoirs and spring wells. All this would require careful on-site management. SNH concludes that the applicant should adopt the full range of mitigation measures identified in the environmental statement including the appointment of an Ecological Clerk of Works, the production of a Construction Environmental Management Plan (CEMP) and pre-construction checks for protected species.

Of those making representations on matters of ecology, the Board is primarily influenced by SNH. It is the national natural heritage body, and although many concerns have been expressed in respect of matters such as pollution to watercourses, disruption to drainage, loss of peat and CO2 release, disturbance to wetland and loss of trees, there is no convincing evidence provided in respect of these ecological matters to persuade SNH to suggest that there is a firm basis for refusal of the application.

The Board also notes concern over the removal of some trees, primarily in the formation of the vehicular access to the east of the B788. Whilst this would be regrettable the Board does not consider that the either the number of trees or the extent of the area affected would be of such significance to justify refusal of planning permission.

Economic Benefit

Approval of the proposed development would create employment opportunities in the short term during construction and in the longer term with respect to annual maintenance. The number of posts to be created, however, are not significant and do not outweigh what the Board considers to be the negative impacts of the proposed wind farm.

The Board notes comments in letters of representation relating to the impact on Council aims to redress the de-population of Inverclyde and possible property devaluation, but does not consider that planning permission merits refusal on this basis.

Traffic impact

Some concerns have been raised on traffic related issues, such as the generation of excessive traffic, noise from construction vehicles and the ability of roads to support HGVs. Neither Transport Scotland nor the Head of Environmental and Commercial Services has expressed concerns over the ability of the road network to accommodate the level of construction traffic or of delivery vehicles. It is noted that limited alterations may have to be made to some roads to allow manoeuvring by larger vehicles but this would be achieved through consents issued by the Head of Environmental and Commercial Services. The Head of Safer and Inclusive Communities has expressed no concern over anticipated construction noise levels.

Policy conclusions

The proposed wind farm is a development in the Green Belt and Countryside which, although supported in principle by Policy SDS1, would unacceptably adversely impact upon the landscape character and visual amenity of the area. Significant adverse effects would be experienced by recreational users of Clyde Muirshiel Regional Park and those in close proximity. Significant adverse effects would also be experienced by visual receptors who will have prominent views of the proposed turbines from parts of Greenock and more distantly Kilmacolm and the north bank of the River Clyde. Furthermore, Historic Scotland has expressed clear concerns over the impact of the proposal on the setting of the Lurg Moor Roman Fortlet and Roman Road. On this basis the Board considers the proposal to be contrary to the following Local Development Plan policies:

- Policies ENV1, criterion (b)(i) and ENV2, criterion (i), as it will adversely impact on visual amenity and, in the case of the latter, is not capable of satisfactory mitigation.
- Policies ENV2, criterion (f) and INF1, criterion (b), as it will adversely impact on landscape character.
- Policy INF1, criterion (c), as it will adversely impact upon neighbouring settlements in terms of their visual outlook and enjoyment of the landscape.
- Policy INF1, criterion (d), as it will adversely impact on the enjoyment of the landscape by recreational users of Clyde Muirshiel Regional Park.
- Policies INF1, criterion (e), ENV2, criterion (e) and HER6, in that the proposal will have an adverse impact on the setting of the scheduled monument of Lurg Moor Roman Fortlet and Roman Road.

The proposal is also contrary to SNH guidance on “Siting and Designing Wind Farms in the Landscape”, Scottish Government online guidance “Onshore Wind Turbines” and the Clyde Valley Strategic Development Plan Authority guidance “Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley”.

With reference to the other relevant aspects of Local Development Plan policies, the economic benefits of the proposal in terms of employment opportunities have been demonstrated (Policy ENV1, criterion (b)(iii)). The Board considers that the applicant has demonstrated that impacts on biodiversity have been minimised insofar as this is possible given the nature of the development (Policy ENV1, criterion (b)(iv), Policy INF1, criterion (f) and Policy ENV7). The Board notes from the Environmental Statement the potential for compensatory habitat creation/enhancement elsewhere (Policy ENV1, criterion (b)(v)). The Board also notes that the proposal is a renewable energy development which would accord in principle with criteria (a) and (k) of Policy ENV2 and that avoidance of the areas of deepest peat would accord with the aims of criterion (h) of Policy ENV2. The Board is satisfied that issues related to water quality may be addressed through adherence to the proposed CEMP and to the correct SEPA regulatory requirements (Policy ENV8). Finally, although there would be some tree removal as a result of the proposed vehicular access to the wind farm, the Board does not consider it to be of such significance relative to Policy ENV6 that refusal of the application would be justified on this basis. None of these matters outweigh the view of the Board that, on balance, the proposal is contrary to the Local Development Plan.

Other material considerations

Notwithstanding the Board’s assessment of determining factors against planning policy, it has to be considered whether or not there are any material considerations which suggest that planning permission should be granted contrary to the approved development plan.

The Board notes the general policy position of the Scottish Government on renewable energy and the targets set out in the NPF. There is no doubt that approval of the proposed development and its subsequent implementation would contribute towards national targets for sourcing energy from renewable sources. The crucial issue, however, is the guiding of such development to the right locations; locations which would either have no detrimental impact or would have impacts that could successfully be mitigated to allow the proposed development to take place. It is the role of the Development Plan to consider this at local level with reference to NPF3 and the SPP. The Government has approved both the Glasgow and the Clyde Valley Strategic Development Plan and the Inverclyde Local Development Plan which combine to form the Development Plan; the Development Plan does not support this application.

A wide range of other issues have been raised in the representations including application procedure, health impacts, safety issues, interference with technology reception, the Aarhus Convention, Article 8 of the Human Rights Act and ISO14040.

Procedurally it is suggested that the Council alone should not be considering the application and that insufficient publicity has been given to the proposal. The Council is the authorised body to determine the application and adjoining authorities have been consulted and their views have been taken into account. The full, correct publicity procedures have been carried out before and during the processing of the application.

A significant number of issues related to health concerns, or perceptions of health concerns, are raised in public response with a wide variety of conditions and research quoted. It is not for the Council, as Planning Authority, to adjudicate on such claims and, indeed, decisions on planning applications elsewhere suggest that health related matters are not a material planning consideration. As such, health concerns and complaints are not matters that form a relevant or reliable basis for the refusal of planning permission.

Some concerns are also expressed over potential safety issues associated with the operation of wind turbines, such as ice throw from blades, breaking blades and possible fire safety issues. Whilst all of these concerns are based on practical experience reported from elsewhere these concerns do not form a basis for refusal of the application.

Interference with television and mobile phone reception is a material consideration and one of which the applicant is aware. Although there is no certainty that any of these issues will arise in practice, it is standard procedure to address these matters by condition requiring the applicant to agree to a programme addressing them by providing technical assistance to those affected.

The Aarhus Convention is a United Nations agreement relating to public access to information, public participation and access to justice in environmental matters. As a UN convention and not a European Union directive, being in breach of it, if that was to be the case, does not mean that any law has been broken. There is nothing to prevent the Council proceeding to determination of the application. Para 135 of Scottish Government Circular 3/2011 reads "before determining any EIA application, the planning authority.... must take into consideration the information contained in the Environmental Statement, including any additional information, any comments made by the consultation bodies, and any representations from members of the public about environmental issues." It does not require that the Planning Authority must conduct its own independent assessment of the environmental effects of the proposed development.

Article 8 of the Human Rights Act is not prejudiced by consideration of the planning merits of a proposal. Planning legislation ensures that all those with a right to comment are allowed to do so during the entire procedure, from pre-application discussion and through neighbour notification and publicising of the application.

ISO14040 belongs to a family of standards that relates to environmental management and exists to help organisations minimise how their operations negatively affect the environment and to show how they comply with applicable laws, regulations and other environmentally oriented requirements. They also cover how the situation can be continually improved. This all relates to legislation set apart from the Council's obligations in determining planning applications and is not relevant to consideration of the current proposal.

Finally, while the Board notes concerns over the nature of the applicant's business and that of the parent company and the legality of an LLP operating a wind farm, and that granting permission may lead to a subsequent application to extend it; that tracks will be used by bikers/joyriders; that fly tipping may occur; that the site may attract travellers; that the development will impact on model airplanes, that there may be unexploded bombs on site; and concern over the efficiency of operation of wind turbines, none of these form a basis for refusing planning permission.

Having considered all of the outstanding matters the Board has to conclude that none of these suggests that a departure from the Development Plan can be justified in this instance.

Community Benefit

The applicant proposes to provide community benefit at a rate of £5,000 per megawatt of electricity produced. The final figure would require to be secured by negotiation in the event of a grant of planning permission, although the proposed level is in line the Scottish Government's recommendations for onshore wind developments. It must be stressed, however, that this is not a material consideration in the planning process and cannot form part of the consideration of the merits of the proposal.

Conclusion

As is evidenced by previous planning approvals, the Council recognises and is supportive of the need for a greater percentage of our future electricity supplies to be derived from renewable sources. Wind farms make an important contribution to Scotland's energy supply and more such developments will be necessary if the Scottish Government's commitment to reduce greenhouse gas emissions is to be achieved. Policies SDS1 and INF1 of the Local Development Plan are representative of the Council's position in supporting renewable energy developments but, in the case of the latter policy, qualifying that support by references to impacts upon the natural heritage designations; the landscape and wider environment; neighbouring settlements; tourism, recreation and conservation matters; the built heritage; biodiversity and the water environment; air quality; road safety and service infrastructure; and the cumulative effect of such proposals. Several individual or small groups of wind turbines have been approved following favourable assessment against the above criteria.

It is also acknowledged that a wind farm located almost anywhere will have a range of impacts, including a visual impact and an impact on the character of the landscape in which it is situated. The nature of that impact will vary, however, depending upon how well it is absorbed into the landscape. Visual prominence is, to a large extent, dependent on vantage point and the perception of the visual receptor on the significance of the visual intrusion. This application, despite the applicant's attempts to absorb the wind farm into the landscape, still remains visually prominent to the detriment of the character of the landscape. The applicant has chosen a site of extreme visual prominence at the top of a rolling hills landform overlooking towns and in one of the most scenic areas of Scotland. The wind farm would be a dominant and incongruous feature of the skyline, as viewed from parts of Greenock, Kilmacolm and the wider Clyde Estuary. It would visually dominate the northern reaches of the Clyde Muirshiel Regional Park, to the detriment of the perception and recreational enjoyment of this part of the Park. It is also clear from the consultation responses that there remain safety concerns as to how the proposed wind farm would impact on the safe operation of Glasgow Airport and en-route air traffic.

In recognition of these impacts and the consequent conflict with a range of Local Development Plan policies and national planning guidance, it is recommended that planning permission be refused. Should planning permission be granted then the application will require to be referred to the Scottish Ministers.

RECOMMENDATION

That the application be refused for the following reasons:

1. The proposed wind farm may adversely impact on the safe operation of Glasgow Airport and en-route traffic to the detriment of public safety.
2. It is contrary to Policies ENV1, criterion (b)(i) and ENV2, criterion (i) of the Inverclyde Local Development Plan as it will adversely impact on visual amenity and, in the case of the latter, is not capable of satisfactory mitigation.
3. It is contrary to Policies ENV2, criterion (f) and INF1, criterion (b) of the Inverclyde Local Development Plan as it will adversely impact on landscape character.
4. It is contrary to Policy INF1, criterion (c) of the Inverclyde Local Development Plan as it will adversely impact upon neighbouring settlements in terms of their visual outlook and enjoyment of the landscape.
5. It is contrary to Policy INF1, criterion (d) of the Inverclyde Local Development Plan as it will adversely impact on the enjoyment of the landscape by recreational users of Clyde Muirshiel Regional Park.
6. It is contrary to Policies INF1, criterion (e), ENV2, criterion (e) and HER6 of the Inverclyde Local Development Plan in that the proposal will have an adverse impact on the setting of the scheduled monument of Lurg Moor Roman Fortlet and Roman Road.
7. The visual impact and impact on landscape character of the proposed development would also be contrary to Scottish Natural Heritage guidance on "Siting and Designing Wind Farms in the Landscape", Scottish Government online guidance "Onshore Wind Turbines" and the Clyde Valley Strategic Development Plan Authority guidance "Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley".

BACKGROUND PAPERS

1. Application form and plans.
2. Applicant's environmental statement, planning statement and design and access statement.
3. National Planning Framework 3.
4. The Scottish Planning Policy.
5. Scottish Historic Environment Policy.
6. Managing Change in the Historic Environment Guidance Notes.
7. Scottish Government Circular 8/2002.
8. Scottish Government PANs 1/2011 and 2/2011.
9. Scottish Government Online Guidance "Onshore Wind Turbines".
10. Scottish Government guidance document "Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments".

11. Scottish Natural Heritage Guidance “Glasgow and the Clyde valley Landscape Character Assessment”.
12. Scottish Natural Heritage Guidance “Siting and Designing Wind Farms in the Landscape”.
13. Scottish Natural Heritage Guidance “Assessing the Cumulative Impact of Onshore Wind Energy Developments”.
14. Scottish Natural Heritage Guidance “Strategic Locational Guidance for Onshore Windfarms in Respect of the Natural Heritage”.
15. Scottish Natural Heritage Guidance “Visual Assessment of Windfarms: Best Practice”.
16. Land Use Consultants report “Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley”.
17. Glasgow and the Clyde Valley Strategic Development Plan.
18. Inverclyde Local Development Plan.
19. Inverclyde Local Development Plan Supplementary Guidance on Renewable Energy.
20. Consultation replies.
21. Representations.



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Report To: Inverclyde Council

Date: 4th December 2014

Report By: Chief Executive

Report No: FIN/71/14/JB/CM

Contact Officer: Alan Puckrin

Contact No: 01475 712223

Subject: Annual Report to Members 2013/14

1.0 PURPOSE

- 1.1 The purpose of this report is to advise Council that Grant Thornton have issued their Annual Report for 2013/14 (Appendix 1).

2.0 SUMMARY

- 2.1 The Annual Report is a summary of the findings arising from audit and other relevant activity undertaken during 2013/14 by Grant Thornton, the Council's External Auditors. It focuses on the financial statements and any other significant findings arising from a review of the management of strategic risks.
- 2.2 Using evidence gathered during the audit, and other activity undertaken by External Audit and other scrutiny bodies, the Report comments on the Council's position for 2013/14. The Annual Report also draws on information generated from various national studies undertaken by Audit Scotland and highlights issues for Inverclyde.
- 2.3 In particular the report highlights the strong financial position of the Council, achieved through strong leadership by senior management in delivering the Council's vision and corporate priorities. It reports on the good progress made in delivering savings through efficiency workstreams but also the significant challenges and difficult decisions which lie ahead.
- 2.4 The report also highlights governance arrangements operated by the Council with its 3rd party organisations who support in the delivery of services on behalf of the Council and it is reported as generally operating well with the Council operating within the "Basic or Better Practice" category.
- 2.5 Finally, the report advises that the Inverclyde Alliance Annual Report presents mixed relative performance and that 48% of the Council's SOLACE indicators are in the bottom two quartiles. It is however recognised that the Council responds positively to the National Studies and is meeting its Best Value obligations.
- 2.6 The Council has completed the Action Plan in Appendix A which will be monitored via the Audit Committee and CMT.
- 2.7 A representative from Grant Thornton will be in attendance to address any questions Members may have regarding this report.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Council consider and comment on the Annual Audit Report – 2013/14 and note that progress on delivering the Action Plan will be tracked via the Audit Committee.

John Mundell
Chief Executive

4.0 BACKGROUND

- 4.1 Each year the Council receives an Annual Report to Members from the Council's External Auditors.
- 4.2 The Annual Report is a summary of the findings arising from audit and other relevant activity undertaken during 2013/14 by Grant Thornton, the Council's External Auditors. It focuses on the financial statements and any other significant findings arising from a review of the management of strategic risks.
- 4.3 In particular the report highlights the strong financial position of the Council, achieved through strong leadership by senior management in delivering the Council's vision and corporate priorities. It reports on the good progress made in delivering savings through efficiency workstreams but also the significant challenges and difficult decisions which lie ahead.
- 4.4 The report advises that the Inverclyde Alliance Annual Report presents mixed performance and that 48% of the Council's SOLACE indicators are in the bottom two quartiles. This can reflect the policy priorities of the Council. It is however recognised that the Council responds positively to the National Studies and is meeting its Best Value obligations.

5.0 FINANCIAL IMPLICATIONS

5.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

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

5.2 **Legal**

There are no legal implications arising from this report.

5.3 **Human Resources**

There are no HR implications arising from this report.

5.4 **Equalities**

There are no equalities implications arising from this report.

5.5 **Repopulation**

There are no repopulation implications arising from this report

6.0 CONSULTATION

6.1 The External Auditors have discussed this report with the Corporate Management Team.

7.0 BACKGROUND PAPERS

7.1 None.

Inverclyde Council

Annual Report to Members and the Controller of Audit 2013-14

October 2014



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1. Executive Summary

Introduction

The Accounts Commission for Scotland appointed Grant Thornton UK LLP as auditors to Inverclyde Council (the Council) under the Local Government (Scotland) Act 1973 for the period 2011-12 to 2015-16. This is therefore the third year of our appointment. This report summarises the findings from our external audit work for the year ended 31 March 2014.

Overall conclusions

We use the table on page 3 to highlight the key findings emerging from each aspect of our work during 2013-14. Overall, the Council is in good financial health with a strong general fund position. The general fund now stands at £42.9 million, a decrease in funds from the previous year of £2.4 million.

Overall, the Council performs well in delivering services and has good financial management arrangements in place. In particular, the Council has been able to build up significant reserves during a period of financial austerity. This has been achieved through disciplined financial management, strong leadership by the senior management team in delivering the Council's vision and corporate priorities to focus investment and savings decisions. However, as more efficiencies and savings are identified, fewer remain in future years to be exploited and members will have difficult decisions to make on service delivery as efficiency savings alone fall short of meeting the budget gap.

Meeting future challenges

The positive announcement in the 2014 Budget that the Office of Budget Responsibility (OBR) has revised its forecast for GDP growth from 2.4% to 2.7% in 2014 will not play out evenly across the UK. How growth manifests itself locally, demographically or

otherwise, presents very different opportunities and implications for policy makers and local leaders in fostering growth.

Improving the local economy is a key policy area for the Council as Inverclyde has one of the highest rates of unemployment in Scotland and suffers from lower levels of economic activity. This may in part be causing population decline as people leave the area to seek work. As council funding from government is linked mainly to population levels, this could lead to lower levels of future funding unless addressed. A strategic outcome for the Inverclyde Alliance is repopulation. The Repopulation Delivery Outcome Group has secured £1 million funding from the Council to deliver the actions set out in the Repopulation Outcome Delivery Plan.

The greatest benefit of growth may not be from short-term income from business rates, but from better local skills, housing, jobs and infrastructure and their long term impact on the community.

The Council are currently in the process of setting the 2015-17 budget, it is estimated the budget gap for the period is £7.0 million.

As Councils begin to make decisions on service delivery, and possibly cuts, scrutiny becomes increasingly important. Financial scrutiny is ultimately about testing how councils make choices about resource allocation and how well resources are used to deliver policy objectives.

Through scrutiny, councillors have the opportunity to step back and consider the relationship between costs and performance. The rigors of the annual budgeting round can focus attention on dealing with reduced funding without fully appreciating the impact on delivery of service priorities and performance targets. Cutting costs may achieve a

short term financial target and a balanced budget but impact citizen perception and the achievement of improvement objectives, which end up storing up costs for the future.

The financial austerity seen and forecast in Local Government is happening against a background of rapid social and technological change. It is uncertain whether local government will be able to keep up with technological developments because of a lack of investment in new systems, sector skills and

appreciation of strategic impact. The sector's institutional shape is looking increasingly out of step and the people-based nature of many services makes efficiency gains a challenge, particularly where there are skills gaps. The speed of change will test the sector's ability to adapt their culture and invest in the people skills required to use technology and work in different ways.

Key Findings

Reporting Area	Our Summary
Financial Position	<ul style="list-style-type: none"> The Council had a general fund balance of £42.9 million at the year end. The General Fund increased more than budgeted in the year as a result of additional workstream savings and Service underspends. The uncommitted portion of the General Fund is £4.8 million, which is £1.0 million higher than the Council's target for reserve balances. The Council has committed reserves of £38.097 million. There are a number of significant committed reserves which have remained for a number of years. Budget revisions during the year reduced committee budgets by £15.3 million. The Council recorded an underspend of £1.3 million against revised service budgets in the year, representing 0.8% of net service expenditure.
Governance	<ul style="list-style-type: none"> The Council produced an Annual Governance Statement for the first time. Governance arrangements have been strengthened during the year. Our review of internal controls found that they operate effectively, and the internal audit section performs well. Progress has been made within the Alliance Board against identified improvement actions.
Performance	<ul style="list-style-type: none"> The Inverclyde Alliance Annual Report 2014 presents mixed performance. The Council is meeting its Best Value obligations. The Council has 48% of indicators within the bottom two quartiles of the SOLACE Local Government Benchmarking Framework. Improvement actions have been approved by Committee and now form part of the CDIP updates. Targeted follow up reports show Inverclyde respond positively to National Studies.

2. Introduction

Introduction

The Accounts Commission for Scotland appointed Grant Thornton UK LLP as auditors to Inverclyde Council (the Council) under the Local Government (Scotland) Act 1973 for the period 2011-12 to 2015-16. This is therefore the third year of our appointment.

This report has been prepared for the benefit of discussion between Grant Thornton UK LLP and Inverclyde Council (the Council).

Our responsibilities

It is a condition of our appointment that we meet the requirements of the Code of Audit Practice, which is approved by the Accounts Commission and the Auditor General for Scotland. The most recent Code was published in May 2011 and applies to audits for financial years starting on or after 1 April 2011.

The Code of Audit Practice highlights the special accountabilities that are attached to the conduct of public business and the use of public money. This means that public sector audit must be planned and undertaken from a wider perspective than the private sector. We are therefore required to provide assurance, not only on the financial statements and annual governance statement, but also on Best Value, use of resources and performance.

Our Annual Report

This report summarises the findings from our 2013-14 audit of Inverclyde Council. The scope of our work was set out in our Audit Plan, which was presented to the Audit Committee on 7 January 2014.

The main elements of our audit work in 2013-14 have been:

- The audit of the financial statements, including a review of the Statement of Systems of Internal Control.
- A review of corporate governance arrangements, internal financial controls and financial systems.
- Certification of grant claims and subsidy returns.
- Review of arrangements for statutory performance indicators.
- A review of the council's response to Audit Scotland's national study reports.

The key issues arising from these outputs are summarised in this annual report.

Acknowledgements

We would like to take this opportunity to record our appreciation for the kind assistance provided by elected members and officers of the Council during our audit.

3. Financial Position

The Council has a general fund balance of £42.9m, with £4.8m available for new expenditure or to meet unforeseen costs. The Council recorded an underspend against budget for the year and is making good progress in delivering the efficiency savings required in its Budget Strategy to meet continuing financial challenges.

Financial Reporting

The Statement of Accounts is the key method that Councils use to report to elected members and the public on how effectively they use public funds. However, local authorities are large and complex organisations, and the nature of the regulatory framework means that large accounting adjustments are made to accounts that can be difficult to explain or understand.

We reviewed the Chief Finance Officer's Foreword and concluded that it provides a good summary of the Council's financial performance for the 2013-14 financial year, including performance against budget and outcomes against the prudential indicators.

The CIPFA Directors of Finance working group approved a number of financial ratios for use within the annual accounts to enhance comparability across Scottish councils. **Table 1** highlights the Council's performance against the agreed financial ratios.

Financial Position

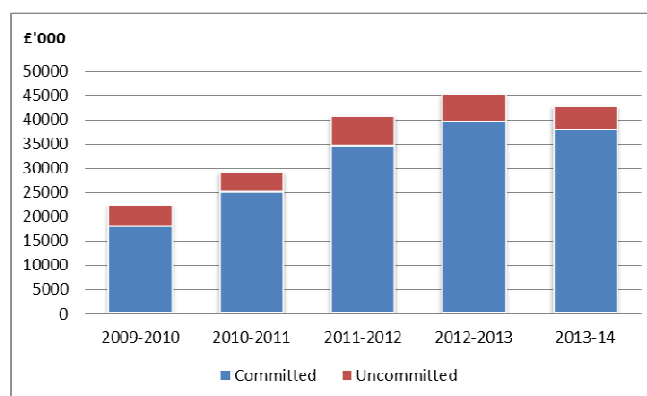
One of the key measures of financial health at a local authority is the level of uncommitted reserves balances. The Council has set a target to maintain reserves at 2% of budget to allow flexibility and the ability to respond to unexpected events.

At 31 March 2014, the Council reported a general fund balance of £42.9 million (2012-13: £45.3m), of which £4.8 million is uncommitted. This is £1.0

million higher than the Council's target level of reserves, of 2% of budget.

Since 2009, and during a period of financial austerity, the Council has contributed almost £25 million to reserves. 2013-14 sees a change in the trend with both committed and uncommitted reserves reducing as can be seen in **Figure 1**. The Council is forecasting a reduction in reserves over the next few years.

Figure 1: The Council's earmarked reserves have reduced from the prior year however, uncommitted reserves remain above target



Source: Inverclyde Council Statement of Accounts

Table 1 Financial Ratios

Financial Indicator	2013-14	Commentary
Reserves		
Uncommitted General Fund reserve as a proportion of Annual Budgeted Net Expenditure	2.77%	The Council's target is to maintain uncommitted reserves at 2% of annual budgeted expenditure.
Movement in the uncommitted General Fund Balance	(13.48)%	The uncommitted General Fund has reduced by £0.747 million due to financing of council expenditure. The level of the uncommitted General Funds remains above the Councils target level of 2% of annual gross expenditure.
Council Tax		
In year collection rate	94.51%	The average collection rate in Scotland in 2012-13 was 95.2%. 2013-14 figures are not yet available, however the collection rate in 2013-14 is the highest level recorded for Inverclyde.
Ratio of Council tax Income to Overall Level of funding	13.19%	Overall income has reduced from prior year to reflect the change in funding of Police and Fire and Rescue Service in Scotland. There is a corresponding reduction in expenditure. The Council has frozen Council tax at 2008-09 levels.
Financial Management		
Actual Outturn compared to Budgeted Expenditure	97.06%	The Council's out-turn was an underspend of £1.3 million.
Actual contribution to/from Unallocated General Fund Balance compared to Budget	2.94%	This reflects the underspend position noted above.
Debt/Long-term Borrowing		
Capital Financing Requirement (CFR) for the current year	£304.51m	CFR is the Council's underlying need to borrow for capital expenditure
External Debt Levels for the current year	£291.88m	This is within the Council's prudential borrowing targets, is under the CFR and is at an appropriate level for the Council.
Ratio of financing costs to net revenue stream	12.50%	The Council has significant capacity to fund existing debt levels. The ratio in 2012-13 was 10.93%.
Impact of Capital Investment on Council Tax	£14.96	The Council has, over the past few years, embarked on a significant capital programme the funding of which, in part, is through revenues received from Council Tax. The Council tax per annum for a Band D property is £1,198.

There are a number of significant earmarked reserves which the Council has maintained over a number of years as detailed in [appendix B](#).

There are a number of miscellaneous reserves for the individual committees currently totalling £4.670 million. In addition there are a number of individual capital reserves totalling £16.661 million. The slippage in the capital programme could result in planned usage of reserves not being fully utilised. A number of other reserves have remained constant or increased since 2010 including contribution to Riverside Inverclyde (£1.245 million), renewal of Clune Park Area (£1,590 million) and support for owners (£0.886 million)

Comprehensive Income and Expenditure Statement

The Council reported significant movement in balances between years in its Comprehensive Income and Expenditure Statement, principally as a result of the revaluation of land and buildings.

As **Table 2** highlights, Council spend on services has decreased significantly this year from £224 million to £173 million (23%). Key movements include:

- Police and Fire funding included in 2012-13 £12.8 million.
- Revaluation impact on the 2012-13 cost of services £ 32 million.
- In year underspend of £1.3 million on Service Committee budgets. The Council returned an in year deficit of £2.363 million due to advancing spend on Earmarked Reserves.

The Council reported total net comprehensive income in year of £4.128 million (2012-13: expenditure of £9.123 million).

Table 2: Financial Results for 2013 (restated) and 2014

	2014	2013
	£'000	£'000
Net Cost of Services	172,891	223,850
Other operating income	(332)	(27)
Financing and investment income and expenditure	19,478	17,072
Taxation and non-specific grant income	(200,755)	(217,516)
(Surplus)/deficit on the provision of services	(8,718)	23,379
(Surplus)/deficit arising on revaluation of non-current assets	(11,093)	(40,677)
Impairment losses on non-current assets charged to the revaluation reserve	3,261	6,883
Actuarial (Gains) / Losses on Pension Assets and Liabilities	12,422	19,538
Other Comprehensive I&E	4,590	(14,256)
Total Comprehensive I&E	(4,128)	9,123

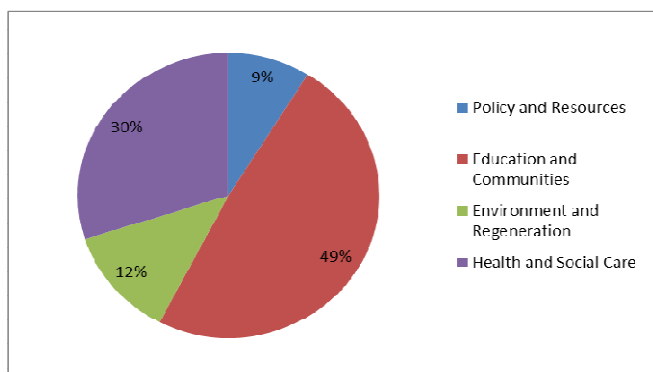
Source: Inverclyde Council Statement of Accounts 2013-14

Service expenditure

The 2013-14 budget was revised down by £15.237 million during the year due to:

- £3.729 million transferred from Education and Communities budget to SEMP Loans Charges fund.
- £6.459 million transferred from service budgets to earmarked reserves.
- £5.354 million due to the Council Tax Reduction Scheme.
- Offset by an increase of £0.325 million for minor Grant Redeterminations.

Figure 2: The majority of Council expenditure is directed towards Education and Communities



Source: Inverclyde Council 2013-14 out-turn budget report

The Council underspent against the revised budget by £1.3 million (0.8% of the revised 2013-14 revenue budget), with all services recording underspends against budget. The largest underspend was recorded in the Policy and Resources committee which recorded an underspend of 4.8% (8.5% in 2012-13).

Performance against service budgets were reported to the Policy and Resources Committee throughout the year.

Key elements of the underspend against budget are highlighted below:

- Additional efficiency savings of £0.880 million.
- Early achievement of savings £0.426 million.
- Lighting maintenance contract £0.108 million.
- Taxation and benefit subsidy over recovery £0.179 million.
- Utilities £0.245 million.

Capital Expenditure

Budgeted capital expenditure for 2013-14 was £38.975 million, the total slippage in the year was £5.081 million representing slippage against the capital programme of 13%. This was a slight reduction in performance from 2012-13 (9.3%), but continues the trend in recent years of slippage against capital budgets.

Economic regeneration remains a priority area for the Council, particularly in the context that the Inverclyde area has relatively high levels of unemployment and economic deprivation, However, underspends against both capital and revenue budgets represent an opportunity cost to the creation of employment opportunities and to the stimulation of expenditure in the local economy. There remains scope for progress in these areas.

Each committee receives capital programme monitoring reports for their area of the programme, with the Policy and Resources Committee also receiving an overall capital monitoring report each committee cycle.

Table 3: Capital slippage by committee

Committee	Slippage £'000	Slippage %
Policy and Resources	(392)	(32.5)
Environment and Regeneration	(4,568)	(32.3)
Education and Communities excl SEMP	(893)	(38.5)
SEMP	930	4.4
Health and Social Care	(158)	(86.3)
Total	(5,081)	(14.45)

Source: Inverclyde Council 2013-14 Capital Programme performance

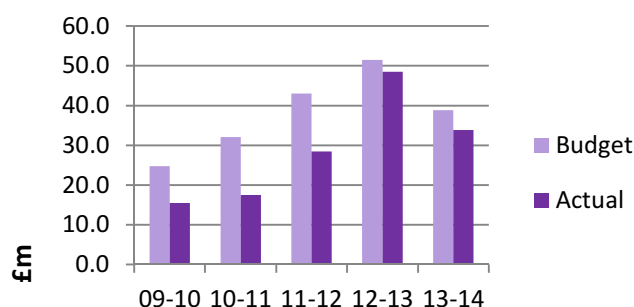
A number of significant projects slipped including the replacement depot (£1.397 million) within which the Civic Amenity site had to be re-tendered and Ardgowan Primary School refurbishment (£1.193 million) which was redesigned, had planning problems and resourcing issues. A number of projects within the SEMP were accelerated to off-set this slippage .

The Council are aware of the need to improve capital slippage and particularly to develop more capacity in the property and development teams and a more flexible system which can bring new capital projects forward more quickly in the event of slippage. The Corporate Management Team have agreed a number of actions to reduce the level of slippage including:

- Early notification of slippage.
- 2014-15 performance targets.

- Identify possible acceleration.
- Anticipate delays due to external factors.

Figure 3: Actual capital expenditure was £33.894 million, (13%) lower than the budgeted £38.975 million



Source: Inverclyde Council Capital Budget Monitoring Reports 2013-14/ 2012-13/2011-12/2010-11/2009-10

Budget Strategy

The Council has a well-established Medium Term Financial Plan to prepare for lower financial settlements from the Scottish Government in future years.

The approved 2013-14 revenue budget included a projected surplus of £4.677 million excluding movements in earmarked reserves which would be transferred to reserves to offset future years' projected shortfalls. The Council generated a further £1.923 million surplus.

In 2013-14, the council set a revised work stream savings target of £2.6 million for the period 2014-16. The total savings generated from workstream programmes in 2014-15 was £0.974 million.

- Procurement £0.173 million.
- Management Restructure £0.1 million.
- Increasing the working week £0.1 million.
- Service Reviews £0.43 million.

In addition, efficiencies of £0.445 million were achieved.

The estimated 2015-18 revenue funding gap is £15.3 million, with £5.4 million of savings identified for 2014-15.

Current Projections for 2014-15

We have reviewed the Council's revenue projections for 2014-15. The Council continues to seek to achieve efficiencies in 2014-15, using the approved savings and savings workstreams. The 2014-15 budget was set with planned contributions to reserves of £1.777 million. The latest budget monitoring report identifies that an underspend of £1.372 million is forecast as at July 2014 and that General Fund Reserves are projected to be £6.049 million which is £2.249 million over the target of 2% of budgeted revenue expenditure. The use of the surplus reserves will be considered by Members as part of the 2015-18 budget strategy.

Looking Forward

In order for Councils to meet increasing demands, innovative service delivery methods and change programmes, the senior workforce needs to have capacity and the right skill sets to meet these demands. During the early stages of service redesign and options appraisal, there are increased demands upon finance services.

The Local Authority Accounts (Scotland) Regulations 2014.

The Local Authority Accounts (Scotland) Regulations 2014 were laid before Scottish Parliament on 7 July 2014 and are due to come in to force for the statutory Annual Accounts for 2014-15. These replace the Local Authority Accounts (Scotland) Regulations 1985.

There are a number of implications arising from the new regulations, the most significant of which are:

- There is a requirement for the Council's accounting records to disclose with reasonable accuracy, at any time, a summary of the financial position of the Council. The Council should be able to disclose summary information on their treasury position and actual expenditures and incomes and a projected year end position for capital and revenue budgets.
- The regulations require the Council to assess the efficiency and effectiveness of the internal auditing activity from time to time in accordance with recognised standards and practices.
- The regulations require the Annual Accounts of the Council to include a Management Commentary in line with the Central Government Financial Reporting Manual (the FReM)
- The regulations now set out the latest dates for the period of public advertisement of the Annual Accounts as follows:
 - Public notices must be advertised not later than 17 June (or next working day); on Council's website and in accordance with section 195 of the Local Government (Scotland) Act 1973. Notices are to remain in place until the end of the inspection period. There is now no requirement to seek prior consent of Audit Scotland to advertise.
 - Unaudited Annual Accounts produced and submitted to the appointed auditor by 30 June; copy of unaudited accounts published on Council's website at same time.
 - Public inspection period will vary based on date the inspection period

commences, but the latest period possible will be 1 July to 21 July (adjusted for non-working days).

- Last date for objections is 21 days after the date the documents are first available for inspection. The latest date will be 22 July (or next working day), the date by which any objections are to be sent to the auditor.

Group Accounts

A significant change in 2014-15 arises from the adoption by the Code of the new group accounts standards. For example, as a result of the adoption of IFRS 10, the definition of control has been revised and now focuses on three key tests:

- power over the investee
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the investor's returns.

This means that decisions made under previous standards regarding the classification of entities, particularly leisure trusts, will need to be reviewed to confirm they remain appropriate.

Infrastructure Assets

It is expected that the 2016-17 accounting Code will adopt the measurement requirements of the Code of practice on transport infrastructure assets (the transport code) for transport infrastructure assets, i.e. measurement on a depreciated replacement cost basis. This will have a significant impact on the value of local authority balance sheets.

This will represent a change in accounting policy from 1 April 2016 and will require full retrospective restatement including a restated balance sheet at 1

April 2015. It is essential that finance staff, asset management practitioners and engineering professionals work together to develop and action a project plan as soon as possible in order to achieve successful implementation. A robust project plan should be built on authority-specific information provided through an impact assessment which is designed to identify gaps in current data, systems and processes. Failure by authorities to begin preparations in 2014/15 represents a risk to them having the necessary information in the required timescale.

4. Governance

We commend the Council on their approach to the new requirements of an Annual Governance Statement. Good progress has been made against the Inverclyde Alliance Improvement Plan. A permanent solution to Riverside Inverclyde's senior management has not yet been confirmed. The Council are aware and have taken cognisance of the implications of the Public Bodies (Joint Working)(Scotland) Act 2014.

Annual Governance Statement

2013-14 was the first year that Inverclyde produced an Annual Governance Statement (AGS). The AGS is the key document that records the governance ethos of the Council, and assurances around the achievement of the vision and strategic objectives of the Council. The AGS summarises the local code of governance, including the internal control framework, arrangements for risk management, financial governance and accountability.

The Council planned for the requirement of an AGS well in advance to ensure that appropriate systems were established throughout 2013-14 in order that the statement would reflect practices and systems in place. We commend the Council for their whole systems approach to the requirements of the AGS and have embraced the meaning of the AGS rather than viewing as an annual exercise.

The Council has adopted a Local Code of Corporate Governance (the Local Code) consistent with the six principles of CIPFA and the Society of Local Authority of Chief Executives (SOLACE) framework. The Framework urges each local authority to test its approach by:

- Reviewing existing governance arrangements.
- Developing and maintaining an up-to-date local code of governance including

arrangements for ensuring ongoing effectiveness.

- Reporting publicly on compliance with its own code on an annual basis and on how it has monitored the effectiveness of its governance arrangements in the year and on planned changes.

The main features of the Local Code include:

- The overarching strategic vision and objectives of the Council are detailed in the Council's Corporate Statement which sets out the key outcomes the Council is committed to delivering with its partners, as set out in the Community Plan and Single Outcome Agreement.
- Services demonstrate how their own activities link to the Council's vision and priorities through their Corporate Directorate Improvement Plans. Performance management and monitoring of service delivery is reported to committees, the Corporate Management Team and is published regularly as part of its public performance reporting requirements.
- The Council operates within an established procedural framework.
- The Councils approach to risk management is set out in the Risk Management Strategy.

- Arrangements are in place to ensure Members and officers are supported by appropriate training and development.

The Council review the effectiveness of its governance framework annually. During 2013-14, the existing process was developed to cover the wider governance framework. Self –assessment checklists were completed by Heads of Service covering six key areas of the Councils governance framework.

No significant governance issues were identified however a number of areas for development have been incorporated into an action plan to strengthen the current arrangements.

Internal Controls

As part of our financial statements audit work, we took assurance from our internal control work on the Council's key financial systems. We assessed the following systems as part of our work throughout the year:

- Employee remuneration.
- Operating expenses.
- Housing and Council Tax Benefits.

No significant matters were highlighted during this work.

Internal Audit

Since April 2008, Internal Audit follows a risk assessment approach and operates to an Annual Audit Plan only, with rotational coverage of the top 20-25% of the Audit Universe.

The 2013-14 planned resources were 670 days.

The audit plan covers a variety of audit types including, compliance reviews, regularity audits, limited scope financial system reviews and risk-based reviews. The risk-based reviews in 2013-14 were:

- Property Maintenance.
- Ground Maintenance.
- Trading Standards.
- Maintenance of Client Accounts.
- Provision of School Meals.

In addition there was one Arms Length Organisation review which focused on Inverclyde Leisure Trust.

As at the end of August 2014, there were 53 current actions none of which were classified as Red, 16 Amber and 37 Green.

Fraud

There is currently an on-going investigation into an organised Housing Benefit fraud. Our testing has not identified any fraud during 2013-14. The Council participates in the National Fraud Initiative (NFI) data matching exercise. The next round takes place during 2014-15 with matches to be communicated to the Council early 2015. We will review the Council's participation and progress during 2014-15.

Community Planning Arrangements

An Improvement Plan was developed in August 2013 from the findings of the Community Planning Partnerships Self-Assessment Review. The key areas of focus were to improve the Alliance Board's approaches to:

- Communication Ownership
- Awareness Effectiveness
- Review Measurement
- Capacity Building Engagement
- Risk Performance
- Evidence Resources
- Shared Learning

It is pleasing to report that the majority of actions are now complete.

Riverside Inverclyde

In last year's Annual Report we commented on the temporary arrangements that the Council had put in place following the resignation of the Chair and Chief Executive and the changes to the Board.

The Corporate Director of Environment, Regeneration and Resources was seconded to Riverside Inverclyde as interim Chief Executive and has embarked upon developing and implementing an improvement plan to address the areas of concern outlined in the Midterm Review.

Two rounds of interviews have been held to appoint a permanent Chief Executive, however the recruitment has been unsuccessful leading to an extension of the secondment of the Corporate Director of Environment, Regeneration and Resources. A proposal is expected to be considered by members in November when the current secondment is due to end.

Welfare Reform

Significant changes in the Welfare system came in in April 2013 and have been the subject of regular reports to the Council Committees. Policies have been approved for the Scottish Welfare Fund (SWF) and Discretionary Housing Payments (DHP). Both of these were revised on a number of occasions due to either changes in guidance from the DWP/Scottish Government or increased funding.

Local Governance Arrangements for Police and Fire

The Council has established a Local Police and Fire Sub-Committee. To date the sub-committee have received performance monitoring reports for both the Scottish Fire and Rescue and Police Scotland and approved the local Fire and Rescue Plan for Inverclyde 2014-17, the Scottish Fire and Rescue

Service 2014-15 Annual Operating Plan and the 2014-17 Local Policing Plan.

Risk Management

During 2013-14 the Council continued to value the importance of maintaining the momentum on risk management and progress has been made in the following areas:

- On-going review and update of strategic and operational risk registers.
- Ongoing training of members in Corporate Governance arrangements, including risk management.
- Maintaining a risk register for the Financial Strategy which allows management to consider the risks to the overall financial position arising from matters contained within the Financial Strategy.
- Maintaining risk management as a key aspect of the Strategic Planning and Performance Management Framework.
- Continuing the advancement of emergency planning, crisis management and business continuity within the Council and fulfil the Council's legislative requirements under the Civil Contingencies Act 2004 in conjunction with the Joint Civil Contingencies Service.
- Service risk registers were developed for the Inverclyde Community Health and Care Partnership.
- An e-learning module on Risk Management has been developed for employees as part of the Brightwave corporate training platform.
- Insurance awareness sessions for employees across all Directorates.

Looking forward

The Public Bodies (Joint Working)(Scotland) Act 2014 requires councils (and health board partners) to jointly prepare an integration scheme setting out the integration model to be adopted (i.e. lead agency or Integrated Joint Board). Integration schemes must be submitted to Scottish Ministers for approval by 1 April 2015 and integration arrangements must be in place by 1 April 2016. The Scottish Government envisages that some integration arrangements will be operational earlier than 1 April 2016.

The Accounts Commission for Scotland has confirmed our appointment as auditors to the Integrated Joint Board from 2015-16.

5. Performance

Good progress is being made within the Inverclyde Alliance against agreed actions. The Council is meeting its Best Value obligations. SOLACE benchmark data shows mixed performance for Inverclyde with 48% in the lower two quartiles. Inverclyde respond well to National Studies.

Assurance and Improvement Plan

Inverclyde Council's Assurance and Improvement Plan (AIP), was updated and developed by the Local Area Network (LAN) of external scrutiny bodies, and published in May 2014. The update reflects recent work carried out by local scrutiny partners, and sets out the scrutiny activity proposed for the council for the period up to March 2017.

The Council's AIP Update 2014-17 confirms that there are no significant concerns relating to Inverclyde Council and the LAN conclude that no additional scrutiny was required.

There were no risks identified that the Council was not meeting its Best Value obligations.

Inverclyde Alliance

The Inverclyde Alliance report quarterly on progress against the Single Outcome Agreement. The most recent progress report highlights that out of 54 relevant local outcomes there are no outcomes classified with a 'red' status, where immediate action is required to meet the target. There are 4 Amber actions which are classed as within tolerance.

Last year we reported the following actions had been agreed by the Alliance Board:

- the Alliance Memorandum of Understanding be updated to further clarify what is expected of partners and elected members, particularly in regard to how partners identify the resources

they contribute to the delivery of local outcomes in Inverclyde.

Current status: complete

- each partner provide the Alliance Board with an outline of how they, as a single agency, are contributing to the delivery of the outcomes, and how the outcomes inform their decision making and governance arrangements.

Current status: complete

- each partner provide the Alliance Board with information on what resources they are consuming on community engagement and capacity building in Inverclyde and identify ways in which this might be brought together more effectively.

Current status: Asset based approaches are reflected in the Inverclyde Alliance SOA Annual Report 2013/14 (e.g. the Recovery Café) and further work is being undertaken across a number of services to take asset based approaches to improvement in communities.

The Successful Communities Operational Delivery Plan reports on asset based approaches being taken across the partnership.

The Inverclyde Alliance Single Outcome Agreement Report 2014 reports on the progress made against the eight strategic outcomes. It highlights a range of projects and initiatives that were implemented in

2013/14 through partnership working. The report also provides Case Study examples of the projects including:

- Inverclyde Living a £1 million package of initiatives to promote repopulation.
- Inverclyde Recovery Cafe (IRC) is a partnership of recovery volunteers and services, working to promote and provide opportunities for people affected by alcohol/drug misuse to achieve recovery. The Recovery Cafe is a social hub for people in recovery, led by people in recovery.

Performance indicators included in the report show mixed performance across the eight outcome areas.

Statutory Performance Indicators

In its 2012 Direction on the Statutory Performance Indicators, published in December 2012, the Accounts Commission confirmed that the 25 specified Statutory Performance Indicators have been removed from the SPI Direction 2012 and will be replaced by the SOLACE Benchmarking indicators from 2014 onwards.

The Accounts Commission direction requires that councils report:

- a range of sufficient information to demonstrate best value in relation to corporate management (SPI 1)
- a range of information sufficient to demonstrate best value in relation to service performance (SPI 2).

Internal Audit carried out a comprehensive review of the LGBF indicators. The review included a walkthrough to establish data quality and an internal control questionnaire. A report will be provided to the Audit Committee in January 2015 and has highlighted a small number of control weakness including lack of independent review.

SOLACE Benchmarking 2012-13

SOLACE has established a total of 55 LGBF performance indicators across 7 service areas. Inverclyde Council reports on 50 of these indicators (excluding housing).

Under the new arrangements, Councils are compared against all other Councils in Scotland with highest performance being within quartile 1 and the lowest performance in quartile 4.

48% of indicators (24/50) lie in the third and fourth quartiles. Environmental Services has 8 (57%) of indicators in the bottom two quartiles. Both Corporate Services and Culture and Leisure Services have 5 (63%) of indicators in the bottom quartiles. Children's Services however is performing strongly with 83% of indicators in the top two quartiles.

A number of the lower ranking indicators within Environmental Service relate to roads maintenance.

The Policy & Resources Committee have approved an Improvement Plan for those indicators in the bottom two quartiles and these are now tracked via the relevant CDIPs.

Table 4: 2012-13 SOLACE Benchmark

Indicator Group	Quartile				
	1st	2nd	3rd	4th	Total
Children's Services	5	5	1	1	12
Corporate Services	2	1	4	1	8
Adult Social Care	2	1	1	1	5
Culture & Leisure Services	2	1	4	1	8
Environmental Services	3	3	3	5	14
Corporate Services: Asset Management & Property	-	-	2	-	2
Economic Development	1	-	-	-	1
Total	15	11	15	9	50

National Studies

Audit Scotland require us to provide core information on how the Council has responded to national performance reports.

To promote impact at a local level, one or two national performance reports are subject to more targeted follow up each year. For 2013-14, we have been asked to follow up two reports Arm's-length external organisations: Are you getting it right? Which was published in June 2011 and Major Capital Investment in Councils which was published in March 2013.

Arm's-length external organisations: Are you getting it right?

Arm's-length external organisations: are you getting it right? was published in June 2011. The report was aimed at Councils considering setting up Arm's-length external organisations (ALEOs) to deliver services as well as those with existing ALEOs.

ALEOs are now an established part of local government in Scotland and play an increasing role in service delivery. Councils across Scotland use ALEOs to deliver a wide range of activities such as leisure services, economic development and property maintenance.

The work conducted by Audit Scotland in 2011 did not highlight widespread problems, but did highlight concerns over the management of ALEOs in specific cases. Some cases were found where poor governance resulted in risks to public money, service performance and the reputation of councils.

The report also noted that there is increasing public interest in ALEOs, particularly the impact on services and council finances where ALEOs fail to deliver.

The report recognised the issues highlighted and set out to promote and encourage good practice in the way ALEOs are set up. Key messages were centred around two main themes:

- Getting it right from the start

■ Keeping it right.

We have reviewed the actions taken following the Audit Scotland report against the criteria in the national report. We have concluded that in all instances the Council is meeting basic and better practices using the criteria within Audit Scotland's toolkit in the Are you getting it right? report. Our follow up report was presented to the Audit Committee in August 2014.

Major Capital Investment in Councils

In March 2013, Audit Scotland published Major Capital Investments in Councils. The report reviewed a number of major capital projects over £5 million each, and assessed how well councils direct, manage and deliver capital investments.

Audit Scotland found that many councils do not have established processes for developing and using business cases, which means key performance information on aims, cost, time, scope and risk may not be clearly defined.

While Councils are clear about the broad goals for their investment projects, they rarely specify benefits expected or how these will be measured. Audit Scotland also noted that councils do not often proactively seek opportunities to work with other councils or other public bodies in planning and delivering their capital programmes.

We were asked to conduct a follow-up review of the Audit Scotland report in 2013-14. This work included a review on the following key areas:

- Does the council have an appropriate investment strategy?
- Does the council provide adequate financial information to support effective decision making and scrutiny?

We will issue our detailed follow up report to Members in December 2014. Overall the Council has robust processes in place, however we have identified that there is scope to improve documentation of procedures in some areas eg

drafting of business cases and benefits realisation reviews.

The Council responded well to the report, producing a robust analysis of the recommendations. The self assessment of their performance was balanced. A small number of action points were drawn up in response, and discussed with members.

There is no single, written, long-term capital investment strategy. Instead, the capital programme acts as a medium-term strategy, and there are detailed, long term strategies in place for the main individual projects eg School Estate Management Plan (SEMP). In these circumstances, there is a risk of working within silos within the Council. To address this risk, the Council use the 3 year capital programme as a holistic tool for planning capital projects.

There is an overall general strategy for the Council's operations as a whole, given at a high level in the Council's Corporate Statement. This does not specifically mention capital projects, but sets out the vision and priorities for Inverclyde. The Capital programme is not specifically linked back to the key visions, outcomes or performance measures of the Council in a document, but it is clear from our review that the projects in the capital programme are aimed at meeting these strategic priorities.

Outline business cases are based on a good model. Full business cases are unique, but based on a sound set of principles. There are no written procedures for the business case management process.

The Council has been proactive at exploring opportunities for joint working with other public sector bodies. From this exploration they have identified a small number of capital projects that would actively benefit from joint working, including:

The Councils, in partnership with Inverclyde CHCP and Greater Glasgow and Clyde Health Board, have completed a feasibility study for development of a replacement health centre in Greenock.

Joint projects - a street lighting joint project with Renfrewshire Council is progressing. There is

potential for further joint working with Renfrewshire and possibly East Renfrewshire Councils relating to nine areas of services for roads and transport which have been reviewed with input and advice from the Improvement Service as part of the shared service agenda.

Joint procurement - in the large education capital projects, the 'West Hub Scotland' has been used. This is a procurement group with private sector partners and project management expertise, providing analysis and procurement capacity.

Risk assessments are completed at appropriate stages of the projects. There is adequate focus on the more complex and unique projects, such as those which have been recently undertaken. Experiences from these projects have fed into the planning and risk assessments of new projects.

Members are provided with good quality, reasonable and timely information about the intended benefits of projects and programmes.

There is less information given about the realised benefits, which makes it harder to measure how well projects have performed and whether they have met their objectives.

Looking Forward

Audit Scotland has yet to confirm what National Reports will be subject to follow up during 2014-15.

We will be required to return a questionnaire to Audit Scotland on the arrangements in place for collecting and publishing information in relation to SPI 1, 2 and 3.

Appendix A: Action Plan

Issue Arising	Recommendation	Management Response
The Council has £38 million of Earmarked Reserves	The Council should review the earmarked reserves and ensure a spending plan is in place to meet the objectives of the Council	<p>The phasing of all EMRs have been reviewed at the start of 2014/15 and is reported to CMT and each Committee. This forms part of senior officer appraisals.</p> <p>Reserves will also be reviewed as part of the 2015/17 budget.</p>
The Council has historically underspent against the capital programme. The Policy & Resources Committee have approved an action plan to address capital slippage	The Council should monitor and receive regular updates on the progress against the action plan.	<p>The information included in capital reports on Slippage has been standardised and strengthened, added to which slippage is within Senior Officer appraisal targets.</p> <p>No further action proposed.</p>
The overall budget for the year reduced from £197.742 million to £192.713 million and service budgets have reduced from £180.217 million to £164.988 million. From review of the General Fund Revenue Budget monitoring papers, there is scope to more clearly highlight these movements.	Changes to the Budget should be clearly highlighted within the Budget Monitoring report.	The current presentation of budget movements in Budget Monitoring reports will be reviewed and factored into reports on the 2015/16 budget.

Appendix B: General Fund Reserves

	March 2014	March 2013	March 2012	March 2011	March 2010
	£000	£000	£000	£000	£000
Modernisation Fund	514	493	501	577	1,015
Strategic Housing Reserve	0	0	1,164	1,164	1,280
School Estate Strategy	0	0	1,609	1,964	3,994
School Estate Management Fund	3,461	3,086	0	0	0
Single Status and Single Status Appeals Back Pay	0	0	0	412	715
Contribution to Riverside Inverclyde	1,245	1,585	1,953	682	1,222
Miscellaneous Social Work Reserves	0	0	282	123	461
Miscellaneous CHCP Reserves	811	558	0	0	0
Fostering & Adoption	1,257	0	0	0	0
Miscellaneous Policy and Resources Committee Reserves	1,084	1,072	912	701	661
Miscellaneous Safe, Sustainable Communities Committee Reserves	0	0	0	191	560
Miscellaneous Environment & Regeneration Committee Reserves	2,131	1,384	835	189	258
Community Investment Fund/Lunderston Bay Toilets	0	0	0	0	203
Greenock Town Centre Parking Strategy	84	300	0	0	0
Renewal of Clune Park Area	1,590	1,281	682	94	90
Telecare/Demonstrators Grant	0	0	114	133	144
Financial Inclusion	0	0	19	42	73
Elections	0	0	116	266	270
Private Sector Housing Grant	0	0	0	0	270
Asset Management Plan	1,603	1,231	1,651	1,007	0
Support for Owners	886	806	1,510	678	749
Fairer Scotland Fund	0	0	0	0	454
Landfill Penalty Scheme	0	0	0	2,280	1,353
Flooding Works	1,249	1,264	0	0	0
Roads Asset Management Plan	5,158	5,900	0	0	0
Early Retiral/Voluntary Severance Reserve	2,427	4,260	5,668	7,294	225
Capital Funded from Current Revenue	4,690	3,987	4,235	550	0
Arts Guild	0	0	0	0	297
Area Renewal Fund	195	211	235	249	280
Play Areas	0	0	0	409	443

Miscellaneous Education & Communities Reserves	664	1,624	93	126	69
Future Jobs Fund	0	0	0	0	285
Vehicle Replacement Programme	311	205	0	0	850
Support for Community Facilities	183	525	946	600	750
Education Equipment Fund	166	142	179	197	203
Aids & Adaptations	0	0	0	300	400
Flooding Strategy	0	0	109	323	500
Equal Pay	2,984	4,076	3,614	1,478	0
Youth Employment	702	810	1,050	0	0
Food Waste Programme	0	0	213	0	0
Change Fund - Older People	294	401	451	0	0
Deferred Income	203	458	697	0	0
Independent Living	451	630	450	0	0
Business Support Initiative	219	462	600	0	0
Roads/Footways & Street Lighting Investment 2012/14	0	0	3,600	0	0
Repopulating/Promoting Inverclyde	886	1,000	0	0	0
Miscellaneous Approvals - Feb 2012	0	0	1,100	2,920	0
Miscellaneous Approvals - Nov 2012	0	1,250	0	0	0
Miscellaneous Approvals - Feb 2013	0	712	0	0	0
Welfare Reforms	949	0	0	0	0
Loans Charges Post 16/17	1,200	0	0	0	0
Roads Defect & Drainage Works	500	0	0	0	0
Total Earmarked Reserves	38,097	39,713	34,588	24,949	18,074
Non-earmarked balance	4,793	5,540	6,124	4,249	4,200
Total General Fund Balance	42,890	45,253	40,712	29,198	22,274



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GENERAL PURPOSES BOARD – 8 OCTOBER 2014**General Purposes Board****Wednesday 8 October 2014 at 3.00pm**

Present: Provost Moran, Councillors Ahlfeld, Brennan, Brooks, Campbell-Sturgess, Dorrian, Grieve, Jones, Loughran, McIlwee and Rebecchi.

Chair: Councillor Dorrian presided.

In attendance: Mr J Douglas (for Head of Legal & Property Services) and Chief Inspector S Wright and Inspector G Kirkwood, Police Scotland.

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Board.

579 Apologies, Substitutions and Declarations of Interest 579

Apologies for absence were intimated on behalf of Councillor McColgan with Provost Moran substituting on his behalf.

There were no declarations of interest intimated.

580 Taxi Fares Review 2014 580

There was submitted a report by the Head of Legal & Property Services requesting the Board to determine the taxi fare scales and charges following the statutory consultation exercise.

Mr Douglas advised Members that no objections or representations had been received and if the Board agree to the increase, it is proposed to take effect from Sunday 23 November 2014.

Decided: remit to the Head of Legal & Property Services to implement the increase in taxi fare scales and charges with effect from 23 November 2014.

581 Civic Government (Scotland) Act 1982 – Application for Multi-Access General Hire Licences – Devonhill (x2) 581

There was submitted a report by the Head of Legal & Property Services to consider two applications by Devonhill Ltd for Multi- Access General Hire Taxi Licences.

Mr McEntegart, Solicitor was present representing the applicant.

Mr Douglas advised the Board on the background of the applications.

Mr McEntegart sought the Board's views on a preliminary point prior to proceeding with consideration of the applications.

Mr Douglas advised that the documentation Mr McEntegart referred to related to a previously granted licence and he would require sight of the documentation relating thereto before making any comments.

The Board agreed to recall this item at the end of the meeting in order to obtain the relevant information.

GENERAL PURPOSES BOARD – 8 OCTOBER 2014

-
- 582 Civic Government (Scotland) Act 1982 – Application for Multi-Access General Hire Licences – Glenaden Ltd (x3) 582**
- There was submitted a report by the Head of Legal & Property Services to consider three applications by Glenaden Ltd for Multi- Access General Hire Taxi Licences. Mr McEntegart, Solicitor was present representing the applicant. Mr Douglas advised the Board on the background of the applications. Mr McEntegart sought the Board's views on a preliminary point prior to proceeding with consideration of the applications. Mr Douglas advised that the documentation Mr McEntegart referred to related to a previously granted licence and he would require sight of the documentation relating thereto before making any comments. The Board agreed to recall this item at the end of the meeting in order to obtain the relevant information.
- It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended that the public and press be excluded from the meeting during consideration of the following items on the grounds that the business involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7(A) of the Act.**
- 583 Application for Taxi Driver's Licence – Sharon Robertson 583**
- There was submitted a report by the Head of Legal & Property Services for the renewal of a Taxi Driver's Licence by Ms Robertson following a Police representation. Ms Robertson was not present or represented, but had lodged a letter of representation. The Board heard Chief Inspector Wright in support of the Police representation. Following discussion, the Board unanimously agreed to grant the application.
Decided: the application be granted.
- 584 Application for Taxi Driver's Licence – Robert Hotchkiss 584**
- There was submitted a report by the Head of Legal & Property Services for the grant of a Taxi Driver's Licence by Mr Hotchkiss following a Police representation. Mr Hotchkiss was not present or represented. Mr Douglas advised the application was placed on the Agenda of the meeting on 13 August 2014 and Members asked for Mr Hotchkiss to be in attendance. The Board heard Chief Inspector Wright in support of the Police representation. Following discussion the Board unanimously agreed to grant the application.
Decided: the application be granted.
- 585 Application for Taxi Driver's Licence – Gordon Clark 585**
- There was submitted a report by the Head of Legal & Property Services for the renewal of a Taxi Driver's Licence by Mr Clark following a Police objection. Mr Clark was present. Mr Douglas advised the Board on the background of the report and intimated that a letter dated 30 September 2014 had been submitted for the Board's consideration by Mr Clark's Solicitors. The letter was circulated to Members. The Board heard Chief Inspector Wright in support of the Police objection and Mr Clark in support of his application.

GENERAL PURPOSES BOARD – 8 OCTOBER 2014

Following discussion, the Board unanimously agreed to refuse the application.

Decided: the application be refused.

586 Application for Taxi Driver's Licence – Joseph Duffy 586

There was submitted a report by the Head of Legal & Property Services for the grant of a Taxi Driver's Licence by Mr Duffy following a Police representation.

Mr Duffy was not present or represented.

The Board heard Chief Inspector Wright in support of the Police representation.

Following discussion the Board unanimously agreed to refuse the application.

Decided: the application be refused.

587 Application for Taxi Driver's Licence – Linda Cochrane 587

There was submitted a report by the Head of Legal & Property Services for the grant of a Taxi Driver's Licence by Ms Cochrane following a Police objection.

Ms Cochrane was present with her representative Mr D Simpson.

The Board heard Chief Inspector Wright in support of the Police objection and Mr Simpson and Ms Cochrane in support of the application.

Following discussion, Councillor Campbell-Sturgess moved refusal of the application, as an amendment Councillor Brooks moved grant of the application. On a vote, three Members voted for the motion, and seven Members for the amendment which was declared carried.

Decided: the application be granted.

588 Application for Renewal of Late Hours Catering Licence – Mr Farooq Arbab 588
Premises: Real Spiced Village, 63 Princes Street, Port Glasgow

There was submitted a report by the Head of Legal & Property Services for the renewal of a Late Hours Catering Licence by Mr Arbab for premises at Real Spiced Village, 63 Princes Street, Port Glasgow following a public objection.

Mr Maciver, Solicitor was present representing the applicant. The objector was not present or represented.

Mr Douglas advised the Board on the background of the report and intimated that a letter dated 24 September 2014 had been submitted for the Board's consideration by the applicant's Solicitor. The letter was circulated to Members.

The Board heard Mr Maciver in support of the applicant.

Following discussion the Board unanimously agreed to grant the application.

Decided: the application be granted.

589 Wheelchair Safety Training for Multi-Access Vehicle Taxi Drivers and Disclosure 589
Scotland Screening for new Taxi Drivers

There was submitted a report by the Head of Legal & Property Services at the request of Councillor Rebecchi asking the Board to consider implementing the following proposals:-

- (i) Taxi drivers of multi-access vehicles undertake wheelchair safety training from an appropriate training provider; and
- (ii) Taxi drivers to have 'Disclosure Scotland' screening when applying for a new grant of a Taxi Driver's Licence.

GENERAL PURPOSES BOARD – 8 OCTOBER 2014

The Board heard Councillor Rebecchi on each subject and there followed a discussion on each proposal.

Decided:

- (i) remit to the Head of Legal & Property Services to provide a detailed report to a future meeting of the Board on wheelchair safety training; and
- (ii) remit to the Head of Legal & Property Services to provide a detailed report on additional 'Disclosure Scotland' checks within the current application process.

There followed a short recess to allow the Depute Clerk to view additional documentation in relation to the following recalled items.

590 Civic Government (Scotland) Act 1982 – Application for Multi-Access General Hire Licences – Devonhill (x2) 590

There was submitted a report by the Head of Legal & Property Services to consider two applications by Devonhill Ltd for Multi- Access General Hire Taxi Licences.

Mr McEntegart, Solicitor was present representing the applicant.

Mr Douglas updated the Board on the preliminary issue previously raised and advised that these type of licences are restricted in number and no licence is available at present.

The Board heard Mr McEntegart in support of the applications and clarified his client is aware these type of licences are restricted in number. However, it was the applicant's position that a previously issued licence had reverted to the Council, and accordingly there was a licence available for issue.

Decided: the applications be refused.

591 Civic Government (Scotland) Act 1982 – Application for Multi-Access General Hire Licences – Glenaden Ltd (x3) 591

There was submitted a report by the Head of Legal & Property Services to consider three applications by Glenaden Ltd for Multi- Access General Hire Taxi Licences.

Mr McEntegart, Solicitor was present representing the applicant.

Mr Douglas updated the Board on the preliminary issue previously raised and advised that these type of licences are restricted in number and no licence is available at present.

The Board heard Mr McEntegart in support of the applications and clarified his client is aware these type of licences are restricted in number. However, it was the applicant's position that a previously issued licence had reverted to the Council, and accordingly there was a licence available for issue. He requested Members to consider the two applications submitted on 2 May 2014 together and made a motion to continue consideration of the application submitted on 1 August 2014.

Decided:

- (i) the two applications submitted on 2 May 2014 be refused; and
- (ii) continue consideration of the application submitted on 1 August 2014 to a further meeting of the Board.

Mr McEntegart requested a Statement of Reasons on these two items.
Mr Douglas noted the request.

Local Police & Fire Scrutiny Sub-CommitteeThursday 9 October 2014 at 2.30pm

Present: Councillors Brennan, Brooks, Campbell-Sturgess, Clocherty, Loughran, McCabe, McColgan, McEleny, McIlwee and Shepherd.

Chair: Councillor Loughran presided.

In attendance: Corporate Director Education, Communities & Organisational Development, Head of Safer & Inclusive Communities and Ms S Lang (for Head of Legal & Property Services).

In attendance also: Chief Superintendent Alan Speirs and Superintendent Nicola Burns, Police Scotland, Area Manager Paul Tanzilli and Group Manager Paul Nelis, Scottish Fire & Rescue Service.

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Sub-Committee.

- | | | |
|------------|---|------------|
| 592 | Apologies, Substitutions and Declarations of Interest | 592 |
| | An apology for absence was intimated on behalf of Councillor Wilson. | |
| | No declarations of interest were intimated. | |
| 593 | Police Scotland Report | 593 |
| | There was submitted a performance report for the Inverclyde local policing area covering the period April to August 2014 showing a comparison with the same period in 2013. | |
| | Noted | |
| 594 | Scottish Fire and Rescue Service Report | 594 |
| | There was submitted a report (1) on Fire and Rescue performance and activities in Inverclyde during the 2013/14 annual reporting period and also the first quarter (April to June) of the 2014/15 reporting period and (2) appending the Annual Operating Plan produced to complement the Local Fire and Rescue Plan 2014/17. | |
| | Noted | |

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

The Inverclyde Council

Thursday 9 October 2014 at 4pm

Present: Provost Moran, Councillors Ahlfeld, Brennan, Brooks, Campbell-Sturgess, Clocherty, Dorrian, Grieve, Jones, Loughran, MacLeod, McCabe, McColgan, McCormick, McEleny, McIlwee, Nelson, Rebecchi, Shepherd and Wilson.

Chair: Provost Moran presided.

In attendance: Chief Executive, Corporate Director Inverclyde Community Health & Care Partnership, Corporate Director Education, Communities & Organisational Development, Corporate Director Environment, Regeneration & Resources, Acting Corporate Director Environment, Regeneration & Resources, Head of Legal & Property Services, Head of Environmental & Commercial Services, Environmental Services Manager, Roads, Transport & Waste Collection, Mr M Higginbotham (Environmental & Commercial Services) and Corporate Communications Manager.

595 Apologies and Declarations of Interest 595

No apologies for absence or declarations of interest were intimated.

**Minutes of Meetings of
The Inverclyde Council, Committees, Sub-Committees and Boards**

596 The Inverclyde Council – 5 June 2014 596

Approved on the motion of Provost Moran.

597 General Purposes Board – 11 June 2014 597

Approved on the motion of Councillor Dorrian.

598 Environment & Regeneration Committee (Special) – 17 June 2014 598

It was noted that this minute had been approved at the special meeting of the Inverclyde Council on 19 June 2014.

599 Audit Committee (Special) – 19 June 2014 599

Approved on the motion of Councillor Rebecchi.

600 Inverclyde Council (Special) – 19 June 2014 600

Approved on the motion of Provost Moran.

601 Inverclyde Community Health & Care Partnership Sub-Committee (Special) – 25 June 2014 601

Approved on the motion of Councillor McIlwee.

602 General Purposes Board (Special) – 2 July 2014 602

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Approved on the motion of Councillor Dorrian.

603 Planning Board – 6 August 2014 603

Approved on the motion of Councillor Wilson.

604 Local Review Body – 6 August 2014 604

Approved on the motion of Councillor Wilson.

605 Policy & Resources Committee – 12 August 2014 605

Approved on the motion of Councillor McCabe.

606 General Purposes Board – 13 August 2014 606

Approved on the motion of Councillor Dorrian.

607 Environment & Regeneration Committee (Special) – 14 August 2014 607

Approved on the motion of Councillor McCormick.

608 Audit Committee – 26 August 2014 608

Approved on the motion of Councillor Rebecchi.

609 Inverclyde Community Health & Care Partnership Sub-Committee – 28 August 2014 609

Approved on the motion of Councillor McIlwee.

610 Health & Social Care Committee – 28 August 2014 610

Approved on the motion of Councillor McIlwee.

611 Grants Sub-Committee – 2 September 2014 611

Approved on the motion of Councillor McColgan.

612 Local Review Body – 3 September 2014 612

Approved on the motion of Councillor Wilson.

613 Environment & Regeneration Committee – 4 September 2014 613

Approved on the motion of Councillor McCormick.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

- 614 Education & Communities Committee – 9 September 2014 614**
Approved on the motion of Councillor Loughran.
- 615 General Purposes Board – 10 September 2014 615**
Approved on the motion of Councillor Dorrian.
- 616 Human Resources Appeals Board – 11 September 2014 616**
Approved on the motion of Councillor Brooks.
- 617 Audit Committee (Special) – 23 September 2014 617**
Approved on the motion of Councillor Nelson.
- 618 Policy & Resources Committee – 23 September 2014 618**
Approved on the motion of Councillor McCabe.
- 619 Policy & Resources Committee (Special) – 30 September 2014 619**
Approved on the motion of Councillor McCabe.
- 620 Local Review Body – 1 October 2014 620**
Approved on the motion of Councillor Wilson.
- 621 General Purposes Board – 8 October 2014 621**
 It was noted that this minute would be submitted to the next scheduled meeting of the Inverclyde Council.
- 622 Local Police & Fire Scrutiny Sub-Committee – 9 October 2014 622**
 It was noted that this minute would be submitted to the next scheduled meeting of the Inverclyde Council.
- 623 Scheme of Administration: Political Balance 623**
 There was submitted a report by the Head of Legal & Property Services advising the Council of the requirements to ensure political balance on Committees, Sub-Committees, Boards and Outside Bodies (where appropriate) following upon the resignation from the Labour Group of Councillor Vaughan Jones.
- Policy & Resources Committee
- Councillor McCabe seconded by Councillor Clocherty moved that Councillor Ahlfeld be appointed to the Policy & Resources Committee in place of Provost Moran. This was agreed unanimously.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Environment & Regeneration Committee

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Environment & Regeneration Committee. This was agreed unanimously.

Education & Communities Committee

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Jones be appointed to the Education & Communities Committee in place of Councillor McIlwee. This was agreed unanimously.

Health & Social Care Committee

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Health & Social Care Committee but that Councillor Dorrian be appointed as Vice-Convener in place of Councillor Jones. This was agreed unanimously.

Audit Committee

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Audit Committee. This was agreed unanimously.

General Purposes Board

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the General Purposes Board. This was agreed unanimously.

Planning Board

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Planning Board. This was agreed unanimously.

Human Resources Appeals Board

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Human Resources Appeals Board. This was agreed unanimously.

Policy & Resources Executive Sub-Committee

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Policy & Resources Executive Sub-Committee. This was agreed unanimously.

Grants Sub-Committee

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Grants Sub-Committee. This was agreed unanimously.

Inverclyde Community Health & Care Partnership Sub-Committee

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Inverclyde Community Health & Care Partnership Sub-Committee. This was agreed unanimously.

Local Review Body

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Rebecchi be appointed to the Local Review Body in place of Provost Moran. As an amendment, Councillor McEleny seconded by Councillor MacLeod moved that one of the Labour Members on the Local Review Body be replaced by Councillor Campbell-Sturgess rather than by Councillor Rebecchi. On a vote, 6 Members voted for the amendment and 12 for the motion which was declared carried.

Fair Trade Steering Group

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Fair Trade Steering Group. This was agreed unanimously.

Inverclyde Alliance Board

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Inverclyde Alliance Board. This was agreed unanimously.

Inverclyde Branch of the Scottish Veterans' Garden City Association (Inc)

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Inverclyde Branch of the Scottish Veterans' Garden City Association (Inc). This was agreed unanimously.

Inverclyde Community Development Trust

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Rebecchi be appointed to the Inverclyde Community Development Trust in place of Councillor McIlwee. As an amendment, Councillor McEleny seconded by Councillor MacLeod moved that Councillor Brooks be appointed in place of one of the existing Labour Members. On a vote, 6 Members voted for the amendment and 12 for the motion which was declared carried.

Inverclyde Crime Prevention Panel

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Inverclyde Crime Prevention Panel. This was agreed unanimously.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Inverclyde Leisure

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Loughran be replaced on Inverclyde Leisure by a SNP nominated Member and it was agreed unanimously that this be Councillor MacLeod.

James Campbell Buchanan Trust

Councillor McCabe seconded by Councillor Clocherty moved that Councillor McColgan be replaced on the James Campbell Buchanan Trust by a SNP nominated Member and it was agreed unanimously that this be Councillor Grieve.

Peter Stanton Memorial Trust - Trustees

Councillor McCabe seconded by Councillor Clocherty moved that Councillor McCabe agree to step down from his position on the Peter Stanton Memorial Trust if a Member of the Minority Groups wishes to be nominated for this position. It was agreed unanimously that there be no change to the current membership of the Peter Stanton Memorial Trust.

Renfrewshire Educational Trust Board

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Shepherd be appointed to the Renfrewshire Educational Trust Board in place of Councillor Loughran. This was agreed unanimously.

Renfrewshire Valuation Joint Board

Councillor McCabe seconded by Councillor Clocherty moved that Councillor Loughran be appointed to the Renfrewshire Valuation Joint Board in place of Councillor Jones and that there be no change to the existing named substitutes. This was agreed unanimously.

River Clyde Homes Board

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of River Clyde Homes Board. This was agreed unanimously.

Riverside Inverclyde

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of Riverside Inverclyde and that in future membership comprise the Leader and Depute Leader of the Council and a Member of the Minority Groups. As an amendment, Councillor McEleny seconded by Councillor MacLeod moved that Councillor Nelson be appointed as the Minority Group Member in place of Councillor Wilson. On a vote, 6 Members voted for the amendment and 12 for the motion which was declared carried.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Scottish Accident Prevention Council and Committees

Councillor McCabe seconded by Councillor Clocherty moved that there be no change to the current membership of the Scottish Accident Prevention Council and Committees. This was agreed unanimously.

Decided: that the adjustments to the membership of Committees, Sub-Committees, Boards and relevant Outside Bodies be as follows:-

Policy & Resources Committee

Councillor Ahlfeld to be appointed in place of Provost Moran.

Environment & Regeneration Committee

No change to current membership.

Education & Communities Committee

Councillor Jones to be appointed in place of Councillor McIlwee.

Health & Social Care Committee

No change to current membership but Councillor Dorrian to be appointed as Vice-Convenor in place of Councillor Jones.

Audit Committee

No change to current membership.

General Purposes Board

No change to current membership.

Planning Board

No change to current membership.

Human Resources Appeals Board

No change to current membership.

Policy & Resources Executive Sub-Committee

No change to current membership.

Grants Sub-Committee

No change to current membership.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Inverclyde Community Health & Care Partnership Sub-Committee

No change to current membership.

Local Review Body

Councillor Rebecchi to be appointed in place of Provost Moran.

Fair Trade Steering Group

No change to current membership.

Inverclyde Alliance Board

No change to current membership.

Inverclyde Branch of the Scottish Veterans' Garden City Association (Inc)

No change to current membership.

Inverclyde Community Development Trust

Councillor Rebecchi to be appointed in place of Councillor McIlwee.

Inverclyde Crime Prevention Panel

No change to current membership.

Inverclyde Leisure

Councillor MacLeod to be appointed in place of Councillor Loughran.

James Campbell Buchanan Trust

Councillor Grieve to be appointed in place of Councillor McColgan.

Peter Stanton Memorial Trust - Trustees

No change to current membership.

Renfrewshire Educational Trust Board

Councillor Shepherd to be appointed in place of Councillor Loughran.

Renfrewshire Valuation Joint Board

Councillor Loughran to be appointed in place of Councillor Jones with continuation of current named substitutes.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

River Clyde Homes Board

No change to current membership.

Riverside Inverclyde

Membership to comprise the Leader and Depute Leader of the Council and a Member of the Minority Groups, currently Councillor Wilson.

Scottish Accident Prevention Council and Committees

No change to current membership.

(2) that Councillor McIlwee be appointed to the CoSLA Health & Wellbeing Group in place of Councillor Jones; and

(3) that Councillor McCabe be appointed to the CoSLA Strategic Human Resources Management Group in place of Councillor McIlwee.

624 The Greenock Arts Guild Board

624

There was submitted a report by the Corporate Director Education, Communities & Organisational Development (1) providing an update on progress made by the Greenock Arts Guild Board since the meeting of the Council on 5 June 2014 and (2) advising of the resignation of Councillor David Wilson from the Board.

Decided:

(1) that the Council note the resignation of Councillor David Wilson from the position of Director on the Board of the Greenock Arts Guild; and

(2) that consideration of Member appointments to the Board of the Greenock Arts Guild be continued to the meeting on 4 December 2014 to allow the Board to implement its recovery plan including a Board development plan and skills and equality audits of Board Directors.

625 CoSLA

625

There was submitted a report by the Head of Legal & Property Services asking the Council to consider the continuation of its membership of the Convention of Scottish Local Authorities (CoSLA).

Decided: that the Council continue its membership of CoSLA and remit it to the Chief Executive to inform CoSLA accordingly.

626 Proposed Parks Management Rules – Civic Government (Scotland) Act 1982 – Remit from Environment & Regeneration Committee

626

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 17 June 2014 requesting approval of new Parks Management Rules.

THE INVERCLYDE COUNCIL – 9 OCTOBER 2014

Decided: that the Inverclyde Council approve the new Parks Management Rules as detailed in Appendix 1 and authorise the Head of Legal & Property Services to make arrangements for these to be signed by a Proper Officer and sealed with the Council Seal.

627 Proposed Traffic Regulation Order – Disabled Persons’ Parking Places (On-Street) Order No. 2 2014 – Remit from Environment & Regeneration Committee 627

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 4 September 2014 requesting approval of the proposed Traffic Regulation Order – Disabled Persons’ Parking Places (On-Street) Order No. 2 2014.

Decided: that the Inverclyde Council approve the making of the Traffic Regulation Order – Disabled Persons’ Parking Places (On-Street) Order No. 2 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof and that the Head of Environmental & Commercial Services and Head of Legal & Property Services be authorised to take all necessary action in connection therewith.

628 Proposed Traffic Regulation Order – The Inverclyde Council (Off-Street Parking Places) (Variation No. 1) Order 2014 – Remit from Environment & Regeneration Committee 628

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 4 September 2014 requesting approval of the proposed Traffic Regulation Order – The Inverclyde Council (Off-Street Parking Places) (Variation No. 1) Order 2014.

Decided: that the Inverclyde Council approve the making of the Traffic Regulation Order – The Inverclyde Council (Off-Street Parking Places) (Variation No. 1) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof and that the Head of Environmental & Commercial Services and Head of Legal & Property Services be authorised to take all necessary action in connection therewith.

629 Proposed Traffic Regulation Order – The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 1) Order 2014 – Remit from Environment & Regeneration Committee 629

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 4 September 2014 requesting approval of the proposed Traffic Regulation Order - The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 1) Order 2014.

Decided: that the Inverclyde Council approve the making of the Traffic Regulation Order - The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 1) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof and that the Head of Environmental & Commercial Services and Head of Legal & Property Services be authorised to take all necessary action in connection therewith.

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- 630 Proposed Traffic Regulation Order – The Inverclyde Council (Various Roads) (Inner Greenock) (Controlled Parking Zone) (Variation No. 1) Order 2014 – Remit from Environment & Regeneration Committee 630**
- There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 4 September 2014 requesting approval of the proposed Traffic Regulation Order The Inverclyde Council (Various Roads) (Inner Greenock) (Controlled Parking Zone) (Variation No. 1) Order 2014.
- Decided:** that the Inverclyde Council approve the making of the Traffic Regulation Order - The Inverclyde Council (Various Roads) (Inner Greenock) (Controlled Parking Zone) (Variation No. 1) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof and that the Head of Environmental & Commercial Services and Head of Legal & Property Services be authorised to take all necessary action in connection therewith.
- 631 Proposed Traffic Regulation Order – Union Street, Greenock (7.5 Tonne Weight Restriction) Order 2014 – Remit from Environment & Regeneration Committee 631**
- There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 4 September 2014 requesting approval of the proposed Traffic Regulation Order - Union Street, Greenock (7.5 Tonne Weight Restriction) Order 2014.
- Decided:** that the Inverclyde Council approve the making of the Traffic Regulation Order - Union Street, Greenock (7.5 Tonne Weight Restriction) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof and that the Head of Environmental & Commercial Services and Head of Legal & Property Services be authorised to take all necessary action in connection therewith.
- 632 Treasury Management Annual Report 2013/14 - Remit from Policy & Resources Committee 632**
- There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on a remit from the Policy & Resources Committee of 23 September 2014 requesting approval of the Treasury Management Annual Report 2013/14.
- Decided:** that approval be given to the Treasury Management Annual Report 2013/14 appended to the report.
- 633 Accounts of Charitable Trusts and Reorganisation 633**
- There was submitted a report by the Honorary Treasurer requesting the Council as Trustees to take action relative to the accounts of Charitable Trusts and to approve proposals for reorganisation.
- Decided:** that the Council, as Trustees:
- (1) adopt the annual accounts for the year ended 31 March 2014 of (a) the Lady Alice Shaw-Stewart Memorial Fund, (b) William Stewart of St Fillans Bequest, (c) Miss Agnes Gallagher Trust for Poor, all audited by Grant Thornton, and (d) the Queen Victoria Diamond Jubilee Fund, examined by David Connell CIPFA, and approve their onward transmission to the Office of the Scottish Charity Regulator (OSCR);

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- (2) note the findings of Grant Thornton's audit report; and
- (3) approve the winding up of the Queen Victoria Diamond Jubilee Fund and Miss Agnes Gallagher Trust for Poor and their removal from the OSCR register.

634 Trust Funds Annual Accounts 2013-2014 634

There was submitted a report by the Honorary Treasurer requesting the Council, as Trustees, to review and approve the annual accounts of two Trust Funds which are not registered charities.

Decided: that the Council as Trustees:

- (1) approve the annual accounts for the Birkmyre Trust and Watt Institution Trust Fund for the year ended 31 March 2014; and
- (2) note the accounts of the McLeod Trust administered by Port Glasgow High School for the year ended 31 March 2014.

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting for the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 4 and 6 of Part I of Schedule 7(A) of the Act and for the item thereafter on the grounds that it contained exempt information as defined in the respective paragraphs of Part I of Schedule 7(A) of the Act, as detailed in the relevant minute.

635 Applications for Grant to Lady Alice Shaw-Stewart Memorial Fund 635

There was submitted a report by the Honorary Treasurer requesting the Council as Trustees to consider (1) the grant applications for financial support from the Lady Alice Shaw-Stewart Memorial Fund and (2) procedures for delegating authority to the Provost and Council Officers in the consideration of future applications to the Lady Alice Shaw-Stewart Memorial Fund.

Decided: that the Council as Trustees:

- (1) approve the recommendations for awards by the Head of Children's Services and Criminal Justice; and
- (2) approve the proposals for consideration of future awards as detailed in the report.

Appendices to Minutes

636 Environment & Regeneration Committee (Special) – 17 June 2014 636

Approved on the motion of Councillor McCormick.

637 The Inverclyde Council (Special) – 19 June 2014 637

Approved on the motion of Provost Moran.

638 Inverclyde Community Health & Care Partnership Sub-Committee (Special) – 25 June 2014 638

Approved on the motion of Councillor McIlwee.

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| 639 | Inverclyde Community Health & Care Partnership Sub-Committee – 28 August 2014 | 639 |
| | Approved on the motion of Councillor McIlwee. | |
| 640 | Environment & Regeneration Committee – 4 September 2014 | 640 |
| | Approved on the motion of Councillor McCormick. | |
| 641 | Education & Communities Committee – 9 September 2014 | 641 |
| | Approved on the motion of Councillor Loughran. | |
| 642 | Human Resources Appeals Board – 11 September 2014 | 642 |
| | Approved on the motion of Councillor Brooks. | |

GRANTS SUB-COMMITTEE –16 OCTOBER 2014

Grants Sub-CommitteeThursday 16 October 2014 at 3pm

Present: Councillors Campbell-Sturgess, Dorrian, McColgan, Brennan (for McIlwee), Shepherd and Wilson.

Chair: Councillor McColgan presided.

In attendance: Head of Safer & Inclusive Communities, Services Manager Community Learning & Development and Ms R McGhee (for Head of Legal & Property Services).

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Sub-Committee.

643 Apologies, Substitutions and Declarations of Interest 643

An apology for absence was intimated on behalf of Councillor McIlwee, with Councillor Brennan substituting.

No declarations of interest were intimated.

644 Round 2 Applications 2014 – 2015: Deferred and Late Applications 644

There was submitted a report by the Corporate Director Education, Communities & Organisational Development giving details of applications received for consideration for funding from the Grants to Voluntary Organisations Budget in 2014-2015 deferred from the meeting of the Sub-Committee on 2 September 2014 together with late applications for Round 2.

In addition to the late applications detailed in the report, the Sub-Committee agreed to consider late applications from (a) Crawfordsburn Community Centre for £1,376 in respect of taking children from the east end to the Kings Theatre and (b) Inverkip Community Enterprise for £1,496 in respect of a fitness instructor, hall hire (£1,050) for over 50's keep-fit, photoshop software x 5, training manuals x 2 and £466.50 for computing groups.

Decided: that grants be made to voluntary organisations as follows:-

**Application Deferred from Round 1
One Off Grant**

Group	Award
Waterfront Ice Skating Club	£500*

**Application Deferred from Round 1
3 Year Grant under £5,000**

Group	Award
Inverclyde Phoenix American Football Club	Consider following exclusion of public and press from meeting

GRANTS SUB-COMMITTEE –16 OCTOBER 2014

**Application Deferred from Round 2
One Off Grants**

Group	Award
Kelburn Community Action Group	£2,000*

**Applications Deferred from Round 2
3 Year Grants under £5,000**

Group	Award
Federation of Inverclyde Tenants and Residents (FITRA)	Up to £1,500 one off grant for website & £750 p.a.*
Wemyss Bay Community Association	£2,000*

**Applications Deferred from Round 2
3 Year Grants £5,000 and Over**

Group	Award
Kelburn Community Action Group	£1,000*
East End United Boys' Club	Consider following exclusion of public and press from meeting

One Off Grants

Group	Award
Port Glasgow Golf Club (Junior Section)	£2,000*
Inverclyde Historical Society	£1,500
Crawfurdsburn Community Centre	Up to £1,100*
Inverkip Community Enterprise	Up to £950*

3 Year Grants Under £5,000

Group	Award
Greenock Juniors FC	Consider following exclusion of public and press from meeting
Enable (Inverclyde)	£1,500

* Conditional

GRANTS SUB-COMMITTEE –16 OCTOBER 2014

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting for the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 6 of Part I of Schedule 7(A) of the Act.

645 Round 2 Applications 2014-2015: Additional Information Requested

645

There was submitted a report by the Corporate Director Education, Communities & Organisational Development providing additional information on three applications received for consideration for funding from the Grants to Voluntary Organisations budget in 2014-2015 deferred by the Sub-Committee from the meeting on 2 September 2014.

The Sub-Committee also resumed consideration of the applications by Inverclyde Phoenix American Football Club, East End United Boys' Club and Greenock Juniors FC.

Decided: that Grants to Voluntary Organisations be made as follows:-

Application Deferred from Round 1
3 Year Grant Under £5,000

Group	Award
Inverclyde Phoenix American Football Club	£850

Applications Deferred from Round 2
One Off Grants

Group	Award
Stedfast Silver Band	£500*
Paisley and District Schools Football Association	£500

Applications Deferred from Round 2
3 Year Grants £5,000 and Over

Group	Award
Reach for Autism CIC	Nil
East End United Boys' Club	Defer

3 Year Grant Under £5,000

Group	Award
Greenock Juniors FC	Defer

* Conditional

AUDIT COMMITTEE – 21 OCTOBER 2014

Audit Committee

Tuesday 21 October 2014 at 3pm

Present: Provost Moran, Councillors Ahlfeld, Brennan, Campbell-Sturgess, Clocherty, Dorrian, Nelson and Rebecchi.

Chair: Councillor Rebecchi presided.

In attendance: Acting Corporate Director Environment, Regeneration & Resources, Head of Legal & Property Services, Chief Internal Auditor, Mr M Thomson (for Head of Finance), Mr A McDonald (for Interim Head of ICT) and Ms G Murphy (Legal & Property Services).

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Committee.

646 Apologies, Substitutions and Declarations of Interest 646

Apologies for absence were intimated on behalf of Councillors Jones, Loughran and MacLeod.

No declarations of interest were intimated.

647 Risk Management Progress Report 647

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources advising Members on the progress made on Risk Management since the meeting of the Committee on 22 April 2014.

Noted

648 External Audit Action Plans - Current Actions 648

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on the status of current actions from the External Audit Action Plan at 31 August 2014.

Noted

649 Internal Audit Progress Report – 4 August to 26 September 2014 649

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources appending the monitoring report in respect of Internal Audit activity for the period 4 August to 26 September 2014.

Decided:

- (1) that the Committee note the content of the report; and
- (2) that a report on the CHCP client assessment process and the subsequent operation of Trust Accounts be submitted to the next meeting of the Committee.

AUDIT COMMITTEE – 21 OCTOBER 2014

- 650 Business Continuity Management – Action Plan Update 650**
- There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources informing Members of progress made in relation to the implementation of the agreed action plan in relation to the review of Business Continuity Management.
(Councillor Campbell-Sturgess entered the meeting during consideration of this item of business).
Noted
- 651 Local Authority Accounts (Scotland) Regulations 2014 651**
- There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources advising Members of minor changes to the Annual Accounts process recently enacted by the Scottish Government which place a greater responsibility on the local authority as a corporate body.
Noted

HUMAN RESOURCES APPEALS BOARD – 22 OCTOBER 2014

Human Resources Appeals Board**Wednesday 22 October 2014 at 10am**

Present: Councillors Brennan, Brooks, Clocherty and Shepherd.

Chair: Councillor Brooks presided.

In attendance: Mr J Hamilton (for Head of Legal & Property Services) and Mr A Wilson (for Head of Organisational Development, HR & Communications).

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Board.

652 Apologies, Substitutions and Declarations of Interest 652

An apology for absence was intimated on behalf of Councillor Jones.

No declarations of interest were intimated.

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting for the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 7(A) of the Act.

653 Appeal Against Demotion: Employee in Education Services 653

The Board, which had re-convened from its meeting of 11 September 2014, resumed consideration of an appeal against demotion on behalf of an employee in Education Services and agreed that the grounds of the appeal had not been substantiated and that the appeal be not upheld, all as detailed in the appendix.

Inverclyde Community Health & Care Partnership Sub-CommitteeThursday 23 October 2014 at 3pm

Present: Councillors K Brooks (for V Jones), M Campbell-Sturgess (for J MacLeod), S McCabe, J McIlwee and L Rebecchi (Inverclyde Council); Dr D Lyons and Mr K Winter, Non-Executive Directors, NHS Greater Glasgow & Clyde Health Board; Ms D McCrone, Staff Partnership Forum; Mrs M Telfer (for Mrs N McFadden), Public Partnership Forum and Mr B Moore, Corporate Director Inverclyde Community Health & Care Partnership.

Chair: Councillor McIlwee presided.

In attendance: Head of Planning Health Improvement & Commissioning, Head of Mental Health, Addictions & Homelessness Service, Head of Health & Community Care, Head of Children & Families and Criminal Justice, Service Manager Rehabilitation & Enablement, Ms L Bairden (for Head of Finance), Ms F McLaren (Finance Services), Mr J Douglas (for Head of Legal & Property Services) and Project Manager - Your Voice Inverclyde Community Care Forum.

Prior to the commencement of business, Councillor McIlwee welcomed Dr Donald Lyons to the meeting and also congratulated Mr Ken Winter on his appointment as Vice-Chair of the Sub-Committee.

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Sub-Committee.

654 Apologies, Substitutions and Declarations of Interest**654**

Apologies for absence were intimated on behalf of Councillor Jones, with Councillor Brooks substituting, Councillor MacLeod, with Councillor Campbell-Sturgess substituting, Dr Macdonald and Mrs Nell McFadden, with Mrs Margaret Telfer substituting.

Councillor McIlwee declared an interest in Agenda Item 10 (Update in Relation to the Tendering Process for Homecare Services in Inverclyde).

655 Inverclyde CHCP's Implementation of the Scottish Government's National Strategy "Keys to Life" for Services for People with a Learning Disability**655**

There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership on the Scottish Government's 10 year strategy "The Keys to Life" which aims to improve the quality of life for people with a learning disability in Scotland. The Sub-Committee heard a presentation on this subject by Alan Best, Rehabilitation & Enablement Service Manager, who answered a number of questions from Members.

Decided:

(1) that the Sub-Committee note the content of the Scottish Government's 10 year strategy for adults with learning disabilities, "The Keys to Life – Improving Quality of Life for People with Learning Disability" and acknowledge the need to develop a local response within prescribed timescales in partnership involving health, social work services, voluntary and third party partners and with people with learning disabilities and their carers;

(2) that the Sub-Committee acknowledge the breadth of recommendations and range of stakeholders involved to meet the challenges of the strategy which will require leadership, co-ordination, ownership and drive across a number of partnerships including education, housing and employability and skills;

(3) that the Sub-Committee approve the proposed development of a formal structure overseen by the CHCP to support the development and delivery of an appropriate local response and ensure a co-ordinated approach and that the proposals for the structure be the subject of a future report to the Sub-Committee;

(4) that the Sub-Committee note the progress made in terms of the mapping and emerging proposed developments in learning disability services across Inverclyde and approve the direction of travel; and

(5) that the Sub-Committee note the update of the redesign of NHS Greater Glasgow & Clyde Adult Community Learning Disability Service.

656 Community Health & Care Partnership - Financial Report 2014/15 as at Period 5 to 31 August 2014

656

There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership advising the Sub-Committee of the 2014/15 Revenue and Capital Budget position as at Period 5 to 31 August 2014.

Decided:

(1) that the Sub-Committee note the current year Revenue Budget and projected overspend of £47,000 for 2014/15 as at 31 August 2014;

(2) that the Sub-Committee note that the Corporate Director Inverclyde Community Health & Care Partnership will work to contain the projected overspend within the overall Social Work Budget for the year;

(3) that the Sub-Committee note that the Social Work capital is projected to budget at £195,000 in the current year and is on target over the life of the projects and that the Health capital is projected to budget at £138,000;

(4) that the current Earmarked Reserves position be noted;

(5) that the position in respect of prescribing be noted; and

(6) that approval be given to the Social Work Budget virement totalling £2,000 as set out in Appendix 7 to the report.

657 Chief Social Work Officer – Annual Report

657

There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership appending the Chief Social Work Officer Annual Report which provides Members with a view on the effective functioning of Social Work Services within Inverclyde as a component of the governance arrangements of the Council and outlines the key challenges faced by the service.

Decided:

(1) that the Sub-Committee note the Chief Social Work Officer report set out in Appendix 1; and

(2) that the report be submitted to the Inverclyde Council for consideration.

658 Workforce Monitoring Report

658

There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership providing information on workforce issues and developments including progress in terms of workforce targets.

Decided: that the report be noted.

- 659 Audit Scotland Report – Reshaping Care for Older People: February 2014 659**
- There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership providing an update on the Audit Scotland Report on the Scottish Government Directive, Reshaping Care for Older People.
- Decided:** that the Sub-Committee note the Audit Scotland Report and the progress made locally with regard to implementing Reshaping Care for Older People.
- 660 Family Nurse Partnership Programme in Inverclyde 660**
- There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership on progress made by Inverclyde CHCP in relation to the introduction of the Family Nurse Partnership Programme in Inverclyde.
- Decided:** that the Sub-Committee note the content of the report and the progress made to date in implementing the Family Nurse Partnership in Inverclyde.
- 661 Multi-Agency Public Protection Arrangements (MAPPA) 661**
- There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership informing the Sub-Committee of changes to the Multi-Agency Public Protection Arrangements (MAPPA) Guidance, the work currently being undertaken by the MAPPA Extension Advisory Group and the plan to conduct a joint thematic review of MAPPA.
- Decided:** that the report be noted.
- 662 Inverclyde CHCP – NHS Continuing Care Facilities and Community Services for Specialist Nursing, Older People’s Dementia and Adult Mental Health Intensive Supported Living 662**
- There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership on the progress of the provision of new NHS continuing care facilities on the Inverclyde Royal Hospital site and of the commissioning process for the provision of specialist nursing care for older people with dementia and adult mental health supported living services in Inverclyde.
- Decided:**
- (1) that the Sub-Committee note the report on the development of NHS continuing care facilities and the progress on work to enable submission of the Final Business Case for approval to the Scottish Government’s Capital Investment Group on 28 October 2014;
 - (2) that the Sub-Committee note the progress of the work on and the development of the tendering arrangements for the community facilities and service which are funded through agreement with NHS Greater Glasgow & Clyde on a non-recurring transitional funding basis until Ravenscraig Hospital is closed, when resource transfer will be available; and
 - (3) that the Sub-Committee note the revised timetable for the closure of Ravenscraig Hospital.

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting during consideration of the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 6 and 8 of Part I of Schedule 7(A) of the Act.

663 Update in Relation to the Tendering Process for Homecare Services in Inverclyde 663

There was submitted a report by the Corporate Director Inverclyde Community Health & Care Partnership on procurement issues in relation to the forthcoming tender process for homecare services in Inverclyde.

Councillor McIlwee declared a non-financial interest in this item as a Director of Evergreen Home Support. He also formed the view that the nature of his interest and of the item of business did not preclude his continued presence in the Chamber or his participation in the decision making process.

The Committee agreed to the recommendations contained in the report, all as detailed in the appendix.

664 Mrs Nell McFadden 664

At the conclusion of business, Councillor McIlwee asked that the Sub-Committee's best wishes be extended to Mrs McFadden for her continued recovery from illness.

ENVIRONMENT & REGENERATION COMMITTEE – 30 OCTOBER 2014

Environment & Regeneration Committee

Thursday 30 October 2014 at 3pm

Present: Provost Moran, Councillors Ahlfeld, Clocherty, Dorrian, McEleny (for Grieve), Jones, Campbell-Sturgess (for MacLeod), McCabe, McCormick, Nelson and Shepherd.

Chair: Councillor McCormick presided.

In attendance: Corporate Director Environment, Regeneration & Resources, Acting Corporate Director Environment, Regeneration & Resources, Finance Manager, Head of Legal & Property Services, Head of Environmental & Commercial Services, Environmental Services Manager Roads, Transport & Waste Collection, Environmental Services Manager (Roads), Manager of Streetscene, Burial Grounds & Registrars, Mr I Kearns (Environmental & Commercial Services), Head of Regeneration & Planning, Property Assets Manager and Corporate Communications Manager.

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Committee.

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| 665 | Apologies, Substitutions and Declarations of Interest | 665 |
| | <p>Apologies for absence were intimated on behalf of Councillor Grieve, with Councillor McEleny substituting, and Councillor MacLeod, with Councillor Campbell-Sturgess substituting.</p> <p>Councillors Ahlfeld and Clocherty declared an interest in Agenda Item 5 (Regeneration & Employability – Performance Reporting).</p> | |
| 666 | Environment & Regeneration Revenue Budget 2014/15 – Period 5 to 31 August 2014 | 666 |
| | <p>There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources and the Head of Finance on the position of the Revenue Budget 2014/15 as at Period 5 (31 August 2014) which showed a projected underspend of £112,000.</p> <p>Decided:</p> <p>(1) that the Committee note the current projected underspend of £112,000 for 2014/15 as at 31 August 2014;</p> <p>(2) that approval be given to the virement as detailed in section 7 and Appendix 4 of the report; and</p> <p>(3) that approval be given to the creation of an Earmarked Reserve of £90,000 to cover City Deal project management office costs for 2014/17.</p> | |
| 667 | Environment & Regeneration Capital Programme 2014/15 to 2015/16 - Progress | 667 |
| | <p>There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources and the Head of Finance on the position of the projects in the Environment & Regeneration Capital Programme.</p> | |

ENVIRONMENT & REGENERATION COMMITTEE – 30 OCTOBER 2014

The Head of Regeneration & Planning updated the Committee on proposals to carry out routine maintenance and procure a cover for the SV Comet at a total cost of £28,000.

Decided:

- (1) that the Committee note the current position of the Capital Programme 2014/16 and the progress of the specific projects detailed in Appendices 1 and 2 to the report;
- (2) that the Committee approve the additional projects detailed in paragraph 6.4 of the report and the financial implications detailed in paragraph 7.4;
- (3) that the former Business Store be declared surplus to requirements and be marketed for sale; and
- (4) that authority be delegated to the Head of Regeneration & Planning to arrange for routine maintenance to be carried out and to procure a cover for the SV Comet at a total cost of £28,000.

668 Environment, Regeneration & Resources Performance Report

668

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources updating the Committee on progress made towards the achievement of key objectives as set out in the Environment, Regeneration & Resources Corporate Directorate Improvement Plan (CDIP).

Decided:

- (1) that the Committee note that the report reflects the progress made by Property Assets & Facilities Management, Environmental & Commercial Services and Regeneration & Planning Services in delivering their key improvement actions and performance targets as detailed in the Environment, Regeneration & Resources CDIP; and
- (2) that further progress reports be submitted to every second meeting of the Committee.

669 Regeneration and Employability – Performance Reporting

669

There was submitted a report by the Corporate Director Environment, Regeneration & Resources updating the Committee on the development of the performance reporting framework in relation to Regeneration & Employability services.

Councillors Ahlfeld and Clocherty declared non-financial interests in this matter as Members of Inverclyde Community Development Trust. In addition, Councillor Clocherty declared an interest as a Member of Riverside Inverclyde. They also formed the view that the nature of their interests and of the item of business did not preclude their continued presence in the Chamber or their participation in the decision making process.

Decided: that the Committee note the content of the report and the format for future performance reporting.

670 Adopted Inverclyde Local Development Plan 2014: Action Programme

670

There was submitted a report by the Corporate Director Environment, Regeneration & Resources on the preparation of an updated Action Programme, setting out how the Council proposes to implement the policies and proposals of the recently adopted Inverclyde Local Development Plan 2014, a copy of which was appended to the report.

Decided:

- (1) that the Committee note and welcome the adoption of the first Inverclyde Local Development Plan 2014; and

ENVIRONMENT & REGENERATION COMMITTEE – 30 OCTOBER 2014

(2) that the Committee note the contents of the report and approve the accompanying Action Programme.

671 Renfrewshire Local Development Plan Adoption 671

There was submitted a report by the Corporate Director Environment, Regeneration & Resources on the adoption of the Renfrewshire Local Development Plan and the decision of Scottish Ministers to reject the Reporters' recommendations that it would be inappropriate, at this stage, to designate Braehead a town centre in the Local Development Plan.

Decided: that the Committee note the decision of the Scottish Ministers to confirm Renfrewshire Council's decision to adopt their Local Development Plan, contrary to the Reporters' recommendation on Braehead, and that authority be delegated to the Corporate Director Environment, Regeneration & Resources to write to the Chief Planner expressing disappointment that Scottish Ministers did not recognise the decision of their Independent Reporters.

672 National Planning Framework 3 and Revised Scottish Planning Policy 2014 672

There was submitted a report by the Corporate Director Environment, Regeneration & Resources advising of changes to planning policy and guidance introduced in June 2014 with the publication of National Planning Framework 3 and the revised Scottish Planning Policy 2014.

Decided: that the Committee note the changes to planning policy and guidance in National Planning Framework 3 and the revised Scottish Planning Policy 2014 and the relevance of these documents to planning in Inverclyde.

673 Inverclyde Council's Biodiversity Duty Report 2014 673

There was submitted a report by the Corporate Director Environment, Regeneration & Resources seeking endorsement for the publication of Inverclyde Council's first Biodiversity Duty Report 2014 as required under the Wildlife and Natural Environment (Scotland) Act 2011.

Decided: that the Committee note the content of the report and in particular the proposals outlined in section 5 and, on that basis, delegate authority to the Head of Regeneration & Planning to prepare and publish Inverclyde Council's first Biodiversity Duty Report 2014, no later than 19 December 2014, as required under the Wildlife and Natural Environment (Scotland) Act 2011.

674 Scottish Government Consultation on Planning Controls, Pay Day Lending and Betting Offices 674

There was submitted a report by the Corporate Director Environment, Regeneration & Resources (1) on the Scottish Government's consultation on changes to planning legislation to address concerns about the levels of problem gambling and personal indebtedness by controlling the prevalence of betting shops and premises selling high interest short term loans and (2) seeking approval of the response outlined in the report.

Decided: that the Committee approve the consultation response outlined in the report.

675 Port Glasgow Strategic Regeneration Project Update

675

There was submitted a report by the Corporate Director Environment, Regeneration & Resources (1) updating the Committee on the progress relating to the development of regeneration projects within Port Glasgow and (2) seeking approval in principle of the Port Glasgow Regeneration Strategy and Masterplan.

Decided:

- (1) that the Committee note progress to date and that further progress reports will be submitted for Members' information and consideration in due course;
- (2) that the Committee agree to adopt in principle the Port Glasgow Regeneration Strategy and Masterplan and that it form the basis to guide future investment within Port Glasgow as funding becomes available;
- (3) that it be noted the Port Glasgow Regeneration Strategy and Masterplan will be reported back to the various stakeholders which participated in the Charrette;
- (4) that the priority projects referred to in paragraph 5.5 of the report be adopted and that these projects be progressed in collaboration with Riverside Inverclyde as funds become available, with further reports being submitted for Members' consideration; and
- (5) that authority be delegated to the Corporate Director Environment, Regeneration & Resources to establish a Port Glasgow Town Centre Regeneration Forum and to put in place appropriate meeting and related support arrangements.

676 Gourock Pier and Railhead Development – Progress Report

676

There was submitted a report by the Corporate Director Environment, Regeneration & Resources (1) updating the Committee on the progress regarding the redevelopment of the Gourock Pier and Railhead Development area and (2) seeking approval of a number of recommendations.

Arising from discussion the Corporate Director Environment, Regeneration & Resources advised it was envisaged the start date for the works would be around mid-November 2014 however he undertook to keep Members informed of any changes due to any further delay in completion of the licence agreements with Network Rail.

Decided:

- (1) that the Committee note the content of the report;
- (2) that approval be given to the inclusion of the renewal of the Kempock Street footpath and blink paving and additional signage in the contract;
- (3) that authority be delegated to the Corporate Director Environment, Regeneration & Resources to explore opportunities to maximise parking provision and implement works for increased car parking on Shore Street, subject to statutory approvals, to be funded from the Road Asset Management Plan and from unused project funds which are not required for the main contract; and
- (4) that an undertaking be provided to Riverside Inverclyde to cover any additional project costs in the event that these cannot be contained within the current allocation.

677 Development of Gourock Municipal Buildings – Progress Report

677

There was submitted a report by the Corporate Director Environment, Regeneration & Resources (1) on the progress regarding the redevelopment of Gourock Municipal Buildings and (2) seeking approval for a range of proposals.

ENVIRONMENT & REGENERATION COMMITTEE – 30 OCTOBER 2014

Decided:

(1) that authority be delegated to the Corporate Director Environment, Regeneration & Resources in consultation with the Head of Finance and the Head of Legal & Property Services to:-

(a) conclude agreements to lease the Gourrock Municipal Buildings to Riverside Inverclyde Property Holdings Company for the purposes of conversion to a small business centre at a rent to be determined by the Property Assets Manager/District Valuer;

(b) in collaboration with Riverside Inverclyde Property Holdings Company, develop and negotiate appropriate sub-lease agreements with prospective tenants; and

(c) hold back the leasing of the two larger rooms (units 1 and 2) on the upper floor for a period for 12 months from the date of the meeting to allow local community groups to establish a feasible community end use; and

(2) that approval be given to the use of the funding of £300,000 allocated within the Office Rationalisation Funding Model to enable the premises to be converted by Riverside Inverclyde.

678 Cemeteries Management Rules**678**

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources seeking approval of the draft Cemeteries Management Rules appended to the report prior to statutory public consultation.

Decided:

(1) that approval be given to the draft Cemeteries Management Rules appended to the report for the purposes of statutory public consultation; and

(2) that the Head of Environmental & Commercial Services be authorised to implement the statutory public consultation procedure in connection with the proposed Management Rules.

679 Proposed Traffic Regulation Order – The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014**679**

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources recommending the making of a Traffic Regulation Order - The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014.

Decided: that the Inverclyde Council be recommended to make the Traffic Regulation Order - The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014 and that it be remitted to the Head of Environmental & Commercial Services and the Head of Legal & Property Services to arrange for implementation of the Order.

680 Proposed Traffic Regulation Order – Gourrock Waterfront (Waiting Restrictions) Order 2014**680**

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources recommending the making of a Traffic Regulation Order - Gourrock Waterfront (Waiting Restrictions) Order 2014.

ENVIRONMENT & REGENERATION COMMITTEE – 30 OCTOBER 2014

Decided: that the Inverclyde Council be recommended to make the Traffic Regulation Order - Gourrock Waterfront (Waiting Restrictions) Order 2014 and that it be remitted to the Head of Environmental & Commercial Services and the Head of Legal & Property Services to arrange for implementation of the Order.

681 Proposed Traffic Regulation Order – Gordon Street, Greenock (One Way Only) Order 2014 681

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources recommending the making of a Traffic Regulation Order - Gordon Street, Greenock (One Way Only) Order 2014.

Decided: that the Inverclyde Council be recommended to make the Traffic Regulation Order - Gordon Street, Greenock (One Way Only) Order 2014 and that it be remitted to the Head of Environmental & Commercial Services and the Head of Legal & Property Services to arrange for implementation of the Order.

682 Proposed Traffic Regulation Order – Canmore Crescent, Greenock (One Way Only) Order 2014 682

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources recommending the making of a Traffic Regulation Order - Canmore Crescent, Greenock (One Way Only) Order 2014.

Decided: that the Inverclyde Council be recommended to make the Traffic Regulation Order - Canmore Crescent, Greenock (One Way Only) Order 2014 and that it be remitted to the Head of Environmental & Commercial Services and the Head of Legal & Property Services to arrange for implementation of the Order.

683 Decriminalised Parking Enforcement and Associated Traffic Regulation Orders Update 683

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources (1) providing an update on the introduction of Decriminalised Parking Enforcement within Greenock Town Centre and (2) recommending variations to the Inner Greenock, Outer Greenock and Off Street Parking Traffic Regulation Orders, together with addendum providing further information and setting out amended recommendations.

Decided:

- (1) that the Committee note the contents of the report and the addendum;
- (2) that Officers commence formal consultations at the earliest opportunity on the following variations:-
 - (a) to increase the duration of all disc operated on street parking within inner Greenock to two hours;
 - (b) to reduce the parking restriction period to Monday – Friday (8am – 6pm), for both on and off street parking;
 - (c) to remove Terrace Road, West Stewart Street (from Jamaica Street to Kelly Street), Jamaica Street (from West Stewart Street to Union Street), Station Avenue, unnamed streets off Cathcart Street serving 51 – 57 Cathcart Buildings and 59 – 67 Cathcart Buildings from the parking disc operation area;

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(3) that, in order to effect an immediate improvement in the utilisation of available parking spaces, there be an informal suspension from Monday 3 November 2014 of parking disc enforcement in the on street parking areas detailed in 2(c) above;

(4) that for the four Saturdays in December 2014 there be an informal suspension of parking disc enforcement and all parking charges in the Council owned off street car parks to operate free all day parking in order to encourage shopping over this busy period for traders;

(5) that a special meeting of the Environment & Regeneration Committee be called to deal with any report relating to the potential variation orders at the earliest opportunity;

(6) that a report be submitted to the meeting of the Committee scheduled to be held on 5 March 2015 on options for the introduction of a residents' parking scheme for Greenock town centre; and

(7) that Officers contact the Oak Mall Shopping Centre requesting that they suspend parking charges in the car parks owned by them to operate free all day parking for the four Saturdays in December 2014 in order to encourage shopping over this busy period for traders.

684 Decriminalised Parking Enforcement – Notice of Motion by Councillor MacLeod 684

Following consideration of the previous item of business, it was agreed that this item be withdrawn.

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting during consideration of the following items on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 2, 6 and 9 of Part I of Schedule 7(A) of the Act.

685 Non Operational Property Portfolio Information 685
Scheme of Delegation Register

There was submitted a report by the Corporate Director Environment, Regeneration & Resources providing information relative to non-operational property for the period March to September 2014.

Decided: that the Committee note the terms of the report.

686 Property Assets Management Report 686

There was submitted a report by the Acting Corporate Director Environment, Regeneration & Resources on activities and proposals for the management of the Council's property assets. Following consideration, the Committee agreed to the actions recommended in respect of (1) Lady Octavia Workshop and (2) the former Redholm Children's Home at Alderwood Road, Port Glasgow, all as detailed in the appendix.

EDUCATION AND COMMUNITIES COMMITTEE – 4 NOVEMBER 2014

Education and Communities Committee

Tuesday 4 November 2014 at 3pm

Present: Councillors Brennan, MacLeod (for Brooks), Campbell-Sturgess, Clocherty, Loughran, McCabe, McColgan, McEleny, Jones, Shepherd and Wilson, Mr T Macdougall, Rev F Donaldson and Father M McMahon, Church Representatives, Mr R Thomson, Parent Representative and Mr T Tracey, Teacher Representative.

Chair: Councillor Loughran presided.

In attendance: Corporate Director Education, Communities & Organisational Development, Mr I Cameron (for Head of Finance), Ms G Murphy (for Head of Legal & Property Services), Head of Safer & Inclusive Communities, Community Safety and Wellbeing Manager, Lead Officer, Community Learning & Development, Head of Education, Head of Inclusive Education, Culture & Corporate Policy, School Estate Manager, Corporate Communications Manager and Mr M Bingham (Corporate Communications).

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Committee.

687 Apologies, Substitutions and Declarations of Interest 687

An apology for absence was intimated on behalf of Councillor Brooks with Councillor MacLeod substituting.

Declarations of interest were intimated as follows:

Agenda Item 4 (Clune Park Regeneration Plan Progress Report) – Councillor Wilson.
 Agenda Item 7 (Ravensraig Sports Barn – Community Consultation) – Councillors Campbell-Sturgess, Clocherty, MacLeod and McColgan.
 Agenda Item 15 (Kilmacolm Primary School Project Options) – Councillor McCabe.

688 Communities 2014/15 Revenue Budget Report - Period 5 to 31 August 2014 688

There was submitted a report by the Head of Finance and Corporate Director Education, Communities & Organisational Development on the 2014/15 Communities Revenue Budget position as at Period 5 to 31 August 2014.

(Councillor Wilson left the meeting during consideration of this item of business).

Decided: that the Committee note the current projected underspend of £144,000 in the 2014/15 Communities Revenue Budget as at Period 5 to 31 August 2014.

689 Communities Capital Programme 2014 to 2016/17 - Progress 689

There was submitted a replacement report by the Corporate Director Education, Communities & Organisational Development and Head of Finance (1) on the status of the projects forming the Communities Capital Programme and (2) highlighting the overall financial position.

(Councillor Wilson returned to the meeting during consideration of this item of business).

Decided:

EDUCATION AND COMMUNITIES COMMITTEE – 4 NOVEMBER 2014

- (1) that the Committee note the progress of the specific projects detailed in Appendix 1 to the report; and
- (2) that approval be given to the allocation of funding from the Capital Allowance for the Watt Complex project to deal with the rot works as outlined in section 6 of the report.

690 Clune Park Regeneration Plan Progress Report

690

There was submitted a report by the Head of Safer & Inclusive Communities providing an update on the proposed regeneration of the Clune Park Area of Port Glasgow. Councillor Wilson declared a non-financial interest in this item as a Director of Link Housing Association. He also formed the view that the nature of his interest and of the item of business did not preclude his continued presence in the Chamber or his participation in the decision making process.

Decided:

- (1) that the Committee note the progress to date in respect of the Clune Park Area Regeneration Plan and agree that further progress updates be submitted to future meetings of the Committee; and
- (2) that approval be given to the criteria for assessing well maintained payments as outlined in paragraph 6.4 of the report.

691 Enhancing Community Engagement

691

There was submitted a report by the Corporate Director Education, Communities & Organisational Development (1) advising the Committee of the findings and proposals arising from a series of workshops which took place in March 2014 involving Officers, Elected Members and Community Organisations and (2) seeking approval for implementation plans to progress actions with a view to enhancing community engagement.

Decided:

- (1) that the Committee note the findings and proposals arising from the series of workshops which took place in March 2014; and
- (2) that approval be given to the implementation plans to progress actions with a view to enhancing community engagement, as set out in the report.

692 Private Sector Housing – Repair and Maintenance Strategy

692

There was submitted a report by the Head of Safer & Inclusive Communities seeking approval for a revised strategy to tackle housing disrepair by ensuring that owners take reasonable steps to secure the repair and maintenance of private housing in Inverclyde.

Decided: that approval be given to the proposal to withdraw from carrying out repair works to private property in default of statutory notices, except where there is a statutory duty on the Council to do so, or otherwise in exceptional circumstances as outlined in section 5 of the report.

693 Ravenscraig Sports Barn – Community Consultation

693

There was submitted a report by the Corporate Director Education, Communities & Organisational Development on the results of the community consultation on the future use of Ravenscraig Sports Barn.

Councillors Campbell-Sturgess, Clocherty, MacLeod and McColgan declared non-financial interests in this item as Members of the Board of Inverclyde Leisure. Each Member formed the view that the nature of his interest and of the item of business did

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not preclude his continued presence in the Chamber or his participation in the decision making process.

Decided:

- (1) that the results of the community consultation on the future development of Ravenscraig Sports Barn be noted; and
- (2) that delegated authority be granted to the Corporate Director Education, Communities & Organisational Development in consultation with the Chief Financial Officer to progress the project in partnership with Inverclyde Leisure and to submit a final report to the Committee in due course.

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting during consideration of the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 6 of Part I of Schedule 7(A) of the Act.

694 Service of Closing Order under the Housing (Scotland) Act 1987 694

There was submitted a report by the Head of Safer & Inclusive Communities advising of the use of delegated authority to make a Closing Order on the ground floor, first left flat (0/1), 22 Prospecthill Street, Greenock PA15 4DL.

Decided: that the Committee note the use of delegated authority by the Corporate Director Education, Communities & Organisational Development to make a Closing Order in respect of the ground floor first left flat (0/1) at 22 Prospecthill Street, Greenock PA15 4DL.

The Committee commenced consideration of the Education items of business at 4.45pm with Mr Macdougall, Rev Donaldson, Father McMahon, Mr Thomson and Mr Tracey joining the meeting.

695 Education Scotland Report on St Patrick's Primary School 695

There was submitted a report by the Corporate Director Education, Communities & Organisational Development on the results of the Education Scotland external evaluation of St Patrick's Primary School, Greenock. The report advised that in the Indicators of Quality, five aspects of the school had been judged to be "good".

Decided:

- (1) that the Committee approve the Education Scotland inspection report on St Patrick's Primary School; and
- (2) that the Committee's appreciation be conveyed to all staff, pupils and parents for the work undertaken to achieve the evaluation.

696 Education 2014/15 Revenue Budget - Period 5 to 31 August 2014 696

There was submitted a report by the Head of Finance and Corporate Director Education, Communities & Organisational Development on the position of the 2014/15 Education Revenue Budget as at Period 5 to 31 August 2014.

Decided:

- (1) that the Committee note the projected underspend of £91,000 in the Education Revenue Budget as at Period 5 to 31 August 2014; and
- (2) that the Committee approve the virement of £50,000 as detailed in Appendix 4 of the report.

EDUCATION AND COMMUNITIES COMMITTEE – 4 NOVEMBER 2014

697 Education Capital Programme 2014-2016/17 – Progress**697**

There was submitted a report by the Corporate Director Education, Communities & Organisational Development and Head of Finance (1) on the status of the projects forming the Education Capital Programme and (2) highlighting the overall financial position.

Decided:

- (1) that the Committee note the progress of the specific projects detailed in Appendix 1 of the report;
- (2) that the Committee note the tender return position and savings exercise carried out in respect of the St Ninian's Primary School multi-use games area project and approve (a) utilisation of £55,000 from the £1.1m primary school multi-use games area budget and (b) acceptance of the adjusted lowest acceptable tender, subject to planning approval being granted;
- (3) that approval be given to progress the Kilmacolm Primary School multi-use games area as part of the main refurbishment project as outlined in sections 8.1 and 9.1 of the report;
- (4) that approval be given to the issue of tenders for the primary school multi-use games area as outlined in section 10.1 of the report and that delegated authority be granted to the Head of Legal & Property Services to accept the lowest acceptable tender provided the cost is within the budget allocation for the project; and
- (5) that the Committee note the review of the School Estate Funding Model which is a separate item on the agenda.

698 Development of IYouthzones in Gourock and Port Glasgow**698**

There was submitted a report by the Corporate Director Education, Communities & Organisational Development on proposals for the development of IYouthzones in Gourock and Port Glasgow.

Decided:

- (1) that the Committee note the progress made in establishing IYouthzone facilities in Gourock and Port Glasgow;
- (2) that approval be given to the projected expenditure of earmarked reserves;
- (3) that approval be given to the location of the IYouthzones in the former Gamble Nursery, King Street, Gourock and the former library building, Dubbs Place, Port Glasgow; and
- (4) that it be noted that an additional report on the sustainability of the IYouthzones will be prepared for consideration as part of the budget process.

699 Review of School Estate Funding Model 2014**699**

There was submitted a report by the Corporate Director Education, Communities & Organisational Development (1) on the current position of the School Estate Funding Model and (2) seeking approval of the revised Model.

Decided:

- (1) that the Committee approve the revised School Estate Funding Model and the associated changes/revisions highlighted in sections 4 and 5 of the report;
- (2) that the Committee note that the financial implications of the revised Model will be built into the Council's revised financial strategy due to be submitted to the Council in December 2014; and
- (3) that it be remitted to the appropriate Officers to examine, as part of the budget

EDUCATION AND COMMUNITIES COMMITTEE – 4 NOVEMBER 2014

process, the potential for bringing forward the refurbishment projects at Moorfoot and St Ninian's Primary Schools.

Councillor Wilson left the meeting at this juncture.

700 Amendments to the Schools (Consultation) (Scotland) Act 2010 700

There was submitted a report by the Corporate Director Education, Communities & Organisational Development providing an overview of the key points set out in the Schools (Consultation) (Scotland) Act 2010.

Decided: that the Committee note the key points set out in the Schools (Consultation) (Scotland) Act 2010.

701 Free School Meals P1 – P3 Pupils 701

There was submitted amended report by the Head of Education (1) summarising the proposed national framework for delivery of free school meals to P1 - P3 pupils and (2) outlining the proposed local implementation of this policy.

Decided:

- (1) that the Committee note the report and the work being carried out to prepare for the implementation of the policy in local primary schools; and
- (2) that a report providing an update on the experience of implementing the policy be submitted to the Committee in March 2015.

702 Kilmacolm Primary School - Project Options 702

There was submitted a report by the Corporate Director Education, Communities & Organisational Development advising the Committee of options for Kilmacolm Primary School in connection with the proposed refurbishment project which is programmed to commence in 2015.

Councillor McCabe declared a non-financial interest in this item as a parent of a pupil attending Kilmacolm Primary School. He also formed the view that the nature of his interest and of the item of business did not preclude his continued presence in the Chamber or his participation in the decision making process.

Decided:

- (1) that the Committee note the results of the consultation exercise in respect of options for the progression of the Kilmacolm Primary School refurbishment project;
- (2) that it be agreed to utilise the former St Stephen's High School for the decant of Kilmacolm Primary School for the duration of the planned major refurbishment works; and
- (3) that it be agreed to use temporary modular accommodation within the grounds of Kilmacolm Primary School for the temporary decant of Kilmacolm Nursery class for the duration of the planned major refurbishment works.

EDUCATION AND COMMUNITIES COMMITTEE – 4 NOVEMBER 2014

703 Remit from Policy & Resources Committee**703**

There was submitted a report by the Corporate Director Education, Communities & Organisational Development on a remit from the Policy & Resources Committee of 30 September 2014 relative to options to achieve a saving of £20,000 from the Education Budget as part of the 2015/16 budget proposals.

Decided: that approval be given to Option 1 (Supported Study Budget) as the proposed £20,000 saving.

704 Items for Noting**704**

There was submitted a report by the Corporate Director Education, Communities & Organisational Development providing information, for noting, on (1) Professional Update, (2) Adult Learning in Scotland: Statement of Ambition, (3) Our Ambitions for Improving the Life Chances of Young People in Scotland: National Youth Work Strategy 2014 – 2019, (4) Schools Sport Competition, (5) National School Sports Awards and (6) Update on 600 Hours of Early Learning and Childcare.

Noted

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting during consideration of the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 6 and 8 of Part I of Schedule 7(A) of the Act.

705 Education Capital Programme 2014 - 2016/17 – Progress - Addendum**705**

There was submitted addendum to the Education Capital Programme 2014 – 2016/17 progress report by the Corporate Director Education, Communities & Organisational Development and Head of Finance providing an update on the St John's Primary School project.

Decided:

- (1) that the Committee note and approve the proposed additional expenditure on the St John's Primary School project;
- (2) that approval be given to the utilisation of the Capital Programme contingency allowance and Children and Young People Bill allocation to address the over expenditure as detailed in the report; and
- (3) that approval be given to the acceptance of the tender submitted by Central Building Contractors Limited in the sum of £2.796m including all associated direct costs and for the issue of a formal letter of acceptance by the Head of Legal & Property Services.

PLANNING BOARD – 5 NOVEMBER 2014

Planning Board

Wednesday 5 November 2014 at 3 pm

Present: Provost Moran, Councillors Brooks, Campbell-Sturgess, Dorrian, Jones, Loughran, Brennan (for McColgan), McIlwee, Rebecchi and Wilson.

Chair: Councillor Wilson presided.

In attendance: Head of Regeneration & Planning, Development & Building Standards Manager, Mr D Ashman (Planning Services), Mr M Higginbotham (for Head of Environmental & Commercial Services) and Mr J Kerr (for Head of Legal & Property Services).

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Board.

706 APOLOGIES, SUBSTITUTIONS AND DECLARATIONS OF INTEREST 706

Apologies for absence were intimated on behalf of Councillors McColgan and Nelson, with Councillor Brennan substituting for Councillor McColgan. Councillor Wilson declared an interest in agenda item 4 (Pre-Determination Hearing).

707 PLANNING APPLICATION 707

There was submitted a report by the Head of Regeneration & Planning on an application by Inverclyde Council for new multi use games areas on an existing blaes pitch with associated fencing, equipment container, floodlighting and drainage at St Ninian's Primary School, Staffa Street, Gourrock (14/0285/IC).

Decided: that planning permission be granted subject to the following conditions:-

- (1) that the existing parking spaces within the school grounds shall be available to users of approved games outwith normal school hours, to ensure the provision of adequate on site parking facilities;
- (2) that the use of the approved games area shall not take place outwith the hours of 8 am to 9 pm on Mondays to Fridays and 8 am to 6 pm at weekends, to ensure that the use of the facility does not generate noise disturbance to nearby residents when ambient noise levels are lowest;
- (3) that the floodlights hereby permitted shall be baffled in order that the threshold vertical luminance at the nearest property does not exceed 5 lux, to ensure that the floodlights do not produce an unacceptable level of light pollution and disturbance to nearby residents;
- (4) that the development shall not commence until an environmental investigation and risk assessment, including any necessary remediation strategy with timescale for implementation, of all pollutant linkages has been submitted to and approved, in writing by the Planning Authority. The investigations and assessment shall be site-specific and completed in accordance with acceptable codes of practice. The remediation strategy shall include verification/validation methodologies. This may be incorporated as part of a ground condition report and should include an appraisal of options, to satisfactorily address potential contamination issues in the interests of environmental safety;
- (5) that on completion of remediation and verification/validation works and prior to the site being occupied, the developer shall submit a Completion Report for approval, in writing, by the Planning Authority, confirming that the works have been carried out in

PLANNING BOARD – 5 NOVEMBER 2014

accordance with the remediation strategy. This report shall demonstrate that no pollutant linkages remain or are likely to occur and include (but not be limited to) a collation of verification/validation certificates, analysis information, remediation lifespan, maintenance/aftercare information and details of imported/disposed/reused materials relevant to the site, to provide verification that remediation has been carried out to the Planning Authority's satisfaction;

(6) that the presence of any previously unrecorded contamination or variation to reported ground conditions that becomes evident during site works shall be brought to the attention of the Planning Authority within one week. Consequential amendments to the Remediation Strategy shall not be implemented unless it has been submitted to and approved, in writing, by the Planning Authority, to ensure that all contamination issues are recorded and dealt with appropriately; and

(7) that the use of the development shall not commence until the applicant has submitted a completion report for approval, in writing by the Planning Authority detailing all fill or landscaping material imported onto the site. This report shall contain information of the materials source, volume, intended use and verification of chemical quality (including soil-leachate and organic content etc.) with plans delineating placement and thickness, to protect receptors from the harmful effects of imported contamination.

708 PLANNING APPEAL – 22 KILBLAIN STREET, GREENOCK

708

There was submitted a report by the Head of Regeneration & Planning advising that following the decision of the Board at the meeting held on 2 April 2014 to refuse planning permission for the change of use from Class 1 (Laundrette) to Class 2 (Bookmaker) together with the installation of a new shop front, aerial and associated alterations at 22 Kilblain Street, Greenock (14/0023/IC) and the subsequent appeal by the applicant to the Scottish Government against that refusal, the Reporter appointed by the Scottish Government had issued his decision which was to dismiss the appeal.

Noted

709 PLANNING APPEAL – 48-50 PRINCES STREET, PORT GLASGOW

709

There was submitted a report by the Head of Regeneration & Planning advising that following the decision of the Board at the meeting held on 4 December 2013 to refuse planning permission for the change of use to convenience store and hot food takeaway at 48-50 Princes Street, Port Glasgow (13/0215/IC) and the subsequent appeal by the applicant to the Scottish Government against that refusal, the Reporter appointed by the Scottish Government had issued his decision which was to uphold the appeal and grant planning permission subject to conditions. The Reporter also awarded the expenses of the appeal against the Council.

Noted

710 PRE-DETERMINATION HEARING

710

Councillor Wilson declared a non-financial interest in this matter as the Chair of a group opposing the development of a wind farm on the application site and took no part in its consideration or decision. Councillor Brooks assumed the Chair.

Councillor Campbell-Sturgess left the meeting at this juncture.

The meeting adjourned at 3.20 pm and resumed at 3.30 pm.

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There was submitted a report by the Head of Regeneration & Planning on an application by Inverclyde Windfarm Ltd for erection of 8 wind turbines, the construction of access tracks and ancillary development (including crane hardstandings, cabling, transformers and culverts), the formation of a borrow pit, the erection of a sub-station and control building, the formation of a car park and the erection of temporary construction compounds at land north and east of Corlic Hill, Greenock (13/0199/IC).

The Chair referred to the Pre-Determination Hearing Procedure included with the agenda papers, which, for the benefit of those present, Mr Kerr read aloud.

The Chair then invited the applicant, objectors and consultees who had indicated they wish to address the Board to speak and the Board heard presentations from:-

(a) Mr Alan Baker on behalf of 2020 Renewables Limited (applicant) – issues raised: the safe operation of Glasgow Airport; the visual impact and the impact of the proposal on Scheduled National Monuments and the positive economic benefits arising from the proposals;

(b) Mr Stephen Hampson on behalf of Kilmacolm Community Council (objector) - issues raised: the potential adverse visual impact; the importance of the architectural sites forming part of the application site; the close proximity of the proposal to residential areas and conflict with national, regional and local planning policies;

(c) Mr Nicol Cameron on behalf of Kilmacolm Civic Trust (objector) – issues raised: government policy; inappropriate location of the development within the greenbelt and countryside; the proximity of turbines to and the impact on rural housing and the environment and shadow and blade movement from the turbines;

(d) Ms Evelina Longworth (objector) – issues raised: the proximity of the turbines to her home; conflict with national, strategic and local planning guidelines; noise; shadow flicker; visual impact; house values; depopulation; the divisive nature of the community benefits and the extent of public subsidy;

(e) Mr Kenny McDonald (objector) – issues raised: the impact on the countryside; visual impact; impact on recreation; proximity of turbines to housing; impact on private water supplies; pollution; noise and house prices;

(f) Mr Robert Maund, Ms Jannis Low and Mr Nigel Willis on behalf of Save Our Regional Park (objector) – issues raised: the planning history of the Regional Park and the site; the number and scale of wind turbines in the vicinity of Clyde Muirshiel Regional Park; regional and local planning policy; the use of Clyde Muirshiel Regional Park as an education asset and contribution to lifelong learning; conservation of the Regional Park for future generations; the health benefits associated with the Park; the local authority's duty to protect water supplies and archaeological impacts;

(g) Mr David Roach on behalf of Inverclyde Ramblers (objector) – issues raised: vistas from Corlic Hill and archeological issues;

(h) Mr Ross Nimmo on behalf of Glasgow Airport Limited (consultee) – issues raised: the potential impact on the safe and efficient operation of airspace and the absence of mitigation solutions in relation to the application site; and

(i) Mr Alan Brown on behalf of Clyde Muirshiel Regional Park (consultee) – issues raised: landscape and visual impact; ecological impact and tourism and recreation concerns.

The meeting was adjourned at 4.55 pm and reconvened at 4.58 pm.

The Head of Regeneration & Planning then presented his report and recommendations to the Board following which Mr Baker responded to matters raised by the objectors and consultees in their presentations relating to aviation, residential amenity at Luss Place, water supplies, Clyde Muirshiel Regional Park and planning policy.

Members then asked a number of questions which were answered by Mr Baker, assisted by Mr Alasdair MacLeod with the Board's agreement, Mr Nimmo and the Head

PLANNING BOARD – 5 NOVEMBER 2014

of Regeneration & Planning.

Decided: that the Planning Board recommend to the Inverclyde Council that planning permission be refused on the following grounds:-

- (1) as the proposed wind farm may adversely impact on the safe operation of Glasgow Airport and en-route traffic to the detriment of public safety;
- (2) as it is contrary to Policies ENV1, criterion (b)(i) and ENV2, criterion (i) of the Inverclyde Local Development Plan as it will adversely impact on visual amenity and, in the case of the latter, is not capable of satisfactory mitigation;
- (3) as it is contrary to Policies ENV2, criterion (f) and INF1, criterion (b) of the Inverclyde Local Development Plan as it will adversely impact on landscape character;
- (4) as it is contrary to Policy INF1, criterion (c) of the Inverclyde Local Development Plan as it will adversely impact upon neighbouring settlements in terms of their visual outlook and enjoyment of the landscape;
- (5) as it is contrary to Policy INF1, criterion (d) of the Inverclyde Local Development Plan as it will adversely impact on the enjoyment of the landscape by recreational users of Clyde Muirshiel Regional Park;
- (6) as it is contrary to Policies INF1, criterion (e), ENV2, criterion (e) and HER6 of the Inverclyde Local Development Plan in that the proposal will have an adverse impact on the setting of the scheduled monument of Lurg Moor Roman Fortlet and Roman Road; and
- (7) as the visual impact and impact on landscape character of the proposed development would also be contrary to Scottish Natural Heritage guidance on "Siting and Designing Wind Farms in the Landscape", Scottish Government online guidance "Onshore Wind Turbines" and the Clyde Valley Strategic Development Plan Authority guidance "Landscape Capacity Study for Wind Turbine Development in Glasgow and the Clyde Valley".

GENERAL PURPOSES BOARD – 12 NOVEMBER 2014

General Purposes Board**Wednesday 12 November 2014 at 3.00pm**

Present: Provost Moran, Councillors Ahlfeld, Brennan, Campbell-Sturgess, Dorrian, Jones, Loughran and Rebecchi.

Chair: Councillor Dorrian presided.

In attendance: Mr J Douglas (for Head of Legal & Property Services) and Inspector G Kirkwood, Police Scotland.

The following paragraphs are submitted for information only, having been dealt with under the powers delegated to the Board.

711 Apologies, Substitutions and Declarations of Interest**711**

Apologies for absence were intimated on behalf of Councillors Brooks, Grieve, McColgan and McIlwee with Provost Moran substituting on behalf of Councillor McColgan.

Councillor Dorrian declared a financial interest in Agenda Item 2 (Consideration of Withdrawal of Multi-Access General Hire Taxi Licence (P229) Prinnsias McGhee).

It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended that the public and press be excluded from the meeting during consideration of the following items on the grounds that the business involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7(A) of the Act.

Councillor Dorrian declared a financial interest in this item as he is known to the applicant in a working capacity which precluded his continued presence in the Chamber and his participation in the decision making process. Councillor Dorrian vacated the Chair and left the meeting. Councillor Ahlfeld assumed the Chair.

712 Consideration of Withdrawal of Multi-Access General Hire Taxi Licence (P229) Prinnsias McGhee**712**

There was submitted a report by the Head of Legal & Property Services requesting the Board to consider whether or not Mr McGhee's Multi-Access General Hire Taxi Licence should be re-instated following the vehicle not being operational after the 3 month period allocated as per the Board's Policy.

Mr C Lamb was present representing the applicant together with Mr McCafferty and Mr McGhee.

Mr Douglas advised the Board on the background of the report and intimated that an e-mail had been submitted by Mr McGhee dated 7 November 2014 which was circulated to Members.

The Board heard Mr Lamb and Mr McCafferty in support of the licence. Mr Lamb provided the Licence Vehicle Inspection Report which was circulated to Members.

Following a full discussion, Councillor Campbell-Sturgess moved refusal to re-instate the licence, as an amendment Provost Moran moved to grant re-instatement of licence on good cause shown. On a vote, two Members voted for the amendment and five

GENERAL PURPOSES BOARD – 12 NOVEMBER 2014

Members for the motion which was declared carried.

Decided: refuse re-instatement of licence.

Councillor Dorrian returned to the meeting and resumed the Chair at the conclusion of this item.

713 Request for Suspension of Taxi Driver's Licence: James Moore 713

There was submitted a report by the Head of Legal & Property Services requesting consideration of suspension of Mr Moore's Taxi Driver's Licence which expires on 31 May 2015 following a letter submitted by Police Scotland dated 19 September 2014.

Mr Moore was present with his representative Mr Drummond.

The Board heard Inspector Kirkwood in support of the Chief Constable's submissions and Mr Drummond in support of his client's licence.

Following discussion the Board unanimously agreed to continue consideration to the January 2015 meeting of the Board to allow pending matters to be concluded.

Decided: continue consideration to the January 2015 meeting of the Board.

Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	The Head of Legal and Property Services	Report No:	LP/085/14
Contact Officer:	Gerard Malone	Contact No:	01475 712 710
Subject:	The Renfrewshire Educational Trust		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Council of a re-organisation of the Renfrewshire Educational Trust (the Trust) and to formalise the appointment of 2 Elected Members of the Council as Trustees of the Trust.

2.0 SUMMARY

- 2.1 The Inverclyde Council has Elected Member representation on the board of trustees of the Trust.
- 2.2 The Trust has approved a proposal for a scheme of reorganisation of the Trust, namely the Renfrewshire Educational Trust Scheme 2014 (the New Scheme), included at Appendix I to this report, which scheme has been approved by the Office of the Scottish Charity Regulator (OSCR) and formally adopted by the Trust.
- 2.3 The New Scheme provides that the Council may appoint 2 Trustees (out of a total of 10). Prior to the adoption of the New Scheme the Council appointed 3 Trustees (out of a total of 21).
- 2.4 The Council has been invited by the Trust to nominate 2 Elected Members as Trustees

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council notes the terms of the New Scheme.
- 3.2 It is recommended that the Council appoints two of its Elected Members as Trustees of the Trust.

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 The Trust holds certain legacies, endowments and bequests under the name of the Renfrewshire Educational Trust Scheme 1936. The terms of the Trust have historically been subject to a number of variations.
- 4.2 The Trust decided at its meeting of the 27th November 2013 that the New Scheme should be submitted to OSCR as the Trust's proposals to modernise the terms of the Trust for their approval.
- 4.3 The New Scheme was so submitted and OSCR approval of the same was provided on 31st July 2014.
- 4.4 Following OSCR approval, the terms of the New Scheme will require to be formally adopted by the Trust, however as the application for approval from OSCR was with the Trust's approval, it is anticipated this will simply be a procedural formality.
- 4.5 The Council has been advised by the Trust of the approval of the New Scheme and has been invited to nominate two of its Elected Members as Trustees under the New Scheme.
- 4.6 The Council has also been advised that the final meeting of the current Trust and the first meeting of the new Trust will occur on the same date, as yet to be confirmed, in February. At these meetings the intention being that:
 - the outgoing Trustees formally approve the New Scheme and be absolved of their responsibilities; and
 - that and the new Trustees will take up office.This will ensure continuity of the Trust from the Old Scheme to the New Scheme.
- 4.7 The Council presently appoints 3 of its Elected Members as Trustees under the existing scheme. At present the Trustees are Councillors Brennan, Nelson and Shepherd. Under the New Scheme the number of Trustees appointed by the Council will reduce to 2.
- 4.8 For the Council to continue to have representation on the Trust following the adoption of the New Scheme, it is now necessary that the Council appoint 2 of its Elected Members to serve as Trustees.
- 4.9 In terms of the existing scheme the Trust has 21 trustees from various bodies, including 3 appointed by the Council, 3 appointed by East Renfrewshire Council and 4 appointed by Renfrewshire Council.
- 4.10 Under the New Scheme the number of Trustees has been reduced to 10, appointed as follows:
 - 2 Trustees appointed by the Council from its Elected Members ;
 - 2 Trustees appointed by Renfrewshire Council from its Elected Members ;
 - 2 Trustees appointed by East Renfrewshire Council from its Elected Members ;
 - 1 Trustee appointed by the Church of Scotland (Greenock and Paisley Presbytery);
 - 1 Trustee appointed by a religious or faith group other than the Church of Scotland in the Trust Area;
 - 1 Trustee appointed by the University of the West of Scotland; and
 - 1 Trustee appointed by the Trustees of the Peter Brough Bequest Funds.
- 4.11 The Trust Purposes of the Trust are stated in the New Scheme as follows:
 - "The charitable purposes of the trust are to invest in the education and development of financially disadvantaged children and young people living in the Trust Area and that attend educational establishments or institutions."

5.0 PROPOSALS

- 5.1 It is recommended that the Council appoints two of its Elected Members as Trustees of the Trust in terms of the New Scheme.

6.0 IMPLICATIONS

Finance

- 6.1 None.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

Legal

- 6.2 In terms of the New Scheme, the number of Trustees of the Trust the Council can appoint to reduce from 3 to 2. To continue Council representation on the Trust following adoption of the New Scheme, it is necessary that the Council appoint two Elected Members to serve as Trustees.

Human Resources

- 6.3 None.

Equalities

- 6.4 None.

Repopulation

- 6.5 None.

7.0 CONSULTATIONS

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.

Renfrewshire Educational Trust Scheme 2014

WHEREAS

(ONE) The Renfrewshire Educational Trust (“the Trust”) holds certain endowments, legacies and bequests under the name of the Renfrewshire Educational Trust Scheme, 1936 as amended by the (1) Renfrewshire Educational Trust Scheme, 1961; (2) Renfrewshire Educational Trust (Amendment No.1) Scheme 1965; (3) Renfrewshire Educational Trust (Amendment No.2) Scheme 1974; (4) The Educational Endowments (Strathclyde Region) Transfer Scheme Order 1996; and (5) the Minutes of the meetings of the Trust homologating the decisions to accept other funds, donations, bequests and legacies (“the Amended Scheme”);

(TWO) the provisions of the Charity and Trustee Investment (Scotland) Act 2005 (“the 2005 Act”) allow variation of a charity’s constitution; and

(THREE) the Trust having proposed to vary the Amended Scheme in terms of a reorganisation scheme proposed under Section 39 of the 2005 Act and approved by the Office of the Scottish Charity Regulator (“OSCR”) by letter dated (insert date) 2014 do hereby provide as follows:-

As it is expedient that a new Scheme (“the Scheme”) is set forth which takes into account the changed economic, legal, social, technological and educational environment and gives effect to the reorganisation scheme approved by OSCR, the Trust shall with effect from (insert date) hold the Scheme in accordance with the following provisions, which provisions replace, in their entirety, the provisions of the Amended Scheme:-

1. **Trust Purposes**

The charitable purposes of the Trust are to invest in the education and development of financially disadvantaged children and young people living in the Trust Area and that attend educational establishments or institutions.

2. **Composition of the Governing Body**

The Governing Body shall consist of ten persons, which are to be known as Trustees, that is to say:-

- (a) Two persons to be appointed by Renfrewshire Council or its successors, being elected members of that Council;
- (b) Two persons to be appointed by East Renfrewshire Council or its successors, being elected members of that Council;
- (c) Two persons to be appointed by Inverclyde Council or its successors, being elected members of that Council;
- (d) One person to be appointed by the Church of Scotland (Greenock and Paisley Presbytery) or its successor;
- (e) One person to be appointed from a faith or religious organisation other than the Church of Scotland within the Trust Area;
- (f) One person to be appointed from the University of West of Scotland or its successor being the main University located in the Trust Area; and
- (g) One person to be appointed by the Trustees of the Peter Brough Bequest Fund.

3. **Powers**

The Trustees shall have all powers competent or which may become competent to Trustees in terms of the Law of Scotland. Without prejudice to the foregoing generality the Trustees shall have power to do any or all of the following:-

- (a) To expend the Trust Property for the Trust Purposes. The expenses of administering the Trust and any tax payable in relation to the Trust shall be met in priority to all other payments and transfers of assets out of the Trust Property.
- (b) To carry on any activities, enter into contracts and incur expenditure which, in their opinion is in furtherance of any of the Trust Purposes.
- (c) To take such steps as may be deemed appropriate for the purpose of raising funds, including advertising, the costs of which will be paid from the Trust Property.
- (d) To invite donations or sponsorships in furtherance of the Trust Purposes.
- (e) To accept grants, sponsorships, donations and legacies of all kinds with conditions compliant with the Trust Purposes only.

- (f) To invite contributions from the Local Authority or Appointing Body in respect of the costs of the administration of the Trust.
- (g) To recover any grants awarded under Sections 9, 10 and 11 of this Scheme.
- (h) To provide support to any other charity and to make donations for any charitable purpose falling within the Trust's Purposes.
- (i) To transfer any or all of the Trust Property to a charity with purposes which are similar (wholly or in part) to those of the Trust.
- (j) To form or establish any other charity with purposes which are similar (wholly or in part) to those of the Trust, and if considered appropriate, to transfer to any such charity (without any payment being required from the charity) the whole or any part of the Trust Property.
- (k) To purchase, lease, hire, or otherwise acquire, any property or rights.
- (l) To improve, manage, develop or maintain all or any part of the Trust Property.
- (m) To sell, let, loan, license or otherwise dispose of, all or any part of the Trust Property in furtherance of the Trust Purposes.
- (n) To borrow money, and to give security in support of any such borrowing by the Trust.
- (o) To invest any Trust Property in securities or investments in furtherance of the Trust Purposes.
- (p) To employ staff as are considered appropriate for the proper administration of the Trust or for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and, or benefits, of members of staff, ex-members of staff and their dependants.
- (q) To engage professional advisors as are considered appropriate from time to time, with payment to the professional advisors made from the Trust Property.
- (r) To effect insurance of all kinds (which may include trustees' indemnity insurance in terms of Section 68A of the 2005 Act).

- (s) To reimburse a Trustee out of the Trust Property, in relation to all expenses reasonably incurred by him in the administration of the Trust.
- (t) To have any part of the Trust Property registered in the name of a nominee and if required to pay reasonable fees to such nominee.
- (u) To raise court action, compromise or settle any arbitration or disputed claims by or against the Trust.
- (v) To wind up the Trust (subject to the provisions of the 2005 Act and Clause 12 or any amendment thereof or under any subsequent legislation).
- (w) To do anything which may be incidental or conducive to the furtherance of the Trust Purposes.

4. Trustee Meetings and appointment of Secretary and Treasurer

- (a) Subject to the provisions of the following paragraphs, the Trustees may regulate the proceedings of the Trust meetings as they think fit, (including the delegation of any powers under the Scheme to a sub-committee of Trustees).
- (b) The Chair of the Trustees at any meeting of the Trust, shall be an elected member from a Local Authority.
- (c) Each Trustee shall hold office until the next ordinary local government election or earlier if :-
 - (i) the Local Authority or Appointing Body revokes their appointment;
 - (ii) the Local Authority or Appointing Body no longer wishes to retain an interest in the Trust providing 14 days' prior written notice to the Trust;
 - (iii) the Trustee resigns his office by 14 days' prior written notice to the Trust; and
 - (iv) the Trustee resigns, or parts company for whatever reason with the Local Authority or Appointing Body and can no longer represent that Local Authority or Appointing Body.

- (d) The Trustees shall hold a meeting as soon as practicable after any ordinary local government election and in any event within 28 calendar days after that date (“the initial meeting”).
- (e) The Trustees shall hold an inaugural meeting as soon as practicable after the final date of execution of the Scheme and in any event within 28 calendar days after that date (“the inaugural meeting”).
- (f) The Trustees shall, at the inaugural meeting appoint a Secretary who shall be responsible for calling meetings of the Trustees when required, and who shall prepare and circulate minutes of all Trust meetings to the Trustees. The Secretary shall not be a Trustee. The appointment of the Secretary must be approved annually by the Trustees.
- (g) The Trustees shall, at the inaugural meeting appoint a Treasurer who shall carry out his functions in accordance with this Trust. The Treasurer shall not be a Trustee. The appointment of the Treasurer must be approved annually by the Trustees.
- (h) After the inaugural meeting and initial meeting, the Trustees shall meet not less than twice in each calendar year. The Secretary shall convene the meetings and any further meetings of the Trustees and shall give no less than five Working Days Written Notice of all meetings to the Trustees.
- (i) At all meetings of the Trust, four Trustees shall form a quorum. Decisions shall be taken on a show of hands by simple majority of those Trustees present. In the event of a tied vote, the Chair of the Trustees shall have a casting vote in addition to his ordinary vote. A written resolution signed by all the Trustees shall have the same authority and effect as a resolution and decision passed at a meeting of the Trustees in the manner aforesaid.

5. **Accounts**

- (a) The Trustees shall arrange for the Trust funds to be held in an interest bearing account under the administration of the Treasurer. The Treasurer shall ensure that proper accounting records are maintained, in accordance with all applicable statutory requirements.
- (b) The Trustees shall prepare annual accounts, complying with all relevant statutory, regulatory and accounting requirements. The annual accounts shall be presented at a Trust meeting to ensure statutory and regulatory compliance.

- (c) Those engaged in any audit or independent examination of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.
- (d) For the purposes of the Trust, the accounting period shall be deemed to end on 31st March in each calendar year, or such other date as agreed by the Trustees.

6 **Conduct of Trustees**

The Trustees, shall, when exercising their functions as Trustees of the Trust, act in the interests of the Trust; and, in particular, must:-

- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with the Trust Purposes;
- (b) act with the care and diligence which is reasonable to expect of a person who is managing the affairs of another person;
- (c) in circumstances giving rise to the possibility of a conflict of interest between the Trust and the Trustee and, or, any other party:-
 - (i) put the interests of the Trust before their own interests, and that of any other party, in taking decisions as a Trustee; and
 - (ii) when any other duty prevents the Trustee from doing so, disclose a conflicting interest to the Trust and refrain from further involvement with regard to the matter in question;
- (d) ensure that the Trust complies with the provisions of the 2005 Act; and
- (e) ensure that the Trust is for and continues to be, only for charitable purposes.

7. **Appointment, Disqualification and Removal**

Any Trustee shall be disqualified from acting as Trustee if he:-

- (a) becomes personally bankrupt or insolvent;
- (b) is suffering from a mental disorder as defined by Section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003;

- (c) is directly or indirectly personally interested in any contract with the Trust or contravenes the terms of clause 6 (c);
- (d) fails to attend more than two consecutive meetings of the Trust without seeking leave of absence;
- (e) is removed from office by the Trust or ceases to be a Trustee;
- (f) has his appointment within the relevant Local Authority or Appointing Body revoked as referred to in clause 4 (c);
- (g) contravenes any of the terms of the Scheme;
- (h) is otherwise disqualified from being a trustee under Section 69 of the 2005 Act.

If any Trustee ceases to be a Trustee by removal from the Trust, resignation, disqualification, ill-health, death or otherwise, the Local Authority or Appointing Body appointing the Trustee, shall be entitled to replace the Trustee, except where the Local Authority or Appointing Body no longer wishes to retain an interest in the Trust as referred to in clause 4 (c)(ii), by appointing a new person to be the Trustee, within 28 calendar days of intimation of the Trustee vacancy to the Trust, such appointment to be for the period remaining until the next ordinary government election or earlier as referred to in clause 4 (c).

8. **Application of Income**

- (a) The Trustees after paying the necessary expenses of management and administration of the Trust shall apply the free annual income of the Trust as follows:-
 - (i) they shall pay grants awarded under Section 9 of this Scheme;
 - (ii) they shall pay grants awarded under Section 10 of this Scheme; and
 - (iii) they shall pay grants awarded under Section 11 of this Scheme.

If the payments which the Trustees would wish to award under Sections 9, 10 and 11 of the Scheme exceed the balance of the free annual income, the Trustees may (1) exercise their discretion in determining which awards shall be made, and the

amount of such, or (2) not so exercising their discretion, the grants to be made in each section shall be reduced pro rata, or (3) agree to expend any Trust Property to make the awards.

- (b) An Annual Plan will be prepared by the Trustees and agreed at a Trustee Meeting. An Annual Plan may include expenditure of any Trust Property and can involve capital and interest.
- (c) Until the first Annual Plan under this Scheme is agreed at a Trustee Meeting, the Trustees may apply the balance of the free income by adopting the practice of giving effect to the Approved Plan under section 18 of the Amended Scheme, notwithstanding that the provisions of the Amended Scheme are replaced.
- (d) If, notwithstanding the terms of this clause, at the end of any accounting period there is an unexpended balance of the free income, the Trustees may carry the said balance or any part thereof forward to the next accounting period or consolidate it as capital rather than future expenditure.

9. **Grants for Eligible Persons to Participate in School Excursions**

The Trustees shall, at their sole discretion award grants to eligible persons (hereinafter defined) to participate in school excursions, following referral to the Trust by the Head Teachers of the schools within the Trust Area organising the excursions.

10. **Grants for Eligible Persons to Participate in Music, Art or Drama**

The Trustees shall, at their sole discretion award grants to eligible persons talented in music, art or drama to obtain tuition from a recognised regional, national or international development programme or project or similar event designed to nurture and improve their talent, following referral to the Trust by the Head Teachers of the schools within the Trust Area.

11. **Grants for Eligible Persons for an Educational Qualification**

The Trustees shall, at their sole discretion award grants for one academic year to eligible persons leaving secondary school for an educational qualification, following referral to the Trust by the Head Teachers of the schools within the Trust Area.

12. **Amendment of the Trust Deed and/or Winding Up**

If, in the opinion of the Trustees any change in circumstances or alteration in the law has made or is likely to make, execution of the Trust Purposes impossible or impracticable, or if in the opinion of the Trustees the administration of the Trust could be improved, or the Trust Purposes can be advanced in a more appropriate manner, the Trustees may:-

- (a) supplement or amend the provisions of this Trust Deed or any Deed supplementary to this Trust Deed; or
- (b) wind up the Trust and transfer the Trust Property (after settlement of all debts and liabilities) to some other charity or charities having similar purposes to those of the Trust.

For the avoidance of doubt, no alterations to the Trust Purposes should be inconsistent with the spirit of the Scheme and the Trust Property must always be applied in a manner which is consistent with the spirit of the Scheme.

13. **Definitions**

In this Trust Deed the following wordings shall have the definitions:-

“Annual Plan” means a budget of the maximum sums of the free annual income of the Trust to be expended in each calendar year;

“Appointing Body” means any organisation appointing a Trustee to the Trust referred to in clause 2, other than a Local Authority;

“Charity” means a body which is either a “Scottish Charity” within the meaning of Section 13 of the 2005 Act or “Charity” within the meaning of Section 96 of the Charities Act 1993;

“Charitable Purpose” means a charitable purpose under Section 7 of the 2005 Act which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;

“Children and Young People” means any person in primary or secondary school education;

“East Renfrewshire Council” means East Renfrewshire Council constituted under the Local Government etc. (Scotland) Act and having its Principal Office at Eastwood Park, Rouken Glen Road, Giffnock;

“Educational Qualification” means that the applicant is intending to pursue a full-time course of study at any University, place of further education or institution of learning anywhere in the European Union at the time of the application and can provide suitable evidence that they are matriculated students for the academic year claimed in such University, place of further education or institution of learning;

“Eligible Person” means any children and young people who, in the opinion of the Trustees, meet both the “residence test” and “financial test” (both hereinafter defined);

“Financial Test” means for an applicant that he is entitled to, or is in receipt of free school meals, or such other financial requirement as deemed appropriate by the Trustees;

“Grant” means an award to be paid by the Trust to any eligible person, subject to any conditions decided by the Trustees from time to time and in accordance with the Scheme;

“Inverclyde Council” means Inverclyde Council constituted under the Local Government etc. (Scotland) Act 1994 and having its Principal Office at Municipal Buildings, Greenock;

“Local Authority” means one or any of (i) East Renfrewshire Council, (ii) Inverclyde Council and (iii) Renfrewshire Council, or their successors;

“Plan” means the plan annexed and executed as relative hereto;

“Renfrewshire Council” means Renfrewshire Council constituted under the Local Government etc. (Scotland) Act 1994 and having its Principal Office at Renfrewshire House, Cotton Street, Paisley;

“Residence Test” means for an applicant that their habitual and normal residence (excluding a temporary absence for business or holiday) in their main residence is within the Trust Area;

“Trust Area” means _____ and as shown outlined in () in the plan;

“Trust Deed” means this trust deed (including any supplementary or amendment effected in accordance with the provisions hereof);

“Trust Property” means such sums of money held by, or paid to the Trustees and such other funds and assets as may from time to time be received by the Trustees, and any assets in which any funds so received may from time to time be invested;

“Trust Purposes” means the purpose specified in Clause 1 hereof;

“Working Day” means any day other than a Saturday and Sunday (except a bank, public or other local Local Authority holiday); and

“Written Notice” means any communication in writing including electronic communication as defined in section 15 of the Electronic Communications Act 2000.

Any reference in this Trust Deed to singular includes plural and vice versa.

Any reference in this Trust Deed to masculine includes feminine and vice versa.

Any reference to a provision of any legislation shall include any statutory modification or re-enactment of that provision in force from time to time.

14. Law of Scotland

This Trust shall be administered in Scotland and shall be governed, construed and take effect in accordance with the Laws of Scotland.

We the Trustees consent to the registration hereof for preservation: **IN WITNESS WHEREOF**

Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	Head of Legal & Property Services	Report No:	GM/LP/084/14
Contact Officer:	Gerard Malone	Contact No:	01475 712710
Subject:	Glasgow and Clyde Valley City Deal: Governance Arrangements		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval for the Council's participation in the establishing of a Joint Committee for the purposes of governing the delivery of the Glasgow and Clyde Valley City Deal.

2.0 SUMMARY

- 2.1 At its August 2014 meeting, the Policy & Resources Committee considered a report on the response from the UK and Scottish Governments on the City Deal proposals put forward by the local authorities in the Glasgow City region and which sought approval to accept the offer of the City Deal funding and its associated financial implications.
- 2.2 The Policy & Resources Committee agreed that the proposed governance model for the City Deal be developed and that the Council should also participate in the establishing of a Programme Management Office to begin the implementation arrangements.
- 2.3 This report seeks approval for the participation of Inverclyde Council as a member of the proposed Joint Committee.

3.0 RECOMMENDATIONS

It is recommended that the Council:

- 3.1 notes the progress which has been made in formalising the structures and processes relative to the delivery of the City Deal;
- 3.2 approves the establishing of a Joint Committee for purposes of strategic direction and implementation;
- 3.4 approves the delegated functions of the Cabinet of the Joint Committee and notes the implementation arrangements for the City Deal;
- 3.5 notes the timescales and progress being made to finalise the arrangements in discussions with the UK and Scottish Governments;
- 3.6 approves, in terms of clauses 2.3 and 3.2 of the proposed Constitution, the appointment of the Leader of the Council as the Council's representative on the Joint Committee and that a substitute be nominated;
- 3.7 remits it to the Corporate Director Environment, Regeneration & Resources to establish suitable internal mechanisms for a Project Board to oversee local implementation and progress of City Deal projects and to engage relevant partners; and,

3.8 authorises the Chief Executive, in consultation with the Chief Financial Officer and the Head of Legal and Property Services, to adjust and negotiate any necessary alterations to the proposed Assurance Framework and Constitution.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 In August 2014, the Policy & Resources Committee discussed in detail the reports setting out the key elements of the Glasgow & Clyde Valley City Deal.
- 4.2 The Committee noted that further reports would be presented to the Council relative to the governance structure as it developed and that further approvals would be sought as required.
- 4.3 The City Deal requires that the eight participating local authorities (the “Member Authorities”) will produce a document entitled an Assurance Framework for approval by the UK and Scottish Governments before any funding will be released for the City Deal.
- 4.4 The Assurance Framework is to be submitted to the Scottish and UK Governments by the end of December 2014 and it is intended this be finalised by March 2015. This report advises the Council on the key elements of the proposed Assurance Framework. The present, up to date draft of the Assurance Framework has separately been made available to Elected Members for their consideration in detail along with, for ease of reference, copies of the August 2014 report to the Policy and Resources Committee.

5.0 PROPOSED ASSURANCE FRAMEWORK

5.1 Joint Committee: A Joint Committee will be established in terms of Section 57 of the Local Government (Scotland) Act 1973 and will be formed as a “Cabinet” to have the ultimate decision making authority for the City Deal within the terms of the Assurance Framework. The Cabinet will report to the UK and Scottish Governments and will act in the joint interests of the Member Authorities which are: Glasgow City Council; East Dunbartonshire Council; East Renfrewshire Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; West Dunbartonshire Council; and Inverclyde Council. A copy of the Joint Committee Constitution is contained in **Appendix 1** and **Appendix 2** contains a diagram showing the proposed governance structures.

5.2 Cabinet: The functions of the Cabinet are to:-

- Determine the strategic economic development priorities for the Glasgow and Clyde Valley Region;
- Deliver the City Deal, the key elements of which will be to: approve business cases; monitor and evaluate them; and report progress to the UK and Scottish Governments on implementation of the City Deal;
- Approve the remits of the Independent Commission on Urban Growth; the Glasgow and Clyde Valley Leadership Board; and the Regeneration and Economy Consultative Group; and
- Deal with any other areas of activity as are delegated to it by the Member Authorities.

Matters which are reserved to the Member Authorities for decision making and which will not be delegated to the Cabinet are:-

- Any material financial decisions over and above what has been committed through the City Deal;
- Any amendment to the Joint Committee written agreement;
- Addition of another Local Authority as Member Authority; and
- Approval of each Local Authority to enter into Grant Agreements in relation to the specific City Deal projects.

5.3 It is specifically proposed in terms of the Assurance Framework and the Constitution of the Cabinet that the Leader of each Member Authority will sit on the Cabinet, with Glasgow City Council acting as Chair. This is a proposal that seeks to underline the significance of the City

Deal arrangements as the Assurance Framework and the Constitution both require the specific involvement of each of the Leaders from the eight constituent local authorities. Each Member Council is also requested to nominate a substitute for the Leader

- 5.4 Full governance arrangements will be put in place for the Cabinet, including matters relating to Audit, conflicts of interest, Freedom of Information requests and complaints. In line with any other Committee of a Member Authority, the meetings of the Cabinet will be open to the public and agendas and papers will be published on the Glasgow City Council website.

Chief Executives' Group

- 5.5 The Assurance Framework proposes that there will be a management group, the membership of which will be the 8 Chief Executives from the Member Authorities or named substitutes.
- 5.6 The Chief Executive Officer of the Lead Authority (Glasgow City Council) will be the Chair of the Chief Executives' Group.
- 5.7 The Chief Executives' Group will have responsibility for the overall supervision of delivery of the City Deal.

Programme Management Office

- 5.8 The Assurance Framework requires an administrative role to be fulfilled to support the Cabinet and the delivery of the City Deal. This will be delivered by Glasgow City Council as the Lead Authority through a newly constituted Programme Management Office (PMO).
- 5.9 The role of the PMO will include the provision of administrative and technical support services in addition to its principal role of making recommendations for approval of business cases, monitoring and evaluating these and reporting to the Chief Executives' Group, the Cabinet, and the UK and Scottish Governments. Funding for the PMO will be shared proportionally across the Member Authorities.
- 5.10 The PMO will be established within Glasgow City Council's Corporate Governance Team under the Executive Director of Corporate Services and will consist of staff from Glasgow City Council, staff seconded from other Member Authorities or recruited into specific posts.

UK and Scottish Governments

- 5.11 Monthly updates on progress and quarterly meetings will take place between the PMO and the UK and Scottish Governments to ensure that the City Deal Programme and projects are being delivered in accordance with the agreed terms.
- 5.12 There are other groups within the Assurance Framework to assist in the delivery and review of economic activity through the City Deal involving an Independent Commission on Urban Growth, a Glasgow Economic Leadership Board, a Regeneration and Economy Consultative Group and all of these groups will work collaboratively to focus on specific issues to assist implementation of the City Deal's programme and projects.

Summary

- 5.13 The City Deal project is a major initiative which involves the participation of eight local authorities within the Glasgow City region area together with detailed involvement of both the UK and Scottish Governments. The details relative to the City Deal project have been reported to the Policy & Resources Committee at its August 2014 meeting, including an assessment of the risks for the overall project and, in particular, the specific risks for Inverclyde because of the location of projects and the level of unknowns associated with built up dockland and the need for close involvement with the private sector and impacts on cash flow especially where funding is subject to economic performance. A detailed risk assessment has been completed and was considered at the August 2014 meeting.

6.0 IMPLICATIONS

Finance

- 6.1 The funding and financing arrangements have been subject to detailed comment and review as reported to the August 2014 meeting of the Policy & Resources Committee (Section 10, thereof).

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Regeneration	Development Fund	2017/18	359		
Regeneration	Development Fund	2017/18	16		To part fund the PMO Latest estimate is the annual cost will be up to £30k

Legal

- 6.2 The detailed arrangements for the governance procedures have been subject to review and are approved.

Human Resources

- 6.3 There may be a requirement to second staff to the Project Management Office.

Equalities

- 6.4 There are no anticipated equality issues envisaged.

Repopulation

- 6.5 The overall economic development programme will assist significantly in generating local employment opportunities and should have a positive resultant impact in stimulating repopulation of Inverclyde.

7.0 CONSULTATIONS

- 7.1 This report has been endorsed by the Corporate Management Team. The participants in the Joint Committee will be the eight Clyde Valley Councils and this will involve close liaison with both the Scottish and UK Governments.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.

9.0 CONCLUSION

- 9.1 Overall, the City Deal Agreement provides Inverclyde Council with a significant opportunity to develop projects which not only have the potential to generate significant job opportunities and leverage in private sector investment but also contribute to the wider economic growth within the Glasgow City region. The City Deal proposal enables the Council to benefit from grant of approximately 86% and possibly up to 100% depending on any joint venture established to bring forward the projects envisaged.

Draft Joint Committee Agreement

Glasgow and Clyde Valley Cabinet

Glasgow City Council
East Dunbartonshire Council
East Renfrewshire Council
Inverclyde Council
North Lanarkshire Council
Renfrewshire Council
South Lanarkshire Council
West Dunbartonshire Council

INTRODUCTION

We [] agree to become a Member Authority of the Glasgow and Clyde Valley Cabinet which is a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. We confirm that we have all necessary powers to participate as a Member Authority of the Glasgow and Clyde Valley Cabinet and that our membership of the Glasgow and Clyde Valley Cabinet and the operation of the Glasgow and Clyde Valley Cabinet and its functions shall be governed by the following terms and conditions:-

1. INTERPRETATION

1.1 In these terms and conditions the following expressions shall have the meanings respectively ascribed to them:-

“The Assurance Framework” means a governance framework to be agreed between the Cabinet and the Scottish and UK Governments relating to delivery of the City Deal.

“The Cabinet” means the Glasgow and Clyde Valley Cabinet, a Joint Committee established under s57 of the Local Government (Scotland) Act 1973, the terms and conditions of which are set out herein.

“The Chief Executives’ Group” means the management group established in terms of Clause 4.

“The City Deal” means the City Deal agreed between the Member Authorities and UK and Scottish Governments, a copy of which is annexed at Appendix 1 and which contains three key aspects namely: the Infrastructure Fund; the Innovation Programme and the Labour Market Programme.

“The Programme” means the programme of works which takes account of all of the projects which sit under the City Deal.

“The Commencement Date” is set out in Clause 2.2.

“Confidential Information” is defined in Clause 13.2.

“The Contribution Rate” means the proportion of any sum payable by each Member Authority in accordance with these terms and conditions, calculated in accordance with Clause 7.2.

“The Contribution Sum” means the sum to be paid by each Member Authority calculated by reference to the Contribution Rate each year to meet each Member Authority’s share of the budgeted costs of the Cabinet, including without prejudice to the foregoing generality: employment costs; the cost of support services; and the cost of occupying premises.

“The Director” means the Officer appointed by the Cabinet to head up the PMO and have overall responsibility for the operational functions of the Cabinet.

“Functions” means: to determine the Strategic Economic Development priorities for the Glasgow and Clyde Valley Region; the delivery of the City Deal in accordance with Appendix 1 annexed; to approve the remits of the Independent Commission on Urban Growth, the Glasgow and Clyde Valley Economic Leadership Board, and the Regeneration and Economy Consultative Group; and any other areas of activity delegated to it by the Member Authorities.

“The Glasgow and Clyde Valley Region” means the local government areas of the Member Authorities.

“The Infrastructure Fund” means the 20 year £1.13billion fund (drawing together UK Government, Scottish Government, and local funding streams) that will enable investment in the Glasgow and Clyde Valley region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Innovation Programme” means the investment in life sciences and business support in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Labour Market Programme” means the proposals to reduce unemployment in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Lead Authority” means Glasgow City Council.

“Member Authority” means those local authorities specified in Clause 2.1 as may be amended from time to time in accordance with these terms and conditions.

“Portfolio” means an area of work such as: Connectivity (roads and transport), Enterprise and Employment where one of the Cabinet members will be delegated to act as spokesperson and policy lead on a particular area.

“The Programme Management Business Case” means the business case which will be established for overall delivery of the City Deal Programme.

“The PMO” means the Programme Management Office which will consist of staff employed by the Lead Authority or seconded to the Lead Authority for the Cabinet (including the Director), to undertake the operational functions of the Cabinet.

“The Schedule” means the Schedule in 4 parts annexed forming part of these terms and conditions.

“The Treasurer” means the Director of Finance of the Lead Authority.

1.2 In these terms and conditions:-

- (a) Reference to the Glasgow and Clyde Valley Cabinet are to be treated as references to the Cabinet and vice versa;
- (b) References to contracts/grants entered into or awarded by the Cabinet are references to contracts entered into or awarded on behalf of the Glasgow and Clyde Valley Cabinet by the Lead Authority on the instruction of the Cabinet or any sub committee or officer authorised to issue such an instruction.

- 1.3 Words imparting the masculine gender only shall include the feminine gender and vice versa.
- 1.4 Words imparting the singular number shall, except where the context otherwise requires, include the plural number and vice versa.

2. COMMENCEMENT AND DURATION

- 2.1 The Cabinet will be established on the last day of execution of these terms and conditions. First membership of the Cabinet is open to:

Glasgow City Council;
East Dunbartonshire Council;
East Renfrewshire Council;
Inverclyde Council;
North Lanarkshire Council;
Renfrewshire Council;
South Lanarkshire Council;
West Dunbartonshire Council.

- 2.2 Subject to the terms of Clause 2.1 above, membership of the Cabinet shall commence on the date these validly executed terms and conditions are received by the Lead Authority. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions until the Cabinet has been established.
- 2.3 The Cabinet will consist of voting members who are democratically elected Local Authority Leaders and have been delegated authority to deal with the Functions of the Cabinet under Section 57 of the Local Government (Scotland) Act 1973. Each voting member shall have the following votes:
- Infrastructure Fund - all Member Authorities who have approved projects (see Part 2 and Appendix 3 of the Assurance Framework) will be entitled to a vote.
 - All Member Authorities will be entitled to a vote for all other Functions delivered by the Cabinet.
- 2.4 Any Local Authority other than those listed at Clause 2.1 above which wishes to become a member of the Cabinet may apply for membership. Each existing Member Authority shall have a veto on this application which each may use entirely at their own discretion.

- 2.5 Membership of the Cabinet shall subsist until terminated in accordance with the provisions of Clause 11.
- 2.6 The Cabinet shall subsist until the Member Authorities determine in accordance with Clause 11 not to continue with the Cabinet and any period of notice required when Clause 11 has expired.

3. ESTABLISHMENT OF THE CABINET

- 3.1 The Cabinet has been established for the purpose of regulating the joint discharge of the Functions by the Member Authorities.
- 3.2 Each Member Authority shall appoint their Leader to be their representative on the Cabinet.
- 3.3 It will, however, be open to each of the Member Authorities to replace its representative on the Cabinet at any time. The appointment of any substitutes and alterations to those substitutes are a matter for each Member Authority provided that appropriate written notice is given to the Cabinet of such appointment in advance.
- 3.4 The Cabinet may establish sub committees or Portfolios and consider and agree to the delegation of responsibilities of the Cabinet to sub committees, Portfolios and to officers. The roles and functions of any sub committee or Portfolios shall be determined by the Cabinet.
- 3.5 Subject to Clause 2.3 above, the following matters shall be reserved to the Cabinet:
- (a) To deliver the Functions;
 - (b) To approve governance arrangements for the Cabinet, the Chief Executives' Group, any sub committees, Portfolios and procedural standing orders;
 - (c) To approve the Cabinet annual budget and any review or amendment of the budget;
 - (d) To monitor and ensure delivery of the City Deal all in accordance with the Assurance Framework;
 - (e) To approve which projects shall be delivered under the City Deal;

- (f) To sign off upon satisfactory completion of each project delivered under the City Deal;
 - (g) To agree modified or substitute projects under the City Deal as appropriate;
 - (h) To act as a strategic point of contact with the Scottish and UK Governments and to provide quarterly progress reports to them in relation to the City Deal.
- 3.6 Each Member Authority shall hereby delegate to the Cabinet their powers to regulate the provision of the Functions. However, this delegation is without prejudice to each Member Authority retaining the right to exercise those powers notwithstanding the delegation made by them.
- 3.7 For the avoidance of doubt, any material financial decisions relating to City Deal over and above that set out in Appendix 1 must be referred back to each Member Authority for a decision.
- 3.8 The Cabinet shall adopt standing orders relating to proceedings at their meetings and the meetings of any sub committee.
- 3.9 Glasgow City Council shall be the Lead Authority for the Cabinet and shall Chair the Cabinet.

4. The Chief Executives' Group

- 4.1 There shall be a management group, the membership of which shall be the 8 Chief Executives from the Member Authorities or their nominees (the nominees to be of at least Director grade).
- 4.2 The Chief Executive of the Lead Authority or his/her nominee shall act as Chair of the Chief Executives' Group.
- 4.3 The Chief Executives' Group shall adopt procedures to regulate its meetings. Those procedures and any subsequent amendment to them shall not come into effect until approved by the Cabinet.
- 4.4 The Chief Executives' Group shall have collective responsibility for the overall supervision, management and monitoring of the performance of the PMO in delivering the operational functions of the Cabinet.

4.5 The Director shall be accountable through the Chief Executives' Group to the Cabinet for the operational performance of the Cabinet in delivering the Functions and for the successful delivery of the City Deal.

4.6 The Chief Executives' Group shall undertake such other activities as are delegated to it by the Cabinet.

5. SUPPORT SERVICES

5.1 The Lead Authority shall be the Employing Authority for the Director and for the PMO. The arrangements in relation to employees are set out in the Schedule Part 2.

5.2 All professional and administrative support for the Cabinet, its sub committees, Portfolios, the Director and the Chief Executives' Group will be provided by the Lead Authority to the Cabinet. These support services are more specifically described in the Schedule Part 3.

6. WORK OF THE CABINET

6.1 Except as specifically provided for in these terms and conditions, the Cabinet shall deliver the Functions, and shall regulate the delivery of the City Deal and set the key performance standards to be met as set out by the Scottish and UK Governments.

6.2 The Lead Authority shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund and Innovation Programme, and with the Department of Work and Pensions in relation to the Labour Market Programme and will do so with the approval of the Cabinet. The Lead Authority will ensure that the PMO budget and funding are used legally and appropriately.

6.3 The Cabinet shall ensure that any decisions in delivering the Functions conform with relevant legal requirements including: equalities; environment; European Union legislation; sustainability, and Best Value.

6.4 In relation to the City Deal, the Lead Authority shall enter into grant agreements with Member Authorities and third parties to deliver specified agreed projects in accordance with a set of governance arrangements approved by the Cabinet all as more fully specified in the Assurance Framework.

- 6.5 Member Authorities shall deliver agreed projects under the City Deal in accordance with the terms of their grant agreement. Any grant agreement entered into by a Member Authority shall be subject to that Member Authority's contract standing orders and financial regulations.
- 6.6 The Cabinet shall receive quarterly updates from the Director advising on the progress of each agreed project under the City Deal and any slippage and risks in relation to any specific projects. Any concerns which the Cabinet may have in relation to a grant agreement with a Member Authority will be notified to the relevant Member Authority via the Chief Executives' Group.
- 6.7 Where a Member Authority is failing to deliver a project under the City Deal in accordance with the terms of the grant agreement, the Member Authority shall report to the Director and to the Cabinet to explain the reasons for this and to provide mitigating actions to ensure that the project remains on track for completion. The full governance process for managing and monitoring the City Deal Programme is set out in the Assurance Framework.
- 6.8 Member Authorities undertake to provide such information within such timescales as is reasonably required by the Director to enable the Cabinet to undertake the Functions.
- 6.9 Should any infrastructure project prove impossible to deliver for technical reasons the relevant Member Authority shall have a period of 6 months to identify a substitute project all in accordance with Part 2 of the Assurance Framework.
- 6.10 Subject to Clause 6.9, failure by a Member Authority to comply with clauses 6.7 and 6.8 or 8.2 shall result in the Director reporting that failure to the Cabinet and the Cabinet will have the discretion to:-
- (a) Suspend any grant funding until a suitable resolution is found;
 - (b) Terminate the relevant Member Authority's grant agreement if no suitable resolution is found;
 - (c) Remove the relevant project from the City Deal, and replace it with another suitable project;
 - (d) Recalculate grant awards;

- (e) Recover from that Member Authority any grants already paid, and additional costs incurred or losses suffered by the Cabinet or its Member Authorities arising from that failure.

7. PMO BUDGET AND FUNDING

- 7.1 The Member Authorities each agree to pay their Contribution Sum fixed by the Cabinet in accordance with this Clause. The full Contribution Sum shall be payable by each Member Authority regardless of the use made by a Member Authority of the Functions of the Cabinet or a Member Authority's participation in the contracts linked through the Cabinet.
- 7.2 The Contribution Sum will be calculated as a proportion of the budget based on the population of each Member Authority's area expressed as a percentage of the total population within the areas of the Member Authorities
- 7.3 The Cabinet shall at its first meeting approve a budget to 31 March 2015. Thereafter, in each year and prior to 31 March, consider and approve a budget prepared jointly by the Director and the Treasurer in terms of the Lead Authority's budgetary requirements, for the operation of the Cabinet in the following financial year. The Member Authorities shall defray the costs of the said budget and the costs, expenses and outgoings incurred by the Lead Authority on behalf of the Cabinet in accordance with these terms and conditions. Payment of the Contribution Sum shall be made quarterly in advance in accordance with arrangements made by the Treasurer.
- 7.4 The audited financial statement and accounts shall be submitted to the Cabinet for approval prior to 1 September following.(TBC) Any deficit arising shall be paid by the Member Authorities in accordance with arrangements made by the Treasurer. Any surplus will be reimbursed to Member Authorities in accordance with the pro rata Contribution Rate.
- 7.5 The Contribution Rate of all Member Authorities shall be reviewed by the Treasurer at least once every 3 years to identify whether the Contribution Rate of any Member Authority should be adjusted to reflect changes in the size of the population within Member Authorities areas and changes to the size of the aggregated population within all Member Authorities' areas. The requirement to review the Contribution Rates of Member Authorities contained in this clause shall not commence until April 2018.

- 7.6 The Contribution Rate of Member Authorities shall also be reviewed by the Treasurer in the event of there being a change or proposed change to the boundary of one or more Member Authorities which has the effect of materially altering the size of the population within the area of any of those Member Authorities.
- 7.7 No change to the Contribution Rate of any Member Authority may be made without prior approval of the Cabinet following consultation with those Member Authorities whose Contribution Rate is affected.

8. DEFAULT IN PAYMENTS

- 8.1 In the event that any Member Authority fails to make any payment due under this Agreement, the PMO may determine that interest will run from the date following the date upon which the money became due and payable until paid at a rate of 2% per annum above the base rate of the Royal Bank of Scotland plc.
- 8.2 Where a Member Authority remains in default for more than one calendar quarter the terms of Clause 6.10 shall apply.
- 8.3 The Lead Authority, on behalf of the Member Authorities, and the Member Authorities themselves, individually, reserve the right to recover any outstanding sums due to them from a defaulting Member Authority.

9. RELATIONSHIP WITH THIRD PARTIES

- 9.1 The Cabinet may allow bodies who are not Member Authorities to utilise or benefit from all or some of the Functions in accordance with such terms and conditions as are stipulated by the Cabinet.
- 9.2 The Cabinet may appoint any body it has allowed to utilise any of the Functions in terms of Clause 9.1 above, to become an Associate Member of the Cabinet.
- 9.3 An Associate Member shall have such rights and obligations as are stipulated by the Cabinet which may include, but not be limited to an advisory, consultative or observer role. However, an Associate Member shall not be given the right to be represented on the Cabinet or to vote on any issue on which a decision of the Cabinet is required.

10. INDEMNITY AND INSURANCE

- 10.1 Where the PMO is acting on behalf of all or some of the Member Authorities those Member Authorities shall jointly indemnify the PMO and the Lead Authority in proportion to their Contribution Rate against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of their duties under these terms and conditions.
- 10.2 Where the PMO is acting on behalf of a single Member Authority, that Authority shall indemnify the PMO and the Lead Authority against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of providing any services requested by the Member Authority.
- 10.3 The Member Authorities shall jointly indemnify the Lead Authority in proportion to their Contribution Rate in respect of all loss, cost and expense incurred by the Lead Authority (including any liability to their legal advisers) arising out of any claim which arises out of any act or omission by any person in connection with their duties under these terms and conditions with the exception of any loss, costs or expense which is covered by the indemnities granted in Clauses 10.1 and 10.2 above.
- 10.4 The Treasurer shall arrange for the taking out of such policies of insurance as the Treasurer considers appropriate in relation to the carrying out of the functions on behalf of the Cabinet which insurances shall include without prejudice to the foregoing generality, employers liability, public liability and professional indemnity insurance and the cost of taking out such policies shall be defrayed by the Member Authorities as part of the Contribution Sum with each Member Authority's share of the costs being calculated by reference to the Contribution Rate.

11. TERMINATION

- 11.1 Member Authorities shall remain members for at least a period of 20 years from the Commencement Date and thereafter shall require to give at least one year's written notice of their intention to withdraw from the Cabinet with the said notice period to commence on 1 April following its receipt by the Director with a date of expiry of a notice of withdrawal being 31 March of the following year. Any such notice shall be served by a Member Authority on the Director who shall within 7 days acknowledge receipt and advise the Cabinet that such notice has been received. The Cabinet shall be entitled to allow a Member Authority to cancel a notice of withdrawal at any time. The Member Authority's membership of the Cabinet and participation in the Cabinet shall terminate on the date of expiry of the notice of withdrawal.

- 11.2 If one or more Member Authorities serve notice of their intention to withdraw from the Cabinet subject to the terms of Clause of 11.1 above and to cease their membership of the Cabinet, the other Member Authorities shall as soon as reasonably practical meet to discuss the future viability and extent of the Cabinet with a decision being reached regarding whether to continue with the Cabinet before expiry of such notice.
- 11.3 Where under Clause 11 the Member Authorities resolve not to continue with the Cabinet arrangement following the period of 20 years after the Commencement Date they shall advise the Director of the decision and shall bring a report to the Cabinet recommending dissolution of the Cabinet. The Cabinet shall ensure that a sufficient period of time is allowed and the Lead Authority shall retain sufficient staff, to facilitate the orderly winding up of the Cabinet.
- 11.4 In the event that the Member Authorities resolve not to continue with the Cabinet following one or more notices of withdrawal, each of the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of the termination of the agreement and that in accordance with the Contribution Rate.
- 11.5 In the event that the Lead Authority resolves not to continue to participate in the Cabinet, the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred as a result of their ceasing to provide all or any of the support services detailed in the Schedule Part 3 and that in accordance with the Contribution Rate.
- 11.6 Subject to Clause 11.1, any Member Authority which withdraws from the Cabinet shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of that Member Authority ceasing to participate in the Cabinet.
- 11.7 A statement of certificate specifying the amount due to the Lead Authority in terms of Clauses 11.4, 11.5 or 11.6 above signed by the Treasurer or by any other signing official authorised by the Lead Authority shall, unless and until the contrary be proven, be deemed correct and thus binding on the Member Authorities.
- 11.8 The Treasurer shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the costs of operation the Cabinet and the PMO, detailed records will be held for a period of 3 years;

- (b) for grant receipt and allocation, detailed records will be retained for a period of 20 years. (TBC)

11.9 The Member Authorities shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose. The Treasurer shall forthwith on demand produce to the Member Authorities all relevant information or vouchers as a Member Authority may reasonably request.

12. PREMISES

12.1 The PMO shall be located in premises approved by the Lead Authority.

12.2 If applicable, the costs of any premises occupied by the PMO shall be met in accordance with the Schedule Part 4.

13. CONFIDENTIAL INFORMATION

13.1 The Member Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Cabinet, the Functions of the Cabinet or the business and affairs of the other Member Authorities which may now or at any time hereafter be in its possession and shall not disclose it except with prior written consent of the other Member Authorities or where the Confidential Information relates only to one Member Authority the consent of that Member Authority.

13.2 "Confidential Information" means any information imparted to any of the Member Authorities or their employees, agents, consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party was obtained by the other Member Authorities on the basis that it was to be kept confidential or is of commercial value in relation to the Cabinet but shall not include any information which is:

- 13.2.1 already in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party; or

- 13.2.2 already in the possession of the Receiving Party without restrictions as to its use; or
 - 13.2.3 the disclosure of which is required by statute or court order; or
 - 13.2.4 is provided for the purpose of obtaining professional advice; or
 - 13.2.5 is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
 - 13.2.6 which is information independently developed without access to the Confidential Information including audit and assessing best value.
- 13.3 This Clause 13 is subject always to the obligations of a Member Authority to comply with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. A Member Authority shall not be in breach of this Clause where information is released by that Member Authority to comply with the aforementioned legislation.

14. FREEDOM OF INFORMATION

- 14.1 Each Member Authority acknowledges that the other Member Authorities are subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 ("FOI").
- 14.2 Each Member Authority shall assist and cooperate with other Member Authorities to enable the other Member Authorities to comply with their information disclosure obligations under FOI.
- 14.3 Where a Member Authority receives a request for disclosure of information under FOI which that Member Authority holds in connection with or as a result of its membership of the Cabinet or its participation in any of the grants awarded through the Cabinet, that Member Authority shall bring the receipt of such a request to the attention of the Director.

- 14.4 The Member Authority receiving a request under FOI shall be responsible for determining whether to disclose the information requested and where it is decided not to release any of the information requested, which of the exemptions in terms of FOI it is relying on. However, before making any determination in terms of this clause the Member Authority shall give the Director a reasonable opportunity taking into account any statutory time limit for determining such a request to make representations regarding how the Director considers the request under FOI should be dealt with.
- 14.5 Where a Member Authority receives a request for information in relation to information which it is holding on behalf of any of the other Member Authorities in connection with its participation in the Cabinet, it shall:-
- (a) Transfer the request for information to the relevant Member Authority as soon as practicable after receipt; and
 - (b) Provide all necessary assistance as reasonably requested by the relevant Member Authority to enable the Member Authority to respond to the request for information within the time for compliance set out in FOI.

15. VARIATION

- 15.1 These terms and conditions may only be varied by execution of a Minute of Variation signed by all of the Member Authorities.

16. RESOLUTION OF DISPUTES

- 16.1 Any dispute between Member Authorities arising in connection with its membership of the Cabinet which cannot be resolved by discussion between the Member Authorities in dispute shall be determined by an Arbiter.
- 16.2 Arbitration in terms of this Clause 16 may be initiated by any of the Member Authorities in dispute. The Arbiter shall be mutually agreed by the parties in dispute failing which the Arbiter shall be approved by the Sheriff of Strathclyde on the written application of any Member Authority.
- 16.3 The decision of the Arbiter on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all parties involved in the arbitration.

16.4 The operation of Section 3 of the Administration of Justice Scotland (Scotland) Act 1972 is excluded.

17. ASSIGNATION

17.1 No rights or obligations arising from these terms and conditions may be assigned except by the prior written consent of the Cabinet.

18. CONFLICT

18.1 In the event of any conflict arising between these terms and conditions and those of the Assurance Framework, these terms and conditions shall apply.

19. AGREEMENT

19.1 Subject to Clause 2.2 the execution of these terms and conditions by ourselves and by the Lead Authority creates a legally binding agreement between us as a Member Authority of the Cabinet and the Lead Authority as the Lead Authority for the Cabinet.

19.2 We agree that if asked by the Lead Authority to do so we will enter into a Minute of Agreement with all Member Authorities as parties containing these terms and conditions.

SCHEDULE PART 1

**THE GLASGOW AND CLYDE VALLEY CITY DEAL
(INSERT)**

SCHEDULE PART 2

STAFF

1. The Lead Authority's Duties

- 1.1 The Cabinet may authorise the appointment by the Lead Authority of sufficient suitably qualified and experienced employees to undertake the Functions on behalf of the Cabinet for such periods and subject to such conditions of employment as the Cabinet shall approve.
- 1.2 The Cabinet's prior approval will be required in respect of any proposals to amend materially the terms and conditions of employment of the PMO.
- 1.3 The Lead Authority will provide payroll and comprehensive personnel services for the PMO. For the avoidance of doubt, where the discharge of such services requires the Lead Authority to seek assistance and advice from other departments of the Lead Authority or from outside agencies they may do so. Such additional services will be reported to the Cabinet and the costs thereof included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this Part 2 of the Schedule.
- 1.4 The Lead Authority shall effect such insurance policies as it considers necessary in connection with its obligations under this part of the Schedule and any premiums shall be included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this part of the Schedule.

2. Member Authorities' Duties

- 2.1 The Member Authorities hereby agree to pay all costs, expenses and outgoings reasonably incurred by the Lead Authority ("the employment costs") in connection with the performance by the Lead Authority of its obligations under this part of the Schedule. Each Member Authority's share of the employment costs shall be calculated by reference to that Member Authority's Contribution Rate.
- 2.2 Without prejudice to Paragraph 2.1 above, as part of the procedures under Clause 7 of these terms and conditions an estimate of the employment costs shall at the beginning of each year be agreed between the Lead Authority and the Cabinet. Such employment costs shall be paid quarterly in advance by each Member Authority in accordance with the Contribution Rate.

3. Termination

- 3.1 In the event that the Cabinet is dissolved and has remaining staff, they shall be given the option to transfer on their terms and conditions of employment in force as at the date of termination of the Cabinet to either the Member Authority from where they have been seconded, or to a post with another Member Authority. The Member Authorities shall among themselves provide such posts in so far as reasonably practical in accordance with the proportions set for Contribution Rates.
- 3.2 Any outstanding employment costs of the Lead Authority not otherwise met in terms of this Schedule shall be apportioned between the Member Authorities in proportion to their Contribution Rate.

SCHEDULE PART 3

PMO AND SUPPORT SERVICES

1. Support services for the Cabinet

- 1.1 The Director and the PMO shall supply to the Cabinet, its sub committees and Portfolios such administrative and technical support as it may reasonably require to discharge the Functions to include:
- preparation and circulation of agendas and minutes;
 - publishing the Cabinet processes and outcomes;
 - facilitating engagement with stakeholders; and
 - managing Cabinet communications including establishment of a Cabinet website.
- 1.2 The Director or his/her nominee will be the Clerk to the Cabinet and either alone or at the request of the Chair of the Cabinet or on the requisition of at least one-fourth of the whole number of Members of the Cabinet shall have power to call meetings of the Cabinet.
- 1.3 The Chief Executive of the Lead Authority or his/her nominee will have power to call upon the services of such other employees of the Lead Authority to enable him/her to discharge his/her duties to the Cabinet.
- 1.4 The Lead Authority shall directly or indirectly make available to the Cabinet such committee rooms and members' accommodation as may be required to allow the Cabinet to discharge its functions.
- 1.5 The PMO shall agree a budget with the Cabinet annually in advance of 31 March in each year for the financial year following. The budget shall be apportioned between the Member Authorities in accordance with the Contribution Rate and will be payable quarterly in advance by them to the Lead Authority. Any additional services required by the Cabinet not included in the budget shall after authorisation by the Cabinet be invoiced to the Member Authorities in accordance with the Contribution Rate.
- 1.6 The Director and the PMO shall act as the first point of contact with the UK and Scottish Governments in relation to the delivery of the City Deal.

2. PMO Services for the Cabinet

- 2.1 The PMO shall supply to the Cabinet and the Chief Executives' Group such PMO and support services as the Director may reasonably require to discharge his/her duties (for the avoidance of doubt such services may include financial, legal, audit and other professional or technical services).
- 2.2 The PMO shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund, and the Department of Work and Pensions in relation to the Labour Market Funds, and shall act as grant recipient in respect of City Deal monies.
- 2.3 The PMO will scrutinise project applications and proposed business cases and make recommendations to the Cabinet via the Chief Executives' Group. Where necessary expertise does not exist within this team to fulfil this responsibility, external support will be commissioned and managed by this team.
- 2.4 The Lead Authority will enter into a grant agreement for the City Deal programme and approved by the Cabinet and will allocate and account for distribution of grant income to Member Authorities and third parties as approved under the City Deal.
- 2.5 The PMO will produce, monitor, review and update the Programme Management Business Case.
- 2.6 The PMO will analyse and provide quarterly reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by the Cabinet. These will be discussed at quarterly meetings. Monthly updates will also be given to the UK and Scottish Governments to discuss progress on delivery of the City Deal.
- 2.7 The PMO will prepare the annual report and accounts for the Cabinet and arrange for audit of such accounts.
- 2.8 The PMO will provide a full toolkit of documentation to Member Authorities delivering projects including: business case templates; appraisal guidance; reporting templates; risk registers; and such other documentation as may be required by the Cabinet from time to time.

- 2.9 The PMO will analyse and report on the impact of the delivery of projects and the delivery of wider economic benefits agreed in business cases and grant awards all in accordance with commitments made to the UK and Scottish Governments.
- 2.10 The PMO shall provide advice on strategy and policy to the Cabinet ensuring that there is consistency on strategic economic and related issues. The PMO will establish and lead such informal advisory and expert groups as are required for the formation of advice to the Cabinet.
- 2.11 The PMO will liaise with and co-ordinate programme delivery across other Glasgow and Clyde Valley Regional Partners, and National Bodies, including Non Departmental Public Bodies, as far as such co-ordination advances the aims of the City Deal and the Functions of the Cabinet.

3. Costs

- 3.1 The Director shall include in the budget agreed in terms of Clause 7 of these terms and conditions provision for the costs of such PMO and support services. Each Member Authority shall on agreement of that budget be responsible for payment of a proportion of the PMO and support services charge calculated by reference to the Contribution Rate quarterly in advance to the Lead Authority.
- 3.2 Any additional PMO and support services required by the Director shall after approval by the Cabinet be invoiced by the Lead Authority to each Member Authority in accordance with their Contribution Rate.

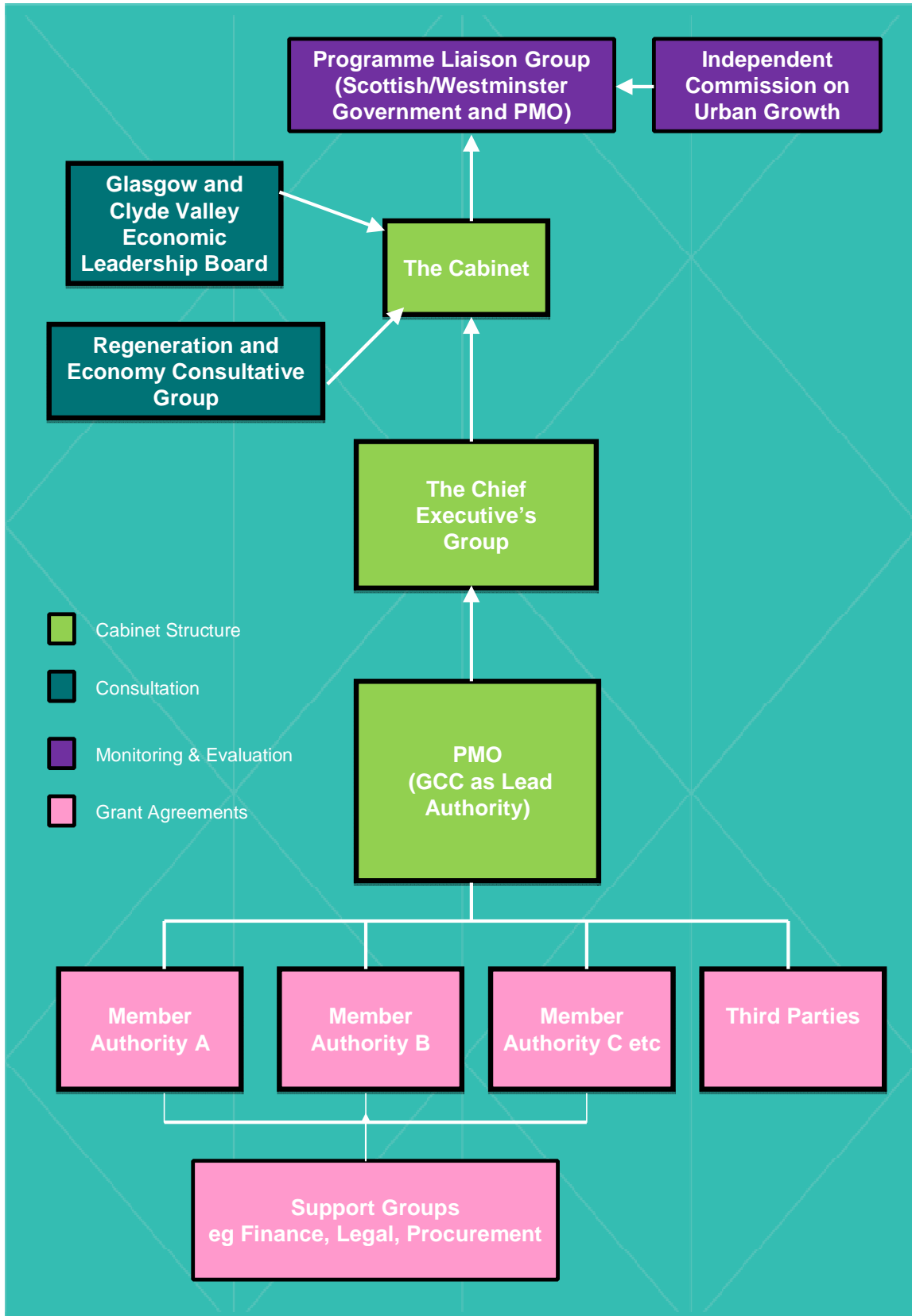
SCHEDULE PART 4

PREMISES

1. Premises

- 1.1 The PMO shall provide accommodation and back office functions for the PMO as required.
- 1.2 The Member Authorities shall pay their share of any costs (if applicable) of any premises occupied by the PMO calculated in accordance with the Contribution Rate. Those costs may be the cost of purchasing, leasing, sub-leasing or occupying the premises under a licence agreement and may include the service costs of the premises.

Governance Structure



Report To:	Inverclyde Council	Date:	4 December 2014
Report By:	Patricia Cassidy, Corporate Director Education, Communities and Organisational Development	Report No:	IC/05/14/PC/MMcK
Contact Officer:	Miriam McKenna, Corporate Policy and Partnership Manager	Contact No:	01475 712042
Subject:	Effective Democracy: Reconnecting with Communities		

1.0 PURPOSE

- 1.1 The purpose of this report is to bring to the attention of Council the Commission on Strengthening Local Democracy's report, 'Effective Democracy: Reconnecting with Communities'.

2.0 SUMMARY

- 2.1 Councillor David O'Neill, as president of COSLA, convened an independent Commission to examine the evidence and engage widely about what should change in regard to democracy in Scotland, and whether the way in which it is done needs to be transformed.
- 2.2 The Policy and Resources Executive Sub-Committee considered a report on 16 December 2013 regarding Inverclyde Council's response to the review. Report No:
CE00213GM
- 2.3 An interim report published in April 2014 set out that over the decades Scotland has become perhaps one of the most centralised countries in Europe. It suggested that this centralisation means that people feel that they have little influence over what happens and how it is paid for, and therefore fewer and fewer are taking part in democracy.
- 2.4 The final report suggests that the way Scotland can tackle growing inequalities is to have more local power, stating that centralising power has not worked, that bringing back democratic accountability to communities should be the way forward. The report suggests a new, much more local approach.
- 2.5 The report focusses on empowering communities, stating that democratic power should be built from communities up, not a top down approach. It sets out what is needed for local solutions to be able to evolve, laying out seven fundamental principles that the Commission believes must underpin Scotland's democratic future.
- 2.6 The seven fundamental principles are:
- Sovereignty
 - Subsidiarity
 - Transparency
 - Participation
 - Spheres not tiers of governance
 - Interdependency
 - Wellbeing

- 2.7 There are many key findings and recommendations set out in the report supporting an argument for smaller 'local governments', local taxation, participation of communities in change, decision making and building social capital, and appropriate investment to support communities in being able to be more engaged.
- 2.8 The key findings from the approach are summarised in paragraph four. The full report from the Commission on Strengthening Local Democracy is attached at appendix one.
- 2.9 The commission believes that greater local democracy will help to address socio-economic and intergenerational inequalities, as well as improve outcomes. To the commission it is no coincidence that trust, participation and confidence in the democratic process is much higher in countries where power is much closer to communities.
- 2.10 At the time of writing this report an announcement is awaited from the Scottish Government in regard to the future programme for Government which is anticipated to include a review of taxation. Any developments taken forward in regard to 'Effective Democracy: Reconnecting with Communities' will require to be considered in light of any review of taxation taken at a national level.

3.0 RECOMMENDATIONS

It is recommended that Council:

- a. Note the content of the Effective Democracy: Reconnection with Communities report from the Commission on Strengthening Local Democracy

Patricia Cassidy
Corporate Director Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 The Commission on Strengthening Local Democracy's report, *Effective Democracy: Reconnecting with Communities*, states that communities should be at the heart of strong local democracy, yet over the last 50 years, Scotland has become one of the most centralised countries in Europe.
- 4.2 The Commission sees the current scale and functions of elected local governments in Scotland as limiting the possibility of participative local democracy and therefore recommends a fundamental review of the structure, boundaries, functions and democratic arrangements for all local governance in Scotland. It argues that strong local democracy means putting local people in charge of their own lives, and leaving national government to focus on outcomes for the whole of Scotland, and the rights that all communities should enjoy.
- 4.3 The evidence gathered by the commission suggests that giving people a real say over what matters to them is key to addressing poor electoral participation and revitalising the whole democratic process. The report suggests that relying on national governments for direction and funding has contributed to a feeling that local government is accountable up to the centre rather than out to its communities.
- 4.4 The report states that the commission agreed some key preconditions which they believe are vital to strengthen and transform participation in Scottish Democracy. The seven fundamental principles for stronger democracy in Scotland set out in the report are:
 1. The principle of sovereignty: democratic power lies with people and communities who give some of that power to governments and local governments, not the other way round
 2. The principle of subsidiarity: decisions should be taken as close to communities as possible, and the shape and form of local governance has to be right for the people and the places it serves
 3. The principle of transparency: democratic governance should be clear and understandable to communities, with clean lines of accountability
 4. The principle of participation: all communities must be able to participate in the decision making that affects their lives and their communities
 5. The principle of spheres not tiers of governance: different spheres of democratic governance should have distinct jobs to do that are set out in 'competencies', rather than depend on powers being handed down from 'higher' levels of governance
 6. The principle of interdependency: every sphere of governance has to support the others, and none can be, or should seek to be, self-contained and self-sufficient
 7. The principle of wellbeing: the purpose of all democratic governance is to improve opportunities and outcomes for the individuals and communities that empower it.
- 4.5 It is at the local level, in the places where people live, that people have most contact with services and most opportunity and motivation to share in their governance. Yet many people have little idea about who does what locally, or about who is democratically accountable.
- 4.6 A simple more transparent governance of local services is needed and, in line with the principles of subsidiarity and transparency, and to help integrate public service delivery, the commission has concluded that all locally planned and delivered services should be under a single democratically elected public body.
- 4.7 However, the commission suggests that integrating governance will only build a stronger 'local' democracy if the current geographic and population scale of local governments is reduced. Scotland needs more, smaller scale, local governments with

responsibility for all locally planned and delivered services. From the outset, these must also be required to adopt shared service delivery arrangements where that is locally appropriate and will reduce costs or improve outcomes.

4.8 Additionally, the commission believes that building a strong democracy is a journey, and the first step is allowing communities themselves to fully participate in decisions about their own governance. The report does not set out a blueprint for what strong local democracy is, but suggests that the process needs to be developed by communities themselves, to fit their local area.

4.9 There are 25 key findings listed in the report covering the themes of:

- Bringing democracy closer to people
- Democratic financial choices
- A new democratic partnership with communities
- Changing how Scotland does democracy

4.10 The key findings include recommendations:

- to carry out a fundamental review of the structure, boundaries, functions and democratic arrangements for all local governance in Scotland based on the principles of strengthening local democratic accountability, subsidiarity and public service integration in order to localise and simplify accountability of public services to local communities;
- to have local democratic accountability for community health services and public health as part of the development of an integrated approach to prevention locally;
- to have as a minimum requirement of any options for change that together they would be capable of raising at least 50% of income locally;
- that local government should have full local control of the whole suite of property taxes (Council Tax, Business Rates, Land and Property Transaction Tax) and the freedom to set these in ways that suit local circumstances;
- that local people should decide on levels of local taxation in relation to the services they want; it is completely inconsistent with a strong local democracy for this to be determined or enforced nationally;
- that where there is a clear community will to do so, local governments should have a general competence to set and raise new taxes that are suitable to the needs of the local community;
- a binding duty on local governments and locally delivered public services to support and empower individuals and communities to participate in local decision making;
- a specific duty to ensure that all groups likely to face barriers to participating are supported and resourced to do so;
- that a process of participatory budgeting, covering tax and spending options, is adopted by all local governments to enhance local choices over tax and spend within a new system of local government finance;
- that every Community Planning Partnership in Scotland works with its communities to design and implement a clear empowerment scheme;
- all Community Planning Partnerships develop an approach to community scrutiny to complement their existing arrangements;
- a significant and systematic reinvestment in community learning and development in each area of Scotland.

4.11 The implications of this report for Inverclyde Council include the potential requirement to be involved in a review of democratic arrangements in Scotland, further invest in Community Learning and Development to support communities to be better involved in local democracy, and to ensure those most disadvantaged build their capacity to be involved, develop participatory budgeting approaches, and carry out robust engagement with communities to prepare them for any changes to local democratic arrangements.

5.0 IMPLICATIONS

- 5.1 Details of any financial implications as a result of this review are as yet unknown. Once these are known they will be outlined in a future report.

Financial Implications - One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a					

Financial Implications - Annually Recurring Costs/ (Savings)

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

- 5.2 Human Resources: none

- 5.3 Legal: none

- 5.4 Equalities: none

- 5.5 Repopulation: none

6.0 Consultations

- 6.1 N/A

7.0 Conclusions

- 7.1 The report has a large number of recommendations and suggestions for how local democracy might be developed in Scotland, which the Council will require to keep a watching brief on in order to be prepared for any review which may take place in the future.

8.0 List of Background Papers

- 8.1 <http://www.localdemocracy.info/2014/08/14/time-to-rebuild-scottish-democracy-what-the-referendum-decides/>
- 8.2 <https://www.inverclyde.gov.uk/committees/details/1661/>



THE COMMISSION
ON STRENGTHENING
LOCAL DEMOCRACY

EFFECTIVE DEMOCRACY: RECONNECTING WITH COMMUNITIES



“It always seems impossible until it is done”.
– Nelson Mandela



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INTRODUCTION

BY COUNCILLOR DAVID O'NEILL

Next month people in Scotland face arguably their most significant political choice in centuries. On all sides we have been invited to think again about the kind of country we want to be. Where should power lie? What values should underpin our future?

The debate has been intense and passionate. But, whatever the outcome, I believe that the vote on Scotland's constitutional future is only one chapter in Scotland's democratic evolution. There is another critical debate to be had with each other, whether Scotland decides to stay within the current political union or chooses independence.

That debate is about how we do democracy here in Scotland, and whether the way in which we do it now needs to be transformed forever.

Having served as a local councillor for more than three decades, I can see that our democracy is under real pressure. Just look at the warning signs - participation in elections has been falling for decades, and disaffection with politics is widespread.

As the President of COSLA, I decided to explore what might be going on. Late last year I convened an independent Commission to examine the evidence and engage widely about what should change.

In our interim report we showed that over the decades Scotland has become perhaps one of the most centralised countries in Europe. We built that view based on an open conversation with thousands of people across Scotland, the UK and Europe - all of our evidence is publicly available at www.localdemocracy.info. With little influence over what happens and how it is paid for, is it any wonder that fewer and fewer are taking part in democracy at all?

Today, the debate is not about whether Scotland is out of step internationally. Instead, it is between those who think that this is acceptable, and those who believe that it must change.

“Scotland has a choice to make, not just about its constitutional future, but about the way that it does democracy”.

But what should democracy be like in the years to come? Regardless of the outcome, are we prepared to let the Referendum perpetuate old ways of thinking?

This is not just about making democracy stronger, vital as that is. It is also about improving lives in the best ways possible. While outcomes have got better for many in Scotland, over the past 50 years the gap between the best and worst off has widened. For life expectancy alone, in some parts of the country, many can expect to live well into their 80s or beyond. Only a few streets away, some will be lucky to ever draw a pension.

When I first became a local councillor in 1980, I was shocked that in my own part of Scotland the gap was 14 years. Despite the best efforts of the whole of the public sector, the gap has increased to 24 years. Quite simply, we are depriving communities of their enormous potential and if we don't do something soon, inequalities in Scotland will start to overtake some third world countries.

No-one in Scotland set out to create these outcomes, but they are unacceptable in a modern democracy, and they have to change. Our focus is therefore not on any particular Governments or Ministers, but on tackling a 50 year trend in how we 'do' democracy here in Scotland. We have tried taking power to the centre and it has just not delivered. It is time for a much more local approach.

That is why a major transformation in local democracy should appeal to anyone committed to better and more equal outcomes for everyone in Scotland. So it's no surprise that there is a growing buzz about what might be achieved. Up and down the country, people and organisations are recognising that the top down approach has had its time.

It is going to be a tough journey; after all, everyone who is active in public life today has only ever experienced the current way of working. Yet in many ways, Scotland's historically local mind-set is already trying to break free. There is cause for optimism in the success that islands communities have had in identifying new ways of responding to their unique circumstances, and in the 'Clyde built' City Deal that is handing funding and power to councils to grow local economies and jobs, along with a great opportunity to ensure that these

empower communities. Power and resources are also being devolved in many parts of Scotland, and the recent Community Empowerment and Renewal Bill is a refreshing decentralising step. I also know that the quality of relationships between local and national government has largely been more positive and productive than in other parts of the UK. It's good news, too, that Scotland's political parties are putting their weight behind a more local future. For the first time in decades, there is a feeling that it is time to take a step back and think about the reform that will make a real difference to Scotland's communities.

However, Scotland cannot deliver on all that potential without radical new thinking. There now appears to be agreement that Scotland should have substantially more powers. But simply repositioning control nationally in Edinburgh or London will not tackle the complex opportunities and challenges that communities face. The shift needs to be decisive and far-reaching, not a trickle of power to councils, then to communities, all controlled from above.

In most of Europe, communities are already in charge of their spending, their services and how they are governed, but in Scotland that kind of thinking is still often viewed with suspicion or even hostility. Our report, we hope, will help bring in a new tide of local democracy that can wash that thinking away.

It is a prize worth fighting for. Achieve it and we can rebuild our current democracy and address the huge social and financial costs of persistent inequality in this country. Those costs affect every community, and so closing the gap will benefit everyone.

The Commission on Strengthening Local Democracy has set out evidenced, rational, and radical conclusions that can kick start the change. They come as a package, but while some can be started quickly, they will not solve all of the issues on their own, and all of them will require perseverance to think through, develop and deliver.

“If you agree with us, join us in building a better democracy”.

We will get the democracy we allow; the current period of debate and creativity is a real opportunity to get the democracy our communities deserve. Let's not forget that it is local people that have fired the debate about Scotland's constitutional future, and their power must not default back to the centre. That is why I want one legacy of this Commission to be an alliance of voices that are ambitious together, and that together can make change inevitable.

I want to work with anyone who is similarly interested in that task, and I would be delighted to hear your views.



Councillor David O'Neill
Chair of the Commission



LOCAL DEMOCRACY MATTERS

Communities are at the very heart of a strong democracy. Yet over the last 50 years, Scotland has become one of the most centralised countries in Europe. We believe that matters, and that radical change is worth fighting for.

All of us in Scotland share many common goals. We want the places where we live to be safe and healthy, socially vibrant and environmentally sustainable, and offer good, decently-rewarded jobs. We want older people everywhere to enjoy a fulfilling old age; the young to reach their full potential; the vulnerable to be protected.

The case for much stronger local democracy is founded on the simple premise that it is fundamentally better for decisions about these aspirations to be made by those that are most affected by them. Scotland is a diverse country: what works in

We've heard from people across Scotland, the UK and Europe about why local democracy matters. Our work is about them, and the ideas they've provided.

You can find all the evidence, and watch webcasts at:

 www.localdemocracy.info/start-the-debate

our cities will not suit remote rural communities, just as the priorities in our towns will not be the same as those on our islands.

Put simply, strong local democracy means putting local people in charge of their own lives, and leaving national government to focus on outcomes for the whole of Scotland, and the rights that all communities should enjoy.

Indeed, all of our evidence suggests that giving people a real say over what matters to them is the key to addressing poor electoral participation and revitalising the whole democratic process.

“Many people are understandably losing interest in a democracy over which they feel little influence, where decisions are taken far away from where they live, and where it is hard to see the link between what they pay and what happens locally”.

We have also heard that relying on national governments for direction and funding has contributed to a feeling that local government is accountable up to the centre, rather than out to its communities. That is not to underestimate the innovators who are demonstrating that there are new and better ways to participate in democracy. But the reality is that all of these still operate

within a system that tends to retain rather than share power. Our view is that if we want to truly empower local choice and control then we need to make democracy local by default.

In principled terms alone, the case for local democracy is therefore clear. But our argument is that for practical reasons too, Scotland needs stronger local democracy like never before. Resources are diminishing while demand for public services is rising fast, and increasingly difficult choices are required about what to do more of, less of, or differently – and about the resources to pay for these choices.

Until now, it has usually been hard for citizens to have a real say in that process. The evidence we received suggested that the prevailing logic has been to take decision making to the centre. For more than 50 years, Scotland has therefore seen power and resources become more and more distant. The perceived solution to better, more efficient and effective services has been that bigger is better, and that the centre always knows best, even though inequalities in Scotland have widened. But we also heard that the 'dis-economies of scale' of these big standardised services have meant that they have struggled to resolve major social challenges and the massive costs that they generate. Our sense is that the only way we can get better value from public resources is to let people and communities in.

THE CHALLENGE OF STRENGTHENING LOCAL DEMOCRACY

As a Commission, we therefore want to harness the power of a more local way of doing things, and rebuild participation in democracy in this country.

However, it's quite possible that you will find that idea preposterous. Even if you believe in devolving power to local people, it may feel so difficult that you might wonder how it could ever be achieved.

You would not be alone. While local democracy is often seen as the 'unfinished business' of devolution, there are powerful influences the other way too. Some politicians may feel that controlling the levers of power is the only way to carry out their mandate. Officials may fear that adopting local solutions is less efficient than a one size fits all approach. Communities may be worried about the implications of delivering services in different ways across the country, or question whether local democracy even matters when all the big decisions get taken nationally anyway.

These ways of thinking have become deeply ingrained in our society and culture. They are now so pervasive that any challenge to them is often condemned as hopeless idealism or even dangerous heresy. We've heard this described as a sort of Stockholm syndrome; after decades of power ebbing away, for many people it has become increasingly inconceivable to think that local communities could be in charge of their own affairs. Indeed, many people feel that democracy is so remote that they have disengaged altogether. Perhaps it's no surprise that less than 4 in 10 people now therefore think it is worth voting

on how their community is run. It seems that as a nation we find it very hard to break free from the top down centralist mind-set.

There's a danger that this report will go that way too. Rather than ignite a radical new approach to democracy, some people will choose to write that opportunity off. We may hear that the public doesn't care about local democracy, that the only way to improve outcomes is through ever larger services, or that a few tweaks here and there to some parts of the current system should be enough. It would not be the first time that attempts to strengthen local democracy have met this response.

Faced with that kind of challenge, it is easy to see why fundamental change is often traded away for more modest ideas that can be digested within the current system. Indeed, as a Commission we have had to resist our own eagerness to feel like we are taking action now by falling back on the usual wrangling over which institutions to empower, where boundaries should be drawn, and a top down view of how all this should operate.

Quite simply, that will not deliver the changes that Scotland needs. Our aspiration is about much more than just negotiating some short term changes that are possible now. Easy sounding fixes may look appealing, but tinkering around the edges has already led to uneven thinking about local democracy and, in our view, is likely to do little or nothing to fundamentally transform it in the future.

“If we are serious about radically strengthening democracy, we need to be equally serious about how we achieve it”.

As a Commission we have taken a different approach. Those seeking a simple blueprint for what strong local democracy 'is' will therefore be disappointed by this report. We make no apologies for that. The truth is, that kind of thinking has resulted in the majority of decisions that affect local communities becoming distanced from communities themselves, and in democratic participation becoming less and less important in the day-to-day lives of local people. To us, building a strong democracy is a journey, and the first step is allowing communities themselves to fully participate in decisions about their own governance.

As a Commission, we have set out the building blocks that we believe can help drive that change. As a country, if we are prepared to take those bold steps forward, we can start to transform our democracy, and improve outcomes for everyone in Scotland. If we simply revert to type and try to take change forward after the Referendum from the top down, not only will we further weaken democracy, but we will continue to under-deliver for our communities. As a nation, we cannot afford for that to happen.



SUMMARY

This report is about empowering communities, and putting the future into their hands. There is a simple idea up for grabs - that democratic power should be built from communities up, not drip down from above.

We have found many ways to begin the change. The purpose of this section is to distil our analysis down to the key preconditions that we believe are vital to strengthen and transform participation in Scottish democracy.

As a Commission, we considered at length whether we should make definitive recommendations at all. If Scotland is to rebuild its democracy from the 'community up', does a national Commission have the right to make recommendations about issues that should be resolved by communities themselves?

For that reason, we have not set out to prescribe everything that should happen. The kind of change we are talking about would allow the right local solutions to evolve rather than be designed top down. Instead, we have focused on what is needed for that process of evolution to be possible at all.

STRONGER DEMOCRACY IN SCOTLAND: KEY PRINCIPLES

In the end, all of our thinking has come down to seven fundamental principles that we believe must underpin Scotland's democratic future.

These principles may seem abstract, self-evident or simply anodyne, but we believe that if they are treated with respect and explored fully, they provide a powerful basis for renewing Scottish democracy. We have also concluded that the evolution of Scotland's democratic system across the past 50 years has more or less undermined or inverted all these principles, albeit often with good intentions.

The principle of sovereignty has been so inverted that it is now routine in public policy to talk about governments and local governments 'empowering' communities rather than the other way round. The principle of subsidiarity has been undermined by the progressive scaling up of local governance, and central control of local resources and functions. The transition from over 200 local councils in 1974 to only 32 'local' councils in 1996 is one of the most radical programmes of delocalisation that we can identify anywhere in the world. Moreover, Scotland's local democratic structures can be changed at will by any national government with a majority. That the Scottish Parliament is in exactly the same position with respect to Westminster illustrates how 'top down' the whole framework of democracy is.

SEVEN PRINCIPLES FOR STRONGER DEMOCRACY IN SCOTLAND



1. The principle of sovereignty: democratic power lies with people and communities who give some of that power to governments and local governments, not the other way round



2. The principle of subsidiarity: decisions should be taken as close to communities as possible, and the shape and form of local governance has to be right for the people and the places it serves



3. The principle of transparency: democratic governance should be clear and understandable to communities, with clean lines of accountability



4. The principle of participation: all communities must be able to participate in the decision making that affects their lives and their communities



5. The principle of spheres not tiers of governance: different spheres of democratic governance should have distinct jobs to do that are set out in 'competencies', rather than depend on powers being handed down from 'higher' levels of governance



6. The principle of interdependency: every sphere of governance has to support the others, and none can be, or should seek to be, self-contained and self-sufficient



7. The principle of wellbeing: the purpose of all democratic governance is to improve opportunities and outcomes for the individuals and communities that empower it

It is because we want the sovereignty of local people to matter that we have emphasised rebuilding democracy around legally, and preferably constitutionally enshrined local competencies, rather than relying on powers being handed down from the centre. We are equally clear that this is insufficient if it stops at local government: subsidiarity is ultimately about communities' right to be full partners in local democracy and to be actively involved in local decision making about the places in which they live. However the scale of most local governments in Scotland today creates an enormous gap between the local level of representative democracy and communities, and this frequently makes participation in democracy difficult. As a country our 'local' governments are not local by international standards, and the Commission is clear that this needs to change.

This is made worse by the fact that many locally delivered public services are not locally democratic at all, and cover very large areas and populations too. The local public service landscape includes locally elected councils, but also a plethora of public corporations, agencies and quangos that are ultimately accountable to Scottish Government rather than local communities. That not only fundamentally limits subsidiarity, but it also undermines the principle of transparency. After all, it is at the local level, in the places where people live, that people have most contact with services and most opportunity and motivation to share in their governance. Yet many people have little idea about who does what locally, or about who is democratically accountable. This combination of scaled up public authorities

and fragmented roles and accountabilities is both bad for local democracy and bad for joining up services to meet the needs of individuals and communities.

A simple more transparent governance of local services is needed and, in line with the principles of subsidiarity and transparency, and to help integrate public service delivery, we have concluded that all locally planned and delivered services should be under a single democratically elected public body. However, integrating governance will only build a stronger 'local' democracy if the current geographic and population scale of local governments is reduced: Scotland needs more, smaller scale, local governments with responsibility for all locally planned and delivered services. From the outset, these must also be required to adopt shared service delivery arrangements where that is locally appropriate and will reduce costs or improve outcomes.

However, this is not enough to create real local choice and accountability. Across Scotland, just 18% of local income is currently raised through local taxation. Our view is that this is not a local, or a democratic basis for democracy and that, in line with elsewhere in Europe, local taxation should fund at least 50% of local income in the future. Our aim is not to promote more, or less, taxation and spending: it is simply to make sure that the decisions about these issues are made locally. Real local financial powers would allow communities to reduce tax and spending if they wanted to, not just to raise it. That would be their choice where currently they have no choice at all. We also entirely accept that national grant support will always be necessary to equalise variable local tax bases, variable costs of providing services, and variable patterns of need and demand.

We therefore believe that reducing the scale of local governments and making all local services locally accountable are necessary preconditions of a more vibrant, participative, local democracy. However on its own, that does not transform democracy in Scotland either. The right of individuals and communities to local democracy needs legislative expression through a clear duty in law to support and resource participation in decision making. Democratic innovations such as deliberative assemblies, participatory budgeting and citizen scrutiny of public services should also become the standards by which this is delivered in Scotland.

Given the experience of the last 50 years, significant investment and energy is also going to be needed to rebuild the eroded capacity and confidence of communities to participate effectively, particularly amongst those that are furthest from decisions at the moment, and to learn from countries where that is happening already.

Finally, our guiding principles of interdependency and wellbeing are captured in a key point. The Commission has pursued its work with two key priorities in sight: to transform participation in democracy, and to improve outcomes and reduce deeply embedded inequalities in Scotland. The two are closely linked in our thinking, and 50 years of centralism has failed to deliver on either.

Our interest in genuinely better local democracy is therefore not an end in itself. It is because empowering citizens, transforming trust in democratic institutions, and turning around social and political participation are the best ways to improve wellbeing and reduce inequalities for the whole of Scotland. For that to happen, local participation and elected representation both

need to prosper and fulfil their parts interdependently, rather than be seen as different standards to compete with one another.

National governments at UK or Scottish level have a key role to play; their cultures and behaviours create the context in which local empowerment can flourish (or not), and their macroeconomic and fiscal roles have a critical impact on inequalities and outcomes. Based on the international evidence, our conclusion is that outcomes are therefore best, and inequalities lowest, where positive macroeconomic and fiscal policies interact with highly localised, empowered and participative democratic arrangements. In our vision for democracy, both are necessary.

For example, highly localised and participative democratic structures in the USA interact with largely regressive fiscal and macroeconomic policy. The result is very high inequality and very poor outcomes for a part of the population. In the UK, many approaches have offered positive fiscal strategies but a centralist democratic culture. Although some key targets have been met, such as a short term reduction in child poverty, wider inequalities of outcome have not significantly altered. The Scandinavian countries offer the best example of positive macro-economic and fiscal policies interacting with highly localised and participative democratic structures, and they have consistently had better and more equal outcomes, a more sustained pattern of economic growth, and fewer recessions than other developed economies.

In other words, localised, empowered and participatory democratic arrangements are all critical factors in improving people's lives and tackling the challenges and opportunities that Scotland faces. But they are not the only

factors. National policy has to be right for local democracy to fulfil its potential, and local democracy has to be right for national policy to have impact.

At the moment, even decentralising initiatives take place within a structure that requires the right relationships and context. This is as true of how local government relates to community councils and civic institutions as it is of national government. The issue for the Commission is not whether national and local governments are well intentioned in this regard. Relationships can be more or less empowering across Scotland, but the point is that they are not a basis for guaranteeing constitutional rights, financial independence and the right to make autonomous choices in the future.

Change therefore has to happen at all levels of our political system and for that reason, some of our recommendations relate to national government, and not simply to local democratic arrangements.

RECOMMENDATIONS

MAKING LOCAL DEMOCRACY LOCAL

- The Commission sees the current scale and functions of elected local governments in Scotland as limiting the possibility of participative local democracy and therefore recommends a fundamental review of the structure, boundaries, functions and democratic arrangements for all local governance in Scotland.
- We recognise that recommending another review may be seen as a fairly limp response to our analysis. We think that perception would be misplaced for two reasons. First, all previous reviews of public service structures and governance have

been fragmented and focused on particular services and sectors. As the issues of local democratic accountability and participation cut across all services, the review we propose is holistic and aimed at creating a system of local democratic governance that meets the seven principles that we have outlined, including the future role of existing community governance bodies such as Community Councils.

- Second, in line with our commitment to building democracy from communities up, the Commission does not think it can or should make prescriptive recommendations about the detailed shape of the future system. That needs to be determined by people and communities across Scotland. We therefore recommend that this review should be based around a participative, deliberative process, and should be focused on building momentum and consensus, not just analysis.
- Such a process needs to be very carefully designed, properly resourced, and given the time it needs to be effective. It is in essence a 'stocktake' of democratic governance in Scotland. If the Referendum decision is a 'yes', this would have to happen anyway. The Commission's view is that it is equally essential if the Referendum decision is 'no'. We therefore recommend that this review is jointly commissioned by Scottish Government and local government together, and fully resourced to operate on a participative and deliberative basis: put plainly, a national conversation throughout communities across Scotland about the future shape and character of our democracy.

Although we do not seek to prescribe the detailed shape of the review, we suggest four guiding principles:

- That time needs to be given to allow this to be an iterative process of engagement, analysis and reengagement with communities. We believe that three or more cycles may be necessary to build confidence and consensus around conclusions. We therefore recommend that the review should make recommendations for implementation following the 2020 Scottish elections, rather than be rushed through more quickly.
- That the review should focus on building debate, mapping positions and perspectives, and creating consensus rather than on 'taking evidence'.
- That particular care should be taken to ensure that groups who typically face barriers to participation are encouraged and supported to take part. We recommend that specific provision is made within the review to ensure that the diversity of all of Scotland's communities and people living in areas of multiple deprivation are supported and resourced to participate.
- That the review should map its conclusions to the principles laid out above and, if and where it departs from them, it should fully explain why.

CREATING LOCAL TAX AND SPENDING CHOICES

The most singular limitation on local democratic choice identified by the Commission is the lack of fiscal powers at local level. This seriously limits the tax and spend choices available to local citizens, and with no real choice available to communities it also holds back their participation.





This report is only a starting point and we know that there is more to discuss.

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The Commission therefore recommends:

- That local people should decide on levels of local taxation in relation to the services they want; it is completely inconsistent with a strong local democracy for this to be determined or enforced nationally.
- That local government should have full local control of the whole suite of property taxes (Council Tax; Business Rates; Land and Property Transaction Tax) and the freedom to use these in ways that suit local circumstances.
- That local governments, accountable to local people, should have a general competence to set and raise new taxes, subject only to not duplicating taxes already set elsewhere.

SECURING LOCAL DEMOCRACY

- The Commission recommends that all of the principles and provisions of the European Charter of Local Self Government be adopted into law in Scotland in order to enshrine subsidiarity and the competences of local governance. We also recommend that an independent Commissioner is established to scrutinise the compatibility of UK and Scottish Government policy and practice with the law. We further recommend that Ministers are legally required to undertake 'subsidiarity impact assessments' on national policy and legislation.
- As fiscal and macro-economic policy directly affects people's life opportunities and outcomes, and their ability to participate, the Commission recommends that an independent Office of Wellbeing, akin to the Office of Budget Responsibility, is established to independently monitor and report on the wellbeing impacts of fiscal and macro-economic policy. 'Wellbeing' would be defined in social, economic and environmental terms, with a

particular focus on inequalities of wellbeing. We believe that this would enhance transparency and accountability for national decisions at local level.

- Within this framework, the Commission recommends that local government in Scotland, and all other public authorities providing local services, are given a clear duty in law to support and resource community participation in all local decision making about tax, spend and service delivery priorities. We further recommend that this general duty is supplemented by a specific duty to ensure that communities that are likely to face barriers to participating are supported and resourced to do so.
- The Commission recommends that these proposals are treated as an integrated package that provides the necessary legal framework for stronger local democracy in Scotland. They cannot be 'cherry picked'.

MAKING PARTICIPATION WORK

We recognise that the practice of participation has been neglected for much of the last 50 years, and that simply changing the legal framework, though important in itself, will not alter that. If we believe in participative democracy then we will need to invest in it.

- The Commission recommends significant re-investment in community development services in the public, community and third sector, and that particular priority is attached to supporting communities of need, interest and place who are likely to face barriers to participation.
- We further recommend that a Centre for Participatory Democracy is created in Scotland to consolidate the expertise we already have, capture effective approaches

from elsewhere, and use these to support the knowledge and practice of national government, local government and public agencies.

We do not believe that local democracy can be transformed without the significant structural, spatial and legislative changes proposed above. However, they should not become excuses for inaction in the present. Experiments in decentralisation, participatory budgeting, citizen scrutiny, and the co-design and co-production of services are already going on across Scotland. They are often patchy in coverage and variable in quality, but there is every reason to build on them and improve them right now. For that reason, we recommend that national and local government, and public agencies in Scotland begin to behave as though the framework of law set out above is already in place. Indeed, taking action now will force all those with an interest in strengthening democracy to address the tensions in the current system, and start to clarify the sequence of changes that is needed. It will also mean that wider support and capacity for participation, as well as developments such as the 'Centre for Participatory Democracy', can grow out of, and be shaped by, the practical needs of the system as it changes.

We recommend that this includes:

- Immediately putting in place deliberative arrangements that allow communities to engage in the development of policies and strategies that will affect their area and their wellbeing over time.
- Implementing arrangements for participatory budgeting that go beyond a consultation on predetermined options for budget cuts, and instead focus on local tax and spend priorities.

- Ensuring that all citizens are able to be involved in the scrutiny and improvement of public service performance so that accountability to local people is achieved on their terms.

- Local governments immediately reviewing and strengthening their arrangements for decentralisation created under the 1994 Local Government in Scotland Act.

The Commission's view is that these preconditions, alongside the other recommendations set out in this report, are an essential basis for creating a stronger local democracy in Scotland. All of our conclusions draw on the many creative contributions that individuals and groups have made to the Commission. However we recognise that not everyone will agree with them. We will welcome being tested and challenged, and alternative views being put forward: after all, that is what participation in democracy is about.

The rest of this report provides the evidence and analysis that has underpinned our thinking. The next section looks at how Scotland can get back to truly 'local' democracy and the changes to the scale, functions and duties of local governance that would be necessary to achieve this. We then examine how genuine local choices about the balance of tax and spending on local services can be created. Our final section explores how to improve and deepen participation in local decision making.

BRINGING DEMOCRACY CLOSER TO PEOPLE

Making Scotland a fairer, healthier and wealthier place will not be achieved without a democracy in which people can see how decisions are made, and where communities are active participants in that process.

Democracy, by its very definition, involves the whole population. We believe that communities give institutions power, and for democracy to have true meaning and value it has to be owned by communities. Yet as a country, we have found that our prevailing culture at all levels of government has not been built around putting communities in control, and that a much lower proportion of the population takes part in the democratic process in Scotland than elsewhere in Europe. The Commission's work is about re-imagining that experience of the world, and setting out on a fundamentally different journey.

We want to begin our report by thinking through this new culture of subsidiarity, and what it would take to rebuild democracy so that it delivers outcomes for Scotland in ways that make sense locally.

UNDERSTANDING THE PROBLEM

Our starting point is that what happens today will not deliver the kind of democracy required in a much more local future. As a Commission, the evidence we have reviewed has given us a clear sense that both the scale and style of decision making in Scotland has seriously weakened the electorate's democratic muscle. The most recurrent evidence we received was around the predominately very large scale and 'non-local' character of our local democratic arrangements. Scotland has the lowest ratio of councils to population in Europe, the lowest number of elected members to population in Europe and the largest average geographical scale of local governments in Europe. While there is a closer fit in some parts of the country than others, in anybody else's terms Scottish local democracy is not 'local' at all. This was not the case 50 years ago.

Our interim report showed that although local government has quite wide ranging functions in Scotland, these have also markedly reduced across the period with further education, police, fire, community health care and public health,

and water services all being removed across the past five decades. As importantly, a heavy framework of law and guidance determined by the UK and Scottish Governments means that there has often been little room for local creativity.

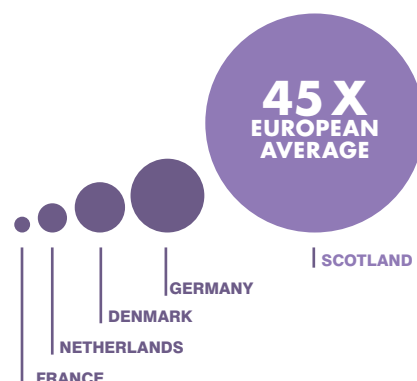
We recognise that the provision of public services changes and will continue to evolve in future. However, we believe that these factors have combined in ways that are entirely unhelpful from the perspective of a healthy participatory and representative democracy in Scotland, and completely incompatible with the principle of subsidiarity that successive UK and Scottish Governments have openly endorsed. We are clear that they have to change to (re)empower local people and local communities to have an active, rather than passive, role in their own governance.

The international experience we set out in our interim report is compelling here; where local democracy is truly empowered, its structures go on to empower those around them. When local democracy is regarded by citizens as important in their lives, then those citizens also tend to be more engaged and active in building a strong community.

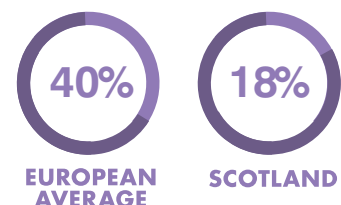
LOCAL GOVERNMENT IN SCOTLAND AND EUROPE

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AVERAGE SCALE (Km²)



LOCAL TAX REVENUE AS % OF TOTAL REVENUE



AVERAGE POPULATION



Although there is not a definitive link, in more centralised systems like the UK and Scotland, citizens have lower confidence in their ability to shape outcomes, and are less likely to engage in the democratic process at all.

A NEW WAY OF THINKING

If we are to have new arrangements for democracy then we need to understand the mind-set that has led to the current situation, and radically rethink it.

That culture has three key characteristics that we want to challenge and change. First, it was *technocratic and bureaucratic* rather than democratic and based on trying to get economies of scale and standardisation rather than responding to local diversity. Second, its *design principle was top down* and largely thought of local governance as a way of delivering nationally decided policy. Third, it *treated citizens and communities as recipients of services*, rather than as participants and co-producers of outcomes and democratic governance.

We are clear that this culture became characteristic of local as well as national government. Far less decentralisation of political structures and empowerment of communities took place than was actually possible. Community Councils and the third sector were often seen as local delivery mechanisms rather than as independent partners. Concern for efficiency, and economies of scale, often prevented the localisation necessary to be effective through engaging and working with communities on their own terms. Decisions about the design and delivery of service were often national and local government down, rather than community up.

Our view is that this has not worked at all in democratic terms, and has failed to reduce inequalities and improve outcomes as fully as possible. It has produced substantial alienation from the democratic system, and further disempowered communities that had already become economically marginalised. We believe that it has also created a sense of dependency on government, rather than support for people to participate in how they want their place to be.

All of our proposals therefore consciously seek to challenge the thinking that has made this possible. We have found four focal points for reform:

DEMOCRACY FROM THE COMMUNITY UP, NOT TOP DOWN

As a Commission, we want to shape a long term future where democracy is rebuilt around subsidiarity and participation. By that we mean that empowerment is from the community up, not national governments down, and good reasons have to exist if decisions are to be taken elsewhere. These might include the need to share assets across populations, or the need to ensure that people's rights are upheld consistently. However, where such reasons exist, the principle must still be to link these back to local communities rather than to national government.

COMMUNITY ACCOUNTABILITY FOR ALL LOCALLY DELIVERED SERVICES

We read our commitment to subsidiarity to mean that all services that can be locally planned and delivered should be locally governed and democratically accountable to local communities. The strategy of previous decades has been to seek efficiencies by creating bigger and bigger services, controlled away from where most people live. Our view is that better and more

efficient outcomes would be achieved by integrating locally. Centralisation has fragmented service arrangements and patterns of accountability; localisation would improve integration and simplify accountability for communities.

VARIATION INSTEAD OF ONE SIZE FITS ALL

To be effective, the scale, functions and powers of local government must not only be fit for purpose, but also fit for the context in which they operate. A large city has quite different requirements than a remote rural area. That is why decentralised systems in Europe combine large scale, strategic city governments with very small scale rural local governments. They often have different functions, powers and tax bases.

We have concluded that 'asymmetry' is therefore a vital dimension of subsidiarity: it means having the right powers and functions to get as close to communities as possible. In other words, subsidiarity is the opposite of uniformity and standardisation, and diversity and difference are positive features of democracy not something to be eliminated.

In our Interim Report, we explored why local democracy is under pressure in Scotland.

You can find out why a radical new way of thinking is required by downloading a copy at:

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DECISION MAKING AT THE RIGHT SCALE

If the principle of subsidiarity is to mean anything, then only communities can decide on how they want their local governance to change. However, the scale of local governance should minimise the gap between representative and participatory democracy. The evidence is that this comes together best with relatively small scale local governments. Where larger scale units are needed, for example in relation to city governance, these should still be designed to maximise participation through appropriate local political and management arrangements.

REIMAGINING LOCAL DEMOCRACY

As a Commission, we wanted to explore the kind of steps that could underpin these ideas. We faced the option of trying to make the existing system work more effectively, or exploring new ways of organising it. In the end, we have realised that both are required. We need a process of change that can bring democratic decision making much closer to local people, and we need to take steps now to confront and challenge a culture of centralisation at national and local level and deliver progress towards that vision.

Change is therefore essential, but it is a different kind of change from the top down kind that has been tried in the past. The irony of trying to specify the future of local democracy on behalf of communities is not lost on us, and history tells us that doing so would probably only serve to violate people's sense of place once again.

To us, that also means that change has to be an evolutionary process shaped by local needs and priorities, not a big bang, and it has to build progressively from where we are now.

There is no one size fits all model because the form and shape of governance is a local means to a local end; it must happen in ways that let people take control of what it would take to build more prosperous and fairer communities.

However, we believe that evolution should be guided by two priorities:

SCOTLAND MUST END THE CULTURE OF 'SUPER-SIZING' LOCAL DEMOCRACY

As a Commission, we did not start with any assumptions about the 'right' size of local governance, or the powers that they should exercise. Nevertheless, the average scale of local governments in Scotland is huge by European standards: 45 times the average. For example, in France the average local government covers 15 square kilometres, in Germany 532, in Denmark 440, but in Scotland 2449 square kilometres. The average population of a local government in Europe is under 20,000 and, if the other UK countries and Ireland are excluded, no other country has an average above 50,000. Scotland has an overall average population of around 165,000 per local government.

Clearly this needs to be read in context. Many very small local governments in Europe have limited functions and service responsibilities, and simply replicating their small scale would not improve the accountability of major services to communities (although the Scandinavian countries offer good examples of combining small scale and significant functions). Much of Europe also has more than one tier of local government, and the tier closest to communities often has more limited responsibilities. In addition, small scale local government does not in itself empower democracy without strong fiscal arrangements. In most of Europe, even small local governments raise a far higher

percentage of their income locally than in Scotland.

The key issue is that the 'super-sizing' approach to democracy in Scotland has had its day. 'Scaling up' has significantly altered the relationship between local communities and their local governments, and created a substantial gap between representative and participatory democracy, despite attempts to bridge the gap through Community Councils and other local approaches. As a result, the connection between local government boundaries and people's sense of where they live, has been broken. Local government decision-making is often seen as remote and detached from the people affected by it, and truly local accountability has been weakened by the removal of functions from local democratic control, national prescription and limited fiscal powers.

While the size of local governance, and the way in which it operates, would of course be a matter for communities themselves, local democracy that works elsewhere operates much more closely to communities. In conceptual terms, the idea that in Europe local communities of 50,000 or less have their own highly functional local democracies, supported through appropriate sharing and joining up of services, is a strong lesson for Scotland.

DEMOCRACY MUST BECOME LOCAL BY DEFAULT IN SCOTLAND

Scale alone does not put accountability for local services into the hands of communities. We have heard that when services are directed and funded from the centre they have a tendency towards uniformity rather than local circumstances.

Our evidence suggests that services that are driven by local priorities and relationships have greater potential to improve outcomes, break down



barriers, and make the best use of resources.

In our vision for a different democracy, the right place to start would be for local people and their representatives to make the decisions about all of the important issues that affect where they live. Accountability for those services that cannot, or should not, be localised would still be clearly linked back to communities.

That would turn our current culture on its head; instead of identifying which powers to hand down from the top, power would reside locally by design, and the only question would be about which services it is essential to aggregate and share from the bottom up. Our view is that approaching democracy that way round could really transform accountability and build it into the fabric of our society.

Many different options exist for taking this forward and we do not wish to prescribe any in this report. One could be a single tier system with a (much) larger number of smaller local governments responsible for all of the local services that can be governed, planned and delivered at local level. Alternatively, a two (or more) tier system could have a smaller number of large local governments responsible for large scale services, and a larger number of more local or community governments responsible at a highly local level for smaller service functions. In practice this might be the 32 council structure we have just now with a consolidated and empowered tier of 150 – 200 community governments with responsibility for local community services.

A single tier option would score well on integration as it would pull together the whole range of local public services, but there might need to be some compromise of scale if major services like education, health and social care were to be included.

A two (or more) tier option would score well on localisation for the lower tier but potentially at the risk of it being seen as less important and some critical services remaining remote from local choice and participation. Putting all of these factors together might suggest that a single tier, as local in scale as possible, and integrating the wide range of local public services that are currently subject to separate governance and management could become the ‘gold standard’ for the future. Simply as an indication of the kind of approach that would be comparable with effective local democracies elsewhere, a similar approach in Scotland might involve between 60 and 80 local governments, accountable for a wide range of local services.

TOWARDS A STRONGER DEMOCRACY

All of these ideas are offered as a model only. But they make the overall point that the current scale and functions of elected local governments in Scotland is limiting the possibility of participation in Scottish local democracy. The critical point for the Commission is that subsidiarity is pushed as far as it can go, and that local governance is empowered by, and accountable back to, local communities.

“We recommend a fundamental review of the structure, boundaries, functions and democratic arrangements for local governance of all public services in Scotland”.

This review should be based on strengthening local democratic accountability, subsidiarity and public service integration in order to localise and simplify how all public services are governed and accountable to local communities. Our ambition would be for such a review to create a holistic system of local democratic governance built around the opportunities and identities of different parts of Scotland. In our view this is now vital regardless of the outcome of the Referendum vote on Scotland’s constitutional future.

We recognise that this ‘stocktake’ of democratic governance will largely stand or fall on being designed, resourced, and delivered effectively. After 50 years of thinking the other way, building and deepening democracy will require substantial time, deliberation and focus. It will therefore also need to be resourced and carried out in ways that ensure that people from every background and every part of Scotland are able to participate, particularly those who are furthest from democracy just now.

Just as in Europe, questions about the right scale, coverage and functions of new local governments would need practical ‘asymmetrical’ solutions. For example, city authorities would be likely to require new levers over economic development using powers and resources currently vested in national agencies, or a central role in administering welfare. Equally, the challenges faced by Scotland’s most rural and island areas require different solutions to accommodate their remoteness and population sparsity. As the Our Islands, Our Future campaign has shown, this is likely to mean empowering communities to make decisions over the sea as well as the land. The Community Empowerment and Renewal Bill has already created a ‘right to challenge’ to take on new responsibilities where this would reduce costs or improve outcomes for communities.

We support that principle and believe that the same logic should run throughout the democratic system; including the right for local government to challenge for functions currently delivered by national agencies where it can be shown that doing so will improve local outcomes more effectively or efficiently.

We do not believe that these changes would work against efficiency; quite the opposite. To us, strong local democracy is about empowerment and decision making, not just about service delivery, and there is no contradiction in smaller local governments delivering some services themselves and commissioning others through larger shared services or the market. Indeed, the international experience suggests that the most extensive decentralisation is made possible by combining or sharing capacity between highly decentralised units of local government. In these countries, local democracy is able to operate efficiently and effectively by routinely sharing and aggregating appropriate services where that is right to meet local needs.

Bringing all locally delivered services under local democratic accountability would therefore have to happen within a clear duty to ensure efficiency, reduce costs and improve outcomes, including by adopting shared services or shared capacity where suitable opportunities exist to do so. Where appropriate locally, and with the consent of the electorate, economies of skill and scale in Scotland could therefore be gained by integrating currently separately managed and governed services under one roof, joining together with other areas to commission or share larger scale services and staff where appropriate, and aggregating functions into regional or national shared support services at the outset (possibly, for example, finance, human resources, and asset management).

Our feeling is that considerable savings would also be freed up by removing the need to bolt together increasingly complex governance and management arrangements across the maze of

different public services at the moment. In our evidence, we heard concerns about whether this retro-fitting of the system will be effective for the long term. Rather than building more and more agencies, authorities and quangos to co-ordinate different services from above, in our vision for strong local democracy, services and governance would be integrated at the level of the communities they serve.

In many ways, our thinking would also build on an existing journey in Scotland. The strengthening of Community Planning has championed the need for public services to come together to focus on local outcomes, and the creation of Health and Care Partnerships, Community Justice Partnerships, and other developments are usefully challenging pre-existing silos between different public services, though sometimes at the cost of creating organisations that lack a clear line of sight to local democratic accountability. The need for these developments suggests to us that the current architecture of public services and governance in Scotland is out of alignment. Our view is that it is time to rethink it for the future rather than simply patch it up for the present.

That said, some services for local people are not best delivered locally. For example, the Commission does not believe that hospitals could be localised, given that they are planned and operate as part of national and international networks of specialisms, and require large assets to maintain economies of skill and scale. In reality, they are nationally authorised at present and that seems appropriate. However, the creation of local Health and Care Partnerships has already created a legal and organisational boundary with hospital services, and it seems to us that there is good reason to build on this direction of travel further by making community health services and public health locally accountable, just as they were until 1975.

The Police Service and Fire Services have recently been merged into single national bodies. In our evidence, many regarded this as a striking expression of the centralist mind-set. A key task for both services now is to fully bed down new arrangements across the next period, and to consolidate new relationships and practice. The Commission honestly recognises that this poses a dilemma: the new arrangements would not have recommended themselves in terms of subsidiarity. However, we accept that the previous joint board arrangements were also flawed, particularly in terms of local decision making and accountability. Given a free hand, we would probably have sought to separate local services and functions from specialist services that were best organised at regional or national level. However we see little practical merit in inflicting serial disruption on Police and Fire Services, and think the best way forward is to strengthen local democracy within them. In particular, Police and Fire services need to demonstrate the same level of local choice and control that communities should expect of every public service, including the space for communities and their representatives to choose local priorities and co-design approaches to these.

At present, local representatives are able to scrutinise local plans for their areas, and the services have a duty to engage and consult local communities in the preparation of these. We recommend that local governments, having engaged with their communities, should also have the right to veto and require change in local plans. We believe that this is an important element in recreating and strengthening local democratic decision making and accountability, and in ensuring the interdependence of different spheres of governance.

UNDERSTANDING WHAT STRONG LOCAL DEMOCRACY MEANS TO YOU

We believe that local services and local accountability matters. That is why we started our work by listening to what happens now, and what the future might be. Thousands of people took part. These are just some of the highlights.

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KEY FINDINGS

With Scotland now getting ready for more powers, local democracy must be at the heart of our new constitutional settlement, whatever form that takes. There needs to be a genuinely different approach that arrests decades of centralisation and fundamentally refocuses on bringing democratic accountability back to communities.

Based on the evidence that we have received, we believe that 'localising' local democracy and integrating all locally delivered services under local democratic control are fundamental pre-requisites for the sort of local democracy which other countries take for granted. We recommend:

- a fundamental review of the structure, boundaries, functions and democratic arrangements for all local governance in Scotland based on the principles of strengthening local democratic accountability, subsidiarity and public service integration in order to localise and simplify accountability of public services to local communities. (1)
- that this review should be jointly undertaken by Scottish Government and local government and designed and resourced to enable the full participation of communities across Scotland. (2)
- a new 'right to challenge' should run throughout the democratic system; including the right for local government to challenge for functions currently delivered by national agencies. (3)

- local democratic accountability for community health services and public health as part of the development of an integrated approach to prevention locally. (4)
- that local governments, having engaged their communities, should have the right to veto and require change in local Police and Fire plans. (5)

Putting this into practice will take time, not least because it must happen in ways that fit local communities and their priorities, rather than be imposed from above. For this to be possible at all, however, we will need to unlearn the centralist mind-set that has taken hold over the past 50 years. Much greater effectiveness could be achieved right now by recasting our thinking to become more collaborative and less adversarial at every level. Indeed, any change without a different culture may well bring about little or no positive impact at all.

Whatever the shape, strong local democracy must be about enabling communities themselves to participate, and so turning our democratic deficit into a democratic revival will require local people to be much more active in setting the agenda for their lives, and their community. Communities are not sufficiently empowered to make those choices today and so empowering local decision making is only a starting point; if nothing else followed, it would strengthen local governments but not communities too. We return to this fundamental issue throughout the rest of this report.

DEMOCRATIC FINANCIAL CHOICES

Strengthening local democracy means having the same freedom to make the local decisions about tax and spend in Scotland that already exist in other modern democracies. That does not mean paying more-it simply means the ability to choose what is right locally.

We approached the issue of finance within the same seven principles that have guided all of our work. While we have explored the extent to which communities can determine how much they are prepared to pay for the local services they receive, we are absolutely clear that improving those local financial choices does not mean higher taxes. Indeed, we found that in many international contexts communities have elected to pay less.

The evidence generated in phase 1 of the Commission's work repeatedly drew attention to the lack of choice at the moment. Scottish local governments have become perhaps the least fiscally empowered in Europe. 50 years ago they raised well over 50% of their own income through local taxation. As recently as 1998, around half was still generated this way. Today that has fallen to 18%. The average for Europe is around 40%, but for countries where local governments have the equivalent responsibilities to Scotland, the average is between 50% and 60% of income raised locally.

At the same time, virtually all taxation in Scotland and the UK is determined by central government. Only council tax (and, from April 2013, a proportion of business rates in England) can be considered local at all. By the next local government elections, the council tax freeze will have been in place in Scotland for nearly a decade, and there will not have been a revaluation of tax bands for approaching 25 years. Moreover, while non-domestic rates form a core element of the funding for local government, since 1990 they have been centrally controlled and local government's powers have been limited to collection and administration.

More recently, large scale reduction of 'ring-fencing' has given local governments substantial discretion over how to use the budgets that they are allocated. Nevertheless, in our evidence we heard that this greater discretion is also set against a framework of policies and duties that mean that in reality spending is often highly specified. We found that under the current arrangements, there are also few incentives for local communities to reap the rewards of local innovations and successes. Scotland is competing on a global stage, and in international terms, many municipalities elsewhere in the world are able to grow local economies and jobs by retaining a much greater share of the local tax base.

In other words, national governments, not communities, tend to have held the purse strings for local democracy in Scotland. The key issue is not only that this disempowers local government, but that it disempowers communities. Councils across the last few years have cut and reduced services not because local people chose this locally, but because government grants reduced in real terms and council tax was frozen. Stronger choice certainly does not imply a bigger tax burden in the

future, but we are clear that the weak links between taxation and representation today is not local democracy: the community may or may not be willing to pay a little more in return for better services, but that must be their choice.

In fact, these kinds of controls have already been found to be inconsistent with Article 9 of the European Charter of Local Self-Government, which amongst other provisions, states that local authorities are "*entitled to adequate financial resources of their own, of which they may dispose freely*" and to resources of a "*sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of carrying out their tasks*".

Instead, we heard about a dependency culture in which local government has looked to central government and the formulae used to determine grant allocations, rather than out to the needs and preferences of communities. Worse still, that creates the conditions for a cyclical blame game between councils and Ministers for what happens locally. We found much less evidence of these kinds of tensions in countries such as Denmark and Sweden, where local governments are much more financially autonomous.

The effect of this approach has been long understood. In 1976, the Committee of Inquiry into Local Government Finance chaired by Frank Layfield recommended a local approach to the level and pattern of expenditure on local services. Nearly 40 years later, and despite a series of further reviews, many of the same issues remain unresolved.

This is not primarily a criticism of successive Scottish Governments: currently, they have limited fiscal empowerment, and their allocations from Westminster have reduced as well in real terms. In turn, the UK Government's approach reflects

the present system of public sector finance. However, nothing better expresses the 'centralism' of the last 50 years than the fact that the best predictor of budget in a local council over time will be UK Treasury expenditure plans, not the priorities of local communities.

OPTIONS FOR CHANGE

The message we received was clear and unanimous: strong local democracy is a false promise without local fiscal independence, and urgent reform is needed if we are to end the current culture of dependency and transform democratic participation in Scotland.

We have not found any system where local governments raise all of the money they spend, and this would not be desirable in any case. We accept that there will always have to be national arrangements for 'equalisation' to compensate for different local levels of tax capacity, and variable costs in different parts of Scotland. Given wide variations in size, demography and other factors across Scotland, it would be impossible to provide services without this and so it is for good reasons that the principle is long established in Scotland and internationally, and enshrined in Article 9.5 of the European Charter of Local Self-Government.

However, the size of the 'fiscal gap' is unacceptably large and gives no choice about the balance of tax and spend to local communities. Our approach to fiscal empowerment is therefore set within an overall recommendation that the minimum requirement for strong local democratic choice and accountability is that at least 50% of income should be raised through local taxation.

The Commission received a wide range of proposals about how such a rebalancing might be achieved. We have distilled these into three broad options for change that are not exclusive or exhaustive. We are also aware that any new arrangements for the funding and financing of local democracy also need to reflect the job we imagine it will do in the future, and for that reason we have taken the view that each should be assessed on criteria of:

- **sufficiency** (they could raise enough to make real local choice possible);
- **efficiency** (they do not create excessive administration and collection costs);
- **equity** (they are fair and related to the ability to pay), and;
- **transparency** (people understand what they pay and what it is spent on).

The three broad options we have received evidence about are:

BUILD ON SCOTLAND'S HISTORY OF PROPERTY TAXES

Historically, Scottish local government has been financed by property taxes: the domestic rates/council tax and the non-domestic or 'business rate'. Initially, this was on the assumption that locally delivered services (water, sewerage, municipal gas supply, roads, etc.) were beneficial to property owners, but it still makes some sense. Property values are influenced by local preferences that shape supply and demand, and the quality of public services. As these values are, in part, locally generated, they still suggest some basis for local taxation.

The Commission sees this as a practical option for review subject to three conditions:

(a) That local government as a sector has autonomy over valuation methods for assessing property values. Successive governments have not undertaken a revaluation of the council tax base, which is operating using property valuations set in 1993.

(b) That local government has autonomy to set the tax rate and tax bands, where major equity issues exist with the current system.

(c) That, if local government is to be property tax based, it has ownership of all the property taxes including the new land and property transactions tax ('Stamp Duty').

Stamp duty was introduced in 2003 as a property transaction tax levied on the buyer. Since its introduction, tax rates have been set at UK level rather than according to local circumstances (and, we note, without any requirement for referenda). Amongst other tax powers, the Scotland Act 2012 has now devolved stamp duty, and we believe that, with appropriate decision making structures in place, this should be made part of the suite of property taxes that fund local democracy.

Together with council tax and non-domestic rates, if the full portfolio of property taxes was brought under local control in this way, over 60% of current spending could be funded locally, with all of the huge associated potential to promote and incentivise local business growth and regeneration, and to transform local democratic choices and priorities.



MOVE TO TAX SHARING

The tradition in the UK before and after devolution has been that each level of government has its own distinct and discrete taxes to levy. Internationally, it is common for different levels of Government to share taxes. This is done in two ways: local governments receive a fixed hypothecated share of the taxes raised by higher levels of government, or local governments have the right to locally vary tax rates set by national government (for example income taxes, purchase taxes, or corporate taxes).

We do not believe that the hypothecated share approach strengthens empowerment as rates and yields remain entirely determined by 'higher' levels of government. Tax variation, however, allows established tax collection mechanisms to be used to local effect, and means that a mixture of locally raised direct and indirect taxes is a major source of income in a number of countries with highly developed local governance.

Such variation of national taxes locally can be restricted (for example, by no more than 3% of the national rate) or unrestricted. If this option was pursued, the Commission would favour an unrestricted power to vary national rates locally as the best way to strengthen local choice and accountability.

In legal terms, there are European Union restrictions on varying VAT and excise duties within sovereign states. However, the Commission suggests that these could be addressed if local authorities were empowered to set new taxes. We explore this further below.

EMPOWER LOCAL GOVERNMENTS TO CREATE NEW TAXES

Local government already has a power of wellbeing to act in ways that improve the wellbeing of their area and its communities. However, the Act that conferred the power of wellbeing specifically excluded powers to raise additional resources. In our evidence gathering we heard about the irony of a wellbeing power that prevents local government from raising money to deliver that wellbeing.

The Commission regards this as unnecessarily restrictive and believes that the local electorate should be able to authorise their local government to create, set and collect local taxes. While the power to create small new taxes would be unlikely to generate large sums, to us there is a powerful argument for a local tax that could then be reinvested in local priorities, or used to tackle specific local issues or problems.

The international evidence suggests that many international countries operate one or more tax of this kind, including levies on tourism, betting and alcohol as part of their wider local basket of taxes. Australia, Austria, Canada, Germany and the United States already use these for a significant share of state revenues. Sales taxes are not used in Scandinavia, but contribute to local revenues in France, Italy, and Spain.

We recommend that strengthening local democracy in Scotland should include being able to explore and use local taxes, subject to the will of the local electorate. There is already permissive legislation to allow new taxes to be created in Scotland. We see no reason why local taxes, with the assent of the local electorate, could not be created at the local level by supplanting the existing power of wellbeing with a meaningful 'power of general competence'.

To address EU restrictions on varying taxes like VAT or Excise duty within member states we believe that this would need to be subject to the restriction that councils could not simply duplicate taxes already set and collected by other levels of government. For example, a 'bed night' tax levied on hotels or a luxury goods levy are purchase taxes, but separate from VAT. We believe that, for example, an alcohol or tobacco 'harm prevention' levy, separate from excise duty and decided locally in areas experiencing high levels of harm is compatible with EU law, because it would not be a variation of the national duty rates and it would have a dedicated purpose.

The final issue to resolve is about borrowing. Councils already have prudential borrowing powers and so the major restriction on their borrowing is the unpredictability of, or potential reductions in, future revenues in relation to servicing debt. Of course, if local governments were raising more of their income from local taxation then this would be easier to control locally in any case. However, it is possible that strong local fiscal empowerment will need to be supported by additional powers to address volatility in tax yields. For example, if councils raised 60% of their income through property taxes, including transactions tax, their tax yield would have sharply contracted between 2009 and 2013, and would now be gradually picking up. Councils would therefore have to be able to borrow to fund current spending during such fluctuations and a detailed assessment of future options needs to consider the empowerment necessary to do so. One option may be for local governments, again with the consent of their electorate, to raise bonds. The United States, for example, has a \$3.7 trillion municipal bond market, made up of over 44,000 state and local bond issuers.



KEY FINDINGS

The Commission sees all of these options as having merits, individually and in combination. Giving local communities the democratic power to look after their own financial affairs is fundamental to local democratic choices and participation, stimulating economies, and bring new thinking and capacity to bear on improving outcomes. We therefore recommend that:

- the minimum requirement of any options for change is that together they would be capable of raising at least 50% of income locally. **(6)**
- local government should have full local control of the whole suite of property taxes (Council Tax; Business Rates; Land and Property Transaction Tax) and the freedom to set these in ways that suit local circumstances. **(7)**
- local people should decide on levels of local taxation in relation to the services they want; it is completely inconsistent with a strong local democracy for this to be determined or enforced nationally. **(8)**
- where there is a clear community will to do so, local governments should have a general competence to set and raise new taxes that are suitable to the needs of the local community. **(9)**
- all of the above options for reform, singly and in combination, are fully reviewed. We recommend that the criteria of sufficiency, efficiency, equity and transparency are central to that assessment. **(10)**

Our remit has not been to assess the technical operation of these options, their yields or their financial and economic impacts in detail. Nevertheless, having diagnosed Scotland's weak local financial empowerment, as a country we now need action. The Convention of Scottish Local Authorities has separately decided on a fundamental review of local government finance and we recommend that all of the above options are addressed within this. We are also aware that the Scottish Parliament's Local Government and Regeneration Committee has recommended that a cross party Commission is established after the Referendum, with a view to a new system being identified before the next local government elections in 2017. We hope that all localists can unite in a clear voice.

None of these proposals are a way of imposing new financial burdens on unwilling communities. Culturally, we need to get past any idea that local financial choice means higher taxes. Instead, for the first time, local tax transparency would allow local people to see what their taxes pay for and give them the choice to pay less or more. The local electorate, not national politicians, would be in control and hold their representatives to account.

Central grants would need to reduce to rebalance any transfer of national taxes, for example, to the local level, and any local taxes would require clear local agreement and oversight, including the use of local referenda. Equalisation will also have to be transparently addressed in all of the above options in order to assure communities that strong local democracy would not result in them losing out. Our view is that a sensible and planned approach can find that balance; after all, other modern democracies have already managed to do so.

Finally, fiscal reform is part of a wider package of changes, not an end in itself. It is closely linked to the Commission's commitment to asymmetry, and so different solutions will fund different local opportunities and challenges. Most importantly of all, all of this must happen within an overall commitment to subsidiarity: peoples' right to decide locally on what they want and how it will be funded. Of course, that does not necessarily guarantee that sound choices are made. For all of these reasons, we need to bring decision making much closer to communities. We now turn to how that can happen in practice.

A NEW DEMOCRATIC PARTNERSHIP WITH COMMUNITIES



Over the past year we have witnessed the energy, creativity and resilience of people and organisations in all walks of life and in all parts of society. This report is about giving up power and passing it to them.

We have found that people are not apathetic about their lives or communities- they care passionately about their areas and the decisions that affect them, their families, and their local areas.

We have also seen how engagement in community life is taking new and diverse forms; by getting involved in social movements, by joining campaigns, or by starting new forms of associations, social enterprises, or community ownership projects. In fact, it seems to us that Scotland is teeming with people of every age and experience who are willing to play an active role in helping to shape their communities and decisions about stronger, better services.

The challenge is to tap into this huge resource and empower it to make a difference. That is why we believe that the biggest democratic question of all lies in how to transform people's participation in Scottish democracy.

RETHINKING SCOTLAND'S DEMOCRATIC CULTURE

One problem is that many people have got so used to being disempowered that they've come to think that the best they can expect is a trickle of power from national government to councils, then to communities – all controlled from above.

To make any progress at all, we need to break out of that mind-set so that democratic power lies with communities, who give some of that power to national and local governments to work on their behalf, not vice versa.

Language matters here: this is about empowering (a subsidiarity mind-set) not 'decentralising' (a centralist mind-set). The Community Empowerment and Regeneration Bill contains many interesting ideas, but its major thrust is still within a relatively centralist mind-set in this regard. Communities have the right to take proposals for asset transfer or outcome improvement to national or local government, but it is for them to decide and there is no appeal. In other words, communities have to persuade government and local government to 'cede' powers. This seems like the reverse of subsidiarity, and the Commission's view is that this tends to keep us where we are rather than taking us forward.

SCOTLAND IN 2030: SEEDING POWER NOT CEDING POWER

SCOTLAND IN 2030: SEEDING POWER NOT CEDING POWER

One way of capturing this is the choice between 'ceding' power and 'seeding' power. Whatever the outcome of the Referendum, it looks certain that Scotland will have more powers. But there is a choice to make about how those powers are exercised. The centralist option is that powers rest with governments and 'higher' levels of government may periodically 'cede' some of their power to more local levels. The Commission's view is that power in a democracy lies with the people and should be 'seeded', with all the associated connotations of 'tending' and 'nurturing' the empowerment of citizens and communities.

CEDING POWER

In one direction lies the possibility that as a country we continue with the status quo and accept that Scotland remains one of Europe's most centralised democracies.

In this version of the future, most decisions are taken far away from where people live, and people continue to look to the government to make things happen. As a result, there are lots of national agencies to carry out that work, and there's talk of these taking on more services in the future. National government decides how money is raised and spent, and while there is no ring fencing of budgets, legal controls mean that many of the big decisions are taken nationally, but carried out locally. Consultations take place about how public services should work, but tend to attract the 'usual suspects' and most people still aren't very engaged in what goes on. Disappointingly, turnout at elections has fallen to a historic low.

The government is committed to the concept of ceding some of the powers that it has collected, and has brought forward various national strategies to describe this. For most people, though, it's not very clear who decides what, or how their taxes are spent. There are some examples of projects where communities have taken the initiative and successfully been able to 'win' some more local powers. Although these have tended to happen in wealthier parts of the country that already have a track record of organising themselves, it is still the hope that other communities will get involved in the future.

SEEDING POWER

In the other direction lies the possibility of a radically new way of carrying out democracy. Following a process of deliberation involving communities across Scotland, agreement has been reached to embed the right to self-government in law, and a major rebalancing in relations between the state, local government and communities has started.

Local democracy is being reimagined in lots of different ways, and lots of experiments are taking place. Not all of these have been successful, but because everyone understands the purpose of trying out new approaches, a culture of blame and risk aversion is giving way to a colourful new culture of learning and innovation. The principle of subsidiarity has meant that because most powers have been devolved locally, participation in local democracy has turned a corner, helped by a programme to give communities the confidence and skills to get involved.

While the big cities have kept their shape, there are new, more local decision making structures across the country. There is no one-size-fits-all model and a variety of approaches are emerging. Many of these are coming together to develop shared initiatives at regional and even national levels.

Democratically elected politicians remain at the heart of this democratic renaissance, but their roles have evolved. Nationally elected government has a clear locus to set national priorities and is legislating for national outcomes and supporting rights that everyone is entitled to. Local politicians are working closely with communities to arbitrate different perspectives and deliver their duty to deliver 'empowered participation' on the ground.

“These scenarios are inevitably caricatured, but they make the point that any fundamental discussion about Scotland’s future must include an equally fundamental discussion of local democracy”.

We do not propose either as the way forward. Instead, we are calling for all those with an interest in strong democracy to start a serious dialogue, with a timetable, about seeding power.



OPENING UP DEMOCRACY

Just as there is a danger that new powers in Scotland continue to be exercised from above, so too is there a danger that the structures and practices of an old fashioned type of democracy will characterise Scotland's future.

The Commission's strong view is that any empowerment of local government must therefore be conditional on its responsibility to actively empower citizens and communities. Simply empowering local services will not in its own right pass our test of a strong democracy; these also have to be planned and delivered in ways that build in democratic participation, and empower local people to drive decisions about their place and their future.

There are at least two dimensions to the kind of change that we wish to highlight:

A NEW KIND OF POLITICS

Our first observation is that whatever Scotland's local future looks like, it must promote a culture in which politics means more than party politics, and democracy means more than representative democracy.

No one should have to participate in order for their rights to be upheld, but for those that do, there needs to be an effective and constructive dialogue between local people and their representatives, each developing the others' work and ideas.

Building strong participation does not diminish the role of representative democracy. Elected representatives are fundamental to an effective democracy and will be all the more so in a context where more decisions and powers are held locally in the future.

However, to be effective in today's and tomorrow's world, the way in which that vital link between competing demands, and the responsibility for decisions which have to be made in the collective interest of the area and its communities, needs to change.

In ten years' time, our ambition is that as a nation we have therefore come to think of democracy not as separate or competing bodies of 'participation' and 'representation', but more simply a positive culture of collaboration in which everyone with a stake in the improvement of local outcomes - local and national government, the third sector, public services and communities - are empowered and energised to fulfil their part.

A DIFFERENT KIND OF ENGAGEMENT

Our second observation relates to how that collaboration takes place and is translated into the decisions that follow. Throughout our evidence, we heard that many people want to become more engaged and participate in the choices that affect their community, and are seeking new ways to do so. We recognise that countries with more devolved decision-making are also able to achieve better outcomes, not least of all because they are able to make much more of local connections, skills, and knowledge about how to tackle social problems.

To us this is not about engaging communities in the agendas of the politicians, but organising representative democracy to create the right conditions for community voices and participation to flourish. Indeed, even if nothing changed, local and national governments simply cannot tackle complex 21st century issues alone. It is local people who experience services, and know what should improve; whether as

parents of school children, recipients of personal care, housing tenants or users of any number of other vital local services. It follows that effective decisions about tackling inequality, setting local priorities, and holding services to account for what happens in their name cannot happen without local dialogue, knowledge and judgement from communities themselves.

Ideas around 'deliberative democracy' have featured heavily in the evidence we received in this regard, and we are clear that these are well suited to strong local governance in the future.

"Put simply, we want communities to have a new experience of democracy as active participants and problem solvers".

That requires a different kind of participation around local choices that brings communities and the people who live there fundamentally into the decision making process.

Our priority has therefore been to set out practical actions that we believe can start to deliver this change, built around a new binding duty on local governments, and all other public authorities providing local services, to support and empower individuals and communities to participate in local decision making about tax, spend and service delivery priorities. We also believe that this general duty needs to be supported by a specific duty to ensure all groups likely to face barriers to participating are supported and resourced to do so.

The ground is already prepared. The right to participate in the affairs of a local authority is encompassed in principle in the Additional Protocol



to the European Charter of Local Self Government, ratified in 2009 but not yet enacted by the UK government. Our preference would be that this empowerment is now enshrined in a written constitution as part of a new understanding of democracy overall, and we explore this further in the final chapter of this report. In the absence of that, the Commission's recommendation would be that a binding duty should have statutory force, potentially by supplementing existing 'best value' duties.

DELIVERING CHANGE

Getting this duty right will not be an easy, or a short term task. It will take time to build the habits of democracy, beginning with elected representatives and communities building mutual trust that they can act in concert to check and balance each other and foster active citizenship. As with the rest of our report, we also know that different local solutions, built around the different circumstances and assets of communities will be required.

However, that does not mean 'no change yet'. Communities need to be able to participate now too, and cannot wait for the system to catch up. That is why we believe that it is now essential to start investing in new ways of building this new democratic partnership if we are to grow the skills and capacity that will be required, and turn around apathy or distrust for the long term. As an initial step, councils will need to rethink and revisit the schemes of decentralisation that they developed under the terms of the Local Government in Scotland Act 1994 to ensure that they deliver a locally effective approach. We suggest that there are several other ways in which Scotland should start this journey:

A NETWORK OF NEW LOCAL DEMOCRATIC EXPERIMENTS

If we are serious about transforming participation, it cannot simply be a 'desirable add-on' when time or resources allow. That does not necessarily mean more opportunities for traditional forms of engagement; there are lots out there, but we found that quite often the quality and impact of these opportunities has been felt to be low.

Instead, we have come to understand the challenge as making sure that better, more systematic and more democratic collaborations start to become woven into everyday practices. In the short term, we expect to see new democratic experiments proliferate across Scotland and for these to grow rapidly in strength and number as the benefits of this way of working take hold.

“There is no reason why every area of Scotland cannot assemble a microcosm of the talent and insight of its communities, and give it the time and resources to tackle pressing local issues”.

Whether that is achieved through a citizens' jury, citizens' assembly, or another format, we know from research that these kinds of approaches can have a powerful impact on tackling complex local decisions where there are suitable opportunities to do so.

LOCALISING DECISIONS ABOUT TAX AND SPEND

We have already set out why Scotland needs to rethink local government finance. The underlying purpose of that change is to ensure that communities can make informed choices about the link between their tax and spending options.

Financial decision making must therefore be fully covered by the duty to empower and support communities to be involved in local decision making. We recommend that a process of participatory budgeting, covering tax and spending options, should be adopted by all local governments to help facilitate this. Doing so would empower local people to consider tough decisions about how resources are used and raised to deliver local priorities.

PUTTING COMMUNITY AT THE HEART OF COMMUNITY PLANNING

Community Planning Partnerships already bring together local public services to prioritise and resource the shared outcomes they must deliver with their local community. While we recognise the helpful trend towards outcomes and partnership, we have also heard from communities that have been frustrated that this has primarily been at organisational level and that public involvement has been felt to be low. We can see no better example of where a strong approach to deliberating and agreeing priorities with communities on their terms should take place now in order to ensure that every partnership has real local legitimacy.



We recommend that every Community Planning Partnership in Scotland demonstrates its appetite to deliver a step change in participation by working with their communities to design and then implement a clear empowerment scheme.

This will require a deep assessment of what happens currently and in our view is about fundamentally revisiting how participation takes place so that a wide array of citizens are directly part of the conversation about local outcomes and the priorities that flow from these.

BRINGING COMMUNITIES INTO THE 'ACCOUNTABILITY BUSINESS'

Finally, if the 'public' in public service is to be more than a rhetorical expression, then communities not only need to own the outcomes that are pursued in their name, but also how effectively they have been delivered. We believe that blending 'real world' experience with representative political scrutiny and technical audit would add a new transparency and improvement drive to public services in this regard.

We therefore recommend that all Community Planning Partnerships develop an approach to community scrutiny to complement their existing scrutiny approaches. While the specific format of how this is done will need to fit local circumstances, we would expect that this would result in a regular (potentially biennial) citizen review being undertaken that is focused on how effectively community planning is working for its local communities. Working alongside local elected representatives, we suggest that this would need to be undertaken in a highly participative way, potentially by bringing together a local 'mini-public' or similar approach. The job of this scrutiny would be to review the progress that has been made, look ahead to new priorities, and publish

recommendations about how local public services could work better in the future. We invite anyone with an interest in taking this forward to share their views and experiences with us.

MAKING SURE THAT EVERYONE CAN PARTICIPATE

We want changes like these to help create a new era of local decision making that looks outwards to communities rather than upwards to 'higher' levels of government. Participation is the heart of our local democracy but will only beat strongly if people from every community across every part of Scotland are able to play a role.

However, we have found that across Scotland the skills and confidence to create these habits of democracy still have to be developed. Where they exist, they are very unevenly distributed. In particular, we are very concerned that the most marginalised individuals and communities - who potentially have the most to gain from real choice and control locally - are the least ready to participate. Most worrying of all, some communities (of place and interest) are virtually absent in today's democracy altogether.

Our view is that after a long term trend of centralism, all parts of government and their institutions therefore need to devote significant effort and resources to giving every community the confidence that their empowerment is for real and that democracy is not simply for those that can organise themselves to demand it.

In our view, it is not that those furthest from democracy or facing the greatest inequalities are somehow less able to articulate what they need to happen for outcomes to improve in their communities. We found that

people are more than capable of doing so. Instead, the challenge is to make sure that this understanding is shared, heard and believed in, and that those voices are directly involved in developing the solutions.

Indeed, it is perhaps no coincidence that at the same time as powers have drifted to the centre, governments at all levels appear to have dis-invested in supporting communities to learn and develop. If democracy is to stand any chance, it is time to turn that trend around and recognise that continued failure to invest in participation is a failure to invest in democracy itself.

We therefore recommend that in each area of Scotland there now needs to be a significant and systematic reinvestment in community development, and in the co-design of democratic decisions that follows.

Building this empowerment, confidence and trust is a job for everyone with a commitment to subsidiarity and all parts of government. There is a wide array of talents and networks within the third sector, community learning and development, welfare rights, and of course amongst communities themselves that can be galvanised in that task, and a great deal can be achieved through proper joint planning, investment and delivery. A mixture of different processes will be needed, but what's important is that new approaches and resources are directed towards those communities where participation has the greatest potential to transform outcomes, rather than simply those that have the loudest voices.



Of course, different areas will want to proceed at different speeds on different issues, but there is also huge scope to share tools and experience in that task. Across the world, other countries are also forging ahead with innovations and we can build on these and learn from their success.

We therefore propose that a Centre of Excellence in Participatory Democracy should be established to research good practices and promote and support their use across Scotland's communities. We believe that this would kick start the learning, sharing and embedding of new democratic practices that is required across the country, and for the first time, bring together the skills of practitioners, academics, the third sector and local and national government for that common purpose. To be effective and credible, such an organisation would need to 'live' the culture that we are promoting in this report, including being co-designed and co-delivered. It could, for example, operate as a social enterprise in its own right.

NEW WAYS OF DELIVERING OUTCOMES

Finally, we want to support the direct participation of citizens in local services themselves. In Scotland, we have a long running culture of centralisation, but so too have we tended to assume that the public sector should take responsibility for most of the services that communities rely on. Rarely do we ask whether the state should have a role at all.

Internationally, the picture is much more varied. In many countries, it is already much more common than in Scotland for local citizens to be actively and directly involved

in delivering community services and facilities outwith the conventional public services model. Our sense is that if local democracy is to deepen its roots and become more vibrant then we need to make space for these alternative types of initiatives and foster a different kind of support for them.

We do not see these developments as an alternative to effective democratic representation and public services, but in our evidence gathering we heard about how the conventional links between citizens, communities and services are being supplemented by a burgeoning network of 'community entrepreneurialism'. In housing, for example, there are many community owned housing co-operatives and associations delivering high quality housing to people across Scotland. Numerous other ventures are springing up in many parts of the country across areas like social and health care, regeneration and environmental services, and through development trusts that have taken on and managed important community assets.

At this stage, we can see this movement and feel its growing impact. Indeed, looking ahead, strong participation is likely to invite an increasingly diverse configuration of local service providers. Local democratic conversations may become less about which part of the state – local or national – should deliver key services, but rather what solution would improve outcomes for communities most effectively. We believe that there are some exciting possibilities, and that more work should take place in Scotland to fully explore the possibilities and expand these activities if that is what would work for the local community.

In some places, and for some services, the best democratic outcome may simply be for existing public services to 'get out of the way' altogether and instead support communities to deliver better outcomes for themselves. We would welcome further discussion about what might be achieved, and what role local democracy would need to play in helping the community get the best from this mixed approach to service design and delivery.

KEY FINDINGS

Whereas the defining characteristics of the past fifty years have been uniformity and ‘the centre knows best’, we believe that Scotland’s new local democracy needs to happen not just where communities experience their lives, but in ways that let local people determine their priorities, their services and their spending.

Building this new kind of democracy will require a different kind of empowerment in which citizens can participate in shaping their own lives, rather than looking up to local or nationally elected representatives to shape it around them.

All of our conclusions flow from that single purpose. The ‘hard power’ of local democracy to address socio-economic and intergenerational inequalities and improve outcomes can only be achieved if communities have the voice to set out the changes they want for themselves and their area. Some of these changes are about opening up decision making - housing, planning, policing, education, health and beyond- and supporting communities to engage from the outset. But they are also about nurturing the ‘soft power’ of participation to foster social capital, and build confidence and action within communities themselves. Indeed, to us it is no coincidence that trust, participation and confidence in the democratic process is much higher in countries where power is much closer to communities.

To achieve that in Scotland, we need to change the democratic conversation. That does not mean downplaying the role of elected representatives, but it does mean fundamentally re-thinking participation in democracy and redefining how local democracy connects with people’s lives. For all these reasons, we believe that democracy is worth investing in.

We therefore recommend:

- a binding duty on local governments and locally delivered public services to support and empower individuals and communities to participate in local decision making. **(11)**
- a specific duty to ensure that all groups likely to face barriers to participating are supported and resourced to do so. **(12)**
- all local governments revisit and rethink the schemes of decentralisation that they developed under the terms of the Local Government in Scotland Act 1994. **(13)**
- that a process of participatory budgeting, covering tax and spending options, is adopted by all local governments to enhance local choices over tax and spend within a new system of local government finance. **(14)**

- that every Community Planning Partnership in Scotland works with its communities to design and implement a clear empowerment scheme. **(15)**
- all Community Planning Partnerships develop an approach to community scrutiny to complement their existing arrangements. **(16)**
- a significant and systematic reinvestment in community learning and development in each area of Scotland. **(17)**
- that a Centre of Excellence in Participatory Democracy is established to research good practices and promote and support their use. **(18)**
- that after these measures have been established, a stock-take is undertaken to determine their impact, and identify what further steps are required. **(19)**

These ideas are not exhaustive and we want people across different communities across Scotland to engage with us, adapt our ideas, and test our thinking. Each approach will inevitably change according to local circumstances, but in every case will mean the public shaping decisions at the very start, routinely sharing information on which decisions are made, and engaging not simply consulting people as part of that process. Whatever the solution, it must also work for all communities and citizens, not just the articulate and well resourced.

This is a different kind of approach from the past, but we do not believe that it is one to be scared of. Democracy is not a zero sum game in which more participation diminishes elected representation. Instead, communities that are active provide the platform for effective political decisions.

That does not, however, mean a short term burst of activity, with little to sustain it for the medium term. Nor does it mean creating beautiful ‘engagement plans’ on paper which fall short on delivery. If local democracy is to have any kind of chance, it will require sustained, long term focus and investment; after 50 years of moving in the other direction, as a country we will need to work hard to build confidence in communities that the local democratic process is theirs too.

Finally, transforming participation in democracy will not be effective unless democracy itself is transformed. The tools for better democratic conversations are in Scotland’s gift already. But our sense is that participation, however effective, will not revitalise local democracy without the power to make real choices; strengthening democracy requires the full package of changes in this report.

CHANGING HOW SCOTLAND DOES DEMOCRACY

Around the world, local communities have been enjoying the benefits of strong local democracy for generations. Scotland deserves the same, but to do so it needs to change the very way in which it ‘does’ democracy.

In this report we have explored how a culture that doesn't empower people locally has manifested in progressive centralisation, declining local participation, and lasting inequalities in communities. A massively more local system is possible and sustainable internationally, and the final question that we want to address is about what it might take for local communities to experience the kind of local choices and control that people across Europe already take for granted. In these countries, local democracy is not something to be debated; it is simply part of the landscape.

LOCAL DEMOCRACY IN SCOTLAND TODAY

Local democracy in Scotland and the UK is almost unique amongst western democracies because it has no status or protection in law and its institutions are wholly subject to the will of Parliament.

In practical terms, it is national government that sets the shape, size, powers and functions of local decision making, not communities and their locally

elected representatives. Neither does Scotland operate the basic constitutional protections that are available in other mature democracies. Bizarrely, local government in Scotland lacks the right to exist at all, and major changes to local democratic institutions can, and have, proceeded without the kinds of checks and balances that are legally required to ensure the assent of local communities in most other countries.

We have found that the combined impact of a constraining policy and financial framework, and the absence of these constitutional protections in Scotland is almost unheard of amongst developed democracies, and means that the system looks very directed by, and very dependent on, 'higher' levels of government. Campaigns such as Our Islands, Our Future or the Cities Alliance have demonstrated that it is possible to take the initiative and make the most of the current system. However, these initiatives still require the approval and consent of national UK or Scottish governments. In other words, while national governments may, and sometimes do, choose to empower local democracy, they can equally choose not to do so.

There's never been a better time to break this culture of disempowerment. It is now widely agreed that the kind of 'grace and favour' system we have operated in the past cannot continue. Where local democratic structures have been truly empowered elsewhere in the world, they have gone on to empower those around them. Our evidence is that the converse is true in Scotland; despite the establishment of the Scottish Parliament, we have continued to rely on the old way of doing things—ministers have effectively the same power to give powers or take them away as the Secretary of State for Scotland had prior to 1999. We believe that this is equally true of how local government is set up.

Many of Scotland's political parties have now committed to strengthening and protecting local democracy. We recognise that the Scottish Government has also published plans for local government to be included in a Scottish Constitution in the event of Scotland voting to become an independent country. Whatever the process, our focus in this chapter is on what it would take for such commitments to be effective.

PROTECTING DEMOCRACY

The principles of strong local democracy are already well established internationally at United Nations, Commonwealth and European levels. The European Charter of Local Self Government, for example, highlights that subsidiarity:

“should be at the heart of any debate about the nature of central/local relationships and the promotion of a new local democracy... this entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment”.

Other countries have long understood that these principles are essential, and across Europe we have seen the dramatic difference in culture that this has made. For example, in Germany, Article 28(1) of the Basic Law guarantees the existence of elected councils for counties and municipalities, and Article 28(2) guarantees *“the right to regulate all local affairs on their own responsibility, within the limits prescribed by the laws”*. It also guarantees 'self-government' within their areas of competence, and applies this



principle to “*the bases of financial autonomy*”. Article 1 of the French constitution states that the Republic “*shall be organised on a decentralised basis*”.

Article 72 states that “*Territorial communities may take decisions in all matters arising under powers that can best be exercised at their level*”.

Within the Spanish Constitution, article 137 stipulates that: “*The State is organised territorially into municipalities, provinces and the self-governing communities that may be constituted. All these bodies shall enjoy self-government for the management of their respective interests*”.

It’s not much to ask for Scotland to join this democratic family. Our starting point is therefore that if we are to protect local democracy in more than name then the principles and provisions set out in the European Charter on Local Self Government have to be put on a statutory basis within Scotland.

However, the more fundamental question for us is about what is holding this back. We identified at least three reasons. Firstly, in the UK, the European Charter is almost a dead letter; ratified in 1998 it has never been enacted in domestic law. Secondly, in Scotland we are set apart from most other countries because we operate without a written constitution. Thirdly, no country (except, in part, Poland) has simply transposed the Charter into their constitution, and building an effective approach requires a range of contextual factors and systems to be thought through.

We have therefore taken a step back and tried to rethink the problem from a different perspective. To us, one of the key problems is that even decentralising initiatives currently take place within arrangements that deny local democracy constitutional rights,

financial independence and the right to make autonomous choices. That influence comes in many different forms but we have found that it confuses the picture about who is, or should be, responsible for local decisions and local services. Because there is no standard interpretation of the relationship, it seems to us that energy and resources that should be spent on improving outcomes with communities have also often been sucked into wrangling over who does what.

It follows that if we want local democracy to be strong and prosperous, not dependent on the goodwill of the national government of the time, then we need to lock local subsidiarity into the heart of our democratic system. In the UK and Scotland, the current system operates without any map of powers and responsibilities. Corporate bodies such as parliaments or councils are empowered in law and are the legal entity that is held to account for decisions taken on behalf of citizens and communities. They can decentralise decision making to others, and frequently do, but they ultimately remain accountable for their decisions. We believe that this limits the extent to which some institutions have been prepared to ‘let go’ in the past.

MAKING DEMOCRACY CLEARER

Scotland needs to find a way out of this and be prepared to define the competencies of central, local and community governance in line with the basic assumptions and values we wish our system to embody. Real local choice and control means breaking the current log jam caused by this lack of clarity about who is responsible at the moment. We have concluded that strengthening

local democracy is therefore not just something for the ‘local part’ of the system on its own. It means rethinking the whole democratic system so that it guarantees a commitment to subsidiarity, local choice and control, and community empowerment.

One way to do so would be to borrow some understanding of the EU system of competencies and delegations by clarifying in law or in a constitution the roles and responsibilities of democratically elected bodies in Scotland. In federal systems or states with written constitutions, the basic rules of the law are codified and the relationships between different spheres of governance are clarified and set out. Advocates of the current approach in Scotland and the UK argue this provides a flexibility and adaptability that other systems lack. We disagree. If there are things that should be determined nationally, we should identify and state them, and guarantee what is properly local. We therefore recommend that the competencies of democratic bodies at all levels of the system should be codified in order to make our democracy stronger, clearer, more transparent, and more accountable to citizens.

Substantial negotiation would of course be required to explore and balance the shape that this takes in the event of a written constitution for Scotland. Such a process would have to be highly participative in its own right. However, we do not believe that a constitution is a prerequisite to clarify Scotland’s democracy in this way. We can see no reason why the same kind of thinking could not be codified in statute in a similar way to the Scotland Act 1998. Under that Act, the Scottish Parliament can make primary and secondary legislation in those areas not reserved to Westminster or protected from modification. While technically possible, it is almost inconceivable



that the Scottish Parliament would ever be abolished. In the same way, while a constitutional approach would deliver cast iron rights, a powerful and long lasting benefit to local democracy could still be delivered through a legislative route.

Whatever the vehicle, we believe that the benefits of setting out competencies would speak for themselves. For the first time, people would have clarity about what they can expect from different spheres of government, and be able to hold their elected representatives to account accordingly. Not only that, but it would provide a powerful opportunity to guarantee democratic practices too, for example by setting out the requirement on democratic bodies to support and actively build participation, and to drive forward the values that the Commission is pressing for – equal, decentralist, inclusive, and empowering– much more clearly than they are at present. Protecting democracy is therefore not just a technical exercise - it goes to the core of guaranteeing participation in democracy.

Because the Scottish Parliament, local government and community government would exist in their own right and have their own clear democratic mandate, it would also follow that no part of government could be abolished or significantly changed without a clear mandate. Indeed, the evidence that we have accumulated suggests that other countries that have taken this approach have a political culture in which many of the Scottish and UK debates around centralisation and empowerment that we have explored in our reports are puzzling and unfamiliar - instead, they simply get on with the job of using good democratic governance to focus on improving outcomes across the country.

The same principle would work across every level of policy and legislation. For example, with approximately 70% of domestic legislation emanating from the European Union, many European matters have a direct impact on local communities and their services. A robust approach to subsidiarity would improve how EU legislation affecting local communities is addressed in Scotland and the UK. Stable arrangements for local and national governments to jointly address EU policy developments are already in place in other European countries like the Netherlands, Denmark and Finland, and we believe could be effectively replicated in Scotland.

RIGHTS IN A STRONG LOCAL DEMOCRACY

We believe that codifying democracy from the ‘bottom up’ not ‘top down’ would therefore fundamentally reboot the relationship between central, local and community governance as equal and independent partners, and follow the principles of subsidiary to their logical conclusion. If we can set out democracy in these terms we can create a new ‘eco-system’ in which every sphere of democracy is reinforced, developed and enabled by the spheres that surround it. Local democracy would no longer be an ‘optional extra’ or a sub-branch of ‘national democracy’ - it would become a right for everyone in Scotland.

Just as with other rights, the democratic system would have to actively support this new way of working and ensure that the policy and legislative landscape upholds it. For that reason, we recommend that Scottish Ministers should be placed under a legal duty to ‘local proof’ all legislation through a subsidiarity test. We also recommend that an

Independent Commissioner is established to scrutinise compatibility of UK and Scottish policy and legislation with the provisions of the law. We believe that this would ensure that power is always designed to rest at the lowest possible level, and in cultural terms, that local democracy is high on everyone’s agenda.

However, protecting people’s right to local democracy is only one part of our wider thinking about social justice. The evidence we received suggests that it is no accident that highly localised systems of democracy elsewhere are also associated with greater social and economic equality.

Scotland can learn a great deal from this international experience. It is interesting, for example, that a country like Denmark devolves public services to a very local level yet can provide a consistently higher level of care, precisely because local communities are much more closely connected to the decisions that affect them.

We believe that this is possible because governments internationally recognise the value of local choice and difference within an over-riding framework of rights. While the competencies and functions of local governments vary internationally, legally specified duties in relation to national or human rights are common. In contrast to Scotland and the UK, however, in many other countries local governments are free to act on behalf of their communities within the constraints of such a framework.

For example, in Germany differences in the delivery of healthcare are constrained by a consensus that equality of provision has to be maintained. It is the shared responsibility of the federal government and the Länder to uphold and promote human rights, which are “*the basis of every community, of peace and of justice in the world*”, and that “*bind the legislature, the*



executive and the judiciary as directly enforceable law". This means that each Land can then govern and define the rights of people in its area via its own constitution and government, in addition to the Basic Law. In the USA, there are high levels of regional variation, but within an underlying federal regulation providing a minimum level of nationwide uniformity. In the Swedish model, central legislation establishes minimum standards for a range of social services, and Swedish citizens can challenge local authorities in court if they feel these legal standards have not been achieved. In all of these cases, national governments are also capable of taking steps to address any shortfalls that are identified.

The central point is that it is possible to establish highly empowered, localised and democratically accountable governments that work within a framework of fundamental human rights for citizens set out in law.

For many positive reasons, as a country we too are waking up to the fact that local difference is to be celebrated. Communities have passionate local identities, cultures and histories, and even where need is similar, different geography, different demographics and different local circumstances require different decisions. That is why we have argued that 'asymmetry' - functions, powers and structures that reflect the diversity of local areas and the people that live there- should be seen as a normal and positive consequence of a strong democracy.

At the same time, in Scotland and the UK there has often been a cautious approach to letting go of control from the centre, particularly when it results in varying service delivery- the so-called 'postcode lottery'. This asks the wrong question. In our view, as a nation we have too readily accepted

that powers can only be exercised in the same way, with the same structures and the same procedures wherever you live. Not only is it a myth that there is no difference of outcome for citizens within centralised services, but for the past 50 years that thinking has managed to produce inequalities that are far greater than in decentralised countries.

Put simply, local variation and accountability are the solutions, rather than the blockages, to better and more cost effective outcomes, and a surer route to overcoming the inequalities that remain unacceptably prevalent in many parts of Scotland.

That does not mean that national government should abdicate its responsibilities, or leave local areas to do whatever they want. As John Stuart Mill wrote 150 years ago in his essay 'On Liberty,' a democracy can only be considered 'strong' insofar as it is prepared to accord equal respect and fair treatment to all its citizens. Woven into Scotland's new democratic system must therefore be protection and enforcement of the national and international rights that everyone in Scotland is entitled to and that are established by statute and international law.

We believe that nationally elected government has a clear mandate to establish these priorities for the nation and to set and protect in law the frameworks that guarantee all of our rights as citizens. Those rights cannot be changed or diluted locally, but the ways in which they are upheld should be designed with

communities, delivered in ways that value and respond to local diversity, and contribute to improving outcomes for the whole of Scotland. People, locally and nationally, also need to know that they are getting good value from local services through a statutory expectation of continuous improvement, effective benchmarking and performance evaluation.

In other words, we see no contradiction between meeting local needs in local ways, and firmly upholding national human and political rights that are guaranteed for all citizens. After all, national politicians are elected to show national leadership, and in a stronger local democracy they should be freed up to focus on this task. National policy therefore has to be right for local democracy to fulfil its potential, and local democracy has to be right for national policy to have impact. For those reasons, we recommend that an independent Office of Wellbeing is established to independently monitor and report on the impact of fiscal and macro-economic policy on communities' wellbeing.



KEY FINDINGS

We have described how we can begin to remodel Scotland's democracy based on decentralising power and resources, embedding a 'community up' not 'national down' approach to government, and promoting local empowerment not dependency.

However, that vision for strong local democracy cannot be achieved by tacking reforms onto today's centralised framework. It is 15 years since the Scottish Parliament was established, and it is time for subsidiarity to be really embedded in communities.

As a country, we therefore have to let go of the thinking that dominates the current system. Instead, we need to reimagine the whole system of government and rebuild it so that local priorities and choices are resolved much closer to communities. We have looked at what it would take to cement that change and for it to take root. We recommend that:

- the principles set out in the European Charter of Local Self Government have to be put on a statutory basis within Scotland. **(20)**
- the competencies of democratic bodies at all levels of the system should be codified so that their roles are transparent and accountable to citizens. **(21)**
- Scottish Ministers should be placed under a legal duty to 'local proof' all legislation through a subsidiarity test. **(22)**

- an Independent Commissioner is established to scrutinise compatibility of UK and Scottish policy and legislation with the provisions of the law. **(23)**

- nationally elected governments have a clear mandate to establish priorities for the nation and to set and protect citizens' rights in law. **(24)**

- an Office of Wellbeing is established to independently monitor and report on the wellbeing impacts of fiscal and macro-economic policy. **(25)**

Rather than weaken equality or undermine rights, this new approach means focusing on what works locally and empowering communities to participate so that they can enjoy the same rights wherever they live. These observations do not warrant a naïve and exclusive localism either, or the view that national governments have no role to play.

To get the benefits in Scotland, however, we need a new culture in which fairness and local differences are not seen as opposing values. There is local variation in public services around the world, but the difference is that in most other countries this is seen as a positive consequence of a vibrant democracy.

CONCLUSIONS AND NEXT STEPS

A radical transfer of power to communities is essential if we are to rebuild confidence in Scotland's democracy and improve outcomes across the country.

We know that the ideas we have set out are very different from the democracy we have in Scotland today. For the past 50 years, power and authority has transferred upwards. Governments at national and local level have moved in the same direction, to the point that control from the centre has become the only way to think.

Many have become disillusioned with the whole democratic process, and are choosing not to vote at all. Deep down, they think that the system doesn't work for them. Yet we also know that it is difficult to approach our recommendations with an open mind about how democracy might change in the future. Most people have only ever experienced our current kind of democracy, and all of us in Scotland, the Commission included, are at least in part driven by the culture and values that we are used to.

In fact, our proposals are only radical if they are viewed from that out of date, centralist point of view. In international terms, Scottish local democracy now looks seriously out of step; large scale, with little or no financial autonomy and lacking the protection that many other countries take for granted.

We are clear that it is time to change all that. We've found that centralisation simply hasn't resolved the big social problems that Scotland faces. To us, it's no coincidence that where local democracy is strong,

communities have consistently experienced better outcomes- the opportunities and challenges in different places are different, and getting them right requires local choices and local accountability. Every year we are using money in 'one size fits all' ways rather than on what works locally, and quite often that has been taken to be a kind of Hobson's choice- you can either be local or you can be efficient - but not both.

That has made communities spectators not full participants in their own democracy, and shut out the resources and insights that they could bring to the table. Worst of all, compared to countries that have taken a much more local approach, this centralised approach has led to big and expensive inequalities in Scottish society, and those inequalities are not reducing. For a country with Scotland's relative wealth and strength, the level of inequality we have today is simply intolerable.

The weak state of local democracy has come into focus as Scotland debates its future, and as one part of that debate draws to a close, we believe that it is the right time for another phase to begin. Regardless of the outcome of the Referendum this September, Scotland can decide that it is time for a new kind of democracy and start to change now.

“We've set out some big plans that could really change Scotland. They are not just about the next few years, or tweaking the current system”.

We understand that it is impossible to specify all of the answers, and so we have set out the pre-conditions and processes that we think are needed for a radically more local and more democratic future. We want to put these ideas into the spotlight, and as we turn to how Scotland will look beyond the Referendum, make them the new standard for democracy.

However, to make any progress at all, we need to break out of a mind-set in which the best we can expect of democracy is a trickle of power from national government to councils, then to communities – all controlled from above. Instead, it is time to start recognising that communities make democracy, not institutions.

Our ideas are intended to begin the transformation, and are not meant to be seen as the final word. They come as a package; there is little point in having a right to local democracy, only for 'higher' governments to determine its functions and powers, and to hold the purse strings. All of them also hinge on a fundamentally different kind of participation in democracy in the future.

Together, they may seem radical, and to some improbable, and we look forward to engaging with every point of view. However, if our work as a Commission has taught us anything, it is that strengthening local democracy will not be a straightforward or neat process. That is why we are not attempting to impose a single blueprint; that kind of thinking is the product of a distinctly centralist way of thinking.

Real change is possible. If we can deliver these building blocks and consistently back them to succeed, we can create a vibrant new democracy for this century and a stronger, more equal society. The alternative is that we slip into the same mind-set that has come to characterise our current democracy, accept that disenchantment and poor participation are inevitable, and give up on the chance to build better lives for people across Scotland.

Communities across Europe have enjoyed the benefits of strong local democracy for decades. Scotland must be no different.

THE START OF A NEW CONVERSATION...

In the end, our conclusions are about local people and how democracy can be reconfigured around them. We hope that across Scotland, everyone with a stake in strengthening local democracy will start to embrace the changes that we have called for and reflect them in how they work now. However, we know that rebuilding democracy will take time and that creating the conditions for real localism to work may be a 10 to 15 year objective.

We have reached this point by listening to and working closely with a wide range of voices and expertise from community organisations, local government, trade unions, faith groups, the third sector, political parties, young people and communities themselves. Indeed, the Commission on Strengthening Local Democracy is only one of a growing clamour of voices that are calling for change.

Throughout our own work, we have also pressed home that strong local democracy does not start or stop in the council chamber, just as it does not stop in the Holyrood or Westminster parliaments. Our experience of engaging citizens in discussing difficult issues is wholly positive and we have witnessed first-hand the passion, enthusiasm and know how that exists across the country.

We would like to extend this kind of thinking into the future. While the detailed planning will require focus, what's important is that democratic innovation is at the centre of that transformation. To steer the process and reflect the kind of activity that could be emulated locally, we believe that a dedicated 'democratic alliance' should drive this change and help it to come alive. We will be seeking to establish this network as one of the legacies of the Commission's work. After all, the implications of our conclusions could fundamentally shape Scotland, and so if we are serious about local democracy, then more than just a few institutions or familiar voices should influence and benefit from what comes next.

We hope that this is an opportunity to galvanise the 'democratic sector' in Scotland and ensure that, for the first time, making democracy stronger becomes an open shop in which many voices and perspectives are empowered to come together to learn, challenge, and explore inspiring ideas. To be effective that must be genuinely inclusive of communities of interest and place, and with cross party buy in. We expect that the Scottish Government and parliamentarians would wish to take part; recognising that they too will wish to help such an alliance forward and use it to make good the pledges that they have already set out.

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Louise Macdonald

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Director, Reform Scotland

Councillor Drew Hendry

SNP Group and Leader of The Highland Council

Councillor Johanna Boyd

Leader of Stirling Council and representing
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Rev. Ewan Aitken

Representing views of faith groups
across Scotland

Councillor Allan Wright

Scottish Conservative Group
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Councillor Martin Kitts-Hayes

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THE COMMISSION
ON STRENGTHENING
LOCAL DEMOCRACY

Report To:	Inverclyde Council	Date:	4 December 2014
Report By:	Chief Financial Officer	Report No:	FIN/73/14/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Financial Strategy 2014/2022 - Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to present the updated Financial Strategy to the Council for review and approval.

2.0 SUMMARY

- 2.1 The six month review of the Financial Strategy has been undertaken and takes into account the latest Budget Strategy assumptions, a review of all funding models included in the Appendix and the latest information from UK and Scottish Government.

- 2.2 It can be seen from table 3 in paragraph 8.8 that the Council addressed a revenue funding gap over 2014/16 of £10.1 million. It should be noted that the rate of savings required post 2016 is expected to increase further and the estimated savings for the period 2016/19 are £25 million as shown in 8.12.

- 2.3 It can be seen from table 5 in paragraph 8.14 that overall the Council has a £1.1 million surplus on its 3 year capital programme. Decisions regarding this will be taken at the February 2015 Council meeting.

- 2.4 All the other appendices and tables have been updated as follows:

Appendix 4 – Riverside Inverclyde – this has been updated to reflect the Joint Operating Plan.

Appendix 5 – School Estate Management Plan – this reflects the latest phasings and decisions and remains affordable based on the assumptions made.

Appendix 6 – Leisure Strategy – this reflects the latest reported position.

Appendix 7 – General Fund Reserves – this reflects the decisions taken as part of the 2014/16 budget and latest 2015/16 grant settlement estimates.

Appendix 8 – Capital Fund – this reflects the latest review of receipts. Members are also asked to note that a £1.2 million contribution to the Depot AMP has been removed whilst a further £2.0 million contribution to the Loans Charge funding plan has been added (See Appendix 13).

Appendix 9 – Repairs and Renewals Fund – this reflects the position following the 2013/14 year end accounts closure and latest 2014/15 projections.

Appendix 10 – AMP – this reflects the latest projected figures taking into account latest information and decisions including a review of the timing of loan charges and the application of savings agreed by Committee.

Appendix 11 – Vehicle Replacement Programme – reflects latest information and budget savings including savings from Vehicle Tracking.

Appendix 12 – RAMP – shows three year approved and five year planned investment of £29 million.

Appendix 13 – This is a new Appendix and illustrates how the Council intends to address a significant loans charges funding pressure between 2016/17 and 2021/22.

- 2.5 Section 12 reflects the identified risks to the Financial Strategy and mitigating actions whilst Appendices 1 to 3 highlights the major short / medium / long term issues the Council needs to be aware of which could materially impact on the figures presented.
- 2.6 Overall the Financial Strategy confirms the significant challenges facing the Council in coming years and is in line with the Council's approved 2015/18 Budget Strategy.
- 2.7 The Corporate Management Team have contributed to and approved the content of the revised Financial Strategy.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council approve the latest revision of the Financial Strategy.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Financial Strategy requires to be reviewed twice per year and reported to the Full Council. This is done in June and December each year.

5.0 CURRENT POSITION

5.1 The Strategy has been updated to reflect latest information as detailed in Section 2 of this report and confirms that the Council is projected to have a surplus on the 2015/16 Revenue Budget of £1.9 million.

5.2 All models in the Appendices have been reviewed and all remain affordable.

5.3 Appendices 1-3 outline the short, medium and long term challenges which the Council requires to consider when agreeing future budgets.

6.0 IMPLICATIONS

Finance

6.1 The Financial Strategy is the key document for the Council's financial planning and links into other strategic strategies and plans. Given the financial challenges which lie ahead then the importance of regular reviews of the document increases.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

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

Legal

6.2 There are no specific Legal issues arising from the report.

Human Resources

6.3 There are no specific Human Resources issues arising from the report.

Equalities

6.4 There are no specific equalities issues arising from the report.

Repopulation

6.5 Having medium term financial plans which realistically reflect the pressures and opportunities faced by the Council and the communities it serves will help build confidence in the area and contribute to the Repopulation agenda.

7.0 CONSULTATIONS

7.1 The Financial Strategy has been produced after consultation with and input from the CMT and other relevant Officers.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.



Financial Strategy

2014/15 – 2021/22

December 2014

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Appendices

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Appendix 11 – Vehicle Replacement Programme

Appendix 12 – Roads AMP

Appendix 13 – Loan Charges

1.0 Foreword

This latest revision of the Council's Financial Strategy has been undertaken at a time of continued financial austerity and constitutional uncertainty.

Given the challenging economic situation, and the significant financial issues we will face over future years, it is essential that the Council updates its Financial Strategy regularly to ensure it provides a practical framework within which policy choices can be identified, debated and approved.

The approval of this revised Financial Strategy demonstrates that we are clear both about the outcomes we want to achieve for our communities and the financial challenges that need to be addressed if we are to successfully deliver on these outcomes.

To provide a clear, consistent strategic direction for the Council the following outcomes were agreed for the Financial Strategy – it will ensure that:

- **the Council has a comprehensive, coherent, balanced budget;**
- **the Council reviews the level of Council Tax annually in the context of the Financial Strategy, to determine an appropriate level in the best interests of the people of Inverclyde;**
- **resources are allocated and deployed to facilitate delivery of the outcomes in the Corporate Statement and Single Outcome Agreement and Corporate Directorate Improvement Plans;**
- **all key strategic decisions on the allocation and deployment of resources are made within the appropriate financial context;**
- **Members can take full account of the impact of decisions on the overall financial resources of the Council in the short, medium and long term;**
- **there is a high level of confidence in the financial management of the Council;**
- **the Council has flexibility to address new policy requirements, or significant changes to existing policies, within overall available financial resources;**
- **resources are invested effectively, efficiently and on a sustainable basis;**
- **there is continued improvement in the delivery of major projects;**
- **there remains a focus on securing efficiencies across the organisation;**
- **a significant proportion of efficiencies secured are invested in improving service quality, delivering new infrastructure, enhancing service levels and upgrading existing assets;**
- **there is an increased level of understanding on behalf of the wider community with regard to the finances of the Council.**

The primary financial challenge facing the Council over the 2014/17 period, given the impact of the economic downturn on public sector expenditure, will be to stay within the approved revenue budget and deliver a capital programme that continues to maintain a high level of investment in key infrastructure.

There is no doubt that setting the 2013/16 budget generated options that required difficult decisions. One of the main challenges faced by the Council was therefore forward planning, preparatory investment and a sufficient lead in period prior to implementation of both savings and investment.

Given the difficult position the Council faces on capital expenditure, it is essential that future capital expenditure proposals are largely self-financing through the release of other capital assets, as well as delivering efficiencies which will secure ongoing revenue savings.

The Council is also developing a coherent, corporate approach to charging and income generation – this will include maximising external funding from sources such as the various Lottery Funds to supplement existing resources and support service delivery.

The Financial Strategy also ensures that strategic initiatives which require long term revenue and capital commitments such as Riverside Inverclyde, Leisure Strategy, Asset Management Strategy and the School Estates Management Plan are locked down.

We also need to ensure that the Financial Strategy continues to support the Corporate Statement directly, the Single Outcome Agreement for Inverclyde, and effectively link this Strategy to our Corporate Directorate Improvement Plans.

The Financial Strategy is a dynamic document and will be monitored on an ongoing basis by the Corporate Management Team and the Policy & Resources Committee. It will continue to be formally reviewed by the Council twice yearly, in June and in December.

This Financial Strategy is key to the future success of the Council – it is about making sure we have sufficient resources in place when required to deliver the outcomes we realistically can achieve for the communities of Inverclyde.

Councillor Stephen McCabe
Leader of the Council

John W Mundell
Chief Executive

2.0 What is the point of a Financial Strategy?

- 2.1 The purpose of our Financial Strategy is to provide clear direction, supported by a practical framework and explicitly defined parameters, on how the Council will structure and manage financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives.
- 2.2 This is not just another financial process – the Financial Strategy is integral to our Strategic Planning and Performance Management Framework which underpins the achievement of the outcomes identified in the Single Outcome Agreement, Corporate Statement, and is an integral part of the Corporate Directorate Improvement Plans.
- 2.3 The requirement to develop a medium to long term financial strategy covering the next five to ten years (and in some areas up to twenty years) is a vital component of decision making.
- 2.4 The Council has taken into account guidance from CIPFA when developing the Financial Strategy as well as best practice from other local authorities.
- 2.5 Our ambition is to maintain a single, coherent Financial Strategy that brings together the corporate objectives of the Council along with all the relevant financial information in a clear, accessible document covering a five to ten year period (and beyond where appropriate).
- 2.6 The value of such a Strategy is that it enables the Council to develop a better understanding of the wider policy and financial environment within which it operates, identify and respond flexibly to opportunities and threats, manage and mitigate risks and ensure that financial resources are contributing to achieving corporate objectives.
- 2.7 The Strategy will also provide information to a range of stakeholders:

Table 1 – Stakeholder Information

For the Council and Elected Members	to decide how available financial resources will be used
For Chief Officers, managers and employees	To help optimise the available resources and reinforce their roles in financial management arrangements
For residents	to show how the Council's Financial Strategy impacts upon service provision
For Council Tax payers	to demonstrate how the Council looks after public resources
For partners	to share the Council's vision and help identify opportunities for joint working and resource deployment.

- 2.8 The Strategy covers the period 2014/17 in detail and also identifies issues that will impact in the longer term, so that the Council can plan ahead. It includes expenditure forecasts and projected funding, where known for key priorities.
- 2.9 Inevitably some of the information of the Financial Strategy will be based on forecasts and these will change over time - the Strategy will be reviewed regularly so that the Council can respond proactively to any such changes.
- 2.10 The inclusion of information in the Financial Strategy does not infer approval and all financial projections and issues will have to be subject to approval through the budget process.
- 2.11 The Strategic Planning and Performance Management Framework continues to develop links between the strategic planning and budgeting processes. This allows services to plan ahead, taking into account the resources available and proactively identify opportunities to achieve efficiencies or secure alternative funding sources. This process also encourages the development of joint resourcing opportunities within the Inverclyde Alliance.

3.0 Financial Summary

- 3.1 On 20 February 2014 the Council agreed the 2014/16 Revenue Budget.
- 3.2 The same meeting also approved the 2014/16 Capital Programme which took into account the latest Government Grant settlement information.

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

	2014/15 £million
<u>General Fund Revenue Budget</u>	196.834
<u>Financed by</u>	
Government Grant (Including NDR)	(165.173)
Council Tax	(33.138)
Approved Contribution to General Reserve	(1.477)
<u>Capital Programme (2014/15)</u>	
Approved Spend	26.57
<u>Financed by</u>	
Government Grants	8.35
Capital Receipts	0.56
Other Grants/CFCR etc	7.56
Prudential Borrowing	9.43
Resources Carried Forward from prior year	7.95
Surplus Resources	7.28

4.0 Overall Economic Position

UK Context

- 4.1 The Comprehensive Spending Review (CSR) announced by the Westminster Coalition in October 2010 provided information on Public Sector expenditure over the period 2011/15. These figures have been revised on a number of occasions and the Autumn 2013 Statement projected figures to 2018/19 which is when fiscal balance is now projected to be achieved.
- 4.2 The following table illustrates the impact of the UK Governments austerity plans. It can be seen that due to increases in Benefits & Pensions arising from the pension “triple lock” guarantee and increases in unemployment payments that investment in Public Services is dropping in cash and real terms.

Total % change in UK Public Spending 2010/11-2018/19

	<u>Cash Terms</u>	<u>Real Terms</u>
Total	11.8	-3.9
Benefits & Pensions	34.5	18.8
Public Services	-7.8	-23.5

- 4.3 Within Public Services funding for NHS, Schools and International Aid have been protected meaning that for many other areas the cuts are much deeper than the almost 25% cuts indicated above.

The Scottish Context

- 4.4 The Scottish Government has confirmed that Council Tax will be frozen for the period of the Parliament, this allied to the already announced Westminster block grant position makes it all but certain that the Council’s available funding will be cut in real and cash terms for the period to 2017.
- 4.5 The Scottish Government announced 3 year Local Government grant figures in December 2011 based on a 3 Year revenue cash freeze and confirmed the 2013/14 grant figures in late November 2012. The Scottish Government confirmed the 2014/15 detailed Council figures in December 2013.
- 4.6 In April 2014 Cosla Leaders agreed that the 2015/16 Grant settlement be based on the latest updated indicators. Confirmation is awaited from the Government of the actual 2015/16 Grant figures but an increase in grant of £1.9 million from previous projections is anticipated.
- 4.7 The following analysis based on the latest information from Fiscal Affairs Scotland outlines the latest position:
- Over the period 2009/10 – 2018/19 there is expected to be an overall cash cut of 4% and a real terms cut of almost 20%. By 2014/15 the real terms cut is 10% ie: approximately 50% of the cuts have been delivered.
 - Continued protection of the NHS will result in cuts to non-protected areas averaging 30% over the period.
 - Whilst austerity could be tempered if the Scottish Government uses it’s increased borrowing powers there is no obvious source of funding for the day to day spending and as such it’s relatively steep decline looks set to continue. .
 - This general picture looks set to continue until at least 2018/19 regardless of the political circumstances and regardless of the Smith Commission findings.

4.8. The Smith Commission set up following the Referendum, is due to agree Heads of Terms by the end of November and report on proposals by the end of January. Depending on the recommendations and subsequent agreements there could be fundamental changes to how Scotland funds and operates key areas of public service in the medium term. However, as indicated above these changes are not expected to impact prior to 2018/19.

4.9 The following table shows the projected movement in the Block Grant over the period 2015/19:

	<u>2015/16</u> %	<u>2016/17</u> %	<u>2017/18</u> %	<u>2018/19</u> %	<u>Annual Average</u>
Block Grant Cash	+1.2	-2.0	-2.8	-	-0.9
Block Grant Real	-0.4	-3.8	-4.6	-2.0	-2.7

For Councils, based on continued above inflation increases in NDR but no increase in Council Tax, the average annual real terms reduction is nearer 2.0%.

4.10 Based on the above it is clear that Local Government faces a continued squeeze on resources for the foreseeable future which will require clear prioritisation and inevitably a review of some of the universal service provision policies at both a national and local level.

4.11 In the February 2014 the Policy & Resources Committee received a high level estimate of the budget gap covering the period 2016/19. Based on the Improvement Service assessment of the Office of Budget Responsibility Autumn Statement (2013), Inverclyde's continuing depopulation and estimated payroll cost pressures, there is a projected £25 million funding shortfall. This equates to approximately 13% of the existing Revenue Budget.

4.12 The latest population projections produced by the National Registrar of Scotland continue to show Inverclyde as the fastest depopulating area in Scotland over the next 25 years. Whilst officers believe these projections to be unduly pessimistic, they do highlight the challenges faced by the area in the medium to long term.

4.13 The Scottish Bill received Royal Assent on 1st May 2012 and has been described as the largest transfer of financial powers to Scotland since the creation of the UK. The main provisions are:

Income Tax – A new Scottish Rate of income tax to be in place from April 2016. Income Tax to be reduced by 10% and thereafter the Scottish Parliament will set a rate of income tax.

Capital Borrowing – A new £2.2 Billion capital borrowing power to be in place by April 2015. The maximum new borrowing per year will be limited to around £300 million.

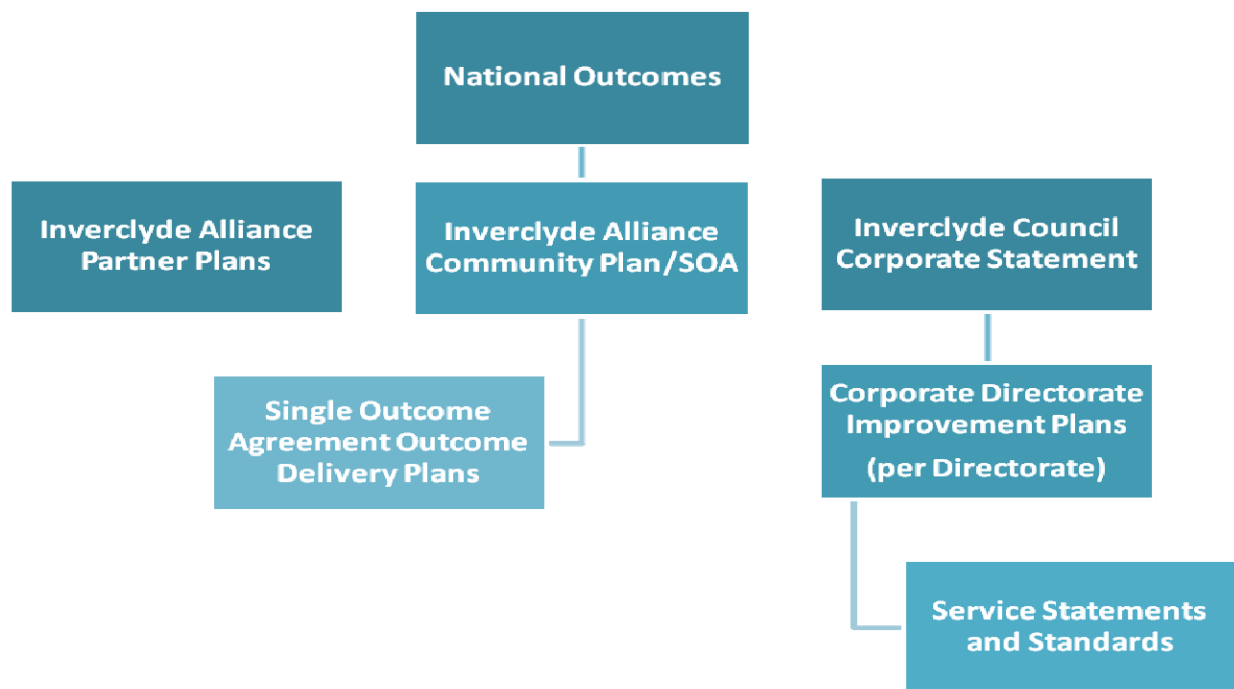
Short Term Borrowing – A limit of £0.5 Billion for short term borrowing to be in place to help manage volatility in tax receipts.

Stamp Duty/Land Tax/Landfill Tax – These taxes will be fully devolved and will be levied and collected in Scotland effective from April 2015 (and administered by Revenues Scotland).

New Taxes – A wider power to introduce new taxes (subject to agreement with the UK Government).

5.0 Local Context

- 5.1 The local environment within which the Council operates has changed significantly in recent years and will alter further in future years due to the impact of national legislation and policy, further economic turbulence, societal changes and developing customer expectations.
- 5.2 The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Performance Management Framework. The Framework includes the Single Outcome Agreement, the Corporate Statement, Corporate Directorate Improvement Plans and the Financial Strategy.
- 5.3 The revised Strategic Planning and Performance Management Framework is shown in Diagram 1.



- The **National Outcomes** are set by the Scottish Government and sit within a National Performance Framework. These outcomes are an overarching guide for the local community planning partnership document, the Single Outcome Agreement.

The Council has agreed that the [Single Outcome Agreement](#) will act as the **Community Plan** for the Inverclyde area. The current SOA will run from 2012 to 2017 and was subject to a minor review in 2013 to match guidance released by the Scottish Government, following the Review of Community Planning and SOAs. The SOA is the high level strategic partnership document setting out the vision and direction for the Inverclyde area, as agreed by all the Inverclyde Alliance partner organisations. The outcomes are based on evidence of the key issues and challenges for the Inverclyde area and through community engagement. They set out what we want to achieve for all the communities of Inverclyde.

- The **SOA Outcome Delivery Plans** set out the Partnership actions and projects which will contribute to the achievement of the SOA outcomes and are expressed through the wellbeing indicators (as set out in the SOA, see below in 5.5) to help better understand their impact on a crosscutting basis.

- The **Corporate Statement** is a public facing, focused statement setting out the Council's vision. The Corporate Statement also reflects the eight local outcomes and the wellbeing indicators from the SOA and sets out, at a high level, what the Council will do to deliver on the eight local outcomes. It also sets out the high level budget by key services.
- **Corporate Directorate Improvement Plans** set out the vision for each Directorate. The Plan covers two broad areas, the first being corporate cross cutting improvement actions and the second Directorate Improvement actions. These improvement actions are based on robust self evaluation and referenced to community outcomes and wellbeing indicators.
- **Service Statement and Standards** set out what services do on a day to day basis and will not change significantly year on year, but will be refreshed to reflect any structural or legislative changes. It is a public facing document which also sets out a summary of the financial and employee resources allocated to run the service. Service standards are also reflected in the Service Statements, setting out what quality standards the service follows and what customers can expect.

Outcomes for Inverclyde

- 5.4 The focus of the Strategic Planning and Performance Management Framework is on addressing the main challenges facing the area, and the eight outcomes set out in the SOA are the agreed priority areas for all partners to work together on, covering the areas of:
- Repopulation
 - Successful Communities
 - Economic Regeneration and Employability
 - Health Inequalities
 - Alcohol Misuse
 - Best Start in Life for children and young people
 - Environment
 - Continuously improving, best value services
- 5.5 There are also a series of **wellbeing outcomes**, which the Inverclyde Alliance, including the Council, has adopted, which have been adapted and expanded from 'Getting it Right for Every Child' , to help us work towards 'Getting it Right for Every Child, Citizen and Community'. The wellbeing outcomes cover the core areas of Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.
- 5.6 A key challenge for the Inverclyde Alliance, and the public agencies, operating in Inverclyde, over the next five years will be to ensure better alignment between available resources, across all agencies, and the outcomes identified in the SOA.
- 5.7 There are a number of improvement actions which have been developed from the Quality Assurance of the SOA including the need to develop a process to identify how partners are shifting planning and resources to early intervention and measuring success on reducing demand, costs and releasing savings. The Council is working to establish a picture of resource deployment in the context of the SOA and will work with partners to try to capture the picture across all involved agencies.

Demographics and Population

- 5.8 The most significant challenge facing Inverclyde is depopulation and associated demographic change – this has been recognised by the Council and our Partners as a priority and is reflected in the Corporate Statement and Single Outcome Agreement.
- 5.9 The fundamental issue for the Council is that at some point if the decline in population continues at the current pace then the area could become no longer sustainable as a unit of administration which would have an associated impact on other services such as health, police and fire.

5.10 In 2011 Census the population for Inverclyde was 81,485, a decrease of 3.2% from 84,200 in the 2001 census. The most recent population estimates set out Inverclyde's population for 2013 at 80,310, a decrease of 0.5% from 80,680 in 2012. The population of Inverclyde accounts for 1.5% of the total population of Scotland.

In Inverclyde 13,515 (16.8%) of the population are aged 16 to 29 years. This is smaller than Scotland where 18.3% are aged 16 to 29 years. Persons aged 60 and over make up 25.5% of Inverclyde. This is slightly larger than Scotland where 23.8% are aged 60 and over.

5.12 Since 1985, Inverclyde's total population has fallen overall, Scotland's population has risen over this period.

5.13 By 2037 the population of Inverclyde is projected to be 65,014, a decrease of 19.4 per cent compared to the population in 2012. The population of Scotland is projected to increase by 8.8 per cent between 2012 and 2037¹.

5.14 Over the 25 year period the age group that is projected to increase the most in size in Inverclyde is the 65+ age group. This is the same for Scotland as a whole.

5.15 The population aged under 16 in Inverclyde is projected to decline by 31.6 per cent over the 25 year period.

5.16 In the [SIMD](#) 2004, Inverclyde, locally, had 32.7% of data zones in the most deprived 15% of all data zones, however by 2006, this had increased to 38.2% . In 2009, the percentage of datazones in the most deprived 15% remained static at 38.2%, but increased in the 2012 SIMD release to 40.0%. Inverclyde's national share of the 5% most deprived data zones has increased from 1.8% in 2004 to 5.2% in 2009, but reduced to 4.3% in 2012. Locally, Inverclyde has the second highest concentration of employment deprivation and health deprivation in Scotland and the third highest income deprivation.

5.17 Public service delivery is particularly challenging in the context of deprivation and depopulation which adds to the uniqueness of Inverclyde as an area.

5.18 Demographic change will have significant impact on services as funding allocated from the Scottish Government is partly based on the population of an area. Even with additional allocations to take account of deprivation the budget is will reduce in real terms over the next five years.

5.19 In terms of indicators of deprivation the profile for Inverclyde differs significantly from the national picture, these include:

- Of the 9120 working age key benefit claimants in Inverclyde 6020 (11.7% of the working age population) are claiming Employment Support Allowance and Incapacity Benefits. This is higher than the Scottish figure of 7.7%.
- 3.9% (2040) of working age benefit claimants are claiming Job Seekers Allowance. Of this, a higher proportion of 18 – 24 year olds (6.5%) are claiming than 25 – 49 year olds (3.5 %) or 50 – 64 year olds (2.2%).
- Approximately 17.7% of the population of Inverclyde are working age (16-64 yrs) out-of-work benefit claimants, compared to 12.4% of the Scottish population as a whole.
- Approximately 13.9% of working age adults in Inverclyde have no formal qualifications. 10.3% of the Scottish population have no formal qualifications (2013 figures).
- Median earnings for full time workers in 2013 in Inverclyde were £489.00 which has increased from the 2007 rate of £383 per week. This is approximately 3.7% lower than those for Scotland as a whole, with the gap decreasing from 13%.
- Working age people account for 64.3% of all people in Inverclyde. This is 0.8% lower than for Scotland as a whole.²

¹ <http://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/inverclyde-factsheet.pdf>

² <https://www.nomisweb.co.uk/reports/lmp/la/1946157422/report.aspx?town=Inverclyde>

- 5.20 The projected population changes will have an impact on all service areas, particularly Education and Social Care, where there will be a need to actively manage the transition from current service delivery arrangements to new models that are built around the needs of the future population.
- 5.21 The deprivation profile will have major implications for services as research indicates that those most vulnerable to poverty are more likely to require greater interventions and a targeted focus to move out of poverty and this will come at a significant cost to public agencies.
- 5.22 The predicted demographic changes also have other implications. A decline in younger economically active people and a growth in the older, more vulnerable age group can mean there will be fewer informal carers which could result in a higher dependency on the services provided by the Community Health and Care Partnership.

The changing public sector landscape in Inverclyde

- 5.23 The public sector landscape has changed significantly in recent years in Inverclyde with the creation of Riverside Inverclyde, River Clyde Homes and the Community Health & Care Partnership – these organisations join Inverclyde Leisure and the wider voluntary sector as part of a mixed economy of public service provision.
- 5.24 The development of this mixed economy of public service provision presents new challenges for the Council as it seeks to ensure that outcomes are achieved and that resources are being deployed effectively and efficiently. This is particularly relevant in the context of the SOA where there will need to be a robust appraisal of whether existing service delivery arrangements across all partner agencies can effectively deliver on the agreed outcomes.
- 5.25 The Christie commission report sets out the future of public service reform, with a major emphasis on preventative spend and early intervention. Whilst the Council has to tackle the problems associated with poverty and deprivation now, it also has to look to the future, and ensure that effective intervention is put into place now, to prevent further problems from developing, which will ultimately require expensive interventions. Investment in the lives of our children and young people early on in their lives will result in a better outcomes and quality of life for them as they grow up in the Inverclyde area.
- 5.26 The Community Empowerment (Scotland) Bill is working its way through the legislative process and is expected to be implemented from 2015/16. This will potentially have a significant impact on the way the Council interacts with the Community.
- 5.27 *Riverside Inverclyde*

Riverside Inverclyde is a joint initiative between the Council and Scottish Enterprise to regenerate 330 acres of the Clyde Waterfront scheduled to run from 2006/7 until 2017/18.

The Council's contribution towards Riverside Inverclyde is £24 million over the ten year period. In addition the Council has made contributions in kind by transferring specific assets to the Urban Regeneration Company which will count towards the £24 million contribution and a further £5.7 million financial support to specific major Regeneration projects led by Riverside Inverclyde.

Following the mid-term review an interim Chief Executive was appointed in October 2013 and in consultation with partners, employees and members has produced a new Single Operating Plan covering the period 2014/17. The Single Operating Plan reviewed objectives, outcomes and financing. The Corporate Director Environment, Regeneration and Resources will remain the interim Chief Executive until a maximum of March 2017.

- 5.28 *River Clyde Homes*

River Clyde Homes is a not-for-profit housing organisation, which is run by a Board of Tenants, Council nominees and community members. It is regulated by the Government to ensure that it manages housing in the best interests of the tenants of Inverclyde, and the community as a whole.

The transfer to River Clyde Homes of all the Council housing stock was based on significantly more money being available to invest in homes and neighbourhoods and give tenants a real say in the decisions that are made about their housing, with tenants on the Board influencing policies and investment decisions.

River Clyde Homes prepared a Business Plan which gives tenants a clear understanding of what they can expect from the new organisation on key issues like improvements, repairs and rent levels. Progress against the Business Plan is reported to the Council annually in addition to which six monthly briefings are given to Members.

Government cuts have impacted on progress against the original Business Plan.

5.29 *Inverclyde Leisure*

Inverclyde Leisure is a 'company limited by guarantee', not having share capital and recognised by HMRC as having charitable status. In October 2001, the Trust was asked to take responsibility for the management and delivery of Inverclyde Council's sport and recreational services.

The Leisure Trust works in close partnership with Inverclyde Council and other internal and external agencies in order to develop the optimum service for residents and visitors to Inverclyde and so to ensure the Trust's Mission Statement is implemented.

The Council's Community Facilities transferred to Inverclyde Leisure in April 2010 and the transfer Outdoor Leisure Facilities to Inverclyde Leisure is due to be formally completed by January 2015. Inverclyde Leisure has revised its Business Planning process and a new Business Plan was presented to the Council in March 2014.

5.30 *Inverclyde Community Health Care Partnership (CHCP)*

The Council and Greater Glasgow and Clyde Health Board established an integrated Community Health and Care Partnership in October 2010. This has resulted in greater partnership working and efficiencies in line with the Government's stated objective of integrating aspects of Health & Social Care. The Public Bodies (Joint Working) Act 2014 will result in an Integrated Joint Board from April 2015 and will require some changes to the CHCP however the Council is well placed in this regard given the 4 years of CHCP operation.

The CHCP has a combined budget of over £120 million.

6.0 Key Organisational Issues

- 6.1 The Council has 3 specific Corporate Improvement Groups (CIGs) two of which are chaired by the Corporate Director, Environment, Regeneration & Resources and one by the Corporate Director Education, Communities & Organisational Development.
- 6.2 The first Corporate Improvement Group is the Modernisation CIG. This group coordinates the main Modernisation projects including Mobile/Home Working, Electronic Document Management and Digital Access.
- 6.3 The second CIG is the Asset Management Planning CIG. In addition to reviewing progress in respect of the SEMP, Office Rationalisation AMP, Depot AMP and Roads AMP, it reviews overall progress in respect of the production of all Asset Management Plans and Capital Programme delivery.
- 6.4 The third CIG is the Performance CIG which meets on a regular basis to develop and deliver the Strategic Planning and Performance Management Framework as well as Equality and Diversity for the Council.

7.0 Financial Management

Corporate Governance

- 7.1 The Council positively promotes the principles of sound corporate governance within all aspects of its activities.
- 7.2 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Council. It is based around key principles of openness, equality, integrity and accountability.
- 7.3 The fundamental principles of corporate governance should be reflected in the various dimensions of Council business, including;
- Ensuring a community focus underpins the Council's vision and priorities;
 - Ensuring the effective delivery of local services on a sustainable basis;
 - Establishing effective management structures and processes which include clearly defined roles and responsibilities for officers;
 - Developing and maintaining effective risk management systems that form part of the Council's strategic decision making process;
 - Ensuring high standards of propriety and probity in the stewardship of the Council's funds and the management of the Council's affairs;
 - A commitment to openness in the Council's affairs and the provision of full, accurate and clear information to all stakeholders.
- 7.4 The Chief Financial Officer has been designated as "the proper officer" and is responsible for advising the Council on all financial matters.
- 7.5 The Financial Regulations approved in September 2012 are an essential component of the corporate governance of the Council.
- 7.6 The Financial Regulations are designed to facilitate the smooth running of the Council, protect its interests and the interests of members and officers, and ensure the proper administration of all the Council's financial affairs, including, Partnerships, Trading Accounts, The Common Good and Sundry Accounts.
- 7.7 Head Teachers must also comply with the Financial Regulations, with the exception of virement which is defined in the Devolved Management of Resources Scheme.

Roles and Responsibilities

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

Elected Members

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

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

Corporate Management Team

- 7.11 The Chief Executive and Corporate Directors form the CMT, chaired by the Chief Executive, who are responsible, individually and collectively, for ensuring effective financial management across the organisation.
- 7.12 As Budget Holders the CMT are responsible for the budgets delegated to deliver the services within their Directorate in line with the priorities of the Council. Whilst they may delegate this responsibility within their Directorate they remain accountable in exercising overall financial control.
- 7.13 The CMT have a specific meeting each month to consider corporate financial matters including employee costs, key budget lines earmarked reserves and work stream savings progress.

Chief Financial Officer

- 7.14 The Chief Financial Officer has a statutory role to ensure appropriate arrangements are in place for the proper administration of the financial affairs of the Council. He has the authority to comment and advise CMT, Chief Executive and Elected Members on all financial matters.

Heads of Service

- 7.15 Heads of Service are individually responsible for ensuring that the services within their remit are delivered in line with the agreed policy, and support the strategic direction of the Council. As Budget Holders they are responsible for the budgets delegated to them to deliver their service in a manner which demonstrates value for money in line with the priorities in the Corporate Directorate Improvement Plans.

Budget Managers

- 7.16 Responsibility for budgetary control lies with the Corporate Directors and as delegated budget holders, their Heads of Service and Service Managers. In recognition of the need to ensure budget holders are appropriately supported and trained, Finance Services delivers training to all Heads of Service and Managers on Financial Governance and budgetary control issues.

Financial Support to Services

- 7.17 The Council agreed in November 2009 to a fundamental change in the way financial support and advice is delivered to Directorates. The approved "Hub and Spoke" model means each Directorate has a dedicated Finance Manager and Principal Accountant who, assisted by a team of Finance Officers, prepares and monitors the Directorate budget as well as providing a full range of financial advice to the Directorate.

Internal Audit

- 7.18 Internal Audit provide assurance to Elected Members, the Chief Executive and management that the internal processes of the Council are being managed appropriately in line with the overarching policies and outcomes are being delivered in an efficient and effective manner.

External Audit

- 7.19 The role of External Audit is to provide assurance to the Auditor General and the Accounts Commission that the Council has spent public money properly to deliver outcomes in an efficient and effective manner. They also provide assurance to the Elected Members, the CMT and general public that the Council's performance is reported in accordance with the financial standards and presents a fair account of the Council's activities.

Managing the Budget

- 7.20 Committees receive five budget monitoring reports throughout the year. These are jointly prepared by the Chief Financial Officer and the relevant Corporate Director.
- 7.21 The Corporate Management Team receive and discuss a budget overview every month covering key budget lines, employee costs, earmarked reserves, progress on the approved savings and key projects with financial implications.
- 7.22 All Services receive detailed budget information five times per year and in addition are sent FMS budget reports in intervening months plus having access to real time information held on the Council's Finance Management System.

8.0 Financial Outlook

- 8.1 Key financial issues are known or anticipated events and activities that have to be addressed within overall financial resources in the short-term (within 3 years), medium-term (within 5 years) or long-term (over 5 years).
- 8.2 Events and activities include efficiencies, planned savings, changes to service priorities and delivery, and known potential pressures. The financial impact of an event or activity may be one-off, recurring or time-limited.
- 8.3 The Council is due to receive Revenue Grant/Non-Domestic Rates Income of £165.173m in 2014/15.
- 8.4 When the Council's own projection of Council Tax Income based on 96.5% collection rate is added (£33.138m) then the income for the Council in 2014/15 is projected to be £198.311m.
- 8.5 The Financial Strategy runs up to 2021/22 and beyond in terms of identifying potential issues, but the revenue forecasts are limited to the period which can be reasonably forecast.
- 8.6 The level of resources available to the authority to fund its revenue expenditure is also dependent on Council Tax and the approved budget shows no increase over 2014/17.
- 8.7 The Council has agreed a Reserve Strategy which requires a minimum unallocated General Fund Reserve of 2% of turnover. This equates to £3.8 million. The overall position of the Reserves shown in Appendix 7 and has been updated to reflect the latest projections. The Reserve Strategy was reviewed and approved by the Policy & Resources Committee in August 2013.
- 8.8 The projected budget position in the short to medium term, is set out in the following tables and notes for both revenue and capital. Details of the short, medium and long-term issues identified in consultation with Services are contained at Appendices 1, 2 and 3.

Table 3

Finance Strategy - December 2014

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Base Budget for Prior Year	197.574	198.311	198.872
<u>UPLIFTS FROM PRIOR YEAR</u>			
<u>Inflation (Note 1)</u>			
Pay Inflation	1.710	2.110	2.110
Other Inflation	1.900	0.300	1.300
Income	-0.147	-0.151	-
	<u>3.463</u>	<u>2.259</u>	<u>3.410</u>
<u>Budget Increases (Note 2)</u>			
Corporate Pressures (movement)	0.650	1.000	-
Unavoidable Pressures	0.420	0.020	2.000
Loan Charges	0.150	0.300	-
Capital Programme Revenue Impact	-	0.100	-
New Prudential Borrowing	-	-	0.400
New Pressures- P&R November 2014	-	1.600	0.500
	<u>1.220</u>	<u>3.020</u>	<u>2.900</u>
<u>Adjustments (Note 3)</u>			
Council Tax Reduction Scheme	-0.042	-	-
Children and Young Peoples Bill	0.709	-	-
Other Adjustments Applied	1.003	-0.226	-
Net Revenue Budget Before Savings	<u>203.927</u>	<u>203.364</u>	<u>205.182</u>
<u>Funded by: (Note 4)</u>			
Revenue Grant/NDR Income	165.173	165.734	163.134
Council Tax Income	33.138	33.138	33.138
	<u>198.311</u>	<u>198.872</u>	<u>196.272</u>
Annual Budget Before Savings (Surplus)/Deficit	<u>5.616</u>	<u>4.492</u>	<u>8.910</u>
Cumulative Budget Gap before Savings	<u>5.616</u>	<u>10.108</u>	<u>19.018</u>
<u>Savings Applied (Cumulative)</u>			
1% Savings November 2012	-1.675	-1.763	-1.763
Savings Applied February 2013	-2.091	-4.772	-4.772
Former Workstream Savings	-2.857	-3.433	-3.433
New Workstreams	-0.470	-2.040	-2.040
Approved Budget (Surplus)/Deficit	<u>-1.477</u>	<u>-1.900</u>	<u>7.010</u>

Finance Strategy Notes – December 2014

Note 1 Inflation

- a) Pay – The allowance for pay inflation is the maximum available over the 3 year period to fund all pay related pressures including the annual pay award, impacts of equal pay etc, increases in employers national insurance/pension costs and movement in service bottom up employee budgets.

All pay inflation has been allocated to Service budgets for 2014/15, a 2% increase in teachers pay would cost approximately £704,000 (2015/16) whilst a 2% increase in non-teaching pay would cost approximately £1,365,000 (2015/16).

- b) Other Inflation

b) <u>Other Inflation</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Utilities	0	200	200
Landfill Tax	86	100	100
Contracts/Other	814	1000	1000
Un-utilised Element	1000	(1,000)	0
	<u>1900</u>	<u>300</u>	<u>1300</u>

- c) Income – based on (2.5%) resulting in £147k for 2014/15 and £151k for 2015/2016

Note 2 Budget Increases

- a) Corporate Pressures - Figures reflect approvals from November 2012.
- b) Unavoidable Pressures – Reflects approvals for Auto Enrolment and abolition of National Insurance contracting out rebates from 2016/17.
- c) Loan Charges Movement – 2014/16 figures reflect anticipated increase due to capital investment.
- d) Capital Programme Revenue Impact – Reflects an allowance for increased running costs arising from the Council's Capital Programme.
- e) New Prudential Borrowing – Reflects allowance built into the 2015/18 Budget Strategy approved in September 2014.

Note 3 Adjustments

- a) Council Tax Reduction Scheme – Reflects Government contribution to Council Tax Reduction Scheme. The Council received £42,000 less funding in 2014/15 than was received in 2013/14. At present there is no confirmation for years 2015/16 and onwards.

- b) Children and Young Peoples Bill - Reflects Government contribution to Council to cover the early learning and childcare provision of the Children and Young People (Scotland) Bill. Further funding is expected for 2015/16 but figures have not been released by the Scottish Government.
- c) Other Adjustments – Figure reflects receipt of funding from Scottish Government for Hostels, Discretionary Housing Payments, Council Tax Reduction Scheme Administration costs, National 1+2 Language funding and the National Care Home Contract plus sundry minor adjustments.

Note 4 Funded By

- a) Reflects 2014/15 Finance Settlement included in Scottish Government Circular 1/2014 and 2/2014. 2015/16 figures based on recent Cosla leaders decision to update all indicators for 2015/16. The Government has yet to confirm detailed figures. The 2016/17 figures are estimated based on continuing grant loss due to Depopulation and estimated cash reductions per 2013 Autumn Statement.

8.10 *Other Short Term Revenue Issues*

The main remaining risks associated with the approved 2015/16 budget will be around Pay Awards and regular review of the allowances and reporting to Committee will ensure officers become aware of any significant variances and report these at the earliest opportunity.

8.11 *Medium to Long Term Revenue Issues*

Looking beyond 2015/16 becomes increasingly difficult with uncertainty around the level of funding likely to be available, the impact of the Scotland Act, Smith Commission and the Westminster elections in May 2015.

By 2015/16 the incremental impact of current major initiatives including Riverside Inverclyde, Leisure Strategy Schools Estate Strategy, and Asset Management Plans will have been fully incorporated the overall Budget.

Post 2015/16 the main issues impacting on the revenue budget will be:

- **Funding will be impacted by future population change/demographic shifts and any changes to the way local government in Scotland is funded.**
- **Welfare Reform changes will impact on DWP/Government grants to the Council, Service demands on the Council and employee numbers in certain Council Services.**
- **Health/Social Care integration will be implemented over this period and whilst work is on going regarding delivery models and governance the fundamental fact is that there is not enough money to meet increasing demand.**
- **Pension costs influenced by the impact of auto-enrolment, the changes to LGPS and Teachers Pensions, plus costs associated with the Council resizing its workforce in order to balance its budgets.**
- **The impact on Councils and employees National Insurance contributions arising from the ending of contracting out is expected to be significant.**
- **Costs associated with sustainability including waste disposal and recycling, energy and fuel costs and general procurement inflation due to increased global demand for raw materials.**
- **As Loans Charges become a larger proportion of the Revenue Budget due to funding reductions and the Council's ambitious Capital Investment Programme then the impact of increases in interest rates will become greater.**
- **Overall global economic situation resulting in uncertainty around investment returns, inflation levels and further reductions in public sector funding.**

The fundamental issue for the Council is that at some point if the squeeze on public sector finances and the decline in population continues then the area could become unviable as a unit of administration and this will have an associated impact on other local services such as health, police and fire.

8.12 Table 4 shows the high level estimate of the 2017/19 budget gap based on the above.

2016/19 Budget Gap - High Level Estimate

	2017/18 £m	2018/19 £m	Cumulative £m
1/ Estimated Block Grant Reduction	3.1	1.5	4.6
2/ Continuing cash cut due to Depopulation	1.0	1.0	2.0
3/ Inflation - Pay (2% per year)	2.1	2.1	4.2
- Non-Pay (As present)	1.3	1.3	2.6
4/ Pressures (Known)			
- Auto-enrolment (70% take up -Oct 2017)	0.4	0.6	1.0
- RAMP/AMP	0.4	0.4	0.8
- General Pressures	-	1.0	1.0
	8.3	7.9	16.2

- a/ This includes a general allowance for demographic pressures coming through CHCP from 2018/19.
- b/ Allows for £4.6 million per year Prudential Borrowing for RAMP and £1.0 million per year for AMP.
- c/ Assumes no Council Tax increase. (3% annual increase would raise £1.0 million per year towards the gap).

8.13 Short to Medium Term Capital Projections

The Council agreed a 3 year Capital Programme covering 2013/16 in February 2013 which included significant extra investment in roads infrastructure.

In addition, the Council has already approved a significant level of Prudentially Funded capital projects including investment in schools, leisure, a new depot, rationalisation of offices and vehicles.

The Council has agreed an asset disposal strategy on the premise that assets are not sold whilst the market continues to be depressed unless the Council is clear it can demonstrate Best Value is being achieved.

8.14 Long-Term Capital Projections

There is greater certainty around capital spend for the post 2015/16 period due to the fact that the School Estate Strategy will use around 60% of projected capital grant for at least the next 15 years.

This will leave a relatively small amount for other projects which will be required to maintain the Council's existing infrastructure asset base i.e. Operational Properties, Roads, Lighting, Open Spaces and ICT.

Given the difficult position the Council faces on revenue expenditure, it is essential that future capital expenditure proposals are largely self – financing through the release of other capital assets, as well as delivering efficiencies which will secure ongoing revenue savings.

Unless there is a substantial increase in resources from the Government or alternative funding sources are identified then the Council will face significant challenges to have sufficient capital resources to maintain it's existing asset base in the medium to long term.

9.0 Treasury Management

- 9.1 Inverclyde Council has adopted the CIPFA “Treasury Management in the Public Services – Code of Practice” which sets out good practice for treasury management governance. The Council complies with legal and regulatory requirements in relation to its Treasury Management activities and has appointed consultants to provide advice on Treasury Management issues, including technical issues and the formulation of views on interest rates.
- 9.2 In complying with the Code of Practice, the Council produces a Treasury Management Practices document which sets out how the Council will manage and control its Treasury Management activities. This document is submitted to Committee for approval every three years with approval also being sought for any amendments in the intervening period.
- 9.3 Some significant changes were made to the requirements for Treasury Management reporting following the implementation of the revised CIPFA Treasury Management Code of Practice in April 2010. This has resulted in the following:
- (a) An annual Treasury Management Strategy submitted at the start of the financial year and which includes the Council’s Prudential Indicators and covers issues such as the economic situation, the prospects for interest rates, and the Council’s borrowing and investment strategy for the coming year.
 - (b) A mid-year review of the Strategy which include details of the Council’s debt and investment position, activity undertaken during the quarter, and performance to date against the Council’s Prudential Indicators and agreed policy limits.
 - (c) An Annual Report for Treasury Management which is submitted to Members before the end of September each year and which advises Members of the Treasury Management activities during the previous financial year.

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

- 9.4 The table on the next page shows the Council’s debt and investments position as at 30/9/14..

Table 6 – Council’s Debt and Investment Position – 30/9/14

The Council’s treasury portfolio position at 30/9/14 comprised:

		Principal		Average Rate
		£000	£000	
Fixed rate funding	PWLB	116,750		
	Market	55,000	171,750	3.98%
Variable rate funding	PWLB	0		
	Market	47,943	47,943	4.97%
TOTAL DEBT			219,693	4.19%
TOTAL INVESTMENTS			51,931	0.80%

10.0 Reserves

10.1 A key aspect of the consideration of the Financial Strategy is the position of the General Fund Reserves. The Reserves Strategy was last reviewed and approved by Council in August 2013.

10.2 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.

10.3 The Reserves Strategy is based on the “free” General Fund Reserve being maintained at a level of 2% of turnover. A turnover of approximately £190 million results in a “free” General Fund Reserve of £3.8 million. In the event that the Reserves are projected to fall below this level then Members must have a clear route for bringing Reserves back up to the level over the subsequent three financial years.

10.4 The Reserves Strategy also assumes the continued use of earmarked reserves. In this way, earmarked reserves can be separated from the “free” General Fund Reserve which should allow Members to more transparently track the underlying reserves position.

10.5 Within Inverclyde Council the main Reserves/Funds comprise; General Fund Reserve, Insurance Fund, Capital Fund and Repairs & Renewals Fund. The latest projected position is shown below.

10.6 (a) General Fund “Free” Reserves – This Reserve represents the Council’s contingency for unforeseen/unquantifiable events. The level of the Reserve is determined by the Reserve Strategy whilst the projected balance is reported to each Policy and Resources Committee. See Appendix 7.

Balance 31/3/16 = £7.101 million

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

Balance 31/3/14 = £4.277 million

(c) Capital Fund – The Capital Fund is a Fund into which Capital Receipt income can be paid and used to fund either capital investment or repay the Principal element of debt repayments. The balance and planned usage of the Capital Fund is incorporated into the Financial Strategy. See Appendix 8.

Balance 31/3/14 = £0.939 million

- (d) Repairs & Renewals Fund – The Repairs & Renewals Fund consists of sums received from external parties or allocated directly from Council resources which are thereafter released on a phased basis to maintain specific assets. Use of specific allocations to the Fund are agreed by Policy & Resources Committee and the overall position will be reported as part of the Financial Strategy. See Appendix 9.

Balance 31/3/14 = £2.727 million

11.0 Monitoring, Reporting and Review Processes

- 11.1 The Financial Strategy should be a dynamic, relevant document and will be monitored on an ongoing basis by Finance - it will also be formally reviewed twice yearly, in May and then in November.
- 11.2 The formal review of the Financial Strategy will be reported to CMT and Full Council on a six monthly basis – there will also be capacity to review the Strategy as and when required, particularly when a new issue arises or the impact of major policy or initiative becomes clearer.
- 11.3 The Financial Strategy will only be revised if there are material changes to estimates, projections or policy which will have a financial impact however issues which may impact will be flagged up in the regular General Fund Budget reports to Policy & Resources Committee.
- 11.4 The deminimus level for a major impact requiring immediate review is 50% of the planned General Fund reserves, £1.9 million, subject to the opinion of the Chief Financial Officer.
- 11.5 The financial management principles and expectations have been communicated and are understood by all Chief Officers and budget holders.
- 11.6 The Financial Strategy has been drawn up with the full involvement of the CMT and, will be communicated throughout the organisation.

12.0 Risk Management

- 12.1 The Council has developed a Corporate Risk Register, Directorate Risk Registers and individual service risk registers where appropriate.
- 12.2 Further work has also been undertaken to develop a Risk Register for the Financial Strategy and the required actions to mitigate risks – these are set out in the table below.
- 12.3 The risk assessment below considers the risks to our financial position arising out of matters considered in this Financial Strategy and utilises the same methodology used for the Corporate, Directorate and Service Risk Registers.

Risk	Management of Risk
<p>The Financial Strategy does not reflect in financial terms the objectives set out in other strategic plans of the Council.</p>	<p>The Financial Strategy provides a high level overview of the various strategic plans the Council has signed up to – it acknowledges that there will inevitably be financial implications arising from the SOA and Corporate Statement but it is not possible to quantify all of these at present.</p> <p>The Financial Strategy will be updated as further information becomes available regarding these strategic plans.</p>
<p>The directorate planning process will identify a range of additional budget pressures over and above those currently considered in this Financial Strategy.</p>	<p>The Directorate Planning Guidance identifies that Corporate Directorate Improvement Plans (CDIP) should reflect the resources allocated – the need for additional resources to achieve a particular priority should be specifically identified via the Financial Strategy prior to the preparation of the CDIP.</p>
<p>Forecasts within the Financial Strategy are not accurately determined or reviewed on a regular basis.</p>	<p>The Budget and Financial Strategy set out the expected levels of expenditure and income for the future. The forecasts are arrived at through careful consideration of historic trends and actual expenditure levels and any factors which may have an impact in the future.</p> <p>It also requires a degree of estimation and assumption, such as to calculate the impact of a perceived increase or decrease in future demand as a result of demographic changes or patterns of behaviour that have a socio-economic impact.</p> <p>Throughout the financial year, the Council regularly monitors its financial performance against its budgets and will revise them where necessary, subject to remaining within the agreed overall budget for the Council.</p>

Risk	Management of Risk
<p>There is a continuing need to deliver significant cuts and efficiencies over the medium to long term. Robust and detailed plans will be required on an operational level to ensure that this risk is mitigated and savings are duly delivered.</p>	<p>The risks relating to the delivery of savings of the magnitude will be mitigated by robust monitoring and financial control through the budget monitoring process, with action plans being required to find compensating savings for any overspends identified.</p> <p>Individual savings are reviewed by lead officers on a monthly basis and material issues reported to the CMT and if required, Committee.</p>
<p>Income budgets not achieved or become unsustainable.</p>	<p>Chief Officers are consulted on proposed increases in income budgets/fees and charges and have the opportunity determine the levels of individual charges to achieve the budgeted income target.</p> <p>Equally, income budgets are monitored throughout the financial year and where a shortfall in income is anticipated, this is highlighted in reports to Committee.</p> <p>Proposals to increase fees and charges undergo robust challenge prior to reporting to Committee.</p>
<p>The Council has insufficient capital resources to sustain capital commitments.</p>	<p>The Council has already identified through the Financial Strategy a reduced reliance on capital receipts and Government Grants in the medium term.</p> <p>The combination of a poor settlement and economic instability mean that the Council has to focus on maintaining key infrastructure whilst utilising prudential borrowing for specific capital projects.</p> <p>The Council has identified the need to complete Asset Management Plans for all it's assets with the Open Space AMP due for completion in 2015.</p>
<p>Bankruptcy of a major supplier or customer which could result in the Council having to pay twice for the same service or see artificially inflated prices if a replacement service needs to be obtained at very short notice.</p>	<p>The Council has reviewed its procurement process and a procurement manual has been developed which includes supplier financial appraisal at PQQ stage. This will ensure that the financial position of new contractors is vetted prior to ITT stage and entering into any large contracts.</p> <p>Regular reviews of financial position are undertaken for key suppliers on an ongoing basis.</p>
<p>Legislative changes are not anticipated and the financial impact is not addressed through the budget process of Financial Strategy.</p>	<p>Chief Officers are required to highlight the impact of legislative changes through the strategic planning and budgeting process and the likely resource requirement.</p> <p>In addition COSLA has a key role in assessing the financial impact of changes in legislation and lobbying for Councils to be funded appropriately.</p>
<p>Interest rates on borrowing may be higher than forecast.</p>	<p>Regular review of treasury management decisions. Prudent assumptions on likely interest rates have been incorporated into Financial Strategy. Borrowing is spread to reduce impact of short-term changes.</p>

<p>Reserves are required to cash flow unanticipated budget shortfalls and fall below minimum recommended level.</p>	<p>Reserve Strategy is in place which clearly states that these must be a clear route to bring reserves back up to the minimum level over the subsequent 3 financial years.</p>
<p>Large contracts are due to be re-tendered where costs are likely to be higher due to the current economic climate.</p>	<p>Assumptions have been built into the budget for increase in price of goods and services.</p>
<p>Revenue implications of capital programme/projects are not fully anticipated.</p>	<p>All capital projects identify revenue implications and link into Council priorities. All capital projects are subject to a robust approval process which includes a review of revenue implications.</p>

Short-Term Issues (2014/16)

The tables in Appendices 1, 2 and 3 have been developed through ongoing consultation with Directorates by the Chief Financial Officer to develop detailed knowledge of the issues to inform the Financial Strategy and future budget setting.

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Corporate	Equal Pay	Provision for outstanding claims may not be sufficient and new groups may claim.	Provision will continue to be monitored and reviewed taking account of relevant legal judgements and advice from the Council's legal advisors.	Steven McNab	Ongoing
	Inflation	Uncertainty over pay awards and other inflation pressures were not fully clear when settling 2013/16 budgets.	Inflation allowances to be viewed over the 3 years time frame. Regular monitoring and reporting to CMT/Members.	Alan Puckrin	Ongoing
	Welfare Reform	Impact and increase in demand for Services can only be estimated. Longer term funding for Council Tax reduction scheme to be clarified.	£1.3 million recurring budget agreed as part of 2013/16 budget. Update reports going to Committee each cycle.	Alan Puckrin	Ongoing
	Holiday Pay	Recent legal ruling has still to be fully clarified. Potential for large backdated payments.	Proposed as a recurring budget pressure.	Steven McNab	November 2014
CHCP	Health/Social Care Integration	Likely implementation for all CHCP areas. Impacts on Governance/Funding could be significant	Monitor developments, report to relevant Committees.	Brian Moore	Ongoing

	Self Directed Support	Implement robust Resource Allocation System, possible pressure from new clients, who may otherwise not engage with Service.	As above	Brian Moore	Implemented April 2014
	Relationship with Service Providers.	Managing provider expectations whilst in a period of uncertainty over the future of the National Care Home Contract along with expectations from those providers out with this contract to fund inflation/impact of pensions/living wage.	As above	Brian Moore	Ongoing
	CHCP Asset Management Plan	Develop a comprehensive CHCP Asset Management Plan with a longer term property strategy, ensuring capital and revenue funding can be identified to meet ongoing maintenance, improvement and replacement costs.	Strategy drafted and due to fo to CMT/Committee.	Brian Moore	January 2015
Education & Communities					

Appendix 2

Medium-Term Issues (2016/18)

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Corporate	Reductions in other public sector partner's funding streams	As Public Sector funding reductions continue, partners are reducing their contributions to key Council priorities such as Riverside Inverclyde, CHCP, River Clyde Homes etc.	Continue dialogue with partners.	Corporate Directors	Ongoing
	Reduction in Council Funding	Government Funding over 2015/20 likely to be further reduced as recovery is delayed.	Await next Scottish Government Spending Review figures and factor into revised Financial Strategy and 2016/18 budget.	Alan Puckrin	December 2015
	Government needs to reduce Public Sector Borrowing	Prudential Borrowing Capping and cuts to Government Capital Grant will require revision of capital plans.	Rolling 3 Year Capital Programme developed annually. SEMP already reduced funding requirement from 2015/16.	Alan Puckrin	December 2014
	Removal of key services from Council control.	Government could review Public Sector landscape which could result in loss of large parts of the Council remit and resultant impact on corporate viability.	Keep track of developments and report to Committee as required.	John Mundell	Ongoing
	Increased Payroll costs due to end of contracted out pensions and Auto-enrolment.	The Government has indicated that it intends to introduce both these changes from 2017 at an estimated annual cost of £3 million to Inverclyde Council.	Keep an eye on developments and report to Committee as required.	Alan Puckrin	Ongoing
	Increased cost for externally provided contracts and services due to the Living Wage.	There is a clear desire to ensure suppliers of Council Services pay the Living Wage. This could add significant costs to the Council if passed on by suppliers.	Monitor developments and report to Committee if required.	Corporate Management Team	Ongoing

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Social Care	Ongoing Demographic demand pressures across many Social Care areas and on going drive towards Self-Directed Support and Independent Living	Continuing increased demand will put considerable pressure on "flat cash" budgets.	Extra funding requested as part of the 2015/17 budget. Would be reviewed as part of 2017/18 budget.	Brian Moore	December 2015
Environment & Regeneration	Waste Strategy	Significant cost increases expected in treating residual waste from 2017/18.	Monitor Waste Strategy and report to CMT/Committee at appropriate time.	Aubrey Fawcett/ Ian Moffat	May 2016
	Asset Management Plans	Current RAMP funding ends 2015/16. Funding for continued investment to be identified. Other Property AMP likely to identify need for significant investment.	Factor proposals into 2015/18 budget.	Aubrey Fawcett/Alan Puckrin	February 2015
Education & Communities	School Estate Management Plan	Reduced Capital resources and corporate cost pressures may make current timescales for delivery of SEMP unachievable.	Six monthly review off all aspects of SEMP to continue. Recent review reflects approved acceleration programme which is still affordable in line with plan for completion but resources getting tighter.	Patricia Cassidy/ Alan Puckrin	Ongoing

Long-Term Issues – Post 2018

<u>Service</u>	<u>Issues Identified</u>	<u>Issues & Potential Impacts</u>	<u>Action to be Taken</u>	<u>Responsible Officer</u>	<u>Timescale to report back</u>
Corporate	Depopulation and Change of Demographics	Continued loss of grant income, over provision of infrastructure. Viability of area under threat.	Population/Demographic trends to be monitored and reported to SOA/Alliance on a regular basis.	Patricia Cassidy	Ongoing
	Potential changes to funding of Local Government	Major constitutional uncertainty, ongoing Council Tax freeze and devolving 10p income tax to Scotland have the potential to have a major impact on role/funding of Councils.	Monitor National developments and report as required.	John Mundell/Alan Puckrin	Ongoing
Social Care	Increase in number of Elderly and Adults with Learning Difficulties and resource implications of policy direction of Independent Living and Self Directed Support.	Significant costs associated with reshaping, expanding delivery models.	Develop as part of CHCP remit.	Brian Moore	Ongoing
Environment & Regeneration	Regeneration of Greenock and Port Glasgow Town Centres.	Reports to Committee have identified significant investment needs within the Greenock and Port Glasgow Town Centre areas. Whilst contributions will be sought from Partners and the Private Sector the Council will require to provide a large amount of the funding.	Develop a funding model with clear outputs and funding sources.	Aubrey Fawcett	February 2016
	Global Warming/Climate Change leading to rising sea levels	Significant impact on Council area with increased flooding and expenditure on sea defences.	New Flood Plan to include this issue.	Ian Moffat	Ongoing
	Closure of major local employer	Could further increase rate of depopulation and would significantly impact of areas regeneration efforts.	Regular review of the approved rl/Council Joint Operating Plan.	Aubrey Fawcett/Stuart Jamieson	As required

	Carbon Reduction Commitment	Council will almost certainly exceed the threshold for participation in 2019. Will cost in excess of £300,000 per year.	Continue to monitor and report Council's performance annually.	Stuart Jamieson	Annually
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Current Profile

Appendix 4

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	1,900	-	-	1,900
2013/14	1,600	-	-	1,600
2014/15	1,500	-	-	1,500
2015/16	1,300	-	-	1,300
2016/17	1,300	-	-	1,300
2017/18	500	-	-	500
Gourock Redevelopment	-	-	1,100	1,100
PG Town Centre	-	-	500	500
Gourock - 1 way system	-	-	1,000	1,000
Area Renewal Fund	-	-	200	200
	17,425	785	5,790	24,000

In addition to the £24 million the Council will provide an additional £3.1 million towards the two major projects at Gourock (£2.6 million) and Port Glasgow Town Centre (£0.5 million) over 2012/15. During 2014/15 the Council agreed the following investments also to be delivered by Riverside Inverclyde:

Further £950,000 also going to Gourock project as well as £300,000 for Gourock Municipal Buildings, Broomhill/East Greenock £860,000 & further PG Town Centre funds of £500,000.

Oct 14 Revised - No Savings

School Estate - Earmarked Reserves

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Earmarked Reserve b/fwd	3,086	3,461	2,605	1,919	1,564	1,593	1,561	1,441	1,474	1,439	1,172	871	1,030	1,224	1,361	1,509	1,630
Available Savings added (a)	4,347	4,584	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,747	4,747	4,747	4,747	4,747	4,747
Extra Financing (b)	3,210	3,020	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260	3,260
Prudential Schools Loan Charges (c)	-3,439	-4,410	-4,528	-4,534	-4,541	-4,548	-4,556	-4,564	-4,573	-4,582	-4,592	-4,602	-4,613	-4,625	-4,638	-4,651	-4,665
Unitary Charge Payment (d)	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942
Unitary Charge Inflation Element (e)	-233	-460	-726	-1,002	-1,290	-1,589	-1,900	-2,223	-2,559	-2,909	-3,273	-3,651	-4,044	-4,453	-4,879	-5,321	-5,781
Unitary Charge Funding from Inflation Contingency	565	460	726	1,002	1,290	1,589	1,900	2,223	2,559	2,909	3,273	3,651	4,044	4,453	4,879	5,321	5,781
One Off Costs (f)	-813	-974	-991	-646	-247	-292	-364	-194	-244	-457	-472	-57	0	-35	0	0	0
Extra Revenue Repairs (g)	-366	-230	-263	-271	-279	-288	-296	-305	-314	-324	-333	-343	-354	-364	-375	-389	-401
Unitary Charge RSG	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096
Written Back to General Reserves	-50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earmarked Reserve c/fwd	3,461	2,605	1,919	1,564	1,593	1,561	1,441	1,474	1,439	1,172	871	1,030	1,224	1,361	1,509	1,630	1,725

(a) Per 13/14 Budget - includes savings from Craigmarnoch from August 2014.Reduced by £70k from 2013/14 for additional NDR St Columba's.

(b) Per 2008/9 budget and £1m for Port Glasgow Com Campus , plus £160k for Lomond View. Compensating loan charges for receipts transferred to the Capital Fund come in from 2015/16.

(c) Assumes Inverclyde Academy , Newark Primary,Port Glasgow Community Campus and Lomond View refurbishments are Prudentially funded. Uses a pool fund rate of 4.0% from 2012/13.

(d) Based on Actual Unitary Charge at Jan 2011 RPI of £8.842 million plus £100k contingency from 2013/14.

(e) Base at Jan 2014 RPI. Assumes 2.7% annual inflation (4% RPI discounted by factor of 1.5)

(f) After 2026/27 one-off costs cease.

(g) Increased Revenue Repairs £250k in 2013/14. Saving of £75k from 2016/17.

Finance Strategy
Leisure Strategy

Leisure Strategy - Financial Implications

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000
Capital								
Ravenscraig Stadium	104	28	1,357	301	51	0	0	1,841
Parklea Pavillion & Stadium	278	1,220	3,239	452	130	65	0	5,384
Rankin Park Sports Centre	110	158	94	177	886	175	68	1,668
Nelson St Sports Centre Refurbishment	0	0	42	525	4	54	0	625
South West Library Refurbishment	0	0	138	176	1	0	0	315
Gourock Park Amphitheatre & DDA Works	217	99	3	0	0	0	0	319
Broomhill/George Road Pitches	960	50	2	1	0	0	0	1,013
Broomhill Park	0	187	10	0	0	0	0	197
Gourock Swimming Pool	37	137	1,070	779	72	3	0	2,098
Birkmyre Drainage	0	0	0	13	1	0	0	14
Contribution to Battery Park Pitch Replacement	0	0	0	68	0	0	0	68
Indoor Bowling Refurbishment	0	0	142	0	0	0	0	142
Waterfront Ice Rink	0	0	0	0	258	41	0	299
Complete on Site Contingency	0	0	0	0	0	8	0	8
Unallocated Balance	0	0	0	0	0	0	93	93
Total	1,706	1,879	6,097	2,492	1,403	346	161	14,084

Notes

- a Allowance in overall Finance Strategy for up to £200k of increased revenue costs from 2012/13.
- b Leisure Strategy partly funded by Sports Scotland Grant of £1m (£0.5m 2011/12, £0.482m 2012/13, £0.018m 2013/14) and a further £0.2m in 12/13 allocated for the Waterfront Ice Rink
- c In addition to the projects above the Leisure Strategy has contributed £0.5m towards the Broomhill Community Facility (Total project budget £1.05m)
- d Waterfront Ice Rink total cost £0.4m with balance funded from Property Services annual capital allocation.

Finance Strategy
General Fund "Free" Reserves
2014/16 Balance Projection

	£000
Reserves Balance at 31st March 2014	4,793
 <u>Budgeted Contribution to Reserves: Note 1</u>	
2013/14 Outturn Earmarked for 2014/16	594
2014/15	1,477
2015/16	1,900
	3,971
Contribution to Reserves 2014/16 Note 2	550
Planned Use of Reserves 2014/16 Note 3	(5,853)
Projected Surplus (Defecit) Note 4	3,640
Free Reserves Balance 31st March 2016	7,101

RSG/NDR/Council Tax will be £190 million from 2014/15. Recommended minimum level of reserves is 2% / £3.8 million.

Notes:

- 1/ 2014/15 Figures are based on surplus reported as part of 2013/16 Budget, 2015/16 are indicative figures.
- 2/ 2014/16 Figures represent decisions taken as part of the 2013/16 Budget process and further decisions taken in February 2014 as detailed below:

	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
RAMP Funding 2013/14 - £300k	250	100	0	350
Contribution from Common Good/Birkmyre	50	150	0	200
	300	250	0	550

- 3/ Represents decisions taken as part of the 2013/16 Budget and February 2014 and based on latest phasings:

<u>Approved Use of Reserves</u>	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
February 2014 - £5.203m	(965)	(1,938)	(1,700)	(4,603)
February 2014 - SEMP £1.1m	0	(1,100)	0	(1,100)
September 2014 - £0.150m	(150)	0	0	(150)
	(1,115)	(3,038)	(1,700)	(5,853)

- 4/ Figure reflects projected surplus reported to Policy & Resources Committee November 2014 plus further underspends for Auto Enrolment, loans charges and unallocated inflation contingencies as detailed below:

	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Projected Surplus (November 2014 P&R)	1,658	0	0	1,658
Auto Enrolment not required	186	100	0	286
Unallocated Inflation Contingency	0	0	0	0
Unallocated Pay Inflation Contingency	846	0	0	846
Loan Charge Underspend to EMR	600	250	0	850
	3,290	350	0	3,640

Finance Strategy
Capital Fund

		2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Balance B/fwd		(1,742)	(939)	(1,219)	(1,936)	(3,559)	(2,366)	(3,150)
Additions (Estimate)	a	(190)	(275)	(949)	(2,840)	0	(2,000)	(731)
Interest (Estimate)		(7)	(5)	(8)	(23)	(47)	(24)	(59)
Principal Repayments	b	0	0	240	240	240	240	240
Other Payments	c	1,000	0	0	1,000	1,000	1000	1000
Balance at Year End		(939)	(1,219)	(1,936)	(3,559)	(2,366)	(3,150)	(2,700)

Notes

- a Estimated Receipts:
- 2013/14 SEMP, £0.1m, Mearns Centre, t'fer of funds from Communities Facilities budget
Other Receipts, £0.09m, Neil St.
 - 2014/15 SEMP, £0.075m, Highlanders, £0.15m Kings Glen
AMP Receipt, £0.05m, Newark House
 - 2015/16 SEMP Receipts, £0.629m, includes Barmoss Nursery, Ravenscraig, Lilybank & St Gabriels Primaries.
Other Receipts, £0.32m, Former Kempock Hse, Neil St, Wateryetts Drive, Kilmacolm, McLeans Yard,
Land at Broadstone Avenue.
 - 2016/17 SEMP Receipts, £2.55m, Greenock Academy, Kings Glen Primary.
AMP receipts £0.29m, Strone Office & Wellington Academy
 - 2018/19 SEMP Receipts, £2m, St Stephens
 - 2019/20 Recovery of Scottish Enterprise Clawback, £0.731m
- b £240k SEMP from 2015/16
- c Other Payments:
- 2013/14 £1.0m payment to fund Loan Charges, subsequent saving in Loan Charges will help fund the RAMP.
 - 2016/20 £4.0m payment to fund Loan Charges.

Finance Strategy
Repairs & Renewals Fund

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Balance B/fwd	(1,089)	(2,727)	(2,888)	(2,902)	(2,872)
Additions:					
Inverkip Footbridge					
Leisure Strategy	a	(200)	(200)		
Former Housing Repairs & Renewals Fund		(1,164)			
Central Energy Efficiency Fund		(260)			
Maintenance Payments:					
Greenock Cut	9	14	14	14	14
Gallaghers/Port Glasgow Development	36	36	36	36	36
Inverkip Footbridge		2	2	2	6
Leisure Strategy	b		160	34	45
Former Housing Repairs & Renewals Fund					
Contribution to Energy Efficiency Administration		1	3	5	5
Interest					
Greenock Cut	(2)	(2)	(2)	(6)	(5)
Gallaghers/Port Glasgow Development	(1)	(1)	(2)	(4)	(3)
Inverkip Footbridge	(1)	(2)	(3)	(6)	(6)
Leisure Strategy	(1)	(2)	(7)	(16)	(16)
Former Housing Repairs & Renewals Fund	(4)	(6)	(12)	(24)	(24)
Central Energy Efficiency Fund		(1)	(3)	(5)	(5)
Balance:					
Greenock Cut	(301)	(289)	(277)	(269)	(260)
Gallaghers/Port Glasgow Development	(246)	(211)	(177)	(145)	(112)
Inverkip Footbridge	(301)	(301)	(302)	(306)	(306)
Leisure Strategy	(451)	(653)	(700)	(682)	(653)
Former Housing Repairs & Renewals Fund	(1,168)	(1,174)	(1,186)	(1,210)	(1,234)
Central Energy Efficiency Fund	(260)	(260)	(260)	(260)	(260)
Balance at Year End	(2,727)	(2,888)	(2,902)	(2,872)	(2,825)

Notes

a Future contribution to Leisure Strategy subject to confirmation of available funds.

b Leisure Strategy commitments:

2015/16 Contribution to Inverkip Community Facility

2016-18 Pitches/MUGA's Lifecycle costs

Finance Strategy
Asset Management Plan - Offices

Earmarked Reserve Offices	<u>2013/14</u> £000's	<u>2014/15</u> £000's	<u>2015/16</u> £000's	<u>2016/17</u> £000's	<u>2017/18</u> £000's	<u>2018/19</u> £000's	<u>2019/20</u> £000's
Earmarked Reserve b/fwd	474	403	66	184	276	382	528
Additional Funding (Note d)	660	610	500	500	500	500	500
Available Savings/(Cost) Added (Note a)	(201)	(281)	193	288	287	332	332
Loan Charges (Note b)	(215)	(317)	(461)	(621)	(681)	(686)	(686)
Further One Off Costs (Note c)	(315)	(349)	(114)	(75)	0	0	0
Net Saving/(cost) for year	(71)	(337)	118	92	106	146	146
Earmarked Reserve c/fwd	403	66	184	276	382	528	674

Notes

- a Net Revenue Savings & Costs Excluding Loan Charges
2012/13 figure includes £1m Capital works funded directly from AMP Reserves per Feb 2013 Budget
- b Assumes an interest rate of 4%
- c Further One Off costs relate to the temporary appointment of an Asset Manager as well as costs for various decants, demolitions and rental of storage area.
- d Additional funding consists of original funding allocation of £1m adjusted for:
 £200k Workstream Saving from 2011/12
 £30k Topslice saving from 2012/13
 £60k Workstream Saving from 2013/14
 £100k Workstream Saving from 2014/15
 £45k BPRA scheme saving from 2015/16
 £50k one off reduction of EMR Balances 2013/14
 £65k Revenue saving from 2015/16
- e A further £125k saving from 2016/17 is currently being considered but is not reflected in the above figures. In addition the Business Store has been declared surplus to requirements, financial implications of this have not been reflected at this stage.

Finance Strategy
Asset Management Plan - Depots

Earmarked Reserve Depots	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Earmarked Reserve b/fwd	682	1,126	1,494	1,680	1,384	1,409	1,431
Additional Funding (Note d)	500	500	500	500	900	900	900
Available Savings/(Cost) Added (Note a)	111	131	135	97	97	97	97
Loan Charges (Note b)	(148)	(194)	(430)	(893)	(972)	(975)	(975)
Further One Off Costs (Note c)	(19)	(69)	(19)	0	0	0	0
Net Saving/(cost) for year	444	368	186	(296)	25	22	22
Earmarked Reserve c/fwd	1,126	1,494	1,680	1,384	1,409	1,431	1,453

Notes

- a Net Revenue Savings & Costs Excluding Loan Charges
- b Assumes an interest rate of 4%
- c Further One Off costs relate to the temporary appointment of an Asset Manager
- d Additional funding made up of:
- | | | |
|--------------------------------------|-------|--|
| Contribution from Zero Waste Fund | £200k | From 2010/11 |
| Contribution from Revenue Budget | £300k | From 2012/13, original £500k allocation reduced by £200k Workstream Saving |
| Additional Contribution from Revenue | £400k | From 2017/18, diversion of Riverside Inverclyde budget |
- e A proposed reduction in capital spend within Pottery St Depot of £1.5m is currently being considered, the subsequent reduction in loan charges would allow a £100k reduction in ongoing revenue funding to be taken, this being cost neutral within this model. In addition a proposal to close Kirn Drive civic Amenity site is being considered, the subsequent reduction in loan charges would be offset by a reduction in revenue funding.
- Neither of the these proposed savings have been reflected in the above figures.

Finance Strategy
Vehicle Replacement Programme

Appendix 11

Earmarked Reserve	<u>2013/14</u> £000's	<u>2014/15</u> £000's	<u>2015/16</u> £000's	<u>2016/17</u> £000's	<u>2017/18</u> £000's	<u>2018/19</u> £000's	<u>2019/20</u> £000's	<u>2020/21</u> £000's	<u>2021/22</u> £000's
Earmarked Reserve b/fwd	205	311	320	305	292	281	281	281	259
Capital Requirements:									
Vehicle Purchases	542	1,102	2,631	352	1,866	582	1,128	2,797	244
Residual Value	(183)	(307)	(746)	(83)	(385)	(134)	(294)	(714)	(63)
Net Capital Requirement	359	795	1,885	269	1,481	448	834	2,083	181
Loan Charges	966	1,037	1,091	1,089	1,087	1,076	1,076	1,098	1,075
Additional Revenue Costs, Tracking System	28	28	28	28	28	28	28	28	28
Loan Charges Funding Available	1,100	1,074	1,104	1,104	1,104	1,104	1,104	1,104	1,104
Annual Funding Surplus/(Shortfall)	106	9	(15)	(13)	(11)	0	0	(22)	1
Earmarked Reserve c/fwd	311	320	305	292	281	281	281	259	260

- It should be noted that the model:
- a Reflects reductions in fleet as a result of savings agreed February 2013 as well as a reduction in Loan Charges funding available.
 - b Assumes continuation of Food Waste collection and includes replacement of Food Waste Vehicles, 2017/18.
 - c Excludes Low Carbon Vehicles, due for replacement 2016/17. The purchase of these vehicles was heavily subsidised by government Grants which may not be available in future years. If a decision is made to replace these vehicles any replacement costs will be met from available grants and Service Revenue budgets.
 - d Excludes Glass Collection Vehicles which were due to be delivered in November 2014 and are funded by a combination of grants and Prudential Borrowing. These will be factored into the model for the June 2015 update.
 - e From 2015/16 includes £30k additional funding vired from undersepend in Fuel.

Finance Strategy
Roads Asset Management Plan

Appendix 12

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2013/16</u>	<u>2013/18</u>
	Actual	Actual	Approved	Approved	Proposed	Proposed	3 Year	5 Year
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<u>Funding Available</u>								
a Core/Supported Borrowing		1,300	1,300	1,300	1,400	1,400	3,900	6,700
Prudential Borrowing			2,100	2,100	4,600	4,600	4,200	13,400
CFCR:								
b Early Allocation (Feb 2012)	1,373	1,627					3,000	3,000
c Further Allocation (Feb 2013)		1,100	2,400	2,400			5,900	5,900
Total Funding Available	1,373	4,027	5,800	5,800	6,000	6,000	17,000	29,000
<u>Allocation of Expenditure</u>								
Carraigeways	1,220	2,997	4,027	2,642	3,000	3,067	10,886	16,953
Footways	153	248	350	700	900	1,250	1,451	3,601
Lighting		113	240	1,537	1,200	1,000	1,890	4,090
Road Markings			50	50	50	50	100	200
Drainage			75	75	50	50	150	250
Structures		3	417	400	550	650	820	2,020
Fees & Staffing Costs		269	324	433	430	430	1,026	1,886
Total Allocation of Expenditure	1,373	3,630	5,483	5,837	6,180	6,497	16,323	29,000
<u>Over/(Under) Allocation</u>								
d	0	(397)	(317)	37	180	497	(677)	0

Notes

- a 2016/18 funding subject to confirmation and formal approval.
- b Funds were set aside during February 2012 budget process prior to the formal approval of the RAMP model.
- c CFCR part funded from underspends due to reduced requirement for Loan Charges in early years.
- d Lighting programme has been delayed due to delays in carrying out the column surveys and development of the outline business case and strategy. It is now anticipated that the original intended programme will not be completed within the initial 3 year period but will be extended into 16/17 and 17/18.

Finance Strategy
Loan Charges

		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
Balance B/fwd			1,200	1,200	1,456	874	93	(983)	(2,170)	(4,314)	(1,987)
Projected Loan Charges	a		12,753	13,377	15,472	15,671	15,966	16,077	16,034	11,563	11,239
Available Budget			13,346	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890
Loan Charge Surplus/(Deficit)			593	513	(1,582)	(1,781)	(2,076)	(2,187)	(2,144)	2,327	2,651
Additional Funding:											
Contribution from Reserves	b	1,200									
Contribution to Reserves	c		(593)	(257)							
Contribution from Capital Fund	d				1,000	1,000	1000	1000			
Balance at Year End		1,200	1,200	1,456	874	93	(983)	(2,170)	(4,314)	(1,987)	664

Notes

- a Excludes Loan Charges relating to funded models (SEMP, AMP, VRP, Birkmyre Trust).
- b Allocation of Reserves in 2013/14 to address short term Loan Charges funding issue.
- c Of the £1.2m originally allocated from Reserves only £0.35m had been generated from Loan charges surpluses, £0.85m is therefore required to return to Free Reserves.
- d Allocation from Capital Fund. It should be noted that this contribution is dependent on receipts from property disposals and as such cannot be guaranteed.

Report To:	Inverclyde Council	Date:	04 December 2014
Report By:	Brian Moore Corporate Director Inverclyde Community Health & Care Partnership	Report No:	CHCP/47/2014/HW
Contact Officer:	Brian Moore Chief Social Work Officer Inverclyde Community Health & Care Partnership	Contact No:	01475 712722
Subject:	Chief Social Work Officer - Annual Report		

1.0 PURPOSE

- 1.1 This report provides Members, with a view on the effective functioning of Social Work Services within Inverclyde, as a component of the governance arrangements of the Council. It further outlines the key challenges faced by the service.

2.0 SUMMARY

- 2.1 The Social Work (Scotland) Act 1968, as amended by Section 45 of the Local Government, etc (Scotland) Act 1994 requires every Local Authority to appoint a professionally qualified Chief Social Work Officer.
- 2.2 In March, 2009, the Scottish Government published national guidance on the role of the CSWO, and within the national guidance it was stated that the CSWO should prepare an annual report to the Local Authority on all of the statutory, governance and leadership functions of the role.
- 2.3 This report presents Inverclyde's Chief Social Work Officer (CSWO) report for the period 2013-14.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Council notes the CSWO report as set out in Appendix 1.

Brian Moore
Corporate Director, CHCP
Chief Social Work Officer

4.0 BACKGROUND

- 4.1 The Social Work (Scotland) Act 1968, as amended by Section 45 of the Local Government, etc., (Scotland) Act 1994 requires every Local Authority to appoint a professionally qualified Chief Social Work Officer.
- 4.2 In March, 2009, the Scottish Government published national guidance on the role of the CSWO which outlined the role as providing professional governance, leadership and accountability for the delivery of Social Work Services, whether these are provided by the Local Authority or purchased from the private or voluntary sectors.
- 4.3 Within the national guidance it was stated that the CSWO should prepare an annual report to the Local Authority on all of the statutory, governance and leadership functions of the role.
- 4.4 This is the Chief Social Work Officer (CSWO) report for the period 2013-14 in relation to Inverclyde Council. The report provides an overview of professional social work issues as required by Scottish Government guidance.

The statutory CSWO Annual Report format has changed significantly this year from previous years and follows the template format issued by the Chief Social Work Advisor for Scotland. The Report also reflects the requirements of our forthcoming HSCP (currently under shadow arrangements). The report layout includes the following sections:

- Demographic Profile of Inverclyde
- Socio Economic and Health Profile of the population
- Partnership Structures and Governance Arrangements
- Social Services Delivery Landscape/Market
- Financial and Performance updates
- Statutory Functions
- Continuous Improvement and Planning for Change
- User and Carer Empowerment
- Workforce Planning and Development
- Key Challenges for the year

The attached report provides an overview of public protection and risk management issues, a summary of key statutory decisions and overview of complaints activity and outcome of scrutiny activity during the period April 2013 to March 2014.

7.0 IMPLICATIONS

Finance

- 7.1 There are no financial implications in respect of this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

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

Legal

7.2 None at the time of this report.

Human Resources

7.3 None at the time of this report.

Equalities

7.4 None at the time of this report.

Has an Equality Impact Assessment been carried out?

√

YES (see attached appendix)

NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

7.5 None at the time of this report.

8.0 CONSULTATIONS

8.1 The workstreams described within the report are all subject to appropriate consultation.

Foreword

As Chief Social Work Officer for Inverclyde, I am pleased to present the 2013/14 Chief Social Work Officer Annual Report. This is an opportunity for me to take stock of what our challenges are and how we are working to improve the lives of the people who rely on our services. This year's report follows the format suggested by the Chief Social Work Advisor for Scotland, and by taking this approach it will be easier for us to compare our achievements and challenges with other local authority areas that have also opted for this format.

I have included the latest outline of our demographic profile, along with some of the key challenges that are evident in Inverclyde. However I am also keen to stress some of the assets we have, particularly in our communities and in our workforce.

As we move towards our Health and Social Care Partnership arrangements, I have taken this opportunity to reinforce the need to build on the positives that we have achieved as an integrated Community Health and Care Partnership, but also to grasp the opportunities that the new legislation brings to make integration even better for us and the people we serve. Social work practice and values have been central to our successes so far, and will be crucial to ensuring that we build on the positives into the future, while addressing the challenges and at the same time delivering better outcomes for the people of Inverclyde.

Demographic Profile

Inverclyde Council serves a population of **80,680** (GRO MYE 2012). The population of Inverclyde represents 1.5 percent of the total population of Scotland.

Just over **19%** of Inverclyde's population are aged 0 to 17 years; **62%** are aged 18-64, and **19%** are aged 65 or over. **52%** are Female and **48%** are Male.

Of the 50,096 working-age population, **25%** are economically inactive (due to long term sickness etc), and **30%** are employment-deprived (either out of work or working but without sufficient contracted hours to meet what they would like to fulfil). Further analysis of these key data is included in the next section, describing Inverclyde's socio-economic profile.

Age Group	Male pop	Female pop	Total Population of Inverclyde
0-17	7,972	7,411	15,383
18-64	24,275	25,821	50,096
65-74	3,082	4,396	8,198
75+	2,531	4,472	7,003
Total	37,860	42,100	80,680
% Total pop	48%	52%	100%

Source: *GROMYE (2012)*

Socio-Economic Profile:

SIMD Challenges for Inverclyde

National Share of most deprived areas: The number of data zones in Scotland's 15% most deprived which belong to Inverclyde has increased slightly over the four editions of SIMD. In SIMD 2012, 44 (4.5%) of the 976 data zones in the 15% most deprived data zones in Scotland were in Inverclyde, compared to 42 (4.3%) in both SIMD 2009 and SIMD 2006, and 36 (3.7%) in SIMD 2004.

Local Share of most deprived areas: In SIMD 2012, 44 of Inverclyde's 104 data zones (42%) were within the 15% most deprived in Scotland, compared to 42 (40%) in both SIMD 2009 and SIMD 2006, and 36 (35%) in SIMD 2004. In the West Scotland region, the local authority with the smallest proportion of its data zones in Scotland's 15% most deprived is East Renfrewshire (no data zones), while the local authority with the highest proportion is Inverclyde (42%).

The most deprived data zone in Inverclyde is in the intermediate zone of Port Glasgow Mid, East and Central. It has a rank of 115, meaning that it is in the 5% most deprived in Scotland.

It is important to recognise that the SIMD Index is a ranking system, so improvements made in any given local authority area need to exceed improvements in others if the ranking position is to improve.

Income Deprived: According to the SIMD 2012 report for Inverclyde 18% of the population are income deprived in comparison to the West of Scotland at 14.2% and Scotland at 13.4%.

Employment Deprived: 19.1% of the population are employment deprived compared to the West of Scotland percentage at 14.9% and the Scotland percentage at 12.8%

Source: SG Greenock and Inverclyde SIMD 2012

Economic Inactivity: 12,800 people in Inverclyde during the period Jan-Dec 2013 were classified as 'economically inactive'. Of this total 4,600 were 'long term sick' which represents 36.1% compared to 28.8% in Scotland as a whole.

Source: Nomis Inverclyde Profile 2013

Key Benefit Claimants: 10,540 adults in Inverclyde were claiming benefits at November 2013. This equates to 20% of the 16-64 population of Inverclyde compared to Scotland at 15%. Of this total, 8,750 were in receipt of key out of work benefits. Included in this group are Job Seekers, Employment Support Allowance and incapacity benefits, lone parent and other income related benefits. This equates to 16.8% compared to 12% in Scotland.

Source: Nomis Inverclyde Profile 2013

In summary, our socio-economic profile presents some significant challenges. The links between economic inactivity, low income and poor health outcomes are well established and often lead to a need for additional social work input. Our challenge is to use the assets and resources we have within our communities and our staff to build capacity for families and communities to find ways of mitigating the impacts of those factors that so often lead to poorer outcomes.

Health Profile

Life Expectancy and Mortality: The latest study by the Office for National Statistics (ONS) published in April 2014 shows that Inverclyde is second worst in the UK for life expectancy. The average life expectancy at birth from 2010-12 for men in Inverclyde is 73.7 years and 79.9 for women. It means the area's male population has the second worst outlook in the UK — just behind Glasgow on 72.6 years — with women faring only slightly better at 397th out of all 404 local authorities across the nation. The Scotland average is 76.6 years for males and 80.83 years for females. The main causes of death recorded in Inverclyde in 2012 were cancer followed by circulatory disease. See table below Cause of Death by Gender.

Main Cause of Death	Male	Female
Cancer	32%	26%
Circulatory Disease	28%	28%
Respiratory Disease	12%	13%
Digestive Diseases	8%	4%
External Causes	6%	4%
Other	15%	25%

Behaviours: Just under one in four (23%) respondents to our Health and Wellbeing Survey conducted in 2011 were smokers in Inverclyde. Those in Inverclyde were less likely than those in the NHS Greater Glasgow & Clyde area as a whole to be smokers (23% Inverclyde; 29% NHSGGC). Although smoking rates are high, we are encouraged by the finding that for the first time smoking prevalence has dipped below the NHSGGC average. *Source: H&WB Survey Published Mar 2013).*

The proportions of the population hospitalised for alcohol-related conditions and for drug related conditions are significantly higher than the Scottish average. Active travel to work and levels of sporting participation (including walking) are lower than the Scottish Average. *Source: Health and Wellbeing Profiles, Scot PHO, 2014.*

III Health and Mental Health: Cancer registrations and the proportions of the population hospitalised for COPD, Emergency Admissions, and Multiple Admissions (65 years and over), are significantly higher (worse) than the Scottish Average. The percentage of patients prescribed drugs for anxiety/depression/psychosis and the patient psychiatric hospitalisation rate (532.1 per 100,000) are also significantly higher than average (320.3 per 100,000). The suicide rate in Inverclyde CHCP (18.8 per 100,000 pop) is higher than the Scottish average (15.0 per 100,000), although it should be noted that the absolute numbers by local authority area are low which leads to rate conversions being unreliable as a measure. A difference of just a few in either increase or decrease can change the rate per 100,000 significantly. The figures below illustrate that a reduction of eleven individuals can show as a 39% reduction. On that basis we would be cautious of focusing on rates locally, but rather, ensure that we are implementing best practice to reduce the number of individuals and families that are affected by the tragedy of suicide. *Source: Health and Wellbeing Profiles, Scot PHO 2014.*

Suicide rates

	2011	2012	% +/-
Inverclyde	28	17	-39.3%
Scotland	889	830	-6.6%

<http://www.gro-scotland.gov.uk/statistics/theme/vital-events/deaths/suicides/tables-and-chart.html>

Social Care and Housing: Inverclyde has a significantly higher percentage of older people (65+) (7.1%) receiving free personal care at home compared to the Scottish average (5.2%), and the percentage of adults claiming incapacity benefit/severe disablement allowance is significantly higher than average.

The rate per 1,000 children looked after by the local authority (18) is significantly higher than the Scottish average (14.7). However, our percentage of looked after children within the community was **90%** at the last published reporting period 2012-13 placing us in the 2nd Quartile and ranking 14 out of 32 within Scotland. We strive to ensure that children who need to be looked after remain in their own communities whenever possible. Close monitoring ensures that we continue to exceed our local target of 88% for this measure. *Source: ISD SOLACE benchmarking metadata published 2014*

Poverty: Just over half (55%) of respondents said that at least some of their household income came from state benefits, and 19% said that all their household income came from state benefits. Altogether, 33% said that they 'ever had difficulty' meeting the costs rent/mortgage, fuel bills, telephone bills, council tax/insurance, food or clothes/shoes. Source: H&WB Survey Published Mar 2013)

One in eight (13%) said that they would have a problem meeting an unexpected expense of £20; two in five (39%) said they would have a problem meeting an unexpected expense of £100 and 82% would have a problem finding £1,000 for an unexpected expense. **Those in Inverclyde were more likely than those in the NHS Greater Glasgow & Clyde area to say they would have difficulty meeting unexpected costs of £1,000 (82% Inverclyde; 76% NHSGGC).** Source: H&WB Survey Published Mar 2013

Partnership Structures / Governance Arrangements

The Chief Social Work Officer (CSWO) in Inverclyde is the Corporate Director of the Community Health & Care Partnership (CHCP). When we formally move to the Health and Social Care Partnership (HSCP) arrangements, this is likely to change under the requirements of the guidance. This report however reflects the CSWO position in the context of current arrangements, specifically the dual role as described.

CHCP Arrangements

Inverclyde Community Health and Care Partnership (CHCP) was formed as a Directorate of Inverclyde Council and an entity of NHS Greater Glasgow and Clyde on 1st October 2010. Inverclyde CHCP comprises social care services across all adults' and children's services, and including criminal justice services, along with primary and community health services. In order to deliver on the outcomes of the CHCP the following service groupings are in operation.

- Health, Community Care and Primary Care
- Children & Families and Criminal Justice
- Mental Health, Addictions and Homelessness
- Planning, Health Improvement and Commissioning

Inverclyde CHCP total workforce consists of **1,702 CHCP employees** or **1373.2** whole time equivalent (WTE). NHS- Staff account for **35%** (*n590; 489 WTE*) and Inverclyde Council Local Authority staff account for **65%** (*n1, 112; 884.2 WTE*). This makes the CHCP a significant employer in the area, and we recognise that many of our staff and their families experience the negative impacts of the socio-economic challenges described in this report. We therefore strive to provide a supportive and nurturing working environment.

Source: HR Workforce Report April 2014 and NHS Workforce data (PW)

The CSWO has control over and responsibility for all of these staff and services, and their associated budgets from both Council and NHS, as well as accountability for care and clinical governance. Our three-year strategic plan (Corporate Directorate Improvement Plan) is agreed through the CHCP Sub-Committee, with a requirement to deliver on the Corporate Plans of both parent organisations, as well as the Single Outcome Agreement. The Plan also describes our engagement with communities, service users and carers, and our arrangements with Third Sector organisations. We are required to produce an annual update of progress towards the Plan, as well as regular performance exceptions reports.

Looking to the future and the requirements of the Public Bodies (Joint Working) (Scotland) legislation, we have agreement that our HSCP will follow the body corporate model, and our current CHCP arrangements are also our shadow HSCP arrangements with the CHCP Sub-Committee functioning as the shadow Integrated Joint Board. The current Director/CSWO will become the HSCP Chief Officer, and it is likely that there will be a requirement for the CSWO role and associated responsibilities to move to another Chief Officer within the HSCP.

Position within the local authority and governance structure

The Director/CSWO is part of the Corporate Management Teams of both Inverclyde Council and NHS Greater Glasgow & Clyde. He is also a voting member of the CHCP Sub-Committee as outlined below. The Director/CSWO has responsibility to ensure that appropriate Clinical/Care Governance and scrutiny mechanisms are in place.

Arrangements by which the CSWO discharges functions

Within the CHCP, we have jointly appointed and funded management, from Director/CSWO, through Heads of Service, to Service Manager level. Each of these managers has responsibility for the day-to-day management of staff employed by both Council and NHS. Our business is governed by the CHCP Sub-Committee which includes Elected Members; NHS non-Executives; staff-side and Public Partnership representation and the Director/CSWO. The CHCP Sub-Committee is a sub-committee of both Council and the NHS Board, with delegated responsibility. The Director/CSWO approves all reports submitted by the CHCP to all committees of either Council or the NHS Board, therefore directly shapes CHCP policy.

Political Structure and Context

Inverclyde is currently a Labour led Council. The political make-up of the Council Elected Members is Labour (9); SNP (6); Lib Dem (2); Conservative (1), and Independent (2). Within the administration and other political groups, there is clear support for the values of Social Work, particularly in the context of levels of need and disproportionate levels of poor social, health and economic outcomes for our population as described in our local authority overview.

The CSWO meets weekly with the CHCP Convener to build and sustain good relationships and to ensure that the Convener has a sound understanding of the CHCP, its complexities, and how national policy influences what the CHCP needs to deliver, and how the CHCP in turn shapes or is shaped by local policy. This continuous feedback loop ensures that important discussions take place at political levels to ensure support, challenge and buy in.

We have very strong linkages with the Corporate Communications Teams of both Inverclyde Council and NHS Greater Glasgow and Clyde, supporting our drive to foster a more positive relationship with the local newspaper. For complex or controversial proposals, we undertake all-Member briefings in advance of any likely publicity so that Members have sufficient opportunity to understand the issues and ask any questions. This in turn supports them to respond appropriately and positively to any emerging social work services related issues.

Social Services Delivery Landscape/Market

Inverclyde is located in West Central Scotland with 61 square miles stretching along the south bank of the River Clyde. The largest main towns of Greenock, Port Glasgow and Gourock sit on the Firth of the Clyde. The towns provide a marked contrast to the coastal settlements of Inverkip and Wemyss Bay which lie to the South West of the area and the villages of Kilmacolm and Quarriers Village which are located further inland, and offer a further dimension to the area's diversity, particularly in social, economic and physical terms.

There is a significant gap between our more affluent areas and those which experience high levels of poverty and deprivation. In our most deprived and disadvantaged areas, people face multiple problems such as ill-health; high levels of worklessness; poor educational achievement/attainment; low levels of confidence and low aspirations; low income; poor housing and an increased fear of crime. In addition, Inverclyde has particular issues relating to alcohol with significantly worse levels of alcohol and drug misuse compared to the rest of the UK. The levels of problematic drug misuse and alcohol-related death rates are among the highest in Europe and have markedly increased in the last 15 years.

However it must also be recognised that in Inverclyde, and in particular our more disadvantaged areas, there is a strong culture of defined communities and activism, which sets the foundation for co-produced approaches, and acknowledges the resilience of local people to respond to challenge.

Over the next ten years the health and social care landscape will change significantly. This will take account of changing demographics, including an ageing population, and an increase in demand for services. This is hopefully likely to be in the context of a period of recovery from financial recession as we go beyond 2019/20, but we will face challenges in supporting increased demand and the need for more preventative and "upstream" approaches with resources and budgets that have reduced significantly in recent years and will continue to reduce in real terms for at least the next few years.

Notwithstanding these extensive challenges, there is an opportunity to strengthen an outcome-focused approach that is centred on the individual and embraces the principles of personalisation and the requirements of Self Directed Support legislation.

As a CHCP we are already making good progress in this considerable culture shift from delivering and measuring outputs (in terms of hours and services delivered) to measuring outcomes and what impact services are having on people's lives. There is also an opportunity to consider collaborative commissioning across rather than within client groupings.

The CHCP values the good partnership working in place locally between service providers in the Third and Independent sectors. We also place great importance in our partnership with service users and carers in ensuring services are meeting their outcomes.

Our Joint Commissioning Strategy 2013 – 2023 outlines the path we are taking alongside our partners in ensuring we are "Improving Lives" of the people of Inverclyde and sets out our statement of intent for how we will deliver our services to make this aspiration a reality for the people of Inverclyde.

Inverclyde has for many years provided social care services through a mixed economy of care with both internally managed services and externally purchased services. The CHCP currently purchases a full range of care provision from 65 local providers with a budget of approximately £28m and a further 21 providers out with the area. As part of the governance procedures, meetings are held on a six monthly basis with providers to have an overview of

the financial monitoring requirements and share information about service pressures, new opportunities for business and to discuss any quality issues or concerns. The CHCP has a close working relationship with the Care Inspectorate, ensuring that organisations are supported to provide high quality care with corrective action being taken quickly when quality concerns arise.

Good working relationships between the District Nursing service and community social care services are a key feature in Inverclyde, with advice and guidance being offered to providers as they provide care for more highly dependent people in their own homes.

Self-Directed Support will see the development of a Directory of Services where service users will have access to relevant information relating to service providers and where a choice of provider can be made.

The development of the CHCP Commissioning Plan will provide much needed information for providers about the future service requirements of the CHCP and our purchasing intentions.

With the introduction of self-directed support, it is anticipated that changes in the market will become more evident. This may include a range of service providers; increasing levels of community capacity building and local community resources; and a greater level of flexibility in the types of care and support available. All of these factors should positively impact in shifting the balance of care and will inform future commissioning opportunities.

Finance

The 2013/14 Social Work revenue budget is year one of a three year budget cycle, incorporating significant savings challenges of £3.5 million as well as incorporating pressure funding of £1 million.

The Social Work revenue budgets for 2013/14 was £47.9 million and ended the financial year with a small underspend of £61,000 being 0.13% of the budget.

Within the revenue budget there were significant issues and pressures for some services:

Older Peoples ended the year with an overspend of £438,000 which is 2.08% of the £21.5 million budget, primarily due to increasing numbers of homecare and, to a lesser degree, nursing and residential care clients, reflecting the national trend.

The demographic profile for Inverclyde has indicated an increasing number of older people for some time, with additional funding included in the 2011/13 budget, however the anticipated increase in costs did not materialise during that time period so a further potential tranche of pressure funding for 2013/14 was identified as not required. However since the latter months of 2013/14 this is manifesting as a significant pressure and the trend of increased volume and complexity of client cases is continuing into 2014/15.

Significant savings have been achieved within Homecare from service redesign, introduction of new ways of working such as mobile handsets and electronic scheduling with further savings targets relating to the impact of re-ablement and aligning the balance of service delivery between internal and externally provided services.

Learning Disability ended the year with an overspend of £267,000 which is 4.53% of the £6,159,000 budget due to the cost of client care packages. Over the 3 years to 2015/16 £1 million pressure funding has been added to this budget reflecting the complex needs and requirements of known cases that will transition into this area. The service is undergoing redesign in order to achieve savings.

Children & Families underspent by £348,000 which is 3.7% of the £9 million budget mainly due to difficulty in filling vacant posts. In addition to this there was a significant underspend within Residential Childcare of £789,000 which was transferred to a reserve to allow smoothing of the volatile peaks and troughs in demand for this service. The latter month of 2013/14 saw the new children's home become operational with funding achieved through prudential borrowing and the success of this funding model will be replicated and allow the re-provision of the remaining two children's homes over the next 3 years.

Revenue Reserves - the early achievement of savings combined with planned project funding has allowed investment to develop Caladh House and modernise this supported accommodation for adults with disabilities, as well as increasing beds from 3 to 4 in the Hillend respite unit.

The Social Work Capital Budget for 2013/14 was minimal at £183,000 as the investment into the new children's home had taken place in the prior year.

Performance

The CHCP operates in an environment of multiple policy drivers at national and local levels, and our main drivers are.

- ✓ The CHCP Corporate Directorate Improvement Plan
- ✓ Inverclyde Single Outcome Agreement
- ✓ Inverclyde Council & NHS GG&C Corporate Plan Priorities
- ✓ SOLACE Benchmarking Indicators
- ✓ Statutory Performance Indicators

We have developed a fully integrated system and process for the management of performance through the introduction of Quarterly Performance Service Reviews (QPSR) and a Performance Data Repository. The service areas reviewed are:

- Health, Community Care and Primary Care
- Children & Families and Criminal Justice
- Mental Health, Addictions and Homelessness
- Planning, Health Improvement and Commissioning

This system/tool captures all national and local data measures that we are required to report for statutory or non-statutory purposes, for a range of business functions relating to Inverclyde CHCP.

The purpose of the QPSR is to present key performance information and statistics for analysis to identify strengths and weaknesses in performance which allows for discussion on how performance is being managed and how it can be improved.

A critical aspect of the QPSR process is also to update/review the progress of key actions and outcomes for each of the service areas on their strategic priorities. The QPSR process has been embedded into our performance reporting framework to assist with the demands of all the reporting requirements both locally and nationally.

Within the CHCP Performance Framework we have 5 Key Strategic Themes as follows:

Source: *Inverclyde CHCP Development Plan Update and Refresh 2013/15*

Early Intervention and preventing ill health

Key area of delivery/progress since 2013 in this theme area include:

- There has been an improvement in oral health for children. This includes in dental registration of 0-2 years and 3-5 years and 100% of nurseries participating in the tooth brushing programme. We have exceeded the target of reducing dental decay rates for P7 children. Our target was that 60% of children should have no obvious signs of decayed, missing or filled teeth, and we achieved a rate of 66.4%.
- We have good rates for MMR vaccination of 2 year olds, achieving 95.6% against a target of 95%.
- A considerable waiting time's improvement has been made with 100% of patients starting treatment within 18 weeks of referral for Psychological Therapies. The Primary Care Mental Health Team average of 22 days for referral to initial assessment – 73% under 28 days, with remaining patients not seen in the target timescale due to their own choice or circumstances rather than service reasons.
- We have marginally reduced smoking in pregnancy to 20.7% (from 21.3%) and continue to try to reduce this equalities gap through the delivery of targeted smoking cessation services to achieve the Scottish Government/local target of 20%. (June2014)
- Inverclyde CLDT along with Community Children's nursing (school nurses) and LD Liaison Team at NHS GG&C have completed the first year of offering transition health checks to all young people with a learning disability with a 54% uptake this year and plans to improve on this up take are in place for next year's leavers. Evidence from these health checks suggests unmet health needs are being identified and appropriate referrals to NHS and local authority services are being made.
- We have increased the number of carers on the GP registers to 1,679 (target is 1300) achieving a 29% increase, and providing a firm foundation for taking forward the principles of carers being Equal Partners in Care (EpiC).

Shifting the balance of care

Key area of delivery/progress since 2013 in this theme area include:

- We have achieved all of the targets relating to reducing the bed days in adult mental health services through streamlining local care pathways between community and inpatient services, thereby increasing the likelihood of successful and sustained hospital discharge.
- We have significantly reduced the bed days relating to diabetes by achieving a 22.7% reduction, again through improved community-based services. Also, joint working continues with the Acute Diabetes Service with planned co-location of community Local Enhanced Diabetes Services and pilot project for specialist diabetes in-reach community nursing services to support community diabetes service provision and GP services.
- We have reduced the alcohol-related hospital admission rate to 10.2 per 1,000 of the population, exceeding the target of 12 per 1,000 of the population.
- All 16 GP practices are participating in the Polypharmacy Local Enhanced Service (LES). The CHCP Prescribing Team is supporting GP practices by providing prior work-up for GP face to face reviews and also undertaking targeted pharmacist medication reviews.

Reshaping Care for Older People

Key areas of delivery/progress since 2013 in this theme include:

- From customer feedback across older people's services;
- Day care services - of 88 respondents, 98.5% rated the service 5 out of 5;
- Re-ablement services - of 207 respondents, 88.6% rated the service 5 out of 5;
- Care at home services - of 219 respondents, 83% rated the service 5 out of 5.
- We have achieved a 5.45% increase in the number of people receiving telecare. We are also exploring how telecare can further support COPD/diabetes patients.

Improving quality, efficiency and effectiveness

Key area of delivery/progress since 2013 in this theme area include:

- Inverclyde CHCP is one of the demonstrator sites for the implementation of the NES/SCSS training programme EPiC (Equal Partners in Care). This will begin to embed Level 1 'Carer Aware' & Level 2 'Carer Together' training within new and existing staff training.
- We have significantly exceeded the target of a 10% increase in the number of carers accessing stress management by achieving an increase of 162%.
- There has been a significant improvement in the number of complaints being responded to within the 20 day period, now standing at 75%.
- We have 100% NMC registration compliance and also 100% SSSC Social Worker Registration compliance
- We have 100% of staff receiving standard induction training.
- We have an emerging process across all services to support our people involvement framework which we will build on, taking cognisance of the Francis Review and drive towards person centred care and support.

Tackling inequalities

Key areas of delivery/progress since 2013 in this theme include:

- There has been a 44% increase in the number of staff being trained in welfare reform, significantly exceeding the target of 10% increase.
- We have significantly increased the number of people accessing advocacy services and receiving a service in 2013/14 to 336 people, exceeded the target of 165 people (+10%).
- We have participated in the NHSGGC Public Health Integration Consultation progress in relation to ensuring that maximum impact on local health policy development and health inequalities can be achieved through new organisational aspirations and operating arrangements which will be worked through during 2014/15 by the Public Health Directorate.
- We held the very successful 'Getting it Right for Inverclyde' Health Inequalities event in January 2014, with keynote speeches by Professor Sir Harry Burns, Chief Medical Advisor for Scotland and Dr Linda de Caestecker, Director of Public Health, NHS Greater Glasgow & Clyde.

Statutory Functions

The CSWO role has primary responsibility for specific decisions on behalf of the Council with regard to Social Work matters, including for example, Secure Accommodation Decisions; Emergency Transfer of Placement; Welfare Guardian Orders (Local Authority), and Welfare Guardian Orders (Private Individuals).

Statutory Activity

Children and Families

The Chief Social Work Officer has a specific responsibility with regards to the authorisation of emergency transfers of placement for looked after children and the authorisation of secure care.

During the period 2013/14 the Chief Social Work Officer authorised 3 emergency transfers and 2 secure placement authorisations.

At 31st March 2014 - 230 children in total, were looked after or accommodated by this local authority under the Children's Hearing (Scotland) Act 2014 and/or the Children's (Scotland) Act 1995.

Children's Hearing (Scotland) Act

- *28 New Compulsory Supervision Orders Issued during 2013-14*
- *990 Children's Hearing Reports were completed, 402 of which were Social Background Reports*

Looked After Children

- *230 Children were Looked After and or Accommodated at 31st March 2014*
 - *28 in Residential Placements*
 - *202 in community type placements*
 - *Two children were placed in Secure Accommodation*

Child Protection

- *186 Child Protection Referrals were received during the reporting year- 112 of which were subject to case conference (60.2%) (revised figure)*
- *50 Children were on the Child Protection Register at 31st March 2014*
- *8 Child Protection Orders (S37) were issued during 2013-14*
- *1 Serious Case Review undertaken during 2013-14*
- *4 Appeals against CP Registration were made during 2013-14*
- *1 Dissent from Registration was made during 2013-14*

Fostering & Adoption

- *8 Adoption Enquiries*
- *4 Adopter Approval*
- *1 Permanent Foster Carer Approval*
- *4 Permanent Foster Care Matching*
- *7 Adoption Matching*
- *12 Child Registration for Permanence*
- *1 Child De-registration for Permanence*
- *2 Adoption Orders Granted*
- *39 Approved Foster Carers at 31st March 2014*
- *27 Fostering enquiries received during 2013-14*

- 15 cases presented to the Fostering Resources Panel – 4 withdrawals, 6 progressions on the Payment for Skills scheme, 4 households were approved and Panel noted 1 private fostering arrangement.

Kinship Carers as at 26th August 2014

- 27 kinship carers looking after 38 children. (Section 83)
- 30 kinship carers looking after 46 children. (Section 11)

Criminal Justice

- **503 Criminal Justice Court Reports were submitted to courts during 2013-14**
There has been a significant reduction in Court Reports requested and submitted by CJ social workers between 2012-13 and 2013-14. This reduction is due to falling crime figures nationally, resulting in lower volumes of work going through our local courts
- **244 community payback orders (CPO) were issued during the financial year 2013-14**
*The number of CPO Orders Issued in 2013-14 has increased from the previous year, from 210 to 244. The number of Orders with an unpaid work element attached increased from 176 to **206** in 2013-14. Those with Supervision attached decreased from 101 to **99** in 2013-14.*
- **MAPPA:** *On average, **31 sex offenders** were managed in the community of Inverclyde during 2013-14. This represents **13%** of the total **246** registered sex offenders within the North Strathclyde Criminal Justice Authority (NSCJA.)*

The MAPPA Unit for NSCJA is hosted by Inverclyde CJSW Services and supports the risk assessment and risk management of Registered Sex Offenders (RSOs) and mentally disordered offenders (restricted patients) through facilitating the sharing of information between responsible authorities which include, Local Authorities, Police Scotland, Scottish Prison Service and, in the case of restricted patients Health.

LSCMI - Early 2013 the Scottish Government announced its intention to evaluate nationally the implementation of the Level of Service/Case Management Inventory (LS/CMI) tool. This tool is used to assess both the risk of re-offending and the risk of (serious harm) and to inform case and risk management planning. The evaluation was essentially a self-evaluation activity carried out under the auspices of the Care Inspectorate and the Risk Management Authority.

All key milestones in the self-evaluation journey were completed in 2013/14. Significant within this was the formulation of an LS/CMI Improvement Plan which was subject to scrutiny from the Care Inspectorate and open to peer challenge. Our Improvement Plan included 18 individual actions designed to promote staff confidence in using the tool, achieve greater consistency in the application of the tool in practice across the Service and harness the potential of the tool to inform Service and strategic planning as well as provide performance information in this key area of activity.

Work on taking forward all 18 actions commenced in October/November 2013. To date we have completed 11 actions (61%). A further 5 actions (28 %) are progressing to plan, with 2 (11%) incurring some slippage.

Community Care

- 93 people accessing Self Directed Support at Feb 14
- 550 Adult Protection (AP) referrals received during 2013-14
- 40 (AP) Investigations dealt with during 2013-14
- 3311 Service user requests for ADL equipment with a total of 5952 items supplied
- 207 new care home admissions, 70 male, 137 female
- 165 new 65+ Service users with completed Community Care Assessments during 2013-14. (13% were 'critical')

Adult Support and Protection

- 447 referrals were made 2013-14 up from 419 in 2012-13
- 44 AP Investigations were carried out in 2013-14 up from 38 in 2012-13
- 73 AP Meetings took place in 2013-14, a reduction from 83 in 2012-13
- 10 Case Conferences were held in 2013-14, a reduction from 24 in 2012-13
- 17 Review Case Conferences were held in 2013-14, a reduction from 37 in 2012-13
- 22 Initial Case discussions were held in 2013-14, up from 14 in 2012-13
- 17 Review Case discussions were held in 2013-14, up from 3 in 2012-13

Inverclyde Adult Support and Protection Committee have now been meeting for four years with representation from all relevant public service agencies. Additionally the committee has service user and carer representatives. Like the Child Protection committee the forum has an agreed constitution with responsibility for the governance arrangements for the service as a whole and for the strategic development of the service. The work of the Committee is progressed through a number of working groups and is reported through a Biennial Report and Annual Business Plan. The Independent Chair is also a core member of the Chief Officers Group. The Committee is supported by the Co-ordinator and administrative staff hosted by Social Work.

The referral figures above show an increase in the number of adult protection referrals received. The referral rate is increasing on a quarterly basis. There was a decrease in police referrals in the second quarter however the police were unable to determine a reason for this. The majority of referrals continue to be made by the Police.

Police Scotland has concluded their national review of referral processes for adult protection and since the 18th of March Inverclyde has received police adult concern reports. There has been a significant increase in the number of police reports received. In response there has been a review of management information processes to differentiate between adult welfare and adult protection concerns. Fire and Rescue, Ambulance Service and the Office of the Public Guardian have also concluded their review of referral process for adult protection. It is anticipated that this will have an impact on referral rates in the coming year.

There has been an overall decrease in the number of adult protection meetings. The number of case conferences and case conference reviews has significantly decreased whilst the number of case discussions and review case discussions has increased. An AP Module has been introduced to the social work management information system and the Scottish Government has provided a definition of a case conference as part of the introduction of the National Dataset.

In light of this meeting types have been reviewed which has impacted on the figures. The knowledge and experience of frontline staff responding to adult concerns is developing. Further analysis is required however it is anticipated that the decrease in adult protection meetings against an increase of referrals can in part be explained by staff using other appropriate legislation.

Mental Health Services

- 71 legal orders for short term admission issued under MH(Scotland)Act 2003
- 29 legal order for emergency admissions issued under MH(Scotland)Act 2003
- Suicide rate decreased to 11.4 in 2012 from 16.4 in 2011 (per 100,000)
- Increase in Welfare Guardianship Assessments (private applications and those taken by Local Authority) from 38 to 46.
- Increase in Guardianship Orders (for CSWO is guardian) from 5 in 2012-13 to 12 in 2013-14.
- Increase in Assessments undertaken by Mental Health Officer's (MHO) in respect of Mental Health Care and Treatment (Scotland) Act 2003 from 112 to 157.

Within the last year there has been a significant increase in demand on the MHO service in a number of areas. In respect of Welfare Guardianship applications this increase is reflective of an enhanced understanding of the use of appropriate protection measures for vulnerable adults. This also impacts on demands on both legal services where the Local Authority requires to make the application and Consultant Psychiatrists in respect of contributing to multi-disciplinary case conferences and in the provision of formal assessments of an individual's capacity.

This experience is replicated across Scotland. Consideration is currently being given by the Scottish Government to amending the requirements for monitoring of Private Welfare Guardians by the Local Authority, which have also significantly increased.

In respect of use of the MH[C&T][S]Act work is also required to address the use of emergency detention orders where an MHO is not involved in the assessment and decision making for detention, and which has increased, most notably in the out of hours period, where the service is provided by West of Scotland *Standby services*. *This issue is also of concern to colleagues within NHS GG&C.*

Currently the Scottish Government is consulting on the Mental Health [Scotland] Bill, which will amend the existing MH[C&T][S]Act, the proposals of which whilst welcome in most part to enhance current practice will add to the demands of the service. Inverclyde is contributing to evidence to inform of the implications in respect of this demand.

Drug and Alcohol Services

- 91% of Service users waited less than 3weeks from referral to appropriate drug / alcohol treatment
- 1290 referrals to drug & alcohol services (981 to alcohol)
- 431 ABI's conducted in 'wider settings' as defined in HEAT target
- Drug related deaths: 25.1 in 2011 to 16.1 in 2012 (per 100,000)
- Alcohol related deaths: 48.6 in 2011 to 37.3 in 2012 (per 100,000)
- Open cases down from 196 end of fin year 2012/13 to 177 (2013/14)

Homelessness

- Homelessness presentations: 295 plus 286 section 11 (homelessness etc. (Scotland) Act 2003)
- % of decision notifications issued within 28days of initial presentation: up from 76.54% in 2012/13 to 77.13% in 2013/14
- Number of households provided with Housing Options advice and assistance not requiring statutory homeless assessment: down from 773 in 2012/13 to 624 in 2013/14

Advice Services

- *The average number of information worker referrals per quarter rose from 584 in 2012/13 to 688 in 2013/14 (17.8% increase)*
- *The average number of welfare rights referrals per quarter rose from 243 in 2012/13 to 277 in 2013/14 (14% increase)*

Welfare reform has impacted on the advice services team with clients presenting with a more complex range of issues looking for advice and support. The Advice First telephone triage project funded by the Scottish Legal Aid Board (SLAB) has been operating since March 2014 and to date has received over 500 calls for advice and information. Clients are either supported by telephone or if required, offered an appointment with an advice worker to ensure a full benefit/income maximisation check is undertaken.

The case management system (Bright Office) has now been procured and the team are working with the provider to develop a bespoke system that can be accessed by members of the Financial Inclusion Partnership, with an anticipated go-live date in September.

Conditionality and sanctions are now a major concern and work is required to scope why people are not challenging the sanctions imposed by Department of Work and Pensions (DWP).

All CHCP

Qualified Staff

- **100%** of all Social Workers employed and practicing within Inverclyde CHCP, are Registered with the Scottish Social Services Council (SSSC)

Freedom of Information Requests (FOI)

- **153** FOI requests were received and dealt with by the CHCP during the period July 2013-June 2014. Approximately 40% of these related to children and families services.

Subject Access Requests (SAR)

- **19** SAR's were received during 2013-14

Complaints/Reviews

- **68** Complaints were received during 2013-14 (36 Formal and 32 Informal)
- **9** Complaints progressed to a **Chief Social Work Officer Review**

Continuous Improvement

Our achievements highlighted in the body of this report demonstrate that we are working in a focused and integrated way to deliver real improvement for local people within the financial and resource constraints that have become a feature of social services delivery across the country. The drive to continuously improve what we do and how we do it is central to every service redesign, and we regard the move to HSCPs as an opportunity to build on our integrated model and develop even stronger integrated approaches across and within services.

Our work with service users and carers and with the Third and Independent sectors will continue to develop within the principles of person-centred and outcomes-focused delivery that makes a real difference to those people who need our support. We believe we have robust performance recording and reporting systems in place to help us monitor continuous improvement, but will continue to develop this in the light of implementing the National Outcomes.

Planning for Change

The most notable changes that are likely to have an impact for us over the coming year are the implementation of self-directed support (SDS); the requirement to develop and establish our HSCP arrangements, and deliver the next round of cost savings across both health and social care services.

With regard to SDS, we have an action plan in place that takes account of legislative requirements, but more importantly, reflects the spirit of the legislation in terms of service-user empowerment and individual outcomes. Our commissioning strategy reflects the commitments of our SDS Plan and work is well underway to deliver training and support to staff to help them in the transition to this new way of working. The SDS Plan and its implementation is monitored through the SDS Steering Group.

As stated earlier in this report, our HSCP will build upon our existing CHCP arrangements, but legislative requirements mean that our governance arrangements will have to be reviewed.

We plan to have our Draft Integration Scheme completed by the end of the calendar year to allow time for stakeholders to comment and contribute before it is finalised. Our approach will be based on a desire to build forward on what we have already, under the principles of continuous improvement, but with minimum disruption to service users; carers; staff and local providers.

Achieving cost savings is becoming more and more challenging. In recent years we have identified and implemented significant cost efficiencies, while retaining a balance of ensuring that savings from one partner budget don't lead to pressures on that of the other partner. As we move into the next round of savings, we will have to focus on redesign, with a clear remit to focus on developing high-impact support and designing out elements of delivery that have less of an impact. This will be challenging for staff, service users and managers if we are to avoid a perception of services being reduced.

User and Carer Empowerment

Our People Involvement Framework sets out the intentions of the CHCP in terms of promoting involvement of Service Users and Carers in strategic and individual care planning, sharing good practice and working towards coproduction, as the default position of the organisation.

A systematic approach is being developed to capture outcomes from feedback from service users and carers across our services by capturing results of questionnaires, newsletters and minutes of meetings with service user advisory and carer groups. An example of good practice is how older people are involved in the planning and delivery of services at Hillend Day Centre as they are involved in the staff recruitment processes and analyse feedback reported by homecare clients through newsletters for all service users. In addition the development internally of an innovative analysis tool will allow feedback to be captured from the CHCP Advisory Group representing various Care Groups and the Carers Network, which will be reported at a strategic level of the CHCP for action. The aim is to input all feedback into the internal tool by the end of 2014, which will facilitate analysis and regular reporting.

Coproduction approaches are also gradually being adopted through the redesign of services such as the Continuing Care provision at Ravenscraig for Older People and Adults with Mental Health conditions, where service users and carers are fully involved in the design and planning of the new facility planned for IRH. The planned Review of Learning Disability Services has also committed its approach to involving users and carers from the outset.

With the development of the Joint Commissioning process, the opportunity will exist for users and carers to be more involved in shaping future redesigns and commissioning of services and the challenge will be to ensure that opportunities will arise across all care groups and that service users and carers are adequately supported to participate in this process.

Inverclyde CHCP is also committed to promoting carers as co-partners and participated in the Equal Partners in Care Pilot (EPiC) developed by NES (NHS Education) Scotland and the Scottish Council of Social Services. Training sessions were arranged for staff in health and social care settings based on the principles contained within the National Strategy for carers, *Caring Together*, which promotes the need for staff to recognise carers as equal partners in the planning and delivery of care. We focused on encouraging front line staff to recognise their role in identifying carers, promoting the self-assessment tool for carers and signposting carers to register at the Carers' Centre to access a range of supports. Over 90 GP practice-based clinical staff and 40 social care staff participated in these sessions, which also involved staff from the Carers Centre and carers who delivered a short drama. This training will be rolled out for other staff through the CHCP Training Plan over the next 12 months.

Ensuring delivery of personalised services to individuals in line with Outcome Focused Assessments

With the development of SDS, new outcomes-focused paperwork has been developed and awareness-raising sessions for staff and carers, organised to ensure that staff appreciate the shift to personalisation and the need to focus on better outcomes for service users and their carers. Inverclyde CHCP is working with the Social Work Scotland who have developed training modules in relation to SDS and are piloting some of the modules. A

suite of guidance materials has been developed which covers assessment, support planning, review, self-directed support, risk, re-ablement and finance. This will continuously be updated to reflect changes as current systems are being developed. We have also trained and introduced 12 SDS Champions across all CHCP integrated teams whose role is to support colleagues with outcome focused assessments and support planning. Care managers and assessors have also been given information and support to ensure all SDS options for support are being fully explained and that alternative solutions to support independent living are fully explored. Information about SDS and the four options for support has been widely circulated with local providers and within the local community. Further media options are currently being explored to ensure information is as accessible as possible, to as many different access preferences.

SDS is now in the implementation stage and the SDS Steering Group and work streams are overseeing plans to ensure that personal outcomes for service users are being identified and achieved and that systems will be in place to track changes to the balance of service delivery within the CHCP.

Inverclyde CHCP SDS Project Officer has established close working links with organisations such as SPAEN and Circles Advocacy, as well as local providers to develop innovative responses and practice towards the implementation of SDS. Working in partnership with Directions, a local project, which jointly with Inverclyde Council on Disability, Inverclyde Carer's Centre and Circles Advocacy Network received funding from the Scottish Government to support the development of SDS within the local community.

Directions is currently working towards establishing a peer support group to help current and potential service users with choosing and managing their support. The Project Officer has also been working with Alzheimer Scotland and Your Voice and held staff briefing sessions as well as being part of an open event hosted by the local Carers' Centre.

Inverclyde CHCP continues to have membership of SPAEN (Scottish Personal Assistants Network) which gives a range of advice and support on employment matters, and In Control Scotland which supports staff and service users with outcome-focused planning (mainly for learning disability).

In addition, the CHCP will ensure that staff are given the necessary tools, such as good clear information about community supports and alternative approaches to delivering respite through the development of community-based resources and service options, and ensure that internal communication tools such as the website, community resource directory, ICON and Staffnet, enable practitioners to deliver on their tasks.

The Supported Self-Care Framework

The supported self-care framework has been introduced and is progressing steadily to ensure that the quality of people's lives is maximised even if they are living with a long term or chronic condition. Working closely with and guided by the Anticipatory Care Planning Group and with local partners in the voluntary, community and public sector, the intention is to have high quality support and information available to those who need it, in their own homes. The framework also promotes connections to and support from peer and community groups.

Community Engagement and Capacity Building Network

Inverclyde CHCP is an integral partner within the Community Engagement and Capacity Building Network (CECBN), which is a sub-group of officers from Inverclyde Alliance (the Inverclyde Community Planning Partnership). The CECBN has representation from different sectors who work together to develop collaborative approaches to involving communities, service users, patients and carers in community planning. The Network works together to support community-based responses to the needs of communities.

An example of this would be the collaborative work currently being undertaken in Port Glasgow to meet the needs of Older People, by bringing together a range of service providers with older people themselves to plan activities and develop ideas for better coordination of services in the Port Glasgow area.

Workforce Planning and Development

As previously indicated, Inverclyde CHCP operates with a total staff compliment of **1,702** employees including NHS and LA (1,373 WTE). Gender and Age bands profiles are as follows:

	Local Authority	NHS
Male	15%	16%
Female	85 %	84%

	Local Authority	NHS
Aged under 35	15%	12%
Between 36-55	59%	69%
Aged over 55 years	26%	19%

Our workforce is predominantly female, and we have a much bigger proportion of staff who are over 55 years old than those who are under 35. While this brings a wealth of experience and knowledge to the CHCP, we need to acknowledge that looking to the future; we must also be developing the next cohort of expertise. This will be central to our HSCP workforce planning arrangements.

Absence management monitoring is a priority for every manager within the CHCP and absence management sessions were held with staff members during summer of 2013 with further sessions planned for Autumn 2014. There has been a significant reduction in staff absence within the CHCP from 8.1% at January 2013 to 3.66% in April 2014 for NHS and 8% to 5.27% for Local Authority staff in the same timeframes. These improvements take us closer to reaching our local target of 9 days per year.

The Director/CSWO takes the lead role in promoting and developing a culture of a safe and healthy workforce. Chief among this is the commitment to Healthy Working lives where the CHCP has achieved Gold Status and continues to maintain the criteria for retention of the award. We also achieved the Mental Health Commendation Award for Healthy Working Lives.

In addition a major objective has been to address the tensions that working in Health & Social Care can bring and a major audit of stress in the workforce was undertaken this year. The process of this survey, to all staff, is still underway and the development and implementation of action plans for teams is a current commitment.

The CHCP is developing an integrated workforce development plan for both health and social work staff.

In delivering this plan last year, CHCP staff took up 4247 places on 113 in-house courses. In addition 91 staff took up 138 places on 77 external short courses and conferences.

Overall 71 staff achieved academic, practice or leadership qualifications. Within this number 55 staff gained qualifications to support their registration with the SSSC. The vast majority of these (48 staff) gained their awards through our approved SQA Centre. A further 16 staff achieved leadership and specialist practice qualifications through academic institutions or other approved learning centers.

Inverclyde CHCP supported 82 students with the practice learning placements to help our sector's future workforce to become qualified practitioners in social care, social work and health.

We offered 22 placements to future social workers, 6 to social care students, 1 placement for a specialist drugs and alcohol student, 8 occupational health students and 45 placements to nursing students. New placement opportunities have also been established in Greenock Prison, Residential Child Care and Inverclyde Royal Hospital.

The workforce development programs delivered over the past year have been designed to help:

- New staff to quickly take up their role within the CHCP
- Existing staff to build on early learning and implement new legislation, new standards or ways of working as outlined in the CHCP Directorate Improvement Plan 2013 - 2016
- Experienced staff and managers to develop expertise in leadership and practice within their field

There has been a particular focus on Self-Directed Support, Welfare Reform, Mental and Physical Wellbeing, the Children's Hearing (Scotland) Act and Public Protection. CHCP staff have a significant role in delivering multi agency learning across Inverclyde on behalf of the Inverclyde Child Protection Committee, Inverclyde Adult Protection Committee and Inverclyde Alcohol and Drugs Partnership and to take positive action within health inequalities.

There has been themed leadership activity around outcomes-focused assessments and self-directed support. A series of inter-professional development sessions have been organised for Managers, Team Leaders and frontline practitioners across the CHCP. This has aimed to support leadership at all levels in changing practice.

Leadership skills have also been developed through the qualifications already noted in this report. Managers have successfully undertaken the PDA in Health and Care Supervision, CMI Certificate in Leadership and Management and the Post Graduate Certificate in Management and Leadership in Social Services.

Service Users have been involved in staff development through co-delivery and participation in adult protection and self-directed support courses. Local research was undertaken with Children, Parents, Foster Carers, Children's Panel Members and CHCP staff which led to new practice tools and multi-agency courses on good practice in contact for looked after children.

The CHCP has made use of the latest technology for learning. This has been done through developing electronic and web based learning in collaboration with the Clyde Valley Partnership, NHS GGC and Inverclyde Council. New courses have been made available to staff via e learning systems such as Brightwave and LearnPro. CHCP staff took a leading role in developing a blended learning programme across the Clyde Valley partnership for Promoting Positive Behaviour. This programme combined e learning with a taught courses and an SQA qualification. The CHCP subscribes to Care Knowledge, a web based library resource and the Training Section also publicises new web based learning resources via an email across CHCP staff.

The Scottish Qualifications Authority (SQA) undertook a quality assurance inspection of our Inverclyde CHCP SQA Centre in April 2014 and we achieved the highest grades in all categories. Significant strength was identified in respect of management; resources; candidate support; internal assessment and verification; external assessment, and records and data management.

Key Challenges for the Year

Key challenges facing the CHCP that impact on CSWO include:

- Operating in a backdrop of increasing demand as our population ages, welfare reforms take effect, and cost savings need to be made.
- The need to shift the focus from remedial interventions to earlier support, so that we can preserve or improve the health and independence of the people who require our services.
- Consolidating good practice and moving away from outdated models of service delivery by focusing on improving quality through efficiency, and reducing waste rather than looking to develop new cost-hungry initiatives.
- The welfare reform programme, particularly around the introduction of:
 - Employment Support Allowance
 - Universal Credit
 - Personal Independence Payment
 - Changes to Housing Benefit entitlement
 - Council Tax Reduction Scheme
 - Scottish Welfare Fund

Other Issues

The key improvements to be implemented include:

- Implementation of an agreed model of outcomes-focused assessment across all services, involving carers as equal partners in care
- Implementation of the CHCP Accommodation Strategy and move to new premises and flexible working models
- Implementation of local actions related to the new Children's Hearings Legislation and the new Children and Young People's Bill/Act
- Implementation of Electronic Document and Records Management System (EDRMS), which will result in all social work files being stored electronically
- Implementation of the child protection improvement plan and targeted action to improve efficiency and effectiveness in permanence plans for children

- Full implementation of Self Directed Support across the CHCP
- Complete delivery of the Clyde Mental Health Strategy and move the last remaining services from the Ravenscraig Hospital site by 2016
- Implementation of a housing options one-stop-shop in partnership with Oak Tree Housing Association
- Redesign of Criminal Justice , and the addition of violent offenders to MAPPA
- The development programme of the women's national prison facility in Inverclyde
- Progress integrated clinical and care governance arrangements as required by legislation.
- Reinvigorate the approach to Corporate Parenting particularly in the context of requirements of new children and young people legislation.
- Progress the implementation of the ICHCP Dementia Strategy.
- Plan for the future inspection.

Conclusion

The work done by Inverclyde CHCP and the achievements we have made in a particularly challenging context highlight the advantages of an integrated approach to the delivery of health and social care services. As we move forward to our HSCP arrangements, there is no escaping that the financial challenges will become even more intense, and that the levels of need in our communities are likely to continue to rise. We are working to try to offset this with key work streams that empower and support those who are able to, to manage their own conditions and to find cost-effective ways to deliver improved outcomes. The role of social workers and social work services, and the ethos of a social model of health will be at the heart of how we work to empower service users and carers, and support communities to work together to rise to the challenges of multiple disadvantage, economic hardship and the impacts of welfare reform.

Report To: THE INVERCLYDE COUNCIL **Date:** 4 DECEMBER 2014

Report By: CORPORATE DIRECTOR **Report No:** LP/076/14
ENVIRONMENT, REGENERATION &
RESOURCES

Contact Officer: JOANNA DALGLEISH **Contact No:** 01475 712123

Subject: PROPOSED TRAFFIC REGULATION ORDER -THE INVERCLYDE
COUNCIL (VARIOUS ROADS) (OUTER GREENOCK) (WAITING
RESTRICTIONS) (VARIATION NO. 2) ORDER 2014

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Environment & Regeneration Committee.

2.0 SUMMARY

- 2.1 The Environment & Regeneration Committee held on 30 October 2014 after consideration of a report by the Acting Corporate Director Environment, Regeneration & Resources on the proposed Traffic Regulation Order – The Inverclyde Council, (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014 recommended that the Inverclyde Council be asked to make the Traffic Regulation Order and remit it to the Head of Environmental and Commercial Services and the Head of Legal and Property Services to arrange for its implementation.

3.0 RECOMMENDATION

- 3.1 That the Inverclyde Council approve the making of the Traffic Regulation Order – The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof, and that the Head of Environmental and Commercial Services and the Head of Legal and Property Services be authorised to take all necessary action in connection therewith. Appendix 1

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 Local Authorities are empowered to make Orders under the Road Traffic Regulation and Roads (Scotland) Acts 1984 and under the Council's Scheme of Administration the Head of Environmental and Commercial Services is responsible for the making, implementation and review of Traffic Management Orders and Traffic Regulation Orders.
- 4.2 The Council is asked to note that, if approved, the Order may not be implemented until the making of the Order has been advertised to allow any persons who so wish a period of six weeks to question the validity of the Order in terms of the Road Traffic Regulation Act 1984.

5.0 IMPLICATIONS

Finance

- 5.1 There are no financial implications arising from this report.

Legal

- 5.2 There are no legal implications arising from this report.

Human Resources

- 5.3 There are no HR implications arising from this report.

Equalities

- 5.4 There are no equalities implications arising from this report.

Repopulation

- 5.5 There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

- 6.1 The proposals have been advertised in the Greenock Telegraph and full details of the proposals have been made available for public inspection during normal office hours at the offices of the Head of Environmental and Commercial Services, the Head of Legal and Property Services and at Central Library.
- 6.2 No objections have been received to the proposed Order.

7.0 LIST OF BACKGROUND PAPERS

- 7.1 None.

THE INVERCLYDE COUNCIL
(VARIOUS ROADS) (OUTER GREENOCK)
(WAITING RESTRICTIONS)
(VARIATION NO. 2) ORDER 2014
TRAFFIC REGULATION ORDER

**THE INVERCLYDE COUNCIL
(VARIOUS ROADS) (OUTER GREENOCK)
(WAITING RESTRICTIONS) (VARIATION NO. 2) ORDER 2014**

We, The Inverclyde Council in exercise of the powers conferred on us by Sections 1(1), 2(1) to (3), 4(2), 32(1), 35(1), 45, 46, 49, 53, 101 and 102 of the Road Traffic Regulation Act 1984 (as amended) ("the Act") and of Part IV of Schedule 9 to the Act and of all other enabling powers and after consulting the Chief Constable of the Police Service of Scotland (Seirbheis Phoilis na h-Alba) in accordance with Part III of Schedule 9 to the Act hereby make the following Order:

1.0 Commencement and citation

1.1 This Order shall come into operation on the ** day of **, Two thousand and ** and may be cited as "The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014".

2.0 Interpretation

2.1 Except where otherwise stated, any reference in this Order to a numbered Article or Schedule is a reference to the Article or Schedule bearing that number in this Order.

2.2 Any reference in this Order to any enactment shall be construed as a reference to that enactment as amended, modified, re-enacted, replaced or supplemented by any subsequent enactment.

2.3 The prohibitions and restrictions imposed by this Order shall be in addition to and not in derogation from any restriction or requirement imposed by any regulation made or having effect as if made under the Act or by or under any other enactment provided that where a prohibition or restriction which is imposed, varied or revoked by this Order is in conflict with a prohibition or restriction imposed by a previous Order, then the provision of this Order shall prevail.

2.4 The On-Street Plans forming Schedule 1 to this Order and titled "The Inverclyde Council (Various Roads) (Outer Greenock)(Waiting Restrictions) (Variation No. 2) Order 2014 On-Street Plans" are hereby incorporated into The Inverclyde Council (Various Roads) (Outer Greenock)(Waiting Restrictions) Order 2013 and recorded in "The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) Order 2013 Plan Index".

2.5 The Plan Index forms Schedule 2.

2.6 The Interpretation Act 1978 (as amended) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

SCHEDULE 1

The Inverclyde Council (Various Roads) (Outer Greenock) (Waiting Restrictions) (Variation No. 2) Order 2014 On-Street Plans

Key

- No waiting at any time
- No loading at any time
- No waiting at times shown
- No loading at times shown
- No waiting at any time
- No loading at any time
- No waiting except taxis
- Limited waiting
- Disabled person's parking place
- Police parking place
- Ambulance parking place
- Loading bay

Legend

- Unlimited Waiting
- Type A: Mon-Fri 8am-6pm, 30mins. No return within 30mins
- Type B: Mon-Fri 8am-6pm, Saturday 8am-1pm, 30mins. No return within 1 hour
- Type C: Mon-Sat 8am-6pm, 30mins. No return within 1 hour
- Type D: Mon-Sat 8am-6pm, 2 hours. No return within 1 hour
- Type E: Mon-Sat 8am to 6pm, 30 mins. No return within 30 mins
- Type F: Mon-Sat 8am to 6pm, 1 hour. No return within 30 mins
- Type G: Mon-Sat 8am to 6pm, 2 hours. No return within 30 mins

Notes

- ① Green support and address signs 2013 Ordnance Survey 100025321
- ② Green support and address signs 2013 Ordnance Survey 100025321

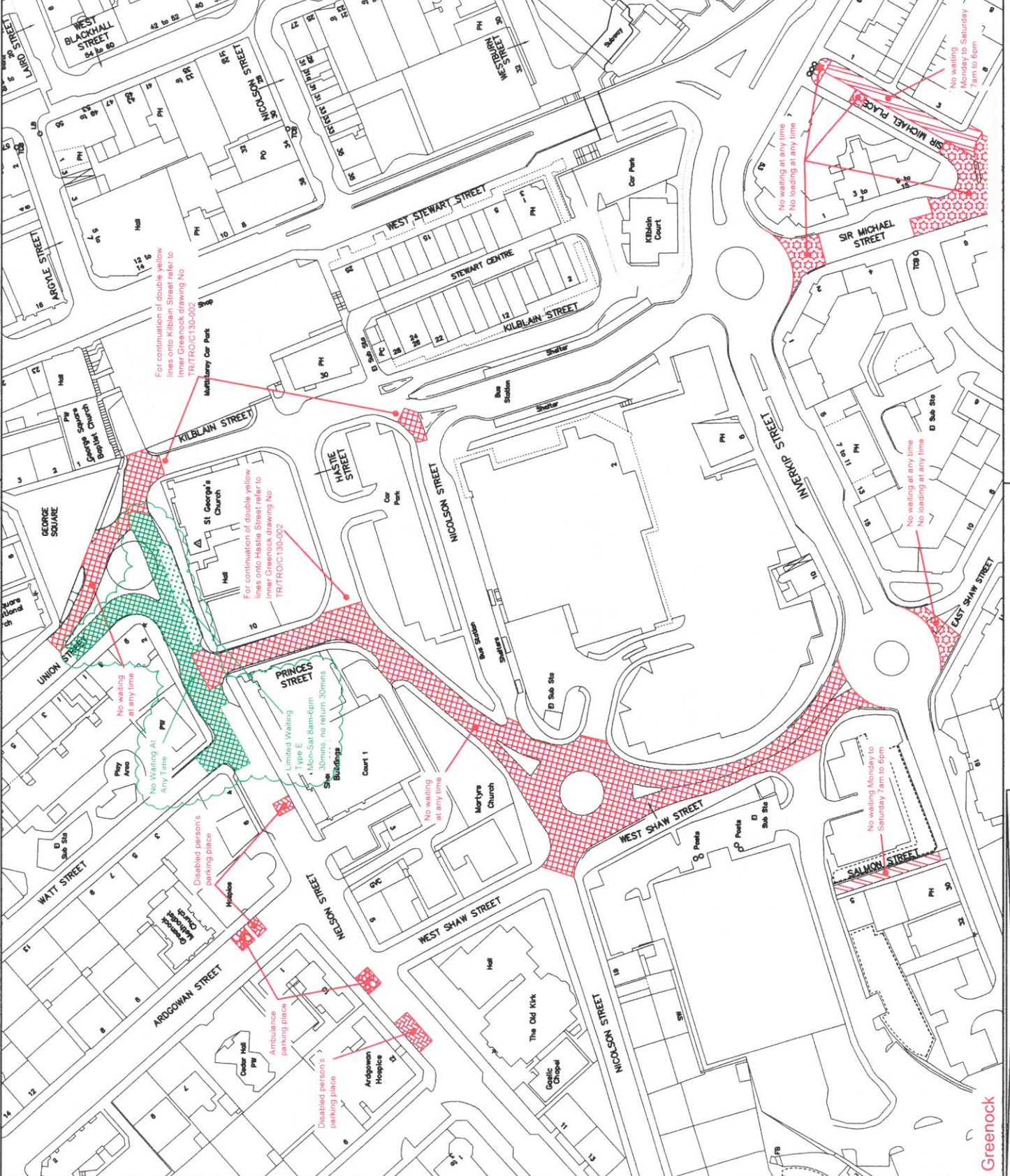
INVERCLYDE COUNCIL
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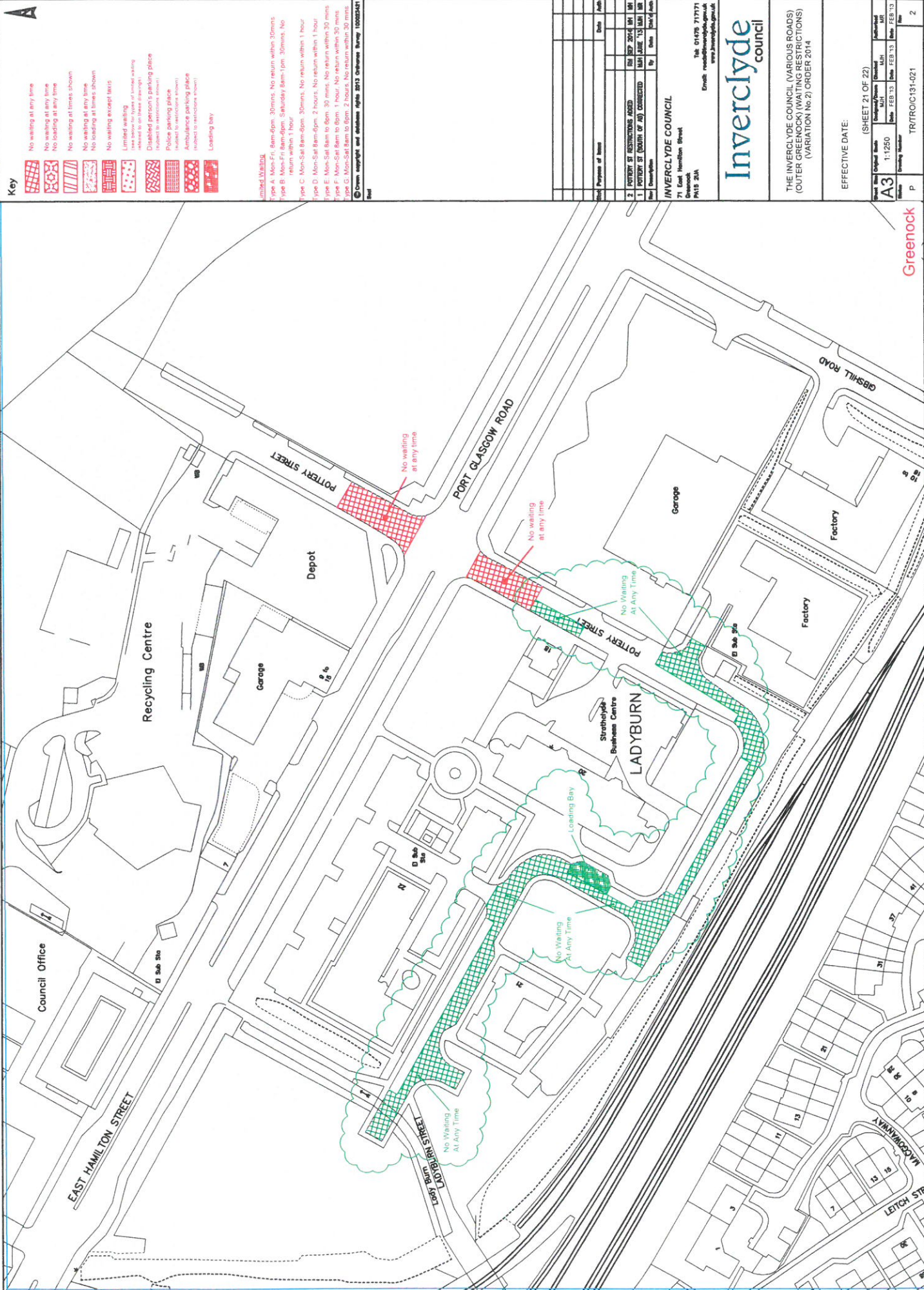
Inverclyde council

THE INVERCLYDE COUNCIL (VARIOUS ROADS) (OUTER GREENOCK) (WAITING RESTRICTIONS) (VARIATION No. 2) ORDER 2014

EFFECTIVE DATE: (SHEET 11 OF 22)

Sheet No. Original Date: A3 11/25/10
Sheet No. AL11: Date: FEB '13
Sheet No. L11: Date: FEB '13
Sheet No. L12: Date: FEB '13
Sheet No. L13: Date: FEB '13
Sheet No. L14: Date: FEB '13
Sheet No. L15: Date: FEB '13
Sheet No. L16: Date: FEB '13
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Sheet No. L98: Date: FEB '13
Sheet No. L99: Date: FEB '13
Sheet No. L100: Date: FEB '13





Key

- No waiting at any time
- No loading at any time
- No waiting at times shown
- No loading at times shown
- No waiting except taxis
- Limited waiting
- Disabled person's parking place
- Police parking place
- Ambulance parking place
- Loading bay

Times/Waiting

Type A: Mon-Fri 8am-6pm, 30mins. No return within 30mins.

Type B: Mon-Fri 8am-6pm, Saturday 8am-1pm, 30mins. No return within 1 hour.

Type C: Mon-Sat 8am-6pm, 30mins. No return within 1 hour.

Type D: Mon-Sat 8am-6pm, 2 hours. No return within 1 hour.

Type E: Mon-Sat 8am to 6pm, 30 mins. No return within 30 mins.

Type F: Mon-Sat 8am to 6pm, 1 hour. No return within 30 mins.

Type G: Mon-Sat 8am to 6pm, 2 hours. No return within 30 mins.

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Sheet	Purpose of Issue	Date	Auth
2	POTTERY ST RESTRICTIONS AMEND	FRI 25 th 2014	RM
1	POTTERY ST (SOUTH OF A5) CONNECTED	WED 12 th 2013	RM

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Inverclyde council

THE INVERCLYDE COUNCIL (VARIOUS ROADS) (OUTER GREENOCK) (WAITING RESTRICTIONS) (VARIATION No 2) ORDER 2014

EFFECTIVE DATE: (SHEET 21 OF 22)

Sheet No	Original Date	Issue/Revision	Drawn	Checked	Authorised
A3	11/250	Issue	FEB 13	Issue	FEB 13

Scale: 1:1250

Drawing Number: TR/TR/O/C/131-021

Page: 2

SCHEDULE 2

THE INVERCLYDE COUNCIL (VARIOUS ROADS) (OUTER GREENOCK) (WAITING RESTRICTIONS) ORDER 2013 PLAN INDEX

Plan Reference	Effective date	Plan Revision Dates																				
		1	2	3	4	5	6	7	8	9	10	11										
TR/TRO/131-001	06/10/2014																					
TR/TRO/131-002	06/10/2014																					
TR/TRO/131-003	06/10/2014																					
TR/TRO/131-004	06/10/2014																					
TR/TRO/131-005	06/10/2014																					
TR/TRO/131-006	06/10/2014																					
TR/TRO/131-007	06/10/2014																					
TR/TRO/131-008	06/10/2014																					
TR/TRO/131-009	06/10/2014																					
TR/TRO/131-010	06/10/2014	21/11/2014																				
TR/TRO/131-011	06/10/2014	xxxxxxx																				
TR/TRO/131-012	06/10/2014	21/11/2014																				
TR/TRO/131-013	06/10/2014																					
TR/TRO/131-014	06/10/2014																					
TR/TRO/131-015	06/10/2014																					
TR/TRO/131-016	06/10/2014																					
TR/TRO/131-017	06/10/2014																					
TR/TRO/131-018	06/10/2014																					
TR/TRO/131-019	06/10/2014																					
TR/TRO/131-020	06/10/2014	21/11/2014																				
TR/TRO/131-021	06/10/2014	xxxxxxx																				
TR/TRO/131-022	06/10/2014																					

Report To: THE INVERCLYDE COUNCIL **Date:** 4 DECEMBER 2014

Report By: CORPORATE DIRECTOR **Report No:** LP/077/14
ENVIRONMENT, REGENERATION &
RESOURCES

Contact Officer: JOANNA DALGLEISH **Contact No:** 01475 712123

Subject: PROPOSED TRAFFIC REGULATION ORDER - THE
INVERCLYDE COUNCIL, GOUROCK WATERFRONT (WAITING
RESTRICTIONS) ORDER 2014

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Environment & Regeneration Committee.

2.0 SUMMARY

- 2.1 The Environment & Regeneration Committee held on 30 October 2014 after consideration of a report by the Acting Corporate Director Environment, Regeneration & Resources on the proposed Traffic Regulation Order – The Inverclyde Council, Gourrock Waterfront (Waiting Restrictions) Order 2014 recommended that the Inverclyde Council be asked to make the Traffic Regulation Order and remit it to the Head of Environmental and Commercial Services and the Head of Legal and Property Services to arrange for its implementation.

3.0 RECOMMENDATION

- 3.1 That the Inverclyde Council approve the making of the Traffic Regulation Order – The Inverclyde Council, Gourrock Waterfront (Waiting Restrictions) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof, and that the Head of Environmental and Commercial Services and the Head of Legal and Property Services be authorised to take all necessary action in connection therewith. Appendix 1

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 Local Authorities are empowered to make Orders under the Road Traffic Regulation and Roads (Scotland) Acts 1984 and under the Council's Scheme of Administration the Head of Environmental and Commercial Services is responsible for the making, implementation and review of Traffic Management Orders and Traffic Regulation Orders.
- 4.2 As part of the Gourock Waterfront development, the existing car park area in front of Gourock Rail Terminal will be rebuilt with an altered layout. The existing through road, known as "Station Road", will be made one-way only and "adopted" by Inverclyde Council under the Roads (Scotland) Act 1984. Accordingly the definition of the taxi rank, under the Civic Government (Scotland) Act 1982 requires be revised to reflect the new layout at this location. A consultation is underway in this connection (see Clause 6.3) and the Council is asked to note that, if approved, the Order will not be implemented until the consultation has been successfully concluded.
- 4.3 The Council is asked to note that, if approved, the Order may not be implemented until the making of the Order has been advertised to allow any persons who so wish a period of six weeks to question the validity of the Order in terms of the Road Traffic Regulation Act 1984.

5.0 IMPLICATIONS

Finance

- 5.1 There are no financial implications arising from this report.

Legal

- 5.2 There are no legal implications arising from this report.

Human Resources

- 5.3 There are no HR implications arising from this report.

Equalities

- 5.4 There are no equalities implications arising from this report.

Repopulation

- 5.5 There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

- 6.1 The proposals have been advertised in the Greenock Telegraph and full details of the proposals have been made available for public inspection during normal office hours at the offices of the Head of Environmental and Commercial Services, the Head of Legal and Property Services and at Central Library and Gourock Library.
- 6.2 No objections have been received to the proposed Order.
- 6.3 In terms of Section 19(3) of the Civic Government (Scotland) Act 1982, the licensing authority is required to hold a consultation with persons or organisations appearing to them to be, or to be representative of, the operators of taxis operating in their area, to vary the number of taxis permitted to be at each stance, where it proposes to alter a position of such stance or to revoke the appointment thereof. The required consultation has commenced and is expected to be completed by 11 December 2014.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

THE INVERCLYDE COUNCIL
GOUROCK WATERFRONT
(WAITING RESTRICTIONS) ORDER 2014
TRAFFIC REGULATION ORDER

**THE INVERCLYDE COUNCIL
GOUROCK WATERFRONT
(WAITING RESTRICTIONS) ORDER 2014**

We, The Inverclyde Council, in exercise of the powers conferred on us by Sections 1(1), 2(1) to (3), 4(2), 32(1), 35(1), 45, 46, 49, 53, 101 and 102 of the Road Traffic Regulation Act 1984 (as amended) (“the Act”) and of Part IV of Schedule 9 to the Act and of all other enabling powers and after consulting the Chief Constable of the Police Service of Scotland (Seirbheis Phoilis na h-Alba) in accordance with Part III of Schedule 9 to the Act hereby make the following Order:

1.0 Commencement and citation

- 1.1 This Order shall come into operation on the **th day of **, Two thousand and ** and may be cited as the “The Inverclyde Council Gourock Waterfront (Waiting Restrictions) Order 2014”.
- 1.2 The Plan Index titled “The Inverclyde Council Gourock Waterfront (Waiting Restrictions) Order 2014 Plan Index” attached to this Order is incorporated into this Order.
- 1.3 The On-Street Plan titled “The Inverclyde Council Gourock Waterfront (Waiting Restrictions) Order 2014” attached to this Order is incorporated into this Order.

2.0 Interpretation

- 2.1 In this Order, except where the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them:

“Ambulance Parking Place” means a part of a Road identified for use as a Parking Place for a Motor Vehicle being used in pursuance of ambulance service duties;

“Authorised Person” means an employee or agent of the Council authorised to exercise all or any of the functions of the Council under this Order;

“Bus” has the same meaning as in Regulation 22 of the Traffic Signs Regulations and General Directions 2002 (as amended);

“Bus Stand” is a designated parking location where a Bus waits out of service between scheduled public transport services;

“Bus Stop” is a place on a bus route, usually marked with a pole and sign, where Buses stop to discharge and take on passengers;

“Carriageway” and “Footway” have the same meanings as in Section 151(1) of the Roads (Scotland) Act 1984 (as amended);

“Council” means The Inverclyde Council or its successors as Roads Authority;

“Disabled Person’s Badge” means a badge which was:

- (a) issued under Section 21 of the Chronically Sick and Disabled Persons Act 1970 (as amended);
- (b) issued under a provision of the law of Northern Ireland corresponding to that section; or
- (c) issued by any member State other than the United Kingdom for purposes corresponding to the purposes for which badges under that section are issued;

and has not ceased to be in force;

“Disabled Person’s Parking Place” means a part of a Road identified as such on the On-Street Plans for use as a Parking Place for a Motor Vehicle which displays in the Relevant Position a Disabled Person’s Badge;

“Disabled Person’s Vehicle” means a Motor Vehicle which is displaying a Disabled Person’s Badge in a Relevant Position as prescribed by the Local Authorities’ Traffic Orders (Exemptions for Disabled Persons) (Scotland) Regulations 2002;

“Driver” means the person driving or having control or charge of a Motor Vehicle at any given time and, in particular, in relation to a Motor Vehicle waiting in a Parking Place, the person driving when it was left in the Parking Place;

“Electronic Communications Apparatus” has the same meaning as in Schedule 2 to the Telecommunications Act 1984 (as amended);

“Goods” includes Relevant Postal Packets of any description; and delivering and collecting in relation to any Goods includes checking the Goods for the purpose of their delivery or collection;

“Goods Vehicle” means a Motor Vehicle which is constructed or adapted for use for the carriage of Goods of any description or a Trailer so constructed or adapted;

“Limited Waiting Parking Place” means each part of a Road identified as limited waiting on the On-Street Plans;

“Loading” includes unloading and references to “Load” and “Loaded” shall be construed accordingly;

“Loading Bay” means part of a Road identified as such on the On-Street Plans where no Motor Vehicles may wait except to Load;

“Motor Cycle” and “Invalid Carriage” have the same meanings respectively as in Section 136 of the Act;

“Motor Vehicle” means a mechanically propelled vehicle intended or adapted for use on Roads;

“On-Street Plan” means the plan titled “The Inverclyde Council Gourock Waterfront (Waiting Restrictions) Order 2014 On-Street Plan” incorporated

into this Order, which is recorded as current for the purposes of interpretation of this Order in the Plan Index;

“One-Way Street” means a Road in which Motor Vehicles are prohibited at all times from proceeding other than in the direction specified;

“Parking Attendant” means a person employed in accordance with Section 63A of the Act to carry out the functions therein;

“Parking Place” means the various types of Parking Place identified in Article 2.2 and identified as such on the On-Street Plans; the limits of each Parking Place shall be indicated by the Council on the Carriageway by appropriate Traffic Signs;

“Parking Space” means a space provided for the leaving of Motor Vehicles in a Parking Place;

“Passenger Vehicle” means a Motor Vehicle (other than a Motor Cycle or Invalid Carriage) constructed solely for the carriage of passengers and their effects and adapted to carry not more than sixteen passengers exclusive of the Driver;

“Penalty Charge Notice” means a notice issued and fixed to a Motor Vehicle by or on behalf of the Council in relation to a contravention of one or more of the provisions of this Order;

“Plan Index” means the sheet titled “The Inverclyde Council Gourock Waterfront (Waiting Restrictions) Order 2014 Plan Index”, in this Order which records plans that are current for the purposes of interpretation of this Order;

“Police Parking Place” means a part of a Road identified for use as a Parking Place for a Motor Vehicle being used in pursuance of police service duties;

“Registered Keeper” means the person or organisation recorded by the Driver and Vehicle Licensing Agency as being the legal keeper of a Motor Vehicle;

“Relevant Position” means as prescribed by Regulation 12 of the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000 (as amended);

“Relevant Postal Packets” means postal packets whose weight does not exceed 20 kilograms and whose dimensions fall within permitted limits;

“Road” means all Carriageways, Footways and verges;

“Taxi” has the same meaning as in Section 23(1) of the Civic Government (Scotland) Act 1982 (as amended);

“Taxi Stance” means any part of a Road designated by the Council under the Civic Government (Scotland) Act 1982 (as amended);

“Traffic Sign” means a sign prescribed or authorised under Section 64 of the Act;

“Trailer” means a vehicle drawn by a Motor Vehicle; and

“Universal Service Provider” has the same meaning as in Section 4 (3) and (4) of the Postal Services Act 2000 (as amended).

- 2.2 Where the context so permits all references in this Order to a “Parking Place” shall include reference to an Ambulance Parking Place, a Disabled Person’s Parking Place, a Limited Waiting Parking Place, a Loading Bay or a Police Parking Place.
- 2.3 For the purpose of this Order a Motor Vehicle shall be deemed to wait for a period of more than the time specified on the waiting restriction signs for the length of restriction in the same place in any Road if any point in that Road, which is below the Motor Vehicle when it first stops, remains below the Motor Vehicle or its load (if any) throughout such period, whether or not the Motor Vehicle is moved during that period.
- 2.4 The prohibitions and restrictions of waiting imposed by this Order shall also apply to the footways and verges contiguous to the various parts of Road referred to in this Order.
- 2.5 Except where otherwise stated, any reference in this Order to a numbered Article or Schedule is a reference to the Article or Schedule bearing that number in this Order.
- 2.6 Any reference in this Order to any enactment shall be construed as a reference to that enactment as amended, modified, re-enacted, replaced or supplemented by any subsequent enactment.
- 2.7 The prohibitions and restrictions imposed by this Order shall be in addition to and not in derogation from any restriction or requirement imposed by any regulation made or having effect as if made under the Act or by or under any other enactment provided that where a prohibition or restriction which is imposed, varied or revoked by this Order is in conflict with a prohibition or restriction imposed by a previous Order, then the provision of this Order shall prevail.
- 2.8 The Order listed in Schedule 1 is varied to the extent specified in the On-Street Plan.
- 2.9 The Order listed in Schedule 2 is partially revoked to the extent specified in the On-Street Plan.
- 2.10 The Plan Index and On-Street Plan form Schedule 3.
- 2.11 The Interpretation Act 1978 (as amended) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.
- 3.0 **General**

- 3.1 When a Motor Vehicle is left in a Road in contravention of any of the provisions of this Order, the Registered Keeper will become liable for a penalty charge and a police constable in uniform, a Parking Attendant or an Authorised Person may affix a Penalty Charge Notice to the Motor Vehicle and, subsequently, may remove or arrange for the removal of the Motor Vehicle from that Road.
- 3.2 An Authorised Person removing a Motor Vehicle by virtue of Article 3.1 may do so by towing or driving the Motor Vehicle or in such other manner as he may think necessary and may take such measures in relation to the Motor Vehicle as he may think necessary to enable him to remove it as aforesaid.
- 3.3 When an Authorised Person removes or makes arrangements for the removal of a Motor Vehicle from a Road by virtue of Article 3.2, he shall make such arrangements as may be reasonably necessary for the safe custody of the Motor Vehicle.
- 3.4 Any expenses incurred by the Council in removing a Motor Vehicle from a Road by virtue of Article 3.2 or in making arrangements for the safe custody of the Motor Vehicle by virtue of Article 3.3 shall be recoverable by the Council from the Registered Keeper of the Motor Vehicle.
- 3.5 The Council may, as respects a Motor Vehicle which has been removed from a Road in pursuance of Article 3.1, if it appears to have been abandoned, sell or otherwise dispose of the Motor Vehicle after having made reasonable enquiry to ascertain the name and address of the Registered Keeper of the Motor Vehicle in accordance with the procedure set out in the Refuse Disposal (Amenity) Act 1978 (as amended).
- 3.6 Where a Penalty Charge Notice or any other notice has been attached to a Motor Vehicle as a result of a failure to comply with the provisions of this Order, no person not being the Driver of the Motor Vehicle, a police constable in uniform, a Parking Attendant or an Authorised Person shall remove the notice from the Motor Vehicle unless authorised to do so by the Driver.
- 3.7 Where a Penalty Charge Notice has been issued, the penalty charge shall be paid to the Council in accordance with the instructions on the Penalty Charge Notice.
- 4.0 **Prohibition and restriction of waiting**
- 4.1 Where, in relation to any part of a Road shown on the On-Street Plans, a period of 'no waiting' is indicated then, subject to the provisions of Articles 4.2, 4.3.1, 4.3.2, 4.4.1 and 4.5, no person shall, except upon the direction of or with the permission of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to wait during that period in that part of the Road.
- 4.2 Nothing in Article 4.1 shall prohibit any persons from causing or permitting any Motor Vehicle to wait in the parts of the Road referred to therein for so long as may be necessary:

- (a) to enable a person to board or alight from the Motor Vehicle or to Load thereon his personal luggage;
- (b) if the Motor Vehicle is waiting owing to the Driver being prevented from proceeding by circumstances beyond his control or to such waiting being necessary in order to avoid an accident;
- (c) to enable the Motor Vehicle if it bears the livery of a Universal Service Provider being used for the purposes of the provision of a universal postal service as defined in the Postal Services Act 2000 (as amended);
- (d) to enable the Motor Vehicle to be used for police, ambulance or fire and rescue service purposes;
- (e) to enable the Motor Vehicle (other than a Passenger Vehicle), if it cannot conveniently be used for such purpose in any other Road, to be used in pursuance of statutory powers and duties;
- (f) to enable up to a maximum of three Motor Vehicles involved in a funeral or a wedding ceremony to wait at or near to any premises situated on or adjacent to the said parts of the Road so long as the waiting by these Motor Vehicles is reasonably necessary;
- (g) to enable the Motor Vehicle if it cannot conveniently be used for such purpose in any other Road to be used in connection with any of the following operations, namely:
 - (i) building, industrial or demolition operations;
 - (ii) the removal of any obstruction to traffic;
 - (iii) the maintenance, improvement or reconstruction of the said parts of the Road; or
 - (iv) the laying, erection, alteration, removal or repair in or adjacent to any Road, of any sewer or of any main, pipe or apparatus for the supply of gas, water or electricity, or of any Electronic Communications Apparatus or Traffic Sign; and
- (h) if the Motor Vehicle is a Taxi waiting in any Taxi Stance.

4.3 Loading

4.3.1 Nothing in Article 4.1 shall prohibit any persons from causing or permitting any Motor Vehicle to wait in the parts of the Road referred to therein for so long as may be necessary to enable Goods to be Loaded except for any period indicated on the On-Street Plans when Loading is not permitted in that part of the Road.

4.3.2 Provided that no Motor Vehicle engaged in Loading Goods or merchandise, including, so far as a bank is concerned, cash or other valuables or valuable securities, shall wait during the period of 'no waiting' in the same place in any Road for a period of more than thirty minutes or such longer

period as a police constable in uniform, a Parking Attendant or an Authorised Person may authorise and no such Motor Vehicle shall wait for longer than ten minutes in the same place without Goods being Loaded onto the Motor Vehicle.

4.3.3 Notwithstanding anything in Articles 4.3.1 and 4.3.2, the Driver of a Motor Vehicle waiting for the purpose of delivering or collecting Goods or merchandise or Loading the Motor Vehicle shall move the Motor Vehicle on the instruction of a police constable in uniform, Parking Attendant or Authorised Person whenever such moving may be reasonably necessary for the purpose of preventing obstruction.

4.4 Exemption for Disabled Person's Vehicle

4.4.1 Nothing in Article 4.1 of this order shall apply to a Disabled Person's Vehicle which is not causing an obstruction.

4.5 The restrictions specified in Article 4.1 shall not apply to a person causing or permitting a Bus to wait in a Bus Stop or Bus Stand.

5.0 Limited waiting

5.1 Where, in relation to any part of a Road shown on the On-Street Plans, a period of 'limited waiting' is indicated then, subject to the provisions of Article 5.2, no person shall, except upon the direction of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to wait during that period in that part of the Road:

- (a) for longer than the maximum period of waiting specified for that part of the Road; or
- (b) if a period of less than the no return interval specified for that part of the Road has elapsed since the termination during the said hours of the last period of waiting (if any) of the Motor Vehicle in that part of the Road.

5.2 Nothing in Article 5.1 of this Order shall apply to:

- (a) any two wheeled Motor Cycle not having a sidecar attached thereto.
- (b) any Disabled Person's Vehicle which is not causing an obstruction and which displays in the Relevant Position a Disabled Person's Badge.
- (c) any Motor Vehicle from which Goods are being Loaded.
- (d) any Motor Vehicle from which a person is boarding or alighting.
- (e) any Motor Vehicle being used in connection with;
 - (i) building, industrial or demolition operations;
 - (ii) the removal of any obstruction to traffic;

- (iii) the maintenance, improvement or reconstruction of the said parts of the Road; or
- (iv) the laying, erection, alteration, removal or repair in or adjacent to any Road, of any sewer or of any main, pipe or apparatus for the supply of gas, water or electricity, or of any Electronic Communications Apparatus or Traffic Sign

if it cannot conveniently be used for such purpose in any other Road.

- (f) any Motor Vehicle being used in pursuance of statutory powers and duties if it cannot conveniently be used for such purpose in any other Road.
- (g) any Motor Vehicle which is being used for fire and rescue service, police, ambulance or other emergency service purposes.
- (h) a maximum of three Motor Vehicles involved in a funeral or a wedding ceremony waiting at or near to any premises situated on or adjacent to the said parts of the Road so long as the waiting by these Motor Vehicles is reasonably necessary.

6.0 Other Parking Places

6.1 Disabled Person's Parking Places

6.1.1 Where a part of a Road shown on the On-Street Plans is identified as a Disabled Person's Parking Place then subject to the provisions of this Order, no person shall except upon the direction of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to wait in the Disabled Person's Parking Place unless it is a Motor Vehicle displaying a Disabled Person's Badge in the Relevant Position and the Disabled Person's Badge is so displayed for the whole time that the Motor Vehicle remains in the Disabled Person's Parking Place.

6.2 Loading Bays

6.2.1 Where a part of a Road shown on the On-Street Plans is identified as a Loading Bay, then subject to the provisions of this Order, no person shall except upon the direction of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to wait in the Loading Bay other than during the process of Loading provided that no such Motor Vehicle shall wait for longer than ten minutes in the same place without Goods being Loaded onto the Motor Vehicle.

6.3 Police Parking Places

6.3.1 Where a part of a Road shown on the On-Street Plans is identified as a Police Parking Place then subject to the provisions of this Order, no person shall except upon the direction of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to

wait in the Police Parking Place during its specified hours of operation unless it is a Motor Vehicle being used in pursuance of police duties.

6.4 Ambulance Parking Places

6.4.1 Where a part of a Road shown on the On-Street Plans is identified as an Ambulance Parking Place then subject to the provisions of this Order, no person shall except upon the direction of a police constable in uniform, a Parking Attendant or an Authorised Person, cause or permit any Motor Vehicle to wait in the Ambulance Parking Place during its specified hours of operation unless it is an Ambulance being used in pursuance of Ambulance Service duties.

6.5 Exemptions

6.5.1 Nothing in Articles 6.1.1 and 6.2.1 shall prohibit any persons from causing or permitting any Motor Vehicle to wait in the parts of the Road referred to therein for so long as may be necessary to enable the Motor Vehicle to be used for police, ambulance or fire and rescue service purposes.

7.0 Parking Places in general

7.1 Power to suspend use of Parking Places

7.1.1 A Parking Attendant may suspend the use of any Parking Place or any part thereof for up to seven days and for longer periods with the permission of an Authorised Person whenever he considers such suspension reasonably necessary:

- (a) for the purpose of facilitating the movement of traffic or promoting its safety;
- (b) for the purpose of any building operation, demolition or excavation in or adjacent to the Parking Place or the maintenance, improvement or reconstruction of the Parking Place or the laying, erection, alteration, removal or repair in or adjacent to the Parking Place of any sewer or of any main, pipe or apparatus for the supply of gas, water or electricity or any Electronic Communications Apparatus or Traffic Sign;
- (c) for the convenience of occupiers of premises adjacent to the Parking Place on any occasion of the removal of furniture from one office or dwelling house to another or the removal of furniture from such premises to a depository or to such premises from a depository;
- (d) on any occasion on which it is likely by reason of some special attraction that any street will be thronged or obstructed; or
- (e) for the convenience of occupiers of premises adjacent to the Parking Place at times of weddings or funerals.

7.1.2 A police constable in uniform may suspend for not longer than twenty-four hours the use of any Parking Place or any part thereof whenever he

considers such suspension reasonably necessary for the purpose of facilitating the movement of traffic or promoting its safety.

- 7.1.3 Any person suspending the use of any Parking Place or any part thereof in accordance with the provisions of Articles 7.1.1 or 7.1.2 shall thereupon place or cause to be placed in or adjacent to the Parking Place or part thereof the use of which is suspended a Traffic Sign indicating that waiting by Motor Vehicles is prohibited.
- 7.1.4 No person shall cause or permit a Motor Vehicle to be left in any part of any Parking Place during such period as there is in or adjacent to that part of the Parking Place a Traffic Sign placed in pursuance of Article 7.1.3. Provided that nothing in this Article shall render it unlawful to cause or permit any Motor Vehicle being used for fire and rescue service, ambulance or police purposes to be left in any part of the Parking Place during such period as is referred to therein, or to any other Motor Vehicle so left if that Motor Vehicle is left with the direction of a police constable in uniform, a Parking Attendant or an Authorised Person.
- 7.2 Every Motor Vehicle left in a Parking Place shall so stand such that every part of the Motor Vehicle is within the limits of a Parking Space as bounded by surface markings. Provided that, where the length of any Motor Vehicle precludes it from standing wholly within the limits of a Parking Space, such Motor Vehicle may so stand in that Parking Space, if:
- (a) the extreme front portion or the extreme rear portion, as the case may be, of the Motor Vehicle overhangs by no more than 0.3 metres the limits of that Parking Space; and
 - (b) no part of the Motor Vehicle is within the limits of any other Parking Space.
- 7.3 Every Motor Vehicle left in a Parking Place in a One-Way Street shall stand such that the Motor Vehicle is not parked in a direction that opposes the direction of travel.
- 7.4 Where any Motor Vehicle is standing in a Parking Place in contravention of the provisions of the Articles 7.2 and 7.3 a police constable in uniform, a Parking Attendant or an Authorised Person may alter or cause to be altered the position of the Motor Vehicle in order that its position shall comply with those provisions.
- 7.5 A police constable in uniform, a Parking Attendant or an Authorised Person may move or cause to be moved, in case of emergency, to any place he thinks fit, Motor Vehicles left in any Parking Place.
- 7.6 The Driver of a Motor Vehicle using any Parking Place shall not permit the carrying out of any work of construction or repair except such as may be necessary to enable the Motor Vehicle to be removed from the Parking Place.
- 7.7 No person shall use any Motor Vehicle, while it is in any Parking Place, in connection with the sale of any article to any person in or near the Parking Place or in connection with the selling or offering for sale of his skill in

handicraft or his services in any other capacity. Provided that nothing in this Article shall prevent the sale of Goods from a Motor Vehicle if the Motor Vehicle is a Passenger Vehicle or a Goods Vehicle not exceeding 5 tonnes maximum gross weight left in any Parking Place and the Goods are immediately delivered at or taken into premises adjacent to the Motor Vehicle from which the sale is effected.

- 7.8 A Driver of a Motor Vehicle shall not use a Parking Place so as unreasonably to prevent access to any premises adjoining the Road, or prevent the use of the Road by other persons, so as to be a nuisance.
- 7.9 The Driver of a Motor Vehicle using a Parking Place shall stop the engine as soon as the Motor Vehicle is in position in the Parking Place, and shall not start the engine except when about to change position of the Motor Vehicle in or depart from the Parking Place.

8.0 Variation and revocation of existing traffic regulation orders

- 8.1 The Orders specified in Schedule 1 to this Order shall have effect subject to the variations specified in that part of the said Schedule.
- 8.2 The Order specified in Schedule 2 to this Order shall be partially revoked.

SCHEDULE 1 (Article 8.1)

VARIED ORDERS

The following Order made by The Inverclyde Council (or its statutory predecessors) and all of its amendments and any other Orders and Regulations of whatever nature are hereby varied in the manner and to the extent specified in this Order and the On-Street Plan attached hereto:

1. The Inverclyde Council (Various Roads)(Gourock, Inverkip & Wemyss Bay) (Waiting Restrictions) Order 2013.

SCHEDULE 2 (Article 8.2)

REVOKED ORDERS

The following Order made by The Inverclyde Council (or its statutory predecessors) and all of its amendments and any other Orders and Regulations of whatever nature are hereby partially revoked to the extent specified in this Order and the On-Street Plan attached hereto:

1. The Burgh of Gourock (Various Streets)(Prohibition of Waiting) Order 1973.

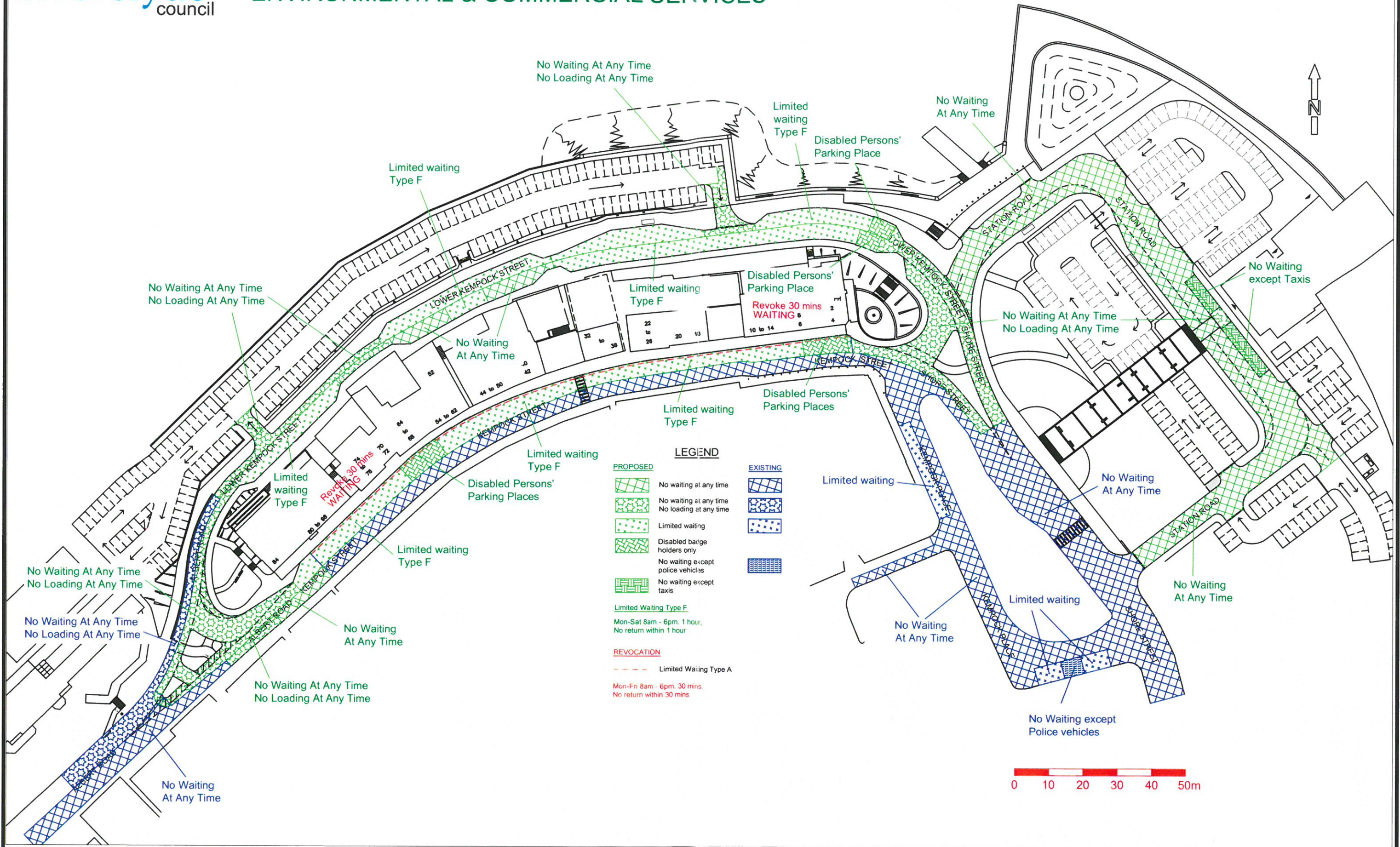
SCHEDULE 3

**THE INVERCLYDE COUNCIL GOUROCK WATERFRONT
(WAITING RESTRICTIONS) ORDER 2014**

PLAN INDEX

Plan Reference	Effective date	1	2	3	4	5	6	7
TR/TRO/127	**/**/20**							

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<p>Consultancy Section</p> <p>Original Drawing Size 420x297 (A3)</p>	<p>HEAD OF SERVICE Ian Moffat</p> <p>71 EAST HAMILTON STREET GREENOCK PA15 2UA</p>	<p>Ordnance Survey</p> <p>This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. COPYRIGHT LICENCE No. (100023421) (2011)</p>	<p>TRAFFIC REGULATION ORDER C135 GOUROCK WATERFRONT WAITING RESTRICTIONS</p>	<p>Scale : 1:1,000</p> <p>Prepared by : R. Mackay</p> <p>Drawn by : R. Mackay</p> <p>Drawing No. : TR/TRO/127</p>	<p>Date : MAY 2014</p> <p>Checked by :</p> <p>Approved by :</p> <p>File No. : 19/38</p>
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Report To: THE INVERCLYDE COUNCIL **Date:** 4 DECEMBER 2014

Report By: CORPORATE DIRECTOR **Report No:** LP/075/14
ENVIRONMENT, REGENERATION &
RESOURCES

Contact Officer: JOANNA DALGLEISH **Contact No:** 01475 712123

Subject: PROPOSED TRAFFIC REGULATION ORDER - THE
INVERCLYDE COUNCIL, GORDON STREET, GREENOCK (ONE
WAY ONLY) ORDER 2014

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Environment & Regeneration Committee.

2.0 SUMMARY

- 2.1 The Environment & Regeneration Committee held on 30 October 2014 after consideration of a report by the Acting Corporate Director Environment, Regeneration & Resources on the proposed Traffic Regulation Order – The Inverclyde Council, Gordon Street, Greenock (One Way Only) Order 2014 recommended that the Inverclyde Council be asked to make the Traffic Regulation Order and remit it to the Head of Environmental and Commercial Services and the Head of Legal and Property Services to arrange for its implementation.

3.0 RECOMMENDATION

- 3.1 That the Inverclyde Council approve the making of the Traffic Regulation Order – The Inverclyde Council, Gordon Street, Greenock (One Way Only) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof, and that the Head of Environmental and Commercial Services and the Head of Legal and Property Services be authorised to take all necessary action in connection therewith. Appendix 1

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 Local Authorities are empowered to make Orders under the Road Traffic Regulation and Roads (Scotland) Acts 1984 and under the Council's Scheme of Administration the Head of Environmental and Commercial Services is responsible for the making, implementation and review of Traffic Management Orders and Traffic Regulation Orders.
- 4.2 The Council is asked to note that, if approved, the Order may not be implemented until the making of the Order has been advertised to allow any persons who so wish a period of six weeks to question the validity of the Order in terms of the Road Traffic Regulation Act 1984.

5.0 IMPLICATIONS

Finance

- 5.1 There are no financial implications arising from this report.

Legal

- 5.2 There are no legal implications arising from this report.

Human Resources

- 5.3 There are no HR implications arising from this report.

Equalities

- 5.4 There are no equalities implications arising from this report.

Repopulation

- 5.5 There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

- 6.1 The proposals have been advertised in the Greenock Telegraph and full details of the proposals have been made available for public inspection during normal office hours at the offices of the Head of Environmental and Commercial Services, the Head of Legal and Property Services and at Central Library.
- 6.2 No objections have been received to the proposed Order.

7.0 LIST OF BACKGROUND PAPERS

- 7.1 None.

THE INVERCLYDE COUNCIL

**GORDON STREET, GREENOCK
(ONE WAY ONLY) ORDER 2014**

TRAFFIC REGULATION ORDER

THE INVERCLYDE COUNCIL

GORDON STREET, GREENOCK (ONE WAY ONLY) ORDER 2014

We, The Inverclyde Council in exercise of the powers conferred on us by Sections 1(1), 2(1) to (3) of the Road Traffic Regulation Act 1984 (as amended) ("the Act") and of all other enabling powers and after consulting the Chief Constable of the Police Service of Scotland (Seirbheis Phoilis na h-Alba) in accordance with Part III of Schedule 9 to the Act hereby make the following Order:

1.0 Commencement and citation

- 1.1 This Order may be cited as "The Inverclyde Council, Gordon Street, Greenock (One Way Only) Order 2014" and shall come into operation on #####.

2.0 Interpretation

- 2.1 In this Order, except where the context otherwise requires, the following expression has the meaning hereby respectively assigned to it:

"Vehicle" means a vehicle of any description and includes a machine or implement of any kind drawn or propelled along roads whether or not by mechanical power.

3.0 Prohibition and restriction

- 3.1 No person shall drive or cause or permit to be driven any Vehicle on the lengths of road specified in Column 1 of the Schedule to this Order otherwise than in the direction specified in Column 2 of the said Schedule as referred to in the plan annexed to this Order.

Sealed with the Common Seal of The Inverclyde Council and subscribed for them and on their behalf by

SCHEDULE

**GORDON STREET, GREENOCK
(ONE WAY ONLY) ORDER 2014**

**Length of Road in Inverclyde
within the Town of Greenock**

Permitted Direction of Travel

Gordon Street

For its entire length, from the junction
with Dunn Street to the junction with
Cornhaddock Street

Generally Westwards then Southwestwards

DRAFT



<p>Consultancy Section</p> <p>Original Drawing Size 297x210 (A4)</p>	<p>HEAD OF SERVICE Ian Moffat</p> <p>71 EAST HAMILTON STREET GREENOCK, PA15 2UA</p>	<p>OS Ordnance Survey</p> <p><small>This map is reproduced from Ordnance Survey data with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. CORNIGHT LICENCE No. (100033421) (2014)</small></p>	<p>TRAFFIC REGULATION ORDER C141 GORDON STREET, GREENOCK ONE WAY ONLY</p>	<p>Scale : NTS</p> <p>Prepared by : R. Mackay</p> <p>Drawn by : R. Mackay</p> <p>Drawing No. : TR/TRO/134</p>	<p>Date : MAY 2014</p> <p>Checked by :</p> <p>Approved by :</p> <p>File No. : 19/38</p>
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Report To: THE INVERCLYDE COUNCIL **Date:** 4 DECEMBER 2014

Report By: CORPORATE DIRECTOR **Report No:** LP/074/14
ENVIRONMENT, REGENERATION &
RESOURCES

Contact Officer: JOANNA DALGLEISH **Contact No:** 01475 712123

Subject: PROPOSED TRAFFIC REGULATION ORDER - THE
INVERCLYDE COUNCIL, CANMORE CRESCENT, GREENOCK
(ONE WAY ONLY) ORDER 2014

1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council to consider a remit from the Environment & Regeneration Committee.

2.0 SUMMARY

- 2.1 The Environment & Regeneration Committee held on 30 October 2014 after consideration of a report by the Acting Corporate Director Environment, Regeneration & Resources on the proposed Traffic Regulation Order – The Inverclyde Council, Canmore Crescent, Greenock (One Way Only) Order 2014 recommended that the Inverclyde Council be asked to make the Traffic Regulation Order and remit it to the Head of Environmental and Commercial Services and the Head of Legal and Property Services to arrange for its implementation.

3.0 RECOMMENDATION

- 3.1 That the Inverclyde Council approve the making of the Traffic Regulation Order – The Inverclyde Council, Canmore Crescent, Greenock (One Way Only) Order 2014, all as detailed in the copy of the proposed Order forming a supplement to the principal Minute hereof, and that the Head of Environmental and Commercial Services and the Head of Legal and Property Services be authorised to take all necessary action in connection therewith. Appendix 1

Gerard Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 Local Authorities are empowered to make Orders under the Road Traffic Regulation and Roads (Scotland) Acts 1984 and under the Council's Scheme of Administration the Head of Environmental and Commercial Services is responsible for the making, implementation and review of Traffic Management Orders and Traffic Regulation Orders.
- 4.2 The Council is asked to note that, if approved, the Order may not be implemented until the making of the Order has been advertised to allow any persons who so wish a period of six weeks to question the validity of the Order in terms of the Road Traffic Regulation Act 1984.

5.0 IMPLICATIONS

Finance

- 5.1 There are no financial implications arising from this report.

Legal

- 5.2 There are no legal implications arising from this report.

Human Resources

- 5.3 There are no HR implications arising from this report.

Equalities

- 5.4 There are no equalities implications arising from this report.

Repopulation

- 5.5 There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

- 6.1 The proposals have been advertised in the Greenock Telegraph and full details of the proposals have been made available for public inspection during normal office hours at the offices of the Head of Environmental and Commercial Services, the Head of Legal and Property Services and at Central Library.
- 6.2 No objections have been received to the proposed Order.

7.0 LIST OF BACKGROUND PAPERS

- 7.1 None.

THE INVERCLYDE COUNCIL

**CANMORE CRESCENT, GREENOCK
(ONE WAY ONLY) ORDER 2014**

TRAFFIC REGULATION ORDER

THE INVERCLYDE COUNCIL

CANMORE CRESCENT, GREENOCK (ONE WAY ONLY) ORDER 2014

We, The Inverclyde Council in exercise of the powers conferred on us by Sections 1(1), 2(1) to (3) of the Road Traffic Regulation Act 1984 (as amended) ("the Act") and of all other enabling powers and after consulting the Chief Constable of the Police Service of Scotland (Seirbheis Phoilis na h-Alba) in accordance with Part III of Schedule 9 to the Act hereby make the following Order:

1.0 Commencement and citation

- 1.1 This Order may be cited as "The Inverclyde Council, Canmore Crescent, Greenock (One Way Only) Order 2014" and shall come into operation on #####.

2.0 Interpretation

- 2.1 In this Order, except where the context otherwise requires, the following expression has the meaning hereby respectively assigned to it:

"Vehicle" means a vehicle of any description and includes a machine or implement of any kind drawn or propelled along roads whether or not by mechanical power.

3.0 Prohibition and restriction

- 3.1 No person shall drive or cause or permit to be driven any Vehicle on the lengths of road specified in Column 1 of the Schedule to this Order otherwise than in the direction specified in Column 2 of the said Schedule as referred to in the plan annexed to this Order.

Sealed with the Common Seal of The Inverclyde Council and subscribed for them and on their behalf by

SCHEDULE

**CANMORE CRESCENT, GREENOCK
(ONE WAY ONLY) ORDER 2014**

**Length of Road in Inverclyde
within the Town of Greenock**

Permitted Direction of Travel

Canmore Crescent

For its entire length, from the northeast
Junction with Fancy Farm Road to the
south west junction with Fancy Farm
Road

Southwestwards

DRAFT



<p><i>Consultancy Section</i></p> <p>Original Drawing Size 297x210 (A4)</p>	<p>HEAD OF SERVICE Ian Moffat 71 EAST HAMILTON STREET GREENOCK, PA15 2UA</p>	<p>Ordinance Survey</p> <p><small>This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office. © Crown copyright. Unauthorised copying, reuse or distribution is prohibited. All rights reserved. COPYRIGHT LICENCE No. (100021421) (01/14)</small></p>	<p>TRAFFIC REGULATION ORDER C139 CANMORE CRESCENT, GREENOCK ONE WAY ONLY</p>		<p>Scale : NTS</p> <p>Prepared by : R. Mackay</p> <p>Drawn by : R. Mackay</p> <p>Drawing No. : TR/TRO/132</p>	<p>Date : MAY 2014</p> <p>Checked by :</p> <p>Approved by :</p> <p>File No. : 19/38</p>

Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	SL/LP/086/14
Contact Officer:	Sharon Lang	Contact No:	01475 712112
Subject:	Treasury Management – Mid-Year Review Report 2014/15 – Remit from Policy & Resources Committee		

1.0 PURPOSE

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

2.0 SUMMARY

2.1 The Policy & Resources Committee at its meeting on 18 November 2014 considered the attached report by the Chief Financial Officer on the operation of the treasury function and its activities at the mid-year of 2014/15 in compliance with the CIPFA Code of Practice on Treasury Management with which the Council complies.

2.2 The Committee decided:

- (1) that the contents of the Mid-Year Review Report on Treasury Management for 2014/15 be noted;
- (2) that the Mid-Year Review Report be remitted to the Inverclyde Council for approval; and
- (3) that approval be given to procuring treasury advisers' services on the basis of a contract for 3 years with the option of a further 1 year extension with procurement by negotiation with the current provider, Capita Treasury Solutions Limited, subject to the approval of the Chief Financial Officer and the Head of Legal & Property Services and the annual cost not to exceed £22,000 per year.

3.0 RECOMMENDATION

3.1 The Council is asked to approve the Treasury Management Mid-Year Review Report 2014/15

Report To:	Policy & Resources Committee	Date:	18 November 2014
Report By:	Chief Financial Officer	Report No:	FIN/65/14/KJ/JB
Contact Officer:	Jan Buchanan	Contact No:	01475 712223
Subject:	Treasury Management – Mid-Year Review Report 2014/15		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise members of the operation of the treasury function and its activities at the mid-year of 2014/15 in compliance with the CIPFA Code of Practice on Treasury Management with which the Council complies.

2.0 SUMMARY

- 2.1 As at 30th September 2014 the Council had debt of £219,693,321 and investments of £51,931,095.
- 2.2 The average rate of return achieved on investments during the first half of 2014/15 was 0.76% which exceeds the benchmark return rate for the period of 0.42% by 0.34% largely due to the Council choosing to invest for longer periods than the benchmark of 3 months.
- 2.3 During the period the Council operated within the treasury limits and Prudential and Treasury Indicators set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, Annual Investment Strategy and the Treasury Management Practices other than as previously homologated by the Committee.
- 2.4 The economic situation and financial and banking markets remain uncertain and volatile, both globally and in the UK, but it is considered that the Treasury Management Strategy and the Annual Investment Strategy approved by the Council on 10th April 2014 are still appropriate.
- 2.5 The Council's current contract with its treasury advisers runs until 30th June 2015 so approval is being sought to procure advisers' services beyond this date.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the contents of the Mid-Year Review Report on Treasury Management for 2014/15.
- 3.2 It is recommended that the Mid-Year Review Report be remitted to the Full Council for approval.
- 3.3 It is recommended that approval be given to procuring treasury advisers' services on the basis of a contract for 3 years with the option of a further 1 year extension with procurement by negotiation with the current provider (Capita Treasury Solutions Limited) subject to the approval of the Chief Financial Officer and the Head of Legal & Property Services and the annual cost not to exceed £22,000 per year.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management 2011 has been adopted by this Council and the Council fully complies with its requirements. The primary requirements of the Code are:
1. The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 2. The creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 3. The receipt by the Full Council of an annual Treasury Management Strategy Statement (including Annual Investment Strategy) for the year ahead, a Mid-Year Review Report, and an Annual Report (stewardship report) covering activities during the previous year.
 4. The delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 5. The delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Policy & Resources Committee.
- 4.2 Treasury Management in this context is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Mid-Year Review Report for 2014/15

- 4.3 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the Mid-Year Review Report for the financial year 2014/15.
- 4.4 This mid-year review report covers:
- The Council's Treasury Position as at 30th September 2014
 - An economic update of the first six months of 2014/15
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy
 - A review of the Council's investment portfolio for 2014/15
 - A review of the Council's borrowing strategy for 2014/15
 - A review of any debt restructuring undertaken during 2014/15
 - A review of compliance with Treasury, Prudential, and Council Policy Limits for 2014/15.

Treasury Management is a complex area with its own terminology and acronyms. In order to aid the Committee's understanding a Glossary of Terms is attached as Appendix 1.

4.5 Treasury Position As At 30th September 2014

The Council's debt and investment position was as follows:

	30 th September 2014		1 st April 2014	
	Principal	Rate	Principal	Rate
	£000		£000	
Fixed Rate Funding:				
- PWLB	116,750		117,168	
- Market *	55,000		55,000	
	<u>171,750</u>	3.98%	<u>172,168</u>	3.99%
Variable Rate Funding:				
- PWLB	0		0	
- Market *	47,900		47,900	
- Temporary	43		43	
	<u>47,943</u>	4.97%	<u>47,943</u>	4.97%
Total Debt	219,693	4.19%	220,111	4.21%

* - Market Loans are shown as variable when they have less than 1 year to go until their next call date.

	30 th September 2014		1 st April 2014	
	Principal	Return	Principal	Return
	£000		£000	
Investments:				
- External	42,500	0.86%	32,500	1.02%
- Deposit Accounts	9,431	0.50%	15,609	0.50%
Total Investments	51,931	0.80%	48,109	0.85%

In addition, the Council has items counting as investments under Scottish Government rules as at 30th September 2014 of £268,330 (down from £291,864 on 1st April 2014). Details are given in Appendix 2 and largely relate to loans to third parties.

4.6 Economic Update

The Council's Treasury Advisers (Capita Treasury Solutions Limited) have provided the following economic update:

UK

After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in quarter 1 and 0.9% in quarter 2 of 2014 (annual rate 3.2% in quarter 2), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) in August 2013, before it said it would consider any increases in the Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up.

The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in the Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in CPI inflation, reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising the Bank Rate as it will want to protect heavily indebted consumers from too early an increase in the Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in quarter 1 or quarter 2 of 2015 with increases after that expected to be at a slow pace to lower levels than prevailed before 2008 as increases in the Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus (of £5bn) in 2018/19. However, monthly public sector deficit figures have disappointed so far in 2014/15.

US

In September 2014, the Federal Reserve continued with its monthly \$10bn reductions in asset purchases, which started in December 2013. Asset purchases have now fallen from \$85bn to \$15bn and are expected to stop in October 2014, providing strong economic growth continues. First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in quarter 2 to 4.6% (annualised).

The US faces similar debt problems to those of the UK but, thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.

Eurozone

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all Eurozone countries and includes some countries with negative rates of inflation. Accordingly, the European Central Bank took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt).

Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

China and Japan

Japan is causing considerable concern as an increase in sales tax in April has suppressed consumer expenditure and growth. In quarter 2 growth was -1.8% quarter-on-quarter and -7.1% over the previous year. The Government is hoping that this is a temporary blip.

As for China, Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has raised fresh concerns. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.

4.7 Treasury Advisers' View of Next Six Months of 2014/15

Capita advise that:

They undertook a review of their interest rate forecasts in mid-August, after the Bank of England's Inflation Report. By the beginning of September, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, had caused a further flight into safe havens like gilts and depressed PWLB rates further. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. Their latest forecast includes a first increase in Bank Rate in quarter 1 of 2015.

Their PWLB forecasts are based around a balance of risks. However, there are potential upside risks, especially for longer term PWLB rates, as follows: -

- A further surge in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Downside risks currently include:

- The situation over Ukraine poses a major threat to Eurozone and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- UK strong economic growth is currently dependent on consumer spending and the unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partners - the EU and US, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the European Central Bank and Eurozone governments to deal with the potential size of the crisis.
- Recapitalising of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- France: after being elected on an anti-austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.

- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.
- There are also increasing concerns that the reluctance of western economies to raise interest rates significantly for some years, plus the huge quantitative easing measures which remain in place (and may be added to by the European Central Bank in the near future), has created potentially unstable flows of liquidity searching for yield and therefore heightened the potential for an increase in risks in order to get higher returns. This is a return of the same environment which led to the 2008 financial crisis.

4.8 Capita's Interest Rate Forecast

The latest interest rate forecast produced by Capita is as follows:

	End Sept-14 Actual	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
	%	%	%	%	%	%	%	%	%	%
BANK RATE	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.75
5yr PWLB	2.77	2.70	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.40
10yr PWLB	3.46	3.50	3.60	3.70	3.80	3.90	4.00	4.10	4.10	4.20
25yr PWLB	4.04	4.10	4.20	4.30	4.40	4.50	4.60	4.70	4.80	4.80
50yr PWLB	4.03	4.10	4.20	4.30	4.40	4.50	4.60	4.70	4.80	4.80

The above Capita forecasts for PWLB rates are for the PWLB certainty rates which include a 0.20% reduction for new PWLB borrowing from 1st November 2012 by local authorities that apply to access the rate (as most local authorities have done, including Inverclyde Council).

4.9 Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement for 2014/15 was approved by the Council on 10th April 2014. The Council's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Council's investment priorities as follows:

- The security of capital
- The liquidity of investments.

The Council will also aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (maximum loan period of 12 months), and only invest with highly credit rated financial institutions, using Capita's suggested creditworthiness approach, including sovereign credit rating and credit default swap (CDS) overlay information provided by Capita.

A breakdown of the Council's investment portfolio is shown in Appendix 2.

The Council have undertaken no borrowing so far this year to fund forthcoming capital expenditure. It is anticipated that some borrowing may take place during this financial year in line with the approved Treasury Management Strategy.

Investments during the first six months of the year have been undertaken in line with the Strategy and no changes to credit ratings for UK and other banks and financial institutions have required action by the Council. Continued caution is, however, being exercised with the position being constantly monitored.

As outlined above, the economic situation and financial and banking markets remain uncertain and volatile, both globally and in the UK. In this context, it is considered that the Treasury Management Strategy and Annual Investment Strategy approved by the Council on 10th April 2014 are still appropriate.

4.10 Investment Portfolio 2014/15

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's low risk appetite. The investment portfolio yield for the first six months of the year compared to its benchmark is as follows:

Average Investment Over First Six Months Of 2014/15	Annualised Rate of Return (gross of fees)	Benchmark Return (3 Month LIBID un compounded)
£55,300,000	0.76%	0.42%

The Council have outperformed the benchmark by 0.34% resulting in additional income to the Council in the period of £94,000 largely due to the Council undertaking investments for longer periods than the 3 month benchmark and with UK Nationalised/Part Nationalised Banks which are considered to be lower risk.

The level of Deposit Rates during the first 6 months of the year means that the Council will not achieve similar performance against the benchmark in future.

A full list of investments held as at 30th September 2014, compared to Capita's counterparty list and to the position at 1st April 2014, is shown in Appendix 2.

4.11 New External Borrowing

The Council's capital financing requirement (CFR) is, based on the latest capital programme, £2.7m for financial year 2013/14 and £16.2m for 2014/15 (excluding assets funded from PPP). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

For borrowing rates, the general trend has been a decrease in interest rates during the first six months of 2014/15 across longer dated maturity bands, but a rise in the shorter maturities, reflecting in part the expected rise in the Bank rate.

The following table shows the movement in PWLB rates for the first six months of the year and provides benchmarking data showing high and low points etc:

PWLB Borrowing Rates 1 st April – 30 th September 2014					
	1 year	5 year	10 year	25 year	50 year
High	1.49%	2.87%	3.66%	4.30%	4.28%
Date	16/07/2014	03/07/2014	20/06/2014	03/04/2014	02/04/2014
Low	1.20%	2.48%	3.16%	3.74%	3.72%
Date	08/04/2014	28/08/2014	28/08/2014	01/09/2014	29/08/2014
Average	1.35%	2.66%	3.47%	4.10%	4.07%
Spread between High and Low	0.29%	0.39%	0.50%	0.56%	0.56%
01/04/2014	1.24%	2.65%	3.63%	4.29%	4.27%
30/09/2014	1.37%	2.57%	3.26%	3.84%	3.83%
Spread between 01/04/2014 and 30/09/2014	0.13%	0.08%	0.37%	0.45%	0.44%

The Council has not borrowed in advance of need in 2014/15 and has no intention of doing so.

4.12 Debt Rescheduling

No debt rescheduling was undertaken during the first six months of 2014/15.

4.13 Compliance with Treasury, Prudential and Council Policy Limits

It is a statutory duty for the Council to determine and keep under review the "Affordable Capital Expenditure Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement.

During the financial year to date the Council has operated within the treasury limits and Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices other than the exceeding of the Council's Counterparty Limit with the Bank of Scotland by a maximum of £0.6m for 2 days in July 2014 (and as homologated by the Policy & Resources Committee).

The Prudential and Treasury Indicators and Council policy limits monitored during the year are shown in Appendix 3.

4.14 Performance Measurement 2013/14

Appendix 4 shows the outturn for Prudential Indicators for 2012/13 and 2013/14 along with the Loans Fund Pool Rate for Interest for the last five years. These figures reflect the final position following the completion and audit of the Council's Annual Accounts.

4.15 Other Issues

The Council's contract with its treasury advisers ran until 30th June 2014 with the option for a further one year extension until 30th June 2015. The Council took up the extension.

The treasury advisers are Capita Treasury Solutions Limited who were renamed from Sector Treasury Services Limited on 1 October 2014.

Approval is sought from Committee to proceed with procuring treasury advisers' services on the basis of a contract for 3 years with the option of a further 1 year extension. The provision of such services to public sector bodies is extremely specialised with a very small number of potential providers. Committee are therefore requested to approve that procurement is by negotiation with the current provider (Capita Treasury Solutions Limited) subject to the approval of the Acting Corporate Director Environment and Regeneration and the Head of Legal & Property Services and the annual cost not to exceed £22,000 per year. This cost will be contained within the existing budget for loan charges.

5.0 IMPLICATIONS

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

Finance: Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £94,000. The Council utilises Treasury Management as part of the overall Financial Strategy and Officers will continue to investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

Human Resources: None.

Equalities: None.

Repopulation: None

6.0 CONSULTATIONS

- 6.1 This report has been produced based on advice from the Council's treasury advisers (Capita Treasury Solutions Limited).

7.0 LIST OF BACKGROUND PAPERS

- 7.1 CIPFA - Code of Practice on Treasury Management in the Public Services (Revised 2011)
Scottish Government – Finance Circular 5/2010 – The Investment of Money By Scottish Local Authorities
Inverclyde Council – Treasury Management Strategy and Annual Investment Strategy 2014/15-2016/17.

TREASURY MANAGEMENT
GLOSSARY OF TERMS

Affordable Capital Expenditure Limit

The amount that the Council can afford to allocate to capital expenditure in accordance with the requirements of the Local Government in Scotland Act 2003 and supporting regulations.

Authorised Limit for External Debt

This is a limit for total Council external debt as set by the Council based on debt levels and plans.

Bank of England

The central bank for the UK with ultimate responsibility for setting interest rates (which it does through the Monetary Policy Committee or "MPC").

Bank Rate

The interest rate for the UK as set each month by the Monetary Policy Committee ("MPC") of the Bank of England. This was previously referred to as the "Base Rate".

Call Date

A date on which a lender for a LOBO loan can seek to apply an amended interest rate to the loan. The term "call date" is also used in relation to some types of investments with a maturity date where the investments can be redeemed on call dates prior to the maturity date.

Capita

Capita Treasury Solutions Limited who are the Council's treasury management advisers who were previously named Sector Treasury Services Limited (and were normally referred to as Sector).

Capital Expenditure

Expenditure on or for the creation of fixed assets that meets the definition of Capital Expenditure under the accounting rules as set-out in the Code of Practice on Local Authority Accounting in the United Kingdom and for which the Council are able to borrow.

Capital Financing Requirement

The Capital Financing Requirement (sometimes referred to as the "CFR") is a Prudential Indicator that can be derived from the information in the Council's Balance Sheet. It generally represents the underlying need to borrow for capital expenditure (including PPP schemes).

CDS Spread

A CDS Spread or "Credit Default Swap" Spread is the cost of insuring against default by a Counterparty. Increases in the CDS Spread for a Counterparty may indicate concerns within the market regarding a Counterparty.

Certificates of Deposit

Certificates of Deposit (or CDs) are a form of investment and similar to Fixed Term Deposits in that the investment is with a named Bank or Financial Institution, matures on a set date, and is repaid with interest on the maturity date. Unlike a Fixed Term Deposit, a CD can also be traded in the market prior to maturity.

CIPFA

CIPFA is the Chartered Institute of Public Finance and Accountancy who produce guidance, codes of practice, and policy documents for Councils.

Consumer Prices Index

The Consumer Prices Index ("CPI") is a means of measuring inflation (as is the Retail Prices Index or "RPI"). The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try to keep CPI at or close to the target set by the Government (currently the target is 2%). The calculation of the CPI includes many items of normal household expenditure but the calculation excludes some items such as mortgage interest payments and Council Tax.

Counterparty

Another organisation involved in a deal i.e. if the Council enters a deal with a bank then the bank would be referred to as the “Counterparty”.

Credit Ratings

Credit ratings are indicators produced by a ratings provider (such as Fitch, Moody's or Standard & Poor's) that aim to give an opinion on the relative ability of a financial institution to meet its financial commitments. Credit ratings are not guarantees – they are opinions based on investigations and assessments by the ratings providers and they are regularly reviewed and updated. The Council makes use of credit ratings to determine which counterparties are appropriate or suitable for the Council to make deposits with.

The highest credit rating is AAA.

European Central Bank

Sometimes referred to as “the ECB”, the European Central Bank is the central bank for the Eurozone and is the equivalent of the Bank of England. The European Central Bank sets interest rates for the Eurozone.

Eurozone

This is the name given to the countries in Europe that have the Euro as their currency. Interest rates in the Eurozone are set by the European Central Bank. The Eurozone is comprised of the following 18 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Fed Rate

This is the interest rate for the US. Rates for the US are set by the Federal Reserve (the central bank for the US and the equivalent of the Bank of England).

Federal Reserve

Sometimes referred to as “the Fed”, the Federal Reserve is the central bank for the US and is the equivalent of the Bank of England. The Federal Reserve sets interest rates for the US.

Fixed Rate Funding/Investments

This term refers to funding or investments where the interest rate that applies to payments or receipts of interest on the funding or investments is fixed and does not change.

Fixed Term Deposit

A Fixed Term Deposit or Fixed Term Investment is an investment with a named bank or financial institution which matures on a set date and which is repaid with interest on the maturity date. Fixed Term Deposits cannot be traded and cannot be terminated before the maturity date without the payment of a penalty (if at all).

Flat Yield Curve

A flat yield curve occurs where the yield for long-term investments is the same or similar to the yield for short-term investments – the period of the investment makes no or little difference to the yield on the investment.

G7/G8/G20

These are forums for discussions by the governments of large world economies.

The G7 is comprised of Canada, France, Germany, Italy, Japan, the UK, and the USA. The G8 is the G7 plus Russia (with the European Union also attending). The G20 is comprised of 19 countries (including the G7 and Russia) plus the European Union.

Gilt Yields

A gilt yield is the effective rate of return that someone buying a gilt at the current market price will receive on that gilt. Since the market price of a gilt can vary at any time, the yield will also vary.

Gilts

Gilts are bonds (i.e. debt certificates) that are issued (i.e. sold) by the UK Government. When they issue gilts the Government sets the interest rate that applies to the gilt, sets when they will repay the value of the gilt, and it agrees to make interest payments at regular intervals until the gilt is repaid or redeemed. Gilts are traded in the financial markets with the price varying depending on the interest rate applicable to the gilt, when the gilt will be repaid (i.e. when it will mature), on Bank Rate expectations, and on market conditions.

Gross Domestic Product

Gross Domestic Product ("GDP") is a measure of the output of goods and services from an economy.

Growth

Positive growth in an economy is an increase in the amount of goods and services produced by that economy over time. Negative growth in an economy is a reduction in the amount of goods and services produced by that economy over time.

IMF

The International Monetary Fund oversees the world financial system and seeks to stabilise international exchange rates, facilitate development, and provide resources to countries in balance of payments difficulties or to assist with poverty reduction.

Incremental Impact of Capital Investment Decisions

These are Prudential Indicators that reflect the impact on Council Tax of movements in projected and estimated capital expenditure within and between financial years.

Inflation

Inflation is the term used for an increase in prices over time. It can be measured in various ways including using the Consumer Prices Index ("CPI") or the Retail Prices Index ("RPI").

Inverted Yield Curve

An inverted or negative yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).

Investment Regulations

The Local Government in Scotland Act 2003 allows the Scottish Ministers to introduce Regulations to extend and govern the rules under which Scottish Councils may invest funds. The Local Government Investments (Scotland) Regulations 2010 came into effect on 1st April 2010.

LIBID

This is the London Interbank Bid Rate – an interest rate that is used between banks when they wish to attract deposits from each other.

LIBOR

This is the London Interbank Offering Rate – an interest rate that is used as a base for setting interest rates for deals between banks.

LOBO

This is a form of loan that the Council has with some lenders. The term is short for the phrase "Lender Option/Borrower Option".

Money Market Fund

A Money Market Fund (or MMF) is a highly regulated investment product into which funds can be invested. An MMF offers the highest possible credit rating (AAA) whilst offering instant access and the diversification of risk (due to the MMF's balances being investing in selected and regulated types of investment product with a range of different and appropriately credit-rated counterparties).

MPC

The MPC or Monetary Policy Committee is a committee of the Bank of England that meets each month (in a meeting over 2 days) to set the Bank Rate for the UK.

Negative Yield Curve

A negative or inverted yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).

Net Borrowing Requirement

This is the difference between the Council's net external borrowing and its capital financing requirement. Under the Prudential Code the Council's net external borrowing should not, except in the short term, exceed its capital financing requirement. The Net Borrowing Requirement should therefore normally be a negative figure.

Operational Boundary

This is a level of debt set by the Council at lower than the Authorised Limit and which Council debt levels should not normally exceed during normal operations.

Positive Yield Curve

A positive yield curve shows long-term investments having higher yields than short-term investments (an investor gets a higher rate yield for investing for longer).

Prudential Code

Councils are required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. These requirements include the production of Prudential Indicators. The Prudential Code was last revised in November 2011.

Prudential Indicators

Indicators set-out in the Prudential Code that will help Councils to meet requirements in relation to borrowing limits or which will help Councils demonstrate affordability and prudence with regard to their prudential capital expenditure.

PWLB

The Public Works Loan Board is a government agency and part of the Debt Management Office. The PWLB provides loans to local authorities and other specified bodies.

PWLB Certainty Rates

In the Budget in March 2012, the Chancellor of the Exchequer announced that local authorities that provide information on their long-term borrowing and capital spending plans would be eligible for a 0.20% discount rate for new PWLB borrowing. The PWLB Certainty Rates came into effect on 1st November 2012.

PWLB Rates

These are the interest rates chargeable by the Public Works Loan Board for loans. The rates for fixed rate loans are determined by the day on which the loan is agreed. The rates to be charged by the PWLB for loans are set each day based on gilt yields at the start of business each day and then updated at least once during the day.

Quantitative Easing

This is the creation of money by a central bank (such as the Bank of England) in order to purchase assets from banks and companies and boost the supply of money in an economy.

Ratings

Ratings are indicators produced by a ratings provider (such as Fitch, Moody's or Standard & Poor's) that aim to give an indication of the financial or operational strength of entities including financial institutions and even countries. Ratings are not guarantees – they are opinions based on investigations and assessments by the ratings providers and they are regularly reviewed and updated. The Council makes use of credit ratings to determine which counterparties are appropriate or suitable for the Council to make deposits with.

Repo Rate

This is another name for the Bank Rate as set by the Monetary Policy Committee.

Retail Prices Index

The Retail Prices Index (“RPI”) is a means of measuring inflation (as is the Consumer Prices Index or “CPI”). The calculation of the RPI includes most of the same items as the CPI as well as some items not included in the CPI such as mortgage interest payments and Council Tax whilst excluding items that are in the CPI such as charges for financial services.

Sector

Sector Treasury Services Limited is the former name of Capita Treasury Solutions Limited who are the Council’s treasury management advisers.

Treasury Management Code

This is the “Treasury Management in the Public Services: Code of Practice” and is a code of practice for Council treasury management activities. It is produced by CIPFA and was last revised in November 2011.

Treasury Management Indicators

These are Prudential Indicators specifically relating to Treasury Management issues.

Treasury Management Practices (TMPs)

This is a Council document that sets out Council policies and procedures for treasury management as required by the Treasury Management Code. The Council also agrees an annual treasury management strategy that is submitted to Committee in accordance with the Treasury Management Practices.

Variable Rate Funding/Investments

Funding or investments where the interest rate that applies to payments or receipts of interest on the funding or investments varies on an agreed basis.

Yield

The yield is the effective rate of return on an investment.

Yield Curve

A graph showing the yield on investments plotted against the maturity period for investments:

- A positive yield curve shows long-term investments having higher yields than short-term investments (an investor gets a higher rate yield for investing for longer).
- A negative or inverted yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).
- A flat yield curve occurs where the yield for long-term investments is the same or similar to the yield for short-term investments – the period of the investment makes no or little difference to the yield on the investment.

INVESTMENT PORTFOLIO

This Appendix shows the Council's Investment Portfolio as at 1st April 2014 and as at 30th September 2014. The Portfolio includes items included as Other Investments under the latest guidance on such matters.

Investments As At 1st April 2014					
	<u>Capita Colour Category And Maximum Investment Period</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Deposit Type</u>	<u>Maturity Date</u>
<u>Investments</u>			£		
Bank of Scotland	BLUE - 12 Months	1.05%	5,000,000	Fixed Term	06-May-14
Bank of Scotland	BLUE - 12 Months	1.05%	5,000,000	Fixed Term	22-May-14
Bank of Scotland	BLUE - 12 Months	1.05%	5,000,000	Fixed Term	05-Jun-14
Bank of Scotland	BLUE - 12 Months	1.01%	5,000,000	Fixed Term	02-Jul-14
Bank of Scotland	BLUE - 12 Months	1.01%	7,500,000	Fixed Term	08-Jul-14
Bank of Scotland	BLUE - 12 Months	0.95%	5,000,000	Fixed Term	12-Feb-15
			32,500,000		
<u>Deposit Accounts</u>					
Bank of Scotland	BLUE - 12 Months	0.50%	10,605,700	Call	---
Svenska Handelsbanken	ORANGE - 12 Months	0.50%	5,002,055	Call	---
Santander UK	GREEN - 100 Days	0.40%	494	Call	---
RBS	BLUE - 12 Months	0.25%	275	Call	---
			15,608,524		
<u>Other Investments</u>					
Holdings of Shares, Bonds, and Units	---	---	2,000	War Stock	---
Loans Made To Third Parties	---	---	289,864	---	---
Investment Properties	---	---	0	---	---
			291,864		
TOTAL			48,400,388		

Investments As At 30th September 2014					
	<u>Capita Colour Category And Maximum Investment Period</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Deposit Type</u>	<u>Maturity Date</u>
<u>Investments</u>			£		
Bank of Scotland	BLUE - 12 Months	0.70%	5,000,000	Fixed Term	05-Dec-14
Bank of Scotland	BLUE - 12 Months	0.70%	5,000,000	Fixed Term	08-Jan-15
Bank of Scotland	BLUE - 12 Months	0.95%	5,000,000	Fixed Term	12-Feb-15
Bank of Scotland	BLUE - 12 Months	0.70%	5,000,000	Fixed Term	16-Mar-15
Bank of Scotland	BLUE - 12 Months	0.95%	5,000,000	Fixed Term	06-May-15
Bank of Scotland	BLUE - 12 Months	0.95%	5,000,000	Fixed Term	21-May-15
Bank of Scotland	BLUE - 12 Months	0.95%	7,500,000	Fixed Term	07-Jul-15
Bank of Scotland	BLUE - 12 Months	0.95%	5,000,000	Fixed Term	15-Sep-15
			42,500,000		
<u>Deposit Accounts</u>					
Bank of Scotland	BLUE - 12 Months	0.50%	4,430,600	Call	---
Svenska Handelsbanken	ORANGE - 12 Months	0.50%	5,000,000	Call	---
Santander UK	RED - 6 Months	0.40%	495	Call	---
			9,431,095		
<u>Other Investments</u>					
Holdings of Shares, Bonds, and Units	---	---	2,000	War Stock	---
Loans Made To Third Parties	---	---	266,330	---	---
Investment Properties	---	---	0	---	---
			268,330		
TOTAL			52,199,425		

PRUDENTIAL/TREASURY INDICATORS AND COUNCIL POLICY LIMITS

Prudential and Treasury Indicators				
	<u>Estimate For 2014/15</u>	<u>Actual For 2014/15 To 30/9/2014</u>	<u>Within Limits</u>	
	<u>£million</u>	<u>£million</u>		
PI 7 - Authorised Limit for External Debt (Excl PPP)	262.000	219.693	Yes	
PI 8 - Operational Limit for External Debt (Excl PPP)	255.000	219.693	Yes	
PI 10 - Compliance with CIPFA code			Yes	
	<u>%</u>	<u>%</u>		
PI 11 - Upper limit on fixed interest rate exposure	140.000%	102.377%	Yes	
PI 12 - Upper limit on variable interest rate exposure	40.000%	-2.377%	Yes	
PI 13 Borrowing fixed rate maturing in each period (LOBOs included based on call dates rather than maturity dates)				
	<u>Upper</u>	<u>Lower</u>	<u>Actual</u>	<u>Within Limits</u>
Under 12 months	40%	0%	3.131%	Yes
1 - 2 years	40%	0%	20.780%	Yes
2 - 5 years	40%	0%	21.207%	Yes
5 - 10 years	40%	0%	26.423%	Yes
10 - 30 years	40%	0%	5.169%	Yes
30 - 50 years	40%	0%	23.290%	Yes
50 - 70 years	40%	0%	0.000%	Yes
TOTAL			100.000%	
PI 14 - Upper limit on sums invested for periods longer than 364 days				
	<u>Limit For 2014/15 £</u>	<u>Maximum In Period £</u>	<u>Within Limit</u>	<u>Comment</u>
PI 14 - Upper limit on sums invested for periods longer than 364 days	10,000,000	0	Yes	---
Gross External Debt Compared To Capital Financing Requirement (Excl PPP)				
	<u>CFR At 30/9/2014</u>	<u>Gross External Debt At 30/9/2014</u>	<u>Gross External Debt Below CFR?</u>	
	<u>£million</u>	<u>£million</u>		
Gross External Debt Compared To Capital Financing Requirement (Excl PPP)	232.403	219.693	Yes	
Council Policy Limits				
	<u>Limit per Council Policy</u>	<u>Actual As At 30/9/2014</u>	<u>Within Limits</u>	
Maximum proportion of borrowing at variable interest rates	40%	21.823%	Yes	
Maximum proportion of debt restructuring in any one year	30%	0.000%	Yes	
Maximum proportion of debt repayable in any one year	25%	18.207%	Yes	

PRUDENTIAL INDICATORS AND LOANS FUND POOL RATE FOR INTEREST

PRUDENTIAL INDICATORS	2012/13	2013/14
	Actual	Actual
Capital Expenditure (Indicator 5) Non – HRA (Including PPP)	£000 48,578	£000 32,646
Ratio of financing costs to net revenue stream (Indicator 1) Non – HRA (Including PPP)	10.93%	12.50%
Net borrowing requirement (Indicator 4) As At 31 March	£000 -66,005	£000 -60,740
Capital Financing Requirement as at 31 March (Indicator 6) Non – HRA (Including PPP)	£000 296,906	£000 304,506
Upper limit for total principal sums invested for over 364 days (Indicator 14)	£0	£0
Gross External Debt compared to Capital Financing Requirement at Year-End	£000	£000
Capital Financing Requirement	296,906	304,506
Gross External Debt	298,215	291,875
Under/(Over) Against Capital Financing Requirement	(1,309)	12,631

LOANS FUND POOL RATE FOR INTEREST		
Year	Interest Rate	
2009/10	3.805%	
2010/11	4.300%	
2011/12	4.208%	
2012/13	3.811%	
2013/14	3.831%	

Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	RMcG/LP/089/14
Contact Officer:	Rona McGhee	Contact No:	01475 712113
Subject:	Media and Social Media Protocol – Motion by Councillor Brooks		

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Council to consider a motion by Councillor Brooks countersigned by Councillor McEleny, which has been submitted in accordance with Standing Order 22. A copy of the motion is attached as **appendix 1**.

2.0 SUMMARY

- 2.1 The motion proposes amendments to the Council's media and social media protocol.

3.0 RECOMMENDATION

- 3.1 The Council is asked to consider the motion by Councillor Brooks.

4.0 BACKGROUND

4.1 The background is as set out in the attached motion by Councillor Brooks (**appendix 1**).

5.0 IMPLICATIONS

Finance

5.1 There are no financial implications arising from this report.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

Legal

5.2 There are no legal implications arising from this report.

Human Resources

5.3 There are no HR implications arising from this report.

Equalities

5.4 There are no equalities implications arising from this report.

Repopulation

5.5 There are no repopulation implications arising from this report.

6.0 CONSULTATIONS

6.1 None required.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

INVERCLYDE COUNCIL
NOTICE OF MOTION
MEDIA AND SOCIAL MEDIA PROTOCOL

We, the undersigned, write to intimate the following Notice of Motion to Inverclyde Council's meeting on 4 December 2014.

In order to ensure that –

1. all information and advice properly given by Officers is available to all Members of the Council
2. and to prevent any democratic deficit by use of this information for political advantage through its prior awareness by reason of the pre-agenda purpose

we move that the Council's media and social media protocol be amended to require –

1. any non-urgent press release in respect of the Council's business be distributed to all Members at least 24 hours prior to distribution to the press and media; and
2. any press contact by Conveners of committees following upon the publishing of any committee agenda be withheld for a period of at least 24 hours from the time of issue of the agenda.

The Council's media and social media protocol was approved in December 2013 and it states that press releases distributed to the press and media will also be distributed to Councillors and the Corporate Management Team. This distribution will take place at the same time as press releases are distributed to the press and media and usually when the press release is published on the Council website. The Administration is aware of Council business in advance through the pre-agenda process and this promotes a democratic deficit for the other Members of the Council and this motion assists all Members by giving them a more reasonable chance and timescale to consider reports from the date of publication of the committee agenda. This motion also assists all Members by giving them an opportunity to consider any non-urgent Council press release a reasonable time in advance.

The Councillors' Code says that all political groups need to recognise that information and advice given by Officers should be used "to enhance discussion and debate at Council and committee meetings. If such information is used for political advantage, for example media briefings beforehand, then the process could become devalued.

Proposed by: Councillor Keith Brooks

Seconded By: Councillor Chris McEleny

Report To:	Inverclyde Council	Date: 4 December 2014
Report By:	Corporate Director, Environment, Regeneration & Resources	Report No: LP/090/14
Contact Officer:	Rona McGhee	Contact No: 01475 712113
Subject:	Fracking – Motion by Councillor McEleny	

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Council to consider a motion by Councillor McEleny, countersigned by Councillor Brooks, which has been submitted in accordance with Standing Order 22. A copy of the motion is attached at APPENDIX 1.

2.0 SUMMARY

- 2.1 The motion makes proposals in relation to fracking.

3.0 RECOMMENDATIONS

- 3.1 The Council is asked to consider the motion by Councillor McEleny.

4.0 BACKGROUND

4.1 The background is as set out in the attached motion by Councillor McEleny (Appendix 1).

5.0 IMPLICATIONS

Finance

5.1 There are no financial implications arising from this report.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

Legal

5.2 There are no legal implications arising from this report.

Human Resources

5.3 There are no HR implications arising from this report.

Equalities

5.4 There are no equalities implications arising from this report

Repopulation

5.5 There are no repopulation implications arising from this report

6.0 CONSULTATIONS

6.1 None required.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

INVERCLYDE COUNCIL

NOTICE OF MOTION

-FRACKING-

We, the undersigned, write to intimate the following notice of Motion to Inverclyde Council's meeting on 4 December 2014.

In order to ensure that –

1. Fracking is not carried out underneath the property of both Inverclyde Council and the people that live in Inverclyde without the right to be consulted and object.
2. Inverclyde Council's views are expressed in writing to both the UK and Scottish Governments.

We move that –

1. The Chief Executive writes to the Rt Hon. Edward Davey MP UK Government Secretary of State for Energy and Climate Change to express the concern of Inverclyde Council that the Westminster Government plans to allow underground drilling rights beneath people's homes to be granted without any right to object or even be notified.
2. Inverclyde Council supports the approach taken by the Scottish Government and notes that further devolution of powers over energy would better allow people in Scotland and local councils to make decisions on Fracking themselves.

The UK Department of Energy and Climate Change has announced proposals to grant automatic underground drilling access to energy companies, in spite of Scottish Government and public opposition, and with no right of appeal or notification for the people who live on the land above such drilling.

It is utterly unacceptable that the Westminster Government plans to allow underground drilling rights beneath people's homes to be granted without any right for people to object or even be notified.

The Scottish Government and people across Scotland and indeed the UK, have told the Westminster Government they are wrong, but as usual they are simply not listening.

The approach being taken by the Westminster Government to fracking stands in stark contrast to the cautious, considered and evidence based approach being taken in Scotland, and further underlines why energy policy should be devolved to Scotland.

Proposed -

Seconded –

Signed: Christopher McEleny

Signed: Cllr Keith Brooks