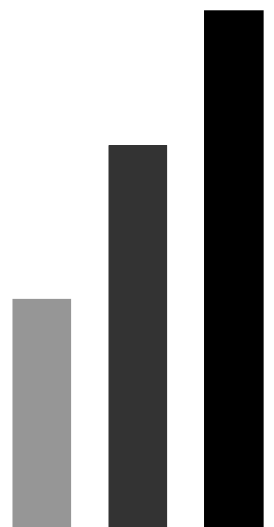


Agenda 2016

Policy & Resources Committee

For meeting on:

17	May	2016
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A meeting of the Policy & Resources Committee will be held on Tuesday 17 May 2016 at 3pm within the Municipal Buildings, Greenock.

GERARD MALONE
Head of Legal & Property Services

BUSINESS

****Copy to follow**

1.	Apologies, Substitutions and Declarations of Interest	
PERFORMANCE MANAGEMENT		
2.	Policy & Resources Capital Programme 2015/18 – Progress Report Report by Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	p
3.	Capital Programme 2015/18 Report by Chief Financial Officer	p
4.	Policy & Resources Committee 2015/16 Revenue Budget – Period 11 to 29 February 2016 Report by Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	p
5.	General Fund Revenue Budget 2015/16 as at 29 February 2016 Report by Chief Financial Officer	p
6.	Environment, Regeneration & Resources – Corporate Directorate Improvement Plan 2016/19 Report by Corporate Director Environment, Regeneration & Resources	p
7.	Education, Communities & Organisational Development – Corporate Directorate Improvement Plan 2016/19 Report by Corporate Director Education, Communities & Organisational Development	p

8.	Welfare Reforms Update Report by Chief Financial Officer and Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	p
9.	ICT Performance Update Report by Chief Financial Officer	p
10.	Procurement Update Report by Corporate Director Environment, Regeneration & Resources	p
11.	Procurement in Councils – Audit Scotland Report Report by Corporate Director Environment, Regeneration & Resources	p
12.	An Overview of Local Government in Scotland 2016 – Report by the Accounts Commission Report by Chief Financial Officer	p
13.	Freedom of Information Requests 2015 Report by Corporate Director Environment, Regeneration & Resources	p
14.	Employee Opinion Survey - 2015 Report by Head of Organisational Development, Human Resources & Communications	p
NEW BUSINESS		
15.	Scottish Local Government Forum Against Poverty – Request by Councillor McCabe Report by Head of Legal & Property Services	p
16.	Contract Awards – 1 October 2015 to 31 March 2016 Report by Corporate Director Environment, Regeneration & Resources	p
17.	Procurement: Blacklisting Protocol Report by Corporate Director Environment, Regeneration & Resources	p
18.	The Trade Union Bill 2015 - 2016 Report by Head of Organisational Development, Human Resources & Communications	p
19.	Use of Emergency Powers – Beacon Lighting for 90th Birthday of HM The Queen on 21 April 2016 Report by Corporate Communications Manager	p
20.	Use of Emergency Powers – Recruitment of Chief Executive Report by Head of Organisational Development, Human Resources & Communications	p

21.	Hydro Electric Schemes – Inverclyde Council and Scottish Water Horizons – Holeburn at Greenock Cut Report by Head of Legal & Property Services	p
22.	Recovery of the Overpayment of Wages Policy Report by Head of Organisational Development, Human Resources & Communications	p
23. **	BPRA Update Report by Chief Financial Officer	
<p>The documentation relative to the following items 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 whose numbers are set out opposite the heading to each item.</p>		
REMITTS FROM COMMITTEE		
24.	Property Assets Management Report – Remit from Paras 2, 6 & 9 Environment & Regeneration Committee Report by Corporate Director Environment, Regeneration & Resources on a remit from the Environment & Regeneration Committee of 28 April 2016 relative to the management of the Council's property assets	p
25.	Review of Summer Play Schemes – Remit from Education & Communities Committee Para 6 Report by Corporate Director Environment, Regeneration & Resources on a remit from the Education & Communities Committee of 3 May 2016 relative to funding for the provision of summer play schemes	p
26.	Payment of the Living Wage – Inverclyde Leisure – Remit from Education & Communities Committee Para 6 Report by Corporate Director Environment, Regeneration & Resources on a remit from the Education & Communities Committee of 3 May 2016 making recommendations arising from the payment of the Living Wage by Inverclyde Leisure	p

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

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	Report No:	FIN/56/16/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Policy & Resources Capital Programme 2015/18 - Progress Report		

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Committee in respect of the status of the projects within the Policy & Resources Capital Programme and to highlight the overall financial position.

2.0 SUMMARY

- 2.1 This report advises Committee in respect of the progress and financial status of the projects within the Policy & Resources Capital Programme.
- 2.2 It can be seen from section 6 that the projected spend over the period to 2017/18 is £6.842m, which means that the total projected spend is on budget.
- 2.3 Expenditure at 31st March is 96.91% of 2015/16 projected spend, net advancement of £0.245m (43.52%) relating to the Scottish Wide Area Network is being reported offset by slippage in the Modernisation Fund. This is a net decrease in advancement of £0.013m (2.31%) since the last Committee.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current position of the 2015/18 Capital Programme and the progress on the specific projects detailed in Appendix 1.

4.0 BACKGROUND

4.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18. As part of this process the recurring annual allocations for ICT reduced due to revenue savings. In addition the Modernisation Fund budget was reduced by £0.1m as part of the Earmarked Reserve write back exercise.

5.0 PROGRESS

5.1 PC Refresh Programme – Planning for the 2016/2017 PC Refresh Programme has now begun. A limited refresh to replace older specialist workstations and monitors will be concluded prior to the end of this financial year.

5.2 Infrastructure Refresh Programme - ICT have completed their programme of upgrading core Network Infrastructure Equipment in support of the migration to the Scottish Wide Area Network (SWAN).

5.3 Scottish Wide Area Network (SWAN) – Transition to SWAN is now complete.

5.4 During the 2015/16 PSN Accreditation process a number of systems were identified as at, or near, “End of Life” and in need of replacement. £60,000 has been re-allocated from Desktop Replacement programme. Committee approval for this reallocation has been received.

6.0 FINANCIAL IMPLICATIONS

Finance

6.1 The figures below detail the position at 31st March 2016. Expenditure to date is £0.783m (96.91% of the 2015/16 projected spend). Phasing and project spend has been reviewed by the budget holder.

6.2 The current budget for the period to 31st March 2018 is £6.842m. The current projection is £6.842m which means the total projected spend is on budget.

6.3 The approved budget for 2015/16 is £0.563m. The Committee is projecting to spend £0.808m with advancement from future years of £0.245m (43.52%) relating to the Scottish Wide Area Network.

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					

7.0 CONSULTATION

7.1 Legal

There are no legal issues arising from the content of this report and as such the Head of Legal and Property Services has not been consulted.

7.2 Human Resources

There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications has not been consulted.

7.3 Equalities

There are no equalities implications in this report.

7.4 Repopulation

There are no repopulation implications in this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Chief Financial Officer	Report No:	FIN/59/16/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2015/18 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2015/18 Capital Programme.

2.0 SUMMARY

- 2.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18.
- 2.2 As part of the approved Capital Programme it was agreed to return the existing surplus in Capital Resources to Revenue Reserves, returning the Capital Programme to a break-even position with adjustments made during the year end accounts process bringing the programme to a small deficit. The Scottish Government settlement for 2016/17 included re-profiling of part of the capital grant to future years, this has resulted in a deficit of £0.823m now being reported as can be seen from Appendix 1. This represents 0.77% of projected spend over the 3 year period and is within recommended parameters.
- 2.3 It should be noted that the Government have indicated that the Council will receive £1.4m Capital grant at some point over 2017/20 in lieu of the re-profiled grant from 2016/17. This is not reflected in the above figures.
- 2.4 It can be seen from Appendix 2 that as at 31st March 2016 expenditure in 2015/16 was 86.46% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director. It should be noted that although expenditure is shown up to 31st March the figures do not reflect end of year accruals.
- 2.5 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall committees are projecting to outturn on budget. In the current year net advancement of 0.75% is being reported, this is an advancement of 5.08% from the 4.33% slippage reported to the previous Committee. This compares with a slippage outturn of 15.3% in 2014/15. In view of high slippage levels in previous years officers have been prudent in estimates of capital spend when preparing the 2015/16 Capital Programme and have actively sought to advance projects where possible to offset slippage.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2015/18 Capital Programme and note the projected advancement of spend achieved in 2015/16.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18. As part of this process the previously reported surplus, along with minor underspends in 2 projects, returned £1.261m to Revenue Reserves. Subsequent adjustments arising as part of the year end accounts process resulted in a small deficit.
- 4.2 In December 2015 the Scottish Government announced the provisional settlement for 2016/17. The final settlement was approved on 25th February 2016. While the settlement itself was £8.035m, £0.735m higher than had been estimated, £1.443m of this has been re-profiled to future years which means it will not be received in 2016/17 but rather will be added to our Capital Grant over the 2017/20 period. It is considered prudent not to reflect this additional grant over the current 2015/18 period.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2015/18 period the Capital Programme is in a break-even position.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

Project slippage of £0.515m (76.75%) with spend being 73.1% of projected spend for the year. This is in line with the position reported to the last Committee and relates to delays in commencing the replacement for Neil St Childrens Home.

Environment & Regeneration

Net slippage of £1.881m (9.7%) is being reported with spend being 78.8% of projected spend for the year. This is a decrease in slippage of £0.059m (0.3%) from the position reported to the last Committee.

Education & Communities

Net advancement of £2.373m (26.62%) is being reported with spend being 97.8% of projected spend for the year. This is an increase in advancement of £1.454m (16.31%) from the position reported to the last Committee and is largely as a result of actual spend exceeding the prudent assumptions made when approving the 2015/16 programme in February 2015.

Policy & Resources

Net advancement of £0.245m (43.52%), a decrease of £0.013m (2.31%), is being reported with spend being 96.9% of projected spend for the year.

- 5.3 Overall in 2015/16 it can be seen that expenditure is 86.46% of the projected spend for the year and that the projected advancement from the programme agreed in February 2015 is currently £0.222 million (0.75%).

6.0 CONCLUSIONS

- 6.1 As can be seen in paragraph 5.3 projected advancement of spend is currently 0.75%, this compares with slippage of 15.3% in 2014/15. It should be noted that officers have actively sought to advance projects in anticipation of potential slippage as well as taking a prudent view when setting the 2015/16 Capital programme.
- 6.2 Following re-profiling of Scottish Government Capital Grant into future years the Council's Capital Programme for 2015/18 is showing a shortfall in resources of £0.823m. This represents 0.77% of projected spend over the 3 year period and is within acceptable parameters.
- 6.3 Overall Service Committees have spent 86.46% of the 2015/16 projected spend as at 31st March 2016. It should be noted that although expenditure is shown up to 31st March the figures do not reflect end of year accruals.

7.0 CONSULTATION

7.1 This report has been approved by the Corporate Management Team and reflects the detail reported to Service Committee.

8.0 IMPLICATIONS

Finance

8.1 Financial Implications

All financial implications are shown in detail within the report and in Appendices 1 & 2.

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

8.2 There are no legal implications.

Human Resources

8.3 There are no direct staffing implications in respect of this report and as such the Head of Organisational Development, HR & Communications has not been consulted.

Equalities

8.4 The report has no impact on the Council's Equalities policy.

Repopulation

8.5 The Council's continuing significant capital investment levels will have a positive impact on regeneration, job creation and hence repopulation.

9.0 BACKGROUND PAPERS

9.1 None

Capital Programme - 2015/16 - 2017/18Available Resources

	A	B	C	D	E
	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	11,180	6,966	7,300	-	25,446
Less: Allocation to School Estate	(5,317)	(4,674)	(4,300)	-	(14,291)
Capital Receipts (Note 1)	1,006	199	385	-	1,590
Capital Grants (Note 2)	484	185	-	-	669
Prudential Funded Projects (Note 3)	7,271	19,951	15,828	4,036	47,086
Balance B/F From 14/15 (Exc School Estate)	2,825	-	-	-	2,825
Capital Funded from Current Revenue (Note 4)	3,615	120	5,547	-	9,282
	<u>21,064</u>	<u>22,747</u>	<u>24,760</u>	<u>4,036</u>	<u>72,607</u>

Overall Position 2014/18

	£000
Available Resources (Appendix 1, Column E)	72,607
Projection (Appendix 2, Column B-E)	73,430
(Shortfall)/Under Utilisation of Resources	<u>(823)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Sales	974	149	385	-	1,508
Contributions/Recoveries	32	50	-	-	82
	<u>1,006</u>	<u>199</u>	<u>385</u>	<u>-</u>	<u>1,590</u>

Note 2 (Capital Grants)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	121	-	-	-	121
SPT	26	175	-	-	201
Sustrans	12	-	-	-	12
Sports Scotland/SFA	108	-	-	-	108
Electric Vehicle Charging Points	39	-	-	-	39
Big Lottery Fund	178	10	-	-	188
	<u>484</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>669</u>

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	78	92	66	-	236
Vehicle Replacement Programme	1,199	572	615	1,179	3,565
Greenock Parking Strategy	(37)	160	150	-	273
Asset Management Plan - Offices	858	3,066	1,319	-	5,243
Asset Management Plan - Depots	977	3,451	3,174	250	7,852
Capital Works on Former Tied Houses	12	18	210	360	600
Waterfront Leisure Complex Combined Heat and Power Plant	4	227	-	-	231
Leisure & Pitches Strategy	261	23	23	-	307
Broomhill Community Facility	-	397	800	-	1,197
Kylemore Childrens Home (return of borrowing in lieu of receipt)	(200)	-	-	-	(200)
Neil Street Childrens Home Replacement	146	1,569	29	-	1,744
Crosshill Childrens Home Replacement	-	157	1,435	90	1,682
Modernisation Fund	62	47	93	-	202
Watt Complex Refurbishment	-	-	921	-	921
Gourock One Way System	2,000	500	-	-	2,500
Roads Asset Management Plan	1,001	3,862	5,683	2,157	12,703
Surplus Prudential Borrowing due to project savings	60	60	60	-	180
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	(150)	(150)	-	(450)
Additional Prudential Borrowing to Support annual allocations	1,000	1,400	1,400	-	3,800
Additional Prudential Borrowing to allow return of Reserves	-	4,500	-	-	4,500
	7,271	19,951	15,828	4,036	47,086

Note 4 (Capital Funded from Current Revenue)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	421	123	198	-	742
Play Areas	275	295	90	-	660
Coronation Park, Port Glasgow	145	10	30	-	185
Contribution to Birkmyre Park Pitch Improvements	-	25	175	-	200
Gourock Walled Garden, Toilet Provision	27	-	-	-	27
Hillend Respite Unit	3	-	-	-	3
Scheme of Assistance	433	333	333	-	1,099
Flooding Strategy	(1,432)	1,569	1,726	-	1,863
Greenock Parking Strategy	58	10	-	-	68
Roads Asset Management Plan	2,190	-	-	-	2,190
Broomhill Community Facility (Community Facility Fund)	-	250	103	-	353
Inverkip Community Facility	686	830	100	-	1,616
Primary School MUGA's - various	817	394	100	-	1,311
Various MUGAs - transfer to SEMP	(283)	(220)	-	-	(503)
Watt Complex Refurbishment	65	515	372	-	952
Community Facilities Investment	30	-	70	-	100
Blaes Football Parks	32	34	-	-	66
Ravenscraig Sports Barn	600	-	-	-	600
Broomhill Regeneration	300	-	450	-	750
Central Gourock	-	150	-	-	150
Scottish Wide Area Network	290	33	-	-	323
Rankin Park Cycle Track	81	69	-	-	150
Asset Management Plan - Depots	137	-	-	-	137
Bakers Brae Re-alignment	-	-	1,000	-	1,000
RCGF Port Glasgow/Broomhill	-	150	350	-	500
King George VI Refurbishment	-	50	450	-	500
Contribution to General Fund Reserves	(1,260)	(4,500)	-	-	(5,760)
	3,615	120	5,547	-	9,282

Capital Programme - 2015/16 - 2017/18

Agreed Projects Committee	A	B	C	D	E	F	G	H	I
	Prior Years £000	2015/16 £000	2016/17 £000	2017/18 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2015/16 Spend To 31/03/16 £000
Policy & Resources	5,044	808	410	580	-	6,842	6,842	-	783
Environment & Regeneration	25,755	17,513	16,168	19,449	3,889	82,774	82,774	-	13,800
Education & Communities (Exc School Estate)	1,021	3,057	3,646	3,641	833	12,198	12,198	-	2,937
CHCP	191	156	1,726	1,464	90	3,627	3,627	-	114
Sub - Total	32,011	21,534	21,950	25,134	4,812	105,441	105,441	-	17,634
School Estate (Note 1)	8,080	8,229	7,764	21,807	10,818	56,698	56,698	-	8,100
Total	40,091	29,763	29,714	46,941	15,630	162,139	162,139	-	25,734

Note 1

Summarised SEMP Capital Position - 2014/18

	2015/16	2016/17	2017/18
Capital Allocation	5,317	4,674	4,300
Scottish Government School Grant (estimate)	1,120	1,953	100
Surplus b/fwd	3,827	2,878	6,926
Prudential Borrowing	500	465	-
Prudential Borrowing - In Lieu of Receipts	60	3,500	-
Prudential Borrowing - Accelerated Investment	283	1,220	2,400
Contractor Contribution	-	-	-
CFCR	283	1,220	2,400
Available Funding	11,107	14,690	13,726
Projects	7,446	2,579	19,407
Ex-Prudential Borrowing	500	3,965	-
Prudential Borrowing	283	1,220	2,400
CFCR	283	1,220	2,400
Total	8,229	7,764	21,807
Surplus c/fwd	2,878	6,926	(8,081)

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	Report No:	FIN/57/16/AP/AE
Contact Officer:	Angela Edmiston	Contact No:	01475712143
Subject:	Policy & Resources Committee 2015/16 Revenue Budget – Period 11 to 29th February 2016		

1.0 PURPOSE

- 1.1 To advise Committee of the 2015/16 projected out-turn for the Policy & Resources Committee as at period 11, 29 February 2016.

2.0 SUMMARY

- 2.1 The total revised Committee budget for 2015/16 is £16,824,000. This excludes Earmarked Reserves of £1,617,000.
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £3,098,000 which is an increase in underspend of £270,000 since period 10 report to Committee.
- 2.3 The main reasons for this underspend are:
- £2,346,000 projected underspend due to a significant reduction in call on Pay and Non Pay Inflation Contingency which has been factored into the approved 2016/18 Budget.
 - One-off £232,000 underspend projected due to no significant calls being anticipated on the Pressures Contingency until 2016/17.
 - £100,000 over-recovery of Benefit subsidy in line with mid-year estimate.
 - £90,000 over-recovery of prior year Council Tax income collection which is in line with 2014/15 out-turn.
 - A £138,000 projected underspend within Finance Services employee costs mainly due to additional turnover savings and a one-off delay in filling vacancies within the Customer Service Centre.
 - A £136,000 projected over-recovery of Internal Resource Interest income based on previous year out-turn.
- 2.4 The Earmarked Reserves for 2015/16 total £1,617,000 of which £454,000 is projected to be spent in the current financial year. As at 29 February 2016, expenditure of £349,000 (76.87%) has been incurred which is £96,000 under the phased budgeted spend to date. It is to be noted that Earmarked Reserves reported in appendix 4 exclude Earmarked Reserves for Asset Plans and Strategic Funds.
- 2.5 The Common Good Fund is projecting a surplus fund balance at 31 March 2016 of £34,560. This is below the minimum level of reserves of £100,000 recommended. Rates costs are being examined to ensure all appropriate relief has been obtained. It is important that the Common Good budget operates on a sustainable basis and proposals to address this were approved as

part of the 2016/18 budget.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the projected underspend of £3,098,000 for the Policy and Resources Committee as at Period 11, 29th February 2016.
- 3.2 That the Committee note the projected fund balance of £34,560 for the Common Good Fund and that this was addressed as part of the 2016/18 budget.

John Mundell
Chief Executive

Alan Puckrin
Chief Financial Officer

Wilma Bain
Corporate Director
Education, Communities
& Organisational Development

Aubrey Fawcett
Corporate Director
Environment, Regeneration &
Resources

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2015/16 budget and to highlight the main issues contributing to the projected underspend of £3,098,000

5.0 2015/16 CURRENT POSITION

- 5.1 The current projection is an underspend of £3,098,000. The following are the material variances:
- 5.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

Finance - £438,000 underspend

Employee Costs: £138,000 projected underspend which is an increase in underspend of £17,000 since period 10 report to Committee mainly due to additional turnover savings being achieved.

Administration Costs: £66,000 projected underspend, an increase in underspend of £15,000 since period 10 report to Committee mainly due to a projected £10,000 expenditure for Legal expenses now estimated to be incurred in 2016/17.

Other Expenditure: In period 10 underspend of £103,000 mainly within benefit subsidy was reported. There has been no change since.

Payments to Other Bodies: An underspend of £24,000 is being projected which is an increase in underspend of £5,000 since last reported to Committee. The increase in underspend is within Discretionary Relief budget and is based on current expenditure profile to date and projected to year end.

Income: £104,000 projected over-recovery of income which is a £2,000 minor decrease in income since period 10 report to Committee.

Legal & Property - £45,000 overspend

Employee Costs: An overspend of £45,000 was projected in period 10 due to turnover target not being met. This has not changed since the last report.

Administration Costs: A £20,000 underspend is being projected, an increase in spend of £3,000 since last reported to Period 10 Committee.

Payments to Other Bodies: An underspend of £9,000 is being projected since period 10 report to Committee and is based on four Community Councils being disbanded and money being refunded.

Income: An under-recovery of £27,000 is being projected which is a £9,000 increase in under-recovery since last reported to Committee mainly due to a reduction in income rechargeable to Capital.

- 5.3 The following material variances relate to the Education, Communities & Organisational Development Directorate:

Organisational Development, H.R. & Communications - £19,000 overspend

Employee Costs: £28,000 overspend is being projected mainly due to turnover target not being met. This is a decrease in spend of £1,000 since last reported to Committee.

Other Expenditure: £11,000 underspend projected which is an increase in spend of £10,000

since last reported to Committee mainly due to previous underspends projected within Workforce Development not materialising.

5.4 The following material variances relate to the Miscellaneous budget.

Miscellaneous – 2,735,000 underspend

Inflation Contingency: £2,346,000 underspend is being projected due to projected reduction in calls on non-pay inflation contingency. This is a further increase in underspend of £196,000 since period 10 report to Committee.

Pressures Contingency: As no significant calls are expected, a one off £232,000 underspend is being projected for the pressures contingency until 2016/17. This is a £32,000 increase in underspend since last reported to Committee.

Internal Resource Interest: In period 8 an over-recovery of £100,000 was projected. The current projection is an over-recovery of £136,000 which is an increase of £36,000 since period 10 report to Committee.

Audit Fee: An underspend of £16,000 was projected in period 10 based on fee confirmation received from Audit Scotland which still remains.

6.0 VIREMENT

6.1 There are no virements to report in period 11.

7.0 EARMARKED RESERVES

7.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding is £1,617,000 of which £454,000 is projected to be spent in 2015/16 and the remaining balance of £1,163,000 to be carried forward to 2016/17 and beyond. It can be seen that expenditure of £349,000 has been achieved which is £96,000 under the phased budgeted spend to date and represents 76.87% of the annual projected spend.

8.0 COMMON GOOD FUND

8.1 Appendix 5 shows a projected overspend of £47,250 in the Common Good Fund as at 29th February 2016. This results in a projected available fund balance at 31st March 2016 of £34,560. This is below the minimum level of reserves of £100,000 recommended. Rates costs are being examined to ensure all appropriate relief has been obtained.

8.2 It is important that the Common Good budget operates on a sustainable basis and this was addressed as part of the 2016/18 budget.

9.0 IMPLICATIONS

9.1 **Finance**

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					

9.2 Legal

There are no specific legal implications arising from this report.

9.3 Human Resources

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

9.4 Equalities

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.

9.5 Repopulation

There are no repopulation issues arising from this report.

10.0 CONSULTATIONS

10.1 The Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and the Chief Financial Officer have been consulted in the preparation of this report.

11.0 CONCLUSIONS

11.1 The Committee note the 2015/16 projected underspend of £3,098,000 for the Policy and Resources Committee as at Period 11, 29th February 2016.

12.0 BACKGROUND PAPERS

12.1 There are no background papers for this report.

Policy & Resources Budget Movement - 2015/16**Period 11: 1st April - 29th February 2016**

Service	Approved Budget		Movements			Revised Budget
	2015/16 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2015/16 £000
Finance	7,585	98	(311)	633		8,005
Legal & Property	1,507	17	2			1,526
Organisational Development, HR & Communications	1,669	21	(4)			1,686
Corporate Policy	180	2				182
Chief Exec	398	6				404
Miscellaneous	7,496	(2,469)	(6)			5,021
Totals	<u>18,835</u>	<u>(2,325)</u>	<u>(319)</u>	<u>633</u>	<u>0</u>	<u>16,824</u>

Supplementary Budget Detail

£000

External Resources

DHP Redetermination

633

Internal ResourcesFinanceLegalOrganisational Development, HR & CommunicationsCorporate PolicyChief ExecMiscSavings/Reductions633

REVENUE BUDGET MONITORING REPORT

CURRENT POSITION

PERIOD 11: 1st April 2015- 29th February 2016

Service	Approved Budget 2015/16 £000	Revised Budget 2015/16 £000	Projected Out-turn 2015/16 £000	Projected Over/(Under) Spend £000
Finance	7,585	8,005	7,567	(438)
Legal & Property Services	1,507	1,526	1,571	45
Total Net Expenditure Environment, Regeneration & Resources	9,092	9,531	9,138	(393)
Organisational Development, Human Resources & Communications	1,669	1,686	1705	19
Corporate Policy	180	182	186	4
Total Net Expenditure Education, Communities & Organisational Development	1,849	1,868	1,891	23
Chief Executive	398	404	411	7
Miscellaneous	7,496	5,021	2,286	(2,735)
TOTAL NET EXPENDITURE	18,835	16,824	13,726	(3,098)
Earmarked reserves				
Total Net Expenditure excluding Earmarked Reserves	18,835	16,824	13,726	(3,098)

POLICY & RESOURCES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 11: 1st April 2015 - 29th February 2016**

Outturn 2014/15 £000	Budget Heading	Budget 2015/16 £000	Proportion of Budget £000	Actual to 29/02/16 £000	Projection 2015/2016 £000	Over/(Under) Budget £000
	<u>Finance/ICT</u>					
5,391	Employee Costs	5,398	4,673	4,566	5,260	(138)
35,720	Benefit Subsidy	36,486	33,446	33,472	36,386	(100)
861	Admin Costs	917	841	726	851	(66)
160	Computer Hardware/Software	155	142	213	140	(15)
97	Discretionary Relief-PTOB	113	104	(5)	93	(20)
0	Income - Universal Credit	0	0	(22)	(25)	(25)
(304)	Council tax income Prior Year	(223)	(186)	0	(313)	(90)
(99)	ICT - Income	(65)	(60)	(41)	(49)	16
66	Line Rental costs	124	114	56	74	(50)
0	Unallocated Savings	(16)	(15)	0	0	16
	<u>Organisational Development, HR & Communications & Events</u>					
1,525	Employee Costs	1,380	1,194	1,216	1,406	26
73	Advertising Costs	73	67	78	91	18
91	Consultants costs	100	83	70	90	(10)
	<u>Miscellaneous</u>					
553	Inflation Contingency	4,678	4,288	2,301	2,332	(2,346)
262	Audit Fee	273	250	167	257	(16)
0	Pressures Contingency	232	213	0	0	(232)
(334)	Internal Resource Interest	(226)	(207)	0	(362)	(136)
	<u>Legal & Property Services</u>					
1,850	Employee Costs	1,145	991	1,421	1,190	45
31	Postages/Printing/Training -Admin	96	88	81	83	(13)
(56)	Income recharges	(71)	(65)	(33)	(44)	27
45,887	TOTAL MATERIAL VARIANCES	50,569	45,961	44,266	47,460	(3,109)

EARMARKED RESERVES POSITION STATEMENT

Appendix 4

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2015/16</u>	<u>Phased Budget To Period 11 2015/16</u>	<u>Actual To Period 11 2015/16</u>	<u>Projected Spend 2015/16</u>	<u>Amount to be Earmarked for 2016/17 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Modernisation Fund	Alan Puckrin	308	152	119	130	178	Business case approved for HR EDRMS project. Unallocated balance now £65k.
Procurement Development Fund	Alan Puckrin	4	0	0	0	4	£18k vired to fund Procurement Apprentice. £4k balance to be written back at 31/03/2016.
Welfare Reforms - Operational	Alan Puckrin	380	40	43	57	323	Unallocated balance now £155k, of which £36k is to be written back to reserves at 31/03/2016.
Budget Development	Alan Puckrin	260	130	75	125	135	£65k written back to reserves. Total funding now available for 2015/16 is £260k of which revised commitments for spend is £215k. This includes additional £20k of commitment for Social Transport and £16k for PPP review. Of these commitments £125k is projected to be spent in 2015/16 with the balance of £86k and £34k of un-committed funds being carried forward for spend in future years.
Protection of Vulnerable Groups	S McNab	48	48	33	48	0	Full spend expected to be incurred by year end.
2013/16 Revenue Contingency	Alan Puckrin	212	75	79	94	118	Nepal earthquake, Waverly Enterprise, Kelburn Park and Corlic Farm legal representation fully spent. Full spend of £9k incurred for Inverclyde Leisure playschemes with £3k balance to be returned to uncommitted reserves. The Event fee for Powerboat Grand Prix is expected to be spent by Mar 2016. Future spend will consist of £5k for Toll Boys, £65k for Powerboat Grand Prix, £10k for Gourrock Games and £38k uncommitted reserves.

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2015/16</u>	<u>Phased Budget To Period 11 2015/16</u>	<u>Actual To Period 11 2015/16</u>	<u>Projected Spend 2015/16</u>	<u>Amount to be Earmarked for 2016/17 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	
Discretionary Housing Payments / Welfare Reform - Policy	Alan Puckrin	405	0	0	0	405	Proposals totalling £558k approved at P&R Committee in February 2016, based on a projected balance of £748k at 31/03/16.
Total Category C to E		1,617	445	349	454	1,163	

REVENUE BUDGET MONITORING REPORT 2015/16**PERIOD 8 : 1st April 2015 to 28th February 2016**

		Final Outturn 2014/15	Approved Budget 2015/16	Budget to Date 2015/16	Actual to Date 2015/16	Projected Outturn 2015/16
PROPERTY COSTS		28,400	10,000	9,200	25,350	28,060
Repairs & Maintenance	1	19,650	9,000	8,300	9,000	9,000
Rates	2	11,140		0	18,060	18,060
Property Insurance		(2,390)	1,000	900	(1,710)	1,000
ADMINISTRATION COSTS		21,670	8,700	3,400	5,390	9,700
Sundries	3	14,470	1,500	1,400	3,190	2,500
Commercial Rent Management Recharge		2,200	2,200	2,000	2,200	2,200
Recharge for Accountancy		5,000	5,000	0		5,000
OTHER EXPENDITURE		145,650	98,800	98,500	99,110	99,400
Christmas Lights Switch On		10,500	10,500	10,500	10,500	10,500
Christmas Dinners/Parcels		18,000	21,600	21,600	21,600	21,600
Christmas Decorations		35,400	0			0
Gourock Highland Games		29,400	29,400	29,400	29,400	29,400
Armistice Service		6,930	8,300	8,300	6,710	7,000
Comet Festival		13,300	13,300	13,300	13,300	13,300
Fireworks		12,600	12,600	12,600	12,600	12,600
Society of the Innocents Rent Rebate		7,620	3,100	2,800	5,000	5,000
World War 1 Centenary	4	600				0
Bad Debt Provision		11,300				0
INCOME		(145,880)	(149,300)	(136,800)	(113,370)	(121,710)
Property Rental		(164,150)	(181,100)	(166,000)	(112,860)	(183,000)
Void Rents	5	19,340	33,800	31,000		61,800
Internal Resources Interest		(1,070)	(2,000)	(1,800)	(510)	(510)
Disposal of Land	6	0				0
NET ANNUAL EXPENDITURE		49,840	(31,800)	(25,700)	16,480	15,450
EARMARKED FUNDS	7	76,580	49,170	0	38,150	49,170
John Wood St/Bay St Shop Improvemnts		76,576	18,420		18,420	18,420
World War 1 Centenary	4		3,750		3,570	3,750
Port Glasgow Road - Demolition			15,000		8,340	15,000
Repairs & Renewals Fund			12,000		7,820	12,000
TOTAL NET EXPENDITURE		126,420	17,370	(25,700)	54,630	64,620

Fund Balance as at 31st March 2015

99,180

Projected Fund Balance as at 31st March 2016

34,560**Notes:****1 Repairs & Maintenance**

Additional Repairs costs are due to be incurred in respect of 12 Bay St to bring this property to an adequate condition to allow the property to be let out. These costs are estimated to be £16,000 and will be funded from a combination of the ongoing repairs & Maintenance budget and the Repairs & Renewals Fund.

2 Rates (Empty Properties)

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future reports.

3 Sundries

Additional Legal Fees of £12,400 were incurred in 2014/15 in respect of a dispute over unpaid rent. The dispute is ongoing and may result in further additional costs and/or a write-off of bad debt. A provision has previously been made for bad debt which will partly offset any write-off. Should the dispute be resolved in the Common Good's favour these costs may be recoverable.

4 World War 1 Centenary

World War 1 Centenary includes purchase of commemorative benches and attendance at Drumhead Service. The benches were not delivered until 2015/16 and as a result the budget was set aside for carry forward and is included in the Earmarked Funds section.

5 Current Empty Properties are:

12 Bay St
4 John Wood Street
17 John Wood Street
74 Port Glasgow Road

Vacant since:

April 2015
May 2010
March 2014
September 2012

6 Land at Port Glasgow Road

Following a marketing exercise of the site at Port Glasgow Road, Greenock, no satisfactory offers were received. The site will now be re-marketed and the remaining buildings demolished to make the site more marketable.

7 Approved Projects

In addition to the annual budget highlighted above committee have previously approved funding for Improvements to Shops in Bay St/John Wood St, Port Glasgow. As noted an allowance for the World War 1 commemorative benches has also now been included here.

In addition allowance has been made for the clearance of the site at 74 Port Glasgow Road and a Repairs & Renewals Fund was set up as part of the 2015/16 budget process.

Report To:	Policy & Resources Committee	Date: 17 May 2016
Report By:	Chief Financial Officer	Report No: FIN/58/16/AP/AE
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2015/16 General Fund Revenue Budget as at 29 February 2016	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 29th February 2016 and to update Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

2.0 SUMMARY

- 2.1 The Council approved a two year budget in February 2015. 2015/16 is the first year of this budget and incorporated a planned contribution to the General Fund Reserve of £2.588 million.

- 2.2 It can be seen from Appendix 1 that as at the 29th February 2016 the General Fund is projecting a £6.072 million underspend which represents 3.08% of the net Revenue Budget and is an increase in underspend of £901,000 since the last report. The overall underspend is mainly due to:

- Projected significant underutilisation of pay and non-pay inflation allowance in line with the approved 2016/18 Budget Strategy.
- A one off underspend within pressures contingency.
- Projected over recovery of housing benefit subsidy in line with the mid-year estimate.
- Projected saving in utility costs in line with prior years outturn.
- Saving in Council contribution to council tax reduction scheme.
- Projected underspend in the Education Early Years' Service which has been addressed as part of the 2016/18 budget.
- Additional turnover savings achieved across all Directorates.
- Grant Redeterminations from the Scottish Government.
- Release of pressure funding with Learning Disability Services due to delays in moving clients.
- Underutilisation of new funding provided under Children & Young People Act due to delays in establishing projects.
- Increased client package costs in homecare.

- 2.3 From Appendix 1 it can be seen that all Service Committees are currently projecting underspends. Overall, this is an improvement since the last report to Committee of £836,000.

- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Strategic Funds, it can be seen that as at 29th February 2016 expenditure totalled £5.583 million which equates to 82.67% of the projected spend in 2015/16. It can also be seen from Appendix 2 that at the 29th February 2016 actual expenditure is 9.72% behind phased budget. There are some large year end payments which will increase spend in 2015/16.

-
- 2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31st March 2016 is £8.749 million which is £4.749 million greater than the minimum recommended balance of £4 million. Appendix 3 reflects the decisions on the use of free reserves taken at Policy & Resources Committee on 22nd September 2015, 17th November 2015 and 2nd February 2016.
- 2.6 The Council agreed the 2016/17 Revenue Budget on 10th March 2016. At this meeting, the Council approved £4.966 million use of free reserves as well as the temporary use of reserves to balance the 2017/18 Revenue Budget.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position of the 2015/16 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee note the decision of the Council on 10th March, 2016 that any remaining Free Reserves remain unallocated and that consideration of potential uses be delayed until after the finalisation of the 2015/16 accounts in September 2016.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council set a two year General Fund Revenue Budget in February 2015. 2015/16 is the first year of this budget and in the process the Council agreed a contribution to the General Fund Reserve of £2.588 million.

5.0 POSITION AS AT 29 FEBRUARY 2016

5.1 It can be seen from Appendix 1 that as at 29th February 2016 the General Fund is projecting an underspend of £6.072 million which equates to 3.08% of the net General Revenue Fund Budget and is an increase in underspend of £901,000 since the last report.

5.2 It is projected that approximately £2.3 million of pay and non-pay inflation will not be required in 2015/16. This has largely come about due to lower than anticipated inflationary pressures around pay inflation, utilities, fuel, PPP contract indexation, SPT and Waste Contracts. The amount required in 2015/16 has continued to follow the same pattern as 2014/15. It is anticipated that contracts and costs are likely to increase in future years due to global inflationary pressures and the impact of the increase in the living wage.

5.3 A one off underspend of £232,000 is projected in relation to pressures contingency. An underspend of £330,000 within the Council Tax Reduction Scheme is projected due to a reduction in caseload figures within Inverclyde. This is in line with the rest of Scotland and was reported to the May Policy & Resources Committee.

5.4 Additional grant redetermination funding of £762,000 has been received and is being projected to be underspent. Funding is mainly around maintaining teacher numbers and probationer funding which was already built into the Council's budget.

5.5 It can be seen from Appendix 1 that all Service Committees are currently projecting underspends, this is an improvement since the last report of £836,000.

5.6 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £3,098,000 (18.41%) mainly due to the significant projected under utilisation of the pay and non-pay inflation contingency, one off saving projected within the pressures contingency, a projected over recovery of benefit subsidy, prior year Council Tax income, over recovery of IRI income and statutory additions income. All these issues were factored into the 2016/18 budget.

Environment & Regeneration – Projected underspend of £137,000 (0.68%) mainly due to excess turnover savings projected due to early achievement of planned savings, an underspend in roads client electrical power, an underspend on client services fuel costs offset in part by an over spend within residual waste contract due to an increase in waste tonnage treated and an under recovery of property physical assets rental income.

Education & Communities - £1,439,000 (1.72%) projected underspend mainly due to an underspend in Education Early Years due to vacancies, additional turnover savings and a projected over recovery of school meal income, income from Other Local Authorities and Wraparound income. There is a projected underspend within waivers for pitches and hall lets and support to community facilities due to delays within completion of various community halls.

Health & Social Care – Projected underspend of £145,000 (0.29%) mainly due to an underspend on new funding provided under the Children & Young People Act, release of pressure funding within Learning Disability Services and additional turnover achieved across the Directorate. This has been partly offset by increased client package costs within external homecare and an overspend within the homelessness service due to under occupancy of temporary furnished accommodation.

- 5.7 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing will not be amended during the year and should provide a useful benchmark for Officers and Members to monitor performance against originally envisaged targets. The Earmarked Reserve statement excludes those funds that relate to Assets Plans or Strategic Funds.
- 5.8 It can be seen that as at 29th February 2016 the Council has spent £5.583 million against a phased budget target of £6.184 million. This represents slippage of 9.72% and spend equates to 82.67% of the projected spend for 2015/16. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee.
- 5.9 Appendix 3 shows the projected General Fund Reserves position as at 31st March 2016. The projected balance at this date is shown as £8.749 million which is £4.749 million greater than the minimum reserve balance of £4 million recommended and approved via the Reserves Strategy. Appendix 3 reflects decisions taken at Policy & Resources Committee on 22nd September 2015, 17th November 2015 and 2nd February 2016 on use of free reserves.
- 5.10 The Council approved the 2016/17 Revenue Budget on the 10th March 2016. At this meeting, the Council approved £4.966 million use of free reserves as well as the temporary use of reserves to balance the 2017/18 Revenue Budget. It was also agreed at this time that any remaining balance of Free Reserves be retained until the conclusion of the 2015/16 Accounts closure exercise.

6.0 OTHER FINANCIAL MATTERS

- 6.1 It was approved at the full Council Meeting on 19th February 2015 that the Members Budget Working Group will continue to meet throughout 2015/16 to develop proposals to balance the 2016/18 budget with the aim of eliminating the use of reserves in 2016/17. This has been achieved via the recent Budget decision.
- 6.2 It was approved at the full Council Meeting on 10th March 2016 that the Members Budget Working Group will continue in their role in relation to finalising the 2017/18 Budget.

7.0 CONSULTATION

- 7.1 This report reflects the detailed budget reports to each Committee and has been agreed by the Corporate Management Team.

8.0 IMPLICATIONS

8.1 Finance

One off Costs

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

Annually Recurring Costs

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

8.2 **Legal**

None

8.3 **Human Resources**

None

8.4 **Equalities**

None

8.5 **Repopulation**

None

9.0 **BACKGROUND PAPERS**

9.1 None

Policy & Resources Committee
Revenue Budget Monitoring Report
Position as at 29th February 2016

Committee	Approved Budget 2015/2016	Revised Budget 2015/2016	Projected Out-turn 2015/2016	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	18,835	16,825	13,727	(3,098)	(18.41%)
Environment & Regeneration	22,196	20,150	20,013	(137)	(0.68%)
Education & Communities (Note 1)	89,665	83,874	82,435	(1,439)	(1.72%)
Health & Social Care	48,767	49,774	49,629	(145)	(0.29%)
Committee Sub-Total	179,463	170,623	165,804	(4,819)	(2.82%)
Loan Charges (Including SEMP)	13,935	17,825	17,825	0	0.00%
Unallocated Savings	0	0	0	0	0.00%
Contribution to General Fund Reserve	2,588	2,588	2,588	0	0.00%
One off contribution to Reserves (Note 2)	0	298	0	(298)	(100.00%)
Contribution to / (from) Statutory Funds	(240)	(285)	(285)	0	0.00%
Post Budget Adjustments (Note 3)	109	109	109	0	0.00%
Earmarked Reserves	0	5,667	5,667	0	0.00%
Total Expenditure	195,855	196,825	191,708	(5,117)	(2.60%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(169,201)	(170,091)	(170,853)	(762)	0.45%
Council Tax	(33,347)	(33,427)	(33,427)	0	0.00%
Council Tax Reduction Scheme	6,693	6,693	6,500	(193)	(2.88%)
Net Expenditure	0	0	(6,072)	(6,072)	

Note 1 - Reduction reflects loans charges and earmarked reserves.

Note 2 - Council contribution to Council Tax Reduction Scheme offset by Former Tied Houses.

Note 3 - Increase in band d equivalent factored into free reserves 2015/16.

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>Total Funding 2015/16</u>	<u>Phased Budget to 29 February 16</u>	<u>Actual Spend To 29 February 16</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2015/16</u>	<u>Earmarked 2016/17 & Beyond</u>	<u>2015/16 %age Spend Against Projected</u>	<u>2015/16 %age Over/(Under) Spend Against Phased Budget</u>
	£000	£000	£000	£000	£000	£000		
Education & Communities	6,313	2,948	3,173	225	3,570	2,743	88.88%	7.63%
Health & Social Care	2,966	1,730	1,537	(193)	1,821	1,145	84.40%	(11.16%)
Regeneration & Environment	2,523	1,061	524	(537)	908	1,615	57.71%	(50.61%)
Policy & Resources	1,617	445	349	(96)	454	1,163	76.87%	(21.57%)
	13,419	6,184	5,583	(601)	6,753	6,666	82.67%	(9.72%)

Actual Spend v Phased Budget Underspend = (£601k) (9.72%)

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 29/02/16

	<u>£000</u>	<u>£000</u>
Balance 31/03/15		12148
Projected Surplus/(Deficit) 2015/16	6072	
Contribution to General Fund Reserve 2015/16	2588	
CFCR Transfer from Capital Programme 2015/16	1260	
Write back from Earmarked Reserves	724	
Use of Reserves approved February 2014 (See Undernote)	(5703)	
Use of Reserves approved February 2015 (See Undernote)	<u>(5305)</u>	(364)
 <i>Use of Reserves Approved P&R September 2015:</i>		
Developing Young Persons Workforce	(87)	
Removal Contaminated Waste former Greenock Academy Site	(420)	
Increased Funding Inverkip Community Facility	(100)	
Bakers Brae Realignment (subject to successful RCGF bid)	(1000)	
Port Glasgow/Broomhill (subject to successful RCGF bid)	(1000)	
Birkmyre Park Drainage (subject to contribution from St Columbas)	<u>(100)</u>	(2707)
 <i>Use of Reserves Approved P&R November 2015:</i>		
Former Tied Houses		(248)
 <i>Use of Reserves Approved P&R February 2016:</i>		
Corporate Complaints Post 2 Year		(80)
Projected Unallocated Balance 31/03/16		<u><u>8749</u></u>

Minimum Reserve required is £4million

Excludes use of Reserves approved March 2016 as part of the budget setting for 2016/17.

Approved Usage February 2014:

Increased expenditure on Roads Defects and Drainage over 14/16	(500)	
Increased Funding for Regeneration Projects:		
Lower Port Glasgow	(500)	
East Central Greenock	(500)	
Central Gourock	(150)	
Employability	(400)	
Commonwealth Flotilla Event	(250)	
Play Area Investment	(150)	
Birkmyre Park, Kilmacolm, Rugby Pitch / Drainage improvements	(100)	
Broomberry Drive Walled Gardens - provision of modular toilet	(40)	
Further investment in I Zone (Port Glasgow & Gourock)	(213)	
Ravenscraig Sports Barn	(600)	
SEMP - increase investment in MUGAs within Primary School Estate	(1100)	
Create Loan Charge EMR to meet spike in Loan Charges from 16/17	<u>(1200)</u>	(5703)

Approved Usage February 2015:

Increase to Voluntary Severance/ Early Retiral Reserve	(1250)	
Increased allocation to Birkmyre Park Drainage Project	(150)	
Funding for Equipment - Adults with Learning Difficulties	(40)	
2 Year Extension to 2 x Specialist Posts	(167)	
Scottish Wide Area Network - One off Costs	(323)	
Part Year Costs - Ravenscraig Sports Barn	(40)	
Flooding - Next Phase	(950)	
Rankin Park Cycle Track	(150)	
Substitute Funding - Riverside Inverclyde	(250)	
Substitute Funding - Common Good	(35)	
Beacon Contract and Core Funding	<u>(1950)</u>	(5305)

Report To:	Policy and Resources Committee	Date:	17 May 2016
Report By:	Corporate Director, Environment, Regeneration and Resources	Report No:	ERC/ENV/IM/16.273
Contact Officer:	Kenny Lang	Contact No:	715906
Subject:	Environment, Regeneration & Resources Corporate Directorate Improvement Plan 2016 – 19		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Policy and Resources Committee regarding the submission of the 2016 – 19 Environment, Regeneration & Resources Corporate Directorate Improvement Plans.

2.0 SUMMARY

- 2.1 The Corporate Directorate Improvement Plan is the Directorate's key improvement planning document which sets out the projects and improvement actions that will be implemented to help the Council deliver the strategic wellbeing outcomes identified within the Single Outcome Agreement and Corporate Statement. These wellbeing outcomes are Safe, Healthy, Achieving, Nurtured, Active, Respected & Responsible and Included (SHANARRI).
- 2.2 As part of the Strategic Planning and Performance Management framework it was agreed that Corporate Directorate Improvement Plans (CDIPs) be drafted for each Directorate. This plan reflects the Corporate improvement actions which the Directorate has a lead role in implementing, and Directorate specific improvement actions.
- 2.3 The CDIP 2016 – 19 replaces the 2013-2015 CDIP with some minor amendments. A three year overview has been introduced where Directorates will set out their direction of travel for improvement, mapped to the wellbeing outcomes. The Improvement Actions are now for a one year timescale, with annual review and refreshment of these taking place. The Plans will be on a three year rolling basis, with the detailed action plans being updated annually

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approve the Environment, Regeneration & Resources Corporate Directorate Improvement Plan 2016/2019.
- 3.2 It is recommended that the Committee notes the changes to the line management arrangements as outlined in para 4.4

4.0 BACKGROUND

- 4.1 The review of the Council's strategic planning and performance management framework in 2012 recommended that Directorate Plans be refocused around improvement and based on robust self evaluation.
- 4.2 The Environment, Regeneration and Resources Corporate Directorate Improvement Plan (CDIP) has been developed to focus on improvement actions, based on a self evaluation process which has been developed for the Council. The CDIP covers corporate improvement actions which are led by the Corporate Director Environment, Regeneration and Resources or relevant Heads of Service. Each action is aligned to the Single Outcome Agreement (SOA) outcome which it contributes to the delivery of, as well as the Getting it Right for Every Child, Citizen and Community (GIRFEC) wellbeing outcomes.
- 4.3 The CDIP does not set out the day to day delivery of services, but sets out actions which will improve service delivery based on assessment which is informed by the gathering and analysis of data, including performance indicators, customer engagement, benchmarking, peer review and officer knowledge and experience.
- 4.4 Members should be aware that minor operational changes are planned to management reporting lines in the following areas:
- **Procurement Function:** This will be transferred from Finance Service to the Regeneration and Planning Service – the reason for this is to build on linkages between the Council's procurement activities and the local business community.
 - **Registrars' Function:** This will be transferred from Environmental and Commercial Services to the Finance Service - the reason for this is to increase collaboration and provide support for this function through single line management with the Customer Services Centre.
 - **Environmental and Commercial Services Management Structure:** As part of the planned savings the number of Service Managers have been reduced to three covering Facilities Management/Building Maintenance, Neighbourhood Services and Roads Services. A number of operational changes have been introduced as a result at Team Leader level.
- 4.5 The Directorate also contributes to the delivery of the Council's SOA outcomes. A copy of the Environment, Regeneration and Resources Corporate Directorate Improvement Plan (CDIP) is attached (Appendix 1).

5.0 IMPLICATIONS

5.1 Legal: none anticipated

Finance: all financial implications should be detailed in the CDIP

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					

Personnel: none anticipated

Equality and Diversity: this is reflected in section 2.4 of the CDIP.

Repopulation: The Environment, Regeneration and Resources Directorate plays a key role in the repopulation strategy and the CDIP is developed to focus and contribute to making Inverclyde an attractive place to live, work and visit.

6.0 CONSULTATIONS

6.1 The CDIP has been developed in consultation with the Corporate Quality Improvement Group.

7.0 LIST OF BACKGROUND PAPERS

7.1 Corporate Directorate Improvement Planning Update (PR070/12/AH/MMcK) 18/09/12

7.2 Revised Strategic Planning and Performance Management Framework (PR064/12/AH/MMcK) 14/08/12

Environment, Regeneration and Resources

Corporate Directorate Improvement Plan 2016/19



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

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Gaelic

Tha an sgrìobhainn seo cuideachd ri fhaotainn ann an cànanan eile, clò nas motha agus air teip ma tha sibh ga iarraidh.

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

Mandarin

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Polish

Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.

Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔



Corporate Director Environment Regeneration & Resources.
Municipal Buildings Greenock PA14 ILY



01475 712762



kay.mckenzie@inverclyde.gov.uk

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1. Introduction by Corporate Director

On behalf of the Environment Regeneration and Resources Directorate, I am delighted to present our Directorate Improvement Plan for 2016 -19. The Directorate Improvement Plan is an integral part of the Council's strategic planning and performance management framework and builds on the achievements of the previous Environment Regeneration and Resources Directorate Plan 2013-16. The plan assists in shaping the strategic direction and key programmes, actions and improvements which the Environment, Regeneration and Resources Directorate will deliver in the period 2016-19.

Over the coming years, the Directorate will face challenges in delivering the Inverclyde Alliance's vision for Inverclyde, none more so than regenerating the local economy and addressing the decline in local population. The continued delivery of high quality services within a much reduced budgetary allocation will also bring with it a number of challenges within the timeframe of this Plan.

The Directorate will also assist in the organisational transformation of Inverclyde Council. In this regard the Directorate will help deliver a future where:

- Inverclyde is seen as an area of outstanding success with significant physical, economic, cultural and social attributes
- The 'gap', in terms of training, attainment and prosperity, between other more successful areas and those currently in need has significantly narrowed
- We have confident and cohesive communities where people are actively engaged in the regeneration of their areas

In particular we will support major initiatives including:-

- Roll out various initiatives aimed at stabilising the local population
- Our physical assets and resources are efficiently and effectively managed
- Our governance and administrative arrangements are appropriate for a 21st century customer facing organisation
- We continue to implement the Flood Prevention Plan
- We will continue to implement the Roads Asset Management Plan
- Our recycling performance meets the Scottish Government recycling targets
- We are implementing changes introduced through the Welfare Reform Act
- Implementation of the School Estate Strategy continues, the new Port Glasgow Community Campus and refurbished St Columba's High School and Mearns Centre all opened in 2013 and refurbishment of Ardgowan Primary School commenced in April 2014. Work is ongoing for refurbishment of St John's and Kilmacolm Primary Schools and a new replacement school for St Patricks Primary School.
- Development of the Depot Rationalisation programme continues.
- Anticipated changes to Council Tax and funding for the Council
- Implementation of SWAN and identifying opportunities to further develop the Network

We will lead and support significant regeneration and area renewal initiatives with external partner organisations namely, Riverside Inverclyde, and other organisations in the Inverclyde Alliance. We will also work alongside other Directorates and Partners to drive forward the delivery of Inverclyde's Community Plan, the Single Outcome Agreement and the Council's Corporate Statement. We will continue to manage the changes introduced by the Welfare Reform agenda supporting the Registered Social Landlords and community during the transition. We will continue to deliver further efficiencies and protect front line services.

This is a three year plan, which will support the delivery of the Corporate Statement Getting It Right For Every Child, Citizen and Community. With the help of our partners we will review the plan on an annual basis to ensure the actions contained in it are still relevant to deliver the wellbeing indicators to support the vision – Safe, Health, Achieving, Nurtured, Active, Respected & Responsible and Included - SHANARRI.

We hope the information contained within this Plan gives you an insight into the work of the Environment Regeneration, and Resources Directorate.

Aubrey Fawcett



Aubrey Fawcett Corporate Director, Environment Regeneration and Resources

2. Strategic Overview

2.1 Purpose and scope of the Directorate

The primary role of Environment, Regeneration and Resources Directorate is to bring together those services that support the regeneration of the area together with those that deal with the development and maintenance of the Council's physical assets and infrastructure to promote integrated working and enhance service delivery. To lead and deliver modernisation and continuous improvement across the organisation enabled through robust financial planning and management.

The Directorate is committed to delivering high quality professional and efficient services which are responsive to our customers' needs. To achieve a high standard of customer care and satisfaction through the effective delivery of our services and to deliver best value services to the Council and local stakeholders which provide positive outcomes for our customers. We will continue to listen and respond to our customers ensuring continuous improvement whilst maintaining and building upon strong working relationships with our customers and communities.

The Directorate comprises four services:

- Finance Service
- Legal and Property Services
- Environmental and Commercial Services
- Regeneration and Planning

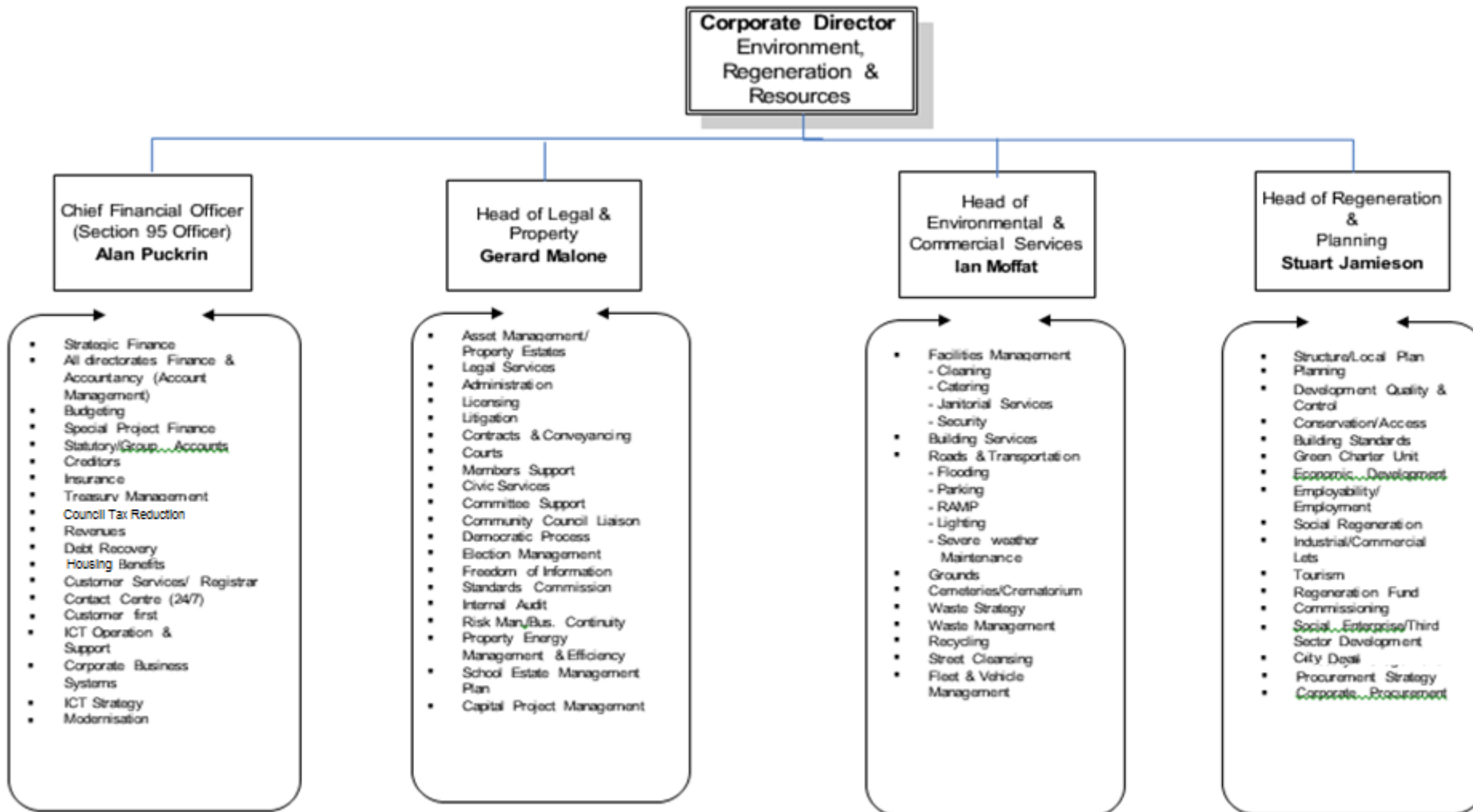
These services all sit within the Council's vision of a *Nurturing Inverclyde* where we are **Getting it Right for Every Child, Citizen and Community**, working towards the achievement of the wellbeing outcomes, where all our children, citizens and communities are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.

Minor operational changes are planned to management reporting lines in the following areas:

- **Procurement Function:** This will be transferred from Finance Service to the Regeneration and Planning Service – the reason for this is to build on linkages between the Council's procurement activities and the local business community.
- **Registrars' Function:** This will be transferred from Environmental and Commercial Services to the Finance Service - the reason for this is to increase collaboration and provide support for this function through single line management with the Customer Services Centre.
- **Environmental and Commercial Services Management Structure** – As part of the planned savings the number of Service Managers have been reduced to three covering Facilities Management/Building Maintenance, Neighbourhood Services and Roads Services. A number of operational changes have been introduced as a result at Team Leader level.

The Directorate's management structure is set out on the following page.

Environment, Regeneration & Resources Management Structure



2.2 National and local context

New legislation emerging from the Scottish and UK Governments will directly impact on the nature of the services that the Directorate provides over the next year. New legislation that will come into effect during the life of the Plan includes:

The Environment Regeneration and Resources Directorate in common with other directorates faces a diverse and complex range of challenges and opportunities over the period 2016/19. These will be generated from both a national and a local level. National influences that will affect service delivery include:

- The ongoing challenges to stimulate economic growth and address economic inequalities..
- Scottish Planning Policy 2
- National Planning Framework 3
- Zero Waste Scotland Strategy
- The Waste (Scotland) Regulations
- Flood Risk Management (Scotland) Act 2009
- Continued support of Business Gateway function within Local Authorities.
- Welfare Reform Act 2012
- European Structural Funds Programme 2014-2020
- The continued management of Regeneration Funding, with contracted delivery of end to end and specialist employability services.
- Ongoing development of National Training Programmes, including additional resources for targeted Youth Employment activity.
- Health and Social Care Integration
- The Community Empowerment (Scotland) Act
- Nutrition (Scotland) Act
- Scottish Parliament Elections (impacts on legislation as well as priorities)

Public Sector Reform

There has been significant transformation for public services in Scotland in recent years with major reforms being undertaken by the Scottish Government in local government, health, social care and uniformed services. Public services face serious challenges ahead with the demand for services set to increase dramatically over the medium term, while public spending becomes further constrained. This means that the Council will, in effect, have to achieve more with less.

To manage this, a shift in focus is required towards reducing costs and improving performance. This is a challenging agenda for the Council and the Directorate has a key role to play in helping the Council get it right by improving the local infrastructure ,providing support for businesses and developing both front line services and support services which will meet our key priorities and objectives,

The Directorate covers a disparate range of services and this is reflected in the wide range of programmes/projects and improvement actions, which link to all five strategic outcomes listed in the Corporate Plan. Local influences that will affect service delivery include:

All Services in the Directorate

- Single Outcome Agreement.
- Corporate Statement 2013-17
- Equality agenda.
- Public Sector Improvement Framework Actions
- Citizens' Panel Results

Environment and Commercial Services

- Play Area Strategy.
- Inverclyde Council Waste Strategy
- Parking Strategy
- External funding – Coastal Communities and Heritage Lottery Fund.
- Roads Asset Management Plan
- Flood Action Plan
- Local Transport Strategy

Legal and Property Services

- The development and implementation of the Council's Internal Audit Plan
- Business Continuity Planning and Risk Management
- Office Rationalisation Programme
- Depot Rationalisation Programme
- Schools Estate Strategy.

Finance

- Digital Access Strategy
- ICT Strategy
- Customer Service Strategy
- Council Financial Strategy

Regeneration and Planning

- Tourism Strategy
- Inverclyde Economic Regeneration Strategy/Single Operating Plan
- Local Development Plan
- Inverclyde Employability and Inclusion Programme
- Inverclyde Youth Employment Action Plan
- Youth Participation Measure
- Inverclyde Community Benefits programme.
- Procurement Strategy

Regulatory and evaluative bodies

- The Health and Safety Executive
- Audit Scotland
- External Audit
- Scottish Government
- Department of Work and Pensions
- SEPA
- SPSO/Information Commissioner
- Traffic Commissioner
- HMRC
- Ethical Standards Commissioner

These influences will impact on the work of the Directorate in the following key areas:

- The ongoing redevelopment of Inverclyde in partnership with Riverside Inverclyde and Registered Social Landlords.
- Direction of the Channel Shift project within Customer Services in line with the needs of the community
- The operational governance arrangements for how the Council interacts with its major service providers.
- The completion and ongoing implementation of the Council's Asset Management Plan.
- The Broomhill, East Central Greenock and Port Glasgow Development projects
- Improved linkages between social, cultural, economic and physical regeneration in Inverclyde.
- The implementation of the Risk Management Strategy

2.3 Customer focus

The customer base of the Directorate is varied and wide. It includes all Inverclyde citizens, businesses, third and public sector partners, children and their parents as well as Registered Social Landlords (RSLs) In addition, the Directorate also provides support to colleagues within the Council through the functions of Finance, ICT, Legal and Property Services.

Customer engagement takes place through a number of formal and informal routes. In some areas such as the preparation and production of the Local Development Plan there is a statutory obligation to consult with developers and consultants as well as other public sector and third sectors organisations. This is done through correspondence and meetings.

There are regular meetings with the business community to promote business support products and employability opportunities, presentations delivered to local architects and surveyors on changes to planning and building legislation. Face to face engagement with Community Councils and school children to inform the planning of play areas. For all major schools projects extensive consultation takes place with staff, parents and pupils. Waste Collection has been consulting with local residents in advance and their views taken on board when designing new services such as food waste and glass collection services. There are a number of planned presentations and information sessions in respect of the overall waste strategy and regular feedback is encouraged and acted on.

Regular presentations and meetings take place with RSLs and third sector organisations to ensure that they are updated on changes to legislation affecting citizens on benefits and council tax reduction, this is particularly important as the changes introduced by the Welfare Reform Act 2012 are implemented. The Council's Citizens' Panel receives a questionnaire twice a year; the Directorate makes use of this consultation method, as appropriate. The Customer Service Strategy has also highlighted plans to conduct surveys and questionnaires to provide feedback from the community.

Budget consultation is now embedded and involves Community Meetings, feedback via the Council Website and the use of an on line simulator

2.4 Equality

The Environment, Regeneration and Resources Directorate is committed to ensuring equality of opportunity in everything that it does..


Services carry out equality impact analysis (EIA) on new or significantly changing policies, strategies and procedures, as well as on budget savings. EIAs completed or planned by the Directorate include:

Completed

- Inverclyde Core Paths Plan Inverclyde Local Development Plan: Main Issues Report (MIR) and post MIR
Inverclyde Local Development Plan: Proposed Plan
- Customer Service Strategy (completed)
- Discretionary Housing Payments
- Digital Access Strategy
- EIA's on proposed savings and service reorganisation

Planned

- Economic Regeneration Strategy
- Inverclyde Local Development Plan

The Council also has a series of Equality Outcomes and every Service in the Directorate will continue to work towards the achievement of these during the next year. Details of the Council's Equality Outcomes can be viewed here  [Equality and Diversity](#).

The Council's overarching Equality Outcomes are:

1. Through an increase in third party reporting facilities, people with protected characteristics feel safer within their communities and levels of hate crime are reduced
2. Council employees and Elected Members are able to respond confidently and appropriately to the needs of service users and colleagues who have protected characteristics
3. increased targeted engagement with Inverclyde's children, citizens and communities who have protected characteristics
4. All Services consistently gather and analyse information on their service users by protected characteristics, where appropriate, which is used to inform improvement planning.

In section 5 of this Plan, there are a number of improvement actions of particular relevance to delivery of the Council's duties under The Equality Act 2010. These have been gathered into the Council's Equality Outcomes document (which can be viewed via the above web link) to show how each service area is working to deliver the general and specific equality duties and work with people with protected characteristics.

The performance management of this document will help the Council to monitor how it is performing towards the achievement of its Equality Outcomes.

2.5 Sustainability of the environment

The Directorate supports implementation of the Council's flagship *Green Charter* environmental policy which aims to reduce energy and waste and promote the sustainable use of resources in the Council and across our community. For example, employees are encouraged to use the recycling facilities provided in Council premises or participate in our *Cycle to Work* scheme. The scheme is a Government-approved salary sacrifice initiative which allows staff to hire a bike and accessories to a value of £1,000 for the purpose of cycling to work (or for part of the journey). The project assists employees to reduce journey costs, traffic congestion and pollution; it also helps to support performance of one of our sustainable development performance indicators i.e. *to reduce CO₂ emissions within the scope of influence of the local authority*, also known as our *area-wide emissions*.

The Directorate's Services are encouraged to help the Council reduce its carbon emissions which in turn supports delivery of the Council's Carbon Management Plan 2011/16. Employees are provided with information to help them reduce their energy consumption in the office, for example, by switching off monitors when not using PCs; turning lights off; buying recycled paper; restricting the use of colour printing; considering the environment before printing any documents and turning taps off after use.

Through the Carbon Management team the Directorate is educating employees on the importance of recycling office waste, importance of turning off monitors and heating when not in the office. There is a sustainability assessment carried out by procurement for all goods and services over £50,000.

Considerable efforts within the Environmental and Commercial Services are contributing to the Council's and Scotland's sustainability strategies through a number of service areas such as recycling and waste reduction initiatives, newer, cleaner less polluting vehicles, electrical charging points for vehicles, lower energy street lighting, the flood action plan and reduced impact road and pavement repairs.

ICT have introduced a number of initiatives to reduce the Council's energy consumption and therefore reduce our Carbon footprint including energy efficient PCs and servers. The data centres have reduced the number of servers, included energy efficient lighting and fewer and more energy efficient air conditioning units.

ICT have also brought in new models of Multifunctional Devices (printers) – these are more efficient and reduce carbon footprint and emissions. Part of the work on desktop rationalisation is to reduce the number of stand-alone printers across the authority.

Property Services works towards improving the sustainability of the Council's Property Estate in a number of ways including improving the energy efficiency and water use in buildings, incorporating energy generation in projects, specifying timber from sustainable sources and making waste reduction plans compulsory for Council building contracts.

2.6 Risk management

The key risks that the Directorate faces include:

- financial - financial pressures are affecting all public sector agencies and the Directorate needs to closely monitor budgets to ensure service delivery remains efficient, effective and value for money;
- reputation - potential for lack of buy-in and support for local government benchmarking projects and equality and diversity outcomes could lead to non-compliance with legislation or adverse external criticism resulting in a negative impact on the Council's reputation;
- legal and regulatory - potential for lack of support and buy-in could lead to non-compliance with legislation particularly regarding The Equality Act 2010, the forthcoming Community Empowerment (Scotland) Act and the Statutory Performance Indicators Direction 2015; and
- operational and business continuity - potential for lack of consistency regarding definitions of competitiveness, possible inconsistencies in the roll-out of corporate systems and the potential for failure to implement policies and procedures could all have detrimental impacts on operational and business continuity.

The detailed risk management plan is attached at as Appendix 2.

2.7 Competitiveness

Competitiveness is a complex area and not simply an issue of delivering services for the least cost. In the public sector, competitiveness can perhaps be better described as *challenge* and *improvement* as this is what the Directorate requires to do to drive continuous improvement and best value.

The Audit Scotland *Best Value Toolkit 2010: Challenge and improvement* sets out the following definitions:

Challenge

- The organisation has a proven record of adjusting its services as a result of internal or external challenge, achieved with an improvement of services.
- The organisation can justify that its delivery methods, whether in-house or otherwise, offer best value, within the context of its wider objectives.
- As part of its strategic approach to procurement and commissioning it undertakes objective options appraisal to explore and optimise a wide range of contract or partnership options. The organisation understands the impact of its activities on the local economy, and makes decisions based on clear policy objectives.

Improvement

- The organisation continually challenges and improves its performance. It has reviewed, or has plans to review, its services to ensure best value - an improvement programme is in place which takes account of customer and staff feedback and is readily available to citizens. It assigns responsibility, accountability and resources appropriately following improvement reviews.
- It uses the 'four Cs' (Consult, Compare, Challenge, Compete) effectively in reviewing services. Reviews are timely and the council can demonstrate improved outcomes and value for money as a result. Improvements are targeted in line with priorities, and performance indicators and satisfaction measures in reviewed areas are satisfactory or improving.
- It can demonstrate impact through improved service, or governance outcomes, and monitors and regularly reviews the quality and progress of its improvement activity.

Our self-evaluation guidance *Are we Getting it Right for Every Child, Citizen and Community?* supports the Directorate to carry out more robust self-evaluation, using data from a variety of sources which informs the development of improvement actions, including those set out in section 5 of this Plan. A variety of processes are used to gather the data which informs ongoing self-evaluation across the Council and is used to develop and adapt services to better meet the needs of customers.

The benchmarking information derived from the Improvement Service's Local Government Benchmarking Framework (LGBF) will also inform areas where the Directorate will focus attention and carry out further detailed internal analysis, in addition to learning from better performing councils.

The Council is currently involved in a number of LGBF benchmarking family groups around the topics of (Council Tax, Waste and street cleaning). The family group process is used to assess performance, learn from good practice, highlight the Council's own good practice to other authorities and deliver improvement across the councils who make up the groups.

In addition to the LGBF family groups, a number of the Directorate's service areas already participate in well-established benchmarking activity such as:

- Environmental & Commercial Services – APSE, SCOTS
- Finance Services – CIPFA, Treasury Management Forum, PCA, SOCITM
- Regeneration and Planning, SLAED , HOPS and LABSS

3. Summary of Resources

The Directorate's budget for 2016/17 is outlined below

Expenditure and FTE numbers

Resource Statement: Environment and Regeneration Directorate

<u>Service</u>	<u>2016/17</u>			<u>2017/18*</u>		
	<u>Gross Exp</u>	<u>Net Exp</u>	<u>FTE</u>	<u>Gross Exp</u>	<u>Net Exp</u>	<u>FTE</u>
	<u>£000's</u>	<u>£000's</u>		<u>£000's</u>	<u>£000's</u>	
Director	163	163	1.0	163	163	1.0
Property Services	5,833	2,864	35.9	5,833	2,862	35.9
Environmental and Commercial Services	30,190	14,119	563.1	29,956	13,831	563.1
Regeneration and Planning	5,928	4,433	37.5	5,826	4,317	37.5
Environment and Regeneration Committee Total	42,114	21,579	637.5	41,778	21,173	637.5
Finance Services	46,758	8,019	160.0	46,696	7,946	158.4
Legal Services	2,053	1,459	26.0	2,053	1,455	26
Policy & Resources Committee Total	48,811	9,478	186.0	48,749	9,401	184.3
Directorate Total	90,925	31,057	823.5	90,527	30,574	821.8

* 2017/18 are provisional figures.

4. Self-Evaluation and Improvement Plan

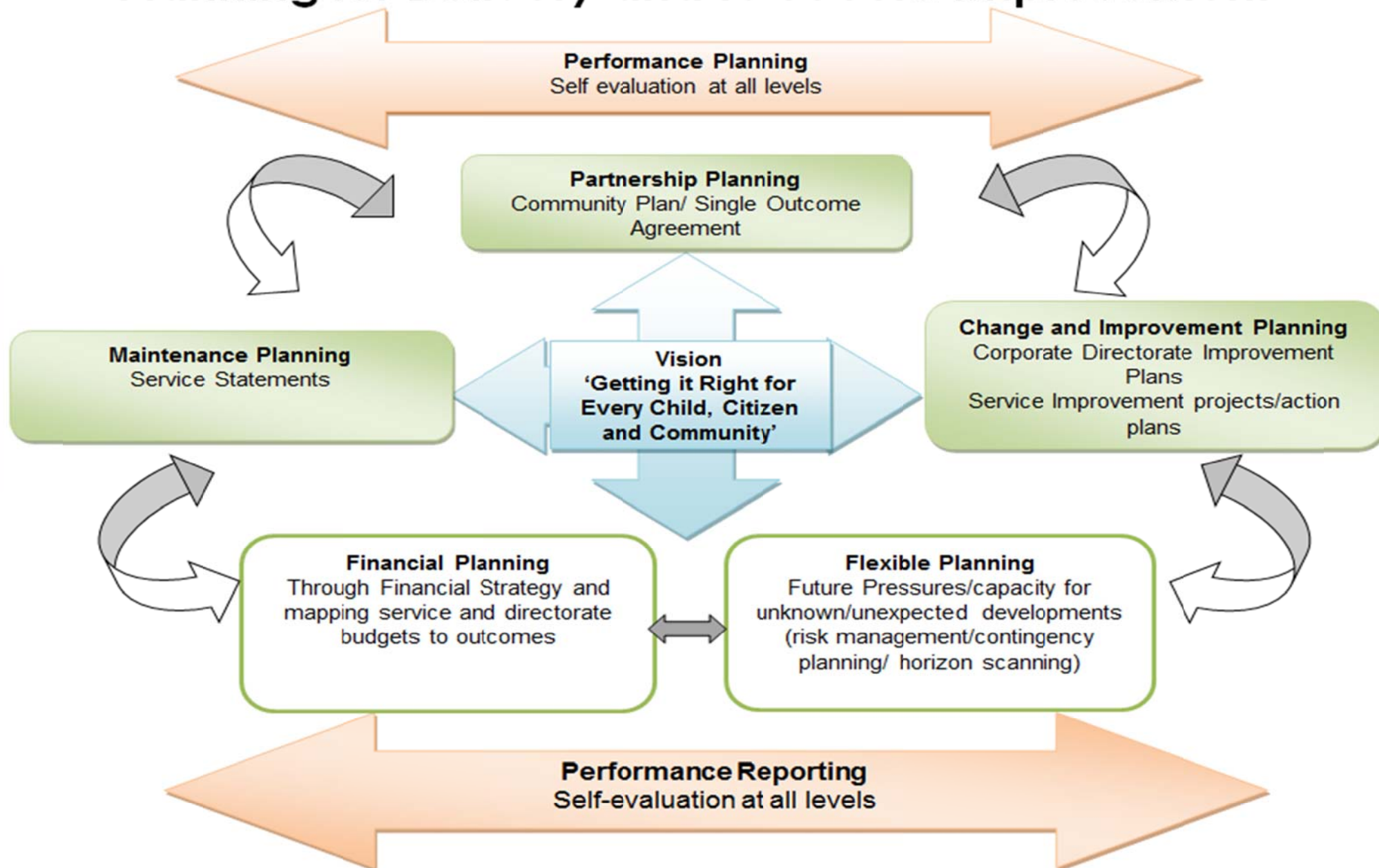
The Improvement Plan for the Directorate is attached at section 5. It has been developed based on robust self-evaluation using both formal (such as external audit) and informal self-evaluation techniques (such as service self-assessment). This includes but is not limited to:-

- Annual external audit of accounts.
- Customer satisfaction - performance and risk management.
- Benchmarking via LGBF and professional Benchmarking Groups.
- IRRV local authority income.
- Customers waiting survey
- Audit Scotland - Fraud and Error Report.
- Audit Scotland Benefits Risk
- Public Service Improvement Framework Citizen Panel Feedback
- Public Services Network
- Annual Governance Statement - Council, ALEO's
- Police Integrity Model Gap Analysis
- National Report Studies
- Public Performance Reporting
- Quality Assurance Process - Internal Audit,
- APSE Benchmarking
- Society of Chief Officers for Transportation in Scotland
- Risk Register
- Planning Performance Report
- Building Standards Benchmarking
- SLAED Economic Evaluation
- European Commission Validation Check
- Employability Programme
- Business Gateway
- LGSE Grouping

The majority of Directorate services have undertaken PSIF assessments and prepared an action plan. Assessments were facilitated by trained assessors with input from a variety of staff within each service, Through the use of our assessors we were able to ensure a high degree of consistency across each service and building on the shared experiences both across each service and throughout the directorate. By adopting the systematic approach which is embedded in the PSIF process, staff were engaged and able to articulate areas of good practice and service improvement which focused on performance in an open and productive manner.

The diagram on the following page sets out the planning cycle for the Council, setting out the various levels of planning that take place across the Council. All of this requires to be underpinned by self-evaluation. The Corporate Directorate Improvement Plans sit within change and improvement planning but are underpinned by all other aspects of planning, particularly financial planning.

Planning for Delivery and to Secure Improvement



5. Environment, Regeneration and Resources Directorate Three Year Overview

The *Nurturing Inverclyde* wellbeing outcomes are detailed on page 19. A summary of the overarching three year improvement priorities for our Directorate are outlined on pages 20. They have been expressed in the context of the wellbeing outcomes.

The improvement priorities extend from Year 1 – Year 3.

In addition to our Improvement Priorities, there are also aspects of our work which are on-going – work that is significant, but nonetheless can be classified as “Business As Usual”. Such aspects of work are captured in the Service Statement and Standards for each service area, and therefore not included in this plan. Monitoring of the maintenance or ‘business as usual’ activity is undertaken by individual Directorate and Service Management teams, as well as through the performance reporting under the Council’s Statutory Performance reporting, including the Local Government Benchmarking Framework indicators. Additionally, for specific pieces of work, there are other reporting mechanisms to the Council’s committees.

The Directorate Year 1 Action Plan follows the overview, broken down into Corporate Improvement Actions, Cross Directorate Improvement Actions, Service Improvement Actions, Capital Projects Improvement Actions and Corporate Governance Improvement Actions.

Successful Learners

Confident Individuals



Effective Contributors

Responsible Citizens

3 Year Improvement Overview

Finance Services	Wellbeing Outcome
Developing digital access	Included
Implementation of SWIFT finance module	Responsible
Manage transition to universal credit	Achieving; Nurtured
Manage impact of changes to any changes to Council tax	Achieving; Nurtured
Manage channel shift	Included
Manage accountancy restructure	Responsible
Develop SWAN and shared network services	Safe
Develop refreshed ICT strategy	Achieving
Legal and Property Services	
Update of publication scheme	Responsible
Implement post project evaluation	Responsible
Coordinate the approach to the monitoring of capital spend	Responsible
Refresh the asset management plan	Achieving
Develop SLAs for IJB	Responsible
Implementation of PAMIS	Responsible
Implement REVIT	Safe
Continued delivery of SEMP	Safe
Environmental and Commercial Services	
Improve and standardise productivity levels across facilities management	Achieving
Promote free school meal uptake	Healthy
Develop scoping plan in line with recycling code of practice	Responsible
Expand the traffic parking strategy	Safe; Responsible
Continuation of the RAMP	Safe
Development of flood risk management plan	Safe
Increase burial space availability and replace cremators	Respected ;Safe
Regeneration and Planning Services	
Develop main issue report for LDP	Responsible
Improve SME and local supplier engagement	Included
Develop e-portal for building standards	Achieving
Develop new procurement strategy	Achieving
Preparation of Single Operating Plan	Achieving

6. Environment, Regeneration and Resources Improvement Plan

Corporate Improvement Actions 2016 - 17

6.1 Corporate Improvement Actions

These actions have implications for the whole Council, or more than one Directorate, not just the Environment, Regeneration and Resources Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CA1	Digital Access Group	Corporate Group identifying individual opportunities	Developing a fully joined up plan to improve ease of access to Council Services	On-going investment over the next budget period and review thereafter	More service requests/interactions made on line, increasing use of on line payments	Chief Financial Officer	Limited to Earmarked Reserve and Capital Funding allocations	Included
CA2	Review of Publication Scheme	The Publication Scheme was last reviewed in May 2013 and requires to be reviewed and updated by May 2017 to take account of common FOI requests in order to reduce the amount of officer time spent responding to FOI enquiries.	The Publication Scheme is updated and includes signposts for information which is routinely collected for FOI requests.	Co-ordinated approach via Services to ensure Publication Scheme is reviewed and updated by May 2017.	Finalised Publication Scheme available on the website.	Head of Legal and Property Services	Contained within existing budgets.	Responsible
CA3	ECS – Facilities management	Due to mergers some schools and other buildings are not working to the agreed approved industry standards for productivity levels.	All schools and other buildings working to the agreed productivity level for the building category	Revised productivity targets have been set however to achieve these will require non filling of vacancies over time.	A reduction in the number of input hours per each establishment resulting in on-going savings.	Manager Facilities Management	Cost neutral to implement with efficiencies being achieved in time.	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CA4	Service Level Agreement – IJB	There is a need to develop a service level agreement for administration, legal and audit in relation to the Integrated Joint Board in order to support IJB governance documentation.	Service Level Agreement is in place for Integrated Joint Board for administration, legal and audit.	Governance documentation is being finalised for approval and allocation of resources for legal, administration and audit support is being discussed. It is anticipated the SLA will be in place by December 2016.	Service Level Agreement is agreed with IJB.	Head of Legal and Property Services.	Contained within existing budget.	Responsible
CA5	ECS Facilities management	P1 to P3 – Free school meals provision Scottish Government initiative commenced January 2015 and has been implemented across all relevant schools.	To promote and increase the level of uptake of the Free school meals provision	Through monitoring and assessing the provision and promotion of the initiative to parents and children through each school.	Measuring the percentage uptake of free school meals within the P1 to P3 age group.	Manager Facilities Management	Increase in provision costs – externally funded.	Healthy
CA6	Procurement Strategy	New Procurement Strategy published August 2015. New Strategy will deal with new procurement regulations and aims to meet challenges set within the Procurement and Commercial Improvement Plan (PCIP)	PCIP has replaced PCA. The previous score was 62% which placed the Council on an equal footing with peers. A similar or better performance in PCIP would represent success.	The Procurement Strategy sets out goals and timescales	The first PCIP will be held in September	Corporate Procurement Manager	Contain in existing resources	Achieving

Cross-Directorate Improvement Actions 2016 - 17

6.2 Cross-Directorate Improvement Actions

These actions will be implemented by more than one service in the Environment, Regeneration and Resources Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CD1	Revs & Customer Services	Processing claims for Housing Benefit and Council Tax Reduction	<p>Manage the transition from Housing Benefit to Universal Credit (UC) and other Welfare Reform Issues, key areas being:</p> <ul style="list-style-type: none"> • Manage the digitalisation and subsequent roll out of Universal Credit • Work force planning • Financial implications both in terms of reduction in subsidy cost of staff resource with reducing caseload and demand for SWF etc 	<p>Strategic planning through effective communications and action plans that clearly outline changes and impacts ahead and how they will be managed.</p> <p>Timescale from now until 2020</p>	Delivering on action plans and through feedback from appropriate key stakeholders allied to regular Committee updates	CFO and Revs and Customer Services Manager	Not known at this stage	Achieving and nurtured
CD2	Revs & Customer Services	Delivering Services to our customer through multiple channels	Move customers away from traditional costly channels of communication such as face to face to digital channels such	<ul style="list-style-type: none"> • By increasing the number of channels and transactions dealt with via digital routes 	Reduced contact from customers through traditional methods such as face to face and telephone and a shift	Revs and Customer Services Manager and ICT Operations Manager	Contained with approved budgets	Included

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
			as self-serve	<ul style="list-style-type: none"> Thorough effective communication and meeting of action plan deadlines, facilitated through the Digital Access Group <p>Timescale – from now and ongoing</p>	to using electronic forms, reporting and mobile applications.			

Service Improvement Actions 2016 - 17

6.3 Service Improvement Actions

These actions will be carried out by specific Services in the Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Environment and Commercial Services								
ECS1	ECS Waste Strategy	The Council have approved the sign up to the Household Recycling Charter aimed to align Waste Services and provide high levels of participation and recycling quality,	To develop a scoping plan in conjunction with Zero Waste Scotland to meet the aims of the Household Recycling Code of Practice	Scoping meetings and funded support to develop a robust and cost effective business case,	Completion of the relevant scoping documents	Head of Service	Implementation of the Code of practice is in the basis that The Scottish Government will fund any transitional arrangements	Responsible
ECS2	ECS Roads	Traffic Parking Strategy ongoing into 2016/17.	Expansion of existing strategy to cover village locations and The development of Greenock Town Centre residents permit scheme.	Implementation of the agreed schemes.	Delivery of the 2016/17 Parking Strategy Programme	Service Manager Roads	Within allocated budget	Safe Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Regeneration and Planning								
RP1	Local Development Plan2	Local Development Plan 1	Development of the Main Issues Report	Following approved timetable	Measurement against approved timetable	Head of Service	Within existing budget	Responsible
RP2	Improving SME and Local Supplier engagement in procurement activity	No specific policy that encourages SME or Local suppliers to bid for contracts.	Policy required on inviting SME and local suppliers to bid for quotes and encourages engagement on tendering.	On-going monitoring of the success in inviting SME and local supplier to bid for quotes and the numbers who seek the assistance of Supplier Development Programme	Increase in the number of local suppliers and SME who have bid for Council contracts.	Corporate Director Environment, Regeneration and Resources	Contain within existing budget	Included
RP3	e-development	Portal available for planning applications	Portal available for building standard applications	Staff resource to implement September 2016	Project milestones achieved	Head of Service	£65,000	Achieving
RP4	Regeneration	Single Operating Plan 2014-17 is in place	Preparation of Single Operating Plan 2016-19	Through workshops and engagement with key stakeholder groups including Riverside Inverclyde	Draft Single Operating Plan available in April 2016 and approved June 2016 by Committee and Riverside	Corporate Director	Contained within existing budget	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
					Inverclyde Board			
Finance								
FIN1	Revs & Customer Services	High level of collection of Council Tax and assessing and paying Council Tax Reduction	Manage the impact of changes to Council Tax anticipated post April 2017 whilst maintaining collection levels	<ul style="list-style-type: none"> • Ensure a system upgrade is purchased and tested prior to the changes. • Ensure appropriate training is given to relevant staff including Customer Services • Reassess Council Tax Reduction awards in line with new Policy • Ensure changes are publicised to the community <p>Timescale from now until April 2017</p>	Monitor against approved delivery plan	CFO and Revs and Customer Services Manager	Contained within existing budget	Achieving and nurtured
FIN2	Finance Related Systems	No Finance system within SWIFT	Implementation of SWIFT Finance module	Several successful modules rolled out in previous years with remainder to be implemented in Sept 16	Project Plan, Key Milestones	Finance Manager (Social Care)	Contained within approved budgets	Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
FIN3	Service Accountancy	Finance restructure approved November 2015 as part of the 2016/18 budget exercise. This results in a net reduction of Accountancy staff.	Increase value added professional support to services, improve the budget management by budget holders whilst managing a reduction in Accountancy staff by 2 FTE	Improve systems and associated management information. Improve budget holder knowledge and increase self-reliance.	Project Support, Prioritisation of ad hoc support, more tailored and bespoke system reports, customer service reviews, more focus given to key /high risk budget lines	CFO/Finance Managers	N/A	Responsible
FIN4	Scottish Wide Area Network	The council has agreed to become part of the Scottish Wide Area Network (SWAN)	The council wishes to use the opportunities that SWAN generates to encourage joint working and collaboration with other public sector bodies and to develop integrated working with HSCP. Provide the ability for NHS and Council staff to utilise network services in each other's accommodation.	We will work with partners to develop data sharing, network availability and wireless connectivity. Shared Network Services to be available by March 2017	Other public bodies will be able to use Inverclyde Council Networks and work collaboratively.	ICT Operations Manager	Contain in existing resources	Safe
FIN5	ICT Strategy Refresh	The Current ICT Strategy concludes in 2016.	A refreshed ICT Strategy incorporating Digital Transformation	Officers will produce a refreshed strategy in consultation with other	A draft of the strategy will be completed by	CFO/ICT Operations Manager	Contain in existing resources	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
			and Development roadmaps.	Council Services by Feb 2017	Dec 2016			
Legal and Property Services								
LPS1	Post-Project Evaluation	The Council has recently developed a post-implementation review process and supporting policies during 2015/16 for implementation in order to identify benefits realisation and identify any learning from completed projects	Fully implemented Post-Project Implementation process for completed projects which allows us to identify benefits realisation and incorporate learning into new projects going forward.	The post-project evaluation team will follow a simple questionnaire led approach. Response rate will require to be monitored in the early stages of implementation. Officer time will be required in connection with the Client/Technical Lead role in collating the report. 31 May 2017.	Update reports will be provided to relevant Service Committee for projects reviewed. An annual summary report will be provided to Policy and Resources Committee on all evaluations carried out.	Head of Legal and Property Services	Major school projects – contained within existing budget. Non-school projects - a small additional fee charge will be incorporated into future project cost estimates.	Responsible
LPS2	Monitoring of Capital Spend	There is a need to develop management information reporting to assist with advanced identification of areas of slippage and early identification of risk in order to address slippage earlier.	The profile of spend is closely monitored to assist early identification of any areas of slippage so that risk is minimised.	A co-ordinated approach to developing management information to assist officers identify areas of slippage at an early stage. 31 March 2017	Regular reporting on capital spend will be provided to relevant Committee. Areas of slippage will be agreed with Service and	Head of Legal and Property Services	Contained within existing budget.	Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
					action plans developed to bring back on track.			
LPS3	Refresh of Asset Management Plan	The Capital Asset Management plan was last reviewed in May 2009 and requires to be updated to reflect current position and incorporate links to other asset management plans which have been developed.	The capital asset management plan is updated to fully reflect current position and links to supporting asset management plans which have been developed.	A co-ordinated approach will be implemented to update the current plan by 31 March 2017.	Plan will be approved by Committee and made available on the website.	Head of Legal and Property Services	Contained within existing budget.	Achieving
LPS4	Property Asset Management Information System	There is a need to refocus and refine the existing modules on PAMIS so that it improves as a property management tool for retaining information relating to our current estate.	Up to date and relevant information is available in relation to our properties.	Implementation of PAMIS modules on a phased approach. Target for full implementation by 31 March 2017.	Management information is available in relation to our properties.	Head of Legal and Property Services.	Contained within existing budget.	Responsible
LPS5	REVIT implementation	REVIT is being rolled out across projects on a phased approach. Currently being utilised for the Care Home Phase 3 project with the aim of being BIM level 2 compliant by April 2017. Some staff have had initial training in the use of the software.	After successful implementation of REVIT on current project, the intention would be to rollout the process to all subsequent projects from April 2017 and relevant staff are fully trained in the use of the software.	Phased approach being implemented with a view to roll out to all projects by April 2017. Relevant staff are fully trained by April 2017.	All projects post April 2017 are using REVIT.	Head of Legal and Property Services	Contained within existing budgets	Safe

Capital Projects Improvement Actions 2016-17

6.4 Capital Projects Improvement Actions

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CP 1	Schools Estate Management Plan	We were concluding the planned phase of investment and following the March 2016 budget setting process, we are now accelerating the SEMP for completion by 2020.	Fully refurbished school estate to high quality, modern standards.	SEMP investment is fully approved and capacity will be provided by Legal and Property Services with external Hub construction projects where required. Delivery by 2020.	Regular capital programme reports through the annual SEMP review and 2-monthly reports to Service Committee.	Head of Legal and Property Services	Fully funded SEMP financial model	Safe
CP 2	ECS Roads	2015/16 stage of RAMP/Capital Programme has been delivered. Funding for 2016/17 has been allocated to projects.	Continue to deliver RAMP/Capital Programme for 2016/17.	Further Projects to be undertaken in 2016/17 using RAMP/Capital Programme. Outline programme for 2016 has been detailed covering specific and cost of Carriageways, footways, lighting structures fees and staffing costs along with Core funding for traffic measures and details on Cycling walking and safer streets.	Completion of works as identified and reported in the Environmental Capital Programme and regular Committee updates on progress.	Service Manager Roads	Within allocated budgets	Safe
CP 3	ECS Roads	Identified flooding projects ongoing into 2016/17.	Continuation of prioritised projects as detailed to Committee in respect of flooding through the development of a Local Flood Risk Management Plan	Detailed costed project list has been identified and various contractors appointed to progress works.	Delivery of the projects identified and completion of the Local Flood Risk Management Plan	Service Manager Roads	Within allocated budget	safe

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CP 4	ECS Burials	Provision of burial space sufficient for 5 years.	Increase burial space availability to 15 years.	Extend existing cemetery within next 2 years.	Complete feasibility, permissions and procurement 2016/17. Commence works 2017/18.	Head of Service	Subject to completion of feasibility, permissions & procurement phases.	Respected
CP 5	ECS Cremations	Cremators due for replacement.	Replace cremators while continuing to maintain a cremation service.	Replace cremators within next 3 years.	Feasibility and options appraisal 2016/17. Procurement and commence works 2017/18.	Head of Service	Subject to completion of feasibility, options appraisal & procurement phases.	Safe

Corporate Governance Improvement Actions 2016-17

6.5 Corporate Governance Improvement Actions

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CG 1	Financial Regulations Review	Regulations last reviewed 2012	Updated Regulations taking account of changes with IJB , changes in technology etc	Report to P&R via Audit Committee by September 2016	Updates to CMT/ECMT	Chief Financial Officer	N/A	Responsible
CG2	Review of Governance Documentation	The Council's key governance documentation was updated in 2012 and requires to be refreshed to take account of new structures and changes in responsibilities.	The Council's governance documentation fully reflects its structure and officer responsibilities which supports the Annual Governance Statement.	Co-ordinated approach via ECMT, CMT and Elected Members to ensure documentation is reviewed and updated by September 2016.	Documentation is considered by CMT and fully approved by the Council.	Head of Legal and Property Services	Contained within existing budgets.	Responsible

7. Environment, Regeneration and Resources Directorate Performance Information

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2014/15 Rank/national average (where available)
	2012/13	2013/14	2014/15	2015/16			
Council Tax – In year collection level	94.18%	94.51%	94.8%	94.8%	94.8%	93%	LGBF 22 nd (range 98.27% to 93.29%)
Speed of Processing new claims to Housing Benefit	23 days	22 days	27days	26 days	23 days	27 days	23=
Speed of processing changes in circumstances to Housing Benefit	6 days	5 days	4 days	5 days	5 days	7 days	1 =
Percentage of invoices sampled that were paid within 30 days	96%	96%	97%	96%	96%	93%	LGBF 3 rd / 93%
ICT Service Delivery Corporate Incident SLA Attainment	N/A	94.7%	93.3%	96.74	95%	80%	
ICT Schools Service Delivery Schools Incident SLA Attainment	N/A	84.8%	82.4%	90.0%	95%	80%	
ICT Service delivery Overall Incident SLA Attainment	N/A	91.0%	89.3%	94.4%	95%	80%	
ICT Service Delivery Corporate Service Request SLA Attainment	N/A	91.2%	90.4%	89.8%	90%	80%	
ICT Schools Service Delivery Schools Service Request SLA Attainment	N/A	93.5%	92.9%	98.1%	90%	80%	
ICT Service delivery Overall Service Request SLA Attainment	N/A	92.2%	91.3%	92.1%	90%	80%	
P1 to P3 – Free school meals provision	NA	NA	NA	74%	75%	70%	70%
Facilities management Productivity	NA	NA	NA	60%	65% of Secondary schools 199m sq per hour	55% of Secondary schools 199m sq per hour	
Category 1 Potholes – Make safe/repair within 24 hours of identification	N/A	94%	88%	88%	90%	85%	

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2014/15 Rank/national average (where available)
	2012/13	2013/14	2014/15	2015/16			
Category 2 Potholes – Make safe/repair within 7 days of identification	N/A	41%	81%	91%	80%*	75%	
Street Lighting Failed Dark Lamp	N/A	78%	87%	91%	92%	87%	
Waste Recycling (households)	54%	56%	56%	56%	50%**	47%	LGBF ranked 1 st place
Number of Business/Property Assists	37	43	20	20	25	15	n/a
Percentage of all planning applications decided in under 2 months	80%	87%	89%	89%	90%	80%	n/a
Percentage of householder planning applications decided in under 2 months	93%	97%	97%	99%	95%	90%	86% national average
Percentage of building warrants assessed within 20 working days of registration	87%	91%	99%	99%	95%	90%	90% national average

* Category 2 potholes now also includes performance in respect of Category 3 potholes

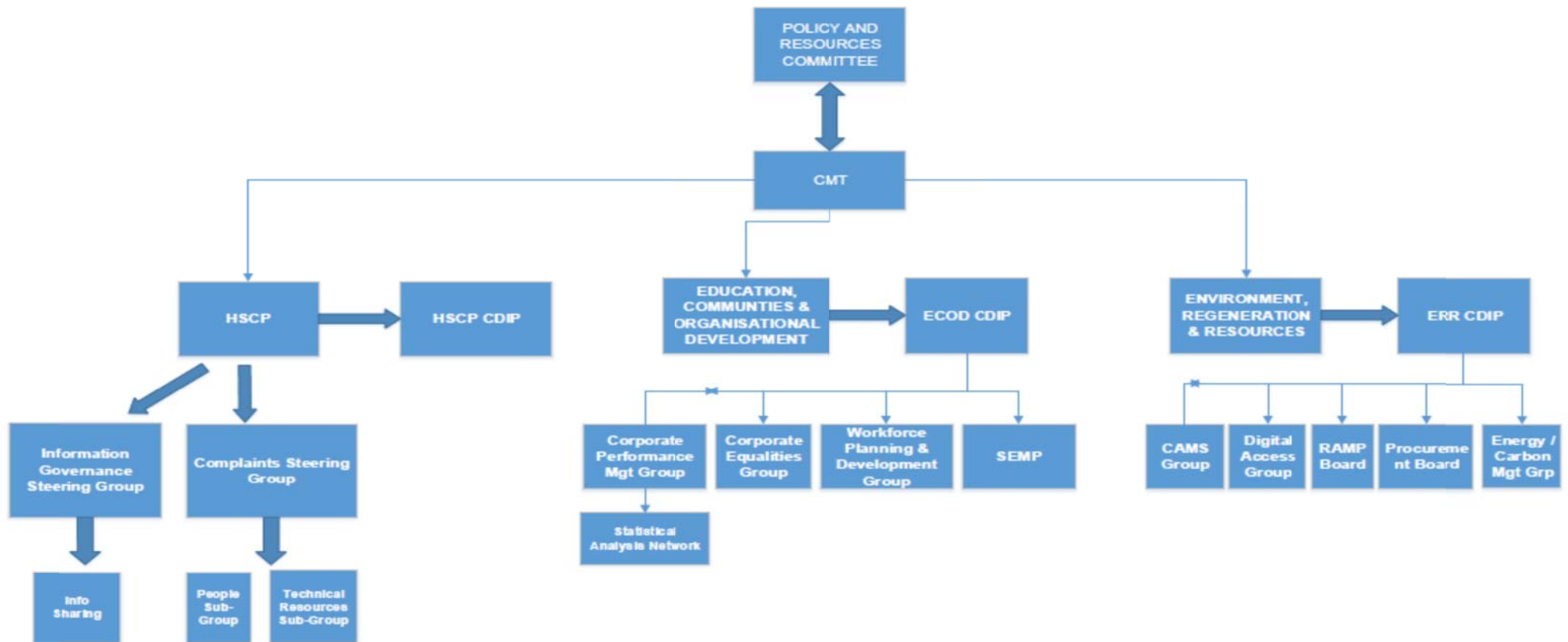
** Scottish Government Recycling Target – Service performance is expected to exceed this.

8. Appendix 1: Risk register

Corporate Directorate Improvement Plan: Environment Regeneration and Resources									
Risk Status as at 1 st April 2016 for 2016/2017 Activity									
Risk category: Financial (F), Reputational (R), Legal/Regulatory (LR), Operational/Continuity (OC)									
Improvement action	Risk no	Risk category	*Description of risk concern	Impact rating (A)	L'hood rating (B)	Quartile	Risk score (A*B)	Who is responsible? (name or title)	Additional controls/mitigating actions and time frames with end dates
All	1	F	There is a risk that as resources have been reduced and as more central direction is given on priorities that the Directorate may not be able to deliver actions within the resources outlined thus slowing down improvement delivery	2	3	2	6	DMT	Regular review of capacity and priorities via CDIP reports to Committee. Financial Budget has been set for 2016/2017.
All	2	F R LR OC	The ability to retain and/or recruit suitably qualified staff into key roles may impact on the delivery of actions detailed within the Directorate Plan.	3	3	1	9	DMT	Regular review of capacity and priorities via CDIP reports to Committee.
FIN1-FIN3	3	LR	There is a risk that the pace of changes within Revenues and Customer Services will change due to external factors thus leading to abortive work , duplication and uncertainty for customers and employees	3	3	1	9	CFO/ Revs & Customer Services Manager	Regular attendance at external briefings via COSLA /Professional Groups etc and sharing information with peers.

9. Appendix 2: Working Groups

Appendix 1: Proposed New Structure



Report To:	Policy and Resources Committee	Date:	17 May 2016
Report By:	Wilma Bain, Corporate Director, Education, Communities and Organisational Development	Report No:	PR/11/16/WB/MMcK
Contact Officer:	Miriam McKenna, Corporate Policy and Partnership Manager	Contact No:	01475 712042
Subject:	Education, Communities and Organisational Development Corporate Directorate Improvement Plan 2016/19		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the Policy and Resources Committee approval for the 'corporate' elements of the Education, Communities and Organisational Development Corporate Directorate Improvement Plan (CDIP) 2016/19.
- 1.2 The report also summarises the process for carrying forward the Inverclyde Council Corporate Statement 2013 – 2017.

2.0 SUMMARY

- 2.1 A new 2016/19 Education, Communities and Organisational Development Plan has been developed, informed by self-evaluation undertaken across the Directorate. The plan has been submitted to the Education and Communities Committee meeting, but as in previous years, the plan, along with the Environment, Regeneration and Resources CDIP, is submitted to this committee in relation to the corporate services.
- 2.2 The new CDIP 2016/19 is attached as an Appendix. The document includes the following sections: APPENDIX
 - Introduction to the Plan
 - Strategic overview
 - Summary of resources
 - Self-evaluation and improvement
 - 3 Year overview and improvement plan
 - Performance information
 - Legislative context
 - Risk register
- 2.3 In addition to the renewal of the CDIPs, the Council's Corporate Statement will come to its end at the end of the Financial Year 2016/17. It is proposed to bring a report to the next Policy and Resources Committee meeting in August 2016 suggesting that this Statement be extended until after the Local Government Elections to be held in May 2017, in order that any new Statement be developed in full engagement with the new administration.
- 2.4 It is also proposed that a briefing on the Education, Communities and Organisational Development CDIP, held jointly with Environment, Regeneration and Resources, on the CDIPs, be held for Elected Members in order to explore and discuss the plans more fully.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee:

- a. approves the Education, Communities and Organisational Development CDIP 2016/19
- b. agrees that a report be brought to the August meeting of this committee in regard to extending the life of the Corporate Statement
- c. agrees that a briefing for Elected Members be held on the Education, Communities and Organisational Development and Environment, Regeneration and Resources Corporate Directorate Improvement Plans.

Wilma Bain, Corporate Director Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 CDIPs are a key component of the Council's Strategic Planning and Performance Management Framework. They are the principal vehicle for managing and delivering the strategic outcomes in the Single Outcome Agreement 2013/17 and the Council's Corporate Statement 2013/17, as well as the wellbeing outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI).
- 4.2 The CDIP 2016/19 is based on a robust self-evaluation process. The Plan comprises a three year rolling plan which includes an overview for 2016/19, together with a one year detailed plan. It is proposed to deliver the initial improvement actions during 2016/17, followed by a yearly review and refreshment process.
- 4.3 The ECOD CDIP 2016/19 contains improvement actions to be delivered by the following Council Services: Education; Inclusive Education, Culture and Corporate Policy; Safer and Inclusive Communities; and Organisational Development, HR and Communications. The Policy and Resources Committee are asked to particularly consider the actions for Organisational Development, HR and Communications and Corporate Policy.
- 4.4 The Plan also contains key performance indicators, comprising statutory performance indicators and local performance indicators which provide an important measure of how the Directorate's Services contribute to the Council's strategic aims.
- 4.5 Reports on progress with delivery of the Corporate Services improvement actions will be submitted to every second meeting of this Committee.
- 4.6 In addition to the renewal of the CDIPs there will be a requirement to renew the Council's Corporate Statement in 2017, as it comes to an end at the end of March 2017. However, given that there is a Local Government Election to be held in May 2017, it is suggested that the existing Corporate Statement be carried over to the end of March 2018. This will enable engagement with the new administration to take place, to develop the new Statement. A report on this will be presented to the next meeting of this committee.

5.0 IMPLICATIONS

5.1 Financial implications - one-off costs:

Cost centre	Budget heading	Budget year	Proposed spend this report	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial implications - annually recurring costs/(savings):

Cost centre	Budget heading	With effect from	Annual net impact	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

- 5.2 Human Resources: There are no direct human resources implications arising from this report.
- 5.3 Legal: There are no direct legal implications arising from this report.
- 5.4 Equalities: The ECOD Directorate is committed to ensuring equality of opportunity in everything that it does. The Head of Education chairs the Corporate Equality Group

which takes the lead in ensuring the Council meets its obligations under The Equality Act 2010.

- 5.5 Repopulation: Provision of Council Services which are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde support the Council's aim of retaining and enhancing the area's population.

6.0 CONSULTATION

- 6.1 The appropriate ECOD officers were consulted on the development of the ECOD CDIP 2016/19.

7.0 CONCLUSION

- 7.1 The ECOD CDIP 2016/19 is presented for the Policy and Resources Committee approval. It is recommended that progress reports on the Corporate Services performance indicators and improvement actions from both the Education, Communities and Organisational Development and Environment, Regeneration and Resources CDIP's are submitted to every second meeting of this Committee.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 Corporate Directorate Improvement Planning Update – report to the Policy and Resources Committee on 18 September 2012

Revised Strategic Planning and Performance Management Framework – report to the Policy and Resources Committee on 14 August 2012

Education, Communities and Organisational Development

Corporate Directorate Improvement Plan 2016/19



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

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Gaelic

Tha an sgrìobhainn seo cuideachd ri fhaotainn ann an cànanan eile, clò nas motha agus air teip ma tha sibh ga iarraidh.

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

Mandarin

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Polish


Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.


Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

 Inclusive Education, Culture and Corporate Policy, Inverclyde Council, Wallace Place, Greenock, Inverclyde, PA15 1LZ

 01475 712042

 corporate.policy@inverclyde.gov.uk

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1. Introduction by the Corporate Director, Education, Communities and Organisational Development

On behalf of the Education, Communities and Organisational Development (ECOD) Directorate, I am pleased to present our Corporate Directorate Improvement Plan (CDIP) 2016/19. We carried out a comprehensive review of the original Plan early in 2016 to ensure that our improvement actions and performance information are still relevant to delivering the Council's wellbeing outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI).

The CDIP is an integral part of the Council's Strategic Planning and Performance Management Framework. It assists in shaping the strategic direction for the Directorate and outlines key programmes, actions and improvements which we will deliver during the next three years.

As a Directorate, our activities are clearly focussed around the concept of a *Nurturing Inverclyde*. This approach is based on the development of early intervention and preventative spend projects through partnership working. We aim to make Inverclyde a place which nurtures all its citizens, ensuring that everyone has the opportunity to enjoy a good quality of life with good mental and physical wellbeing. Our approach puts the child, citizen and community at the centre of service delivery. The improvement actions in this Plan are linked to the SHANARRI wellbeing outcomes which will help to deliver all the Single Outcome Agreement 2013/17 Outcomes and, in particular:

- Outcome 2 - Communities are stronger, responsible and more able to identify, articulate and take action on their needs and aspirations to bring about an improvement in the quality of community life;
- Outcome 6 - A nurturing Inverclyde gives all our children and young people the best possible start in life; and
- Outcome 8 - Our public services are high quality, continually improving, efficient and responsive to local people's needs.

Our CDIP has been developed using robust self-evaluation. The Directorate's four Services have taken into consideration a wide range of data, stakeholder views and reviewed how the services we deliver work to achieve the eight wellbeing outcomes. Each aspect of our Plan reflects national and local priorities and is focussed on improving the quality of our services and the lives of local children, citizens and communities.

Some of the key improvements which had already been agreed to be implemented during the course of the original CDIP include:

- the development of a new SOA from 2017 onwards to include the duties placed on the Council and Community Planning Partnership by The Community Empowerment (Scotland) Act 2015;
- further development of the Council's commitment to equalities consistently in Council Services to ensure better outcomes for people with protected characteristics;
- embedding the principles and techniques of good self-evaluation across Council Services;
- progressing the work of the *Nurturing Collaborative* to help deliver tangible improvements in outcomes and reduce inequalities for vulnerable children;
- the improvement of library and museum facilities in Inverclyde; and
- the delivery of the Scottish Attainment Challenge and Raising Attainment for All initiatives.

One of our greatest challenges in the coming year is to continue to deliver high quality services to our customers in extremely challenging financial circumstances. We are committed to adopting a solution-focussed and *can do* attitude to our work. We will continue to develop and promote robust self-evaluation both in our own Directorate and across the Council, in order to enhance current good practice and constantly develop and improve as a local authority.

Other challenges facing the Directorate during the next year include:

- a reduction in employees and pressure on service delivery levels
- implementation of major new legislation such as The Children and Young People (Scotland) Act 2014 and The Community Empowerment (Scotland) Act 2015
- welcoming and supporting refugees in our community
- tackling poverty
- implementing welfare reform
- closing the attainment gap
- helping our young people to stay safe
- a reducing population
- areas with significant levels of deprivation
- limited economic opportunities
- a growing elderly population
- legislative changes in employment law, health and safety and pensions
- changes in the National Terms and Conditions for Local Government Employees
- developing a new Local Housing Strategy for 2017/21
- reviewing the ageing public space CCTV in Inverclyde
- reviewing community facilities in Inverclyde
- labour market issues, particularly supply teacher shortages
- school re-provisioning and education service changes.

Examples of key achievements delivered by the Directorate during 2013/16 are:

- winning a CoSLA Gold Award in 2013 for the *Nurturing Inverclyde* approach
- winning a CoSLA Silver Award in 2013 for the Mentors in Violence Prevention initiative
- rolling out the Mentors in Violence Prevention initiative to a wide range of schools
- implementation of the No Knives, Better Lives Peer Education Group which helps deliver the No Knives Better Lives campaign – the initiative was the overall winner of the British Red Cross Humanitarian Awards 2015
- the Community Learning and Development (CLD) Service Adult Learning and Literacies winning a Scottish Qualifications Authority (SQA) Star Award as the Lifelong Learning Centre of the Year 2015
- Inverclyde has one of the highest Duke of Edinburgh participation rates
- opening of IYOUTHzones in Port Glasgow and Gourock; examples of the facilities offered at the venues are internet and computer access, arts and crafts, a pool table, café and meeting rooms
- the number of CLD staff and volunteers who were supported to develop their skills through increased opportunities for accreditation and training
- increased accreditation for Modern Apprentices in Youth Work
- the range of accreditation has increased to better meet learners' individual needs
- an Outreach and Engagement Customised Award was developed in partnership with the SQA
- we achieved Volunteer Friendly Award status, driving up the quality of volunteering programmes and recognising the contribution volunteers made to delivering CLD services
- we carried out an Adult Achievement Award pilot project
- we developed a Physical Education Strategy and implemented two hours of PE in every school in Inverclyde
- we implemented the Food Standards Agency's Cross-Contamination Guidance in all food businesses in the area
- we rolled out the Housing Energy Efficiency Programme in Inverclyde; over 1,300 social rented and privately owned homes benefited from this area-based programme
- a number of projects were completed under the Strategic Housing Investment Plan; 169 new affordable homes were built in Inverclyde
- we were recognised as a Living Wage accredited employer which means that everyone working at the Council receives a minimum hourly wage which is significantly higher than the national minimum wage
- the Council was recognised as the Best Government Services Employer in the UK 2016 at the Bloomberg Business Best Employer Awards 2016

- a partnership working pledge was established with the trades unions.

Through this Plan, we hope to support and challenge our employees to improve the quality of the services we provide. We look forward to building on the progress that has been achieved from 2013 to 2016 and continuing to make further achievements during the next three years.



Wilma Bain
Corporate Director, Education, Communities and Organisational Development

2. Strategic Overview

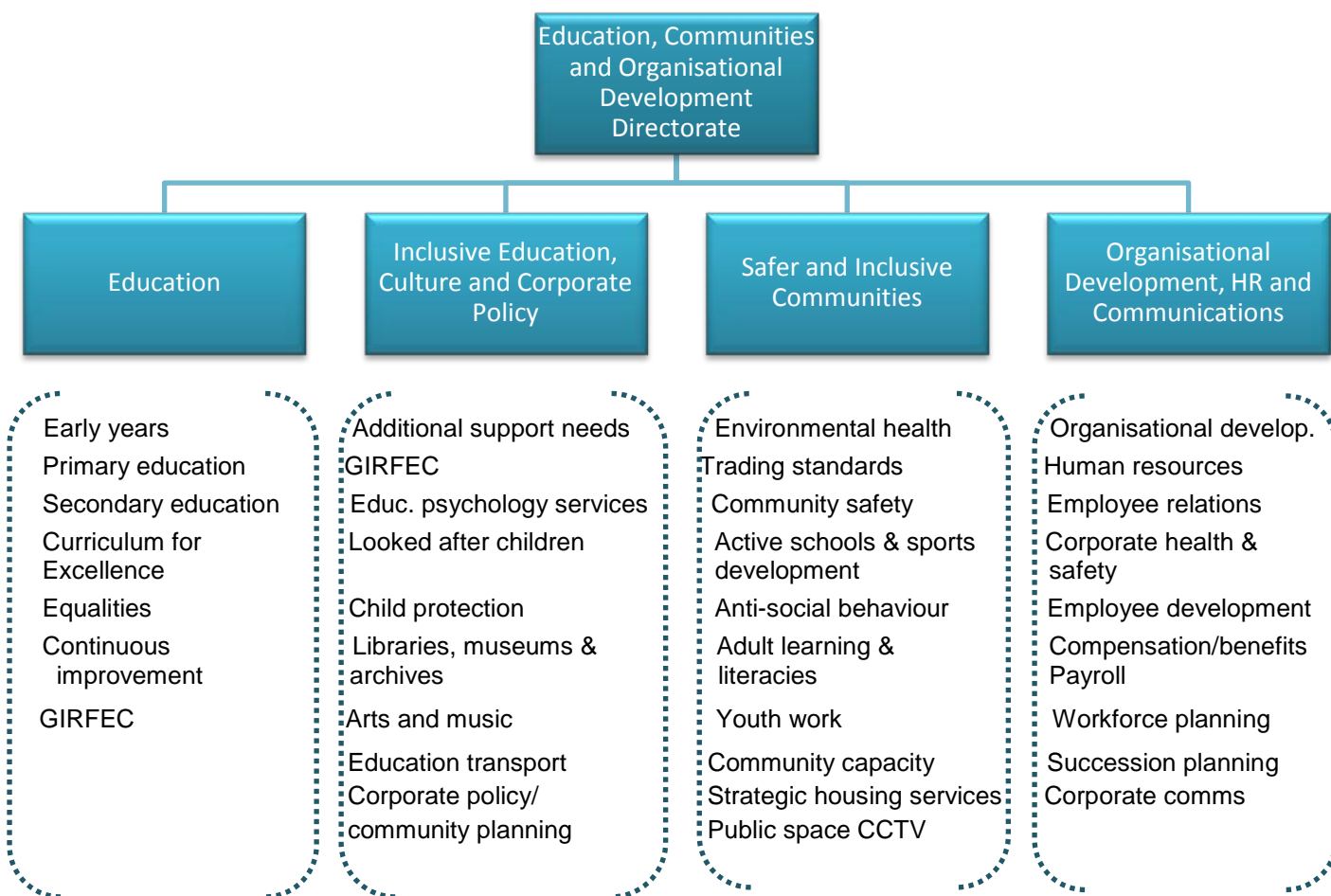
2.1 Purpose and scope of the Directorate

The primary roles of the Directorate are to:

- provide education, culture and lifelong learning;
- support safer and inclusive communities; and
- provide the corporate back office functions of human resources, organisational development, communications, corporate policy and partnership working.

These services all sit within the Council’s vision of a *Nurturing Inverclyde* where we are **Getting it Right for Every Child, Citizen and Community**, working towards the achievement of the wellbeing outcomes, where all our children, citizens and communities are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.

The Directorate comprises four services. The Directorate’s management structure is:



2.2 National and local context

New legislation emerging from the Scottish and UK Governments will directly impact on the nature of the services that the Directorate provides during the next three years. Legislation that will come into effect during the life of the Plan includes:

- The Children and Young People (Scotland) Act 2014
- The Community Empowerment (Scotland) Act 2015
- legislative changes in employment law, health and safety and pensions
- changes in the National Terms and Conditions for Local Government Employees
- The Education (Scotland) Bill 2015
- The Community Justice (Scotland) Act 2016.

There are a number of consultations around proposed issues such as Public Sector Exit Payments and the Trade Union Bill which we will keep abreast of, to be aware of any potential impacts on service delivery.

Additionally, between 2016/17 and 2017/18, the Scottish Parliament Elections and a Local Government Election will take place which may have an impact on legislation as well as national and local priorities. The 'rolling' nature of this Plan will allow services to adapt to any changes.

Public Sector Reform

Significant transformation for public services continues in Scotland with major reforms being undertaken by the Scottish Government in local government, health, social care and the uniformed services. Public services still face serious challenges with the demand for services set to increase dramatically over the medium term, while public spending becomes even further constrained. This means that the Council will, in effect, have to achieve more with less.

To manage this, we continue to identify where we can focus on early intervention, reducing costs and improving performance. This is a challenging agenda for the Council and the Directorate has a key role to play in helping the Council get it right by providing support for parents and young children at the early stages of a child's life; helping children and young people to achieve in education and move onto employment; providing further learning and training opportunities; tackling anti-social behaviour at an early stage and improving our other prevention work.

In addition to the above, the Directorate operates and delivers services within a diverse policy and legislative framework which is detailed below:


All Services in the Directorate

- The Equality Act 2010
- Curriculum for Excellence
- The Community Empowerment (Scotland) Act 2015
- The Schools (Health Promotion and Nutrition) (Scotland) Act 2007
- The Children and Young People (Scotland) Act 2014
- The Mental Health Strategy for Scotland 2012/15
- Working for Growth: A Refreshed Employability Framework for Scotland 2012
- Strategic Guidance for Community Planning Partnerships: Community Learning and Development 2012
- The Requirements for Community Learning and Development (Scotland) Regulations 2013
- National Improvement Framework
- The Welfare Reform Act 2012
- The Local Government in Scotland Act 2003
- The Early Years Collaborative
- The Raising Attainment for All Programme 2015
- Scottish Attainment Challenge


There is also legislation which is specific to the Directorate's individual Services some of which is attached as Appendix 1. Much of the legislation is listed in the Council's scheme of delegation <http://www.inverclyde.gov.uk/law-and-licensing/standing-orders-and-scheme-of-administration>.

2.3 Customer focus

The Directorate's customer base is varied and wide. It includes all Inverclyde's children and their parents, those living in communities served by the Community Wardens, as well as communities supported by Community Learning and Development (CLD) employees. It also extends to the media, people with an interest in libraries, culture and the arts, as well as those that are seeking employment with the Council. In addition, the Directorate provides support to colleagues in the Council through the functions of Corporate Policy and Organisational Development, Human Resources and Corporate Communications.

Corporate customer engagement takes place through our  [Citizens' Panel](#) which the Inclusive Education, Culture and Corporate Policy Service has responsibility for. Two Citizens' Panel surveys are carried out each year, the results of which are reported to the Council's Policy and Resources Committee and posted on the Council's website. Newsletters are also sent to Citizens' Panel members to let them know how their comments have been taken on board.

Council Services use customer engagement as an essential tool to measure satisfaction and feedback received is used to improve service delivery. Other forms of customer engagement carried out by the Directorate during the past three years include:

- food hygiene inspections of business premises under a new cross-contamination inspection regime
- an end of programme evaluation for all CLD participants (on-going)
- a survey of young people to ascertain the need for a town centre youth facility
- a survey of employee new starts and leavers (on-going)
- feedback forms were issued to all delegates attending corporate training courses (on-going)
- online survey of applicants and the wider public using the national recruitment portal  [My Job Scotland](#) (on-going)
- in partnership with the Health and Social Care Partnership, a Health and Wellbeing Survey was conducted in all secondary schools in Inverclyde in 2013; the Survey was followed up in 2015 by a Health and Wellbeing Conference for young people entitled *#Clyde Conversations*
- an Employee Survey was carried out in Winter 2015
- our Budget Consultation process
- learner-led action research in adult literacies
- Libraries engagement on the relocation of the Central Library.

Between now and March 2019, we plan to engage with our stakeholders in the following ways:

- a public consultation on the School Transport Policy
- development of a Youth Participation Strategy
- developing a 'penny for youth thoughts' Youth Council
- a second *#Clyde Conversations* conference for young people
- further budget consultation processes
- development of a new Single Outcome Agreement and building community capacity to engage
- carrying out a geographical needs and strengths assessment
- development of locality plans
- development of a Local Housing Strategy 2017/21
- learner-led action research
- Café Conversations - needs analysis events for English for Speakers of Other Languages learners
- an Employee Survey
- on-going evaluation on the Libraries service delivery.

We also carry out formal and informal engagement with customers through pupil councils, the Youth Council, parent councils and community groups, Adult Learners Forum in Inverclyde and the WOOPi Advisory Group, as well as on-going engagement with individuals through the Community Wardens' service.

The Council's educational psychology service (EPS) engaged in a Validated Self-Evaluation Activity in partnership with the Education Authority, key local authority partners/stakeholders and HM Inspectors, Education Scotland. The themes reflect the Scottish Government's national priorities and relate to the contributions made by the EPS to raising attainment, addressing disadvantage and supporting and implementing *Getting it Right for Every Child*. The evaluative activity enabled the EPS to evidence the impact and outcomes of early intervention and prevention across the full range of service delivery.

Additional stakeholder services that we engage with include other public sector organisations and the voluntary sector through community planning and the development of the Single Outcome Agreement 2013/17. The Community Planning Partnership includes the Third Sector Interface which is the medium through which the Partnership engages with the voluntary sector.

Additionally, through community planning, community engagement is co-ordinated through the Community Engagement and Capacity Building Network. The Network engages with a wide variety of audiences around the local Single Outcome Agreement Outcomes and other topic areas.

2.4 Equality

The ECOD Directorate is committed to ensuring equality of opportunity in everything that it does. The Head of Education chairs the Council's Corporate Equality Group, which takes the lead in ensuring the Council meets its duties under The Equality Act 2010.

Services carry out equality impact analysis (EIA) on new or significantly changing policies, strategies and procedures, as well as on budget saving proposals. EIAs completed or planned by the Directorate include:

Completed

- Pay and Grading Model
- Stress Policy
- Conditions of Service
- Single Outcome Agreement 2013/17
- Inverclyde Libraries Service Plan 2014/15
- Inverclyde's Sexual Health Action Plan
- Inverclyde Sports Framework
- The Watt Library Complex Heritage Lottery Fund bid
- Budget saving proposals

Planned

- McLean Museum Service Plan
- Schools Transport Review
- Equality and Diversity at Work
- Supporting Attendance Policy
- Infection Control Policy
- Conditions of Service
- Respect and Dignity at Work
- 3 Year Plan for Community Learning and Development
- Single Outcome Agreement 2017/22
- Proposed budget savings
- Revised Pay and Grading Model

The Council also has a series of Equality Outcomes and every Service in the Directorate will continue to work towards the achievement of these during the next year. Details of these Outcomes can be viewed here [🔗 Equality and Diversity](#).

The Council's overarching Equality Outcomes are:

1. through an increase in third party reporting facilities, people with protected characteristics feel safer within their communities and levels of hate crime are reduced
2. Council employees and Elected Members are able to respond confidently and appropriately to the needs of service users and colleagues who have protected characteristics
3. increased targeted engagement with Inverclyde's children, citizens and communities who have protected characteristics
4. all Services consistently gather and analyse information on their service users by protected characteristics, where appropriate, which is used to inform improvement planning.

In section 6 of this Plan, there are a number of improvement actions of particular relevance to delivery of the Council's duties under The Equality Act 2010. These have been gathered into the Council's Equality Outcomes document (which can be viewed via the above web link) to show how each service area is working to deliver the general and specific equality duties and work with people with protected characteristics. The Council will prepare and publish a set of equality outcomes for 2017 as part of the on-going 4 yearly update process.

The performance management of this document will help the Council to monitor how it is performing towards the achievement of its Equality Outcomes.

2.5 Sustainability of the environment

The Directorate supports implementation of the Council's flagship *Green Charter* environmental policy which aims to reduce energy and waste and promote the sustainable use of resources in the Council and across our community. For example, employees are encouraged to use the recycling facilities provided in Council premises or participate in our *Cycle to Work* scheme. The scheme is a Government-approved salary sacrifice initiative which allows staff to hire a bike and accessories to a value of £1,000 for the purpose of cycling to work (or for part of the journey). The project assists employees to reduce journey costs, traffic congestion and pollution; it also helps to support performance of one of our sustainable development performance indicators i.e. *to reduce CO₂ emissions within the scope of influence of the local authority*, also known as our *area-wide emissions*.

The Directorate's Services are encouraged to help the Council reduce its carbon emissions which in turn supports delivery of the Council's Carbon Management Plan 2011/16. Employees are provided with information to help them reduce their energy consumption in the office, for example, by switching off monitors when not using PCs; turning lights off; buying recycled paper; restricting the use of colour printing; considering the environment before printing any documents and turning taps off after use.

Our educational establishments also have a critical role to play in the implementation of our corporate *Green Charter* environmental policy by promoting sustainable development and environmental sustainability. It is vital that young people gain an early understanding of key environmental issues and become aware of ways they can make a difference through their personal actions. Our *Schools Green Charter* initiative therefore seeks to reduce the environmental impact of Inverclyde's educational establishments and help promote a culture of environmental sustainability by educating young people on the subject of sustainability. Every school in Inverclyde has signed up to the *Green Charter* with a view to taking actions to reduce their environmental impact and achieve the *Eco Schools Green Flag* award.

The delivery of our School Estate Management Plan aims to ensure that all Inverclyde schools are replaced or fully modernised by 2020. Mindful of research into the positive impact of good environmental conditions

on pupil attainment, the designs for our new schools place a strong emphasis on natural ventilation, high levels of natural day light and appropriate temperature control, together with energy and carbon reduction measures. This is further enhanced with other environmental sustainability initiatives such as a small wind turbine at Inverclyde Academy, a biomass boiler at the joint campus in Port Glasgow and photovoltaic cells at various sites.

To promote energy efficiency in our communities, the Directorate works in partnership with Home Energy Scotland (HES), the Inverclyde Home Energy Advice Team (iHEAT), the Home Energy Efficiency Programme (HEEPS) and the Scottish Energy Efficiency Programme.

HES provides information about heating and insulating homes, saving energy and cutting costs. iHEAT offers a free and impartial home visit service, as well as advice on all aspects of home energy use, including how to reduce energy bills. The Council also promotes grant availability and improved energy efficiency to owners through the HEEPS programme. To find out more about these services, visit [Home Energy Efficiency Services](#).

2.6 Risk management

The key risks that the Directorate faces include:

- financial - financial pressures are affecting all public sector agencies and the Directorate needs to closely monitor budgets to ensure service delivery remains efficient, effective and value for money;
- reputation - potential for lack of buy-in and support for local government benchmarking projects and equality and diversity outcomes could lead to non-compliance with legislation or adverse external criticism resulting in a negative impact on the Council's reputation;
- legal and regulatory - potential for lack of support and buy-in could lead to non-compliance with legislation particularly regarding The Equality Act 2010, The Community Empowerment (Scotland) Act 2015 and the Statutory Performance Indicators Direction 2015; and
- operational and business continuity - potential for possible inconsistencies in the roll-out of corporate systems and the potential for failure to implement policies and procedures could all have detrimental impacts on operational and business continuity.

The detailed risk management plan is attached at as Appendix 2 on page 69.

Opportunities exist to act in a more corporate manner across Directorates in order to reduce risks and these will be explored over the life of this plan.

2.7 Competitiveness

As part of the requirement to demonstrate best value, the ECOD Directorate sets out its approach to the competitiveness agenda as part of this CDIP.

Competitiveness is a complex area and not simply an issue of delivering services for the least cost. In the public sector, competitiveness can perhaps be better described as *challenge* and *improvement* as this is what the Directorate requires to do to drive continuous improvement and best value.

The Audit Scotland *Best Value Toolkit 2010: Challenge and improvement* sets out the following definitions:

Challenge

- The organisation has a proven record of adjusting its services as a result of internal or external challenge, achieved with an improvement of services.

- The organisation can justify that its delivery methods, whether in-house or otherwise, offer best value, within the context of its wider objectives.
- As part of its strategic approach to procurement and commissioning it undertakes objective options appraisal to explore and optimise a wide range of contract or partnership options. The organisation understands the impact of its activities on the local economy, and makes decisions based on clear policy objectives.

Improvement

- The organisation continually challenges and improves its performance. It has reviewed, or has plans to review, its services to ensure best value - an improvement programme is in place which takes account of customer and staff feedback and is readily available to citizens. It assigns responsibility, accountability and resources appropriately following improvement reviews.
- It uses the 'four Cs' (Consult, Compare, Challenge, Compete) effectively in reviewing services. Reviews are timely and the council can demonstrate improved outcomes and value for money as a result. Improvements are targeted in line with priorities, and performance indicators and satisfaction measures in reviewed areas are satisfactory or improving.
- It can demonstrate impact through improved service, or governance outcomes, and monitors and regularly reviews the quality and progress of its improvement activity.

Our self-evaluation guidance *Are we Getting it Right for Every Child, Citizen and Community?* supports the Directorate to carry out robust self-evaluation, using data from a variety of sources which informs the development of improvement actions, including those set out in section 6 of this Plan. A variety of processes are used to gather the data which informs on-going self-evaluation across the Council and is used to develop and adapt services to better meet the needs of customers.

The benchmarking information derived from the Improvement Service's Local Government Benchmarking Framework (LGBF) will also inform areas where the Directorate will focus attention and carry out further detailed internal analysis, in addition to learning from better performing councils.

The Council is currently involved in a number of LGBF benchmarking family groups around the topics of libraries, equalities, museums, human resources and looked after children. The family group process is used to assess performance, learn from good practice, highlight the Council's own good practice to other authorities and deliver improvement across the local authorities who make up the groups.

In addition to the LGBF family groups, a number of the Directorate's service areas already participate in well-established benchmarking activity such as:

- environmental health via the Association for Public Service Excellence, with future development of Trading Standards
- health and safety
- HR policy
- Education Services' benchmarking across local and national networks, as well as WITH our 'virtual comparators'
- educational psychology benchmark with neighbouring services (Argyll and Bute, West Dunbartonshire, Renfrewshire, North Ayrshire)
- through the Scottish Attainment Challenge initiative, we will benchmark with the other six authorities involved
- for school attainment, virtual comparison is now possible through the INSIGHT system (an online tool for secondary schools and local authorities to benchmark and improve the performance of pupils in the senior phase); comparisons can be made at authority level, school level and wider achievement
- employee survey benchmarking via Public Service Improvement Framework network
- the Duke of Edinburgh Awards Scheme is compared on a yearly basis, for example, participation rates, success and completion
- submitting core facts on our school estate to Scottish Government which is published annually for all authorities

- submission of Active Schools Monitoring reports to **sportScotland**.

Over the years we have worked with other local authorities to help them learn from our good practice and vice versa. Education Scotland inspections show that we perform really well in our schools in comparison to our comparator authorities and the Council has been working with the Scottish Government regarding the implementation of The Children's and Young People (Scotland) Act 2014 to develop examples of good practice from Inverclyde.

The development of the Participation measure (which will follow on from the School Leavers Destination Results) will allow CLD services across the board to compare like for like as well as identify how well Inverclyde is doing in relation to its virtual comparators and/or comparator authorities.

The developing Scottish Improvement Framework will compare literacy and numeracy via Standardised Testing and indicators for health and wellbeing, which will allow services to benchmark to identify how well we are supporting all our children and young people.

3. Summary of Resources

The Directorate's budget for 2016/18 is outlined below

Expenditure and FTE numbers

Resource Statement: Education and Communities

<u>Service</u>	<u>2016/17</u>			<u>2017/18</u>		
	<u>Gross Exp</u>	<u>Net Exp</u>	<u>FTE</u>	<u>Gross Exp</u>	<u>Net Exp</u>	<u>FTE</u>
	<u>£000's</u>	<u>£000's</u>	-	<u>£000's</u>	<u>£000's</u>	-
Director	141	141	1	141	141	1
Education	71528	70311	1030.34	71492	70255	1024.34
Inclusive Education, Culture	12424	11443	303.78	12424	11435	303.78
Safer & Inclusive Communities	9302	8562	155.3	9252	8505	155.3
Education & Communities Committee Total	93395	90457	1490.42	93309	90336	1484.42
Organisational Development & Human Resources	1786	1610	37.86	1763	1587	37.86
Corporate Policy	188	188	3	188	188	3
Policy & Resources Committee Total	1974	1798	40.86	1951	1775	40.86
Education and Communities Directorate Total	95369	92255	1531.28	95260	92111	1525.28

4. Self-Evaluation and Improvement Plan

The Improvement Plan for the Directorate is attached at section 6. It has been developed based on robust self-evaluation using both formal (such as external audit, inspection reports, validated self-evaluation) and informal self-evaluation techniques (such as service self-assessment).

Self-evaluation carried out by the services in the Education, Communities and Organisational Development Directorate includes:

- **Human Resources and Organisational Development** – review of performance indicators; Public Services Improvement Framework review undertaken in 2015; general benchmarking of HR policies and practices across Scotland; gathering best practice; self-assessment against the Annual Governance Statement; Internal Audit reports; customer satisfaction survey (HR Operations); CDIP performance reporting; employee opinion survey
- **Corporate Communications** - national communications advisory group (cross-boundary working and campaigns, links into other organisations, for example, the Scottish Government marketing team), employee opinion survey
- **Educational Psychology** – validated self-evaluation; annual review with the senior management team members; evaluation of professional development initiatives; Education Scotland; audit of reciprocal teaching; cross-authority work with West Dunbartonshire; Education Scotland good practice visits
- **Libraries and Museums** – internal service self-evaluation using the Public Libraries Quality Improvement Framework Toolkit; involvement in the Clydeview Learning Community inspection; customer engagement exercises
- **Corporate Policy** – using the Scottish Performance Management Forum to benchmark and peer review; the Local Government Benchmarking Framework; customer satisfaction survey; Audit Scotland Assessment of Public Performance Reporting; self-assessment against Audit Scotland reports; leadership evaluation for community planning; Citizens' Panel surveys.
- **Education** – Standards and Quality reports at both centre and service level, Improvement Plans at both centre and service level, How Good is Our School? 3 and 4, How Good is our Early Learning and Childcare? The National Improvement Framework, School and Care Commission inspection reports, self-assessment against the requirements of the Education (Scotland Bill), Insight Benchmarking toolkit, School reviews.
- **Safer and Inclusive Communities** – development of the Association for Public Sector Excellence Performance Network for Environmental Health; internal audits of Trading Standards and Environmental Health; external audit of Food Safety by Food Standards Scotland; ASSD benchmarking of Active Schools monitoring data; Education Scotland inspection of the Clydeview Learning Community included an assessment on *How Good is our Culture and Sport?*; regulatory benchmarking via the Scottish Food Liaison Committee, West of Scotland Food Liaison Group, West of Scotland Health and Safety Liaison Group, Health and Safety Co-ordinating Group, Public Health and Housing Liaison Group, Scottish Pollution Control Co-ordinating Committee, Scottish Health Protection Network, Society of Chief Officers of Environmental Health, Society of Chief Officers of Trading Standards Scotland (and sub groups), Association of Local Authority Chief Housing Officers.

The main findings from our self-evaluation were:

- **Human Resources and Organisational Development** – Performance indicators are improving, some internal communication and training issues require to be addressed, some service improvements have been highlighted, Inverclyde Council tends to be similar to other authorities regarding HR policy and practices. The Annual Governance Statement highlighted areas requiring action; internal audit improvement actions in our action plan; customer satisfaction surveys highlighted good practice with high satisfaction in some areas together with other areas for improvement; many indicators in our own employee opinion survey have improved on 2013 responses.
- **Educational Psychology** – the validated self-assessment affirmed that Educational Psychology has robust self-evaluation processes in place, contributing positively to a reduction in exclusions

and an increasing number of pupils educated in their local communities. Annual reviews evidence significant contributions to supporting school staff in meeting the needs of children and young people in educational establishments. The implementation of Positive Relations, Positive Behaviour Policy has had a positive impact. A review of reciprocal teaching identified further needs for support in roll-out while the good practice visit captured work on meeting the mental health needs of children and young people.

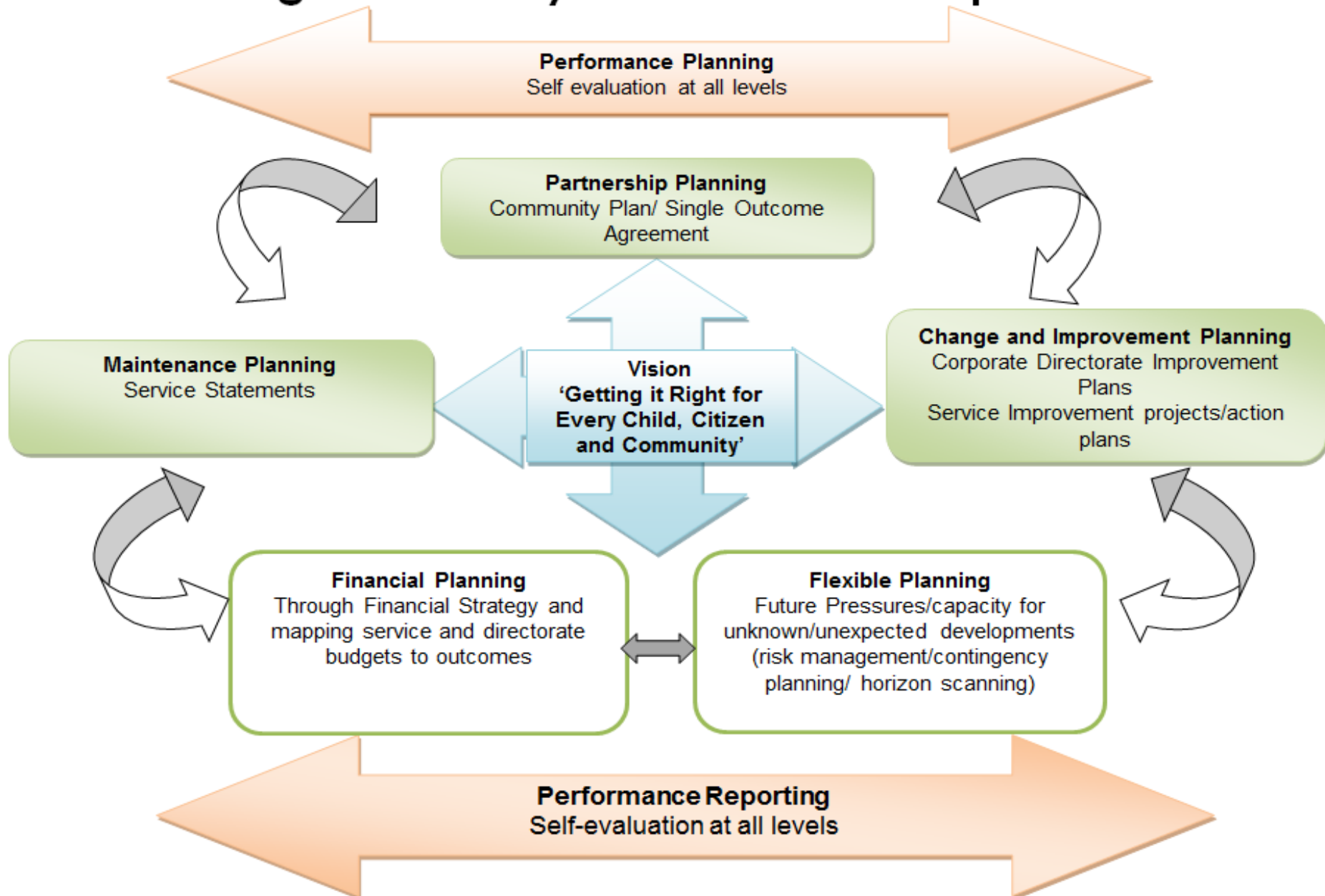
- **Libraries and Museums** – Small service delivery improvements were identified which feed into service planning, vision and strategy development. Customer feedback mechanisms have been developed.
- **Corporate Policy** – developments regarding Public Performance Reporting to include the creation of infographics; customers are generally happy with the service provided. Further improvement actions identified for the Community Planning Partnership include leadership, vision and relationships, which will be supported by the service.
- **Education** – new priorities have been identified regarding to The Education (Scotland) Bill, benchmarking has highlighted Inverclyde attainment levels compare well with our virtual comparators, but continued work is required to support our pupils, there remains an attainment gap between our most and least affluent communities.
- **Safer and Inclusive Communities** – both external and internal audits indicated that the service delivered was *good* or *very good*. Through benchmarking via Association for Public Sector Excellence, some room for improvement has been identified, although this process is still at an early stage. Trading Standards was identified as being too small to be resilient but internal reorganisation and recruitment should ensure that the service is stronger going forward. ASSD is progressing well, although additional effort will be required to maintain progress on two hours of PE per week in schools. The *How Good is our Culture and Sport?* and Community Learning and Development parts of the inspection of Clydeview Learning Community identified an *excellent* and three *very goods*.

Strategy development and service reviews which will be taking place over the life of this plan include:

- revision and development of volunteering in Inverclyde
- preparation, approval and delivery of the Council's People and Organisational Development Strategy
- Community Safety Strategy
- Waivers' Policy
- School Transport Review
- Anti-Social Behaviour Strategy Review
- Review of summer playschemes.

The diagram on the following page sets out the planning cycle for the Council, including the various levels of planning that take place. All of this requires to be underpinned by self-evaluation. Corporate Directorate Improvement Plans sit within change and improvement planning but are underpinned by all other aspects of planning, particularly financial planning.

Planning for Delivery and to Secure Improvement



5. Education, Communities and Organisational Development 3 Year Overview

The *Nurturing Inverclyde* wellbeing outcomes are detailed on page 20. A summary of the overarching three year improvement priorities for our Directorate are outlined on the pages 21/22; they have been expressed in the context of the wellbeing outcomes. The overarching improvement priorities extend from year one to year three.

In addition to Directorate's improvement priorities, there are also aspects of our work which are on-going: work that is significant but nonetheless can be classified as *business as usual*. These areas of work are captured in the Service Statement and Standards for each service area. The improvement priorities and associated actions are very much focused on the improvements we plan to make during the next 1-3 years. Monitoring of the maintenance or 'business as usual' activity is undertaken by individual Directorate and Service Management teams, as well as through the performance reporting under the Council's Statutory Performance reporting, including the Local Government Benchmarking Framework indicators. Additionally, for specific pieces of work, there are other reporting mechanisms to the Council's committees.

The Directorate Year 1 Action Plan follows the three year overview, broken down into:

Section	Actions	Page
5.1	Corporate Improvement Actions	23
5.2	Cross Directorate Improvement Actions	29
5.3	Service Improvement Actions	35
5.4	Capital Projects Improvement Actions	46
5.5	Corporate Governance Improvement Actions	48.

Successful Learners

Confident Individuals



Effective Contributors

Responsible Citizens

3 Year Improvement Overview

Education	Wellbeing Outcome
Review and development of Equality Outcomes (CA 1)	Respected; Included
Implementing the duties of The Education (Scotland) Bill and Children and Young People's Act (Ed1 and CD1)	Achieving; Nurtured; Safe
Development of systems to monitor attainment in Broad General Education (Ed2)	Achieving
Developing Inverclyde's Young Workforce (CD5)	Achieving; Included
Supporting educational establishments with the new self-evaluation frameworks, for example, <i>How good is our school? (fourth edition)</i> (Ed4)	Achieving
Progression of the Scottish Attainment Challenge, Raising Attainment for All and the Early Years Collaborative (CD2)	Achieving; Nurtured
Implementation of 1+2 modern languages strategy – 3rd language element (Ed5)	Achieving;
Development of online payments, for example, for school meals (Ed6)	Included
Plan for the national requirement regarding the significant expansion of hours for early years and childcare provision (Ed7)	Nurtured
Safer and Inclusive Communities	
Launch of the Rankin Park Mountain Biking Hub and development of the Associated Schools Programme (SIC1)	Healthy; Active
CCTV review and re-provisioning (SIC2)	Safe; Respected; Responsible
Implementation of the Scottish Energy Efficiency Programme (SIC3)	Healthy; Safe; Responsible
Implement the new legislation on Tobacco Control and the development of a Trusted Traders Scheme (SIC 4 &5)	Responsible; Healthy; Respected
Increase volunteering in Inverclyde (CD3)	Respected; Responsible
Implementation of the Adult Literacies In Scotland 2020 (CD4), Accreditation of CLD supported qualifications (SIC6) and development of Adult Learning pathways (SIC8)	Achieving; Included
Implementation of National Entitlement cards (CD6)	Respected; Responsible
Implement Youth Work Outcomes (SIC7) and develop a Youth Participation Strategy (CA5)	Respected; Responsible
Human Resources, Organisational Development and Corporate Communications	
Corporate Workforce Planning and Development (CA6)	
Development and implementation of a Corporate Communications Strategy (ODHRC1)	Achieving
Implement the new Job Evaluation Scheme (ODHRC2)	Responsible
Implementation of People and Organisational Development Strategy 2016/19 (ODHRC3)	Respected, Included
Implementation of Council's Health and Safety plan 2016/19 (ODHRC4)	Safe, Healthy, Responsible

3 Year Improvement Overview

Inclusive Education, Culture and Corporate Policy	
Support the implementation of The Community Empowerment (Scotland) Act 2014, for example, delivery of the new Local Outcomes Improvement Plan/SOA as well as the development of an approach to support services to implement locality planning (CA2 and CA4)	Included; Responsible
Support new planning and reporting requirements with other Council Services, for example, regarding Statutory Performance Indicators and prepare for new Best Value Audit regime (CA4)	Responsible
Implementing the recommendations from the Additional Support Needs Review (IECCP1)	Nurtured; Included; Achieving
Implementing the recommendations from the National Strategy for Public Libraries (IECCP2)	All
All	
Engagement with Young People (CA7)	Respected

Corporate Improvement Actions 2016-17

6.1 Corporate Improvement Actions

These actions have implications for the whole Council, or more than one Directorate, not just the Education, Communities and Organisational Development Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CA1	Equality and Diversity	<p>Equality Outcomes were agreed in 2013 and these have to be reviewed at four yearly intervals.</p> <p>Equalities Officer in post, Corporate Equalities Group meets regularly.</p> <p>LGBT Youth Group established and meeting regularly.</p> <p>Syrian and Afghani refugee families continue to settle in Inverclyde</p>	<p>Refreshed Equality Outcomes, based on engagement with services and communities, are in place for the end of April 2017.</p> <p>A report on progress on Equality Outcomes is prepared over 2016 and published in April 2017.</p> <p>LGBT Chartered Status</p> <p>Communication strategy for LGBT young people and adults</p> <p>Families are supported to live in Inverclyde, with particular support in place to help them to integrate into the local culture.</p>	<p>Corporate Equality Officer, working with the Corporate Equality Group to engage re Equality Outcomes and draft new set, as well as develop the report on progress.</p> <p>A LGBT group for adults is set up and meeting regularly to support local LGBT population</p> <p>Produce information and guidance (within one year)</p> <p>Identify ways to celebrate diversity in Inverclyde. Foster good relations/ understanding with communities and new migrants.</p>	<p>New/ refreshed Equality Outcomes are in place to the timescale.</p> <p>Progress report is published.</p> <p>Group is established and growing</p> <p>Guidance implemented Positive outcomes</p> <p>Delivery of ESOL and ethnic minority services</p> <p>Staff training delivered, e.g. Refugee Council training</p>	<p>Ruth Binks/ Janice Boyd</p> <p>John Arthur/ CLD</p> <p>Corporate Equality Group/ HSCP/ Education</p>	<p>Within existing resources</p>	<p>Respected, Included</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
				Work with families to tackle gender inequality.	Range of events held to celebrate and encourage understanding of diversity			
CA2	The Community Empowerment (Scotland) Act 2015	<p>Elements of the Act will come into force throughout 2016/17. The Council and the Community Planning Partnership (CPP) are aware of what is required but specific pieces of work will need to be undertaken.</p> <p>Inverclyde Alliance and the HSCP have agreed what the localities are for Inverclyde</p> <p>The draft guidance for delivering the Act was released in March 2016.</p> <p>Initial assessment against requirements of the Act has been carried out across Legal, Property, CLD, HSCP, Corporate Policy/ Community Planning.</p>	<p>The Council and the CPP are ready for the implementation of the Community Empowerment (Scotland) Act 2015, working with partners to deliver on the statutory requirements. Each element is in place across all Services.</p> <p>There are locality profiles and plans for the agreed localities across Inverclyde, mapping assets and issues, agreed with and led on by communities.</p> <p>Services/CPP partners and communities use these profiles to plan service delivery, targeting inequalities and working to reduce them</p>	<p>Respond to Scottish Government guidance.</p> <p>Bring the improving data analysis group together to gather information around the agreed localities</p> <p>Facilitate improved community engagement in the development of Locality Plans and community planning through Wellbeing Clusters and the development of more robust community engagement methods, including Place Standard</p> <p>Timescale: September 2016 Set up working groups to cover each element, for example, legal, environmental,</p>	<p>Locality plans are available for Port Glasgow, Greenock East and Central South and South West.</p> <p>Community Food Growing Strategy in Place</p> <p>A broader range and number of individuals and community groups are engaged and contributing to the development and delivery of Locality Plans and community planning.</p> <p>The Council is ready to manage participation request and asset transfer requests</p>	Angela Edwards/ John Arthur/ Gerard Malone	Within existing resources	Included, Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
				community learning and development, property etc. Create a community food growing strategy.				
CA3	Single Outcome Agreement (SOA) 2017 onwards	The current SOA is coming to the end of its planning period and a new document will require to be drafted for 2017 onwards The Community Empowerment (Scotland) Act has implications for the SOA, for example, locality planning and tackling inequalities. It also calls for Local Outcome Improvement Plans which may build on current SOAs.	Community engagement has taken place to help develop the new SOA and to assess whether the current outcomes are appropriate. New Local Outcome Improvement Plan/ SOA agreed and being delivered.	Carry out a strategic assessment to inform the new SOA, including engagement with communities Use locality profiles to inform development of the SOA Timescale: 31 March 2017	Community Engagement taken place. SOA produced and agreed by all partners.	All SOA Leads	Within existing resources	All SOA and Wellbeing Outcomes
CA4	Revise approach to meet the new Best Value Audit regime	Audit Scotland has changed the requirements under the SPI direction 2015 (for 2016/17 financial year) and is introducing a new process for Best Value Auditing in 2016. We have a suite of key performance indicators	More robust performance information that meets the requirements of the new Audit Scotland Statutory Performance Indicator Direction 2015. The PIs that are reported to committee	Work with Services to review current PIs and develop new indicators/delete indicators, where appropriate Develop PIs that are captured on Inverclyde Performs and create	All performance information is up to date and on Inverclyde Performs Audit Scotland deliver a positive appraisal of our PPR arrangements	Corporate Policy Team/key Service performance indicator officers	Within existing resources	Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
		<p>(PIs) that we report annually as part of our statutory public performance reporting requirements.</p> <p>Other PIs are reported to committee at every second meeting.</p> <p>As part of the process of developing CDIPs we have been gathering evidence of how the organisation self-evaluates and uses this to improve services</p>	<p>complement our PIs for PPR; we need a more joined up approach</p> <p>Services are in the habit of updating PIs on a monthly/quarterly basis using Inverclyde Performs</p> <p>Inverclyde Council can evidence how it promotes and works to achieve best value.</p>	monthly/quarterly indicators.	Positive Best Value Audit report from Audit Scotland.			
CA5	Engagement with young people/Youth Participation Strategy	<p>A range of opportunities exists for young people to become active citizens in relation to their schools, services for young people and community. However, there is scope for strengthening links and for the impact of these activities to enhance engagement.</p> <p>The Council is developing an Inverclyde</p>	<p>Young people across Inverclyde have a range of co-ordinated opportunities to be involved in decision making affecting their schools, services for young people and communities</p> <p>Young people's voices are heard and their</p>	<p>In partnership with Inverclyde's young people and community planning partners, progress the action points arising from the Health and Well Being Survey conducted in secondary schools in 2014 and at the #Clyde Conversations follow-up event in March 2015</p> <p>Youth Participation Strategy completed in</p>	<p>Increased opportunities for young people to participate</p> <p>Increased numbers of young people participating</p> <p>Decisions influenced by</p>	John Arthur/ Angela Edwards/ Ruth Binks/ Sharon McAlees	Within existing resources	Respected

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
		Youth Participation Strategy in partnership with partner agencies and young people	issues taken into consideration in service development and delivery	partnership with young people Guidance given out to Council Directorates & Partners Establishment of a Youth Cabinet with members of school councils, youth council, SYP, senior officers and councillors Timescale: to be agreed	young people 'Penny for youth thoughts' consultation			
CA6	Corporate Workforce Planning and Development	A Corporate Workforce Planning and Development group has been established to focus on progressing the workforce planning and learning and development agenda (WP and L&D) for the Council.	Ensure workforce planning and development is integrated into CDIPs, risk registers and associated strategies to address the key workforce over the next 3 years.	Analysis of workforce data and learning needs with a coordinated approach to WP and L&D solutions.	WP and L&D activity is prioritised and needs are met through coordinated and cost effective approaches. Appropriate WP and L&D interventions are implemented to address key workforce challenges over the next 3 years.	Steven McNab	Within existing resources	Achieving; Respected; Included

Cross-Directorate Improvement Actions 2016-17

6.2 Cross-Directorate Improvement Actions

These actions will be implemented by more than one service in the Education, Communities and Organisational Development Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CD1	Implementation of The Children and Young People (Scotland) Act 2014	Single Agency training in education is well underway to support educational establishments with wellbeing assessment and use of SEEMIS planning for pupils module. Single Agency guidance and high level cross authority guidance is currently being developed and should be completed March 16. A pilot to test wellbeing concern information from Police Scotland is planned to test information sharing protocols as well as ICT functionality.	Safe, secure systems across agencies for information sharing and collation of information on one site. Customer/public facing information on the Named Person Service and Child's Plan. Confident staff across agencies in implementing the GIRFEC pathway with clear guidance on how to do so. Evidence of quality planning both at single agency level and interagency with signs of timely support being given to children and families to improve outcomes.	Guidance will be written and training provided on single agency and multi-agency level covering e.g. using SEEMIS for the wellbeing indicators, understanding the role of the named person and becoming confident in GIRFEC pathways. ICT solution will be ironed out to ensure secure information sharing.	There will be a reduction in the number of referrals to the Reporter by educational establishments. There will be an increase in the number of plans which are produced both on a single agency and multi-agency level. There will be better planning for pupils to ensure their needs are met and support strategies are identified, including support for Looked After/Looked After and Accommodated Children.	Lead Angela Edwards Kate Watson/Ruth Binks Cross Directorate and Cross organisations including NHS, Police Scotland and the 3rd sector	Funding coming from Scottish Government to support implementation for 16/17 (business processes and set up).	Nurtured Safe SOA 6
CD2	Scottish Attainment Challenge	Parents need support to improve family literacy, numeracy and well-being. Involved in Scottish	Strategies identified to work through the Scottish Attainment Challenge are disseminated across all schools	Coaching, mentoring and increased parental involvement in children's education Improvement plans	Parents capacity to support their children's learning is increased Our attainment gap	Ruth Binks/Head Teachers of the primary schools	Scottish Government funding of £591,670 and £120,000	SOA6 Achieving; Nurtured

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
		<p>Government initiatives to raise attainment such as the Early Years Collaborative and Raising Attainment for All.</p> <p>Completed year 1 of the Attainment Challenge. Tests of change are being completed.</p> <p>The current levels of literacy and numeracy in the 6 primary schools involved in Phase 1 are: for literacy 65.5% and for numeracy 61.2% of Primary 1 pupils making appropriate progress</p> <p>The current level of attendance in the 6 primary schools involved in Phase 1 is 93.7%</p> <p>The 2014/15 Primary 1 school exclusion rate is zero per 1,000 pupils and for Primary 2 pupils is 2.5 per 1,000 pupils</p>	<p>Attainment gap linked to deprivation has decreased.</p> <p>Evidenced based strategies to improve literacy and numeracy are in place across all schools in the Authority.</p> <p>Improvements in the 2015/16 baseline figures for literacy and numeracy of 1% annually.</p> <p>Improvements in the 2015/16 baseline figures for attendance of 0.3% annually</p> <p>Primary 1 exclusions remain at zero per 1,000 pupils and reduce Primary 2 exclusions annually by 0.5%</p>	<p>developed by the primary schools</p> <p>Develop an Authority wide training strategy to further develop pedagogy and assessment.</p> <p>Develop a literacy and numeracy strategy to raise attainment.</p> <p>Implementing new techniques in teaching numeracy and literacy</p>	<p>linked to deprivation has decreased.</p> <p>Up-skilled workforce</p> <p>An improved shared understanding of progress through a level.</p> <p>Improvements in the 2015/16 baseline figures for literacy and numeracy</p> <p>Parent networks/community groups are established and have developed their capacity to address issues of poverty and inequality (and the barriers they present to learning)</p> <p>Improved learning and teaching methods and approaches</p> <p>Progress reporting against the recently</p>			

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
					published National Improvement Framework			
CD3	Volunteering Strategy and Action Plan	The range and scale of volunteering and the contribution it makes to the delivery of key council outcomes is not clearly understood	<p>The quality of volunteering opportunities is increased.</p> <p>The role and contribution volunteers make to community planning, achieving key outcomes and the delivery of services is understood and quantified</p>	<p>Carry out refreshed survey of volunteering across the directorate and CLD partnership</p> <p>Partnership volunteer development event held. Findings to inform a volunteering strategy for Inverclyde</p>	<p>Volunteering strategy and action plan in place</p> <p>Increased number of volunteering opportunities</p> <p>Increased number of people achieving accreditation through volunteering</p> <p>Stronger partnership with CVS Inverclyde and the Volunteer Centre is evident.</p>	<p>John Arthur/ Ruth Binks</p> <p>Volunteer Centre/Third Sector Interface</p>	No resource implications	<p>SOA2 SOA6</p> <p>Respected Responsible</p>
CD4	Implementation of the ALIS 2020 Outcomes for Literacy	<p>Evidence is available of good practice and improved literacy outcomes from early years to adulthood.</p> <p>The National Adult Literacies in Scotland 2020 Strategic Guidance is now in place.</p> <p>Adult Learning and Literacy Sub Group leads the coordination and development of</p>	Working towards the delivery of outcomes set out in ALIS 2020 to identify how to evidence improved practice and outcomes for literacies across CLD	Use of evidence-based approaches which lead improved literacies capabilities (Links to CD2: Scottish Attainment Challenge/Raising Attainment for All and the National Improvement Framework) with a developmental focus on parents/early years and senior phase	<p>Improved outcomes for literacies in the context of ALIS 2020</p> <p>Improved literacies capabilities</p> <p>Increased participation in youth and adult literacies programmes</p> <p>Increased numbers achieving core skills accreditation</p>	John Arthur/ Ruth Binks	Training costs	<p>SOA6</p> <p>Achieving Included</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
		community literacies			Improved literacy attainment levels			
CD5	Developing Inverclyde's Young Workforce	<p><i>Developing the Young Workforce – Scotland's Youth Employment Strategy</i> was published in December 2014 by the Scottish Government. This Strategy shapes the work the local authority will deliver around employability until 2021.</p> <p>A Steering Group has been established and an initial 2 year plan developed.</p> <p>The initial area for development is around the senior phase and will focus on curriculum flexibility and individual learner needs.</p>	<p>Schools provide a flexible, pupil-centred senior phase curriculum supporting the recommendations as proposed in the national policy document</p> <p>The Youth Employment Activity Plan is implemented and able to evidence improved practice and outcomes for employability across providers and partnerships</p> <p>There is an increase in positive and sustained destinations for school leavers in Inverclyde.</p>	<p>Start the preparation for the Delivery of the recommendations from the national policy document.</p> <p>Take forward the 2016/17 actions from the strategic plan for 2015 – 2017.</p> <p>Implement the Youth Employment Activity Plan.</p>	<p>Meet or exceed national targets and recommendations</p> <p>Improved school leaver destinations</p> <p>Actions identified on the strategic plan have been completed.</p>	Ruth Binks/ John Arthur/ Angela Edwards	Grant funding for 2 years	SOA 3 SOA 6 Achieving Included
CD6	My Government Scotland Cards	All secondary school pupils have access to a National Entitlement Card	<p>Implement the new 'My Government Scotland' cards</p> <p>All secondary school pupils have a National Entitlement</p>	Issuing cards to all secondary pupils especially S1's, recording the usage of reward scheme and library memberships.	Monitoring number of cards issued and yearly report from Young Scot	John Arthur/Ruth Binks		SOA6 Respected Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
		<p>All over 60's have access to a National Entitlement Cards</p> <p>Young people and older people with a disability have access to a National Entitlement Card in partnership with SPT</p>	<p>Card with 'My Government Scotland' and benefits such as cashless catering, library membership, leisure facility membership and be part of the Reward scheme</p> <p>Senior cards are automatically issued when the person turns 60 in partnership with The Improvement Service</p> <p>Communication strategy/awareness raising between councils and SPT on the distribution of the cards</p>	<p>Information provided by the Improvement Service</p> <p>Communication between councils and SPT</p>				

Service Improvement Actions 2016-17

6.3 Service Improvement Actions

These actions will be carried out by specific Services in the Directorate.

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Education								
Ed1	Education Scotland Bill 2016 Bill passed 3/2/16 – waiting for Royal Assent.	A Bill for an Act of the Scottish Parliament to impose duties in relation to reducing pupils' inequalities of outcome; to modify the Education (Additional Support for Learning) (Scotland) Act 2004 and section 70 of the Education (Scotland) Act 1980; to make provision about Gaelic medium education, about the provision of school meals, for appointing Chief Education Officers and in relation to registration of independent schools and teachers in grant-aided schools; to extend the duty to provide early learning and childcare to certain children; and for connected purposes.	The Authority will be fully compliant with or will have plans to be fully compliant with all aspects of the Education Scotland Act 2016. There will be improved attainment for Looked After and Looked After and Accommodated Children.	Reviewing current provision and where necessary setting up short life working groups to ensure the duties of the Council in relation to the act is implemented. Respond to consultation on guidance on various aspects of the Bill.	The Council will be fully compliant with the Education Scotland Bill	Wilma Bain/Ruth Binks	Within existing resources	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Ed2	Putting procedures in place to monitor and report on attainment in the Broad General Education	Although schools track and monitor performance at all levels, we currently do not collate and report on attainment of pupils in the Broad General Education (BGE) at Authority level	A system is in place to be able to report on and monitor attainment in the BGE	<p>The SEEMIS system is used to collate initial data.</p> <p>National guidance will be used to ensure a shared understanding of what it is to achieve a level</p> <p>Progression frameworks for understanding standards will be developed at Authority level.</p> <p>Inverclyde will work with other local Authorities including Renfrewshire and East Renfrewshire to moderate and share standards</p>	A robust and reliable tracking system is in place to report on and monitor progress and performance of all pupils through the BGE	Ruth Binks/ Head of Education	Within existing resources	Achieving
Ed4	Implementing How Good is Our School? 4	How Good is Our School? 3 (HGIOS 3) the framework against which school evaluate their provision – was replaced this year by HGIOS 4. The document has been sent out to all schools.	All school self – evaluate and framework improvement plans against the Quality indicators identified in HGIOS 4	<p>Individual quality indicators are matched to all training sessions.</p> <p>School improvement planning and self-evaluation documents are</p>	High quality improvement plans and Standards and Quality Reports use the quality indicators from HGIOS 4 to take forward improvements	Ruth Binks Head of Education/ Elsa Hamilton	Within existing resources	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
				reviewed to take into account the new documentation and Quality Indicators.(by March 2017)				
Ed5	Continue with the implementation of the 1+2 Modern Languages strategy	All primary schools are engaged with the 1+2 languages strategy and all pupils in primary school currently learn a second language. A 5 year implementation plan has been developed to increase teacher confidence and to develop language teaching.	All pupils should be taught a second language from P1 and a third language from P5.	2016- 17 L3 Resource offered to all pilot cluster to implement L3 P5-7 with support from Cluster Secondary 2017-18 All Primaries pilot L3 P 5-7 in collaboration with Cluster Secondary 2019 -2020 L3 Embedded P5-7	Continue to monitor and evaluate the implementation plan.	Ruth Binks/Elsa Hamilton	Within existing resources	Achieving
Ed6	Pilot the use of online payments for schools	A recent business case has been written to take forward a pilot for online payments in schools.	A cost effective and improved method for paying for school lunches and trips is in place.	Identify a preferred supplier for online payment systems and undertake a pilot during academic year 16/17	A comprehensive evaluation will of the pilot will be undertaken to see if this should be rolled out to all school across the Authority.	Ruth Binks	Within existing resources	Included

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Ed7	Increasing the entitlement for early learning and childcare to 1140 hours	Initial work has been undertaken to identify location and provision to take this forward. Officers have attended national events to review updates on intended plans.	By 2020 the council will be offering the entitlement of 1140 hours of early learning and childcare	Establish a working group to take forward the government requirement to provide 1140 hours of childcare. Undertake an evaluation of provision what parents/carers would require. Communicate with partners and parents as to the timescale of implementation.	The working group will produce a strategy plan and timescale for actions	Ruth Binks/Linda Wilke	Fully funded by Scottish Government	Nurtured

Inclusive Education, Culture and Corporate Policy

IECCP1	Additional Support Needs Review	A range of services are in place to support pupils with additional support needs but these needs to be more effectively structured to deliver better outcomes. A comprehensive review is being undertaken	A well-developed Inclusive Support Service which will be effective and efficient in providing universal and targeted support, leading to improved outcomes for children and young people.	The review has been undertaken by a Review Reference group and sub groups and concluded by a seconded Head Teacher. Implementation of the Review recommendations.	Inclusive Support Service re-organised and reflects outcomes of review. Improved wellbeing outcomes for children and young people	Angela Edwards	Within existing resources	SOA6 Nurtured Included Achieving
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Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
IECCP2	National Strategy for Public Libraries	In 2015, CarnegieUK Trust, on behalf of the Scottish Library and Information Council (SLIC), produced a National Strategy for Public Libraries in Scotland.	Inverclyde Libraries will implement the recommendations from the National Strategy, focusing on two strategic aims per year for the next 3 years. In 2016-7 Inverclyde Libraries will: Promote reading, literacy and learning. Promote digital inclusion.	Work with Education colleagues on the Attainment Challenge supporting reading for pleasure in schools, and family learning events in the community. Produce an accessibility policy to standardize the digital offer made by Scottish public libraries ensuring digital resources are available to all users.	Children in the target classes will report an increase in reading at home. Event attendance Customer feedback is positive. Good use is made of library accessibility aids	Angela Edwards	Within existing resources.	SOA2 SOA3 SOA4 SOA6 SOA7 SOA8 All wellbeing outcomes

Safer and Inclusive Communities

SIC1	Development of the Rankin Park Mountain Bike Hub	The Rankin Park Mountain Bike Park is currently under development. This will provide a centre for club and outdoor education and will be the first stage in the development of mountain biking as a	1. Year 1 – a programme of curricular and extra curricular activity for primary and secondary schools on the site. 2. Year 2 – Development and support of a club	ASSD staff currently undergoing training by Scottish Cycling to allow them to coach mountain bike skills. Programme to be set up with	Staff qualified programme finalised and delivery commenced.	1. ASSD Team 2. ASSD Team 3. Working group with CMRP, Renfrewshire Council, North Ayrshire	1/2. C £30,000 per annum but likely to be lower in year 1 as will not be full year programme. 3. TBC but	Healthy Active
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Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
		sport in Inverclyde.	based around Ranking Park. 3. Year 3 - Development of a wider network of trails across Clyde Muirshiel Regional Park.	interested schools		Council and Scottish Cycling.	likely to bid for external funding	
SIC2	CCTV	Ageing and service cost pressures on the network. We have 49 cameras, all of which do not meet the Information Commissioner's assessment for need. We are currently engaged in market testing exercises but this is a 'sticking plaster' intervention. We do not have any redeployable cameras.	Modernised CCTV connected to the Council SWAN and or wireless system, with redeployable options.	By carrying out market testing. Provide options The Council agreeing and implementing one of the options.	Hardware and software has been replaced. Contribution to new work.	J. Arthur	To be confirmed.	SOA2 SOA8 Safe Respected Responsible
SIC3	Home energy efficiency scheme – private homes	IC successfully sourced funds from Scottish Government – Home Energy Efficiency Programme Scotland – Area Based Schemes (HEEPS ABS) Continued collaborative programmes with RSLs	Funding for 2016-17 TBC from Scottish Government. Continue collaborative programmes. Scottish Government introducing "Scottish	Promote grant availability and improved energy efficiency to owners Continue to target 'difficult to treat' houses for investment in	Overall increase in energy efficiency across all tenures	John Arthur	Funded by the Scottish Government and energy suppliers 2016-17 TBC	SOA2 SOA4 SOA7 Healthy Safe Responsible

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
		2013 – 2016 over 1300 privately owned and social rented homes have been made more energy efficient	Energy Efficient Programmes” SEEPS to include commercial properties in collaborative programmes	collaboration with RSLs. Considering pilot programme for SEEPS funding.				
SIC4	Tobacco control	Nicotine Vapour Products (NVPs) are currently not covered by the same controls as tobacco products. This will change during 2016 as a number of controls including under-age sales are extended to NVPs.	NVPs are controlled in accordance with new legislation, particularly with regard to under-age sales of these products.	Education and enforcement regarding the new rules relating to NVPs rolled out to all businesses in Inverclyde during 2016.	Test purchase programme to measure the effectiveness of tobacco controls including NVPs in Inverclyde.	John Arthur	Within existing resources	Healthy
SIC5	Trusted traders	Work was carried out in Inverclyde to encourage eligible traders to sign up to the Construction Licensing Executive scheme. Unfortunately the CLE folded leaving Inverclyde with no trader assurance scheme.	Consumers in Inverclyde can identify reputable and trustworthy traders in the area. Reputable traders can compete more effectively against rogue traders.	Implementation of a Trusted Trader/ Buy with Confidence scheme in Inverclyde. Timescale March 2019	Scheme agreed, promoted and accessible to all consumers.	John Arthur	Within existing resources	SOA 2 SOA 8 Respected Responsible
SIC6	Increase numbers of young people and adults achieving qualifications via CLD Programmes at SCQF level 4 and below	Adults and young people are gaining accreditation as part of CLD delivery, however, there is scope to improve the numbers of young people involved and the range of qualifications offered to	Increased numbers of young people gaining qualifications. A broader range of qualifications offered to better meet the needs of individuals.	All CLD staff are trained in Assessor/verifier qualifications Increased range of qualifications offered	Number of young people gaining qualifications measured within Insight.	John Arthur	Within existing resources	Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
		better meet the needs of individuals						
SIC7	Youth work	<p>The Youth Work Team provide a range of school and community based (eg YOUTHZone) inputs around staying safe which includes healthy relationships, drug and alcohol awareness and cyberbullying.</p> <p>There is limited street work and engagement with young people in their own settings and 'hot spot' areas.</p>	<p>All young people in school and community based settings are effectively supported to develop the confidence and skills they need to 'stay safe' and thrive in the face of any new challenges they face.</p> <p>Increased engagement with young people in their own settings which would include street based programmes around community safety and health.</p>	<p>Work with school colleagues to increase the number and effectiveness of school based inputs around staying safe in response to new challenges facing young people, particularly targeting S1 to S3</p> <p>More direct engagement on the street with the Word on the Street Project</p>	<p>Number of young people in each school participating in youth work inputs</p> <p>Programme Evaluations</p> <p>No. young people engaged into positive pathways. Programme evaluations.</p>	John Arthur /Ruth Binks	Within existing resources	<p>SOA6</p> <p>Achieving Healthy Respected Responsible</p>
SIC8	Develop and improve Adult Learning Pathways	A range of high quality learning opportunities are available for adults, however, pathways which keep learners engaged across service and partner programmes are not well-developed	All adult learning provision is mapped and processes are in place to ensure no learner completes a programme without being encouraged to continue their learning	Map all adult learning provision, process developed and agreed with providers receiving public funding to support continued engagement	<p>Mapping of provision completed</p> <p>Process agreed and implemented</p>	John Arthur	Within existing resources	<p>SOA3</p> <p>SOA4</p> <p>SOA6</p> <p>Achieving</p>

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
Organisational Development, HR and Communications								
ODHRC1	Corporate communications strategy (CCS)	A corporate communications strategy requires to be developed	To have an agreed Corporate Communications Strategy	Development of a CCS, working with Council Services and the CMT	CCS in place, and better communication taking place across the Council Employee Survey results indicate employees feel communication has improved	Steven McNab	Within existing resources	SOA8 Achieving Nurturing
ODHRC2	Implement new Job Evaluation Scheme	Currently using second edition of the scheme. Transition agreement is in place to move to third edition.	Implementation of the third edition of the job evaluation scheme is in place for all jobs across the Council. Relevant procedures are reviewed.	Testing, piloting and agreement with the Trades Unions, following pilot process. Implementation of the third edition of the job evaluation scheme.	Third edition of the Job Evaluation Scheme in place.	Steven McNab	Within existing resources	Responsible, Included
ODHRC3	People and Organisational Development Strategy	Our current People and Organisational Development Strategy comes to an end in 2016	Refreshed People and OD Strategy for 2016/19 agreed and in place.	Review existing OD strategy and develop proposal to address the specific challenges and opportunities ahead for Inverclyde Council Engage with	Refreshed People and OD Strategy for 2016/19 in place and being implemented	Steven McNab	Within existing resources	Respected; Included; Achieving

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible ?	How much will it cost?	SOA and Wellbeing Outcome
				various stakeholders Employee survey results will feed in.				
ODHRC4	Health and safety plan	Recent investigations by the HSE have identified potential weaknesses in Health and Safety management systems within the Council.	Health and Safety management systems embedded and being implemented by Services across the Council	Develop and agree Health and Safety plan for 2016 – 19	Monitoring of Health and safety management systems indicate that procedures are in place and being implemented by Services across the Council.	Steven McNab	Within existing resources	Safe

Capital Projects Improvement Actions 2016-17

6.4 Capital Projects Improvement Actions

These improvement actions are related to capital project improvements which the Directorate is the leading on, for example, how the Directorate will address any slippage of capital projects.

The Environment, Communities and Organisational Development Directorate acts largely as a client of the Environment, Regeneration and Resources Directorate for the delivery of capital projects, e.g.:

- Schools Estate Management Plan
- Inverkip Community Centre
- Inverclyde Association for Mental Health (IAMH) Mearns Centre development
- Multi Use Games Areas
- Rankin Park Mountain Bike Hub
- Watt Complex (McLean Museum and Watt Library)
- Community facilities at Woodhall
- Birkmyre pitch improvements
- Housing Scheme of Assistance

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CP1	Capital projects	The Directorate works in partnership with the Environment, Regeneration and Resources Directorate as a client in regard to capital projects.	Continue to work with ERR to ensure timescales are met, that slippage is kept to a minimum and plans are in place for moving in and out of buildings when required.	Client officers are liaising with ERR, and external providers and funding bodies to manage these programmes.	Progress on these are reported to Committee	Corporate Director and all Heads of Service	Within existing resources	Safe; Responsible

Corporate Governance Improvement Actions 2016-17

6.5 Corporate Governance Improvement Actions

These improvement actions relate to Corporate Governance Actions for which the Directorate is responsible and what action it will undertake to ensure improvements take place:

Ref no	Area of Directorate activity	Where are we now?	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	How much will it cost?	SOA and Wellbeing Outcome
CG1	People and Organisational Development Strategy	We are revising our People and OD Strategy, which covers areas referred to under Corporate Governance on areas such as corporate induction, performance appraisals and succession planning.	<p>All employees undertake corporate induction training.</p> <p>Increase in Performance Appraisals carried out.</p> <p>Succession planning becomes an embedded process within services</p>	Through the delivery of the People and Organisational Development Strategy	<p>Induction training checklists available.</p> <p>WIAR report includes information on corporate induction training.</p> <p>Performance Appraisal returns</p> <p>Succession planning guidance in place.</p>	Corporate Directors supported by Head of Organisational Development, HR and Corporate Communications	Within Existing Resources	Responsible

7. Education, Communities and Organisational Development Performance Information

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2015/16 Rank/national average
	2012/13	2013/14	2014/15	2015/16			
% of Performance appraisals completed (KPI 04) source: Inverclyde Performs	37	79	83	91	90	83	
Equal opportunities: % of the highest paid 5% of earners among Inverclyde Council employees that are women (excluding teachers) (CORP 3b) sources: LGBF Annual Return; Inverclyde Performs	47	49.3	50.6	TBC	50.6	47	13 th in national Local Government Benchmarking Framework 14/15
Libraries - total number of visits source: Libraries and Museums Records; Inverclyde Performs	353,451	393,116	401,807	419,293	423,000	395,000	
Number of visits to/usages of council-funded or part funded museums source: Libraries and Museums Records; Inverclyde Performs	57,122	65,178	72,943	78,506	70,000	65,000	
Number of adult learners achieving core skills qualifications (KPI 17) source: Inverclyde Performs	266	196	281	TBC	206	196	
Number of adult learners improving their literacies (KPI 18)	557	562	562	TBC	590	561	

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2015/16 Rank/national average
	2012/13	2013/14	2014/15	2015/16			
source: Inverclyde Performs							
Number of tutors trained in the delivery of literacy and numeracy (across a range of accredited development and training Scottish Credit and Qualifications Framework [SCQF] levels 6-10) (KPI 19) source: Inverclyde Performs	16	23	18	TBC			
Number of tutors trained in the delivery of literacy and numeracy (across a range of non-accredited development and training) (KPI 20) source: Inverclyde Performs	31	32	35	TBC			
Attainment - S5: <ul style="list-style-type: none"> • % of pupils achieving one pass at SCQF Level 6 by the end of S5 (SPI 052diK) • % of pupils achieving 3 passes at SCQF Level 6 by the end of S5 (SPI 052giK) • % of pupils achieving 5 passes at SCQF Level 6 by the end of S5 (SPI 052fik) 	45	49	52.1	n/a	48	45	
	25	26	30	n/a	26	25	
	10	12	11.8	n/a	12	10	

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2015/16 Rank/national average
	2012/13	2013/14	2014/15	2015/16			
source: Insight							
Attainment - S6: <ul style="list-style-type: none"> • % of pupils achieving 3 passes at SCQF Level 6 by the end of S6 (SPI 052giK) • % of pupils achieving 5 passes at SCQF Level 6 by the end of S6 (SPI 052hiK) • % of pupils achieving one pass at SCQF Level 7 by the end of S6 	38	36.5	38.1	n/a	39	36.5	
source: Insight							
Attainment - looked after children: <ul style="list-style-type: none"> • % who achieved at least one qualification at SCQF Level 3 or better in the current diet of examinations (SPI 054aK) • % who achieved SCQF Level 3 or better in English or mathematics by the end of S4 (SPI 054bK) 	61.9	93	88.6	n/a	66.9	61.9	
source: Insight							

Key performance measures	Performance				Target 2016/17	Lower limit/ alarm	2015/16 Rank/national average
	2012/13	2013/14	2014/15	2015/16			
% Attendance rates:							
<ul style="list-style-type: none"> primary schools (SPI 050aiK) 	95	95	94.6	n/a	95	90	
<ul style="list-style-type: none"> secondary schools (SPI 050biK) 	92	92	91	n/a	92	89	
<ul style="list-style-type: none"> additional support needs schools (SPI 050ciK) 	93	92	91.6	n/a	93	90	
<ul style="list-style-type: none"> looked after children 							
source: Inverclyde Performs							
Exclusion rate per 1,000 pupils:							
<ul style="list-style-type: none"> primary 	5.3	3.5	1.3	n/a	no targets set		
<ul style="list-style-type: none"> secondary 	40.5	35.4	22.6	n/a			
<ul style="list-style-type: none"> additional support needs 	19.5	51.3	68.7	n/a			
<ul style="list-style-type: none"> looked after children – primary 	66.2	52.4	60.6	n/a			
<ul style="list-style-type: none"> looked after children – secondary 	405.9		232.3	n/a			
<ul style="list-style-type: none"> looked after children - additional support needs (KPI 48) 	76.9		352.9	n/a			
source: Insight							

8. Appendix 1: Legislative framework for individual Services

The Directorate operates and delivers services within a diverse policy and legislative framework which is detailed on page 8.

There is also legislation which is specific to the Directorate's individual Services and this is outlined below.

Education Services and Inclusive Education, Culture and Corporate Policy Service

- Her Majesty's Inspectorate of Education reports
- The Standards in Scotland's Schools etc Act 2000
- The Education (Additional Support for Learning) (Scotland) Acts 2004 and 2009
- The Scottish Schools (Parental Involvement) Act 2006
- The Public Libraries Quality Improvement Matrix
- Creative Scotland
- Integrated Children's Services Planning (the source of most Early Years reporting)
- Scotland's Digital Future: A Strategy for Scotland
- The Public Libraries and Museums Act 1964
- Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015/20
- Audit Scotland: Managing Performance - Are you getting it right?

Safer and Inclusive Communities Service

- Implementation of the Inverclyde Local Housing Strategy 2017/22
- Development of Scottish Government Safer Communities Policies
- Scottish Government: The Effectiveness of Public Space CCTV Review
- Licensing of Houses in Multiple Occupation: Statutory Guidance for Scottish Local Authorities 2012
- Implementation of the Scottish National Road Safety Targets 2011/20
- The National Youth Work Strategy 2014/19
- Youth Work Changes Lives National Outcomes
- Literacy Action Plan 2010: An Action Plan to Improve Literacy in Scotland
- Statement of Ambition for Adult Learning 2014
- Her Majesty's Inspectorate of Education reports
- Adult Literacies in Scotland 2020: Strategic Guidance
- English for Speakers of Other Languages (ESOL) Strategy for Adults in Scotland 2015
- Reaching Higher: Building on the Success of Sport 21 (2007)
- Happy, Safe and Achieving their Potential: A Standard of Support for Children and Young People in Scottish Schools 2004
- Agriculture (Miscellaneous Provisions) Act 1968
- Animal Boarding Establishments Act 1963
- Animal Health Act 1981
- Animal Health and Welfare (Scotland) Act 2006
- Animal Health and Welfare Act 1984
- Antisocial Behaviour etc. (Scotland) Act 2004
- Breeding of Dogs Act 1973, Breeding of Dogs Act 1991
- Building Scotland Act 2003
- Business Names Act 1985
- Cancer Act 1939
- Caravan Sites and Control of Development Act 1960
- Children and Young Persons (Protection from Tobacco) Act 1991
- Chronically Sick and Disabled Persons Act 1970
- Civic Government (Scotland) Act 1982
- Clean Air Act 1993
- Climate Change (Scotland) Act 2009
- Companies Act 1985

- Consumer Credit Act 1974 (as amended), Consumer Credit Act 2006
- Consumer Protection Act 1987
- Consumer Rights Act 2015
- Consumers, Estate Agents and Redress Act 2007
- Control of Dogs (Scotland) Act 2010
- Control of Pollution Act 1974
- Copyright, Designs and Patents Act 1988
- Customs and Excise Management Act 1979
- Dangerous Dogs Act 1991
- Dangerous Wild Animals Act 1976
- Decriminalised Parking Enforcement
- Development of Tourism Act 1969
- Dog Fouling (Scotland) Act 2003
- Dogs Act 1871
- Education Reform Act 1988
- Enterprise Act 2002
- Environmental Protection Act 1990
- Estate Agents Act 1979
- European Communities Act 1972
- Explosives Acts 1875 and 1923
- Factories Act 1961
- Fair Trading Act 1973
- Farm and Garden Chemicals Act 1967
- Fireworks Act 2003
- Food and Environment Protection Act 1985
- Food Safety Act 1990
- Forgery and Counterfeiting Act 1981
- Guard Dogs Act 1975
- Hallmarking Act 1973
- Health and Safety at Work etc Act 1974
- Housing (Scotland) Act 1987, Housing (Scotland) Act 2001, Housing (Scotland) Act 2006
- Knives Act 1997
- Licensing (Scotland) Act 2005
- Medicines Act 1968
- Motor Cycle Noise Act 1987
- Motor Vehicles (Safety Equipment for Children) Act 1991
- National Lottery etc. Act 1993
- Nurses (Scotland) Act 1953
- Olympic Symbol etc. (Protection) Act 1995
- Performing Animals (Reg.) Act 1925
- Pet Animals Act 1951
- Petroleum (Consolidation) Act 1928
- Petroleum (Transfer of Licences) Act 1936
- Poisons Act 1972
- Prevention of Damage by Pests Act 1949
- Prices Acts 1974 and 1975
- Property Misdescriptions Act 1991
- Public Health etc. (Scotland) Act 2008
- Refuse Disposal (Amenity) Act 1978
- Registered Designs Act 1949
- Sewerage (Scotland) Act 1968
- Smoking, Health and Social Care (Scotland) Act 2005
- Telecommunications Act 1984
- Tobacco Advertising and Promotion Act 2002

- Tobacco and Primary Medical Services (Scotland) Act 2010
- Tobacco Products Duty Act 1979
- Trade Descriptions Act 1968
- Trade Marks Act 1994
- Trading Representations (Disabled Persons) Act 1958 and 1972
- Unsolicited Goods and Services Acts 1971 and 1975
- Video Recordings Act 1984 & 1993
- Water (Scotland) Act 1980
- Water Services etc. (Scotland) Act 2005
- Weights and Measures Act 1985
- Weights and Measures Etc. Act 1976
- Zoo Licensing Act 1981

Organisational Development, Human Resources and Communications Service

- National Joint Council for Local Government Services: National Agreement for Pay and Conditions of Service
- The General Teaching Council for Scotland National Terms and Conditions
- The Employment Rights Act 1996
- The Employment Relations Act 2004
- Her Majesty's Revenue and Customs: Real Time Information
- Pensions Auto Enrolment
- The Parental Leave (EU Directive) Regulations 2013
- Inverclyde Council's Work Life Balance Policy 2014
- Shared Parental Leave and Statutory Shared Parental Pay from 5 April 2015
- Maternity Leave and Pay to be extended
- Review of The Working Time Regulations 1998 (Working Time Directive)
- TUPE Changes 2014
- Health and Safety at Work etc Act 1974 (and subordinate regulations)
- The Management of Health and Safety at Work Regulations 1999
- The Fire (Scotland) Act 2005
- The Fire Safety (Scotland) Regulations 2006
- The Workplace (Health, Safety and Welfare) Regulations 1992
- The Manual Handling Operations Regulations 1992
- The Provision and Use of Work Equipment Regulations 1998
- The Control of Substances Hazardous to Health Regulations 2002
- The Health and Safety (Display Screen Equipment) Regulations 1992
- The Control of Asbestos Regulations 2012

Regulatory and evaluative bodies

- Education Scotland
- General Teaching Council for Scotland
- The Care Commission
- The Public Libraries Quality Improvement Matrix
- Food Standards Scotland
- The Health and Safety Executive
- The Scottish Government Housing and Regeneration Directorate
- sportScotland.
- Scottish Qualifications Authority
- Proof of Age Standards Scheme (Young Scot)
- Youthlink Scotland
- Youth Scotland

- Duke of Edinburgh Awards Scheme
- Association of Directors of Education Scotland
- COSLA Society of Personnel and Development Scotland
- CLD Standards Council
- Audit Scotland
- Volunteer Scotland
- Scottish Police Authority
- Information Commissioner
- Royal Environmental Health Institute of Scotland
- Chartered Trading Standards Institute
- Association of Public Sector Excellence
- Scottish Social Services Commission
- Her Majesty's Revenue and Customs
- Public Services Ombudsman
- Equality and Human Rights Commission

9. Appendix 2: Risk register

Corporate Directorate Improvement Plan: Education, Communities and Organisational Development			Risk Status as at 1/4/16 for 2016/2017 Activity						
Risk category: Financial (F), Reputational (R), Legal/Regulatory (LR), Operational/Continuity (OC)									
Improvement action	Risk no	Risk category	*Description of risk concern	Impact rating (A)	L'hood rating (B)	Quartile	Risk score (A*B)	Who is responsible? (name or title)	Additional controls/mitigating actions and time frames with end dates
All	1	F	There is a risk that continually reducing resources mean that the Directorate may struggle to deliver actions, slowing down delivery on improvement.	2	3	2	6	DMT	Regular review of capacity and priorities via CDIP reports to Committee. Financial Budget has been set for 2016/2017.
All	2	F R LR OC	The ability to retain and/or recruit suitably qualified staff into key roles may impact on the delivery of actions detailed within the Directorate Plan.	3	3	1	9	DMT	Regular review of capacity and priorities via CDIP reports to Committee.

Report To:	Policy & Resources Committee	Date:	17th May 2016
Report By:	Chief Financial Officer and Corporate Director (Chief Officer) Inverclyde Health and Social Care Partnership	Report No:	FIN/52/16/AP/BM
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Welfare Reforms Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide Committee with an update on the actions being taken by the Council in response to ongoing Welfare Reform changes.

2.0 SUMMARY

- 2.1 Appendix 1 shows the final 2015/16 position in respect of the Scottish Welfare Fund payments. The final out-turn was £793,500 compared to a 2015/16 grant of £732,000. The overspend of £61,500 will be offset against the carry forward of £131,000 from 2014/15. The 2016/17 Budget Settlement confirmed a £52,000 cut in Scottish Government Funding for SWF and in response to this the Council allocated £100,000 from its own Welfare Reform budget to meet the reduction in Government Grant/Increased Demand.
- 2.2 DHP applications to offset SSSC (also known as the bedroom tax) have progressed very well with 99.78% of eligible households applying for support in 2015/16 with total spend being £934,000. Expenditure in this area is fully underwritten by the Scottish Government.
- 2.3 Universal Credit became operational in Inverclyde on 12th October and numbers accessing this benefit continue to increase however operational difficulties have been encountered in terms of errors by the DWP in the calculation of benefit entitlement and the responsiveness of the DWP service centre. Liaison with the local DWP Office is giving some improvement but there remains a large volume of manual work and error.
- 2.4 Migration of existing DLA Claimants to PIP commenced in Inverclyde in October 2015 and recent statistics from the DWP show an award rate of 52% for new applicants and 68% for those being reassessed. It is intended that a detailed report on this issue will be presented to the August Health & Social Care Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the contents of the report.

Alan Puckrin
Chief Financial Officer

Brian Moore
Chief Officer, Inverclyde HSCP

4.0 BACKGROUND

- 4.1 Committee receive a report each cycle providing updates on the Council's response to the major Welfare Reform changes being rolled out across the UK. The Council set aside £1.3 million on a recurring basis from 2016/17 to meet the significant financial challenges generated by the changes.
- 4.2 Further significant changes were announced by the Chancellor of the Exchequer as part of the autumn statement in November 2015 and the estimated impact of these has been factored into the utilisation of the Welfare Reform recurring budget from 2016/17.
- 4.3 Members received a briefing on 14th January in respect of Universal Credit and the early findings from operations within Inverclyde. Officers have been asked to provide an updated briefing later in 2016.

5.0 SCOTTISH WELFARE FUND AND DISCRETIONARY HOUSING PAYMENTS

- 5.1 Appendix 1 shows the final 2015/16 position in respect of the Scottish Welfare Fund payments. The final out-turn was £793,500 compared to a 2015/16 grant of £732,000. The overspend of £61,500 will be offset against the carry forward of £131,000 from 2014/15. Some of the extra demand is being driven by the implementation of Universal Credit and delays in initial payments to new claimants.
- 5.2 The recent Budget Settlement contained a 7% (£52,000) cut in Scottish Government SWF Grant Funding for Inverclyde in 2016/17 due to a redistribution of the funding across Scotland. This makes the position in 5.1 more challenging and created a funding pressure from 2016/17. Committee agreed therefore to allocate £100,000 from the recurring Welfare Reforms budget in 2016/17 and to increase this by a further £50,000 in 2017/18. Officers will endeavour to stay within the approved budgets by ensuring that policies are strictly adhered to and bring regular updates to Committee.
- 5.3 The Welfare Funds (Scotland) Regulation 2016 came into force on 1st April 2016. The accompanying Scottish Welfare Fund guidance is revised clarifying aspects of previous guidance and introducing the Scottish Public Services Ombudsman's responsibility for second tier reviews, removing responsibility from Councils. Low income indicator descriptors are more defined; a revised Crisis Grant application decision timescale target has been introduced (decisions must be made by the end of the next business day); Community Care Grant qualifying conditions have been clarified. Officers will monitor the impact on the budget given the requirement for more Crisis Grant decisions to be made "on balance of probabilities" without supporting evidence, and the involvement of the SPSO
- 5.4 99.78% of Housing Association tenants at 31st March 2016 affected by the Social Sector Size Criteria (also known as the bedroom tax) had applied for and received Discretionary Housing Payment (DHP). The projected value of DHP awarded to mitigate the SSSC during 2015/16 is £934,000. Expenditure above the allocation from the Department for Work and Pensions in this area is fully underwritten by the Scottish Government. Discretionary Housing Payments to meet pressures as a result of other welfare reforms including restrictions in the private rented sector amounted to £37,000. As in previous years, those with an active DHP application at 31st March 2016 will have their application rolled over to 2016/17, removing the need for applicants to reapply.
- 5.5 The Department for Work and Pensions notified that the 2016/17 DHP allocation will increase from £185,910 to £232,047. This increase is welcomed and will support some of the welfare reforms being introduced in 2016/17 and, in particular, the reduced Benefit Cap. Committee agreed some amendments to the Council's DHP Policy to take account of these extra resources.

5.6 Universal Credit housing cost support for homeless claimants is severely limited. The DWP has made it clear that DHP funding is available to help with the shortfall. The number of applications for DHP in these circumstances is expected to be low during 2016/17 making the proposed change affordable however this will be closely monitored and is expected to be reviewed when the UC full service is launched in Inverclyde and many more homelessness service users place demands on the budget.

6.0 UNIVERSAL CREDIT

6.1 Approximately 600 Universal Credit claims have made to date, 84 with housing costs (14%) and more than 30% of UC claimants have income from employment taken into account in the assessment of their Universal Credit award. The Council's Benefits' service checks awards notices as they arrive at the Council and assesses the DWP's UC claim calculation accuracy rate to be 76%. Errors are reported on behalf of claimants to the DWP Universal Credit Service Centre for correction.

6.2 The assessment of Council Tax Reduction and Discretionary Housing Payments for UC claimants continues to be time consuming in spite of a solution transferring UC claim data from DWP to the Benefits Service being in place. Officers submitted recommendations to the DWP UC project team which are under consideration. There are however no expectations of improvements of any significance being made in the immediate future.

6.3 The 2016/17 Universal Credit Delivery Partnership between the Council and the Department for Work and Pensions, outlining the Council's responsibilities for the provision of local support services is in place. The provision mirrors the services in place since the implementation of Universal Credit

6.4 The Local Authority areas included in Phases 1 and 2 of the national expansion of the Universal Credit "Full Service" are progressing. UC Full Service means the eligibility restrictions currently in place are removed and all benefit claimants who would otherwise claim one or more of the legacy benefits, claim Universal Credit. DWP is committed to consulting with each council to agree their position within the national expansion programme. An approach is expected from DWP in the coming months for the specific date to be agreed, with an announcement being made by July or September 2016. As previously reported, Inverclyde's launch will be no sooner than early 2017.

7.0 EXTERNAL FUNDING & PIP

7.1 Formal notification has been received from Big Lottery regarding the delay to the ESF/Lottery Strategic Intervention related to financial inclusion. The delay has been in relation to the full funding agreement with the managing authority and it is hoped that this will be concluded within the first quarter of 2016. Big Lottery have confirmed that they still anticipate working in each of the following local authorities: Argyll and Bute, Dundee City, Glasgow, Inverclyde and North Ayrshire; and the amounts awarded in each area will depend on the population size, level of need and range of existing services. This is in line with the last update to Committee.

The contracts in these 5 areas will focus on delivering the following two outcomes:

- An increase in disadvantaged participants with improved money management skills; and
- A decrease in disadvantaged participants affected by debt as a barrier to social inclusion.

7.2 Funding awarded by the Committee from the Council Earmarked Reserves has been communicated to the organisations. Meetings are being held with each of the organisations to develop robust Service Level Agreements outlining outcomes; compliance expectations and governance arrangements. 6 monthly monitoring reports will be provided by each project/service.

- 7.3 DWP budgetary savings on disability benefits have been widely reported with the impact being observed by an increase in clients seeking help from Advice Services particularly in relation to reduced Personal Independence Payment awards. There are approximately 4,000 working age Disability Living Allowance (DLA) claimants in Inverclyde who will be subject to the migration process to Personal Independence Payment (PIP). Information from DWP shows 32% of those reassessed for PiP have lost all entitlement to disability benefit and of the 68% who have secured an award there is no guarantee the award was similar financially to that of DLA.
- 7.4 A Data Sharing Agreement was introduced between the Council's Benefits Service and HSCP Advice Services permitting information relating to claimants' PIP awards to be shared allowing Advice Services to contact those adversely affected by PIP decisions. To date 18 clients who have had not previously engaged the help of the Advice Service took up their offer of support and advice in relation to the mandatory reconsideration process and with representation at Social Security Appeal Tribunals.
- 7.5 In order to help collate evidence regarding the DLA to PIP migration, the Financial Inclusion partnership will be undertaking two surveys. The first survey is to ascertain how PIP claimants have found the process and assessments, and a second survey to collate Advice organisations level of support to clients and the outcomes. The information will be presented at a future committee.

8.0 IMPLICATIONS

8.1 Finance

Pressures continue to mount on Council budgets as the various aspects of Welfare Reform are rolled out and it is envisaged that by 2018 all the £1.3million recurring budget will be fully allocated. This creates a further pressure on the Council's budget for the period beyond 2018/19.

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					

8.2 Legal

There are no legal implications arising from this report.

8.3 Human Resources

There are no HR implications arising from this report

8.4 Equalities

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.

8.5 Repopulation

There are no repopulation implications.

9.0 LIST OF BACKGROUND PAPERS

9.1 None.

Scottish Welfare Fund
31 March 2016

Calls Answered	10541		
Applications	4323		
Applications Granted	3022	69.91%	
Applications Refused	578	13.37%	Note 3
Applications Withdrawn	621	14.36%	
In Progress	102	2.36%	
Referrals to DWP	299		Note 2
	<u>Spend</u>	<u>Budget</u>	<u>Spend</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>
Crisis Grant paid (2160)	190.6	198.6	95.97%
Community Care Grants paid (1014) (includes 152 applications paying both CCG & CG)	602.9	664.8	90.69%
	<u>793.5</u>	<u>863.4</u>	91.90%

Note 1 1st Tier Reviews = 51 (1.42%)
1st Tier Reviews Upheld in Customer Favour = 25 (49.02%)
2nd Tier Reviews = 6 (includes 2 against decisions 2014/15) - (12.25%) out of 49 1st tier decisions
2nd Tier Reviews Upheld in Customers Favour = 1 (16.67%) with 1 withdrawn

Note 2 Referrals to DWP relates to customers who are awaiting payment of a new claim for JSA / ESA from DWP. In these circumstances a Short Term Benefit Advance (STBA) can be paid by DWP.

Note 3 The most common reasons for refusal of claims are, applicants not meeting the eligibility criteria, not being in receipt of a qualifying benefit or incomplete evidence provided.

Note 4 Core Budget is £732,000 to which is added a residual underspend from 2014/15 of £131,000

Discretionary Housing Payments

31 March 2016

Renewals

Renewals - approved	1349	(97.12%)	
Renewals - refused	2	(0.14%)	Applicants no longer meet priority group criteria
Renewals – not eligible	38	(2.74%)	No entitlement to DHP because Housing Benefit has stopped

New Applications

New Applications Received to date	769		
Applications Approved	510	(66.32%)	
Applications Refused	137	(17.82%)	
Applications - No Action	97	(12.61%)	DHP paid as 'Renewal'
Awaiting Supporting Evidence	0	(0%)	
New Applications still to be assessed	25	(3.25%)	19 from RSL tenants

£000

DHP Paid to date	931		Paid to Landlords a month in arrears
DHP Commitments	37		
Includes Non-SSSC (£37k)			
New Applications to be assessed	3		Estimate based on current average award
Total Projected Spend	<u>971</u>		Assumes no further new applications

Reviews requested: 6 (0.29%)

SSSC

Households affected by SSSC at 31.3.16	1356		
Households currently receiving DHP (including applications still to be paid, pending Housing Benefit claim decision)	1351	(99.78%)	
SSSC spend	£931k		(Scottish Government SSSC Projection: £964k)

Report To:	Policy & Resources Committee	Date:	17th May 2016
Report By:	Chief Financial Officer	Report No:	FIN/55/16/AP/AMCD
Contact Officer:	Allan McDonald	Contact No:	01475 712098
Subject:	ICT Performance Update		

1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on the performance of ICT Services and provide updates on a number of projects including the Scottish Wide Area Network. .

2.0 SUMMARY

- 2.1 ICT has a range of ongoing projects that will improve reliability and delivery of services and is working with a number of services to identify opportunities to implement new ways of working and drive efficiencies.
- 2.2 The Servicedesk continues to deliver a high quality service that has rated highly in Customer Satisfaction exercises. There is a challenge to ensure that this is maintained in light of ongoing and increasing resource pressures. The majority of the day to day work that the servicedesk undertakes is in the Schools. With an increasing emphasis on the use technology in the classroom ICT works closely with QIO colleagues in Education Services to ensure that the service delivers in line with educational priorities.
- 2.3 The Scottish Wide Area Network (SWAN) is a single public services network for the use of all public service organisations within Scotland. It is being delivered through a framework contract with Capita IT Enterprise Services. More than 4,600 sites will be connected to the initial network including schools, council offices, hospitals, GP surgeries, and pharmacies. The Council has now completed the transition of its Wide Area Network onto SWAN.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the performance detailed in the report and supporting appendices.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 As part of the ongoing restructure of the Council's Services. ICT Service became part of Finance Services on 1st April 2015.
- 4.2 ICT Services provides 5 main functions as part of its overall service:
- Servicedesk – Incident Response and Service request
 - Server and System Support
 - Network and Telecommunications
 - Application Support and Development
 - Project Management
- 4.3 The service provides support from 08:40 – 1700 (16:30 Friday) and delivers a highly efficient and very cost effective service as evidenced by SOCITM Benchmarking where the service is consistently benchmarked as one of the lowest spending services per customer/device of all 32 local authorities.
- 4.4 The Scottish Wide Area Network (SWAN) is a single public services network for the use of all public service organisations within Scotland. The transition process has now been completed and all Council sites are now connected to SWAN.
- 4.5 MyAccount is a Scottish Government initiative to provide a single account for all citizens to be able to access a wide range of public sector services using only one username and password. ICT Services have begun the process of engaging with The Improvement Service to implement the necessary infrastructure changes required to implement the service.

5.0 Performance

- 5.1 ICT Services provides a range of functions critical to the ongoing delivery of services to staff, pupils and customers of the Council. Despite resource reductions due to ongoing budgetary pressures, ICT Service has continued to meet and exceed Service level targets. Appendices 1 and 2 show the high level performance across a range of targets:
- Servicedesk Incidents
 - Servicedesk Service Requests
 - Internet and Web Access
 - Email
 - PC Refresh
 - Projects Update
- 5.2 Servicedesk Incidents. These tables show a steady number of incidents being received by the servicedesk on a month by month basis. The number of calls that fail to be resolved within the agreed Service Levels remains low and the overall Service Levels remain well above the current 80% target. An incident is defined as an issue that impacts directly on the ability of a member of staff, a team or service to continue to perform their job. Common examples are PC failures, Application errors, Interactive Whiteboard bulb replacements.
- 5.3 Servicedesk Service Requests. These tables also show a steady number of Service Requests being received by the servicedesk on a month by month basis. The number of requests that fail to be resolved within the agreed Service Levels remains low and overall remains well above the current 80% target. A Service request is defined as an additional requirement. Common examples are additional network points or equipment, office moves or the provision of a bespoke application.
- 5.4 Internet and Web Access. This report shows the number of visitors to the main council website www.inverclyde.gov.uk. It shows an improvement in the number of pages being visited since the website was refreshed in May 2015. These enhanced statistics detail the way the site is being used and by which type of device. The statistics show that the majority of customers now use mobile devices to access the web services (44% Smartphones, 15% Tablets, 41% Laptops

and Desktops)

- 5.5 Email. The Council receives an average of just under 500,000 incoming emails each month. The figures in these tables show the breakdown of legitimate mail against spam messages and mail that contains viruses and malware. The Email Archive system upgrade has now been completed. An upgrade to Microsoft Exchange is now underway. A revised policy for the archiving and deletion of emails will be submitted to Committee following the full implementation of the new system.
- 5.6 PC Refresh Programme. The Council currently has a five year PC refresh programme. The 2016 Refresh programme, has now begun and is currently scheduled to replace a number of older and smaller monitors with larger, more efficient devices.
- 5.7 Projects – Appendix 1 summarises progress on the main projects which are being overseen by ICT. The main areas of progress from the last report are Scottish Wide Area network, My Account Scotland, The Complaints Management Process, Council and Schools Online Payments.

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

There are no direct costs arising from this report.

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					

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

There are no HR implications arising from this report.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes

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

6.5 There are no repopulation issues arising from this report.

7.0 CONSULTATIONS

7.1 None

8.0 BACKGROUND PAPERS

8.1 None

Appendix 1 – Projects Update

1 - Scottish Wide Area Network (SWAN)

Transition of the Council Wide Area Network to SWAN has now been completed. The first transition occurred on the 7th January, with Circuits in the ICT Data Centre being connected to the new network. 70 sites were transitioned and the project was completed in late March 2016. Formal project review and sign off was completed in April.

ICT Services are now engaging with the SWAN Authority, and the supplier, Capita, to progress use of “Value Added Services” that will become available via the SWAN Contract.

An immediate requirement, identified in particular by staff within the HSCP, is the ability to use Council ICT equipment in other public sector locations.

The Council has indicated its willingness to participate in any early trials of these services.

2 - Digital Access Strategy

2.1 – MyAccount Scotland

An initial discussion around the use of MyAccount Scotland for authentication to online services has begun with the Improvement Service. A full report will be submitted to the Corporate Management Team for discussion with senior officers.

2.2 - Council Website

Following a peak during the winter months, site hit numbers appear to have now stabilised.

Further developments such as Schools Online Payments and Customer Self Service and additional online payments should drive more traffic to the site.

2.3 - Customer Services – Kana Upgrade

The upgraded Kana Customer Services systems went live on 31st August 2015.

Initial work to implement the Self Service Portal (SSP) has been instigated and is progressing well. A number of services offered by Roads, Transport and Waste Collection have been identified as suitable pilots and will be accessible from the main council website.

Employee Mobile is an app for mobile devices which enables council officers to be notified, take ownership and expedite cases logged in the KANA system. There have been initial discussions with a number of services to implement pilot projects. ICT Services are also looking at implementing an element of this system for its technicians.

Citizen Mobile is also an app for mobile devices which offers similar functionality to the Self Service Portal. This will provide another route to services for citizens. The app takes advantage of the GPS positioning and camera technology inherent in the devices to capture rich and accurate data to attach to the case created in KANA system.

2.4 Complaints management

Corporate Complaints Management will be incorporated into Kana as part of a reorganisation of the complaints handling process. the Complaints System has now been completed with assistance from colleagues from North Ayrshire Council

2.5 – Council Online Payments

An expanded range of online payments have been implemented via the Council Web Site.

Work setting up all of the on-site payment guidance pages, links to offsite portals and covering letters which go out to customers has been completed. The additional online payments went live on the site from Monday 4th April. On line payments include Council Tax, invoices, NDR, fixed penalty notices, parking fines, housing advances, various planning payments, landlord registration and various licensing payments.

2.6 - Schools Online Payments

ICT Services worked with Education Services and the Improvement Service to develop a business case for a pilot to implement a Schools Online Payment System which has now been approved by the CMT. A Parental Survey was undertaken to provide feedback on whether such a service would be welcomed by parents. The results of the survey indicated a significant majority of respondents (between 87 – 94% of all those who answered the survey) would use an online system to pay for school meals or other school payments.

The project is now progressing to capability and capacity assessment of suppliers with Procurement and Legal Services fully engaged in the process.

2.7 - Email and Email Archiving Upgrade

The Email Archive system upgrade has now been completed. A revised policy for the archiving and deletion of emails will be submitted to Committee following the full implementation of the new system.

2.8 – Video Conferencing

Mobile videoconferencing facilities have been piloted to allow remote attendance at Committee and full Council.

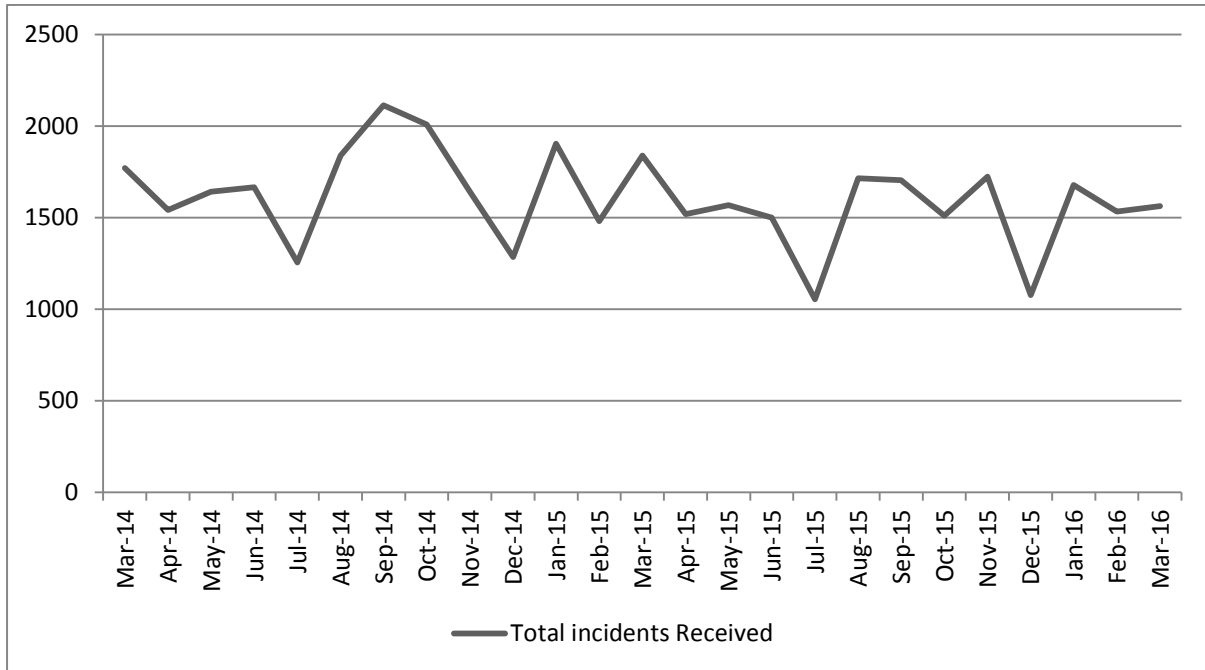
Following increased demand for Video Conferencing a new permanent facility has been established in the Customer Service Centre.

Appendix 2 – Performance Statistics – 2 February 2016

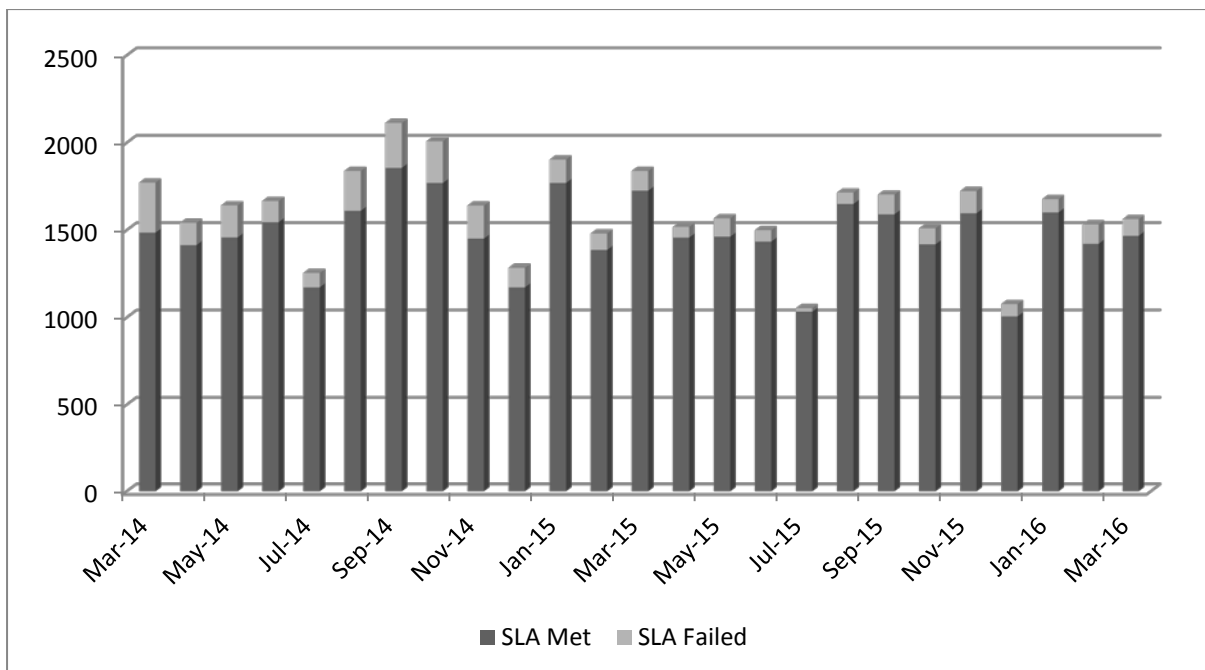
Section 1 - Servicedesk

1.1 Incidents

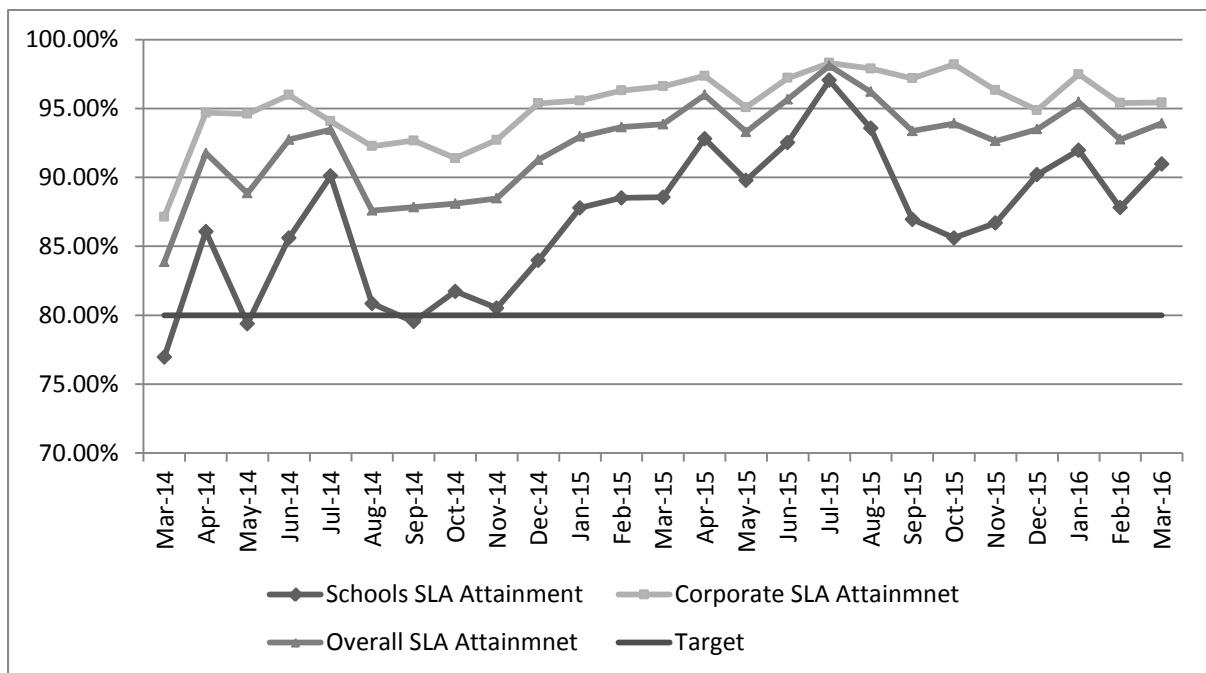
Incidents Received



1.1.1 - Incidents Met/Failed within SLA



1.1.2 - Monthly Service Level Attainment - Incidents



SLA Details

VIP Users

Priority	Target Resolution Time
Critical	3 hours
High	4 hours
Normal	7 hours
Low	21 hours
Long Term	No target

Standard Users

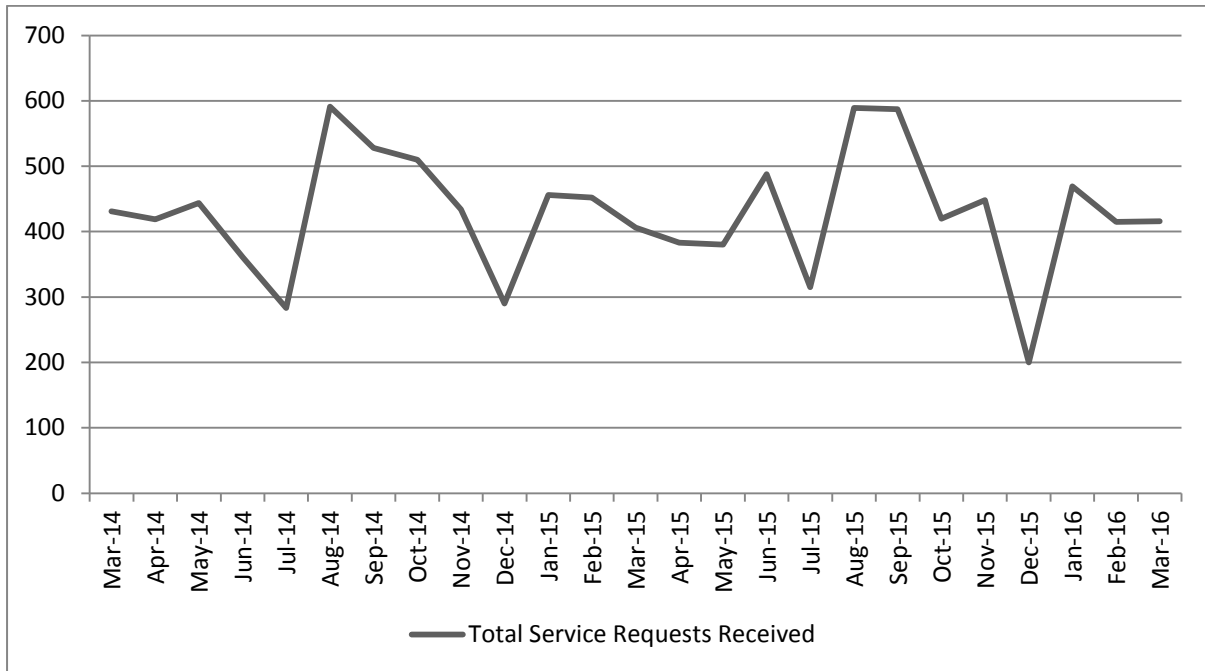
Priority	Target Resolution Time
Critical	4 hours
High	7 hours
Normal	21 hours
Low	35 hours
Long Term	No target

SLA Attainment is 80% of incidents resolved within Target Resolution Time.

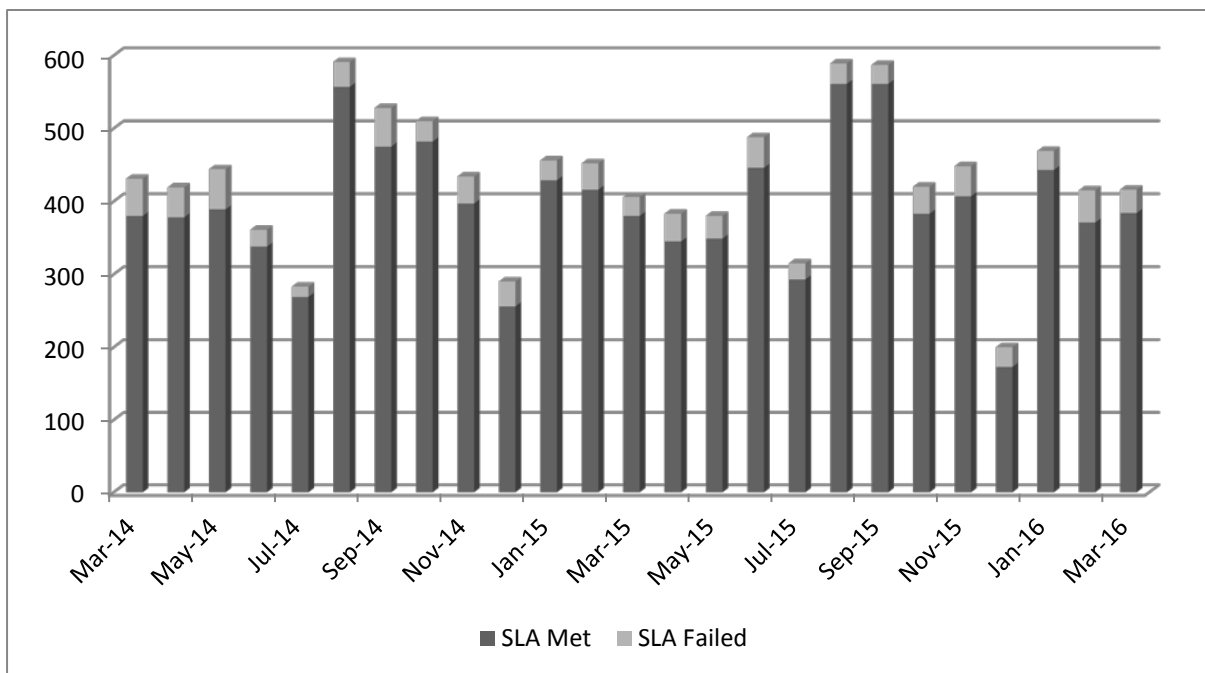
A typical Service request is unlocking a user account or password, software errors, PC faults, PDA, whiteboard and projector issues.

1.2 - Service Requests

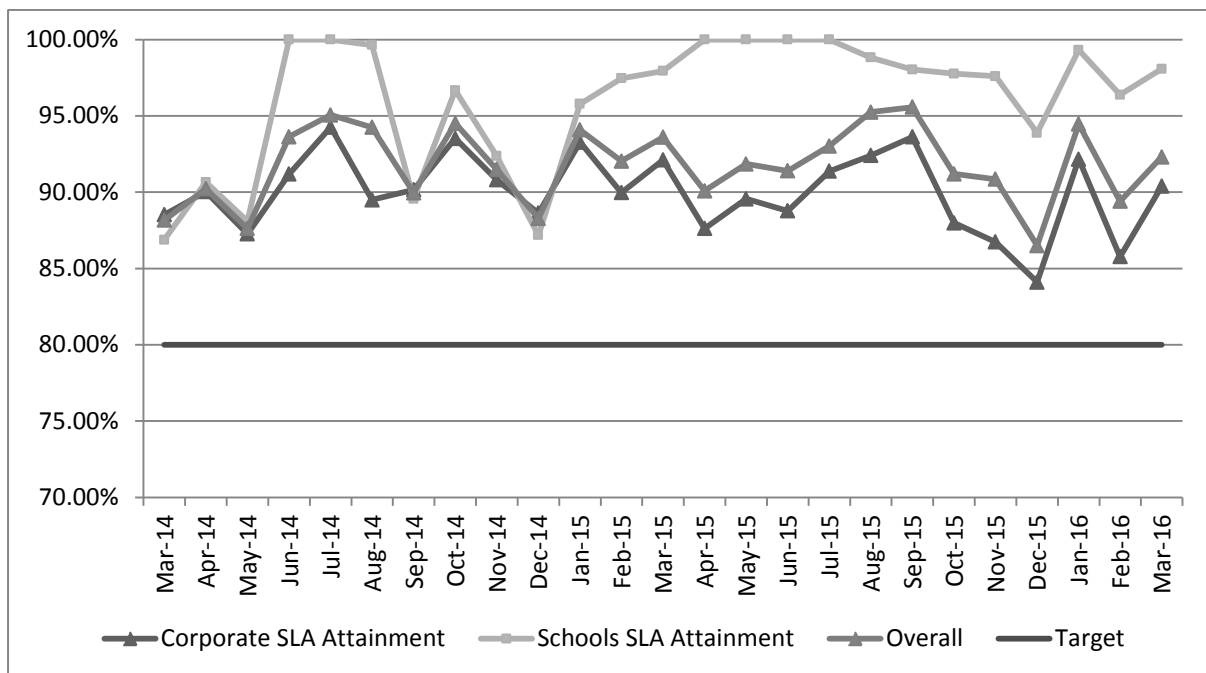
1.2.1 - Service Requests Received



1.2.2 - Service Requests Met/Failed within SLA



1.2.3 - Service Level Attainment – Service Requests

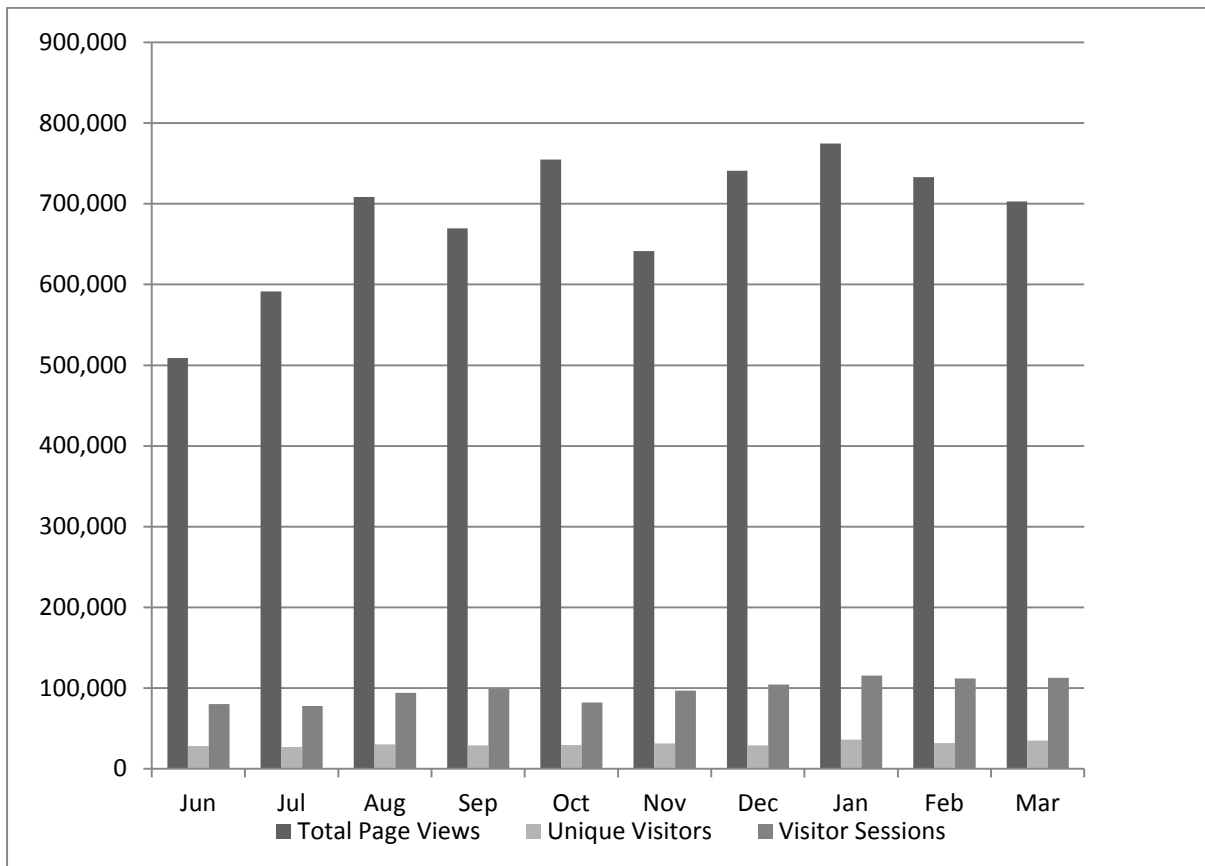


SLA Attainment is 80% of incidents resolved within Target Resolution Time.

A typical Service request is provision of a new user account, a new PC or Laptop, relocation of existing services.

Section 2 - Internet and Web Access

2.1 - www.inverclyde.gov.uk – Site Statistics



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Page Views	508,999	591,627	708,289	669,637	754,667	641,444	741,066	774,725	733,030	703,084
Unique Visitors	28,248	26,948	30,336	28,852	29,493	31,555	29,172	36,023	31,802	34,828
Visitor Sessions	80,088	77,765	94,170	98,802	82,340	96,648	104,338	115,384	111,823	112,676

Page View: A single view of a single web page from an individual visitor to our site.

Unique Visitor: Unique IP (web) address to identify our viewers.

Visitor Sessions: The number of times a unique visitor returns to view the site after leaving for more than 20mins.

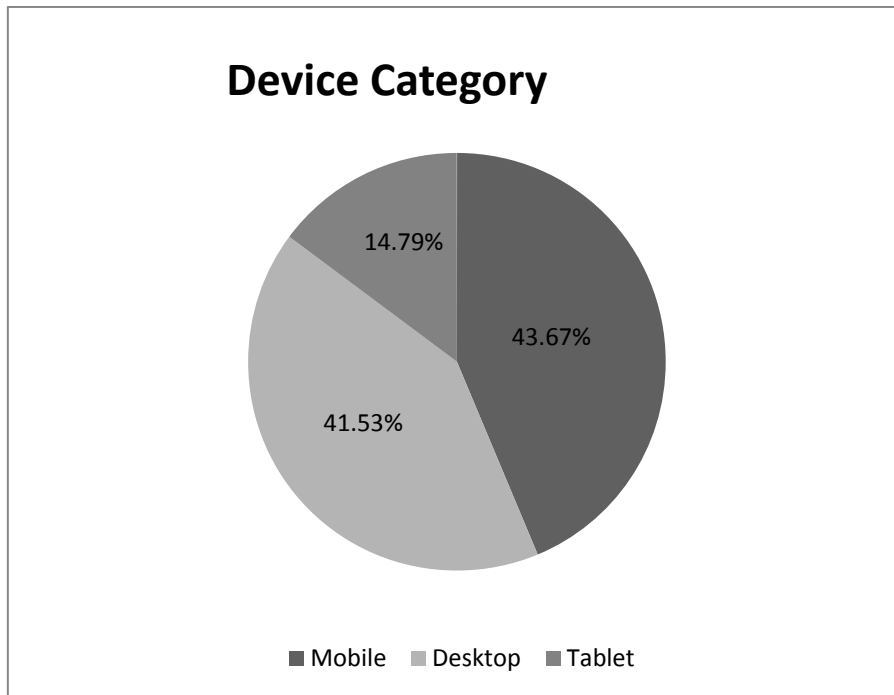
2.2 - Most Popular Pages Visited

Top 25 Pages
Page Title
/education-and-learning/schools/schools-holidays
/search
/council-and-government/contact-us
/environment/recycling-and-waste-services/recycling-centres
/education-and-learning/schools
/environment/recycling-and-waste-services
/jobs-and-careers/apply-for-a-job/essential-recruitment-information
/jobs-and-careers
/environment/recycling-and-waste-services/when-are-my-bins-collected
/forms/ShowForm.asp
/a-to-z/
/health-and-social-care
/council-and-government/council-tax
/council-and-government/council-tax/council-tax-bands
/community-life-and-leisure/libraries
/planning-and-the-environment
/jobs-and-careers/apply-for-a-job
/planning-and-the-environment/planning-applications
/council-and-government/pay-it-online
/planning-and-the-environment/planning-applications/how-to-view-planning-applications
/meetings/
/a-to-z/site/R
/education-and-learning
/forms/
/advice-and-benefits/housing-benefit-and-council-tax-reduction

2.2 - **Top Search Terms** – these are the most common terms entered into the Search Bar on the home page:

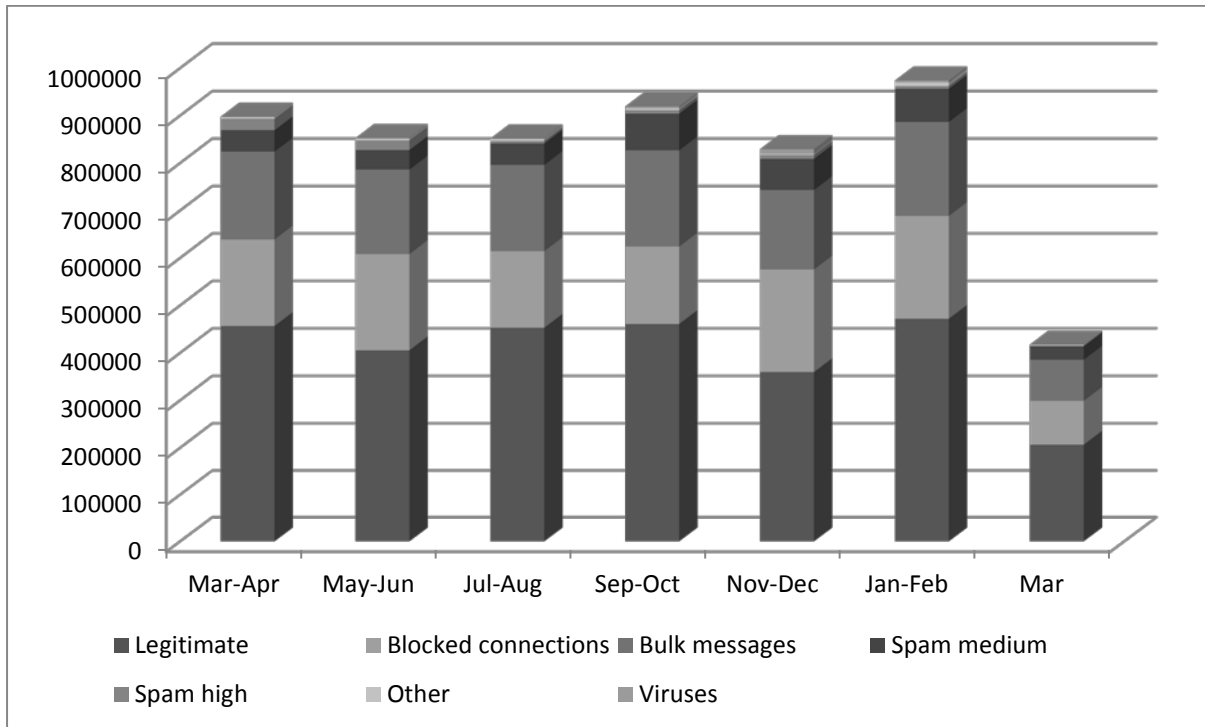
Top Site Search Terms
Search Term
School holidays
Council tax
planning
libraries
publications
Watt library
School holidays 2016
vacancies
blue badge
education policies
birth certificate
Learning services
parking permit
Recycling Large Items
battery park
easter holidays
Easter opening times
Application for TTRO
brown bin collection
Council tax bands
housing
councillor moran's contact details
disability livingallowancemgrants
electoral register
new tenant council tax form

2.4 – Web Browsing by Device Categories



Section 3 - Email

3.1 - Inbound Email Volumes – Yearly Trend



	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar
Legitimate	456711	405391	452918	460737	359489	471936	206371
Blocked connections	182222	202731	161313	163076	216204	216471	92414
Bulk messages	185062	178045	181621	202871	167472	197991	86458
Spam medium	45220	41154	45268	77345	65700	70067	28333
Spam high	23936	20418	5114	7165	8031	5794	1742
Other	3536	3338	4204	4066	2265	7285	1327
Viruses	824	1454	1101	3757	10017	4216	665
Totals	897511	852531	851539	919017	829178	973760	417310

Blocked connections – sources identified as being nodes where spam originates.

Bulk messages – messages with multiple recipients, usually marketing type emails

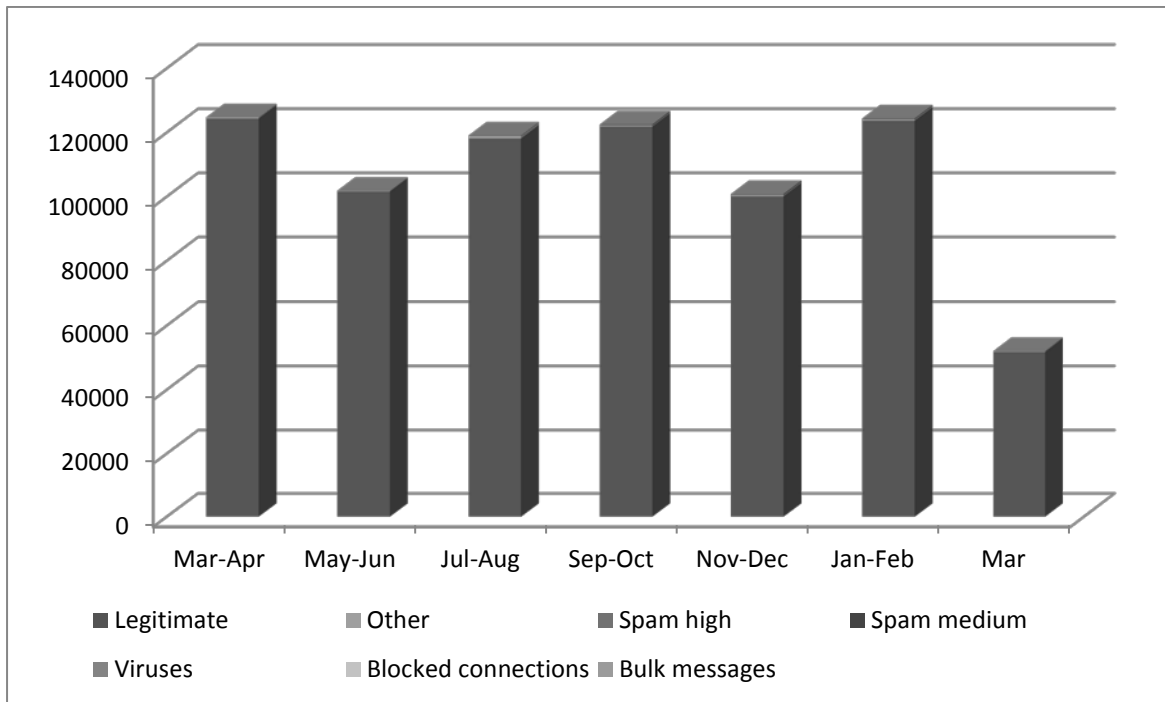
Spam medium – messages with a medium probability rating of being Spam – a message is forwarded to recipient asking if the email is to be released.

Spam high – messages identified as being with a high probability rating of being Spam – automatically quarantined.

Other – offensive or racist language, inappropriate content.

Virus – messages containing malicious software designed to disrupt system use or create a data breach.

3.2 - Outbound Email Volumes



	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar
Legitimate	124359	101598	118125	121822	100089	123684	51801
Other	318	204	754	308	340	414	159
Spam high	0	23	76	223	309	122	66
Spam medium	30	12	74	117	77	146	37
Viruses	0	2	0	0	0	0	0
Blocked connections	0	0	0	0	0	0	0
Bulk messages	0	0	0	0	0	0	0
Totals	124707	101839	119029	122470	100815	124366	52063

Spam medium – messages with a medium probability rating of being Spam – a message is forwarded to recipient asking if the email is to be released.

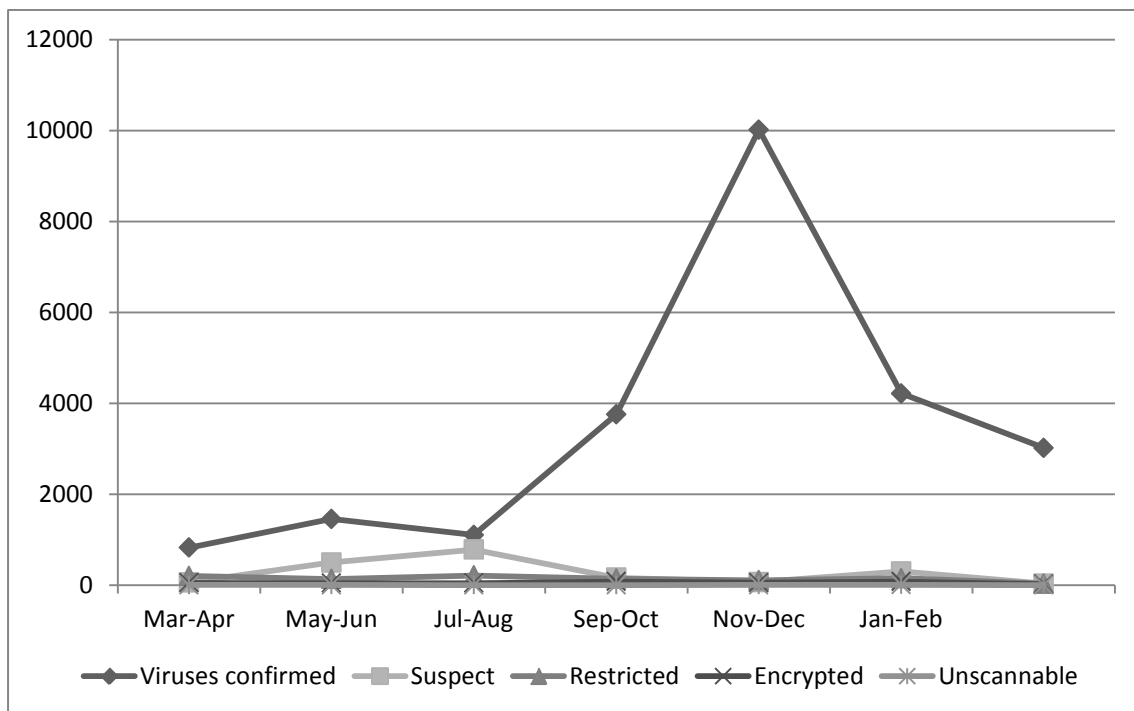
Spam high – messages identified as being with a high probability rating of being Spam – automatically quarantined.

Other – offensive or racist language, inappropriate content.

Virus – messages containing malicious software designed to disrupt system use or create a data breach.

Note. The majority of irregular messages detected are false positives. Legitimate reports containing potentially offensive language, tiles or contents of messages that have similar phrasing to typical bulk or spam emails.

3.3 - Inbound Virus Trend – Last 52 weeks



	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr
Viruses confirmed	824	1454	1101	3757	10017	4216	3018
Suspect	60	495	781	162	67	301	33
Restricted	202	134	213	140	106	151	31
Encrypted	51	44	44	79	52	77	23
Unscannable	3	4	2	2	3	6	1

2 Significant attack vectors were identified during Quarter 3 of 2015 that have resulted in a significant increase in emails infected with malware being detected and blocked by Anti-Virus Software:

Dridex is a strain of malware designed to eavesdrop on victim's computers in order to steal personal information such as usernames and passwords, with the ultimate aim of breaking into bank accounts and siphoning off cash.

CryptoRansomWare – A series of virus and malware which try to infect and then encrypt the data on PCs and across networks. Files are encrypted and are only unencrypted when a bitcoin ransom is provided a code is provided in return to allow files to be accessed again.

Reports that arrests have been made in Cyprus regarding the Dridex attack, which may have a positive impact on the number of infected emails being sent.

Report To:	Policy and Resources Committee	Date:	17th May 2016
Report By:	Corporate Director Environment Regeneration and Resources	Report No:	PR/10/16/AF/BH
Contact Officer:	Brendan Hurrell	Contact No:	01475 712654
Subject:	Procurement Update		

1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on developments within Procurement including developments regarding the new Procurement Strategy and the new Procurement Regulations.

2.0 SUMMARY

- 2.1 Committee approved the new Procurement Strategy and resultant Action Plan for the period 2015/18 in September 2015. This Strategy will assist the Council in managing changes in public sector procurement and with tendering and contract requirements.
- 2.2 The Action Plan is attached in Appendix 1 with updates against each of the actions that have been agreed. Changes have been made to the Strategy with new actions added as a result of the obligations contained within the new Procurement Regulations.
- 2.3 The outstanding Procurement Work stream savings of £19,000 against a total target of £313,000 for 2013/16 has now been achieved. The summary of all savings is contained in Appendix 2. It should be noted that the draft 2016/18 budget contains a further £28,000 saving target.
- 2.4 The new Procurement Regulations, The Public Contracts Scotland Regulations 2015, are now in place. A summary of the changes was given within the last Procurement update in February. However a more detailed summary is contained in Appendix 3.
- 2.5 Previous reports to Committee have contained information on the portion of business the Council has with Local suppliers. A summary of the Council's position on this is contained in section 7 of this report. It is proposed that this section becomes a regular feature of future updates on procurement.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note progress on the Procurement Strategy and that the 2015/16 savings target has now been achieved.
- 3.2 That the Committee note the changes highlighted in the new Procurement Regulations.
- 3.3 That the Committee notes the portion of procurement spend with local suppliers and SMEs.

Aubrey Fawcett
Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 A key requirement in the development of Procurement is that the Council requires to develop an ongoing Procurement Strategy. Previous versions of the Procurement Strategy have been approved by Committee and the actions monitored and reported to Committee.
- 4.2 Procurement has improved each year since 2010 as evidenced by increasing Procurement Capability Assessment scores each year. The Procurement Capability Assessment (PCA) has now been replaced by a new test. The Procurement and Commercial Improvement Programme (PCIP) focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. This new assessment involves a new question set and new scoring and performance bandings.
- 4.3 The new rules that govern public procurement in Scotland have changed as of 18th April 2016. The new regulations result from the Procurement Reform Act. The Procurement Strategy has been put in place with these new procurement regulations and the new (PCIP) assessment in mind.

5.0 RECENT PROGRESS

- 5.1 The Procurement Strategy is attached as Appendix 1 and is split into discrete sections and where appropriate, actions against each of the sections have been identified
- 5.2 A number of actions within the Procurement Strategy are related to the publication of the new procurement regulations and the subsequent statutory guidance. The delay in publication of the regulations and the guidance has delayed reviews of the Contract Standing Orders and other policy matters such as Community Benefits. The Scottish Government published guidance on these matters in March and within that further clarity was given on new tasks that should be contained within the Procurement Strategy. With these issues now clarified, new items have been added to the Procurement Strategy and new target dates for implementation have been added to the Action Plan which is contained in Appendix 1.
- 5.3 The focus on Contract and Supplier Management has in the past delivered softer benefits and awareness of supply issues. With the likelihood of achieving savings via tender activity becoming less likely the focus has now been put on obtaining savings from existing contracts. The Procurement Board has agreed a list of suppliers that will be included in a supplier management process during 2016/17. The suppliers cover street lighting maintenance, waste management, roadstone, school transport and software.
- 5.4 Separate Committee reports give detailed updates on the Governance of External Organisations with an annual summary report to the Policy and Resources Committee. The Governance process was put in place to monitor the governance of key External Organisations with whom which the Council has a significant financial relationship but it also assesses the performance of these organisations who provide services directly to the residents of Inverclyde. This forms part of the supplier management process for these organisations and works in tandem with the Council's over-arching supplier management framework.
- 5.5 The Corporate Procurement Manager has been representing the Council at City Deal Procurement Officer meetings with partner Local Authorities. Various Meet the Buyer events at each Local Authority are being planned with Inverclyde scheduled to hold an event in June. This event will give local suppliers a chance to engage with the Councils on City Deal and hear about contract and sub contract opportunities that they will be encouraged to bid for.
- 5.6 As noted within a report to April's Environment and Regeneration Committee on the Corporate Directorate Improvement Plan, the Procurement function has now been transferred from Finance Service to the Regeneration and Planning Service. This move will build on linkages between the Council's procurement activities and the local business community.

6.0 PROCUREMENT REGULATIONS

6.1 Regulations transposing the public procurement directive have been laid in the Scottish Parliament and will take effect on 18 April 2016. These regulations flow from the new EU directives on procurement and the Procurement Reform Act (Scotland) 2014. An early summary of the new regulations was included in the previous procurement update. This report contains a more detailed summary on the changes within Appendix 3.

7.0 LOCAL AND SME SUPPLIER SPEND

7.1 Previous reports to Committee have contained sporadic information on the portion of business the Council has with Local and SME suppliers. The 2014 Audit Scotland report on Procurement in Councils, dealt with in another report on this agenda, stated that the Council had a low percentage spend with SMEs in comparison to the national average of around 50%.

7.2 The percentage of spend with SMEs has changed from 35% in 2013/14 to 51% in 2014/15. The spend with local suppliers was 31% in 2014/15 which is an increase of 4% from the previous year although the spend figure remained almost the same. The SME and local supplier spend figures for 2015/16 will be reported to Committee within the next update. However, the largest impact on the percentage of spend with SMEs has been the decrease in spends on large construction contracts such as the joint campus and an increase in awards to SMEs. These figures are summarised in the table below –

Year	2013/14	2014/15
Total Spend	£90M	£80M
SME Spend	£31.5M	£40.8M
Percentage SME Spend	35%	51%
Spend with Local Suppliers	£24.2M	£24.4M
Local Suppliers percentage of Spend	27%	31%

7.3 The ability to influence a change in these statistics is constrained by the Council's legislative obligations. There are changes to the regulations and associated Scottish Government guidance that now require the Council to consider lotting where it is appropriate. There is also more emphasis on sustainable procurement and fair work practices. This gives more clarity in the ability to structure tenders that may give more opportunities for SMEs and local suppliers to bid for Council contracts. The Regulations further require that the Council produces an annual Procurement report that details whether each tender has achieved the aims stated with its Procurement Strategy. Committees approve all tender awards for contracts over £500,000 and this Committee is also advised of all the individual awards under this threshold every 6 months. In future these reports will include details on whether the tenders have met the aims of the Procurement Strategy. This will include the decisions on why the contract was lotted or not lotted.

8.0 PROCUREMENT SAVINGS

Finance

8.1 Appendix 2 shows the position in respect of savings planned during 2014/16. From this it can be seen that the savings target has been over achieved. More recent savings are as a result of the new national Water and Waste Water supply contract that has been tendered by the Scottish Government and awarded to Anglian Water.

8.2 A further savings target for 2016/2018 of £28,000 has been agreed and the 2015/16 over-recovery of £5000 will be scored against this target.

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

8.3 There are no matters of a legal nature arising from this report.

Human Resources

8.4 There are no matters of a HR nature arising from this report.

Equalities

8.5 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

8.6 A Procurement Strategy which supports local opportunities will have a positive impact on the Council's Repopulation agenda

9.0 CONSULTATIONS

9.1 None.

10.0 LIST OF BACKGROUND PAPERS

10.1 None

Procurement Strategy Update

		<p>Procurement Action Plan A range of activities have been identified which will allow the Council to achieve the objectives and outcomes set out in the previous section. These are divided into the following three areas, more detail on which can be found in the following tables: a) Strategy, Policy and Advice b) People and Organisation c) Processes & Systems</p> <p>a) Strategy, Policy and Advice In light of the significant changes being driven by the reduction in the Councils budget, the Procurement Team will be working with Council Services during the year to undertake a strategic review of procurement within the Council and identify how it can add most value to support delivery of the Council's strategic priorities. We will continue to act as the procurement centre of expertise for the Council and develop clear procurement policies, providing guidelines to employees on how to purchase goods, services and works. We will also continue to ensure compliance with relevant legislation and integration with Council policies and processes.</p>				
	Issue	Action	Original Target Date	New Target Date	Who By	Update 17/05/16
1.	Procurement Strategy 2015/18	The Procurement Team will work with the Council Services to build a deep understanding of the strategic challenges and opportunities and to identify how procurement can best support the delivery of Council strategic priorities. The conclusions and agreed changes in the Council's approach to procurement resulting from this review process will form the basis of a new Procurement Strategy for 2015/18.	New Strategy approved by September 2015	Complete	Procurement Board/ CMT and Committee	Complete

2.	<p>Individual contract strategies being prepared for spend above £50k to ensure that contracts deliver value for money (with a balance of cost quality and sustainability) and are advertised to ensure transparent and equal treatment of suppliers.</p> <p>Engage earlier with suppliers and the people who use public services.</p>	<p>All spend above will have a contract strategy agreed prior to advertising.</p> <p>Develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Services/ Procurement Team</p> <p>Services/ Procurement Team</p>	<p>Ongoing.</p> <p>Ongoing.</p>
3.	<p>Community Benefits With a view to increasing community benefits achieved through contracts tendered by the Procurement Team Committee approved the recommendations to, where possible, implement a total of 5% evaluation weighting for community benefits within construction and infrastructure procurements over £1m.</p>	<p>Procurement Team will review further areas and spend levels and report back to the Committee with proposals.</p> <p>Develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis</p>	<p>Update/Review report to Committee due by January 2016</p>	<p>September 2016</p>	<p>Procurement Manager/Head of Service Regeneration and Planning</p>	<p>Report delayed to tie in with new Contract Standing Orders.</p>

4.	<p>Local employment The Living wage The Council are committed to encouraging payment of the Living Wage to all employees working for or servicing the Council. This is promoted through all tender exercises conducted by the Procurement Team</p>	Procurement Team will review the use of the procurement approach to the Living Wage with partners and other Local Authorities and adopt further changes if necessary	To be embedded in Report due to Committee before end of 2015 on new Procurement Regulations	Ongoing	Procurement Manager and HOS Legal and Property Services	Ongoing - Policy established and being used. The Council are already compliant as per policy on workforce matters that was approved by Committee in May 2015.
5.	<p>Standing Orders – Contract Standing Orders are revised</p>	Revise in line with new EU legislation and Directives when fully implemented.	New CSOs to be in place by end of 2015.	September 2016	Head of Service Legal and Property Services	Report delayed due to late issue of the new statutory guidance.
6.	<p>Document Standardisation</p>	Documentation to be kept up to date according to legislation and lessons learned. Include compliance with the new European Single Procurement Document and in particular include statements on the Council policy on– <ul style="list-style-type: none"> • compliance with the relevant Health and Safety at work act. • Fairly and ethically traded goods and services • Provision of food to improve health, wellbeing and education of communities in the organisations area: and promote the highest standard of animal welfare. (where applicable) 	Ongoing and review to 2018	Ongoing	Procurement Manager and Services at DPO meeting every 6 weeks	Ongoing

		<ul style="list-style-type: none"> • That payments are made to suppliers within 30 days and to their sub-contractors within the same period. • The treatment of tenderers involved in blacklisting 				
7.	Supplier Management Refresh Supplier management/ Governance for the top high value and/or high risk suppliers in each service.	A review of the supply base is underway in 2015 to consider the contracts currently being managed from a high value, high complexity and/or high risk perspective. The aim is to establish if Procurement Team is managing the correct contracts and how this process interacts with Governance of external organisations.	December 2015	Review completed in March.	Procurement Manager/ Procurement Board	Review of contracts complete. Supplier Management now ongoing
8.	Sustainability Refresh and consolidate Sustainability policy and action plan. The Council has a Corporate Sustainability Policy (CSR), with recommendations to incorporate CSR in all strategies; where relevant. This has not been fully rolled out and is not consistent. Policy requires to be refreshed and consolidated	Sustainability policy and action plan to be embedded. Sustainability is built into the procurement process. Implementation of the Sustainability Policy will ensure consideration at contract strategy stage. CSR and Sustainability rolled out and included as a consideration at a contract strategy stage; where relevant. Introduction and implementation initiatives such as: <ul style="list-style-type: none"> • Ongoing Supplier events for SME's to cover areas of concern and help educate on how to become a supplier to the Council. • 50% of suppliers selected in the quick quote process will be local (where possible). 	June 2016	June 2016	Procurement Manager/ Procurement Board/ Committee	Discuss at Procurement Board in June.

		<ul style="list-style-type: none"> • Policy for dealing with Supported Business • Process for engagement with the Supplier Development Programme. <p>Encourage main contractors to engage with local suppliers and SME's.</p>				
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b) People and Organisation

Effective implementation of the strategy is dependent on having staff with the right skills and experience in place and on a close working relationships with the Procurement Team

	Issue	Action	Target Date	New Target Date	Who By	Update 17/05/16
1.	<u>Training</u> The Procurement Team have secured a training budget over the last 3 years to ensure staff are professionally trained and staff are encouraged to achieve	During the period 2015/18 it is intended to continue providing professional training for Procurement Team staff. Procurement Team focuses on training staff within Services and providing training and information to suppliers and third sector partners. <ul style="list-style-type: none"> • Roll out e-learning course and ensure all officers involved in procurement 	March 2017	March 2017	Procurement Team and Designated Procurement Officers	Ongoing- online e-learning tool now available. Specific training to be completed and recorded for officers involved in procurement on the new regulations. An All Member Training Session on the new regulations will be arranged for Sept 2016.

	<p>certification with the Chartered Institute of Purchasing and Supply (CIPS).</p> <p>Encourage elected members sitting on the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively</p>	<p>have passed.</p> <ul style="list-style-type: none"> • Ensure All Procurement staff have undertaken training in the latest updates to the Procurement reform bill and EU legislation. • Deliver an All Member Training Session on the new regulations (Sept 2016) 				
2.	<p><u>Engagement with Services</u> The Procurement Team has developed effective working relationships with Services. However, this could be further developed with more formal communication and regular meetings.</p>	<p>Strengthen the ongoing operational engagement between the Procurement Team and Service management teams to ensure Procurement Team fully understands service priorities and challenges and is best able to highlight areas where procurement innovation can help support the delivery of Service objectives in the short to medium term</p>	<p>Review at Procurement Board June 2016 And ongoing review to end of 2018</p>	<p>Review at Procurement Board June 2016 And ongoing review to end of 2018</p>	<p>Procurement Team and Designated Procurement Officers/ Procurement Board</p>	<p>Review at Procurement Board June 2016</p>
3.	<p><u>Compliance</u> New EU Procurement Directive came into force in April 2014</p>	<p>Ensure all updates are implemented where not already in place by the completion date e.g.</p> <ul style="list-style-type: none"> • Agree revisions required to the procurement strategy on 	<p>Dec 2015</p>	<p>Ongoing</p>	<p>Procurement Team and Designated Procurement Officers/</p>	<p>Officer Training is ongoing via Scottish Government e-learning and face to face sessions. Additional member training to take place in</p>

	<p>The New Regulations are expected to be in place by the end of 2015.</p>	<p>an annual basis.</p> <ul style="list-style-type: none"> • Continue to promote e-tendering for all tenders. • Continue to consider lot structure within tenders to ensure quality and opportunity for SMEs. • Implement new rules for Social Care contracts. • Increase market research at strategy stage. • Consider how to incorporate new rules within tendering and evaluation. 			Procurement Board	September.
4.	<p><u>Collaboration</u> The Council makes use of many of the contracts put in place by the centres of expertise. These are mainly Scotland Excel, Scottish Government and the Crown Commercial Service (CCS).</p> <p>The Council is now actively working with Scottish Future Trust (SFT) Hub initiative and should ensure all communication</p>	<ul style="list-style-type: none"> • Ensure the best possible pricing is being obtained from frameworks • Communication, collaboration and sharing of best practice with other Local Authorities. • Continue to work with the (SFT) Hub West Scotland to ensure successful conclusion of two Primary schools. • Regular meetings are held with City Deal partners and Local Authorities 	Review at quarterly Procurement Board and report to Committee	Review at quarterly Procurement Board and report to Committee	Procurement Manager/ Procurement Board	Tender workplan reviewed at Procurement Board

	and joint work leads to a successful conclusion. The Council is part of the City Deal project					
5.	<u>Serious organised crime accessing public funds through public procurement</u>	Work with Police Scotland, Scottish Government and partner public bodies to ensure that measures are in place to avoid serious organised crime getting access to public funds. Share tender workplan with Police Scotland	Review tender Workplan every 6 months	Review tender Workplan every 6 months	Head of Service Legal and Property Services	Serious and Organised Crime Training has been held with all procuring officers, legal and Audit in March. Officers are aware of policies on conflicts of interest, anti-competitive behaviour, hospitality and fraud.

c) Process & Systems, P2P, Benefits Tracking, E-Procurement

This element of the strategy is essential if the Council is to achieve the efficiencies identified. If we do not have detailed processes and systems, which are adhered to, savings achieved through the tender process will not materialise.

	Issue	Action	Target Date		Who By	Update 17/05/16
1.	<u>Purchase Cards</u>	<ul style="list-style-type: none"> Increase the rebate on purchase cards by increasing the volume of 	December 2016	December 2016	Procurement Team/ Services/ Creditors	Procurement and Finance have met Procurement Scotland with a view to a P2P review. Business Case to be prepared.

		spend <ul style="list-style-type: none"> • more use of Pcards instead of non-matched payments 				
2.	<u>Electronic Invoicing</u> Legal requirement to have electronic invoicing in place by 2019	Ensure e-invoicing is in place by 2019 by working with Scottish Government and Finance System supplier.	December 2018	December 2018	Procurement Team/ Services/ Creditors	Procurement and Finance have met Procurement Scotland with a view to a P2P review. Business Case to be prepared.
3.	E-Procurement eTendering	Ensure Public Contracts Scotland – tender system known as pcs-t, is fully rolled out to all services	August 2017	August 2017	Procurement Team/ Legal/ Designated Procurement Officers	Ongoing. Property and Roads Officers now receiving training.

Appendix 2

Commodity	New Supplier	Start Date	Annual Spend/ (Income)	Achieved or Planned	New Projected 2014/16 Savings	Full Year Savings
Software	Northgate	01/04/14	£85,000	A	£3,000	£3,000
Mobile Phones	Vodafone	01/04/14	£70,000	A	£4,000	£4,000
School Transport	SPT	01/08/14	£160,000	A	£3,000	£3,000
PPE	Parker Merchant	01/04/14	£46,000	A	£16,000	£16,000
Waste Recycling	Greenlight	01/07/14	£154,000	A	£18,000	£18,000
Water	Anglian Water	01/03/16	£400,000	A	£3,000	£23,000
High Volume Print	Critiqom	01/09/2016	£60,000	A	£2,000	£2,000
Multi Function Devices	Konica	01/06/14	£400,000	A	£16,000	£75,000

Savings Summary (2014/16)

Savings Achieved	£ 144,000
Savings Target	<u>138,000</u>
Savings to be Achieved	-6,000

1. Introduction

Regulations transposing the public procurement directive have been laid in the Scottish Parliament and take effect on 18 April 2016. These regulations flow from the new EU directives on procurement and the Procurement Reform Act (Scotland) 2014. The Act also provides for Scottish Ministers to publish statutory guidance on the selection of tenderers and award of contracts; the sustainable procurement duty; the carrying out of regulated procurements relating to contracts for health or social care services; the preparation and publication of procurement strategies and annual procurement reports; and the use of community benefit requirements.

2. Procurement Strategy

Contracting Authorities must now produce a procurement strategy where the cumulative value of its regulated procurements falls above £5m.

Regulated Procurements are those above £50k for Goods and Services and £2m for works. Inverclyde Council must produce a procurement strategy as our cumulative activities are above £5m. A procurement strategy has already been published and has been modified in line with this statutory guidance.

The aim of the strategy is to ensure that a contracting authority aligns its regulated procurement activity with its functions and purposes so as to better use its procurement activity as a lever for delivering its objectives.

3. Annual Procurement Report

The Act requires a contracting authority to prepare an annual procurement report. According to the guidance, Inverclyde Council will not be required to produce its first annual report until after March 2018.

The Annual report should contain the following –

- a) A summary of regulated procurements
- b) Whether the regulated procurements complied with the procurement strategy
- c) How any areas of non-compliance will be addressed
- d) A summary of community benefits where appropriate
- e) Summary of any steps taken to involve Supported Businesses
- f) A summary of the regulated procurement the authority expects to commence in the next two financial years.

4. Sustainable Procurement Duty

The sustainable procurement duty applies to regulated procurements from June 2016.

The sustainable procurement duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality. It also requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported business and how public procurement can be used to promote innovation.

For the purposes of the Act, the sustainable procurement duty is the duty of a contracting authority

(a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can

- (i) improve the economic, social, and environmental wellbeing of the authority's area,
- (ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and
- (iii) promote innovation

A contracting authority must now consider dividing its requirements into smaller lots, which might encourage smaller businesses to bid. Where an authority decides not to do this, it must explain why

it has not done so. Contracting authorities will be able to award more than one lot to the same tenderer, and may award contracts combining several or all lots when they have indicated in the contract notice that they might do this. The Council already do this but more attention should be paid to ensure this is an area of focus in each and every tender

5. Selection of Tenderers and Award of Contracts

There are circumstances in which a supplier must be excluded from the procurement process, and there are other circumstances in which a contracting authority can determine on a case-by-case basis whether an economic operator should be excluded. These are referred to as mandatory and discretionary exclusion grounds, respectively.

In the case of mandatory and discretionary exclusion grounds, a supplier must be given the opportunity to provide evidence which proves that it has taken sufficient and appropriate remedial action to demonstrate that it has 'self-cleansed' (i.e. that the problem will not occur and that the economic operator can be regarded as reliable).

Mandatory exclusion grounds – must be applied in all regulated procurements; these include circumstances in which a potential supplier has been convicted by final judgement of one of the criminal offences contained in the relevant regulations. These are contained in regulations 58(1) and 58(3) of The Public Contracts (Scotland) Regulations 2015 and regulations 8(1) and 9(1) of The Procurement (Scotland) Regulations 2016.

Discretionary grounds include the ability to exclude suppliers based on previous poor performance where they have been proven to have been in breach of contract.

An economic operator (Supplier) must not be excluded indefinitely from participating in procurement activity. In respect of mandatory exclusion grounds, an economic operator must only be excluded for a maximum of five years from the date of the conviction, three years for a breach of the blacklisting regulations, or in the case of a breach of tax or social security obligations, until the amount owed is paid, including any applicable interest or fines, a binding agreement to pay it has been entered into, or it becomes otherwise no longer owed.

Self-cleansing

If an economic operator is in a situation which might result in its exclusion, it must be given the opportunity to provide evidence to show that it has taken sufficient and appropriate remedial action to demonstrate its reliability. This is known as self cleansing.

Economic and financial standing

Important point to note is that the Council policy on the financial suitability of tenderers is already compliant as we do not exceed a threshold set.

i.e. -

Where it is considered appropriate to set a minimum yearly turnover as a requirement for economic operators, this must not exceed two times the estimated contract value, except in duly justified cases such as relating to the special risks attached to the nature of the goods, works or services.

Most economically advantageous tender

Important to note here that EU-regulated contracts may not be awarded on the basis of lowest price or lowest cost only. This is a change that was not previously in any of the regulations or in the guidance.

6. Procurement for Health and Social Care Services

The important point to note here is that the previous distinction of Social Care Services as part B and therefore exempt from the full force of the regulations has been removed. Instead the new regulations introduce the Light Touch Regime for Social Care procurement, whereby any contract above 750,000 Euro is subject to the Light Touch Regime (LTR). The Guidance in the SPPN does not go into a lot of detail on the differences between the LTR and the full application of the regulations but it does infer that the main principles of the full EU procurement principles can be applied. Also, contracts below the 750,000 Euro threshold but above £50,000 are regulated by the act but do not require to be advertised. Contracts above £50,000 may not require to be advertised

but will still be subject to the rules set within our own Contract Standing Orders and the associated Social Care rules of procedure. As the CSOs are being updated, it has been noted that the new LTR threshold will be written in to the new CSOs.

7. The European Single Procurement Directive

The ESPD replaces the standard Pre Qualification Questionnaire and covers all of the selection criteria and grounds for exclusion.

The ESPD must be used in all procurement exercises worth at least the EU threshold which are commenced on or after the 18th of April.

Bidders will fill in the details about their business and return a completed ESPD. The returns are then assessed and their suitability to bid against your selection criteria and the grounds for exclusion.

You cannot add any of your own questions to the ESPD. This is because the questions in the ESPD come from the EU Regulations and already cover every potential selection criterion and ground for exclusion.

You must make sure that your contract notice sets out what your requirements are against each selection criterion. For example if you require a particular quality assurance standard, you must say this in the contract notice. This will then allow the bidder to answer the question which asks if it will be able to produce certificates showing that it complies with the required quality assurance standards.

8. Other Notable Changes

The minimum time limits for procurement exercises have been reduced, meaning that contracts can be put in place more quickly.

The regulations confirm the circumstances in which contracts may be varied without requiring a new procurement process. These circumstances include:

- low value/below threshold changes;
- changes, regardless of their monetary value, that have already been provided for in the initial procurement documents in "clear, precise and unequivocal" review clauses; provided that the clauses state the scope/nature of the possible changes and the conditions under which they may be used, and the changes do not alter the overall nature of the contract;
- changes that are not "substantial", defined with reference to the familiar 'materiality' tests established by the EU courts.

The most noteworthy development in the area is the ability to allow a new supplier to step into the shoes of the originally appointed supplier, in whole or in part, following corporate restructuring such as a takeover or insolvency, provided certain conditions are satisfied.

Tied to the above development, the regulations introduce the right for an authority to terminate the contract in three scenarios; one of which includes "substantial" modifications as set out above. Importantly, even if these cancellation rights are not included in the contract terms they will be deemed to apply by virtue of this new regulation, subject to reasonable notice being given. It is also open to authorities to define relevant terms and conditions to aid in the operation of these new termination rights.

Report To:	Policy and Resources Committee	Date:	17th May 2016
Report By:	Corporate Director, Environment, Regeneration & Resources	Report No:	PR/09/16/AF/BH
Contact Officer:	Brendan Hurrell	Contact No:	01475 712654
Subject:	Procurement in Councils – Audit Scotland Report		

1.0 PURPOSE

- 1.1 To provide the Committee with a summary of the Accounts Commission's report on Procurement in Councils and to highlight any actions.

2.0 SUMMARY

- 2.1 The attached report (Appendix 1) describes the impact made by the Accounts Commission's performance audit report on 'Procurement in councils' published on 24 April 2014.
- 2.2 The impact report explains how the April 2014 report has been used by stakeholders, including the Scottish Parliament, Scotland Excel and Councils. It updates the analysis in the original report on the Procurement Capability Assessment (PCA).
- 2.3 Councils' PCA scores have further improved, both overall and across all eight PCA sections. Inverclyde Councils procurement performance is reflective of this as the PCA score increased from 54% 2013 to 62% in 2014. The impact report highlights that the PCA tool is about to be replaced by the Procurement and Commercial Improvement Programme (PCIP) . As highlighted by the last Procurement update to the Policy and Resources Committee, the PCIP results will not be comparable to PCA results and recent mock assessments undertaken by other Councils indicate a significant drop in scores. This is not because performance has dropped but is down to the assessment being harder. It is expected that the Inverclyde Council PCA score would drop significantly when we receive our assessment in September 2016.
- 2.4 Councils are increasingly using standardised contracts developed by Scotland Excel, with the total value of standardised contracts rising by 39 per cent between April 2014 and December 2015 – from £503 million to £698 million. The Impact report lists all the recommendations in the report on page 16 of Appendix 1, and profiles the progress that has been made. The progress against each action as it applies to Inverclyde Council is detailed in Appendix 2.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the findings within the Impact report, the progress being made and the actions that are being taken.

4.0 BACKGROUND

- 4.1 Audit Scotland conducted an investigation into the current status of Procurement at all 32 Local Authorities in the later part of 2013 and into 2014.
- 4.2 The Procurement Manager summarised the findings on the initial report in a report to the Policy and Resources Committee in August 2014 where actions were approved.
- 4.3 The latest report explains how the audit report has been used by stakeholders, including the Scottish Parliament, Scotland Excel and councils. It updates the analysis in the original report on the Procurement Capability Assessment (PCA). The Impact report is attached in Appendix 1.

5.0 RECENT PROGRESS

- 5.1 The Impact report lists all the recommendations in the report on page 16 of Appendix 1, and profiles the progress that has been made. The progress against each action as it applies to Inverclyde Council is detailed in Appendix 2.
- 5.2 Councils' PCA scores have further improved, both overall and across all eight PCA sections. Inverclyde Councils procurement performance is reflective of this as the PCA score increased from 54% 2013 to 62% in 2014. The impact report highlights that the PCA tool is about to be replaced by the Procurement and Commercial Improvement Programme (PCIP) . As highlighted by at the last Procurement update to the Policy and Resources Committee, the PCIP results will not be comparable to PCA results and recent mock assessments undertaken by other Councils indicate a significant drop in scores. This is not because performance has dropped but is down to the assessment being harder. It is expected that the Inverclyde Council PCA score would drop significantly when we receive our assessment in September 2016.
- 5.3 The Procurement Strategy is aimed at achieving the aims set out in the new Procurement and Commercial Improvement Programme (PCIP). Updates on progress are provided to the Policy and Resources Committee every second cycle.

6.0 Finance

6.1 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					

6.2 Legal

There are no matters of a legal nature arising from this report.

6.3 Human Resources

There are no matters of a HR nature arising from this report.

6.4 Equalities

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.

6.5 Repopulation

No implications.

7.0 CONSULTATIONS

None

8.0 LIST OF BACKGROUND PAPERS

Procurement in Councils – Audit Scotland Report (April 2014)

Procurement in councils

Impact report

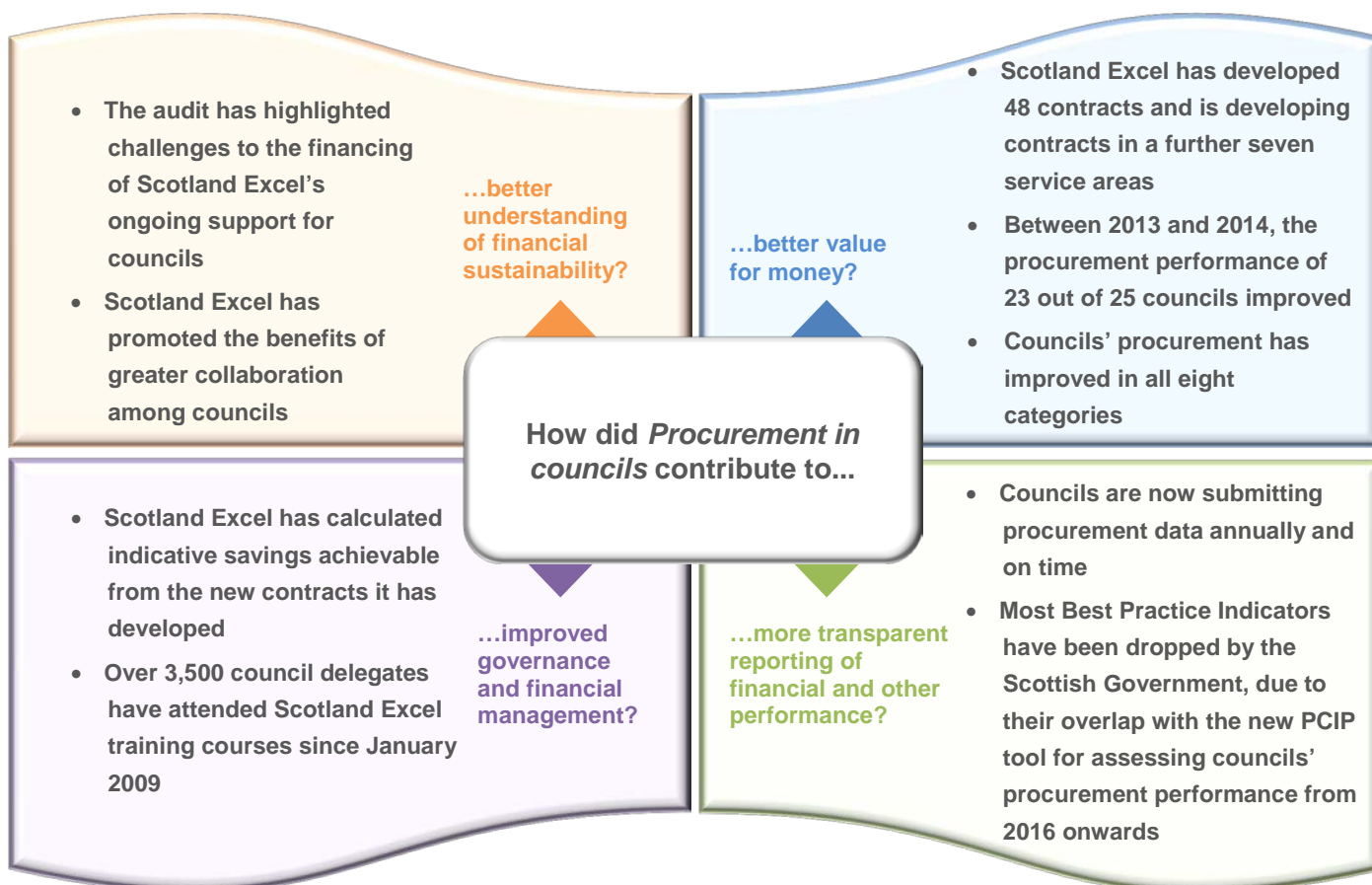
Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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Summary of overall progress

Contribution to key aspects of public sector audit



Introduction

1. This report describes the impact made by the Accounts Commission's performance audit report on '[Procurement in councils](#)', published on 24 April 2014. The Accounts Commission sponsors for the audit were Colin Peebles and Sandy Cumming.

Audit aim and objectives

2. The audit aimed to assess whether councils were efficiently and effectively managing how they procured goods and services. The specific objectives were to determine:
 - How much did councils spend on goods and services, and what savings and other benefits councils identified through better procurement?
 - Did councils manage procurement well and have good governance for it in line with good practice?
 - How well was Scotland Excel helping councils to improve procurement and achieve savings in spending on goods and services?

Key messages

3. The key messages from the April 2014 report were as follows:
 - Councils spent over £5.4 billion on goods and services in 2012/13; over half of the total public sector procurement spend in Scotland. This spending is extremely diverse, although more than half is on social care and construction. Since 2006, initiatives by the Scottish Government and Scotland Excel have led to significant changes in councils' procurement practices. Procurement now has a higher profile and councils are buying more goods and services collaboratively. New legislation and EU directives will bring about further change.
 - Councils can use procurement to improve service quality and achieve benefits for the community. Councils are systematically using procurement spending to support local economic development. Councils have recently begun to make community benefits such as apprenticeships and environmental improvements an integral part of contracts.
 - Councils' spending through collaborative contracts set up by the Scottish Government and Scotland Excel has increased by over 80 per cent over the past three years to £503 million, but accounts for only 9.3 per cent of their total procurement spend. This percentage is likely to increase further as Scotland Excel and the Scottish Government introduce more collaborative contracts. The Scottish Government, Scotland Excel and councils reported total procurement savings of £71 million in 2012/13, 1.3 per cent of procurement spend; with £43 million (61 per cent) of these savings arising from Scotland Excel or Scottish Government collaborative contracts. Councils are relying on procurement to generate savings to meet budget pressures, but some of their savings calculations may not be reliable or may be incomplete. Further savings are possible if councils make greater use of collaborative contracts and replace paper-based systems with 'purchase to pay' compliant ICT systems.

-
- Councils and Scotland Excel have used the Procurement Capability Assessment (PCA) process to improve procurement practice. All councils have improved their procurement capability since 2009. However, the average assessment score has only reached 56 per cent. The rate of improvement varies among councils and some need to improve more quickly. Councils that invest in qualified improvement staff and improved systems can both improve service quality and achieve financial savings.

Key recommendations

4. The report's key recommendations were:

The Scottish Government should work with councils to:

- review and update the Best Practice Indicators (BPIs), drawing on councils' experiences, to reflect changes in procurement since 2008 and improve their usefulness to councils.

Scotland Excel should:

- maintain and improve its sharing of knowledge and experience with the Scottish Futures Trust, and with the associated joint venture companies
- set realistic timescales and savings targets for contracts, particularly in new areas of contracting.

Councils and Scotland Excel should:

- review and formalise arrangements to fund procurement reform activity beyond 2016.

Council staff involved in procurement should:

- submit accurate and complete information to the Procurement Hub (the Hub) on a regular and timely basis (ideally quarterly, and as a minimum within three months of the end of the financial year)
- examine the costs and benefits of differentiating ALEO and council expenditure in their Hub submissions¹
- make greater use of the tools and facilities provided by the Hub, including the use of BPIs in their performance reporting and to benchmark their progress
- engage earlier with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts
- use the Public Contracts Scotland tender module for all applicable contracts
- make full use of national collaborative contracts and provide a clear explanation for non-participation in these contracts to the relevant council committee
- develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis

¹ ALEOs = arm's-length external organisations.

-
- calculate procurement savings using a consistent and transparent methodology that demonstrates clearly how the savings are calculated and their relationship to improved procurement
 - make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements
 - aim to achieve the 'superior performance' level in the PCA, particularly in relation to:
 - spend covered by agreed commodity/project strategies
 - participation in Scotland Excel contracts
 - automation of procurement and payment processes
 - spend captured in the council's contract register.

Councils' corporate management teams should:

- benchmark their procurement staffing against similar-sized councils with higher PCA scores and, where appropriate, produce a business case for employing additional qualified procurement staff where they have lower staffing levels
- examine the benefits of joint working or joint procurement teams as a way of securing economies of scale and creating collaborative contracts
- phase out paper purchasing systems and consider the business case for moving all purchasing systems to an electronic 'purchase to pay' basis
- raise staff awareness of accountability and controls by:
 - implementing a written code of ethics
 - requiring staff involved in procurement to complete a register of interest statement
 - require internal audit to conduct a regular assessment of procurement risk, including the risk of fraud.

Councils should:

- require a report on procurement savings and non-financial procurement benefits to be submitted to the appropriate committee on a regular basis
 - encourage elected members sitting on the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively.
5. We anticipated that the report would add value in a number of areas by identifying lessons learned and highlighting good practice. To help with this, we also published a self-assessment checklist for councillors in April 2014. It set out issues that councillors may wish to consider in relation to procurement in their own council. It allowed councillors to assess themselves against each good practice statement; identify what actions need to be taken forward; and to apply the checklist annually to review a council's progress.

Raising awareness and communication of key messages

Media coverage

6. The Scotsman, Dundee Courier, Evening Times, STV Online and Public Finance all picked up on the report. Coverage was accurate, reflected the report's key messages and was largely based around a piece by the Press Association. A local radio station highlighted the performances of Aberdeen City Council and Aberdeenshire Council.² Comhairle nan Eilean Siar (Western Isles Council) issued a release based on its procurement practice.³ Also, Renfrewshire Council's work was highlighted by the Paisley Daily Express.⁴

Politics

7. COSLA President David O'Neill said: *"As today's report recognises, councils have made good progress in terms of procurement. We have established Scotland Excel and use of collaborative contracts has increased by 80% over the last three years... It is also worth noting that councils use procurement spending to support local economic development and some have begun to use it to deliver other local benefits such as apprenticeships and environmental improvements."*⁵
8. Scottish Labour's local government spokeswoman Sarah Boyack commented: *"Any area where local authorities can make much needed savings is welcome and cutting back on the cost of procurement has long been needed. Councils are under increasing financial strain from additional service requirements to cope with an ageing population and the cost implications of maintaining or replacing infrastructure that is no longer fit for purpose."*⁶
9. Scottish Liberal Democrats' leader Willie Rennie pointed to savings through the use of an electronic system for procurement: *"By bringing payments into the 21st Century councils could save the taxpayer £28 per invoice, amounting to £9m in total. It is in the taxpayers' interests for ministers to work with local authorities in order to enable this change to happen."*⁷
10. Scottish Green MSP Alison Johnstone said council spending should be more geared towards supporting local economies or sustainability.⁸

Downloads

11. Between publication of *Procurement in councils* in April 2014 and the end of September 2015, there were:
 - 4,216 downloads of the main national report, with 160 downloads in September 2015
 - 154 downloads of the self-assessment checklist for use by councillors
 - 128 downloads of the podcast.

² Original 106, www.originalfm.com

³ Press release, [Comhairle Commended For Procurement Procedures](#), Comhairle nan Eilean Siar, 24 April 2015.

⁴ Like other titles taken over by Trinity Mirror, the Paisley Daily Express has lost its own archive.

⁵ As reported by [STV news, 24 April 2014](#). COSLA = Convention of Scottish Local Authorities.

⁶ [Press statement](#), Scottish Labour, 24 April 2014.

⁷ As reported by [STV news, 24 April 2014](#).

⁸ As reported by [STV news, 24 April 2014](#).

Presentations

12. The Chair of the Accounts Commission gave the keynote presentation at the Capita conference about 'procurement in public services in Scotland', in May 2014. In June 2014, the audit team gave presentations to the Scottish Councils' Heads of Procurement meeting and to Scotland Excel. The audit team also made a presentation to South Ayrshire Council. All presentations were well received.

Parliamentary consideration

13. The Scottish Parliament Infrastructure and Capital Investment (ICI) Committee took evidence from the Scottish Futures Trust (SFT) on 5 November 2014, concerning the committee's scrutiny of the Scottish Government's draft budget 2015/16. The SFT said it would seek a corporate commitment from the bodies accountable for procurement, and increase focus on getting the '*right project and right deal*' by involving experienced individuals in planning.⁹

Local consideration of the report

Scotland Excel

14. Scotland Excel is the centre of procurement expertise for the local government sector, and a non-profit making organisation funded by participating local authorities. Through collaboration with councils and suppliers, it aims to raise procurement standards, secure best value, and improve the efficiency and effectiveness of public sector procurement.¹⁰
15. In response to the publication of *Procurement in councils*, the Director of Scotland Excel said "*Scotland Excel welcomes the findings of Audit Scotland's report and is pleased that it recognises the progress that has been achieved. Scotland Excel remains committed to supporting local authorities as they transform procurement within their organisations, and we are confident that ongoing improvements in sector performance will deliver additional benefits in future.*"¹¹
16. Scotland Excel has since conducted a consultation exercise in which councils' procurement activity was discussed with their procurement teams and senior management; and the support available from Scotland Excel was considered. Scotland Excel has said that *Procurement in councils* has helpfully provided a credible, independent assessment of council procurement and remains valuable in shaping the agenda for discussions with councils.¹²
17. Scotland Excel produced an updated corporate strategy in June 2015 for the period 2015-18. Supporting the implementation of the strategy is a performance management framework in which four corporate goals cascade to a set of strategic objectives and these in turn map to objectives for teams and individuals.
18. Since *Procurement in councils* was published, Scotland Excel has developed a wider range of standardised contracts for services typically procured by councils. Developed in consultation with service managers and service clients, standardised contracts have the potential to save a

⁹ Page 37, [Papers for the Finance Committee meeting on 5 November 2014](#), Scottish Parliament.

¹⁰ [Scotland Excel FAQs](#), Scotland Excel website as at 10 November 2015.

¹¹ News release: [Audit Scotland report on local authority procurement published](#), Scotland Excel, website at 12 November 2015.

¹² Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

council a considerable investment in developing its own contracts; reduce risk by providing assurance that the contract has been informed by good practice; and potentially generate savings. Further information on the contacts is contained in [Appendix 1](#).

Councils

19. It is difficult to identify how much of the improvement in councils' procurement performance can be attributed to *Procurement in councils*; to Scotland Excel's ongoing support for councils; and to councils' own improvement work.
20. Audit Scotland has taken stock of changes in councils' procurement performance, using data supplied by Scotland Excel. Between 2009 and 2014, councils' procurement performance was assessed annually by Scotland Excel using the Procurement Capability Assessment (PCA) tool. The PCA tool used 52 questions across eight sections, resulting in a score for each section and an overall percentage score for a council. For *Procurement in councils*, Audit Scotland examined the PCA tool and concluded that it effectively assessed a council's procurement arrangements.¹³ The audit was therefore able to place reliance on PCA results, and the audit report used PCA data for 2013 to analyse all councils' procurement capability. For the purposes of this impact report, we have updated the analysis to include the most recent PCA results, for 2014.
21. *Procurement in councils* noted that between 2009 and 2013, the average overall PCA score for all councils rose from 22 per cent to 56 per cent ([Exhibit 1](#), overleaf). In 2013, the average score was below 50 per cent for two of the eight PCA sections – contract & supplier management; and key purchasing processes & systems.
22. A total of 25 councils chose to participate in the 2014 PCA. Of the other seven, some chose not to participate because the PCA was about to be phased out and some councils would have liked to participate but were unable to due to limited staffing resources.¹⁴
23. Between 2013 and 2014, councils' overall PCA scores improved further – from 56 per cent to 62 per cent on average.¹⁵ Councils improved in all eight PCA sections:
 - Two sections improved to 'superior performance' (75 percent or over) – procurement strategy & objectives; people).
 - A further two sections, although improving, remained below 50 per cent – contract & supplier management; and key purchasing processes & systems. However, both these sections improved steadily from 2009 to 2014.
 - The section on contract & supplier management made the largest improvement (seven per cent).
 - For the third consecutive year, no section was in the 'non-compliance' category.

¹³ Paras 65-67 of the main report, *Procurement in councils*, Accounts Commission, April 2014.

¹⁴ The seven councils were Angus, Dundee City, East Renfrewshire, Clackmannanshire, Perth & Kinross, Stirling and West Lothian.

¹⁵ For the seven councils that did not have a 2014 PCA, their 2013 scores are applied to 2014 to enable 32-council comparisons.

Exhibit 1

Overall changes in Procurement Capability Assessment scores, 2009-2014

Overall, councils improved in all areas between 2009 and 2013, and from 2013 to 2014.

0-24 per cent	25-49 per cent	50-74 per cent	75 per cent or over
Non-compliance	Compliance	Improved performance	Superior performance

PCA section	Councils' average score (per cent)					
	2009	2010	2011	2012	2013	2014
Procurement leadership & governance	25	38	48	58	63	66
Procurement strategy & objectives	31	43	58	64	73	77
Defining the supply need	13	23	30	45	54	60
Commodity/project strategies & collaborative procurement	25	32	40	53	61	67
Contract & supplier management	14	18	24	33	39	46
Key purchasing processes & systems	26	37	39	38	40	44
People	25	39	49	58	71	76
Performance measurement	22	22	34	39	50	55
Overall score	22	32	40	48	56	62

Note: the seven councils without a 2014 PCA have had their 2013 scores applied to 2014 to allow 32-council comparisons.

Source: Scotland Excel, November 2015

24. Among the 25 councils that participated in the 2014 PCAs:

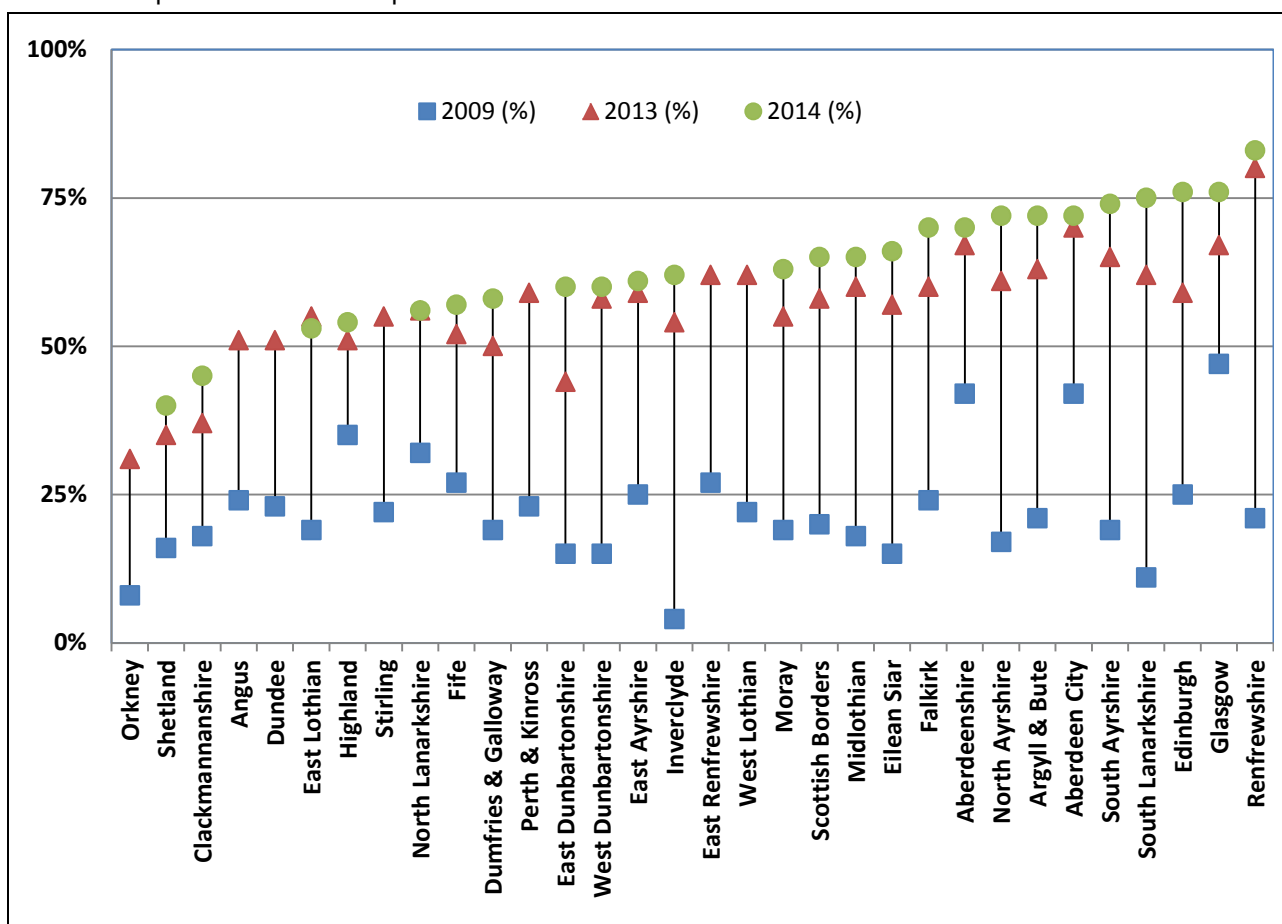
- Twenty-three councils improved their overall PCA score. North Lanarkshire Council's score remained the same and East Lothian Council's score fell by 2 per cent.
- Four councils were in the 'superior performance' category (Renfrewshire, 83 per cent; City of Edinburgh; 76 per cent; Glasgow City, 76 per cent; South Lanarkshire, 75 per cent).
- Nineteen councils were in the 'improved performance' category (50-74 per cent).
- Two councils were in the 'compliance' category (Shetland Islands, 40 per cent; Clackmannanshire, 45 per cent) ([Exhibit 2](#), overleaf).

25. Some councils improved significantly from 2013 to 2014 (eg East Dunbartonshire, City of Edinburgh, Falkirk, North Ayrshire, South Lanarkshire). Progress has been slower in certain larger councils that performed relatively well in the early years of the PCA (eg Aberdeen City, Aberdeenshire, Highland, North Lanarkshire).

Exhibit 2

Councils' PCA scores, 2009-2014

All councils' performance has improved since 2009.



Note: seven councils did not participate in the 2014 PCA assessments. Eilean Siar = Western Isles.

Source: Scotland Excel, November 2015

26. Larger councils have tended to score more highly in the PCA and there is a statistically significant correlation between a council's overall PCA score and its size, measured in terms of its population. The top three performing councils in terms of 2014 PCA scores (City of Edinburgh, Glasgow City, Renfrewshire) accounted for 23 per cent of Scotland's population while the bottom three (Clackmannanshire, East Lothian, Shetland) accounted for three per cent. Nevertheless, some smaller councils (eg Eilean Siar) have performed better than other councils of a similar size. The strength of the link between council size and PCA scores has weakened since 2011, suggesting smaller councils are tending to catch up on larger ones.
27. Increasingly, councils are using standardised contracts developed by Scotland Excel. The total value of standardised contracts rose by 39 per cent between April 2014 and December 2015 – from £503 million to £698 million. Contracts' total national values ranges between £1.5 million for waste disposal equipment and £75 million for children's residential care.¹⁶
28. The PCA tool covered how well councils manage off-contract spend and control of maverick spend (spend outside of approved contracts). Scotland Excel reports that most councils have

¹⁶ Contract portfolio information supplied to Audit Scotland by Scotland Excel, January 2016.

improved their contract coverage since 2009. PCA data showed that in 2014, 80 per cent of councils tested demonstrated 'improved performance' (over 70 per cent of spend is covered by strategies) or 'superior performance' (over 70 per cent of spend is covered by contracts). However, Scotland Excel found that most councils still needed to do more to ensure staff use contracted suppliers. Only one council (Glasgow City) was in the 'superior performance' category. Specific responses of a random sample of eight councils to *Procurement in councils* are summarised in [Exhibit 3](#).

Exhibit 3

Some councils' response to the *Procurement in councils* report

Councils have reacted positively.

- **East Ayrshire** – The council published a new corporate procurement strategy for 2014-2019. It referenced *Procurement in councils* and council officers assured the Cabinet that 'the Council's Procurement Strategy reflects the key messages... and that where appropriate, required actions have been incorporated into our Corporate Procurement Strategy Action Plan to respond to the key recommendations...'
- **East Dunbartonshire** – In June 2015, the council issued its Procurement Strategy for 2015-18. The strategy acknowledged the contribution made by *Procurement in councils*.¹⁷
- **East Renfrewshire** – The Audit and Scrutiny Committee considered a council report on *Procurement in councils*, profiling the council's stance on each recommendation.¹⁸
- **City of Edinburgh** – A report to the Finance and Resources Committee outlined the council's response to each recommendation in *Procurement in councils*. It noted, for example, that a programme of training and awareness sessions was being developed for delivery to elected members.¹⁹
- **Midlothian** – A report to the Audit Committee asked its members to consider the extent to which the council was working in accordance with the recommendations in *Procurement in councils*. It profiled the council against each recommendation and addressed work planned by the council to develop a local procurement policy to strengthen engagement with local businesses.²⁰
- **Moray** – The Audit and Performance Review Committee noted that '...the Corporate Management Team had tasked the procurement team to challenge services to consider community and environmental benefits which would align themselves with the council's social responsibility targets in the strategic plan.'²¹ The committee agreed further procurement training would be arranged for elected members.²²
- **Highland** – The Resources Committee welcomed *Procurement in councils* '...as a positive contribution to the national Procurement Improvement Programme'. The committee agreed its response to each recommendation in the report.²³
- **Renfrewshire** – The Audit, Petition and Scrutiny Board was briefed on *Procurement in councils*, and about the council's standing in relation to each of its recommendation.²⁴

Source: councils' online meeting papers and reports

¹⁷ Para 1.1, [Procurement Strategy 2015-2018](#), East Dunbartonshire Council, June 2015.

¹⁸ [Report to the Audit and Scrutiny Committee](#), East Renfrewshire Council, 12 June 2014.

¹⁹ Item 7: [Report to the Finance and Resources Committee](#), City of Edinburgh Council, 30 September 2014.

²⁰ Item 6: [Report to the Audit Committee](#), Midlothian Council, 16 June 2015.

²¹ Item 7: [Report to the Audit & Performance Review Committee](#), Moray Council, 14 May 2014.

²² Item 6: [Committee minutes, Audit & Performance Review Committee](#), Moray Council, 14 May 2014.

²³ Item 13, [Report to the Resources Committee](#), Highland Council, 24 February 2015.

²⁴ Item 7: [Report to the Audit, Petition and Scrutiny Board](#), Renfrewshire Council, 201

Contribution to national developments

29. The audit team for *Procurement in councils* was consulted during the development of the new Procurement and Commercial Improvement Programme (PCIP) tool for assessing councils' performance in future. The PCIP focuses on policies and procedures driving procurement performance, the results they deliver, and has been endorsed by the Scottish Government.²⁵ Scotland Excel anticipates rolling out the PCIP in local government during the first half of 2016.

Progress on implementing recommendations

30. Progress has been made across the recommendations in *Procurement in councils*, and is ongoing in some areas. Appendix 1 lists all the recommendations in the report and, where possible, profiles the progress that has been made.

Outlook

The method for assessing public bodies' procurement is about to change

31. The PCA tool is about to be replaced by the PCIP. Some key points are that:
- PCA was used to assess bodies annually whereas PCIP will occur every two years.
 - PCIP results will not be comparable to PCA results.
 - There will be three types of PCIP depending on an organisation's sector, size, complexity and uniqueness.²⁶

New procurement legislation will take effect

32. The regulatory framework for procurement is changing across the public sector. For example:
- The Public Bodies (Joint Working) (Scotland) Act 2014 introduced a framework for integrating health and social care.²⁷ Scotland Excel plans to work with local government and the NHS to ensure procurement services respond to the needs of Joint Boards.²⁸
 - The Procurement Reform (Scotland) Act 2014 establishes a legislative framework for sustainable public procurement. It provides ministers with powers to make regulations and issue statutory guidance. The new duties are to take effect from April 2016.²⁹
 - The Community Empowerment (Scotland) Act 2015 aims to empower communities in making decisions about their local areas, including how services are provided, and takes effect from April 2016.³⁰

²⁵ [Procurement – Procurement and Commercial Improvement Programme](#), Scottish Government website as at 12 November 2015.

²⁶ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

²⁷ The Act, [Explanatory notes](#), The Public Bodies (Joint Working) (Scotland) Act 2014.

²⁸ Page 8, [Shared Vision, Shared Success: our corporate strategy 2015-18](#), Scotland Excel, June 2015.

²⁹ [The Procurement Reform \(Scotland\) Act 2014 \(Commencement No. 3 and Transitional Provisions\) Order](#), January 2016.

³⁰ [The Community Empowerment \(Scotland\) Act 2015 \(Commencement No. 3 and Savings\) Order 2015](#), November 2015.

Scotland Excel faces financial challenges

33. When Scotland Excel was established in 2008, the Scottish Government granted it £4.5 million to fund its set-up costs and procurement reform activities. At March 2013, £1.2 million remained.³¹ In the annual audit report on 2014/15, the external auditor reported that the ring-fenced funding for reform, £0.3m as at 31 March 2015, is likely to be fully utilised in 2016, with no plans in place to fund reform work from 2016 onwards.³² The auditor recommended that the organisation should prepare options as part of its budget-setting process for 2016/17. Scotland Excel developed funding proposals for its Joint Committee on 27 November 2015, which approved that the requisition for each council increase by 9.4 per cent for 2016/17 as a means of beginning to fund all of Scotland Excel's ongoing procurement activity sustainably.³³
34. In October 2015, Scotland Excel advised Audit Scotland that resolving the organisation's financial stability after 2016/17 will be challenging.³⁴ A significant portion of its income derives from the sale of training and support to councils, and Scotland Excel has indicated that the financial climate is impinging on councils' ability to pay for it. If Scotland Excel is compelled to scale back its support for councils, this could compromise the maintenance of the PCIP framework and periodic assessments of councils.

Councils continue to face staffing challenges

35. In 2014, the *Procurement in councils* report noted that 'councils and Scotland Excel believe shortages of skilled purchasing staff remain, and that there is a limited pool of experienced purchasing staff in the public sector from which to draw. As the economy improves, there is a risk that councils will lose qualified staff to other public sector organisations and the private sector, where salaries are higher.' Scotland Excel reiterated to Audit Scotland in October 2015 that these challenges remain and that some councils risk having an insufficient number of suitably qualified staff to properly plan and manage procurement.³⁵

There is scope for a procurement-related audit about three years from now

36. With the roll-out of the PCIP to councils happening 2016, it is likely to be 2018 before the second PCIP cycle occurs and like-for-like comparisons become possible. PCIP will shortly be rolled out in the NHS. So in a few years' time, it should also be possible to map the changing performance of NHS procurement between 2016 and 2018. There is also some potential to consider thematic aspects of procurement across the public sector.

Fraser McKinlay
Director of Performance Audit and Best Value
Audit Scotland

February 2016

³¹ Para 71, *Procurement in Scotland*, Accounts Commission, April 2014.

³² Scotland Excel: Annual audit report to Members and the Controller of Audit, 2015.

³³ Page 27, [Agenda document pack](#), Scotland Excel Joint Committee, 27 November 2015.

³⁴ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

³⁵ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

Appendix 1. Progress on implementing the recommendations

Recommendation	Progress
The Scottish Government should work with councils to:	
<ul style="list-style-type: none"> review and update the Best Practice Indicators (BPIs), drawing on councils' experiences, to reflect changes in procurement since 2008 and improve their usefulness to councils. 	<p>The Procurement Reform Delivery Group comprises the heads of centres of procurement expertise:</p> <ul style="list-style-type: none"> Scotland Excel (local government) Advanced Procurement for Universities and Colleges (APUC) NHS National Procurement, and Scottish Government representatives at deputy director level. <p>The Procurement and Commercial Improvement Programme Dashboard replicates some information from BPIs. In 2015, the Group therefore decided to drop BPIs except for indicators 1a and 1b, which relate to procurement savings. This does not affect the gathering of contract spend data into the Scottish Government's procurement Hub, which continues.³⁶</p>
Scotland Excel should:	
<ul style="list-style-type: none"> maintain and improve its sharing of knowledge and experience with the Scottish Futures Trust, and with the associated joint venture companies 	<p>In its corporate strategy for 2015-18, Scotland Excel commits to “<i>monitor the progress of the Review of Procurement in Construction, working with the Scottish Futures Trust (SFT) and partners to determine how our collaborative contracts can support the implementation of its recommendations.</i>”³⁷</p>
<ul style="list-style-type: none"> set realistic timescales and savings targets for contracts, particularly in new areas of contracting 	<p>A year-end performance report about Scotland Excel was taken by its Executive Sub-Committee in May 2015, showing performance against the business plan. For 2014/15, the plan had 21 objectives:</p> <ul style="list-style-type: none"> Nine objectives were fully achieved including: <ul style="list-style-type: none"> achieve savings of between two per cent and seven per cent against the delivery programme reduce and maintain sickness absence at below four per cent. Seven objectives were partially achieved including: <ul style="list-style-type: none"> eight extensions and 11 renewals were made to contracts developing a new three-year corporate strategy, which has subsequently been approved.

³⁶ Email from Scotland Excel to councils, 1 October 2015.

³⁷ Page 26, [Shared Vision, Shared Success: our corporate strategy 2015-18](#), Scotland Excel, June 2015.

Recommendation	Progress
	<ul style="list-style-type: none"> • Five objectives were not achieved, including: <ul style="list-style-type: none"> ◦ eight new contracts were delivered against a target of 16 ◦ the advertised annual value of contracts fell £102m below the target of £750m. <p>Scotland Excel's 2015/16 operating plan includes plans to deliver a rolling schedule of new contract opportunities, identified and agreed with local authority stakeholders.³⁸</p> <p>Scotland Excel's corporate strategy 2015-18 commits to ongoing partnership working, specifically mentioning areas like a Review of Procurement in Construction.³⁹ It claims that its 'growing portfolio of collaborative contracts delivers around £4 in savings for every £1 invested by councils, not to mention the efficiency gains of developing one national contract instead of 32'.⁴⁰</p>
Scotland Excel and councils should:	
<ul style="list-style-type: none"> • review and formalise arrangements to fund procurement reform activity beyond 2016 	<p>This has been flagged as a challenging issue by both Scotland Excel and its appointed auditor. In December 2014, Scotland Excel established a transformation programme to underpin the delivery of its corporate strategy. The programme comprises six project areas: funding; leading change; stakeholder engagement; organisational development; business intelligence; and governance, policy and process.⁴¹</p> <p>Scotland Excel developed funding proposals for its Joint Committee on 27 November 2015, which approved that the requisition for each council increase by 9.4 per cent for 2016/17 as a means of beginning to fund all of Scotland Excel's ongoing procurement activity sustainably.⁴²</p>

³⁸ Pages 15-16, [Scotland Excel: Annual audit report 2014/15 to Members and the Controller of Audit](#), August 2015.

³⁹ Page 26, Shared Vision, Shared Success: our corporate strategy 2015-18, Scotland Excel, June 2015.

⁴⁰ Total savings from the use of standardised contracts versus Scotland Excel's requisitions on councils, information supplied to Audit Scotland in January 2016.

⁴¹ Page 42, Shared Vision, Shared Success: our corporate strategy 2015-18, Scotland Excel, June 2015.

⁴² Page 27, [Agenda document pack](#), Scotland Excel Joint Committee, 27 November 2015.

Recommendation	Progress
Council staff involved in procurement should	
<ul style="list-style-type: none"> submit accurate and complete information to the procurement Hub on a regular and timely basis (ideally quarterly, and as a minimum within three months of the end of the financial year) 	<p>Scotland Excel reports that councils are now much better at submitting their procurement data annually and on time. However, it also recognises the benefits to councils of quarterly reporting, which could provide a more timely national overview and useful benchmarking data for councils themselves.⁴³</p>
<ul style="list-style-type: none"> examine the costs and benefits of differentiating ALEO and council expenditure in their Hub submissions 	<p>Not assessed.</p>
<ul style="list-style-type: none"> make greater use of the tools and facilities provided by the Hub, including the use of BPIs in their performance reporting and to benchmark their progress 	<p>The Procurement Reform Delivery Group comprises the heads of centres of procurement expertise:</p> <ul style="list-style-type: none"> Scotland Excel (local government) Advanced Procurement for Universities and Colleges (APUC) NHS National Procurement Scottish Government representatives at deputy director level. <p>The PCIP reporting Dashboard replicates some information from the BPIs. In 2015, the Group therefore decided to drop the BPIs except for indicators 1a and 1b, which relate to procurement savings. This decision does not affect the gathering of contract spend data into the Scottish Government's procurement Hub, which continues. The first cycle of PCIP assessments will be conducted in councils in 2016.</p>
<ul style="list-style-type: none"> engage earlier with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts 	<p>The standardised contracts developed by Scotland Excel are devised following research with a range of stakeholders, including councils, service providers, and service clients. For example, a framework for care home services for adults with learning disabilities is now available as part of Scotland Excel's social care contracts portfolio. People with learning disabilities who had direct experience of living in care homes were involved in the development and evaluation of the framework, and their views were embedded in the service specification.⁴⁴</p>

⁴³ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

⁴⁴ Page 3, [Scotland Excel News: Summer 2015](#), Scotland Excel, Summer 2015.

Recommendation	Progress
<ul style="list-style-type: none"> use the Public Contracts Scotland tender module for all applicable contracts 	<p>The Procurement Reform (Scotland) Act 2014 requires all public sector contracting organisations to keep and maintain a contract register, and to provide an internet-based publicly viewable version of it from 18 April 2016. While the onus is on individual organisations to produce and publish contract registers, in order to provide support to the public sector, Public Contracts Scotland (PCS) will provide functionality on the portal to produce a contract register that meets the requirements of the Act.⁴⁵</p>
<ul style="list-style-type: none"> make full use of national collaborative contracts and provide a clear explanation for non-participation in these contracts to the relevant council committee 	<p>Scotland Excel has developed contracts in areas including Construction and maintenance (16 contracts); Transport & environment (10); Social care (8); Education & corporate services (4). Councils are using many existing contracts. New contracts under development by Scotland Excel address: Surveying & construction management; Playground equipment & artificial surfaces; Home energy efficiency programme; Road services; Adult supported living; Architecture services.⁴⁶</p>
<ul style="list-style-type: none"> develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis 	<p>Scotland Excel has included community benefits as a scored element in tenders since 2013.</p> <p>The Community Empowerment (Scotland) Act received Royal Assent in July 2015. The Act empowers communities in making decisions about their local areas, including how services are provided.⁴⁷</p>
<ul style="list-style-type: none"> calculate procurement savings using a consistent and transparent methodology that demonstrates clearly how the savings are calculated and their relationship to improved procurement 	<p>Scotland Excel calculates that its standardised contracts have generated £85 million of savings in comparison to councils' £22 million of fees for membership of Scotland Excel, and that £1.4 billion has been spent through councils' use of its contracts since 2008.⁴⁸</p>

⁴⁵ [Forward Plan 30th October 2015](#), Public Contracts Scotland, website as at 26 November 2015.

⁴⁶ Presentation by Scotland Excel to councils during consultation events in 2015.

⁴⁷ [Explanatory Notes](#), Community Empowerment (Scotland) Act, July 2015.

⁴⁸ Presentation by Scotland Excel to councils during consultation events in 2015.

Recommendation	Progress
<ul style="list-style-type: none"> • make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements • aim to achieve the superior performance level in the PCA, particularly in relation to: <ul style="list-style-type: none"> ○ spend covered by an agreed commodity strategy ○ participation in Scotland Excel contracts ○ automation of procurement and payment processes ○ spend captured in the council's contract register 	<p>Scotland Excel claims its contracts follow this approach.⁴⁹</p> <p>Between 2013 and 2014, the number of councils in this category increased from one (Renfrewshire, 80 per cent) to four: Renfrewshire (83 per cent and the top performer in 2013 and 2014), City of Edinburgh (76), Glasgow City (76), South Lanarkshire (75).</p> <p>Standardised contracts designed by Scotland Excel now cater for fluctuations in commodity prices.</p> <p>Scotland Excel has advised Audit Scotland that, on average, councils use 42 out of 48 available contracts, ranging between 31 contracts used (East Ayrshire, Glasgow City) and all 48 (West Dunbartonshire).⁵⁰</p> <p>Please refer to the recommendation below on electronic procurement.</p> <p>Scotland Excel does not maintain a list of spend on councils' contract registers but, against this, a contract register is a key area of focus for the organisation.⁵¹</p>
Councils' corporate management teams should:	
<ul style="list-style-type: none"> • benchmark their procurement staffing against similar-sized councils with higher PCA scores and, where appropriate, produce a business case for employing additional qualified procurement staff where they have lower staffing levels 	<p>The gap between high- and low-performing councils has been closing. Scotland Excel indicates that councils have been recruiting procurement experts, but that the pool of suitable staff is limited.⁵²</p>
<ul style="list-style-type: none"> • examine the benefits of joint working or joint procurement teams as a way of securing economies of scale and creating collaborative contracts 	<p>Scotland Excel indicates that it continues to promote the potential benefits of councils' pooling qualified expertise. Scotland Excel has also advised Audit Scotland that there is considerable scope for further progress on this issue, especially given the limited pool of procurement professionals in Scotland.⁵³</p>

⁴⁹ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

⁵⁰ Email from Scotland Excel to Audit Scotland, 12 November 2015.

⁵¹ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

⁵² Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

⁵³ Audit Scotland meeting with the Head of Customer and Business Services, Scotland Excel, 29 October 2015.

Recommendation	Progress
<ul style="list-style-type: none"> • phase out paper purchasing systems and consider the business case for moving all purchasing systems to an electronic 'purchase-to-pay' basis 	<p>The purchase-to-pay process encompasses all the steps that are followed from the time someone orders a product/service that they need, through the authorisation process, to sending the supplier the purchase order and ultimately to receiving the products/services and paying the suppliers invoice. Using systems to automate this process can help to deliver greater efficiencies.⁵⁴</p> <p>A number of improvement programmes have been led by the Scottish Government, eg:</p> <ul style="list-style-type: none"> • Public Contracts Scotland (PCS) provides suppliers with free access to all essential information on public sector business opportunities. All public sector bodies in Scotland are expected to use PCS. • PCS-Tender is the national eSourcing system provided free of charge by the Scottish Government. The system provides buying organisations with a set of web-based procurement tools. • eInvoicing is an electronic service that facilitates information exchange between buyers and suppliers. It allows invoices and related documents to be issued, received and reconciled electronically through a secure channel. In April 2015, the Scottish Government announced that eInvoicing had been extended to all Scottish public sector bodies in Scotland.⁵⁵ <p>Scotland Excel has advised Audit Scotland that local government has been actively engaged in these initiatives, but that electronic procurement remains an area of weakness, and also of opportunity.⁵⁶</p>
<ul style="list-style-type: none"> • raise staff awareness of accountability and controls by: <ul style="list-style-type: none"> ○ implementing a written code of ethics ○ requiring staff involved in procurement to complete a register of interest statement ○ require internal audit to conduct a regular assessment of procurement risk, including the risk of fraud 	<p>The timescale for this impact assessment precluded a survey of all 32 councils.</p>

⁵⁴ Scottish Government Procurement: [eCommerce](#), Scottish Government website as at 26 November 2015.

⁵⁵ [Public Contracts Scotland – Tender](#), Scottish Government website as at 10 November 2015.

⁵⁶ Email correspondence between Scotland Excel and Audit Scotland, 10 November 2015.

Recommendation	Progress
Councils should:	
<ul style="list-style-type: none"> require a report on procurement savings and non-financial procurement benefits to be submitted to the appropriate committee on a regular basis 	<p>Councils continue to seek savings from procurement, although reporting practices vary. For example:</p> <ul style="list-style-type: none"> Angus Council's Policy & Resources Committee took a report on '<i>...changes required to maximise Community Benefits from Angus Council's procurement activity in accordance with duties emerging from the Procurement Reform (Scotland) Act 2014 and aligned to the Tayside Sustainable Procurement Policy.</i>' East Renfrewshire Council's Cabinet took a report on the benefits of the council joining a nationwide telecommunications infrastructure for use by public bodies.⁵⁷ The City of Edinburgh Council prepared an Equality and Rights Impact Assessment in relation to procurement savings on independent contracts for Older People's and Disability services.⁵⁸
<ul style="list-style-type: none"> encourage elected members sitting on the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively 	<p>A total of 3,585 council delegates have attended Scotland Excel training courses since January 2009.⁵⁹ Some delegates have comprised elected members. In response to <i>Procurement in councils</i>, some councils have said procurement training is already in place, and some others have committed to improving training and support for elected members, eg:</p> <ul style="list-style-type: none"> Angus – the council has committed to deliver procurement training and briefing session(s) to councillors.⁶⁰ Moray – procurement training has been offered to elected members and can be repeated if requested.⁶¹ Renfrewshire – procurement awareness training sessions are available to elected members.⁶² <p>However, the timescale for this impact assessment precluded a survey of all 32 councils.</p>

Final

⁵⁷ [Report by the Deputy Chief Executive to Cabinet](#), East Renfrewshire Council, March 2015.

⁵⁸ [Equality and Rights Impact Assessment](#), City of Edinburgh Council, February 2015.

⁵⁹ Presentation by Scotland Excel to councils in consultation events during 2015.

⁶⁰ Outcome 4, [Procurement Annual Report 2014/15 and Improvement Plan for 2014/17](#), Angus Council, September 2015.

⁶¹ Item 7: [Report to the Audit & Performance Review Committee](#), Moray Council, May 2014.

⁶² Item 7: [Report to the Audit, Petition and Scrutiny Board](#), Renfrewshire Council, September 2014.

Ref	Recommendation	Progress	Inverclyde Council Action/ Comment
	Scotland Excel and councils should:		
1.	review and formalise arrangements to fund procurement reform activity beyond 2016	This has been flagged as a challenging issue by both Scotland Excel and its appointed auditor. In December 2014, Scotland Excel established a transformation programme to underpin the delivery of its corporate strategy. The programme comprises six project areas: funding; leading change; stakeholder engagement; organisational development; business intelligence; and governance, policy and process. Scotland Excel developed funding proposals for its Joint Committee on 27 November 2015, which approved that the requisition for each council increase by 9.4 per cent for 2016/17 as a means of beginning to fund all of Scotland Excel's ongoing procurement activity sustainably.	Inverclyde Council are now paying the increased requisition. It remains to be seen if Scotland Excel will require further increases in the requisition to meet its planned activity beyond 2016/17. No action proposed
	Council staff involved in procurement should:		
2.	submit accurate and complete information to the procurement Hub on a regular and timely basis (ideally quarterly, and as a minimum within three months of the end of the financial year)	Scotland Excel reports that councils are now much better at submitting their procurement data annually and on time. However, it also recognises the benefits to councils of quarterly	The Council uploads its annual spend on time and attempts to submit quarterly spend data as soon as it is practical. Ongoing

		reporting, which could provide a more timely national overview and useful benchmarking data for councils themselves.	
3.	make greater use of the tools and facilities provided by the Hub, including the use of BPIs in their performance reporting and to benchmark their progress	<p>The Procurement Reform Delivery Group comprises the heads of centres of procurement expertise:</p> <ul style="list-style-type: none"> • Scotland Excel (local government) • Advanced Procurement for Universities and Colleges (APUC) • NHS National Procurement • Scottish Government representatives at deputy director level. <p>The PCIP reporting Dashboard replicates some information from the BPIs. In 2015, the Group therefore decided to drop the BPIs except for indicators 1a and 1b, which relate to procurement savings. This decision does not affect the gathering of contract spend data into the Scottish Government's procurement Hub, which continues. The first cycle of PCIP assessments will be conducted in councils in 2016.</p>	<p>The Council make full use of spend information and the contract database within the Hub.</p> <p>The Council will receive its first PCIP assessment in September.</p> <p>No further action</p>
4.	engage earlier with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts	The standardised contracts developed by Scotland Excel are devised following research with a range of stakeholders, including councils, service providers, and service clients. For example, a framework for care home services for	Attempts are made to engage with stakeholders and with service users. Recent tenders for Telecare and Homecare involved users in the specification development and the evaluation process.

		adults with learning disabilities is now available as part of Scotland Excel's social care contracts portfolio. People with learning disabilities who had direct experience of living in care homes were involved in the development and evaluation of the framework, and their views were embedded in the service specification.	The Procurement Strategy will be updated to include the requirement for this type of engagement where it is applicable. Action – include requirement in revised Procurement Strategy (Nov 2016)
5.	use the Public Contracts Scotland tender module for all applicable contracts	The Procurement Reform (Scotland) Act 2014 requires all public sector contracting organisations to keep and maintain a contract register, and to provide an internet-based publicly viewable version of it from 18 April 2016. While the onus is on individual organisations to produce and publish contract registers, in order to provide support to the public sector, Public Contracts Scotland (PCS) will provide functionality on the portal to produce a contract register that meets the requirements of the Act.	The Council uses the Public Contracts Scotland tender module for all tenders and is using the contract register functionality built into Public Contracts Scotland. No further action
6.	make full use of national collaborative contracts and provide a clear explanation for non-participation in these contracts to the relevant council committee	Scotland Excel has developed contracts in areas including Construction and maintenance (16 contracts); Transport & environment (10); Social care (8); Education & corporate services (4). Councils are using many existing contracts. New contracts under development by Scotland Excel address: Surveying & construction management; Playground equipment & artificial	The Council uses all appropriate Scotland Excel contracts. Use of these contracts is regularly reviewed with Scotland Excel at Quarterly reviews. No further action

		surfaces; Home energy efficiency programme; Road services; Adult supported living; Architecture services.	
7.	develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis	Scotland Excel has included community benefits as a scored element in tenders since 2013. The Community Empowerment (Scotland) Act received Royal Assent in July 2015. The Act empowers communities in making decisions about their local areas, including how services are provided.	There are regular reports to committee giving updates on procurement and these include non financial benefits. There are also regular reports on the use of community benefits. This will also be captured in the Procurement Annual report which is required from 2017/18. Action – Incorporate in Annual report (March 2018)
8.	calculate procurement savings using a consistent and transparent methodology that demonstrates clearly how the savings are calculated and their relationship to improved procurement.	Scotland Excel calculates that its standardised contracts have generated £85 million of savings in comparison to councils' £22 million of fees for membership of Scotland Excel, and that £1.4 billion has been spent through councils' use of its contracts since 2008.	Regular reports to the Policy and Resources Committee highlight the ongoing savings that have been realised through procurement. Ongoing
9.	<ul style="list-style-type: none"> • make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements • aim to achieve the superior performance level in the PCA, particularly in relation to: <ul style="list-style-type: none"> ○ spend covered by an agreed commodity strategy. 	Scotland Excel claims its contracts follow this approach. Between 2013 and 2014, the number of councils in this category increased from one (Renfrewshire, 80 per cent) to four: Renfrewshire (83 per cent and the top performer in 2013 and 2014), City of Edinburgh (76), Glasgow City	As the PCA has been replaced by PCIP the goal of achieving Superior Performance cannot be achieved. PCA scores will not be comparable to the PCIP scores as the assessment covers more areas of procurement and commercial expertise within the

	<ul style="list-style-type: none"> ○ participation in Scotland Excel contracts ○ automation of procurement and payment processes ○ spend captured 	<p>(76), South Lanarkshire (75). Standardised contracts designed by Scotland Excel now cater for fluctuations in commodity prices. Scotland Excel has advised Audit Scotland that, on average, councils use 42 out of 48 available contracts, ranging between 31 contracts used (East Ayrshire, Glasgow City) and all 48 (West Dunbartonshire). Scotland Excel does not maintain a list of spend on councils' contract registers but, against this, a contract register is a key area of focus for the organisation.</p>	<p>Council. The Council does however, perform market research, look at areas of cost avoidance within the context of new tenders and existing contracts. Supplier management has improved at Inverclyde with the ongoing development of the Governance process and a fresh approach to supplier management corporate goods and services contracts. The Council participates in 45 of the 47 Scotland Excel contracts. Of the 2 we do not participate in, there are historical contracts and the Council will move to Scotland Excel contracts when these complete.</p> <p>No further action</p>
	Councils' corporate management teams should:		
10.	benchmark their procurement staffing against similar-sized councils with higher PCA scores and, where appropriate, produce a business case for employing additional qualified procurement staff where they have lower staffing levels	The gap between high- and low-performing councils has been closing. Scotland Excel indicates that councils have been recruiting procurement experts, but that the pool of suitable staff is limited.	Inverclyde Council have a high return on investment in terms of the number of procurement staff when compared to the savings achieved and volume of work. Many other Councils have a much higher number of staff when compared to procurement activity and the level of savings being achieved.
			Ongoing

	<p>examine the benefits of joint working or joint procurement teams as a way of securing economies of scale and creating collaborative contracts</p>	<p>Scotland Excel indicates that it continues to promote the potential benefits of councils' pooling qualified expertise. Scotland Excel has also advised Audit Scotland that there is considerable scope for further progress on this issue, especially given the limited pool of procurement professionals in Scotland.</p>	<p>Regular meetings are held with procurement colleagues from Renfrewshire Council and the NHS to look at ways to promote joint working. Scotland Excel are chairing meetings on the same issue.</p> <p>The joint working on City Deal with Clyde Valley partners has helped to focus on the possible benefits.</p> <p>Ongoing</p>
11.	<p>phase out paper purchasing systems and consider the business case for moving all purchasing systems to an electronic 'purchase- to-pay' basis</p>	<p>The purchase-to-pay process encompasses all the steps that are followed from the time someone orders a product/service that they need, through the authorisation process, to sending the supplier the purchase order and ultimately to receiving the products/services and paying the suppliers invoice. Using systems to automate this process can help to deliver greater efficiencies.</p> <p>A number of improvement programmes have been led by the Scottish Government, eg:</p> <ul style="list-style-type: none"> • Public Contracts Scotland (PCS) provides suppliers with free access to all essential information on public sector business opportunities. All public sector bodies in Scotland are expected to use PCS. • PCS-Tender is the national 	<p>The Council are looking to work with the Scottish Government to review the current P2P process and look at recommendations that will help to move all purchasing systems to a more electronic process. This review should take place in the second half of 2016. This action is already in the Procurement Strategy.</p> <p>The Council uses PCS and PCS-T.</p> <p>Action – Review options for P2P during 2016 and report by 2017 in line with Procurement Strategy.</p>

		<p>eSourcing system provided free of charge by the Scottish Government. The system provides buying organisations with a set of web-based procurement tools.</p> <ul style="list-style-type: none"> • eInvoicing is an electronic service that facilitates information exchange between buyers and suppliers. It allows invoices and related documents to be issued, received and reconciled electronically through a secure channel. In April 2015, the Scottish Government announced that eInvoicing had been extended to all Scottish public sector bodies in Scotland. 	
12.	<p>raise staff awareness of accountability and controls by:</p> <ul style="list-style-type: none"> o implementing a written code of ethics o requiring staff involved in procurement to complete a register of interest statement o require internal audit to conduct a regular assessment of procurement risk, including the risk of fraud 	<p>The timescale for this impact assessment precluded a survey of all 32 councils.</p>	<p>There is a staff code of conduct that includes guidance on conflict of interest.</p> <p>Staff involved in procurement have been trained by the Police on awareness of Serious and Organised Crime.</p> <p>Internal Audit conduct regular risk based audits on procurement activity.</p> <p>No further action</p>
	Councils should:		
13.	<p>require a report on procurement savings and non-financial procurement benefits to be submitted to the appropriate committee on a regular basis</p>	<p>Councils continue to seek savings from procurement, although reporting practices vary.</p>	<p>Reports are provided to the Policy and Resources Committee every second cycle.</p> <p>No further action</p>

	<p>encourage elected members sitting on the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively</p>	<p>A total of 3,585 council delegates have attended Scotland Excel training courses since January 2009.⁵⁹ Some delegates have comprised elected members. In response to Procurement in councils, some councils have said procurement training is already in place, and some others have committed to improving training and support for elected members.</p>	<p>Briefing sessions on procurement have been provided to members. With the introduction of the new procurement regulations, a further session will be organised.</p> <p>Action – deliver an All Member Training Session on the new regulations (Sept 2016)</p>
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Report To:	Policy & Resources Committee	Date:	17th May 2016
Report By:	Chief Financial Officer	Report No:	FIN/53/16/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	An Overview of Local Government in Scotland 2016 – Report by the Accounts Commission		

1.0 PURPOSE

- 1.1 The purpose of this report is to highlight to Committee the recently issued Accounts Commission report “An Overview of Local Government in Scotland 2016” and to seek Committee approval of the attached self- assessment actions.

2.0 SUMMARY

- 2.1 It is established Council practice that all national audit reports are presented to the relevant Committee along with an associated action plan. Each year an overview of Local Government in Scotland is prepared by the Accounts Commission and the report thereafter goes to the Policy & Resources Committee via the Corporate Management Team.

- 2.2 An overview of Local Government in Scotland 2016 was issued by the Accounts Commission in March 2016 and is attached as Appendix 1. There are a number of key messages as follows:

- There is a real term funding reduction from the Scottish Government to Local Government of 5% in 2016/17 giving a cumulative real term reduction of 11% since 2010/11.
- In addition Councils are facing the challenge of additional service demands and demographic pressures and as such Councils need to have clear priorities and long term planning from both a financial and service delivery perspective.
- Incremental savings are no longer tenable and more fundamental change is needed.
- Performance improvements have been achieved despite funding reductions but satisfaction levels are declining in some areas.
- Workforce planning is critical due to the ongoing staff reductions.
- The Community Empowerment Act will require more Local Community involvement in decisions.
- Councillor skills and knowledge need updating on a regular basis especially to challenge scrutinise and evaluate options. In this respect the quality of information provided to Councillors needs to be of a high level.

- 2.3 The report contains a number of recommendations which have been captured in the attached self-assessment Action Plan for the Committee to consider.

- 2.4 It should be noted that the report contains a number of tables where the Council appears. The one in which the Council is most prominent is in relation to the level of reserves where it is noted that Inverclyde Council has the highest level of reserves in relation to budget (earmarked plus free) in Scotland. The Council has an approved Reserves Strategy and a policy in terms of approving Earmarked Reserves and provisions. It is important however that the level of reserves carried by the Council continues to be kept under regular review given the ongoing financial pressures faced by the Council.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the contents of the Accounts Commission report.
- 3.2 It is recommended that the Committee considers and thereafter approves the self-assessment against the recommendations contained in the report and the resultant Action Plan.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 It is Council practice that all national reports from the Accounts Commission or Audit Scotland are presented to the relevant service Committee along with an associated Action Plan after having been considered by the Corporate Management Team.
- 4.2 Each year the Accounts Commission issues an overview of Local Government in Scotland report and the report for 2016 was issued by the Accounts Commission in mid-March 2016.

5.0 THE ACCOUNTS COMMISSION REPORT

- 5.1 A full copy of the Accounts Commission report is attached as Appendix 1.
- 5.2 The Report contains a number of key messages on page 6 and recommendations on page 7. A summary of the key messages is as follows:
 - Council revenue funding from the Scottish Government has reduced by 5% in real terms in 2016/17 bringing the total reduction in real terms to 11% since 2010/11.
 - In addition Councils face growing pressures from both a demand and a demographic perspective and as such Councils need to have clear priorities and long term planning in relation to service delivery and financial matters.
 - Incremental savings are no longer tenable and a more fundamental change is needed in order to meet the growing financial pressures on Councils.
 - Despite these pressures, performance improvements have been achieved but in certain areas satisfaction is declining.
 - Workforce planning is critical in order to manage the staff reductions and to deliver effective services in the future.
 - The Community Empowerment Act will require more local involvement in decision making.
 - Councillors need to keep updating their skills and knowledge to challenge scrutinise and evaluate options. Critical to this is the need for Councillors to receive good information as part of the decision making process.
- 5.3 Linked to this there are recommendations for Councillors to consider. These recommendations have been captured in Appendix 2 following a self evaluation by the Corporate Management Team.

6.0 IMPLICATIONS

6.1 Finance

There are no direct financial implications arising from 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					

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

There are no HR implications arising from this report.

6.4 Equalities

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.

6.5 Repopulation

There are no repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 The Corporate Management have been consulted on and support the contents of the report and Action Plan.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

An overview of local government in Scotland 2016



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
March 2016


The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about/ac 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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These pound sign icons appear throughout this report and represent key facts.



These question mark icons appear throughout this report and represent questions for councillors.



Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

Chair's introduction



In our 2015 overview report we said, 'Councils tell us that they should manage budgetary pressures in 2015/16 but the years beyond pose a level of challenge not previously experienced.' The Commission recognises the achievement of councils – both councillors and officers – in meeting these challenges to date.

But the scale of the challenge in 2016/17 and beyond has significantly increased because of the local government funding settlement. The settlement has substantial implications for services to the public, councillors and the local government workforce.

Next year councils and health boards, through health and social care partnerships, jointly have the responsibility to make a significant start in the shift from hospital care to care at home and care in the community. This is the most far-reaching public service reform since the establishment of the Scottish Parliament.

And these challenges are compounded by: a one-year financial settlement, cost pressures, increasing demands on services from an ageing and growing population, the ambitions of the Community Empowerment (Scotland) Act 2015, and the political pressures created by elections in both 2016 and 2017.

The majority of our recent Best Value audits have highlighted a dependency on incremental changes to services, increasing charges and reducing employee numbers in order to make savings. But these are neither sufficient nor sustainable solutions set against the scale of the challenge facing councils. Cuts can only be part of the solution. What is required is a more strategic approach, longer-term planning and a greater openness to alternative forms of service delivery.

It is challenging for councillors and officers to fundamentally change the way a council has provided a service over a lengthy period of time. But there are significant consequences to not conducting comprehensive option appraisals: services may not be as efficient or effective as they could be and may not be achieving value for money, resources may not be directed to priority areas such as preventative services, and councils may not be able to demonstrate that they are achieving best value.

In considering all viable options, it will be essential that councillors are provided with comprehensive and objective information on the cost, benefits and risks of each option. This will help them make considered decisions in partnership with service users and communities.

**the scale
of the
challenge has
significantly
increased –
cuts can only
be part of the
solution**

As the landscape of service delivery becomes ever more complex, councils will need to ensure they have people with the necessary knowledge and skills to manage that complexity. This is important for councillors and council officers, as both must have, for example, skills in options appraisal, programme management, commissioning, finance and scrutiny.

And in a climate of reducing resources the importance of scrutiny has never been greater. Scrutiny arrangements must add demonstrable value in monitoring the planning, execution and follow-up of key decisions. The public needs to have confidence that their council's arrangements are transparent, independent and effective. If they are not, the public interest is not being met.

The Commission hopes that this overview report will be a helpful tool for councillors and officers to stand back and assess their progress in the journey of improving outcomes for service users and communities. As always, the Commission welcomes feedback on its overview report.

Douglas Sinclair

Chair of the Accounts Commission

Summary



Key messages

- 1** Councils' revenue funding from the Scottish Government will reduce by five per cent in 2016/17, bringing the real terms reduction in revenue funding since 2010/11 to 11 per cent. At the same time, they face additional financial pressures and greater demands on services. Councils have been effective in balancing their annual budgets until now but councillors face increasingly difficult decisions about how best to spend their reducing budgets. This requires clear priorities and better long-term planning.
 - 2** Councils' responses to budget reductions have mainly focused on incremental savings to existing services. In the face of further funding reductions, councils should be evaluating options for more significant changes to delivering key services, beyond health and social care integration.
 - 3** Despite reducing their spending, performance measures show that councils improved in areas such as educational attainment, the quality of council housing and waste recycling, in 2014/15. However, customer satisfaction with some services declined and there are more significant funding reductions to come in 2016/17 and beyond.
 - 4** Most councils have reduced their workforces to save money, and many are planning further staff reductions. In doing so, they need to ensure they have people with the knowledge, skills and time to design, develop and deliver effective services in the future.
 - 5** Councils and their partners also need to respond to the Community Empowerment (Scotland) Act 2015, by involving local people more in making decisions about services, and empowering local communities to deliver services that are sustainable and meet local needs.
 - 6** Councillors need to keep updating their skills and knowledge to fulfil their complex and demanding role. In particular, it is increasingly important that they are able to challenge and scrutinise decisions and performance, and fully assess options for new and different ways of delivering services within their reducing budgets.
-

Recommendations

Councillors are now leading complex organisations in increasingly challenging circumstances. There are a range of sources to help them understand and manage their council's financial and service performance, for example the Improvement Service. Our recommendations are intended to complement other sources of support and help councillors in carrying out their role effectively.

Councillors should:

- satisfy themselves that their council has a longer-term financial strategy (five or more years) supported by an effective medium-term financial plan (three to five years). These should show how the council will prioritise spending to achieve its objectives, make any necessary savings and remain financially sustainable
 - appraise all practical options for how to deliver the services their communities need within the resources available. This includes examining opportunities to work with and empower communities to deliver services in different ways, and learning lessons from others and from wider public service reform. They should ensure they get all necessary information and support from officers to help them fully assess the benefits and risks of each option
 - ensure their council continues to develop workforce strategies and plans that clarify the numbers and skills of staff needed in future. In assessing their council's workforce, councillors should consider whether they have people with the knowledge, skills and time to support them effectively in making the difficult decisions that lie ahead, and to design and implement new ways of delivering services
 - make sure that decision-making processes and scrutiny arrangements remain appropriate for different ways of delivering services. This includes:
 - having clearly written and manageable information to help them make decisions and scrutinise performance
 - carrying out business openly and improving public reporting
 - regularly review their personal training and development needs. They should work with council staff and others to create opportunities to update their knowledge and skills in increasingly important areas, such as financial planning and management, options appraisal, commissioning services, partnership working and scrutiny. These opportunities should also be available to any new members after the local elections in 2017
 - use the questions in this report and the separate self-assessment tool to help them assess their council's position.
-

About this report

1. This report provides a high-level, independent view of councils' management and performance. It draws on the findings from local government audit work in 2015, including audits of 2014/15 financial statements, Best Value, Community Planning and performance. All reports are available on Audit Scotland's website.

2. The report is primarily for councillors and senior council officers as a source of information and to support them in their complex and demanding roles:

- **Part 1** reviews the financial context in which councils are operating and gives a national overview of councils' financial performance. Information that compares one year with another is shown in real terms (taking inflation into account, based on 2014/15 prices) unless otherwise stated.
- **Part 2** considers how councils are performing in delivering services and how they are changing the way they operate in the context of increasing pressures. It looks at the implications for councils' workforces and highlights key aspects of governance.

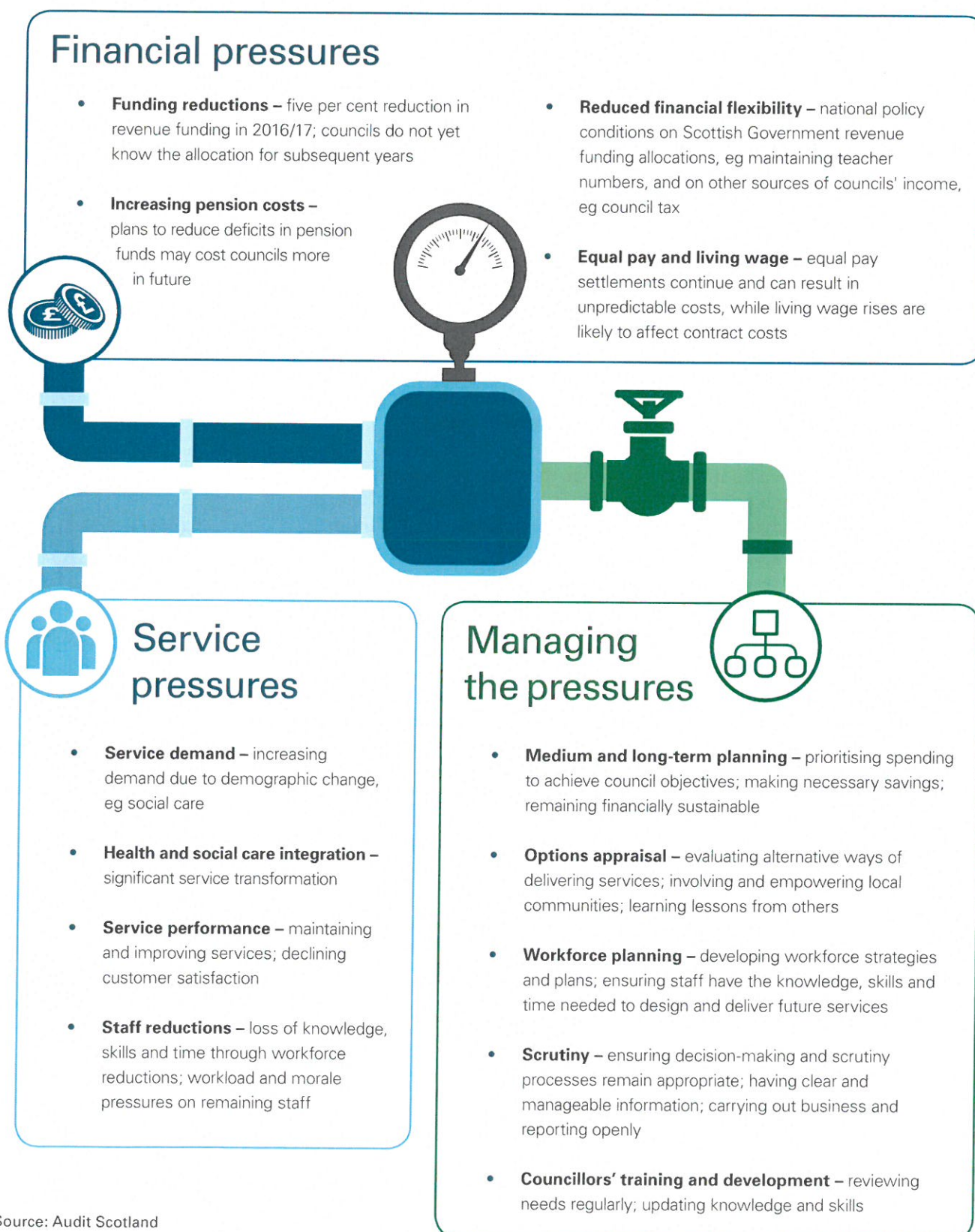
3. Exhibit 1 (page 9) provides a summary of the main pressures that councils face.

4. Throughout the report we identify questions that councillors could ask to help them understand their council's financial position, scrutinise performance and make good decisions. Councillors should satisfy themselves that they understand, and are comfortable with, the answers to the questions most relevant to them in their role within the council. These questions are also in a **separate self-assessment tool** on **Audit Scotland's website**, where we have also provided selected financial facts about each council to help comparisons and benchmarking.

Exhibit 1

Local government pressures

In the face of financial and service pressures, councils should be planning for the longer term and evaluating options for more significant service redesign.



Part 1

Managing financial performance



Key messages

- 1** Councils received £10.76 billion of funding from the Scottish Government in 2014/15. This included £9.92 billion for revenue funding, which helps pay for day-to-day running costs, including staff. This was almost the same as the previous year and 6.5 per cent less in real terms than in 2010/11. While revenue funding in 2015/16 also remained largely unchanged in real terms, major challenges lie ahead for councils. The Scottish Government has reduced revenue funding in 2016/17 by five per cent in real terms. This equates to an 11 per cent reduction in revenue funding between 2010/11 and 2016/17. Councils also received capital funding in 2014/15 of £0.84 billion.
 - 2** Councils have continued to balance their budgets each year by reducing their spending. The majority underspent their 2014/15 budgets and increased their reserves in anticipation of future funding reductions.
 - 3** Local Government Pension Scheme (LGPS) funds report shortfalls between the value of funds and the future pension commitments to be paid. This does not create immediate problems. Pension funds have plans in place to reduce any deficits within a 20-year period.
 - 4** Councils' debt has been increasing since 2011/12, although it decreased slightly in 2014/15. In addition, many councils predict gaps between their income and spending in future years. This may threaten their financial sustainability if risks are not well managed.
 - 5** The challenging financial environment, together with changing demographics and rising demands on services, means that effective medium-term (three to five years) and longer-term (five or more years) financial planning is critical for councils. This is more challenging for councils when they do not know what their future funding and income will be, meaning that they need to plan for a range of possibilities.
-

councils have effectively balanced their budgets but long-term planning is critical in this challenging financial environment

In 2016/17, Scottish Government revenue funding for councils is 11 per cent lower (in real terms) than in 2010/11



5.1 per cent: reduction in Scottish Government revenue funding for councils in 2016/17



6.5 per cent: reduction in Scottish Government revenue funding between 2010/11 and 2014/15

£0.4 billion: increase in non-domestic rates (NDR) income between 2010/11 and 2014/15

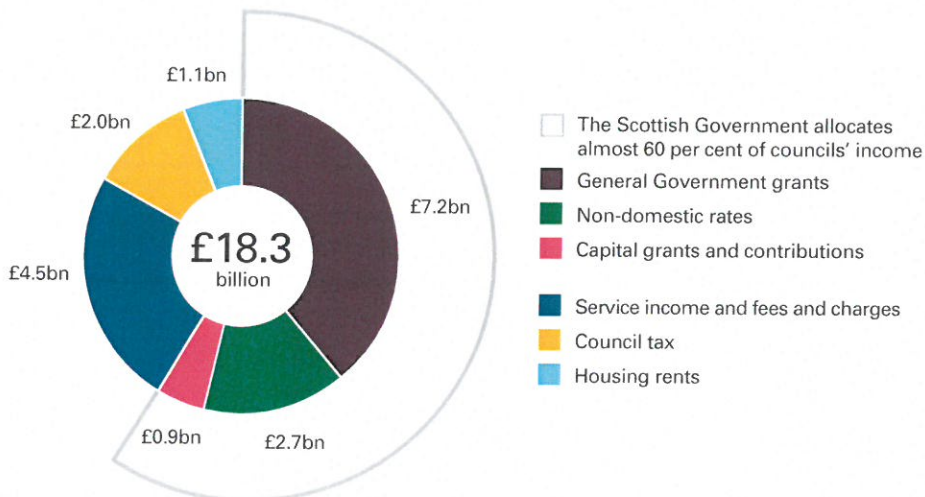
£18.3 billion: councils' total income in 2014/15

5. Councils' 2014/15 accounts showed that their total income was £18.3 billion. In line with previous years, the Scottish Government allocated almost 60 per cent of this (£10.76 billion) ([Exhibit 2](#)). This included revenue funding of £9.92 billion for day-to-day running costs, including staff; and capital funding of £0.84 billion to invest in buildings, roads and equipment. In real terms, the £10.76 billion is six per cent lower than in 2010/11, when total funding was at its highest.

Exhibit 2

Sources of councils' £18.3 billion of income in 2014/15

Almost 60 per cent of councils' income is allocated by the Scottish Government.



Notes:

1. Service income, fees and charges may include specific, service-related grants and income such as payments from the Scottish Government, NHS or other councils. They exclude housing rents which are shown separately as housing income.
2. Capital grants and contributions include income from the Scottish Government and others such as central government bodies, National Lottery and the European Union.
3. Figures sum to £18.4bn due to rounding.

Source: Councils' annual accounts, 2014/15

6. Scottish Government revenue funding remained almost unchanged (in real terms) in 2014/15 and 2015/16. In 2016/17, it will be five per cent lower than in 2015/16. This represents a reduction of 11 per cent in real terms since 2010/11.

7. In 2014/15, Scottish Government revenue funding included £343 million as part of the council tax reduction scheme, replacing council tax benefit that until 2013/14 came from the UK Government. It also included £490 million for freezing council tax at 2007/08 levels. The Scottish Government has added £70 million each year since 2008/09 to make up for income councils would have received if they had increased council tax in line with inflation each year. As part of the funding agreement for 2014/15, councils committed to implementing national policies to freeze council tax, and maintain teacher numbers and pupil to teacher ratios.

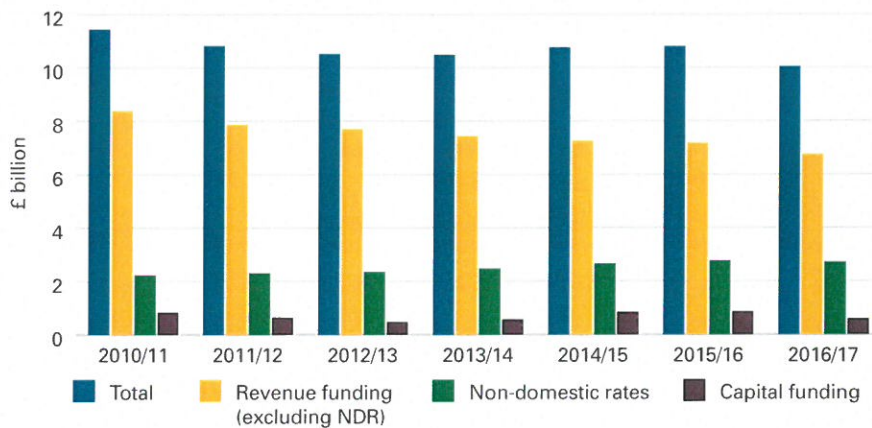
NDR makes up an increasing share of the revenue funding allocated by the Scottish Government

8. Non-domestic rates (NDR) are a tax on business property to help pay for local services. The Scottish Government sets the rate of tax, councils collect the money, and the Scottish Government redistributes it as part of its funding allocation to councils. NDR income has risen in recent years due to annual increases in the rate of tax and rises in the number of business properties on which the tax is paid (**Exhibit 3**). This increase, alongside total revenue funding decreases, has led to NDR making up 25 per cent of allocated revenue funding in 2014/15 compared with 19 per cent in 2010/11.

Exhibit 3

Scottish Government funding to councils from 2010/11 to 2016/17, at 2014/15 prices

NDR income has been rising while total revenue funding has reduced.



Notes:

1. Funding allocations up to 2012/13 have been adjusted to remove funding for police and fire. Responsibility for these services transferred from local to central government in April 2013.
2. The Scottish Government has not yet set out its plans for local government funding beyond 2016/17.
3. From 2013/14, revenue funding includes payments for council tax reduction, replacing council tax benefit which previously came from the UK Government. This was £356 million in 2013/14 and £343 million in 2014/15, at 2014/15 prices.
4. The 2016/17 figures do not include £250 million that the Scottish Government allocated to health and social care integration authorities. This is an allocation from the Scottish Government health budget to NHS boards, rather than councils. The NHS boards will direct the funding to the integration authorities.

Source: Local Government Finance Circulars, Scottish Government, 2011-2016

Capital funding from the Scottish Government increased significantly in 2014/15 as part of a phased plan



£37.1 billion: value of physical assets owned by councils, for example buildings, schools, roads and equipment



£2.2 billion: amount councils invested in capital projects in 2014/15

£498 million: revenue and capital payments for Private Finance Initiatives (PFI) and Non-Profit Distributing (NPD) contracts in 2014/15

9. As part of its 2011/12 Spending Review, the Scottish Government rescheduled payments of some planned capital grant funding for councils for 2012/13 and 2013/14 by two years. This was to provide more capital funding for government bodies that are not allowed to borrow money. The Scottish Government then increased capital allocations to councils by £120 million in 2014/15 and £94.2 million in 2015/16. Similar shifts in capital funding are planned between 2016/17 and 2019/20, with lower funding in the first two years and higher in the last two years.

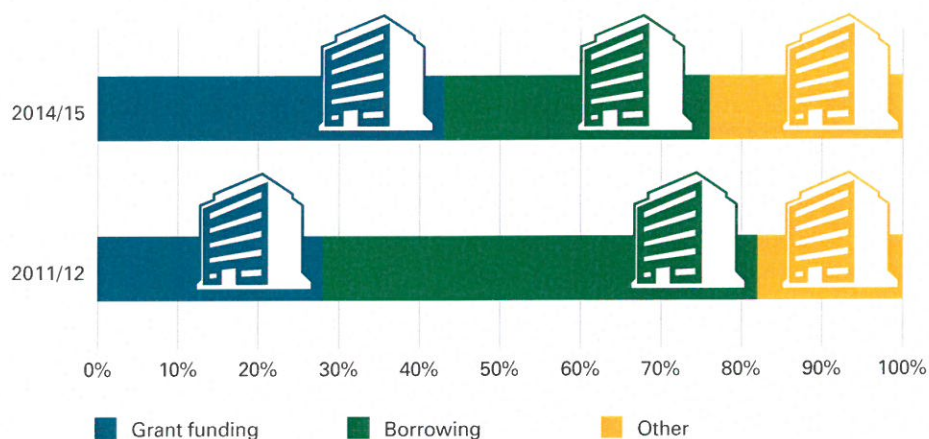
10. Between 2011/12 and 2014/15, capital grant funding increased from £720 million to £925 million (at 2014/15 prices). The Scottish Government provided about 80 per cent of grants in this period. Councils' total capital spending has decreased over the same period, from £2.5 billion to £2.2 billion (at 2014/15 prices). Councils are now using more capital grants than borrowing to fund their capital programmes ([Exhibit 4, page 14](#)). In 2016/17, councils face a decision about whether to increase their borrowing or decrease their capital programmes due to planned capital funding reductions by the Scottish Government.

11. Twenty-eight councils underspent their capital budgets in 2014/15. Capital underspends can have significant effects on a council's financial position, including cash flows from year to year, and how well it achieves its objectives. They may also have an effect on current and future borrowing. It is therefore important that capital spending plans are realistic. Councils should closely monitor capital spending and make sure there is effective communication between their capital investment and treasury management functions (the latter of which manages cash flow, borrowing and investments). Councils' treasury management strategies should set out for councillors how the borrowing strategy is informed by corporate priorities and capital investment needs ([Borrowing and treasury management in councils \[PDF\]](#)).¹ Councils should also demonstrate to elected members and service users how planned capital investment will help achieve their long-term strategic priorities ([Major capital investment in councils: follow-up \[PDF\]](#)).²

Exhibit 4

Sources of funding for capital spending

From 2011/12 to 2014/15, funding from capital grants increased and funding through borrowing decreased.



Note: Other sources of capital finance include money from the sale of assets, revenue funding used for capital spending and contributions from specific capital funds.

Source: Audit Scotland

12. As councils make decisions on how to manage reducing budgets, they must consider both the short and long-term implications of capital financing. This includes considering innovative funding options available for capital programmes, such as City Deals which attract additional funding from both the UK and Scottish Governments, as well as borrowing in traditional ways.

13. Councils are making significant revenue payments for Private Finance Initiatives (PFI) and Non-Profit Distributing (NPD) contracts, mostly for new and refurbished schools. In future, they will also face revenue charges associated with new projects financed through similar contracts or through newer funding models. It is important that both capital investment plans and treasury management strategies take into account the future revenue costs of capital financing options. Being aware of these costs allows councillors to fully scrutinise the long-term implications and affordability of funding decisions and to assess the sustainability of capital investment plans.

14. Councils have long-term assets worth nearly £40 billion, including physical assets, such as buildings, roads, vehicles and equipment, and long-term investments. The value increased by 1.7 per cent during 2014/15. The reported value of existing assets, shown in councils' annual accounts, is expected to increase greatly from 1 April 2016 when council-owned roads are to be valued on a different basis.

Councils have balanced their budgets by reducing their spending but face additional pressures on top of funding reductions



£18.7 billion: spending on day-to-day running of services (including interest costs and accounting adjustments)



23 councils spent less than their income on providing services in 2014/15

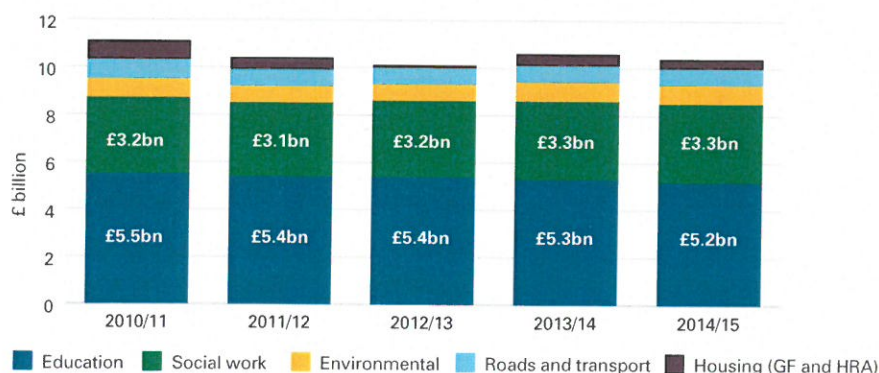
15. Councils have managed financial pressures by reducing spending across many of their main services and activities, except in social work (**Exhibit 5**). Councils' 2014/15 accounts showed expenditure of £18.7 billion. This looks like councils overspent by £0.4 billion but is actually due to adjustments that councils must make in their annual accounts, under local government accounting rules, for things like the accounting treatment of fixed assets and pension costs. In fact, the majority of councils underspent against their overall budgets in 2014/15. The one notable exception to this was Falkirk Council, which overspent by £2.9 million (0.8 per cent of its General Fund revenue budget). The most significant overspend of £3.3 million occurred in social work services and was partially offset by underspends in other areas.

16. The large number of underspends suggests that councils have successfully controlled their spending on services in preparation for the anticipated further funding reductions from 2016/17 onwards. Preparations for planned reductions in future years can also contribute to underspends if opportunities arise to

Exhibit 5

Council spending on main services 2010/11 to 2014/15, at 2014/15 prices

Councils have reduced their real terms net spending in service areas except in social work.



Notes:

1. The figures show net spending, which is the total amount spent less any income from fees, charges or other service-related income.
2. Housing figures include spending from the General Fund (GF) and Housing Revenue Account (HRA).

Source: Councils' annual accounts, 2010/11-2014/15

make savings ahead of schedule. Councils will find it increasingly challenging to underspend or balance their budgets from 2016/17 onwards because many incremental savings have already been made.

17. Even where councils underspent against their overall budgets, about a third of councils reported overspending their social work or social care budgets. The highest overspend in 2014/15 was in City of Edinburgh Council's health and social care service, which overspent its budget by £5.9 million due to demand pressures. The council has commissioned an external review to identify the main reasons for this and to help manage the budget in future. With demand rising because people are living longer, combined with further funding reductions, social care budgets will come under increasing pressure for many councils and for the new health and social care integration authorities. In 2016, we will publish a report, *Social work in Scotland*, which will look at the scale and impact of the financial and demand pressures facing social work and how councils and their partners are addressing these challenges.

Councils increased their usable reserves during 2014/15 in anticipation of further funding reductions



£1.9 billion: councils' usable reserves (excluding Orkney and Shetland Islands councils)



£375 million: unallocated General Funds (excluding Orkney and Shetland Islands councils)

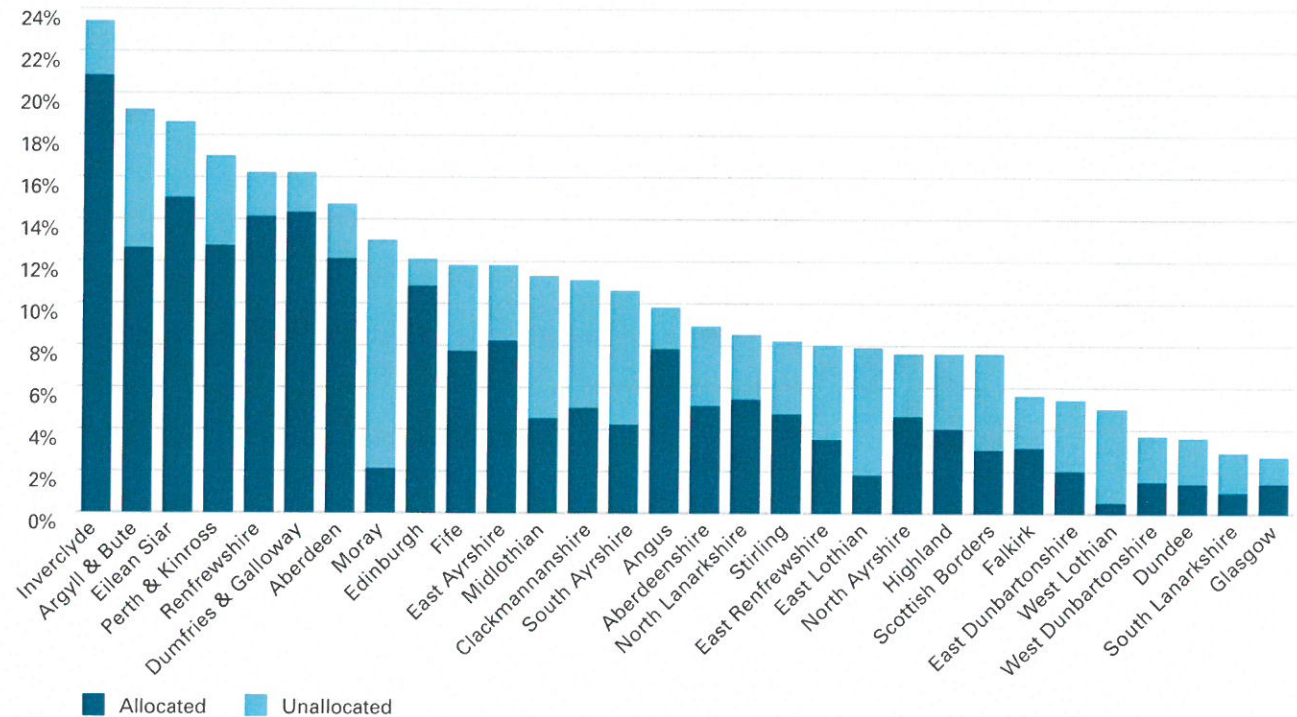
13 councils planned to use reserves for day-to-day spending in 2015/16

18. By the end of 2014/15, councils (excluding Orkney and Shetland Islands councils) had usable reserves of £1.9 billion, which is £31.4 million more than at the beginning of the year. £1.1 billion of this was in General Funds, available for councils to spend as required. £375 million of the £1.1 billion of General Funds were unallocated, meaning they were not earmarked for a specific purpose and therefore available as a contingency for unforeseen spending, such as making up shortfalls in income or savings, or for possible future commitments. Unallocated General Funds rose by 18.5 per cent during 2014/15. They are now 39 per cent higher than they were in 2010/11. Council finance directors tell us this is largely because they are being careful to save whenever opportunities arise, in anticipation of further funding reductions. Across Scotland, there is wide variation in the level of reserves councils hold and the levels of unallocated General Funds, with eighteen of the 30 councils having allocated more than half of their General Funds ([Exhibit 6, page 17](#)).

Exhibit 6

General Fund reserves held as a percentage of service costs, 2014/15

There is wide variation in the amount of General Fund reserves that councils hold compared to the cost of providing services.



Notes:

- Figures exclude Orkney and Shetland Islands councils, which hold large reserves and balances arising mainly from harbour and oil-related activities, which affect what is included in their General Funds.
- Service costs in this context are taken as the General Fund net cost of services, as reported in councils' annual accounts.

Source: Councils' annual accounts and data returns from auditors, 2014/15

19. Eighteen out of the 30 councils allocated more than half of their General Fund. Thirteen of Scotland's 32 councils planned to use reserves to bridge a gap between their income and spending in 2015/16 or beyond. Using reserves to support day-to-day spending on services is unsustainable. Financial plans and reserves policies must strike a balance between the planned use of reserves and being prepared for any unforeseen changes in circumstances to ensure councils can manage external pressures. For example, there have recently been multi-million pound compensation payments for multiple equal pay claims. Such events can significantly affect councils' reserves and their plans for using them.

20. The level of reserves that a council holds is a local decision, but should be clearly informed by an annually reviewed reserves policy. Thirty-one councils had a reserves policy in 2014/15, the exception being The Moray Council which plans to finalise a policy in March 2016. It is important that officers advise councillors of the rationale for holding specific levels of reserves. Councillors need to be satisfied that their council's reserve level is both appropriate and necessary. Reserves policies set a minimum or target level of reserves to be held but half of councils ended 2014/15 with unplanned increases or decreases in their General Fund ([Exhibit 7, page 18](#)). This underlines the importance of ensuring reserve levels are adequate and policies are regularly reviewed.



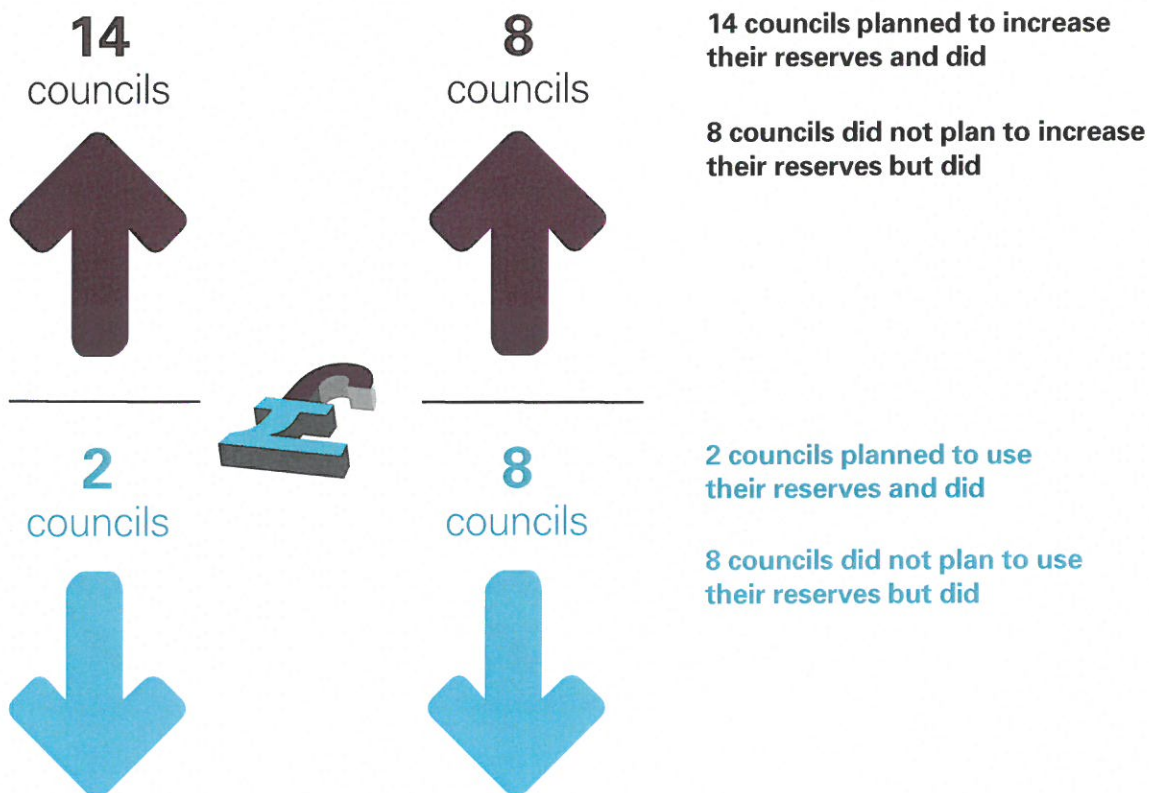
What level of reserves do we need, both allocated and unallocated?

How effectively are we using the reserves we hold?

Exhibit 7

Increases and decreases in General Fund reserves

Total General Fund reserves increased overall but half of councils did not increase or decrease their reserves as planned.



Source: Councils' annual accounts and data returns from auditors, 2014/15



£39.9 billion: value of councils' long-term assets including their physical assets (£37.1 billion) and other assets such as long-term investments and money they are owed



£13.8 billion: councils' net debt – the difference between what is borrowed and owed (£15.2 billion) and the value of short-term investments (£1.4 billion)

£12.5 billion: councils' total short and long-term borrowing, which is the majority of their debt

£0.5 billion: increase in borrowing during 2014/15

Councils' net debt has increased since 2010/11, but decreased slightly in 2014/15.

21. Councils' debt includes money they have borrowed as well as commitments made under PFI, NPD and finance leases. Councils paid interest and repayment charges of about £1.5 billion in 2014/15, similar to the amount they paid in 2013/14. Most of councils' borrowing is for capital projects and helps them spread the cost of building, refurbishing and replacing their assets over a number of years.

22. Councils' net debt (total debt minus investments and cash) decreased by £44 million during 2014/15. At £13.8 billion (excluding Orkney and Shetland Islands councils), it remains £1.3 billion more than in 2010/11 (**Exhibit 8**).


23. Councils need to assess the affordability of borrowing and other forms of debt. In the short term, they do this using a number of 'prudential indicators', which show the effects on revenue budgets, in compliance with The Prudential Code.³ We recommended in *Borrowing and treasury management in councils* [PDF]  that councils should do more to assess the long-term affordability of borrowing and other forms of debt.

Exhibit 8

Councils' net debt, 2010/11 to 2014/15

Councils' net debt has increased since 2010/11, but decreased slightly in the last year.



Notes:

1. Net debt is calculated as total debt (long-term borrowing, short-term borrowing, bank overdrafts and other long-term liabilities) minus external investments (short-term investments and cash, and cash equivalents).
2. Figures exclude Orkney and Shetland Islands councils, which have large investments associated with harbour and oil activities.

Source: Councils' audited accounts, 2010/11-2014/15

24. Borrowing levels are not an indication of financial problems or that a council may not be financially sustainable. As long as repayments are affordable and the council can finance its debts, then borrowing is a valuable means of financing longer-term capital costs. It is up to individual councils, taking into account their existing commitments, to determine how much they can afford to pay in annual repayments. Councils have reduced their borrowing in recent years, at the same time as there were changes in capital funding allocations from the Scottish Government and reductions in the overall size of capital programmes. Their overall level of outstanding borrowing has increased to £12.5 billion.



What implications do different borrowing and financing options have for our future revenue budgets?

Local Government Pension Scheme fund deficits can vary from year to year and long-term plans are in place to finance them



£33.8 billion: assets managed by the 11 separate LGPS funds in Scotland

£44.5 billion: total liabilities of the 11 LGPS funds

£10 billion: councils' share of the £10.7 billion long-term LGPS fund deficits



25. Pension contributions are a significant cost for councils. Most council staff pay into either the Scottish Teachers' Superannuation Scheme (STSS) or the Local Government Pension Scheme (LGPS). The Scottish Government is responsible for the STSS while councils are responsible for the LGPS. Staff in other related organisations, such as colleges, can also be members of these schemes.

26. The LGPS has 11 separate investment funds. These vary in size from Strathclyde Pension Fund, which manages about £16 billion (over 45 per cent) of the £33.8 billion LGPS assets, to a number of smaller funds each managing less than five per cent of total assets.

27. The value of the pension funds is fully assessed every three years to set contribution rates, most recently in 2014. Annual estimates are also made in between assessments. A range of factors are taken into account each time, for example inflation and life expectancy, and so annual estimates of fund values and future pension payments can vary from year to year.

28. At the end of 2014/15, there was an estimated £10 billion shortfall, or deficit, between the value of councils' pension funds and the future pension payments that will be made. This has increased by around £2.5 billion since 2011. During 2014/15, there were significant deficit increases in Glasgow City (£234m, 18 per cent), City of Edinburgh (£191m, 36 per cent), South Lanarkshire (£140m, 28 per cent), Falkirk (£128m, 51 per cent) and North Lanarkshire (£111m, 26 per cent) councils.

29. Pension deficits do not create immediate problems because staff and employer contributions and future payments will be made over a long period. There are long-term plans in place for funds to address current estimated deficits within 20 years.

The LGPS costs for councils are increasing

30. There are three main factors that determine variation in costs associated with the LGPS, and may result in increased pension costs for councils:

- Employer contribution rates: these range from around 17 to 22 per cent of employees' pay in 2014/15. They are not directly comparable between funds, or between councils within the same fund, because some councils make separate payments specifically to reduce deficits. But rates are set to increase. For example, by 2017/18 contribution rates will increase for five of the 11 councils that manage and administer the funds.

- Administration costs: these include the investment management fees for each fund, and other administration costs, and have been increasing. These are not comparable between funds, but the way the fees are reported has been changed to improve transparency and comparability between funds.
- Investment performance: the investment strategy for a fund takes into account the size of the fund's assets compared to its future liabilities, as well as other external market factors, when setting performance targets. Expected returns on investments are used to set employer contribution rates. In 2014/15, eight of the 11 LGPS funds reported above-expected returns and three reported returns below the targets they set for themselves (Highland, North East and Shetland).

31. Most LGPS funds have a growing number of pensioners within their schemes. The number of contributing members has also been increasing, despite staff reductions. Auto-enrolment into pension schemes is expected to result in more people joining. However, increases in the number of contributing members alone are not expected to offset the growing number of pensioners.

32. Councils face rising pension costs due to increases in pension scheme membership, raising the number of employees for whom they must contribute. Voluntary severance agreements can also increase the costs of paying pensions early and adding years to relevant employees' pensions. These agreements also result in councils having to make separate redundancy payments, although these are not pension costs.

33. Future employer contributions are part of a cost-sharing arrangement which may limit future increases. Employee contributions may however increase. Also, from 2016/17, employees and employers will no longer benefit from a reduction in National Insurance contributions, leading to increased costs for both.

34. There have been several recent developments to strengthen the governance and reporting of LGPS funds. In compliance with The Public Sector Pensions Act 2013, a local pension board was established for each LGPS fund before 1 April 2015. The board's role is to assist the fund manager to comply with rules relating to governance and administration of the fund.

35. A new Scottish Local Government Pension Scheme Advisory Board has also been set up as part of these reforms. Its role includes advising ministers on how the LGPS is operating and on any changes that may be desirable. It is likely to consider whether the structure of the LGPS in Scotland, with 11 separately administered funds, is efficient. That might include considering the value of the approach taken in England, of combining LGPS fund assets to allow collective investments to be made. The Accounts Commission welcomes this review of the LGPS.

Equal pay remains a significant cost pressure

36. By March 2015, councils had paid out £605 million to employees in equal pay compensation. During 2014/15, 24 councils settled nearly 4,000 equal pay claims, worth a total of £24.9 million. Councils currently estimate that about 30,000 cases remain outstanding. Councils had put aside £117 million in anticipation of further payments in 2015/16 and beyond. This includes £78 million by North Lanarkshire Council to compensate employees whose claims were brought to tribunal and agreed in 2014/15.



What are the implications of workforce reductions on our pension costs?

How will these affect our pension liabilities and pension administration costs?

37. Some councils do not expect many more significant equal pay claims and have reduced the money set aside for this purpose. However, recent cases highlight that councils' provisions can be significantly lower than the final costs. For example, Fife Council made a provision for equal pay claims of about £7 million in its 2014/15 accounts, based on the number of existing cases it had. However, in 2015/16 the council agreed to settle a large number of claims brought against it on the basis that the council's application of its job evaluation, pay protection and job assimilation arrangements under single status were unfair. The council's previous estimates of equal pay liability did not anticipate the application of its job evaluation scheme as being at risk. Therefore, the cost to the council of settling these cases is predicted to be many times greater than the financial provision it had made. This will significantly affect the council's financial position, including its planned spending on services and other projects or programmes. It is unclear how many other councils could potentially be in a similar position to Fife. The Accounts Commission plans to look at equal pay issues across local government in more detail during 2016/17.

Minimum and living wage rises have cost implications for councils

38. The living wage in Scotland is £8.25 per hour.⁴ Councils have a collective agreement with Scottish Joint Council trade unions on pay for the period 2015/16 to 2016/17. As part of this agreement, councils committed to a pay settlement which set the living wage at a level of £8.33 per hour. In addition, the UK Government is aiming for a minimum wage of £9 per hour by 2020, which would mean significant pay rises for those currently on or near the current minimum wage (£7.20 per hour for those aged 25 and over from April 2016). While there are clearly benefits to low-paid workers through the living wage commitment, the increases in employee costs and contract costs – when contractors pay their staff the living wage – will put additional pressure on councils' finances. It will also require councils to review their grading structures where the living wage moves jobs out of existing pay scales.

Good financial planning and management is required to manage future pressures and ensure financial sustainability

39. At March 2015, all councils had balanced their budgets and were not planning to spend more in 2015/16 than they could afford. External auditors reported that councils had adequate reserves and could afford to repay their current debts. However, audit work has highlighted concerns about some aspects of financial planning, management and sustainability in a small number of councils.

40. Auditors are most concerned about those councils that have been spending, or plan to spend, a significant amount of their reserves but still face a large gap between their expected income and spending. At March 2015, more than half of councils that had prepared indicative budgets for both 2016/17 and 2017/18 were reporting a funding gap between income and expenditure, even after they had identified savings and planned whether to use some of their reserves. At that point, five councils were predicting cumulative funding gaps of more than five per cent of their service costs by 2017/18. These were Clackmannanshire (14 per cent), Argyll and Bute (ten per cent), and Aberdeenshire, Orkney and Fife (five to six per cent) ([Exhibit 9, page 23](#)).

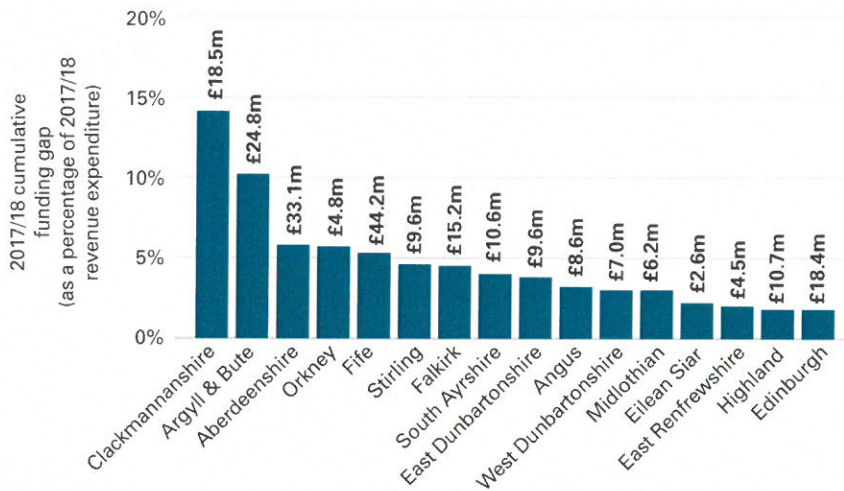


How fully do our financial plans identify estimated differences between income and expenditure (budget shortfall)?

Exhibit 9

Predicted funding gaps at March 2015

At March 2015, five councils were predicting cumulative funding gaps of more than five per cent in 2017/18.



Notes:

1. Figures are the 2017/18 cumulative funding gaps. Ten councils predict a balanced budget in 2017/18. Six councils had not prepared a budget for 2017/18 by March 2015.
2. Many councils have updated their estimates of funding gaps since this data was collected in March 2015 but we have not collected this updated information.

Source: Audit Scotland

41. The extent of the Scottish Government's funding reduction for 2016/17 is likely to result in councils identifying even larger funding gaps between the cost of delivering current services and their income, after taking account of planned savings or additional sources of income. Addressing this will require councils to go beyond incremental cost-saving measures to existing services and to fundamentally rethink their models of service delivery.

42. Councils' financial sustainability continues to be at risk as they face the combined challenges of reduced funding, increasing cost pressures (such as pensions, the living wage and equal pay) and rising demand for services from an ageing and growing population. Auditors will continue to assess councils' financial health and how well they are planning and managing their finances. Councils with good medium and longer-term financial plans and strategies are better equipped to manage these risks effectively.



What options do we have to address this budget shortfall for example, redesign services, use reserves?

How big is the remaining funding gap after we implement our selected options?

What actions are we taking to close any remaining funding gap?

Financial planning is crucial as councils face significant pressures in 2016/17 and beyond



15 councils have long-term financial strategies covering five or more years

29 councils have medium-term financial plans covering three to five years



43. A good financial strategy sets out a council's financial objectives and how it will achieve them. It shows clearly how the council will use the money it has to help achieve its Single Outcome Agreement (SOA) and strategic objectives. A financial strategy should cover at least five years and should set out the risks and liabilities, any assumptions made about income and the implications for affordability. Councils should also have in place detailed financial plans that set out fully-costed annual spending plans over at least the medium term (three to five years). When future Scottish Government funding is not known, councils should plan for a range of possible scenarios so they are prepared for different levels of funding and income.

44. Almost all councils have financial strategies that are accompanied by detailed financial plans covering at least three years. About a third of councils have financial plans covering five or more years. In a small number of councils, auditors reported that plans and strategies were still being developed.

45. Effective financial strategies and plans must take into account future financial pressures and how the council intends to respond to these. For example, councils need to assess how affordable the different options are for changing the way they deliver services. It is therefore important that financial plans support councils' priorities, savings and service change programmes, and asset management and workforce plans.

46. Shetland Islands Council, for example, has a five-year financial plan based on forecasts of future income, cost pressures, managing spending within the budget and financial risks. The council also intends to develop a 35-year asset investment plan to help it maintain the assets needed to deliver its priorities without reducing the money left for day-to-day running of services.



Do we have a long-term financial strategy covering at least five years that accounts for future pressures?

Is our five-year strategy supported by detailed financial plans covering a minimum period of three years?

How well do our financial plans set out the implications of different levels of income spending and activity?

How does our financial strategy link to our vision for the future?

Part 2

Delivering services



Key messages

- 1** Councils' performance in 2014/15 continued to improve across many of the performance measures in the Local Government Benchmarking Framework (LGBF). Councils have well-established systems to manage their performance and are improving how they report to the public.
- 2** Health and social care integration is the most significant aspect of public sector reform for councils. New integration authorities may not be in a position to make an impact in 2016/17. Significant risks need to be addressed if integration is to fundamentally improve the way health and care services are delivered.
- 3** The Accounts Commission continues to be concerned about councils' slow progress in delivering services differently, rather than relying on incremental savings to existing models of service delivery. There are some examples of councils achieving savings and community benefits through increasing online access to services, sharing services, collaborating on procurement and using arm's-length external organisations (ALEOs). Councils, however, need to be more ambitious in their plans, better at longer-term planning, and willing to appraise all practical options for delivering services more efficiently and effectively. This includes empowering and supporting local communities in delivering local services.
- 4** Most councils continue to reduce staff numbers. It is essential that they have comprehensive workforce strategies and plans, which must take into account not only workforce-related cost pressures, but the staff knowledge, skills and time they will need to plan and deliver services differently in future.
- 5** There is a need for councillors to continuously review and develop their skills and knowledge to help them carry out their increasingly complex and challenging role effectively. They need to have the skills and the necessary information to allow them to carry out effective scrutiny of performance. This becomes ever more important as councils develop new and different ways of delivering services within their reducing budgets.

councils need to be more ambitious and consider all the practical options for delivering services differently in future

Councils' performance improved in many service areas in 2014/15





47. Within the resources they had available in 2014/15 (for example money, people and buildings), councils continued to improve several key service performance measures, such as secondary school educational attainment, the balance between care at home and in care homes, the quality of council housing and waste recycling (**Exhibit 10**). Whatever their performance, the LGBF provides the starting point for councils to compare themselves with others to understand differences and learn lessons that will help them to improve performance.

48. The LGBF shows that public satisfaction with services has generally declined in recent years. This suggests a need for councils to work more closely with their communities and service users to establish service priorities.

Exhibit 10






Councils' service performance at a national level

There have been improvements across many of the performance indicators in the LGBF.

LGBF indicator		2010/11	2011/12	2012/13	2013/14	2014/15
 Education and Children's service	% of pupils gaining 5+ awards at Higher (Level 6)	23.0	25.0	25.7	28.1	29.3
	% pupils from deprived areas gaining 5+ awards at Higher (Level 6) ¹	8.0	9.0	10.1	12.6	12.8
	% of children being looked after in the community ²	91.0	91.2	91.0	91.0	–
	% of adults satisfied with local schools	83.1	–	83.0	81.0	79.0
	% of pupils entering positive destinations	88.9	89.9	91.4	92.3	92.9
 Corporate services	% of the highest paid 5% of employees who are women	46.3	48.5	48.7	50.7	51.7
	Domestic noise – average time (hours) to respond	47.8	31.6	43.2	80.7	58.9
	Sickness absence days per teacher	6.6	6.2	6.6	6.1	6.3
	Sickness absence days per employee (non-teacher)	10.8	10.4	10.9	10.3	10.8
	% of income due from council tax received by the end of the year	94.7	95.1	95.2	95.2	95.5
 Adult social care	% of invoices sampled that were paid within 30 days	89.5	90.2	90.5	91.9	92.5
	SDS ³ spend on adults 18+ as a % of total social work spend on adults 18+	1.6	3.1	5.9	6.4	6.9
	% of people aged 65+ with intensive needs receiving care at home	32.2	33.0	34.1	34.3	35.6
 Culture and leisure	% of adults satisfied with social care or social work services	62.1	–	57.0	55.0	51.0
	% of adults satisfied with libraries	83.5	–	83.0	81.0	77.0
	% of adults satisfied with parks and open spaces	83.1	–	86.0	86.0	86.0
	% of adults satisfied with museums and galleries	75.5	–	78.0	76.0	75.0
% of adults satisfied with leisure facilities	74.6	–	80.0	78.0	76.0	

Cont

Exhibit 10 continued

LGBF indicator		2010/11	2011/12	2012/13	2013/14	2014/15
 Environmental services	Street cleanliness score (% acceptable)	95.4	96.1	95.8	96.1	93.9
	% of total household waste that is recycled	38.7	41.0	41.7	42.2	42.8
	% of adults satisfied with refuse collection	80.9	–	83.0	83.0	84.0
	% of adults satisfied with street cleaning	73.3	–	75.0	74.0	74.0
 Housing	Gross rent arrears (all tenants) as a % of rent due for the reporting year	–	–	–	5.6	5.9
	% of rent due in the year that was lost due to empty properties	1.3	1.3	1.2	1.3	1.2
	% of dwellings meeting Scottish Housing Quality Standards	53.6	66.1	76.6	83.7	90.4
	Average time taken to complete non-emergency repairs (days)	–	–	–	10.2	9.9
	% of council dwellings that are energy efficient	74.9	81.2	88.8	94.0	96.5
 Corporate assets	% of operational buildings that are suitable for their current use	73.7	74.8	75.9	78.2	79.0
	% of internal floor area of operational buildings in satisfactory condition	81.3	82.7	82.6	80.9	82.9
 Economic development	% unemployed people assisted into work from council operated / funded employability programmes	–	–	9.6	12.5	14.2
		2009/11	2010/12	2011/13	2012/14	2013/15
 Roads maintenance	% of A class roads that should be considered for maintenance treatment	30.3	30.5	29.4	28.7	29.0
	% of B class roads that should be considered for maintenance treatment	35.8	36.3	35.0	35.2	36.1
	% of C class roads that should be considered for maintenance treatment	35.0	36.0	34.8	36.6	37.3

	Decline in performance from previous year		Improvement from previous year		No change in performance
	Baseline year		No data available		

Notes:

1. This data is calculated from the Scottish Index of Multiple Deprivation (SIMD).
2. Balance of care for looked after children: percentage of children being looked after in the community.
3. Self-directed support.
4. We have not included unit cost measures in this exhibit. Additional performance information is available at www.improvementservice.org.uk

Source: Local Government Benchmarking Framework, Improvement Service, 2016

Councils have well-established systems to help manage their performance and are improving how they report to the public

49. Councils have well-established systems for monitoring performance and continue to develop them. For example, in conjunction with the Scottish Public Services Ombudsman's (SPSO's) Complaints Standards Authority, councils are improving complaints monitoring as a means of better understanding public satisfaction with their services. Local government scrutiny bodies (Audit Scotland, the Care Inspectorate, Education Scotland, Scottish Housing Regulator and Healthcare Improvement Scotland), working collectively through the annual Shared Risk Assessment (SRA) process, have highlighted scope in some councils to use information more effectively in order to manage performance. This includes comparing performance with other councils and using self-evaluation.


50. Public performance reporting (PPR) is an important way for councils to demonstrate their performance to the public. Many councils have improved how they report their performance in public but there is a significant gap between top-performing councils and those that still need to improve their PPR.

51. The Accounts Commission will use LGBF data, complaints information and public performance reports as important sources of intelligence to inform future audits of Best Value.

Health and social care integration is intended to transform services across Scotland, but councils and their partners still need to address significant risks

52. The most significant transformation to council services taking place is the integration of health and social care services. The Public Bodies (Joint Working) (Scotland) Act 2014 sets out an ambitious programme of reform for the Scottish public sector to improve support for people who need health and social care services. It creates a number of new public organisations and aims to encourage more effective joint working between NHS boards and councils.

53. Councils and NHS boards are required to establish integration authorities by 1 April 2016. There are now 31 integration authorities, including a joint arrangement in Stirling and Clackmannanshire. All integration authorities are required to integrate adult health and social care services, but they can also choose to integrate other services. The scope of services being integrated varies widely across Scotland. Most notably, in Argyll and Bute, and Dumfries and Galloway, the integrated services will include all NHS acute services, including planned and unplanned hospital services. The integration authorities are now establishing management and governance arrangements, including organisational structures and internal processes.


54. Our *Health and social care integration* [PDF]  report found that integration authorities may not be in a position to make an impact in 2016/17.⁵ We reported on the significant risks that need to be addressed if integration is to fundamentally change the delivery of health and care services. These include:

- difficulties in agreeing budgets and finalising comprehensive strategic plans, due to councils having to set their budgets before NHS boards, and uncertainty about longer-term funding



How clearly do we report our plans and performance to the public?

- uncertainty about how complex governance arrangements will work in practice
- significant long-term workforce issues, such as different terms and conditions for NHS and council staff, and difficulties in recruiting and retaining GPs and care staff.


55. The issues around budgeting, strategic planning and governance need to be addressed quickly in order to improve local health and social care services in the next few years. In the longer term, joint action by councils and NHS boards will be needed to address workforce issues. Our *Changing models of health and social care* [PDF]  report highlighted that, to transform services and successfully deliver better outcomes for users, NHS boards, councils and integration authorities will have to adopt innovative models of care and ways of working that are quite different from traditional services.⁶

The quality and ambition of councils' savings and service change programmes vary greatly

56. Most of the savings councils have made over the last four years have relied on incremental reductions to a wide range of services and relatively small increases in income from fees and charges. Many savings have come from staff voluntary redundancies. There is a limit to how many staff can be lost before there is a major impact on the quality or quantity of services. Councils need to consider options for more fundamental changes to the way they deliver services.

57. Councils have been developing savings plans and service change programmes in response to current and future reductions in their income. However, auditors have highlighted variation in the ability of councils' programmes to make the savings required. Some are making good progress towards tangible savings and improvements to services for communities. For example, East Ayrshire Council's transformation strategy is designed to achieve sustainable savings of £34.7 million over the five-year period up to 2016/17. Planned savings in the first three years have already been achieved and, at the time of approving its 2015/16 budget, the council reported no funding gap up to 2016/17. The council reviews its transformation strategy annually and consults local communities and stakeholders on its priorities as part of the review.

58. Auditors have expressed concerns about the extent to which planned changes in some councils are enough to make required savings, whether these changes are being implemented quickly enough, and how any changes reflect a council's priorities. For example, in Aberdeenshire Council, the auditor has reported that there is little evidence of robust plans with clear links to outcomes.

59. The Accounts Commission is concerned about councils' slow progress in delivering services differently, rather than relying on incremental savings and staff reductions. Recent Best Value audits on East Dunbartonshire, Falkirk, and Argyll and Bute councils highlight that, regardless of the ambition of savings plans and service change programmes, only relatively small-scale changes have been delivered so far.^{7,8,9} Larger-scale changes that make a bigger impact on budget shortfalls have proved more difficult to achieve. Our *East Dunbartonshire Council: the Audit of Best Value and Community Planning – a follow-up report* [PDF]  found a clear commitment to improvement but expressed concerns about the pace of delivering the improvements in practice. We recommended the council take urgent action to identify clearer priorities for its transformation programme.



How will our savings plans help us achieve our corporate objectives and commitments made to our Single Outcome Agreement?



How open are we to considering all possible options to reduce the cost, and improve the quality and effectiveness of the services we provide?

60. One area where councils are changing the way they work is in providing services online. This allows councils to provide services that better meet the needs of users, as set out in the Scottish Government's and COSLA's 2012 vision *Scotland's Digital Future – Delivery of Public Services*.¹⁰ It also allows councils to deliver greater efficiency, reducing the number of staff required to deliver these services (**Case study 1**). However, it is important that councils continue to provide services for those who do not have access to, or simply do not want to use, online services.

Case study 1



Examples of online services in councils

City of Edinburgh Council

The council is currently redesigning many of its customer care services and moving services online where possible. The council plans to deliver annual savings of £5.9 million, through reducing the number of support staff. There are early signs that this initiative is making an impact: 40 transactions, such as school placing requests, are already available online and savings of £355,000 over the past year have been made. The council now aims to roll out a further 153 new types of online transaction in 2016/17.

The Highland Council

The council aims to reduce the equivalent of 54.2 full-time employees and save £1.3 million by 2018/19 through its Digital First programme. In 2014, 82,000 transactions took place online with a corresponding ten per cent decrease in face-to-face transactions. The council currently offers 87 services online, such as paying rent online, and is aiming to have 40 per cent of customer transactions online by April 2017. The council has implemented the Improvement Service's customer portal 'myaccount'. This reduces the requirement for customers to prove their identity every time they apply, and gives customers the ability to upload scanned and photographed evidence.

Source: Audit Scotland


There is limited evidence of councils collaborating or sharing services




£43 million: saved by councils in 2012/13 by using collaborative procurement contracts



61. Collaborating or sharing services can help meet financial challenges. For example, East Ayrshire and South Ayrshire councils have a shared roads maintenance service, which has been operating since April 2014. It aims to maintain and improve the service while saving £8.6 million over the next ten years. Stirling and Clackmannanshire councils are jointly delivering social work and education services. However, they decided in late 2015 to withdraw from this arrangement, and they will revert to single-council services by April 2017. These shared services involved a lot of preparatory work. They highlight the need for sustained commitment if councils are to deliver shared services successfully and realise any planned longer-term benefits.

62. Our *Procurement in councils* [PDF]  report found that councils had saved £43 million in 2012/13 through using Scotland Excel or Scottish Government collaborative procurement contracts, and councils' use of collaborative contracts has been increasing since then.¹¹ Savings were not the only benefit to this collaborative working. Councils had been systematically using procurement spending to support local economic development, and they had begun to achieve community benefits, such as apprenticeships and environmental improvements, into procurement contracts.

63. Whatever the means of delivering services, a crucial element of achieving best value is using options appraisal effectively to evaluate current and alternative ways to deliver services. Our *How councils work: Options appraisal – are you getting it right?* [PDF]  report recommends rigorous and challenging appraisal of all the options.¹² It is important that councils consider a wide range of alternatives, including fundamentally different approaches, to help find the most effective and efficient way to achieve the council's priorities for its local communities ([Exhibit 11, page 32](#)).

64. In looking at possible options for delivering services, councils and their partners need to consider the opportunities presented by the Community Empowerment (Scotland) Act 2015. The Act aims to empower community bodies through ownership or control of land and buildings, and by giving them more say in decisions about public services.



How fully have we appraised the options for sharing services with similar or neighbouring authorities or other public sector bodies?

What options do we have for collaborating or sharing services?



How are we involving and empowering local communities to design and deliver services to suit local needs?

Exhibit 11

Options for delivering services

Councils should use options appraisal to consider alternative ways of delivering services.



Councils are planning to increase the number of ALEOs to deliver services **65**. Councils use ALEOs to deliver services differently and more efficiently, as they offer different opportunities for generating income and making tax savings. ALEOs are typically used to provide more commercial activities, including leisure, property development, car parking, energy generation, and conference facilities such as the Edinburgh International Conference Centre. They are also used across a diverse range of services including social care and waste recycling. Auditors have identified approximately 140 ALEOs operated by Scotland's councils, with around three-quarters of these providing cultural, leisure, housing or economic development services. Councils are planning to deliver more services through ALEOs by establishing new ALEOs or expanding the remit of existing ALEOs ([Case study 2](#)).



How do we learn from other changes we have made and the experiences of other organisations when identifying and considering all the options?

Case study 2

Examples of new and expanded ALEOs



SB Cares

Scottish Borders Council established SB Cares to deliver most of the council's adult social care provision. Around 800 staff transferred to SB Cares on 1 April 2015. The new ALEO aims to make more efficient and flexible use of staff and generate additional income. The council expects to deliver £0.5 million savings in the first year.

Renfrewshire Leisure Limited

Renfrewshire Council expanded Renfrewshire Leisure Limited by transferring the management and staffing of cultural and leisure services, such as town halls, libraries and playing fields. It estimates £0.6 million of annual savings from the transferred services being eligible to pay reduced NDR.

Source: Audit Scotland

As councils continue to reduce staff numbers, it is essential that they plan to have the staff knowledge, skills and time to deliver services differently in future



24 councils, in September 2015, were planning to further reduce staff numbers during 2015/16 and beyond

31 councils have reduced and/or restructured their senior management in recent years, and 11 councils, in September 2015, were planning to make further changes




66. The majority of councils have reduced their workforces over the last few years to save money and establish more efficient ways of working. At 31 March 2015, there were approximately 200,800 people (full-time equivalent or FTE) employed by councils. This was around 800 fewer people (FTE) working in councils compared with the previous year. The net reduction in employment may be lower than 800 as it includes jobs transferring into ALEOs, although we do not have data on this. We have highlighted in previous reports that relying on reducing staff numbers to save money without changing the way councils deliver services is not sustainable.

67. With their income falling further, and as they identify funding gaps in the next two years or longer term, councils are planning further staff reductions. Some councils are now making compulsory redundancies to reduce costs and better manage their workforces. For example, over half of councils have policies that allow them to make compulsory redundancies if necessary, and seven have already made a very small number of compulsory redundancies in 2014/15. At the same time, councils feel that their ability to fully manage their workforce in line with local priorities is affected by other factors outwith their control, such as the Scottish Government's requirement for councils to maintain teacher numbers.

68. A key area of savings has been in reducing and restructuring senior management. Councils need to ensure that they manage the risks of relying on smaller numbers of individual officers with an increasingly wide range of responsibilities. There is also the risk that they may not have the management skills and time they need to plan and implement new ways of delivering services. In contrast, some councils have difficulties in recruiting and retaining people in some key roles. For example, Aberdeen City Council had difficulty filling the position of Director of Corporate Governance. More widely, there is a recognised shortage of qualified procurement professionals. Councils may therefore have to develop the skills of their existing staff or find new ways to attract people with the specialist skills they need. This highlights the importance of succession plans as part of workforce planning to avoid losing essential skills and knowledge, particularly when considering further staff reductions.

Further workforce reductions must reflect councils' priorities

69. A number of councils have been developing their workforce strategies and plans. An effective workforce strategy takes account of the skills needed for the future, not just the numbers and grades of staff. This means tying it in with the council's identified priorities and its plans for changing how services are delivered. For example, with councils expected to involve local communities more in planning, managing and delivering services, in response to the Community Empowerment (Scotland) Act 2015, they may need to retain or develop further their skills in this area.

70. Some councils have still to fully, or further, develop their workforce planning. We have raised concerns about workforce planning in recent Best Value reports. For example, East Dunbartonshire Council has a workforce strategy in place but it does not contain clear targets or timescales for meeting objectives, and so it is difficult to assess its impact. Our [Health and social care integration \[PDF\]](#)  report also identifies the need for long-term workforce strategies in the new integration authorities. Developing a suitably skilled workforce is particularly challenging in health and social care integration, given the wide range of people involved and the size of the workforce.



How do we ensure our senior officers have the knowledge, skills and time to support us in making difficult decisions?



What do we need the workforce to look like in terms of numbers, skills and knowledge?

How do we ensure the council's future pay structures do not discriminate against any groups of staff?

71. We have also identified a risk that staff in some support services may be under severe pressure after significant staff reductions. For example, information collected by auditors shows that most councils have reduced finance staff. This has not had a negative impact on service delivery to date, with all councils submitting their unaudited accounts on time and all council audits being completed by the due date of 30 September 2015. Some councils are planning to reduce finance staffing further. This can pose risks for councils in being able to carry out good long-term financial planning, effective monitoring of budgets and savings, and responding to the additional work involved in budgeting for the new health and social care arrangements. However, it can also indicate better use of technology and therefore a need for fewer finance staff.

There is potential to reduce staff time lost due to sickness absence



10.8 days: the average number of sickness days per employee (excluding teachers) in 2014/15

6.3 days: the average number of sickness days per teacher in 2014/15



72. In 2014/15, sickness absence across councils increased by almost half a day per employee, excluding teachers. Sickness absence per employee varied across councils from an average of 8.8 days per year in Orkney to 14.5 days per year in West Dunbartonshire ([Exhibit 12, page 36](#)). If councils with high absence levels could lower this to match the top eight performing councils (lower than 9.9 days), that would gain the equivalent staff time of close to 700 full-time employees (excluding teachers) across Scotland.

73. Sickness absence also varied in 2014/15 among teachers from an average of 3.6 days per year in North Ayrshire to 10.1 days per year in Clackmannanshire. Similarly, if councils with high teacher absences could match the top eight performing councils (lower than 5.7 days), that would gain the equivalent staff time of close to 200 full-time teachers across Scotland.

74. With councils' workforces reducing, this potentially increases the workload for remaining staff, which in turn can negatively affect morale and sickness absence. It can also impact on the ability of managers to deal with absence issues.

75. Reasons for sickness absence are complex and varied and therefore reducing absence is not easy. East Dunbartonshire Council has taken steps to reduce sickness absence, for example, by introducing better monitoring of short and long-term absences, identifying departments with high absence rates, and providing further support and guidance for managers. This has led to a decrease in staff absence levels, although they are still above the Scottish average. To try to reduce the cost of absence, the Improvement Service is helping councils to learn from each other, using the LGBF as a starting point.

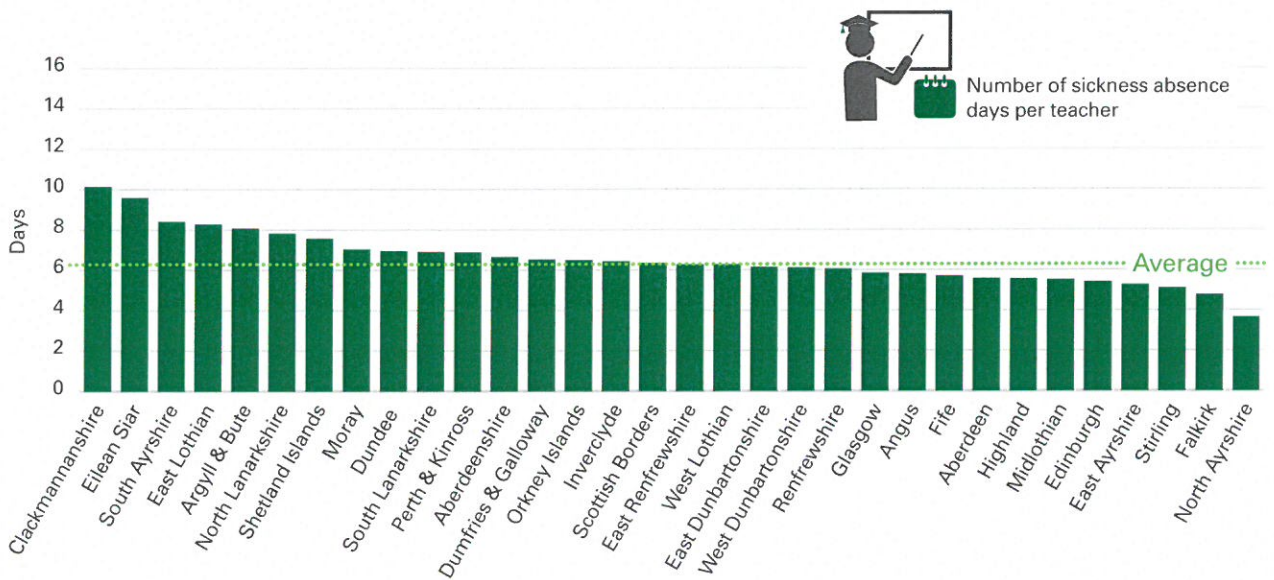
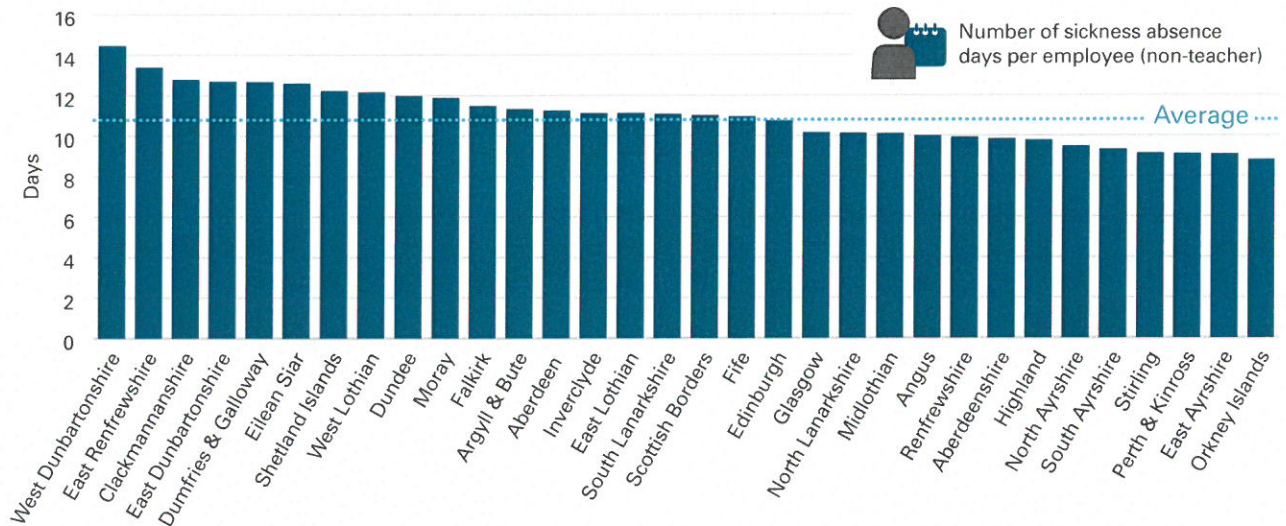


How effectively is the council working to improve sickness absence among employees?

Exhibit 12

Sickness absence for council employees in 2014/15

Clackmannanshire and West Dunbartonshire councils have the highest average number of sickness days for teachers and other employees respectively.



Note: Sickness absence varies from year to year. When councils use this LGBF information, they will want to consider the data for more than one year.

Source: Local Government Benchmarking Framework, Improvement Service, 2016

Councillors need good quality information to make decisions and the appropriate skills to carry out their scrutiny role



1,223: the number of councillors in Scotland

32: all councils' audited accounts were unqualified in 2014/15



76. It is important that councillors have clear, understandable and manageable information to help them make decisions and scrutinise effectively. We have seen meeting papers where councillors were expected to read over 700 pages of information. Committee reports can be long, complex and written in very bureaucratic language, making them difficult to understand. This places significant demands on councillors and makes it difficult for them to focus on the most important issues, such as the council's underlying financial position.

77. Councils were required to add a management commentary to their annual financial reports for the first time in 2014/15. It replaces the previous explanatory foreword, as part of the move to make the accounts more accessible to readers. This should enable councillors and others to scrutinise the annual financial reports more effectively. We have prepared guidance for councils about financial reporting and scrutiny, with suggested questions for councillors to ask. This is available on our [website](#). We will review these in more detail next year.

78. As well as making the accounts more understandable, officers need to provide councillors with information, support and advice to help them scrutinise the accounts and other financial and service performance information. For example, there are gaps between the technical information, such as prudential indicators, and the straightforward explanations that many councillors need to fully understand the consequences of their decisions. Our *[Borrowing and treasury management in councils](#)* [\[PDF\]](#) report found that councils need to improve their scrutiny in this area.

Councils need to conduct their business openly in the interests of local accountability

79. Good governance requires councils to conduct their business in a transparent manner. In some of the Best Value audits we carried out in 2015, for example in East Dunbartonshire and Argyll and Bute councils, we highlighted that they are carrying out a relatively high proportion of business in private. A wider analysis of the number of reports that councils consider in private, rather than in public, has highlighted variation in approach. For example, around a quarter of councils discuss less than two per cent of reports in private at meetings of the full council or at a policy and resources committee (or equivalent). In contrast, a few councils consider over 15 per cent of items in private.



How do we ensure that the information we receive is clearly written, jargon-free and manageable?




How can we consider more of our business in public?

80. Decisions on considering items publicly or privately are influenced by a range of factors. In particular, they may be affected by local schemes of delegation to senior officers, allowing them to make certain operational decisions. They may also be influenced by the local culture developed over time in councils. In our recent Best Value report on Argyll and Bute Council, we recommended that the council establishes a more open and transparent culture and style of working, which includes minimising the amount of business it carries out in private. Councils should be looking to identify and adopt best practice to strengthen local accountability.

81. Every year, the Accounts Commission emphasises in its overview report the importance of good governance. This includes procedures for authorising spending decisions, systems for managing risks, processes for reporting and scrutinising financial and service performance, and the way councillors and staff behave. All of these are increasingly important as councils continue to adapt to changing circumstances and develop more creative and ambitious ways of achieving positive outcomes for communities. In doing this, they are working more with partners in the public, private and third sectors, and in partnership with their communities. It is therefore even more important for councils to review and update governance arrangements to ensure that they are fit for purpose. The principles of good governance are:

- creating and implementing a vision and focusing on outcomes
- councillors and officers working together to achieve a common purpose, with clearly defined functions and roles
- promoting the council's values and upholding high standards of conduct and behaviour
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- developing the capacity and capabilities of councillors and officers
- engaging with local people and other stakeholders to ensure robust public accountability.¹³

82. Councils should have appropriate arrangements in place to approve, monitor and hold ALEOs to account for the public funding that is provided to them. This includes complying with the Following the Public Pound Code. The Code is designed to ensure that openness, integrity and accountability are applied to all council decisions when public money is being spent, for example when establishing funding relationships with ALEOs. The importance of good governance was highlighted in Audit Scotland's *Conclusions on issues relating to the Lennoxtown Initiative* [PDF]  in November 2015.¹⁴ The report found that more robust processes should have been put in place to demonstrate that the public funds provided were used for the charitable purposes intended, and that using resources in this way represented best value.

83. In 2015, the chair of the Accounts Commission wrote to all chief executives and council leaders highlighting the importance of good governance and to encourage councils to apply good practice more consistently across all ALEOs. Local Area Networks will continue to monitor how effectively councils are overseeing ALEOs, with audit work looking at the role of ALEOs in service delivery being considered for 2017/18.




How can we involve our communities more in local decisions?

Councillors must develop their skills and knowledge as their role becomes more complex and demanding

84. Councillors face taking increasingly difficult decisions, often needing to consider new and more complex ways of delivering services. They need to be confident in their ability to appraise new ways of working and to scrutinise operational and financial performance. This will help them carry out their role effectively in the current demanding environment. Their continuing professional development should identify the skills and knowledge they need to develop.

85. Training on scrutiny tends to be provided at the start of a political term, as part of the induction scheme for new councillors, or targeted towards councillors who sit on scrutiny committees. However, scrutiny training needs to be provided more widely. Perth and Kinross Council, for example, developed an action plan after identifying a risk in councillors appointed to ALEOs not having the appropriate skills and training.

86. Our *Borrowing and treasury management in councils* [PDF]  report found that councillors said it was often difficult to attend training due to other commitments. This was said to be particularly difficult where training courses were scheduled to last for a full day. To keep knowledge and skills up to date, councils could consider providing more training in a variety of ways to suit councillors' needs, including short briefings and online training.

87. Following local elections in 2017, the induction and training for new and re-elected councillors will be very important in helping them fulfil their role and responsibilities in an increasingly complex and challenging environment. To contribute to this, the Accounts Commission is doing more work on roles and responsibilities in 2016/17.













How well do we scrutinise decisions on financial and service performance?

How do we ensure we have the knowledge and expertise we need to scrutinise effectively?

Endnotes




-
- ◀ 1 [Borrowing and treasury management in councils \[PDF\]](#) , Audit Scotland, March 2015.
 - ◀ 2 [Major capital investment in councils: follow-up \[PDF\]](#) , Audit Scotland, January 2015.
 - ◀ 3 *The Prudential Code for Capital Finance in Local Authorities*, CIPFA.
 - ◀ 4 Living Wage Foundation.
 - ◀ 5 [Health and social care integration \[PDF\]](#) , Audit Scotland, December 2015.
 - ◀ 6 [Changing models of health and social care \[PDF\]](#) , Audit Scotland, March 2016.
 - ◀ 7 [East Dunbartonshire Council: the Audit of Best Value and Community Planning – a follow-up report \[PDF\]](#) , Audit Scotland, June 2015.
 - ◀ 8 [Falkirk Council: the Audit of Best Value and Community Planning \[PDF\]](#) , Audit Scotland, August 2015.
 - ◀ 9 [Argyll and Bute Council: Best Value audit 2015 \[PDF\]](#) , Audit Scotland, December 2015.
 - ◀ 10 *Scotland's Digital Future – Delivery of Public Services*, November 2012.
 - ◀ 11 [Procurement in councils \[PDF\]](#) , Audit Scotland, April 2014.
 - ◀ 12 [How councils work: Options appraisal – are you getting it right? \[PDF\]](#) , Audit Scotland, March 2014.
 - ◀ 13 *Delivering good governance in local government, Guidance note for Scottish authorities*, SOLACE/CIPFA, 2008.
 - ◀ 14 [Conclusions on issues relating to the Lennoxtown initiative \[PDF\]](#) , Audit Scotland, November 2015.

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Overview of Local Government 2016

Appendix 2

	<u>Recommendations</u>	<u>Assessed Positions</u>	<u>Action Proposed</u>	<u>Who By</u>	<u>When</u>
1.	The Council should have a longer term (5+ years) Financial Strategy supported by an effective medium term (3-5 years) Financial Plan. This should show how the Council will prioritise spending, make savings and remain financially sustainable.	The Council has a well established Financial Strategy which links the Corporate priorities, external pressures with the projected financial position of the Council. The Strategy is split over the short, medium and longer term	No further action proposed over and above the current audit action to factor in scenario planning into the Councils medium term financial position which is due to be included in the June Financial Strategy.	Chief Financial Officer	June 2016
2.	The Council should appraise all practical options for how to deliver the services their communities need within resources available including the empowerment of communities to deliver services in different ways. Councillors should ensure they get all the information and support from officers they require to fully assess the benefits of each option.	The Council has a good track record of looking at alternative delivery models through the creation of ALEOs, use of external suppliers and is currently looking at shared services opportunities. The impact of the Community Empowerment Act will evolve over time. A corporate approach to options appraisal is being finalised and will be reported to Committee when completed.	Reports on both the Community Empowerment Act and Options appraisal will be brought to the relevant Committee during 2016.	Corporate Director Education , Communities & OD	September 2016

	<u>Recommendations</u>	<u>Assessed Positions</u>	<u>Action Proposed</u>	<u>Who By</u>	<u>When</u>
3.	<p>The Council should continue to develop workforce strategies which clarifies the number and skills of staff needed in the future. Specifically this needs to ensure the Council has people with the knowledge, skills and time to support the challenges which lie ahead.</p>	<ol style="list-style-type: none"> 1. The Council's Organisational Development Strategy 2013/16 has a number of key work streams which focus on planning for the future, addressing future workforce challenges, leadership, succession planning and skills development. The current Strategy is currently being refreshed for the period 2016/19. 2. In support of the OD strategy, detailed quarterly management information reports are produced covering key workforce planning areas including learning & Development activity. 3. A new Corporate Workforce Planning & Development Group has recently been established which will focus on progressing the Workforce Planning and Learning & Development agenda for the Council. 4. Employee Survey recently undertaken where employees provided positive feedback on learning and development opportunities. 	<ol style="list-style-type: none"> 1. To progress the development and implementation of the Councils People & Organisational Development Strategy 2016/19 taking into account feedback from all stakeholders. 2. Key actions will be identified and agreed to support the key outcomes of the Strategy (e.g. Review of Performance Appraisal process with a focus on meeting learning and development needs). 3. Leadership development events will be arranged covering priority areas for Senior Managers of the Council. 4. Agree and implement appropriate actions designed to address outcomes of Employee Survey. 	Head of OD, HR & Communications	Fully Implemented by March 2019.

	<u>Recommendations</u>	<u>Assessed Positions</u>	<u>Action Proposed</u>	<u>Who By</u>	<u>When</u>
4.	The Council should have appropriate scrutiny arrangements which take account of the different ways of delivering services including producing clearly written and understandable management information and carrying out business in a way which supports improved public reporting.	The Council posts all agendas/minutes on the Council website and all Committees are open to the public. In addition, officer's report to Committee on the performance of services delivered via ALEOs and external arrangements. An annual update on this matter goes to P&R Committee each November.	No further action proposed	Chief Executive	N/A
5.	Councillors should regularly review their personal training and development needs especially in the areas of Financial Planning, Options Appraisal, Partnership working, Commissioning Services and Scrutiny. These arrangements should also be available after the local elections in 2017.	As part of the annual governance review, the Council identified the need to refresh training and development plan for Members. Members training over the last 2 financial years has included a number of key areas including the Annual Accounts process, Capital Expenditure and Arms Length External Organisations.	Personal Development Plans for Members are currently being reviewed and a programme for 2016-2017 will be developed. These arrangements will then be reviewed on an annual basis.	Head of Legal & Property Services	30/9/2016

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	LP/056/16
Contact Officer:	Gerard Malone	Contact No:	01475 712710
Subject:	Freedom of Information Requests 2015		

1.0 PURPOSE

1.1 The purpose of this report is to provide the Policy & Resources Committee with details of all Freedom of Information (FOI) requests received by the Council during 2015.

2.0 SUMMARY

2.1 The Freedom of Information (Scotland) Act 2002 (FOISA) came into effect on 1 January 2005. Under FOISA, a person who requests information from a Scottish public authority which holds it is entitled to be given it by the authority, subject to certain conditions and exemptions which are set out in the Act. The Environmental Information (Scotland) Regulations 2004 (the EIRs) also came into force on 1 January 2005 and give the public rights of access to environmental information held by Scottish public authorities.

2.2 Information is available through the Council's Publication Scheme which is published on the Council's website.

3.0 RECOMMENDATION

3.1 The Policy & Resources Committee is asked to note the information provided in relation to FOI requests received by the Council during 2015.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 FOISA provides a right of access to recorded information held by Scottish public authorities subject to certain conditions and exemptions which are set out in the Act.
- 4.2 Information is available through the Council's Publication Scheme on the Council website at www.inverclyde.gov.uk. The Council has adopted the Model Publication Scheme 2013 produced by the Scottish Information Commissioner which has the Commissioner's approval until 31 May 2017. The Council has produced a guide to information available through the Model Publication Scheme 2013, which provides information on:-
- what information is available (and what is not available) in relation to each class;
 - charges that may be applied;
 - how to find the information easily;
 - contact details for enquiries and help with accessing the information; and
 - how to request information held by the Council that has not been published.
- 4.3 An applicant for information has the right to ask the Council to review its action and/or decisions if he/she is dissatisfied with the way in which the Council has dealt with the request for information. If still dissatisfied with the review decision, or if the review decision has not been received within 20 working days, an applicant may appeal to the Scottish Information Commissioner.
- 4.4 The Scottish Information Commissioner has asked all Scottish public authorities to provide her with statistics on FOI requests and requests under the EIRs, the number of Data Protection Subject Access requests received, details of reviews dealt with and exemptions/exceptions applied on a quarterly basis from 1 April 2013. These statistics are available on the Scottish Information Commissioner's website at www.itspublicknowledge.info. For Members' background information, a copy of the information for the period October-December 2015 submitted to the Scottish Information Commissioner and published on her website is attached at Appendix 1.
- 4.5 Although the Scottish Information Commissioner has no locus in relation to Data Protection Subject Access Requests (SARs), this information is collected to see how the number of FOI and EIR requests authorities received compares to the number of SARs received.

5.0 REQUESTS RECEIVED

- 5.1 During 2015 1029 FOI requests, 12 requests under the EIRs and 27 Data Protection Subject Access requests were received.
- 5.2 A comparison with the number of requests received in 2014 is set out in the table below.

	FOIs	EIRs	DPSARs	Total	FOI/EIRs Responses Within Statutory Timescale	FOI/EIRs Response Outwith Statutory Timescale	FOI/EIRs Reviews
2014	1121	19	17	1157	1030	89	32
2015	1029	12	27	1068	851	157	31

- 5.3 Members will note that, in comparison with 2014, there is a decrease in the number of FOI/EIR requests received which is in part attributable to a decrease in requests from two particular applicants and to a commercial organisation combining requests rather than submitting individual requests. There has, however, been no corresponding reduction in the amount of work involved in dealing with the requests from the commercial organisation as the extent of the information sought is the same.

5.4 The table below provides a breakdown of the source of FOI requests received.

Source of Request (where known)	2015
Charity/Campaign/Voluntary Organisations	23
Commercial Organisations	126
Education/Research	8
Journalist/Media Organisation	131
Legal Organisations	38
Individuals	634
MSP/Scottish Parliament/Other Elected Official	69
Other Public Body	2
Trade Union/Professional Representative Body	11

6.0 FINANCIAL IMPLICATIONS

6.1 Financial

One off Costs:

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	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	n/a	n/a	n/a	n/a	n/a

Legal

6.2 The Council is legally bound to comply with FOISIA and EIRs. The Scottish Information Commissioner has powers of enforcement which can be used where a public authority is consistently failing to comply with the legislation.

Human Resources

6.3 None.

Equalities

6.4 None.

Repopulation

6.5 There are no direct implications in respect of repopulation.

7.0 CONSULTATIONS

7.1 None.

8.0 LIST OF BACKGROUND PAPERS

8.1 Freedom of Information (Scotland) Act 2002, Environmental Information Regulations (Scotland) Regulations 2004 and Data Protection Act 1998.



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Basic Information | **Requests** | Reviews | Exemptions/Exceptions Print

#	FOISA section	EIR Regulation	Description	FOISA	EIRs	DPA	?
1	S1(1)	Reg 5	The number of requests received	227	11	<input type="text"/>	
2			The number of requests received under the Data Protection Act	<input type="text"/>	<input type="text"/>	5	
3	S1(3)	Reg 9 (2) and 10(4)(c)	The number of requests closed because clarification was not provided	3	0	<input type="text"/>	
4			The number of requests closed because the requester withdrew the request	1	0	<input type="text"/>	
5	S9(1)	Reg 8(1)	The number of requests for which a fees notice was issued	0	2	<input type="text"/>	
6	S9(1)	Reg 8(1)	The number of occasions on which a fees notice was paid	0	0	<input type="text"/>	
7	S10(1)	Reg 5(2)	The number of requests which received a response within the statutory timescale	198	11	<input type="text"/>	
8	S10(1)	Reg 5(2)	The number of requests which received a late response.	22	0	<input type="text"/>	
9	S10(1)	Reg 5(2)	The number of requests which required a response, but which did not receive one (i.e. failure to respond).	0	0	<input type="text"/>	
10		Reg 7	The number of times the timescale was extended for voluminous and complex requests	<input type="text"/>	0	<input type="text"/>	
11	S12(1)		The number of requests refused on the grounds of excessive costs.	2	<input type="text"/>	<input type="text"/>	
12		Reg 10(4)(b)	The number of requests refused because they were manifestly unreasonable (on grounds of cost).	<input type="text"/>	2	<input type="text"/>	
13	S14(1)		The number of requests refused because they were vexatious.	0	<input type="text"/>	<input type="text"/>	
14	S14(2)		The number of requests refused because they were repeated.	1	<input type="text"/>	<input type="text"/>	
15		Reg 10(4)(b)	The number of requests refused because they were manifestly unreasonable (other than on grounds of cost).	<input type="text"/>	7	<input type="text"/>	
16	S1(1)	Reg 5	The number of requests for which information was provided in full.	209	2	<input type="text"/>	
17	S16(1)	Reg 13	The number of requests for which a refusal notice was issued for all the information requested.	5	8	<input type="text"/>	
18	S16(1)	Reg 13	The number of requests for which some information was provided, but other information was withheld or was not held by the authority (partial).	2	1	<input type="text"/>	
19	S17	Reg 10(4)(a)	The number of requests for which all of the information was not held	8	0	<input type="text"/>	
20	S18	Reg 10(8) or 11(6)	The number of requests for which the authority refused to confirm or deny whether the information existed or was held	0	0	<input type="text"/>	

Requests notes

FOIs carried forward to next quarter - 3



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#	FOISA section	EIR Regulation	Description	FOISA	EIRs	?
1	S21(1)	Reg 16	The number of requests for review received	<input type="text" value="3"/>	<input type="text" value="6"/>	
2	S21(1)	Reg 16	The number of requests for review answered within the statutory timescale	<input type="text" value="3"/>	<input type="text" value="6"/>	
3	S21(1)	Reg 16	The number of requests for review which received a late response.	<input type="text" value="0"/>	<input type="text" value="0"/>	
4	S21(1)	Reg 16	The number of requests for review which did not receive a response.	<input type="text" value="0"/>	<input type="text" value="0"/>	
5	S21(4)		The number of review responses which wholly or partially confirmed the original response, with or without modification (upheld).	<input type="text" value="2"/>	<input type="text"/>	
6	S21(4)		The number of review responses which substituted a different decision for the original (overturned).	<input type="text" value="0"/>	<input type="text"/>	
7	S21(4)		The number of review responses which reached a decision for the first time (there had been no response to the original request).	<input type="text" value="0"/>	<input type="text"/>	
8		Reg. 16(3)(b)	The number of review responses which confirmed that the authority's response to the original request complied with the EIRs.	<input type="text"/>	<input type="text" value="2"/>	
9		Reg. 16(3)(b)	The number of review responses which found that the authority's response to the original request was not compliant with the EIRs and steps were taken to remedy the breach.	<input type="text"/>	<input type="text" value="4"/>	

Reviews notes

Report To:	Policy and Resources Committee	Date: 17 May 2016
Report By:	Head of Organisational Development, Human Resources & Communications	Report No: HR/09/16/AW
Contact Officer:	Allan Wilson	Contact No: 01475 715275
Subject:	Employee Opinion Survey – 2015	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise Committee of the results of the latest 3 yearly Council wide Employee Opinion Survey carried out in November 2015.

2.0 SUMMARY

- 2.1 A Council wide Employee Opinion Survey is carried out every three years; this latest edition was carried out with the support of Lowland Market Research who are recognised as specialists in the field.

- 2.2 The Employee Opinion Survey results present the Council in a good light. While comparison with other Councils is not possible in any detail it is, however, fair to comment that the survey results place Inverclyde amongst the best performing employers. Analysis of the responses to questions in 2012 compared to 2015 shows:

- Improvement (+) 84 %
- Decrease (-) 12%
- As is (=) 3%

- 2.3 As you would expect there are areas where particular attention should be paid to with a view to encouraging improvement. Where there is room for such improvement there exists scope to cover these areas via the Organisational Development Strategy for 2016 -2019, which will also be supported by the newly established workforce planning and development group which will meet quarterly. This group provides the ideal platform to take forward such issues.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee recognise the positive nature of the Employee Opinion Survey and agree to focus now on maintaining this position and to cover areas where there is room for further development by including them as matters for further consideration in the Organisational Development Strategy for 2016-2019.
- 3.2 It is recommended that the Committee note that the Employee Opinion Survey results will be issued to Council employees via an ICON message from the Chief Executive – ensuring that the communication find its way to notice boards and the like for non PC users

- 3.3 It is recommended that the Committee note the improvement plan outlined in section 5.3 to address the key actions of the survey, including feedback to employees on progress of the plan.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

4.0 BACKGROUND

4.1 The Council undertakes Employee Surveys, on a three year cycle basis, to gain feedback on our performance as a (good) employer. This enables us to measure employee satisfaction, the effects of change within the organisation, and to compare employee responses over time, with a view to continually improving. The survey is developed in conjunction with Lowland Market Research who are recognised specialists in the field.

4.2 The survey is developed to ensure that it covers a good cross section of key issues for employees across the Council, as well as certain areas the Council welcomes feedback on, and that it can be compared with the 2012 edition. The scope of the survey therefore, was to measure the effects of organisational change and how the Council's aspiration to be seen as a good employer measures up, by gaining feedback on:

- The Council as my employer (including work life balance new to 2015)
- Me and My job
- My performance, development and recognition (including eLearning new to 2015)
- My working environment and wellbeing at work
- Supporting Attendance (new to 2015)
- Communication across the Council
- My supervisor/manager and me
- Senior Managers

4.3 The Employee Survey was launched on 30th November 2015 and every Council employee was given the opportunity to complete a questionnaire. Employees who are desk based and have access to a PC were sent a link to enable them to complete the questionnaire online. Employees who are not desk based were sent a hard copy of the questionnaire to their home address. A number of interventions were made to increase the response rate:

- The closing date for employees completing the online survey was extended
- Regular reminders were sent to all employees requesting that they complete the survey

4.4 26% of employees (1053) responded to the questionnaire. Employees responded as follows:

- Postal survey questionnaire (212)
- On-line Survey Monkey Questionnaire (841)

Lowland Market Research advised that response rates for employee surveys generally range from 25% to 40%. Our response rate of 26% although down from the previous survey of 32%, still provides us with a good number of quality responses and is comparable with most other councils employee survey response rates.

4.5 A number of very positive results have emerged from the survey, for example:

- Response across the board showed improvement since last survey with 84% showing an upward trend
- I understand how my work contributes to achieving the Council's aims and objectives – 89 % in agreement
- I have a clear understanding of the purpose of my job – 93% in agreement
- My work gives me a sense of personal achievement – 83% in agreement
- Morale is good within my team – 56 % in agreement
- I have the skills and knowledge I need to do my job – 91% in agreement
- I am satisfied with Health and Safety precautions – 87% in agreement
- My supervisor / manager is approachable – 93% in agreement

4.6 As you would expect from such a survey there are also a number of areas where particular improvements can be realised, for example:

- Responses to questions showed a downward trend since last survey in only 12 % of cases
- I am aware of the Council's Corporate Statement / Single Outcome Agreement – 48%/49% respectively in disagreement
- Morale is good within my team – 44% disagree
- I receive regular recognition or praise for doing good work – 42% disagree (although this figure should be qualified as 70% of employees responded positively to another question – “My supervisor /manager lets me know when I have done a good job”)
- I experience personal harassment in the form of offensive language or behaviour from customers – 29% in agreement
- Communication is good between teams in my directorate – 44% disagree
- Senior Managers are interested in staff's opinions – 42% disagree
- My current workload is excessive – 56% agree
- Communication with non PC users – as demonstrated by survey returns

5.0 PROPOSALS

5.1 It is proposed to recognise that the results of the Employee Survey are good and to continue to encourage employees by the continuation of, amongst other things, good people management measures as per the Organisational Development Strategy 2016-2019, currently being finalised following extensive stakeholder involvement.

5.2 It is proposed to cover the areas identified for particular improvement by including them as matters for further consideration in the Organisational Development Strategy 2016-2019. The strategy is at the development stage and will be supported by the new workforce planning and development group, which will meet quarterly.

5.3 The table below highlights the main areas identified for particular improvement and outlines the key actions proposed.

Survey Outcome	Proposed Action
I am aware of the Council's Corporate Statement / Single Outcome Agreement – 48%/49% respectively in disagreement	Action via performance appraisal, that is a combination of re-issuing supporting documents, which include summary of corporate goals and objectives and via the actual appraisal interview – also include in induction check list for new employees
Morale is good within my team – 44% disagree	Recognise that the current economic climate influences and assist by continuing with open and transparent communication channels and introducing good people management initiatives via OD strategy
I receive regular recognition or praise for doing good work – 42% disagree	Encourage managers to be more forthcoming via performance appraisal and managers undertaking relevant eLearning courses as further training and development

I experience personal harassment in the form of offensive language or behaviour from customers – 29% in agreement	Ensure we encourage reporting of such incidents and follow risk assessments, and ensuring front line employees fully aware of health and safety at work promotions and that managers follow these guidelines seeking assistance from health and safety as required
Communication is good between teams in my directorate – 44% disagree	Promote value of team meetings and cascading of information particularly between services
Senior Managers are interested in staff's opinions – 42% disagree	Promote value of encouraging opinions and importantly providing feedback and generally encourage senior managers to further develop communication channels. In addition encourage further training and development for managers across the council with a focus on communication
My current workload is excessive – 56% agree	Manage by OD/HR advisers visiting local team meetings with a view to encouraging managers to recognise and to introduce checks and balances with a view to addressing to best of ability – in summary communication important as is setting priorities
Communication with non PC users	As demonstrated by survey returns received, manage by further developing use of portable technology in the shape of for example hand held devices and moving towards having more home e-mail addresses to hand

It is considered that the implementation of the above actions will assist in addressing the key areas for improvement. As included in 5.2 these actions will be progressed and monitored via the Organisational Development strategy 2016-2019 and the new workforce planning and development group in particular.

- 5.4 The Employee Opinion Survey results will be issued to Council employees via an ICON message from the Chief Executive – ensuring that the communication finds its way to notice boards and the like for non PC users. In addition feedback will be provided to employees from the workforce planning and development group regarding the measures taken to improve those covered in para' 5.3 above.

6.0 IMPLICATIONS

6.1 Finance

There are no financial implications as the budget has been allocated from the Workforce Development Fund.

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments

Financial Implications – Annually Recurring Costs/ (Savings)

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

6.2 Legal

N/A

6.3 Human Resources

Areas for improvement will be taken forward areas via the Organisational Development Strategy for 2016 -2019, which will also be supported by, the newly established workforce planning and development group which will meet quarterly. This group provides the ideal platform to take forward such issues.

6.4 Equalities

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.

6.5 Repopulation

N/A

7.0 CONSULTATION

7.1 N/A

8.0 LIST OF BACKGROUND PAPERS

8.1 none

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Head of Legal & Property Services	Report No:	LP/069/16
Contact Officer:	Sharon Lang	Contact No:	01475 712112
Subject:	Scottish Local Government Forum Against Poverty – Request by Councillor McCabe		

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Policy & Resources Committee to consider a request from Councillor McCabe.

2.0 SUMMARY

- 2.1 Councillor McCabe has requested that the Committee consider an invitation from the Scottish Local Government Forum Against Poverty for the Council to become a member of the Forum. A copy of the letter from the Forum is attached (**APPENDIX**).

3.0 RECOMMENDATION

- 3.1 That the Committee consider the request from Councillor McCabe.

Gerard Malone
Head of Legal & Property Services



Membership Invitation

9 April 2016

Dear Councillor McCabe

On behalf of Councillor Matt Kerr, Chair of the Scottish Local Government Forum Against Poverty, I write to cordially and formally invite Inverclyde Council to become members of the Forum.

The Forum is a cross-party group of elected members, supported by officer, which meets six times each year at various venues around Scotland. I know Councillor Kerr was delighted to see you at our recent meeting in Paisley and I trust you found it informative and useful.

The Forum is now in its 20th year and in 2016 will be seeking to drive forward some anti-poverty campaigns and ensure that local authorities are fully engaged in the ongoing debate around the nature, design and implementation of extended welfare powers to the Scottish Parliament.

Membership of the Forum entitles a local authority to nominate two elected members to each meeting and play a full part in shaping the direction of the Forum's activities and its governance.

The Forum shares a co-ordinator with Rights Advice Scotland (RAS) – the representative body of local authority welfare rights workers. RAS is an organisation in which the Inverclyde Service Manager, Derek Flood, and Philip Cole, WRO, have played an active part.

The membership fees for the Forum are related to the population within the authority, up to a maximum of £3750. The population of Inverclyde at 80,000 means the fee for your authority would be £800 per annum.

If you require further information please do not hesitate to contact me.

Yours faithfully

Graham Kerr
Co-ordinator
Scottish Local Government Forum Against Poverty

SLGFAP, c/o 4 Parkgrove Avenue, Giffnock G46 6HT Tel: 07584 630746

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	LP/065/16
Contact Officer:	Joanna Dagleish	Contact No:	01475 712123
Subject:	Contract Awards – 1 October 2015 to 31 March 2016		

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of contracts awarded for the supply of goods or materials, provision of services and execution of works during the period 1 October 2015 to 31 March 2016.

2.0 SUMMARY

2.1 The Policy & Resources Committee at the meeting held on 20 May 2014 agreed that six monthly reports on contract awards be submitted to the Committee by the Head of Legal & Property Services (min ref 2014 para 371(2)).

2.2 Appendix 1 provides details of contracts awarded for the period 1 October 2015 to 31 March 2016.

2.3 Appendix 1 has been updated to include details of the size of the supplier who has been awarded the contract.

3.0 RECOMMENDATION

3.1 That the Committee note the contracts awarded by the Council during the period 1 October 2015 to 31 March 2016.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The Policy & Resources Committee of 20 May 2014 agreed that six monthly reports on contract awards be submitted to the Committee by the Head of Legal & Property Services (min ref 2014 para 371(2)).
- 4.2 Appendix 1 provides details of those contracts not otherwise reported to the relevant committee awarded during the period 1 October 2015 to 31 March 2016 for:
- the supply of goods or materials where the estimated price of the contract exceeds £25,000 and within the £500,000 limit
 - the provision of services where the estimated price of the contract exceeds £25,000 and within the £500,000 limit
 - the execution of works where the estimated price of the contract exceeds £50,000 and within the £500,000 limit
 - collaborative purchasing contracts secured through collaborative purchasing (in terms of Contract Standing Order Clause 3.4.1)

in accordance with the thresholds set out in Contract Standing Order 3.1.1 and the £500,000 limit set out in Contract Standing Order 9.2 (i).

5.0 IMPLICATIONS

Finance

- 5.1 There are no direct financial implications arising as a result of this report however the financial implications in respect of each of the contract awards detailed in Appendix 1 are reported to the appropriate service committee as necessary.

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 as a result of this report. Any legal implications in respect of each of the contract awards will be reported to the relevant service Committee.

Human Resources

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

Equalities

- 5.4 There are no direct equalities implications arising as a result of this report. In accordance with Contract Standing Order 18, however, no contract is awarded without the relevant Head of Service having obtained from the tenderer confirmation in writing that, to the best of the tenderer's knowledge and belief, the tenderer has complied with all statutory requirements relating to equal opportunities in employment and is not unlawfully discriminating within the meaning and scope of the Race Relations (Amendment) Act 2000 in relation to discrimination in employment and has obtained satisfactory information from the tenderer in relation to their statutory obligations under the Race Relations Act 1976 (as amended).

Repopulation

- 5.5 While there are no direct repopulation implications arising as a result of this report many of the contracts awarded will enhance the area or facilities provided and operated by the Council which may help to stabilise the grow the population of Inverclyde.

6.0 CONSULTATIONS

- 6.1 The Corporate Procurement Manager was consulted during the preparation of this report.

7.0 LIST OF BACKGROUND PAPERS

- 7.1 None.

CONTRACT AWARDS - 1 OCTOBER 2015 TO 31 MARCH 2016

DATE OF AWARD	TITLE	NAME OF SUCCESSFUL TENDERER	LOCATION OF SUCCESSFUL TENDERER	CONTRACT AMOUNT	SME
23-Oct-15	PRO0510 Port Glasgow Town Hall Replacement Windows Phase II	CMS Enviro Systems Ltd	Cumbernauld	£51,737.58	Yes
04-Nov-15	PRO0518 Port Glasgow Town Hall Rewire 2015	Wm Lafferty & Co Ltd	Greenock	£120,063.50	Yes
19-Nov-15	PRO0501 Decanting and Safe Disposal of Furniture and related materials	Clockwork Removals Ltd	Glasgow	Schedule of Rates	Yes
02-Dec-15	PRO0523 Moorfoot Primary School MUGA	Ecosse Sports Ltd	Newbirdge, Midlothian	£186,831.23	Yes
02-Dec-15	CP0215/HR Provision of an Occupational Health Service	Inverclyde Physiotherapy Ltd	Greenock	Schedule of Rates	Yes
10-Dec-15	ENV0158 Footway Resurfacing 2015-16 Various Locations	Newlay Civil Engineering Ltd	Airdrie	£206,648.10	Yes
10-Dec-15	PRO0521 Ravenscraig Stadium Floodlighting	Halliday Lighting	Edinburgh	£155,779.00	Yes
16-Dec-15	PRO0517 McLean Museum/Watt Library Rot Works	W H Kirkwood Ltd	Greenock	£48,420.39	Yes
06-Jan-16	ENV0157 Supply of a Static Asphalt Hotbox	Proteus Equipment Ltd	Bury St. Edmunds, Suffolk	£29,300.00	Yes
14-Jan-16	PRO0524 Gourrock Primary School MUGA	Allsports Construction & Maintenance Ltd	Bonnyrigg, Midlothian	£188,260.75	Yes
18-Jan-16	PRO0514 Battery Park Play Area	Allplay (Ireland) Ltd	County Down, Northern Ireland	£108,788.90	Yes
03-Feb-16	PRO0550 Greenock Cemetery Window Replacement	Kelsen Technical Ltd	Glasgow	£58,610.95	Yes
04-Feb-16	CP0230/SCS Supply Deilvery & Maintenance of an Air Monitoring Station	Air Monitors Ltd	Twyning, Gloucestershire	£32,260.00	Yes
08-Feb-16	PRO0535 Coronation Park Slipway Repairs	Highway Barrier Solutions Ltd	Castlereagh, Belfast	£67,153.55	Yes
11-Feb-16	ENV0161 West Station Flood Protection	W I & A Gilbert Ltd	Dalry	£452,695.00	Yes
19-Feb-16	PRO0529 Port Glasgow Town Hall Re-Roofing Works Phase I	Greenroof UK Ltd	Paisley	£262,438.03	Yes
19-Feb-16	PRO 0539 Port Glasgow Town Hall Window Replacement Phase III	CMS Enviro Systems Ltd	Cumbernauld	£86,646.43	Yes
23-Feb-16	CP0227/HSCP Telecare Call Handling Service	Bield Housing and Care	Edinburgh	Schedule of Rates	No
07-Mar-16	CP0233/PRO Provision of a Property Valuation Service	GVA Grimley Ltd	Glasgow	£75,000.00	No
23-Mar-16	PRO0522 Community Park, Sir Michael Street	M W Groundworks Ltd	West Calder	£163,581.72	Yes
29-Mar-16	ENV0162 East Hamilton Street De-watering Facility	W & I Gilbert Ltd	Dalry	£79,520.00	Yes
31-Mar-16	CP0229/SIC Provision of a Care and Repair Service	Cloch Housing Association Ltd	Greenock	Schedule of Rates	Yes

Report To: Policy & Resources Committee

Date: 17 May 2016

**Report By: Corporate Director Environment,
Regeneration and Resources**

Report No: LP/070/16

Contact Officer: Head of Legal & Property Services

Contact No: 01475 712710

Subject: Procurement: Blacklisting Protocol

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the Committee's approval to the Blacklisting Protocol annexed to this report which provides guidance on how to appraise any remedial action taken by a tenderer who has previously engaged in the practice of blacklisting.

2.0 SUMMARY

- 2.1 At the Committee meeting on 2 February, the Committee was advised that from 18 April 2016, it is mandatory for contracting authorities to exclude any tenderer found to have breached the Employment Relations Act 1999 (Blacklisting) Regulations 2010, or which has admitted to so doing, from participating in procurement exercises.
- 2.2 It is possible for a tenderer to provide evidence that it has taken appropriate measures to prevent a reoccurrence and that it should not be so excluded from tender exercises.
- 2.3 The Committee requested that a draft protocol be submitted to a future meeting setting out ways in which contractors who have previously engaged in blacklisting can demonstrate that they have taken such appropriate remedial action. A Blacklist Protocol is annexed to this report for consideration.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee considers and approves the Blacklisting Protocol annexed to this report.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The Public Contract (Scotland) Regulations 2015, which regulate EU Procurement exercises, being those which exceed the OJEU thresholds for goods, services and works and The Procurement (Scotland) Regulations 2016 which regulate national Procurement exercises, which are equal to or over £50,000 in the case of goods and services contracts and £2million in the case of works contracts, came into effect on 18 April 2016. Both state that a contracting authority must exclude a tenderer from participating in a procurement exercise where the tenderer has been found by a court to have committed a breach of or has admitted to breaching the Employment Regulations Act 1999 (Blacklists) Regulations 2010 (the “2010 Regulations”) otherwise termed “blacklisting”.
- 4.2 The European Single Procurement Document (Scotland) (“ESPD”), which replaces the standard pre-qualification questionnaire as from the same date, contains standard questions which identify whether a tenderer has committed a breach of the 2010 Regulations and if so, requests full details of the breach.
- 4.3 Any tenderer which has committed a breach of the 2010 Regulations must be excluded from participating in any procurement exercise for 3 years from the date of the relevant event, being the date of the court decision or the date of admission by the tenderer. This is subject to a tenderer providing evidence that it has taken measures which are sufficient to demonstrate its reliability despite the existence of this mandatory ground for exclusion and that it should not therefore be excluded from the procurement exercise.
- 4.4 At the Committee meeting on 2 February, the Committee requested that a draft protocol be submitted to a future meeting setting out ways in which tenderers who have previously engaged in blacklisting are able to demonstrate that they have taken such appropriate remedial action.

5.0 PROPOSAL

- 5.1 It is proposed that the Council adopts the Blacklisting Protocol annexed to this report.

6.0 IMPLICATIONS

Finance

- 6.1 Financial Implications – Annually Recurring Costs/ (Savings)

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

The overall costs of this exercise will be contained within existing Budgets.

Legal

- 6.2 Legal advice must be sought from the Head of Legal & Property Services where a tenderer has been found by a court to have or has admitted to engaging in blacklisting to determine if any remedial action taken by the tenderer is appropriate and where this is found not to be the case, to prepare an appropriate statement of reasons as required by procurement legislation, which explains the grounds for excluding the tenderer from the tender process.

Human Resources

6.3 There are no human resources issues.

Equalities

6.4 There are no equalities issues.

Repopulation

6.5 There are no repopulation issues.

7.0 CONSULTATION

7.1 This report has been produced in consultation with the Chief Financial Officer and Corporate Procurement Manager.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

Blacklisting Protocol

Protocol for appraising tenderers in breach of the Employment Relations Act 1999 (Blacklists) Regulations 2010

1. Background

- 1.1 Inverclyde Council regards blacklisting or the compiling of a blacklist as unacceptable. The Council expects contractors that are awarded public contracts to maintain high standards of business and professional conduct.
- 1.2 The purpose of this Protocol is to provide guidance to procuring officers on how, during a tender exercise, to assess a tenderer who has been found by a court to have or who has admitted to engaging in blacklisting practices.
- 1.3 This protocol applies to the procurement of all goods, services and works contracts, regardless of value.

2. Legal context

- 2.1 Both EU¹ and national² Procurement laws, which came into effect on 18 April 2016, state that a contracting authority must exclude a tenderer from participating in a procurement exercise where the tenderer has been found by a court to have committed a breach of or has admitted to breaching the Employment Regulations Act 1999 (Blacklists) Regulations 2010 (the “2010 Regulations”) either before or during a tender exercise.
- 2.2 The Employment Regulations Act 1999 (Blacklists) Regulations 2010 state that no person shall compile, use, sell or supply a prohibited list which (a) contains details of persons who are or have been members of trade unions or persons taking part or have taken part in the activities of trade unions, and (b) is compiled with a view to being used by employers or employment agencies for the purpose of discrimination in relation to recruitment or in relation to the treatment of workers. The colloquial term for this type of activity is “blacklisting”.
- 2.3 The period during which a tenderer must be excluded from participating in any procurement exercise is 3 years from the date of the relevant event, being the date of the court decision or date of such admission by the tenderer.

3. Establishing whether a breach has occurred

- 3.1 From 18 April 2016, the European Single Procurement Document (Scotland) (“ESPD”) replaces the standard pre-qualification questionnaire. The ESPD contains standard questions which identify whether a tenderer has committed a breach of the 2010 Regulations and if so, requests full details of the breach.

¹ EU Procurement law is contained in The Public Contract (Scotland) Regulations 2015 which apply to procurement exercises which exceed the OJEU procurement thresholds which change every 2 years.

² National Procurement law is contained in the Procurement Reform (Scotland) Act 2014 and The Procurement (Scotland) Regulations 2016 which apply to the procurement of goods and services contracts equal to or greater than £50,000 and the procurement of works contracts equal to or greater than £2million.

4. Ability to self-cleanse

Both EU and national Procurement laws permit a tenderer to provide evidence that measures it has taken are sufficient to demonstrate its reliability despite the existence of the mandatory ground for exclusion referred to at clause 2.1 above.

5. Evidence of appropriate remedial action

5.1 The remedial steps which can be evidenced by a tenderer include:

- An appropriate apology having been made acknowledging wrong-doing in relation to the compiling, use, selling or supplying of blacklists with a view to discriminating against an individual in terms of their trade union memberships status;
- The provision of a statement regarding future conduct;
- Collaboration with investigating authorities which clarified or clarifies the facts and circumstances in a comprehensive manner;
- Concrete, technical, organisational and personnel measures having been taken that are appropriate to prevent reoccurrence for example, employee training, review and updating of company policies etc;
- Fully complying with any tribunal ruling; and
- Paying or undertaking to pay compensation in respect of any damage caused by any wrong-doing.

5.2 The tenderer should be asked to provide actual evidence that proposed remedial steps have been fully implemented. The tenderer must in all cases have issued an apology for its actions and provided assurances regarding its future conduct.

5.3 The remedial steps and measures taken by a tenderer must be evaluated by the Council on a case by case basis, taking into account the gravity and particular circumstances of the offence. If the Council is satisfied that the evidence proves that the measures are sufficient, the tenderer must not be excluded from the procurement exercise.

5.3 If the Council considers the measures are insufficient, the Council must give the tenderer a statement of reasons for its decision to exclude the tenderer.

6. Conclusion

Any decision to exclude a tenderer from a tender process must be proportionate to the scale and nature of the offence. Legal advice must therefore be sought from the Head of Legal & Property Services where a tenderer has been found by a court to have or has admitted to engaging in blacklisting to determine if any remedial action taken by the tenderer is appropriate and where this is found not to be the case, to prepare an appropriate statement of reasons for excluding the tenderer from the tender process.

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Head of Organisational Development Human Resources and Communications	Report No:	HR/10/16/AW
Contact Officer:	Allan Wilson	Contact No:	2022
Subject:	The Trade Union Bill 2015-2016		

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Policy & Resources Committee on progress of the Trade Union Bill 2015-2016 from its first reading in the House Commons in July 2015.

2.0 SUMMARY

- 2.1 The Trade Union Bill 2015-2016 was introduced to the House of Commons on 15 July 2015. It completed its stages in the Commons on 10 November 2015. The Bill then went to the House of Lords for consideration and this was completed on 25 April 2016. Once the Commons and Lords agree on the final version of the Bill, it can receive Royal Assent and become an Act of Parliament.

- 2.2 The key proposals in the Bill are set out below:

- Changes to the law on picketing.
- The repeal of the existing prohibition on employers hiring agency staff to replace workers participating in industrial action.
- The abolition of check-off in the public sector.
- A 50% turnout of those entitled to vote will be required for an industrial action ballot.
- Industrial Action in important public services (such as health, education, fire, transport, border security, and the nuclear decommissioning services) will require a further positive vote of at least 40% of those entitled to vote in the ballot, that is at least 40% of entire membership.
- Trade Unions will be required to include new types of information on industrial action ballots.
- The period of notice that trade unions must give employers prior to any industrial action is extended from 7 days to 14 days.
- Industrial action ballot mandates will expire after four months; industrial action after this point will require a fresh ballot.
- The political fund contributions will change from the present 'opt-out' to an 'opt-in' arrangement.
- Unions will be required to publish more detailed information on their political expenditure.
- Regulations will require public sector officials to publish information relating to 'facility time' taken by union officials.
- Reforms of the role of the Certification Officer (who regulates trade unions).

- 2.3 The Scottish Government is committed to exploring avenues that are open to express opposition to the Bill having failed to block it. The Parliamentary authorities rejected the request

from the Scottish Government made last year, to block the Bill.

- 2.4 The Government is to drop the proposal to change trade union funding arrangements. An amendment to the Bill will allow the check-off system to continue, whereby trade union members have their subscription deducted from their salaries, to continue where there was agreement with the employer and the union met the cost.
- 2.5 The House of Lords amendments to the Bill are outlined below, members have voted in favour of:
- The overhaul to funding should be restricted to new members only. Ministers had proposed trade unionists would have to agree in writing every five years to pay into their organisation's political fund, rather than the current system of automatically contributing unless they opted out. However, peers voted to exempt present trade unionists that already pay into a political fund.
 - Opt-in to a unions political fund remains however, after a longer transition period of 12 months (rather than three)
 - Peers also voted to commission an independent review and pilots of electronic ballots for strike action before making changes that would require a turnout of 50%
 - Cap on trade union facility time to be looked at again
- 2.6 There have been two motions approved, in October 2015 and April 2016, by the Inverclyde Council recording opposition to the Trade Union Bill.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members note the content of this paper as the Bill makes its way through the parliamentary stages.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

4.0 BACKGROUND

4.1 It was agreed at the Inverclyde Council meeting of 7th April 2016 that a report be submitted to the next meeting of the Policy and Resources Committee on the progress of the Trade Union Bill; this report satisfies this request.

4.2 The Trade Union Bill 2015-2016 was announced in the Queen's Speech on 25th May 2015. It was described as 'legislation to reform trade unions and to protect essential public services against strikes'. The Bill was introduced to the House of Commons on 15 July 2015. It completed its stages in the Commons on 10 November 2015. The Bill then went to the House of Lords for consideration and this was completed on 25 April 2016. Once the Commons and Lords agree on the final version of the Bill, it can receive Royal Assent and become an Act of Parliament.

4.3 The key proposals in the Bill are set out below:

- Changes to the law on picketing, including the creation of a new criminal offence of 'intimidation on the picket line'.
- The repeal of the existing prohibition on employers hiring agency staff to replace workers participating in industrial action.
Note these proposals – picketing and agency staff – do not currently feature in the Bill – The Department of Business, Innovation and Skills (BIS) has consulted on regulations required to implement them though with a view to making legislative changes.
- The abolition of check-off in the public sector.
- A 50% turnout of those entitled to vote will be required for an industrial action ballot.
- Industrial Action in important public services (such as health, education, fire, transport, border security, and the nuclear decommissioning services) will require a further positive vote of at least 40% of those entitled to vote in the ballot, that is at least 40% of entire membership.
- Trade Unions will be required to include new types of information on industrial action ballots. That is, the type of industrial action must be specified and an indication of the time during which it is proposed that these specific types of industrial action will take place. All this information needs to be made available to trade union members prior to any ballot.
- The period of notice that trade unions must give employers prior to any industrial action is extended from 7 days to 14 days.
- Industrial action ballot mandates will expire after four months; industrial action after this point will require a fresh ballot. (Current legislation provides that so long as industrial action starts within 4 weeks of a successful ballot, the mandate for it remains intact for as long as the dispute exists).
- The political fund contributions will change from the present 'opt-out' to an 'opt-in' arrangement. The 'opt-in' arrangement will expire after five years and will need to be renewed.
- Unions will be required to publish more detailed information on their political expenditure.
- Regulations will require public sector officials to publish information relating to 'facility time' taken by union officials.
- Reforms of the role of the Certification Officer (who regulates trade unions). Trade Unions require to inform the Certification Officer of details of any industrial action taken in the reporting period in its annual return. The Certification Officer has investigatory and enforcement powers and can impose penalties – ranging from £200-£20,000.

4.4 The UK Government's position is that these reforms will ensure that the process of industrial action is more democratic and 'ensure strikes are the result of a clear and positive democratic mandate from union members: upholding the right to strike while reducing disruption to millions of people'.

4.5 Trade Unions locally and nationally have mounted a campaign against the Bill since its announcement in May 2015. The following Motion was agreed by Inverclyde Council on 7

April 2016 regarding the TU Bill:

“Council notes the Conservative Government are proposing a Trade Union Bill that will restrict the ability of this Council to engage in good industrial relations practices with our workforce and their representatives. Council believes the collection of union dues through the check-off arrangement, from which the Council receives income, is part of our collective and contractual arrangements with the trades unions and one which we will defend and support. Council commits not to use agency staff to break or weaken industrial action and to continue to support arrangements that afford trade union representatives sufficient resources to enable them to carry out their functions to ensure the continuation of good industrial relations. The Leader of the Council commits to writing to the Secretary of State for Business, Innovation and Skills stating Council’s opposition to this Bill and our resolve not to co-operate with any attacks on facility time or check off and to write to the First Minister calling on the Scottish Government to stand with Inverclyde Council and other local authorities in opposing the proposals in this Bill.”

A number of other Councils across Scotland have agreed similar Motions concerning the Bill.

5.0 Progress of Bill

- 5.1 The Bill would apply to England, Wales and Scotland. For a Bill to become law, it requires to be progressed through specific procedures in both the House of Commons and the House of Lords. There is a first and second reading of the Bill in the House of Commons, before the Bill is considered at the committee stage and report stage. Amendments to the Bill can be proposed and made during this process. A third reading of the Bill then takes place. At that stage, no further amendments can be made, and after debate the House of Commons votes on whether to approve the third reading of the Bill. The Bill is then referred to the House of Lords. Again, there is a first and second reading of the Bill, before the Bill is considered at the committee stage and report stage. Amendments to the Bill can be proposed and made during this process. A third reading of the Bill then takes place. Unlike the House of Commons, amendments to the Bill can be made at the third reading in the House of Lords, provided the issue has not been fully considered and voted on during either committee or report stage.
- 5.2 After the third reading of the Bill by the House of Lords, the Bill is sent back to the House of Commons for consideration of any amendments made in the House of Lords. If there have been no amendments in the House of Lords, the Bill is sent to the Monarch for Royal Assent.
- 5.3 Where amendments to a Bill have been made by the House of Lords, the Bill will pass between the House of Commons and House of Lords to consider amendments or alternative proposals made by the other chamber. Both parties must agree on the exact wording of the Bill, and there is no set time period between the third reading of a Bill and consideration of any Commons or Lords amendments.
- 5.4 The dates on which each stage of the Trade Union Bill 2015-2016 within the House of Commons and House of Lords has either been completed, or is scheduled to take place, are as follows:

Passage of the Bill in the House of Commons:

- First reading – 15th July 2015
- Second Reading – 14th September 2015
- Committee Stage – 13th October 2015 – 27th October 2015
- Report Stage – 10th November 2015
- Third Reading – 10th November 2015

Passage of the Bill in the House of Lords:

- First Reading – 11th November 2015
- Second Reading – 11th January 2016
- Committee Stage – 8th February 2016 – 25th February 2016

- Report Stage – 16th March 2016 – 19th April 2016
- Third Reading – 25th April 2016

5.5 The Government is to drop the proposal to change trade union funding arrangements. An amendment to the Bill will allow the check-off system to continue, whereby trade union members have their subscription deducted from their salaries, to continue where there was agreement with the employer and the union met the cost.

5.6 The House of Lords amendments to the Bill are outlined below, members have voted in favour of

- The overhaul to funding should be restricted to new members only. Ministers had proposed trade unionists would have to agree in writing every five years to pay into their organisation's political fund, rather than the current system of automatically contributing unless they opted out. However, peers voted to exempt present trade unionists that already pay into a political fund.
- Opt-in to a unions political fund remains however, after a longer transition period of 12 months (rather than three)
- Peers also voted to commission an independent review and pilots of electronic ballots for strike action before making changes that would require a turnout of 50%
- Cap on trade union facility time to be looked at again

5.7 Against that background, as at the date of writing this report, it unknown if the wording of the Bill shall be agreed between the House of Commons and the House of Lords, and if so, when the Bill shall subsequently receive Royal Assent and come into force.

7.0 IMPLICATIONS

Finance

7.1 The Council receive £14,000 annually for the operation of check – off

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 Legal Services have been consulted on the content of this report

Human Resources

7.3 N/A

Equalities

7.4 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 N/A

8.0 CONSULTATIONS

8.1 The trade Unions have been consulted on the content of this report

Report To: Policy and Resources Committee

Date: 17 May 2016

Report By: Corporate Communications Manager

Report No: HR/14/16/GB

Contact Officer: George Barbour

Contact No: 01475 712385

Subject: Beacon lighting for 90th birthday of HM The Queen on 21 April 2016

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the use of authority via powers delegated to the Chief Executive to approve the involvement of the Provost as civic head in taking part in the lighting of the Beacon on Lyle Hill on Thursday 21 April 2016.

2.0 SUMMARY

- 2.1 The Council was asked to take part in the national celebrations of the 90th birthday of HM The Queen.
- 2.2 The Council was asked to light the Beacon at the top of Lyle Hill, a ceremony which has taken place on a previous occasion – the Silver Jubilee of HM The Queen
- 2.3 As civic head, it was considered appropriate that the Provost be directly involved in this occasion which took place on Thursday 21 April 2016.
- 2.4 Given the particular sensitivities of the pre-election or purdah period and the potential for media coverage, officers requested the use of delegated powers to agree that the Provost can take part as the most appropriate position within Inverclyde Council.
- 2.5 Councillors McCabe, Clocherty and McEleny and the Chief Executive gave their authority to this action under the delegated powers procedure.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note that the Provost took part in the civic ceremony to light the Beacon on Lyle Hill to celebrate the 90th birthday of HM The Queen.

George Barbour
Corporate Communications Manager

Report To:	Policy & Resources Committee	Date:	17 May 2016
Report By:	Head of Organisational Development, Human Resources & Communications	Report No:	HR/12/16/SM
Contact Officer:	Steven McNab	Contact No:	2015
Subject:	Use of Emergency Powers - Recruitment of Chief Executive		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the use of emergency powers delegated to the Chief Executive to progress the recruitment and selection processes to appoint a new Chief Executive for Inverclyde Council.

2.0 SUMMARY

- 2.1 Following John Mundell's announcement that he is to retire from the Council's service on 19th September 2016, it is now necessary to agree the recruitment and selection process for a new Chief Executive. This report details the proposed stages in the recruitment process including the membership of appointment panels as well as the selection procedure to be followed by the panels.
- 2.2 The approved Council policy requires that the Chief Executive be appointed by all members of the Council. This was considered appropriate given that the Council is not excessively large. It was also felt that a Head of Paid Service who is put into post on a majority vote of the whole Council has a helpful mandate from the outset.
- 2.3 The proposed recruitment and selection process to appoint a new Chief Executive is detailed in section 5 of this report.

3.0 USE OF EMERGENCY POWERS

- 3.1 The progression of the recruitment and selection process to appoint a new Chief Executive was authorised by Councillors McCabe, Clocherty and McEleny and the Chief Executive.

4.0 RECOMMENDATIONS

- 4.1 It is recommended that the use of emergency powers delegated to the Chief Executive is noted.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

5.0 BACKGROUND

- 5.1 Following John Mundell's announcement that he is to retire from the Council's service on 19th September 2016, it is now necessary to agree the recruitment and selection process for a new Chief Executive. This report details the proposed stages in the recruitment process including the membership of appointment panels as well as the selection procedure to be followed by the panels.
- 5.2 It is established Council policy that the Chief Executive be appointed by all members of the Council. This was considered appropriate given that the Council is not excessively large. It was also felt that a Head of Paid Service who is put into post on a majority vote of the whole Council has a helpful mandate from the outset.
- 5.3 The composition of recruitment panels for all Chief Officers was formally established as Council policy in 2006 including the final Council Interview with agreement on the actual appointment being secured by following a secret ballot process, conducted in successive rounds until a two thirds majority of those present and voting is secured.
- 5.4 A general policy of obtaining feedback from peer appraisal (through presentation and questions + answer sessions) was also agreed for all Chief Officer recruitment as well as having short presentations to the interview panel with some set questions, supplemented by some specific questions to each candidate.
- 5.5 It is anticipated that the recruitment process will take approximately 5 months from the post being advertised to the appointee taking up post. This assumes a likely three month notice period required by the successful candidate.

6.0 Proposed Recruitment and Selection Process and Provisional Timetable

- 6.1 Advertising – The position of Chief Executive of Inverclyde Council will be advertised through MyJobScotland website, National Press and other relevant UK wide media. A micro-site will form part of the process for promoting the opportunity and for providing information to potential candidates.

Proposed timescale - Advertise 29th April, Closing Date 20th May 2016.

- 6.2 Shortlisting – Shortlisting of candidates will be undertaken by a recruitment panel of 7 elected members, 4 of which should be from the Majority Group. It is proposed that the shortlisting panel is supported by an external consultancy who will undertake an external assessment of candidates in advance of the shortlisting meeting. The shortlisting panel will also be supported by the Head of Organisational Development, HR and Communications and an experienced Chief Executive from another Council in an advisory capacity.

Proposed timescale – Shortlisting Panel meet 26 May 2016.

- 6.3 Assessment Centre – Shortlisted candidates will be invited to the next stage of the recruitment process which will involve an Assessment Centre process. The Assessment Centre will involve an Occupational Personality Questionnaire (OPQ), Competency Based Interviewing, interviews with a Peer Group Panel, an Executive Scenario and interview with the Shortlisting Panel of Elected Members. Further details on these activities are outlined below:

- Occupational Personality Questionnaire (OPQ) – The OPQ will be completed by shortlisted candidates on line in advance of the Assessment Centre Day. This will provide additional insight into the candidates which can be further substantiated on the day of the Assessment Centre.
- Competency Based Interviewing – This will be undertaken by external consultants and give valuable insights into an individual's approach and help predict behaviours in future situations. The outcomes of the interview can be analysed in conjunction with the QPO results to give a good indication of a candidate's strengths and weaknesses.

- Peer Group Panel – In line with existing arrangements for Chief Officer Recruitment it is proposed that feedback is obtained on candidates from a Peer Group Panel which will be made up of the Extended Corporate Management Team, some managers and partner representatives. Candidates will be required to give a short presentation to the Peer Group Panel followed by a question answer session. The Peer Group Panel will be supported by an external consultant.
- Executive Scenario – It is proposed that following the Peer Group session, each candidate will be given a simulated exercise to emulate the type of correspondence and issues that can arise (planned and unplanned) for the Chief Executive to deal with appropriately.
- Shortlisting Panel – The candidates will then be required to present their Executive Scenario findings at the start of the formal Shortlisting Panel interview and also respond to some set questions.

6.4 At the end of the Assessment Centre day a decision will be taken by the shortlisting panel to progress all or some of the candidates to the final recruitment stage which will involve a presentation and interview with the full Council. It is anticipated that candidates will require to be available for approximately 3 hours on the day of the Assessment Centre.
Proposed timescale - Assessment Centre event week commencing 6th June 2016.

6.5 Presentation and Full Council Interview – The final stage in the process will be candidates attending a formal interview with all Elected Members of the Council which will involve a presentation followed by some set questions.
Proposed timescale – Full Council Interview week commencing 13th June 2016.

6.6 Appointment – Feedback will be provided to the Full Council on the outcomes of the Assessment Centre day. Appointment of the Chief Executive will follow a secret ballot process, conducted in successive rounds until a two-thirds majority of those present and voting is secured.

7.0 IMPLICATIONS

7.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
		2016/17	Up to £20	revenue contingency	Advertising Consultant Costs

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 The Head of Legal and Democratic Services has been consulted on this report

Human Resources

7.3 All Human Resources issues are included in the report

Equalities

7.4 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 Not applicable

8.0 CONSULTATIONS

8.1 Not applicable

9.0 LIST OF BACKGROUND PAPERS

9.1 None

Report To:	Policy and Resources Committee	Date:	17/5/2016
Report By:	The Head of Legal and Property Services	Report No:	LP/073/16
Contact Officer:	Peter MacDonald	Contact No:	01475 712618
Subject:	Hydro Electric Schemes - Inverclyde Council and Scottish Water Horizons – Holeburn at Greenock Cut		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Committee with an update on the proposed development of a Hydro Scheme on the Holeburn at the Greenock Cut ("**the Project**"), in partnership between Scottish Water Horizons ("**SWH**") and the Council.

2.0 SUMMARY

- 2.1 The Council and SWH are in partnership to develop the Project.
- 2.2 There has been active involvement with SWH to take the Project forward. A project timeline has been agreed taking account of the latest hydrological study information and is attached. From this, it is anticipated that a detailed design will be completed and tenders received for the construction Phase of the project by the end of September 2016.
- 2.3 With a detailed design and construction tenders to hand, the partners will be in a position to take a fully costed decision on the Project, and therefore that in line with the timeline a further report will therefore be brought to the Committee at the earliest opportunity after September 2016.
- 2.4 In the event the scheme is not progressed then the Council will be required to meet 50% of the Design/Tender costs incurred by SWH. A funding route for this would need to be agreed if this was the outcome.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the position as outlined in this report.

4.0 BACKGROUND

- 4.1 At the meeting of 19 November 2013, the Committee:
- approved the project proposals detailed in that report for the Project;
 - approved investment on the Project, as outlined in that report, by the Council in partnership with SWH; and
 - authorised the Chief Executive, in consultation with the Head of Legal and Property Services and the Chief Financial Officer to enter into formal partnership arrangements with SWH for the Project.
- 4.2 There have been active and extensive discussions between officers and SWH to progress this matter. Given their sector expertise, SWH are taking a lead role in the progress of necessary consent applications and procurement process, including both the detailed design and the construction phases of the Project.
- 4.3 A project timeline has been agreed, and is attached, taking account of the latest hydrological study information and detailing how matters are anticipated progressing in the course of this year.
- 4.4 From this timeline, it is anticipated that a detailed design will have been completed and tenders received for the build phase of the Project by the end of September of this year. Both the Council and SWH will then be in a position to take a fully costed decision on the Project. A further report will be brought to the Committee at that stage.
- 4.5 With a detailed design completed and tenders received for the build phase, the partners will be able to extend the timeline to include dates for anticipated completion and for commencement of power generation.

5.0 IMPLICATIONS

Finance

5.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
tbc	Hydro Implementation	2016/17	£35,000	Nil	Potential abortive design costs in the event the scheme does not proceed

Annually Recurring Costs/ (Savings)

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

Legal

- 5.2 None from this report.

Human Resources

- 5.3 None from this report.

Equalities

5.4 None from this report.

Repopulation

5.5 There are no repopulation implications.

6.0 CONSULTATIONS

6.1 The Chief Financial Officer has been consulted on the terms of this report.

Report To: Policy and Resources Committee **Date:** 17 May 2016

Report By: Head of Organisational Development, Human Resources and Communications **Report No:** HR/11/16/SM

Contact Officer: Steven McNab **Contact No:** 2015

Subject: The Recovery of the Overpayment of Wages Policy

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the approval of the Policy and Resources Committee on the revised policy for the recovery of the overpayment of wages.

2.0 SUMMARY

- 2.1 The Council's current policy and procedure on the recovery of the overpayment of wages was agreed and introduced in 2004. This policy has recently been reviewed to take into account updates to individual contracts of employment and the revised policy is attached.
- 2.2 Although all steps are taken to ensure that overpayments of wages do not occur there are occasions when this happens and it is necessary to recover the overpayments from employees. While the current arrangements and policy for recovery have operated reasonably well, the current wording does not now correlate with individual contracts of employment which have been revised and updated over the past few years. It is considered appropriate to have in place formal arrangements thereby ensuring transparency in the process and consistency in application.
- 2.3 The agreement of this revised Council wide policy and procedure for the recovery of overpayment of wages reduces the prospect of not recovering the amounts due to the Council.
- 2.4 The revised wording is minor and is contained within sections four and five of the policy attached. The specific wording updates have been highlighted in **Bold** for ease of reference and the committee is asked to approve the updated Policy.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee agree the recovery of the overpayment of wages policy as outlined in Appendix 1.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

4.0 BACKGROUND

- 4.1 The Council's current policy and procedure on the recovery of the overpayment of wages were agreed and introduced in 2004. This policy has recently been reviewed to take into account updates to individual contracts of employment and the revised policy is attached at Appendix 1.
- 4.2 Although all steps are taken to ensure that overpayments of wages do not occur there are occasions when this happens and it is necessary to recover the overpayments from employees. While the current arrangements and policy for recovery have operated reasonably well, the current wording does not now correlate with individual contracts of employment which have been revised and updated over the past few years. It is considered appropriate to have in place formal arrangements thereby ensuring transparency in the process and consistency in application.
- 4.3 The agreement of the revised Council wide policy and procedure for the recovery of overpayment of wages reduces the prospect of not recovering the amounts due to the Council.
- 4.4 The revised wording is minor and is contained within sections four and five of the policy attached. The specific wording updates have been highlighted in **Bold** for ease of reference and the Committee is asked to approve the updated Policy.

5.0 PROPOSALS

- 5.1 It is proposed that the Committee agree the updated policy and that officers implement effective immediately.

6.0 IMPLICATIONS

Finance

- 6.1 There are no financial implications.

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 Legal services have been consulted on the revised policy.

Human Resources

- 6.3 As outlined in the report and appendix.

Equalities

6.4 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 significant change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

6.5 N/A

7.0 CONSULTATIONS

7.1 The trade unions have been consulted on the revised policy details.

8.0 LIST OF BACKGROUND PAPERS

8.1 Appendix 1 – The recovery of the overpayment of wages Policy

Human Resources

POLICY AND PROCEDURE ON THE RECOVERY OF THE OVERPAYMENT OF WAGES.

Produced by:

Organisational Development, Human Resources & Communications
Inverclyde Council
Municipal Buildings
GREENOCK
PA15 1LX

April 2016



INVERCLYDE COUNCIL IS AN EQUAL OPPORTUNITIES EMPLOYER

**THIS POLICY BOOKLET IS AVAILABLE ON REQUEST, IN LARGE PRINT, BRAILLE, ON
AUDIOTAPE, OR CD.**

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DOCUMENT CONTROL

Document Responsibility		
Name	Title	Service
		OD & HR and Communications

Change History		
Version	Date	Comments
1	January 2004	
2	April 2016	Minor changes in wording to reflect updated individual contracts of employment

Distribution	
	Comments
Corporate Directors, Heads of Service, Trade Unions, ICON	

Distribution may be made to others on request

Policy Review	
Responsible Team	Service
OD & HR	OD, HR & Communications

1. **Purpose of Policy and Procedure**

- 1.1 The purpose of this Policy and Procedure on the recovery of the overpayment of wages is to outline for all employees the steps which the Council will take to recover the overpayment of wages when they occur.

2. **The Policy**

- 2.1 The Council will seek to recover all overpayments of wages in accordance with legal requirements.
- 2.2 All Contracts of Employment issued by the Council will contain reference to the Policy on the recovery of overpayment of salaries or wages.

3. **The Legal Position**

- 3.1 In order to recover overpayment of wages, the Council must conform with legal requirements.
- 3.2 Employment legislation provides specific protection for individuals against having unauthorised deductions made from their wages (including complete non-payment of wages).

Circumstances in which Deductions are Lawful

One of three conditions has to be met for an employer lawfully to make deductions from a worker's wages or to receive payments from a worker. These are that the deduction or payment is:

- required or authorised by legislation (for example income tax or national insurance contributions); or
- required or authorised by the worker's contract - provided that the worker has been given a written copy of the relevant terms or a written explanation of them before it is made; or
- agreed to in writing by the worker before it is made.

Circumstances in which the Protection does not apply

The conditions set out above do not have to be met where a deduction is made or a payment received:

-
- to recover an earlier overpayment of wages or expenses by the employer to the worker; or
 - as a result of disciplinary proceedings provided for in legislation (for example, police disciplinary proceedings);
 - a consequence of the worker taking part in a strike or other industrial action; or
 - to satisfy a court order or a tribunal decision - provided in the case of a deduction that the worker has given his or her prior written agreement to it.

In addition, where a deduction is made under an arrangement agreed to by the worker in writing for the employer to pay to a third party amounts notified by that third party, the deduction is always lawful under the legislation on unlawful deductions if the employer deducts the amount that has been notified.

- 3.3 Where a deduction is made because of a statutory requirement on the employer to deduct and pay over specified amounts to a statutory authority (for example, PAYE income tax payments to the Inland Revenue), the deduction is lawful under the legislation on unlawful deductions - provided that the Council deducts the amount specified by the authority. Any questions as to whether or not the authority has correctly calculated the amount due should be followed up with the authority itself

4. Contractual Provisions

- 4.1 **The Written Statement of Terms and Conditions of Employment for Inverclyde Council employees allow for overpayment of wages to be deducted from employee's salaries on a contractual basis. The procedure for recovery of overpayment of wages is detailed in paragraph 5 below.**
- 4.2 **Deductions made by Inverclyde Council enforcing this contractual entitlement do not constitute an unlawful deduction from wages.**

5. Procedure for Recovery of Overpayments

- 5.1 **Where an overpayment of wages has been made, the following arrangements will apply:-**

- (a) the employee will be advised in writing of the overpayment and that the amount will be recovered in the following way:-

i. Where the overpayment has been made in one pay and discovered before the next salary or wage payment, the overpayment of any salary, wage or allowance made in error to an employee will be deducted in full from the next available salary or wage payment

ii. Where the overpayment has been paid over more than one payment period, then the overpayment will be repaid over the same period of time by equal instalments commencing with the next available salary or wage payment.

iii. It is the employee's responsibility to notify their supervisor or Payroll Services immediately if they suspect that an overpayment or underpayment has occurred.

iv. In the event of any overpayments, advances or loans made to you being due to the Council on the termination of your employment, the whole sum owed will be deducted from your final pay. If your final salary payment is insufficient to allow for the whole of any such deduction, you will be required to repay the outstanding amount due to the Council within one month of the date of the termination of your employment.

(b) where having been notified of the proposed repayment arrangements the employee submits that they may cause them hardship then a meeting will be arranged at which the matter can be discussed and options explored. The employee may be represented at this meeting which will be attended by Personnel and Officers from Finance.

5.2 Where agreement cannot be reached under the arrangements detailed in para 5.1 (b) above then the employee may submit a grievance under the Council's Grievance Procedure or, in appropriate circumstances, lodge a claim with the Employment Tribunal.

**INVERCLYDE COUNCIL
POLICY AND RESOURCES COMMITTEE**

AGENDA AND ALL PAPERS TO:

Councillor MacLeod	1
Councillor McCabe	1
Councillor Wilson	1
Councillor McCormick	1
Councillor Ahlfeld	1
Councillor Clocherty	1
Councillor McEleny	1
Councillor McIlwee	1
Councillor Loughran	1
Councillor Nelson	1
Councillor Rebecchi	1

All other Members (for information only) 9

Officers:

Chief Executive	1
Corporate Communications & Public Affairs	1
Corporate Director (Chief Officer), Health & Social Care Partnership	1
Head of Children & Families & Criminal Justice	1
Head of Community Care & Health	1
Head of Planning, Health Improvement & Commissioning	1
Head of Mental Health & Addictions	1
Corporate Director Education, Communities & Organisational Development	1
Head of Education	1
Head of Inclusive Education, Culture & Corporate Policy	1
Head of Safer & Inclusive Communities	1
Head of Organisational Development, HR & Communications	1
Corporate Director Environment, Regeneration & Resources	1
Property Services Manager	1
Head of Legal & Property Services	1
Chief Financial Officer	1
M Thomson, Finance Services	1
S Lang, Legal & Property Services	1
R McGhee, Legal & Property Services	1
Chief Internal Auditor	1
File Copy	1

TOTAL 41

AGENDA AND ALL NON-CONFIDENTIAL PAPERS TO:

Community Councils 10

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