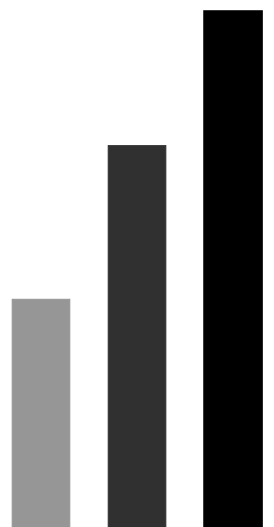


Agenda 2016

Policy & Resources Committee

For meeting on:

9	August	2016
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A meeting of the Policy & Resources Committee will be held on Tuesday 9 August 2016 at 3pm within the Municipal Buildings, Greenock.

GERARD MALONE
Head of Legal & Property Services

BUSINESS

1.	Apologies, Substitutions and Declarations of Interest	
PERFORMANCE MANAGEMENT		
2.	2015/16 Capital Programme Out-turn Report by Chief Financial Officer	p
3.	Revenue Budget Outturn 2015/16 - Unaudited Report by Chief Financial Officer	p
4.	2015/16 Efficiency Performance Report by Chief Financial Officer	p
5.	Treasury Management – Annual Report 2015/16 Report by Chief Financial Officer	p
6.	Benefits Service – Audit Scotland Risk Assessment Report by Chief Financial Officer	p
7.	Advice Services Team Annual Report 2015 Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	p
8.	Auditing Best Value – A New Approach Report by Corporate Director Education, Communities & Organisational Development	p

NEW BUSINESS		
9.	MyAccount Scotland – Customer Authentication Report by Chief Financial Officer	p
10.	Disability Confident Report by Corporate Director Education, Communities & Organisational Development	p
11.	Composition of Recruitment Panels Report by Head of Organisational Development, Human Resources & Communications	p
12.	Chief Social Work Officer Statutory Role Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	p
13.	Inverclyde Council Corporate Statement 2013/17 – Proposed Extension to 2018 Report by Corporate Director Education, Communities & Organisational Development	p
The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in paragraphs 6 and 8 of Part I of Schedule 7(A) of the Act.		
14.	Contract Arrangements for Residual Waste Collection Report by Corporate Director Environment, Regeneration & Resources seeking approval to award a 12 month contract for residual waste collection and setting out the resultant financial implications	p

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

Report To:	Policy & Resources Committee	Date:	9 August 2016
Report By:	Chief Financial Officer	Report No:	FIN/75/16/MT/AP
Contact Officer:	Matt Thomson	Contact No:	712256
Subject:	2015/16 Capital Programme Out-turn		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise Committee on the performance in respect of the delivery of the 2015/16 Capital Programme.

2.0 SUMMARY

- 2.1 The Committee receives an annual report detailing the Capital Programme out-turn against approved budget. Capital spend against budget has been a recurring theme for a number of years in External Audit Annual Reports.
- 2.2 Action has been taken by officers over the last few years to reduce slippage and the impact of these actions can be seen in 2015/16 where there has been a net acceleration of spend of 3.0%.
- 2.3 Appendix 1 summarises the reduction in slippage since 2011/12 following the action taken and it can be seen that the 5 year average slippage is 14.3%.
- 2.4 Appendix 2 provides a summary of the main areas of slippage/advancement with reasons for the slippage being provided by Lead Officers. As has previously been the case, it is clear that slippage is not attributable to either a single project or a single reason.
- 2.5 Areas for improvement previously proposed by the Corporate Management Team centre around earlier identification of slippage and greater support and challenge during the consultation on Capital Reports to Committee and acceleration of projects from future years. These actions have had a positive impact as can be seen in 2015/16.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the 2015/16 Capital Out-turn Position.
- 3.2 It is recommended that the Committee note the positive impact which the previously agreed actions have had on expenditure levels in 2015/16.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The issue of Capital Slippage has been one which has been regularly identified and reported on by the Council's External Auditors. This situation is not unique to Inverclyde Council and based on the results of annual surveys carried out by Directors of Finance, it would indicate that the majority of Councils have difficulties in this area.
- 4.2 In 2012, following a significant level of slippage reported as part of the 2011/12 accounts, the Corporate Director Environment, Regeneration & Resources undertook action as part of the budget setting process to significantly reduce slippage and this was successful in 2012/13 when slippage reduced to less than 10%.
- 4.3 However, in 2013/14 and 2014/15 slippage increased and further actions were identified to address this. It was anticipated that the full benefit of the actions introduced in 2014 would not be realised until 2015/16.

5.0 2015/16 CAPITAL DELIVERY PERFORMANCE

- 5.1 Subject to the audit of the Final Accounts, the Capital Slippage for 2015/16 has decreased from 15.3% in 2014/15 to an acceleration of 3.0% in 2015/16. As stated this is partly as a result of the actions taken by Officers to reduce slippage and partly as a result of accelerating capital spend such as the advancement of the School Estate Programme. Appendix 1 shows the movement in slippage over the last 5 years.
- 5.2 Appendix 2 provides an analysis prepared by Officers of the main areas of slippage. This analysis contains a commentary by the Lead Officer where appropriate and a categorisation of the type of slippage. This latter issue is not an exact science, but does give an indication of the main reasons for the slippage.
- 5.3 It can be seen from Appendix 2a that slippage of £5.692m (18.8%) mainly due to project cost reductions, internal slippage and slippage involving 3rd Parties was more than offset by actions taken by Officers to actively offset slippage or as a result of acceleration of projects. These positive impacts total £6.887m (22.9%).
- 5.4 Committee agreed improvements to address slippage in August 2014; these improvements were as follows:
 - a) Early notification of slippage – the CMT agreed that Corporate Directors needed to robustly review the phasings with relevant Officers before signing off Committee Capital reports. It can be seen from Appendix 3 acceleration of capital spend was reported to Committee in September/November cycle as Officers actively sought to advance projects in anticipation of offsetting slippage in other projects as the year advanced. Slippage was reported to the February/March Committees before further advancements and the acceleration of the School Estate Programme brought the overall position into a small net advancement. The action taken to identify slippage early can be seen to be effective in that Officers were able to accelerate projects in anticipation of and to mitigate further slippage.
 - b) Performance Targets - the Chief Executive has set an upper limit of 10% slippage for each Corporate Director for 2014/15 as part of the Performance Appraisal process and performance against this was closely monitored. The clear expectation was that actual slippage would be under 10%.

Appendix 2a summarises slippage by Committee and by Directorate; from this it can be seen that the Directorate performance was as follows:

Corporate Director, Environment, Regeneration & Resources – overall slippage 7.3% (2014/15: 17.8%) this was mainly due to internal slippage and delays involving third parties partly offset by advancement of projects mainly through the Roads Asset

Management Plan, Regeneration Projects (delivered in conjunction with Riverside Inverclyde) and Property Services.

Corporate Director, Education, Communities & Organisational Development – overall project advancement of 33% (2014/15: 12.1% slippage) mainly as a result of acceleration of projects within the School Estate Programme.

Corporate Director, Health & Social Care Partnership – overall slippage of 46.4% (2014/15: 41% advancement); it should be recognised however that the programme is effectively a single project which will lead to large swings in performance.

- c) Identify possible acceleration – allied to the early identification of slippage is the potential to identify alternative projects which could be accelerated. Roads investment in particular lends itself to this approach where projects can be developed and delivered in a shorter timescale than many other capital projects. During 2015/16 a total of £6.887m (22.9%) (2014/15: £3.6m (12.1%)) was advanced. While some of this was as a result of Council policies such as the advancement of the School estate Programme much of it was as a result of Officers actively seeking to advance projects to mitigate slippage. This approach will continue and officers have already identified projects for advancement in 2016/17 and this will be reported as part of the routine Capital monitoring reports during the year.
- d) Anticipate delays due to external factors – the increasing number of projects requiring working with other Partners, the Third Sector or the Community presents potential for delays, often linked to applications for external funding. It was recognised that a more realistic view of the timescales for the delivery of projects should be taken at the time of agreeing phasing as aspects of the project will be outwith the Council’s direct control. While this was done when setting the 2015/16 budget, slippage in this area reduced by only 1.4% to 6.2% in 2015/16, mainly due to issues with Flooding works impacting on other parties land/assets. This has been taken into consideration when agreeing the 2016/17 budget and it is expected that slippage should continue to reduce as a result.

6.0 IMPLICATIONS

Finance

- 6.1 Whilst there are no direct financial implications which can be quantified arising from general slippage, there can be an opportunity cost to the Council from the late delivery of projects. It can be seen from Appendix 3 that projections have improved with the movement from Period 6 reporting to out-turn being only 1.3%.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

Legal

6.2 There are no legal implications arising from this report.

Human Resources

6.3 The Corporate Director, Environment Regeneration and Resources convenes cross-Directorate meetings to review resourcing levels to ensure sufficient resources are in place to deliver the capital programme supported by the use of framework agreements where appropriate to access resources timeously.

Equalities

6.4 There are no direct equalities implications arising from this report.

Repopulation

6.5 Delivery of projects on time and within budget helps increase public confidence in the Council, improving the perception of Inverclyde and as such reducing Capital Slippage and improving delivery performance will make the area more attractive to residents and potential incomers.

7.0 CONSULTATIONS

7.1 This report has been produced in consultation with the CMT plus relevant budget holders as well as technical officers from Legal & Property Services and Environmental Services.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

Annual Slippage Summary

Appendix 1

<u>Year</u>	<u>Budget</u> <u>£000's</u>	<u>Slippage</u> <u>£000's</u>	<u>%age</u>
2011/12	45,730	14,130	30.9%
2012/13	54,302	5,072	9.3%
2013/14	38,975	5,632	14.5%
2014/15	29,772	4,566	15.3%
2015/16	30,070	(903)	(3.0)%
5 year average	39,770	5,699	14.3%

Summary of Reported Slippage by Category

Appendix 2a

Committee	Policy Decision		Project Cost Reduced		Internal Slippage		Delay involving 3rd Party		Minor Slippage		Accelerated Projects		Total	
	£000	%age	£000	%age	£000	%age	£000	%age	£000	%age	£000	%age	£000	%age
Policy & Resources	-	0.0%	-	0.0%	-	0.0%	-	0.0%	70	12.4%	(300)	(53.3)%	(230)	(40.9)%
Environment, Regeneration & Resources	138	0.7%	419	2.1%	2,551	13.0%	1,596	8.2%	87	0.4%	(3,109)	(15.9)%	1,682	8.6%
Education & Lifelong Learning	-	0.0%	95	3.2%	-	0.0%	117	4.0%	-	-	(811)	(27.7)%	(599)	(19.2)%
School Estate	-	0.0%	177	3.0%	-	0.0%	-	0.0%	-	-	(2,522)	(42.1)%	(2,345)	(39.2)%
Health & Social Care	10	0.8%	-	0.0%	547	45.6%	-	0.0%	-	0.0%	-	0.0%	557	46.4%
Total	148	0.5%	691	2.3%	3,098	10.2%	1,713	5.7%	157	0.5%	(6,742)	(22.3)%	(935)	(3.0)%
Directorate														
Environment, Regeneration & Resources	138	0.7%	419	2.1%	2,551	12.7%	1,596	7.9%	157	0.8%	(3,409)	(16.9)%	1,452	7.2%
Education, Communities & Organisational Development	-	0.0%	272	3.1%	-	0.0%	117	1.3%	-	-	(3,333)	(37.4)%	(2,944)	(33.0)%
Health & Social Care	10	0.8%	-	0.0%	547	45.6%	-	0.0%	-	0.0%	-	0.0%	557	46.4%
Total	148	0.5%	691	2.3%	3,098	10.2%	1,713	5.7%	157	0.5%	(6,742)	(22.3)%	(935)	(3.0)%

Approved Budget 2015/16 £000's	Diff. 2015/16 Approved Budget £000's	Slippage from Approved Budget £000's	Slippage from Budget %AGE	1.Police Decision £000's	2.Project Cost Reduced £000's	3.Internal Slippage £000's	4.Develop Involving 3rd Party £000's	5.Minor Slippage £000's	6.Accelerated Projects £000's	Variation Category	Additional Comments
Policy & Resources											
243	158	85	34.98%					85			
84	149	(65)	(77.98%)					(65)			
0	300	(300)							(300)		New project added to the capital programme.
236	186	50	21.19%					50			
963	793	(230)	(40.85%)	0	0	0	0	70	(300)		
Environment & Regeneration											
Environmental Services - Roads											
53	119	(66)	(124.53%)						(66)		
141	21	120	85.11%			120					
114	78	36	31.58%		90						Includes £100k for the procurement of King Si car park. Ongoing discussions with owners.
1,064	449	1,415	75.91%				1,415				Project reduced in size and additional match funding grant was provided by SUSTRANS.
105	18	87	82.85%					87			Failure of contractor to agree an acceptable design with Network Rail. Options being reviewed.
Roads Asset Management Plan											
3,429	4,315	(886)	(25.84%)						(886)		Advancements to projects
355	385	(30)	(84.79%)						(30)		Advancements to projects
102	163	(61)	(79.41%)						(61)		Advancements to projects
261	898	(638)	(243.33%)						(638)		Advancements to projects
298	445	(147)	(49.33%)						(147)		Advancements to projects
Environmental Services											
2,024	1,974	50	2.47%			50					
201	20	181	90.05%								Network Rail associated delay - will be completed September 2016
195	355	(160)	(82.05%)						(160)		
Recreation and Planning											
3,322	3,741	(419)	(12.61%)						(419)		
Port Glasgow Town Centre Regeneration											
416	199	217	52.16%			217					
658	746	(88)	(13.37%)						(88)		
Property Services											
1,041	1,335	(294)	(28.24%)						(294)		
283	346	(63)	(22.26%)						(63)		
181	4	177	97.79%			177					
Waterfront Leisure Complex Combined Heat and Power Plant											
794	452	342	43.07%						342		Difficulties aligning tender document package with market expectation led to re-tendering exercise. Later start on site due to extensive pre-tender stage and difficulties encountered on site early in the contract in connection with structure / restricted working space.
77	141	(64)	(83.12%)						(64)		Tenders returned below budget. Note additional works will be required here in connection with adjacent structures which is set to be quantified and brought back to Committee.
224	100	124	55.36%	124							
103	0	103	100.00%		103						Unallocated balance / contingency to be allocated
142	55	87	61.27%			87					Reflects number of projects progressed to final account / payment stage within the period.
2,036	669	1,368	67.19%			1,368					Party due to re-scoping of depot rationalisation (Policy Decision) and lower progress early in the contract on groundworks and frame erection.
502	400	102	20.32%	102							Clarification of project scope reduced overall cost.
138	0	138	100.00%	138							Re-phasing of the depot works linked to policy decision to reduce budget.
200	10	190	95.00%			190					
294	270	24	8.16%						24		Delayed pre-tender stage and no returns from initial tendering exercise led to re-tendering and delay to start.
19,553	17,871	1,682	8.60%	138	419	2,551	1,656	87	(3,109)		

	Approved Budget 2015/16 £000's	Draft 2015/16 Final Outturn £000's	Slippage from Approved Budget £000's	Slippage from Approved Budget % rate	1. Ethical Decision £000's	2. Project Cost Reduced £000's	3. Internal Slippage £000's	4. Delay in opening 3rd Party £000's	5. Minor Slippage £000's	6. Accelerated Projects £000's	Validation Category	Additional Comments
Education & Lifelong Learning												
Non-SEMP												
Whinall/Kilncomen/Nilman's PS - Pitch Upgrading	26	94	(68)	(261.54)%						(68)	6 Accelerated Projects	
Various Projects	486	556	(70)	(14.40)%						(70)	6 Accelerated Projects	
Safeguarding												
Schemes of Assistance	807	1101	(294)	(36.43)%		95				(294)	6 Accelerated Projects	Higher completion on grant work than first estimated
Wheat Complex Refurbishment	152	57	95	62.50%				65			2 Project Cost Reduced	Tenders returned below budget for initial rot works.
Community Facilities Investment Woodhall	100	35	65	65.00%							4 Delay involving 3rd Party	
New Community Facility Broomhill	53	1	52	98.11%				52			2 Project Cost Reduced	
Ravensraig Sports Barn	400	600	(200)	(50.00)%						(200)	4 Delay involving 3rd Party	
Ranbar Park Cycle Track	0	179	(179)	-						(179)	6 Accelerated Projects	New Project
Various Projects	501	864	(371)	4.11%								
TOTAL Education & Lifelong Learning (excl School Estate)	2,925	3,487	(562)	(19.21)%	0	95	0	117	0	(811)		
SEMP												
Dumfries Glenisnock Academy	71	133	(62)	(71.24)%						(62)	6 Accelerated Projects	
Logan PS - Refurbishment & Extension	333	942	(609)	(182.91)%						(609)	6 Accelerated Projects	
St Andrew's PS - Refurbishment & Extension	1,975	2,963	(978)	(49.52)%						(978)	6 Accelerated Projects	
Kilncomen PS - Refurbishment	668	1,520	(852)	(59.66)%						(852)	6 Accelerated Projects	
Early Years (C&VPS - 600 Hrs + 2 yr olds)	314	464	(150)	(44.69)%		112				(140)	2 Project Cost Reduced	Tenders returned below budget
St Francis PS - external works	327	215	112	34.25%						(126)	6 Accelerated Projects	Tenders returned below budget
Balance of Lifecycle Fund	210	336	(126)	(60.00)%		65				(22)	2 Project Cost Reduced	Unallocated balance / contingency to be allocated
Balance of Contingency	65	0	65	100.00%								
Various projects	1,755	1,757	(2)	-								
TOTAL SEMP	5,888	8,333	(2,345)	-39.16%	0	177	0	0	0	(2,522)		
Health & Social Care Committee												
Neil Street Childrens Home Replacement	861	114	547	82.75%			547				3 Internal Slippage	Part issues with public consultation and planning in connection with access road and part internal slippage through extended pre-contract phase.
Various Projects	539	529	10	-	10						1 Policy Decision	Not initially in capital programme
Total Health & Social Care	1,200	643	557	46.42%	10	0	547	0	0	0		
Council Total	30,229	31,127	(898)	(2.97)%	148	681	3,088	1,713	157	(6,742)		
%age Variation					.49%	2.29%	10.25%	5.67%	.52%	(22.30)%		

Summary of Reported Slippage by Period

Appendix 3

	Sept'15 - Period 4	Nov'15 - Period 6	Feb'16 - Period 8	March'16 - Period 2	May'16 - Period 11	Outturn
	£000's	£000's	£000's	£000's	£000's	£000's
	%	%	%	%	%	%
Policy & Resources	(323) (57.4)%	(323) (57.4)%	(280) (49.7)%	(258) (45.8)%	(245) (43.5)%	(230) (40.9)%
Environment, Regeneration & Resources	(1,674) (8.6)%	(765) (3.9)%	794 4.1%	1,940 10.0%	1,881 9.7%	1,677 8.7%
Education & Lifelong Learning	(65) (2.2)%	(347) (11.9)%	(47) (1.6)%	95 3.3%	(132) (4.5)%	(562) (19.2)%
School Estate	(276) (4.6)%	(151) (2.5)%	(389) (6.5)%	(1,014) (16.9)%	(2,241) (37.4)%	(2,345) (39.2)%
Health & Social Care	(1,000) (149.0)%	315 46.9%	515 76.8%	515 76.8%	515 76.8%	557 46.4%
Total	(3,338) (11.3)%	(1,271) (4.3)%	593 2.0%	1,278 4.3%	(222) (0.8)%	(903) (3.0)%

**Movement Nov'15
(Period 5) v. Outturn**

	£000's	%
Policy & Resources	93	16.6%
Environment, Regeneration & Resources	2,442	12.6%
Education & Lifelong Learning	(215)	(7.4)%
School Estate	(2,194)	(36.6)%
Health & Social Care	242	(0.5)%
Total	368	1.3%

Report To:	Policy & Resources Committee	Date:	09 August 2016
Report By:	Chief Financial Officer	Report No:	FIN/77/16/AE/AP
Contact Officer:	Angela Edmiston	Contact No:	01475 712143
Subject:	Revenue Budget Outturn 2015/16 - Unaudited		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise Committee of the unaudited outturn of Service Committee Budgets for the year ending 31 March 2016 and to highlight any significant variances between revised budgets and outturn plus Period 11 projections and outturn.

2.0 SUMMARY

- 2.1 Appendix 1 details the outturn (excluding earmarked reserves) per the unaudited accounts for 2015/16 and the variance between the outturn and the projection presented to the Policy & Resources Committee at Period 11 (May 2016) for all Service Committees.

- 2.2 The outturn per the unaudited accounts shows an underspend for 2015/16 of £5,814,000 (Appendix 1) for all Service Committees; this represents an underspend of 3.41% against 2015/16 revised budget of £170,623,000. The main areas of underspend relate to:

- Additional turnover savings achieved across the Council of £1,340,000.
- Release of contingencies not required throughout 2015/16 £2,458,000.
- One off release of pressure monies not required in 2015/16 of £232,000.
- Additional Internal Resources Income earned of £136,000.
- Net over recovery of Benefit Subsidy of £121,000.
- Underspend on Education Early Years' Service of £484,000.
- Underspend relating to the Children & Young People Act within Social Care Services of £143,000.
- Net underspend across all Social Care Services due to a reduction in care package costs of £401,000.
- Underspend on various utility budgets of £160,000.
- Over recovery of income for school meals and other Local Authorities of £213,000.
- Over recovery of prior years' Council Tax collection income of £162,000.

Further underspends below £50,000 were incurred across all Services. The underspend in year has been partly offset by increased costs for Older People Services, Homelessness costs and a shortfall in Commercial and Industrial income and Physical Assets rental income received.

- 2.3 Appendix 1 shows an increase in the underspend reported to the last Policy & Resources Committee (Period 11) of £905,000. Appendix 2 provides the material variances for individual Committees and further explanations for the underspends during the year and movement from Period 11 Policy & Resources Committee Report.

- 2.4 Both the level of underspend (£5.814m v £4.395m) and the movement from Period 11 (£0.905m v £0.727m) are higher than experienced in 2014/15. Many of the areas of underspend were addressed when preparing the 2016/18 budget or will be included in proposals to save a further £600,000 in 2017/18. It should also be noted that the movement

between Period 11 and Outturn represented 0.53% of the overall budget.

- 2.5 The Council supported by the Corporate Management Team take a robust approach to Budget Management by retaining underspends and bearing down on pressures. This generates overall budget underspends and has helped reduce saving requirements.
- 2.6 Overall, the unaudited accounts position reflects a free reserves position of £8.783m which is an increase of £2.293m since the budget was set in March 2016. Committee has already agreed that any decision on the use of remaining free reserves will be deferred until the conclusion of the 2015/16 Accounts in September 2016.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the underspend per the unaudited accounts for 2015/16 of £5,814,000, the reasons for the material variances from budget and the 0.53% Period 11 projection movement and outturn.
- 3.2 That the Committee note the positive impact which the robust approach to Budget Management by the Council and the CMT has on the overall position of the Council's finances.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The purpose of this report is to advise Committee of the outturn position per the unaudited accounts for 2015/16 and to highlight the main issues contributing to the underspend of £5,814,000. The report also informs the Committee of the movement since the last report to Committee and the main issues contributing to the movement.

5.0 2015/16 UNAUDITED OUTTURN

5.1 It can be seen from Appendix 1 that the outturn per the unaudited accounts for 2015/16 is an underspend of £5,814,000 for all Service Committees. The outturn comprises an underspend of £3,459,000 within the Policy & Resources Committee, £359,000 within the Environment & Regeneration Committee, £1,545,000 within the Education & Communities and £451,000 within Health & Social Care.

5.2 Main areas of underspend relate to additional turnover savings achieved, the release of inflation contingencies not required, additional Internal Resources Interest earned, an improvement in prior years Council Tax collection rates, an underspend within Social Care client care packages and an underspend within Education Early Years' Service. Appendix 2 provides more detailed material variances and reasons behind the underspend on a Committee by Committee basis.

5.3 It can be seen in Appendix 1, that the outturn (per the unaudited accounts) of £5,814,000 is a movement of £905,000 since the last report to the Policy & Resources Committee in May 2016. Appendix 1 details the movement in underspend per Service Committee. Appendix 2 provides more details regarding the material variances since the Period 11 Policy & Resources Committee report and the reasons for these movements.

5.4 Further details on the 2015/16 outturn will be submitted to individual Committees with the first Revenue Monitoring Report for 2016/17 in the next Committee cycle.

5.5 The unaudited accounts position reflects free reserves of £8,783,000 at 31st March 2016. This is an increase in the reserves position of £2,293,000 since the budget was set in March 2016. The Committee has already agreed that decisions on the use of remaining free reserves will be deferred until the conclusion of the Annual Accounts in September 2016.

6.0 OTHER INFORMATION

6.1 The accuracy of budgeting and projections is an important measure of the Council's Financial Management performance. The percentage variance for 2015/16 has increased over the last 2 years which is mainly due to a reduction in requirements for inflationary uplifts and an increase in turnover. The following shows the variance for the last 4 years and the percentage against revised revenue budget for the relevant year. The turnover target has been increased by 25% in 2016/17 whilst inflation allowances have been significantly reduced.

Year	Variance	Percentage Variance
2012/13	Underspend £2.835m	1.60%
2013/14	Underspend £1.329m	0.81%
2014/15	Underspend £4.395m	2.61%
2015/16	Underspend £5.814m	3.41%

7.0 IMPLICATIONS

7.1 FINANCE

All financial implications are discussed in detail within the report and presented in attached appendices.

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

7.2 LEGAL

There are no specific legal implications arising from this report.

7.3 HUMAN RESOURCES

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

7.4 EQUALITIES

There are no equality issues arising from this report.

7.5 REPOPULATION

There are no repopulation issues arising from this report.

8.0 CONSULTATIONS

8.1 The Corporate Management Team has been consulted in the preparation of this report.

9.0 BACKGROUND PAPERS

9.1 There are no background papers for this report.

POLICY & RESOURCES

REVENUE BUDGET PROJECTED POSITION AT PERIOD 11 TO PROVISIONAL OUTTURN

2014/15 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2015/16 £000	P11 Revised Budget 2015/16 £000	P 11 Projected Out- turn 2015/16 £000	P11 Projected Over/(Under) Spend 2015/16 £000	Final Over/(Under) Spend 2015/16 £000	Movement from P11 Outturn £000	Variance as % of Revised Budget
13,192	Policy & Resources	18,835	16,825	13,727	(3,188)	(3,459)	(271)	-20.56%
80,119	Education & Communities	89,665	83,874	82,435	(1,439)	(1,545)	(106)	-1.84%
19,956	Environment & Regeneration	22,196	20,150	20,013	(137)	(359)	(222)	-1.78%
48,755	Health & Social Care	48,767	49,774	49,629	(145)	(451)	(306)	-0.91%
162,022	COMMITTEE NET EXPENDITURE EXCLUDING EARMARKED RESERVES	179,463	170,623	165,804	(4,909)	(5,814)	(905)	-3.41%

Reasons: Final Outturn

POLICY & RESOURCES

Additional Turnover Savings achieved	(93)
Inflation Contingencies not used	(2,458)
Pressures Contingency not used	(232)
IRI Over Recovery	(136)
Over Recovery of Benefit Subsidy	(121)
Underspend due to Swan Contract	(59)
Reallocation of election costs	(60)
Improved collection for prior years council tax	(162)
Various underspend all under £50k	(138)

(3,459)

Reasons: Movement P11 to Outturn

POLICY & RESOURCES

Inflation Contingencies returned to reserves	(112)
Reallocation of election costs	(60)
Improved collection for prior years council tax	(72)
Various underspends all under £50k	(27)

(271)

EDUCATION & COMMUNITIES

Additional Turnover Savings Achieved	(306)
Underspend Early Years Service	(484)
Underspend Early Years Day Care & Partner Providers	(82)
Over Recovery of School Meals Income and Other Local Authorities	(213)
Underspend on Utilities, NDR, Cleaning & Janitors	(160)
Education - Transport Underspend	(71)
Community Halls - underspend Support Comm Facilities	(91)
Education - Underspend IT Recharges to Schools	(53)
Overspend Waivers	54
Various underspend all under £50k	(139)

(1,545)

EDUCATION & COMMUNITIES

Underspend on Utilities, NDR, Cleaning & Janitors	(105)
Education - Underspend IT Recharges to Schools	(53)
Education - Additional Transport Underspend	(56)
Increased overspend in Waivers	86
Various overspends all under £50k	22

(106)

HEALTH & SOCIAL CARE

Additional Turnover Savings Achieved	(690)
Older People - overspend on homecare, residential & nursing care	687
Children & Families underspend in Children & Young Peoples Bill Funding	(143)
Homelessness overspend due to under occupancy	209
Children & Families Additional Kinship Funding	(63)
Children & Families Underspend on Childrens Respite	(50)
Learning Disabilities Additional Transport costs	64
Learning Disabilities Reduction in client package costs	(129)
Physical & Sensory Reduction in client package costs	(108)
Mental Health Reduction in client package costs	(164)
Various underspend all under £50k	(64)

(451)

HEALTH & SOCIAL CARE

Additional Turnover Savings Achieved	(162)
Older People - additional charging order income	(68)
Learning Disabilities Increase cost of client packages	81
Physical & Sensory further reduction in client package costs	(65)
Mental Health further reduction in client package costs	(52)
Various underspend all under £50k	(40)

(306)

ENVIRONMENT & REGENERATION

Additional Turnover Savings Achieved	(251)
Under recovery of commercial & industrial income	60
Physical Assets under recovery of Rental Income	84
Overspend in Residual Waste contract	65
Roads client underspend in Street lighting electrical power	(52)
Vehicle Maintenance underspend on Fuel	(57)
BSU net over recovery of income	(58)
Catering underspend on provisions	(64)
Various underspend all under £50k	(86)

(359)

ENVIRONMENT & REGENERATION

Catering underspend on provisions	(50)
Various underspend all under £50k	(172)

(222)

MATERIAL VARIANCES FROM BUDGET (OVER £50,000)

POLICY & RESOURCES COMMITTEE

1. Contingencies – Outturn Underspend £2,458,000 (52.55%), Movement Underspend £112,000

Due to a lower than anticipated requirement for inflationary pressures around utilities, fuel, Social Care, PPP and waste contracts, the Council projected to underspend contingencies by £2,346,000. A further saving of £112,000 has been generated since the Period 11 report for non- pay Inflation contingencies.

2. Internal Resources Income – Outturn Over Recovery £136,000 (60%), Movement Over Recovery Nil

Due to increased positive cashflow, Internal Resources Interest received was £136,000 more than budgeted in 2015/16.

3. Housing Benefit Subsidy – Outturn Underspend £121,000 (30.22%), Movement Underspend £21,000

The final Benefit Subsidy Claim produced in April 2016 reflected an actual underspend of £121,000 for 2015/16 mainly due to a lower than anticipated uptake within homelessness units. £100,000 of this was reported as part of the Period 11 report.

4. Turnover Savings – Outturn Underspend £93,000 (1.11%), Movement Underspend £28,000

Turnover savings of £93,000 was achieved by the Committee for 2015/16, this is an increase of £28,000 since the last report to Committee.

5. Council Tax Prior Years Income – Outturn Over Recovery £162,000 (72%), Movement Over Recovery £72,000

Due to improved collection rates, the Council over recovered prior years Council Tax Income by £162,000. This is an increase in income of £72,000 since the Period 11 report.

ENVIRONMENT & REGENERATION COMMITTEE

1. Turnover Savings – Outturn Over Recovery £251,000 (1.3%), Movement Increase £1,000

The Services within the Environment & Regeneration Committee achieved additional Turnover Savings of £251,000 in 2015/16. This is an increase of £1,000 in the position reported to the last Committee.

2. Catering Provisions – Outturn Underspend £64,000 (6.2%), Movement Underspend £50,000

The Committee reported to underspend on catering provisions by £14,000, the final outturn was an underspend of £64,000. This is an increase in the underspend reported to the last Committee of £50,000.

3. Vehicle Maintenance Fuel Underspend – Outturn Over Recovery £57,000 (10.8%), Movement Underspend £12,000

An underspend was incurred on fuel resulting from reduced consumption across the Council.

4. Building Services Net Income – Outturn Over Recovery £58,000 (3.72%), Movement Over Recovery £31,000

A net over recovery of income was received due to a change in planned projects undertaken meaning sub-contractor costs were reduced.

5. Physical Assets Rental Income – Outturn Under Recovery £84,000 (52.2%), Movement Under Recovery £21,000

An under recovery of physical assets income of £84,000 in line with prior years outturn. This is an increase of £21,000 since the report to the last Committee.

6. Residual Waste Contract – Outturn Overspend £65,000 (2.6%), Movement Overspend £22,000.

Due to an increase in waste tonnages treated, the final outturn for the Residual Waste contract was an overspend of £65,000, this is an increase in spend of £22,000 since the last report to Committee.

EDUCATION & COMMUNITIES

1. Turnover Savings – Outturn Over Recovery £240,000 (0.6%), Movement Increase £6,000

The Committee achieved additional Turnover Savings of £240,000 which is an increase in the underspend of £6,000 since the last report to Committee.

2. Various Utility Budget Lines – Outturn Underspend £160,000 (1.1%), Movement Overspend £105,000.

The Committee saved against budget in gas, electricity, heating oil, biomass, NDR and Janitor costs during 2015/16 of £191,000. This has been partially offset by an increase in cleaning charges of £31,000. This is an increase in the level of underspend reported to the last Committee of £105,000 mainly due to reduced Janitor costs.

3. Education Early Years Service – Outturn Underspend £632,000 (8.3%), Movement £0

Due to a number of nurseries operating at a capacity less than the Care Commission registration capacity, this has resulted in an underspend across the Early Years' Service of £632,000. This was reported in full to the Education & Communities Committee at period 11. Decisions were taken as part of the budget setting in March 2016 to utilise efficiencies within the Early Years' Service to assist balancing the 2016/18 Revenue Budget.

4. Income from School Meals and Other Local Authorities – Outturn Over Recovery £213,000 (5.5%), Movement Under Recovery £25,000

The loss of income for free school meals as a result of the introduction of free school meals to primary 1-3 was less than anticipated, this has resulted in an over recovery of income £115,000. This has resulted in a decrease in income recovered since the last report of £17,000.

HEALTH & SOCIAL CARE COMMITTEE

1. Turnover Savings – Outturn Over Recovery £690,000 (2.67%), Movement Reduction £162,000

The Committee produced additional turnover savings for 2015/16 of £690,000 this is an increase of £162,000 since the last report. A high level of vacancies within homecare resulted in an increase of purchased external homecare included in Older People Services (see below).

2. Client Commitments Older People Services – Outturn Overspend £687,000 (4.5%), Movement Reduction £38,000

Client Commitments overspent by £687,000 during 2015/16, which is a movement of £38,000 since last report to Committee. Increased costs resulted from an increase in homecare and residential & nursing care costs due to the increase in turnover (above) and an increase in client numbers.

3. Client Commitments Learning Disabilities, Physical & Sensory and Mental Health Services – Outturn Underspend £401,000 (3.63%), Movement Underspend £36,000

Due to a reduction of care package costs the Directorate underspent by £401,000 across Learning Disabilities, Physical & Sensory Services and

Mental Health Services. This reflects the cost of purchase care packages per the client profile in 2015/16. This is an increase in the underspend reported to the last Committee of £36,000.

4. Children & Young Peoples Bill Funding – Outturn Underspend £143,000 (74.17%), Movement Underspend £3,000

Due to delays in starting projects funded from the Children & Young Peoples Bill, the Directorate did not require full funding for 2015/16. A one off underspend of £143,000 was incurred in 2015/16.

5. Homelessness Accommodation – Outturn Overspend £209,000 (30.95%), Movement Underspend £4,000

Due to reduced usage of both Inverclyde Centre and Temporary Furnished Accommodation, there was a net overspend of £209,000 for 2015/16. A budget pressure was agreed as part of the 2016/18 budget to address the recurring pressure.

Report To:	Policy and Resources Committee	Date: 9th August 2016
Report By:	Chief Financial Officer	Report No: FIN/68/16/AP/CM
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2015/16 Efficiency Performance	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the level of efficiencies achieved by the Council in 2015/16 and to approve the Annual Return which is to be returned to Cosla by 19th August 2016.

2.0 SUMMARY

- 2.1 All Councils are required to make an Annual Return in respect of efficiencies achieved which Cosla co-ordinates and submits to the Scottish Government. The Government has agreed to treat the Council's Efficiency Statement with a light touch and the information is at a high level.
- 2.2 The return has to be signed by the Chief Executive and the draft return is attached as Appendix 1. It can be seen that in 2015/16 the Council achieved recurring efficiency savings of £1.741 million.
- 2.3 The Council has delivered £15.5 million of recurring efficiency savings over the period 2008/16 (Appendix 2) and plans to deliver a further £2.5 million by 31 March 2017. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6 million saved to date generated by the School Estates Management Plan. This is excluded from figures as it has been fully reinvested in new/upgraded schools.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the achievement of £1.741 million recurring efficiency savings in 2015/16 and approve the submission of the annual return to Cosla by 19th August 2016.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 It is a requirement of all Councils to make an Annual Return in respect of efficiencies achieved and submit this to Cosla who co-ordinate it on behalf of the Scottish Government. In return for this, the Government has agreed to treat the Council's Efficiency Statement with a light touch.
- 4.2 The return has to be signed by the Chief Executive and the draft return is attached as Appendix 1. It can be seen that in 2015/16 the Council achieved recurring efficiency savings of £1.741 million.
- 4.3 Based on these figures, the Council has achieved £15.5 million of recurring efficiency savings over the 8 year period 2008/16 (Appendix 2) and is on target to achieve a further £2.5 million by 31st March 2017. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6million saved to date generated by the School Estates Management Plan. This is excluded as it has been fully reinvested in new/upgraded schools.
- 4.4 The Council main drivers for the identification and delivery of efficiencies and business transformation are:
1. The Budget Process/Financial Strategy
 2. Corporate Directorate Improvement Plans

Once projects are approved, progress against delivery is closely monitored by the CMT and via updates to Committee.

5.0 IMPLICATIONS

Finance

- 5.1 The financial information is detailed at Appendix 2 of the 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	Various	08/16	(15,536)		

Legal

- 5.2 Any legal implications arising from these efficiencies were addressed as part of the savings exercise.

Human Resources

- 5.3 Any HR implications arising from these efficiencies were addressed as part of the savings exercise.

Equalities

- 5.4 Any equalities issues arising from these efficiencies were addressed as part of the savings exercise

Repopulation

- 5.5 Achieving efficiencies helps protect front line service delivery which will assist in retaining people within the area.

6.0 CONSULTATION

- 6.1 The CMT has approved the proposed return to Cosla.

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2015-16

1	Local Authority Name	Inverclyde
2	Total cash efficiency achieved for 2015-16 £'000	£1.741 million
3	<p>Summary of efficiency activity</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p>	<p>Efficiencies are identified by Senior Officers via the budget process and supported by impact sheets with challenge from both the Members and Trades Unions. The Council takes a prudent view of savings which count towards efficiency targets.</p> <p>New proposals are supplemented by the on going work of the Digital Access Group and the delivery Asset Management Plans which are monitored 6 monthly via the Financial Strategy.</p> <p>A focus in the last budget round has been around the balance of service delivery and negotiations with Social Care providers around commissioning rates. This will become an increasing contributor of efficiencies in coming years.</p> <p>The Council is also utilising the benchmarking information generated from the Solace benchmarking information to further analyse costs and identify possible efficiencies.</p>
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</p> <p>(only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £105k</p> <hr/> <p>Shared Services = £50k</p> <hr/> <p>Asset Management = £225k</p>

5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Via the Councils Performance Management Framework performance is regularly measured and reported. As stated above the Council takes a conservative view when classifying savings as efficiencies.
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Signed (Chief Executive)

Date

Efficiencies - 2008/9 to 2015/16

<u>Year</u>	<u>£million</u>	<u>Comment</u>
2008/9	1.966	Per Efficiency Statement
2009/10	1.922	Per Efficiency Statement
2010/11	2.864	Per Efficiency Statement
2011/12	1.754	Per Efficiency Statement
2012/13	2.096	Per Efficiency Statement
2013/14	1.430	Per Efficiency Statement
2014/15	1.763	Per Efficiency Statement
2015/16	1.741	Per Efficiency Statement
Total	<u>15.536</u>	

Note: Excludes £4.6 million efficiencies generated by the School Estate Management Plan which have accumulated since 2006. These savings have helped fund new replacement schools.

The 2016/17 Budget contains approximately £2.5 million of efficiency savings. The CMT monitor delivery of these savings throughout the year.

Report To:	Policy & Resources Committee	Date:	9 August 2016
Report By:	Chief Financial Officer	Report No:	FIN/73/16/AP/KJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	TREASURY MANAGEMENT – ANNUAL REPORT 2015/16		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise members of the operation of the treasury function and its activities for 2015/16 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

2.0 SUMMARY

- 2.1 As at 31 March 2016 the Council had gross external debt (including PPP) of £280,951,047 and investments of £51,529,212,396. This compares to gross external debt (including PPP) of £284,125,698 and investments of £44,787,396 at 31 March 2015.
- 2.2 The Council's Capital Financing Requirement at 31 March 2016 was £302,160,000. The gross external debt was £21,208,953 (7.0%) less than the Capital Financing Requirement and so the Council was in an underborrowed position and remains so, having undertaken no borrowing so far in 2016/17. This is attributable to the level of cash backed reserves held by the Council.
- 2.3 The average rate of return achieved on investments during 2015/16 was 0.864% which exceeds the benchmark return rate for the year of 0.456% by 0.408% and resulted in £209,000 of additional interest on investments for the Council.
- 2.4 During 2015/16 and in 2016/17 to date the Council did not undertake any debt restructuring and operated within the required treasury limits and Prudential Indicators for the year set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.
- 2.5 Following the result of the EU Referendum that took place on 23 June 2016, there has been volatility in the financial markets and increased economic uncertainty in the UK and around the world with the possibility of a further cut in UK interest rates. The situation is being closely monitored for both risks and opportunities.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the contents of the annual report on Treasury Management for 2015/16, the issues in section 5.2 of the report following the result of the EU Referendum, and the ongoing work to seek to ensure the delivery of financial benefits for the Council during the current uncertainty and beyond.
- 3.2 It is also recommended that the Annual Report be remitted to the Full Council for approval.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16.
- 4.2 Treasury Management in this context is defined as: “The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 4.3 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

A glossary of treasury management terms is attached as Appendix 1.

5.0 ANNUAL REVIEW

- 5.1 The treasury management issues arising during the year were:
- a. The Council’s debt (including PPP) has reduced during the year by £3.175m due to repaying maturing debt without undertaking new borrowing. Council investments increased by £6.742m in the year.
 - b. As at 31 March 2016 the Council had under borrowed against its capital financing requirement by £21.209m. No borrowing has been undertaken during 2016/17 to date.
 - c. The Council did not undertake any debt restructuring during 2015/16 and remained within its Prudential Indicator and Treasury Management limits during the year.
 - d. The Bank Rate remained unchanged during 2015/16 at 0.50% (unchanged since March 2009) although the forecast position has changed since the EU Referendum on 23 June 2016 (see below).
 - e. PWLB rates for new borrowing were expected to increase by between 0.50% and 0.60% during the year. Rates for new borrowing actually fell over the year by up to 0.30% for short-term, remained almost flat for medium term, and fell by up to 0.20% for long-term. These movements were not uniform during the year. Volatility resulted in the difference in rates for some loan periods between their highest and lowest levels being just under 1.00% for some short-term loans and around 0.75% for longer periods.
 - f. Investment returns were expected to remain relatively low and this was indeed the position during the year.
 - g. The Council’s investments earned a rate of return of 0.864% during the year and outperformed the benchmark return of 0.456% resulting in additional income to the Council of £209,000.
 - h. All investments were in accordance with the Council’s investment policy and no institutions with which investments were made had any difficulty in repaying those investments and interest in full during the year.
 - i. The Council’s investment performance is due to undertaking fixed term and 95/120 day notice account investments at interest rates that were above the benchmark with counterparties which have high creditworthiness (the Bank of Scotland and Santander UK) and in accordance with the Council’s investment strategy.

5.2 The result of the EU Referendum that took place on 23 June 2016 has resulted in increased volatility in the financial markets and economic uncertainty in the UK and around the world. As well as large falls in exchange rates for the £ (which is likely to impact on inflation), PWLB borrowing rates fell to unprecedented levels and the Governor of the Bank of England has indicated the likelihood of further cuts to the UK Bank Rate (at a record low of 0.50% since March 2009) along with increased stimulus to the economy (through Quantitative Easing).

The credit ratings agencies have already changed their view on the UK's credit rating with possible effects on the credit ratings of individual UK banks and financial institutions (and an impact on the Council's options for placing investments with those banks).

Given this uncertainty and the speed with which events are taking place, the situation is being closely monitored for both risks and opportunities.

5.3 The Council's Year End debt position was as follows:

	At 31 March 2015	At 31 March 2016
	£	£
Total Excluding PPP	214,314,698	213,224,047
PPP Debt	69,811,000	67,727,000
Total Including PPP	284,125,698	280,951,047

Further detail is given in the following table:

	At 31 March 2015		At 31 March 2016		Movement 2015/16
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	111,373		110,684		(689)
- Market *	36,000		71,000		35,000
	147,373	3.95%	181,684	4.05%	34,311
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	66,900		31,400		(35,500)
- Temporary	42		140		98
	66,942	4.81%	31,540	4.96%	(35,402)
Total Debt (Excl PPP)	214,315	4.22%	213,224	4.18%	(1,091)
PPP Debt	69,811		67,727		(2,084)
Total Debt (Incl PPP)	284,126		280,951		(3,175)

* - Market Loans are shown as variable when they have less than 1 year to go until their next call date. The total value of Market Loans has reduced by £500,000 during the year due to a loan maturing and being repaid in March 2016.

5.4 The Council's investment position was as follows:

	At 31 March 2015		At 31 March 2016		Movement 2015/16
	Principal £000	Return	Principal £000	Return	Principal £000
Investments:					
- Fixed Term Deposits	32,500	0.85%	25,500	0.85%	(7,000)
- Notice Accounts (95 Day and 120 Day)	0	0.00%	14,529	0.95%	14,529
- Deposit Accounts	12,287	0.50%	11,500	0.50%	(787)
Totals	44,787	0.76%	51,529	0.80%	6,742

Maximum level of investments in 15/16: £58,646,298 on 15 October 2015

Minimum level of investments in 15/16: £45,010,512 on 22 March 2016

Daily average for the year 15/16: £51,231,358

5.5 2015/16 Outturn Compared to Estimates in 2015/16 Strategy

The 2015/16 outturn compared to the estimates in the 2015/16 strategy:

	2015/16 Estimate	2015/16 Outturn
	£000	£000
<u>Borrowing Requirement</u>		
New borrowing	0	0
Alternative financing requirements	0	0
Replacement borrowing	0	0
TOTAL	0	0
<u>Prudential/Treasury Management Indicators</u>		
	£000	£000
Gross external debt including PPP (As at 31 March 2016)	280,864	280,951
Capital financing requirement (As at 31 March 2016)	301,349	302,160
(Under)/over borrowing against CFR	(20,485)	(21,209)
Net external borrowing and capital financing requirement (As at 31 March)	£000 (54,135)	£000 (72,738)
Capital expenditure	£000	£000
• Capital Programme	29,486	30,548
• PPP Schools/Finance Leases (incl. accounting adjustments)	(1,904)	(2,084)
Total	27,582	28,464
Ratio of financing costs (including PPP/ Finance Leases) to net revenue stream	12.87%	12.21%
Incremental impact of capital investment decisions - incremental increase in council tax (band D) per annum (use of capital receipts and prudential borrowing for capital expenditure)	£3.90	£3.25

5.6 2015/16 Outturn Compared to Limits in 2015/16 Strategy

The 2015/16 outturn compared to limits in the 2015/16 strategy:

	2015/16 Limits	2015/16 Outturn
<u>Prudential/Treasury Management Indicators</u>		
Authorised limit for external debt	£000	£000
• Borrowing	239,000	213,224
• Other long term liabilities	68,000	67,727
	307,000	280,951
Operational boundary for external debt		
	£000	£000
• Borrowing	255,000	213,224
• Other long term liabilities	72,000	67,727
	327,000	280,951
Upper limit for fixed interest rate exposure (Actual is as at 31 March 2016)	140%	112%
Upper limit for variable rate exposure (Actual is as at 31 March 2016)	40%	-12% *
Upper limit on sums invested for periods longer than 364 days (Actual is maximum in period)	£000 10,000	£000 0
Limits on fixed rate borrowing maturing in each period (LOBOs included based on call dates and not maturity dates) at 31 March 2016		
• Under 12 months	45%	3.0%
• 12 months and within 24 months	45%	28.3%
• 24 months and within 5 years	45%	27.9%
• 5 years and within 10 years	45%	13.9%
• 10 years and within 30 years	45%	4.9%
• 30 years and within 50 years	45%	22.0%
• 50 years and within 70 years	45%	0.0%
<u>Council Policy Limits</u>		
Maximum Percentage of Debt Repayable In Year (Actual is as at 31 March 2016)	25%	18.8%
Maximum Proportion of Debt At Variable Rates (Actual is as at 31 March 2016)	40%	14.8%
Maximum Percentage of Debt Restructured In Year (Actual is as at 31 March 2016)	30%	0.0%

* - The figure is a minus due to the amount of variable rate investments being greater than the amount of variable rate debt as at 31 March 2016.

The forecast Investment Balances for 2015/16 required under Investment Regulation 31 and the actual position at 31 March 2016 is shown in Appendix 2.

- 5.7 The forecast from the Treasury Advisers in the Strategy for the Bank Rate as at 31 March and the latest forecast are:

	Forecast Per 2015/16 Strategy	Actual/ Forecast At 4 July 2016	
2015/16	0.50%	0.50%	(Actual)
2016/17	0.75%	0.25%	(Forecast)
2017/18	1.25%	0.25%	(Forecast)

On 30 June 2016 the Governor of the Bank of England made a speech indicating the likelihood of a cut in interest rates with an initial assessment being made on 14 July and a full assessment in the August Inflation Report (due to be published on 4 August). The 4 July forecast above is an initial view from the Council's Treasury Advisers but will be revised in line with the Bank of England timetable.

- 5.8 The Council's Loans Fund Pool Rate for Interest is used to allocate interest charges to the General Fund and reflects the actual cost of the Council's Treasury activities. The rates for the last 5 years are as follows:

Year	Loans Fund Pool Rate
2011/12	4.208%
2012/13	3.811%
2013/14	3.831%
2014/15	3.934%
2015/16	3.843%

It is expected that there will be a small increase in the Pool Rate in the medium term.

- 5.9 The Council's investment policy for the year is governed by Scottish Government Investment Regulations and was implemented in the annual investment strategy approved by the Council on 9 April 2015. This policy sets out the approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks, credit default swaps, bank share prices etc.

All investments in 2015/16 and 2016/17 to date were in accordance with the policy and no institutions with which investments were made had any difficulty in repaying investments and interest in full.

- 5.10 The result of the investment strategy undertaken by the Council in 2015/16 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID un compounded)
£51,231,358	0.864%	0.456%

The Council has outperformed the benchmark by 0.408% resulting in additional income to the Council of £209,000. It is expected that investment returns will fall due to likely reductions in investment rates (particularly if the UK Bank Rate is cut).

6.0 IMPLICATIONS

Legal

6.1 None. Any borrowing or lending is done under the Council's legal powers.

Finance

6.2 Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £209,000. The Council utilises Treasury Management as part of the overall Financial Strategy. Officers will continue to investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

Human Resources

6.3 None

Equalities

6.4 None

Repopulation

6.5 None

7.0 CONSULTATIONS

7.1 This report has been produced based on advice from the Council's treasury advisers (Capita Treasury Solutions Limited).

8.0 LIST OF BACKGROUND PAPERS

8.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2011 Edition
Inverclyde Council – Treasury Management Strategy 2015/16.

TREASURY MANAGEMENT
GLOSSARY OF TERMS

Authorised Limit for External Debt

This is a limit for total Council external debt as set by the Council based on debt levels and plans.

Bank of England

The central bank for the UK with ultimate responsibility for setting interest rates (which it does through the Monetary Policy Committee or “MPC”).

Bank Rate

The interest rate for the UK as set at regular meetings of the Monetary Policy Committee (“MPC”) of the Bank of England. This was previously referred to as the “Base Rate”.

Call Date

A date on which a lender for a LOBO loan can seek to apply an amended interest rate to the loan. The term “call date” is also used in relation to some types of investments with a maturity date where the investments can be redeemed on call dates prior to the maturity date.

Capital Expenditure

Expenditure on or for the creation of fixed assets that meets the definition of Capital Expenditure under the accounting rules as set-out in the Code of Practice on Local Authority Accounting in the United Kingdom and for which the Council are able to borrow.

Capital Financing Requirement

The Capital Financing Requirement (sometimes referred to as the “CFR”) is a Prudential Indicator that can be derived from the information in the Council’s Balance Sheet. It generally represents the underlying need to borrow for capital expenditure (including PPP schemes).

CIPFA

CIPFA is the Chartered Institute of Public Finance and Accountancy who produce guidance, codes of practice, and policy documents for Councils.

Counterparty

Another organisation involved in a deal i.e. if the Council enters a deal with a bank then the bank would be referred to as the “Counterparty”.

Credit Ratings

Credit ratings are indicators produced by a ratings provider (such as Fitch, Moody's or Standard & Poor's) that aim to give an opinion on the relative ability of a financial institution to meet its financial commitments. Credit ratings are not guarantees – they are opinions based on investigations and assessments by the ratings providers and they are regularly reviewed and updated. The Council makes use of credit ratings to determine which counterparties are appropriate or suitable for the Council to make deposits with.

The highest credit rating is AAA.

European Central Bank

Sometimes referred to as “the ECB”, the European Central Bank is the central bank for the Eurozone and is the equivalent of the Bank of England. The European Central Bank sets interest rates for the Eurozone.

Eurozone

This is the name given to the countries in Europe that have the Euro as their currency. Interest rates in the Eurozone are set by the European Central Bank. The Eurozone is comprised of the following 19 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Federal Reserve

Sometimes referred to as “the Fed”, the Federal Reserve is the central bank for the US and is the equivalent of the Bank of England. The Federal Reserve sets interest rates for the US.

Fixed Term Deposit

A Fixed Term Deposit or Fixed Term Investment is an investment with a named bank or financial institution which matures on a set date and which is repaid with interest on the maturity date. Fixed Term Deposits cannot be traded and cannot be terminated before the maturity date without the payment of a penalty (if at all).

Gilt Yields

A gilt yield is the effective rate of return that someone buying a gilt at the current market price will receive on that gilt. Since the market price of a gilt can vary at any time, the yield will also vary.

Gilts

Gilts are bonds (i.e. debt certificates) that are issued (i.e. sold) by the UK Government. When they issue gilts the Government sets the interest rate that applies to the gilt, sets when they will repay the value of the gilt, and it agrees to make interest payments at regular intervals until the gilt is repaid or redeemed. Gilts are traded in the financial markets with the price varying depending on the interest rate applicable to the gilt, when the gilt will be repaid (i.e. when it will mature), on Bank Rate expectations, and on market conditions.

Gross Domestic Product

Gross Domestic Product (“GDP”) is a measure of the output of goods and services from an economy.

Growth

Positive growth in an economy is an increase in the amount of goods and services produced by that economy over time. Negative growth in an economy is a reduction in the amount of goods and services produced by that economy over time.

IMF

The International Monetary Fund oversees the world financial system and seeks to stabilise international exchange rates, facilitate development, and provide resources to countries in balance of payments difficulties or to assist with poverty reduction.

Incremental Impact of Capital Investment Decisions

These are Prudential Indicators that reflect the impact on Council Tax of movements in projected and estimated capital expenditure within and between financial years.

Inflation

Inflation is the term used for an increase in prices over time. It can be measured in various ways including using the Consumer Prices Index (“CPI”) or the Retail Prices Index (“RPI”).

Investment Regulations

The Local Government in Scotland Act 2003 allows the Scottish Ministers to introduce Regulations to extend and govern the rules under which Scottish Councils may invest funds. The Local Government Investments (Scotland) Regulations 2010 came into effect on 1 April 2010.

LIBID

This is the London Interbank Bid Rate – an interest rate that is used between banks when they wish to attract deposits from each other.

LIBOR

This is the London Interbank Offering Rate – an interest rate that is used as a base for setting interest rates for deals between banks.

LOBO

This is a form of market loan that the Council has with some lenders. The term is short for the phrase “Lender Option/Borrower Option”.

MPC

The MPC or Monetary Policy Committee is a committee of the Bank of England that meets regularly during the year (in meetings over 2 days) to set the Bank Rate for the UK.

Operational Boundary

This is a level of debt set by the Council at lower than the Authorised Limit and which Council debt levels should not normally exceed during normal operations.

Prudential Code

Councils are required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. These requirements include the production of Prudential Indicators. The Prudential Code was last revised in November 2011.

Prudential Indicators

Indicators set-out in the Prudential Code that will help Councils to meet requirements in relation to borrowing limits or which will help Councils demonstrate affordability and prudence with regard to their prudential capital expenditure.

PWLB

The Public Works Loan Board is a government agency and part of the Debt Management Office. The PWLB provides loans to local authorities and other specified bodies.

PWLB Certainty Rates

In the Budget in March 2012, the Chancellor of the Exchequer announced that local authorities that provide information on their long-term borrowing and capital spending plans would be eligible for a 0.20% discount rate for new PWLB borrowing. The PWLB Certainty Rates came into effect on 1 November 2012.

PWLB Rates

These are the interest rates chargeable by the Public Works Loan Board for loans. The rates for fixed rate loans are determined by the day on which the loan is agreed. The rates to be charged by the PWLB for loans are set each day based on gilt yields at the start of business each day and then updated at least once during the day.

Quantitative Easing

This is the creation of money by a central bank (such as the Bank of England) in order to purchase assets from banks and companies and boost the supply of money in an economy.

Treasury Management Code

This is the "Treasury Management in the Public Services: Code of Practice" and is a code of practice for Council treasury management activities. It is produced by CIPFA and was last revised in November 2011.

Treasury Management Indicators

These are Prudential Indicators specifically relating to Treasury Management issues.

Treasury Management Practices (TMPs)

This is a Council document that sets out Council policies and procedures for treasury management as required by the Treasury Management Code. The Council also agrees an annual treasury management strategy that is submitted to Committee in accordance with the Treasury Management Practices.

Yield

The yield is the effective rate of return on an investment.

**FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2015/16 AND ACTUAL AT 31 MARCH 2016**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2015/16 and the actual as at 31 March 2016 are:

	2015/16 Estimate	2015/16 Actual At 31 March 2016
Cash balances managed in-house		
- At 1 April 2015	50,169	44,787
- At 31 March 2016	33,650	51,529
- Change in year	(16,519)	6,742
- Average daily cash balances	41,910	48,158
Holdings of shares, bonds, units (includes local authority owned company)		
- At 1 April 2015	2	2
- Purchases	0	0
- Sales	0	0
- At 31 March 2016	2	2
Loans to local authority company or other entity to deliver services		
- At 1 April 2015	0	0
- Advances	600	602
- Repayments	10	0
- At 31 March 2016	590	602
Loans made to third parties		
- At 1 April 2015	2,240	2,240
- Advances	1,803	16
- Repayments	33	43
- At 31 March 2016	4,010	2,213
Total of all investments		
- At 1 April 2015	52,411	47,029
- At 31 March 2016	38,252	54,346
- Change in year	(14,159)	7,317

Report To: Policy and Resources Committee **Date:** 9th August 2016
Report By: Chief Financial Officer **Report No:** FIN/72/16/AP/FB
Contact Officer: Fiona Borthwick **Contact No:** 01475 712904
Subject: Benefits Service – Audit Scotland Risk Assessment

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the outcome of the recent Benefits Service Performance Audit/Risk Assessment conducted by Audit Scotland.

2.0 SUMMARY

- 2.1 The Revenues and Customer Services Manager received notification on 11 January 2016 that Inverclyde Council had been selected for a Performance Audit by Audit Scotland. The key objective of this report being to determine the extent to which the Benefit Service is meeting its obligation to achieve continuous improvement.
- 2.2 A Self- Assessment accompanied by supporting evidence plus performance statistics for the last 3 years were asked for as part of the Council's submission. All documentation was submitted by the due date of 12 February 2016.
- 2.3 Audit Scotland take into consideration the Self-Assessment, evidence and performance statistics, together with the proposals submitted to them following the Audit to determine whether or not further scrutiny is required. The Assistant Auditor General of Audit Scotland concluded that no further scrutiny was required in relation to Inverclyde.
- 2.4 Following further discussions the Auditor advised that no new risks were identified in any area of benefit processing, however it was highlighted that 2 risks to continued improvement were still outstanding from the 2012 Risk Assessment.
- 2.5 The final report was issued to the Chief Executive on 16 May 2016 and is attached to this report as Appendix 1. The Council was required to respond to Audit Scotland by 17 June 2016 with an action plan detailing how it proposed to address the risks identified as part of the Audit. The action plan was prepared based on the findings in the final report and is attached as Appendix 2.
- 2.6 The Assistant Auditor General wrote to the Chief Executive confirming that the actions proposed by the Revenues and Customer Services Manager would make a positive contribution to the continuous improvement of the Housing Benefit Service and advised that no further scrutiny is required at this stage. A copy of this letter can be seen at Appendix 3.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee welcomes the positive findings of this report in that no new risks have been identified in any area of housing benefit processing, and note that the 2 risks carried forward from the 2012 Risk Assessment have already been completed.
- 3.2 It is recommended that the Committee commends the high standards of performance achieved by the Benefits team in all areas of speed and accuracy of Benefits Processing.

3.3 It is recommended that the Committee notes the content of the Action Plan and subsequent approval from Audit Scotland.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Councils generally receive a bi-annual Performance/Risk Assessment of their benefits function. Inverclyde last had a review in 2012 with the previous audit before that being in 2008 and following the 2012 review were again deferred for a further 4 years due to the high levels of performance being achieved.
- 4.2 The key purpose of the Risk Assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities. It specifically considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.
- 4.3 The last Risk Assessment was carried out on Inverclyde's benefit service in January 2012. During this assessment, 12 risks that could pose a risk to continuous improvement were identified and notified to the Chief Executive in March 2012. The Council responded by submitting an action plan that explained how it planned to address these risks. Audit Scotland accepted this action plan as satisfactory, if fully implemented.

5.0 THE REVIEW PROCESS

- 5.1 The first steps in the Audit process were to complete a Self-Assessment template which covered the whole spectrum of the Benefits Administration process with the main focus being on Business Planning and Performance Reporting as well as Delivering Outcomes. The Self-Assessment also had to be accompanied by supporting evidence. Performance statistics for the last 3 years were also asked for as part of the submission. All documentation was submitted by the due date of 12 February 2016.
- 5.2 On 29 March 2016 the Auditor met with the Revenues and Customer Services Manager and Benefits Team Leader and went through in detail, the completed self-assessment template as well as the action plan from the 2012.
- 5.3 The auditor acknowledged that since the Risk Assessment in 2012, there have been some significant changes in the benefits service which included:
 - As part of a re-structure, the Chief Financial Officer and that time Revenues and Benefits Manager took on responsibility for customer services with the Revenues and Benefits Manager becoming the Revenues and Customer Services Manager.
 - Responsibility for Overpayments was transferred to the Revenues Team Leader.
 - The Chief Financial Officer, Revenues and Customer Services Manager and Benefits and Customer Services Team Leader took on responsibility for delivering the Scottish Welfare Fund.
 - The auditor commented that most notably, since January 2013 the Benefit Service had significant involvement in a large scale multi-agency landlord fraud investigation, led by Police Scotland.
- 5.4 On 1 April 2016 the Auditor returned and delivered verbal feedback to the Revenues and Customer Services Manager and Benefits and Customer Services Team leader as well as producing a draft report on the emerging findings. The feedback session was very positive with the Auditor commending the benefit service on the fact that despite the difficulties caused as a result of the multi-agency fraud investigation, the Council had a very high accuracy rate and was the top performing Scottish Council for the last three years for its speed of processing changes in circumstances.
- 5.5 A draft report was received from Audit Scotland on 4 May 2016 and the final report was issued to the Chief Executive on 16 May 2016 and is attached to this report as Appendix 1. The Council was required to respond to Audit Scotland by 17 June 2016 with an action plan detailing how it proposed to address the risks identified as part of the Audit. The proposed action plan was sent within the timescales required detailing how the Benefit Service proposed to address the two outstanding risks to improved performance. The action plan can be seen at Appendix 2.

- 5.6 A letter was received by the Chief Executive on 22 June 2016 from the Assistant Auditor General thanking the Benefit Management Team for their cooperation and approach throughout the Risk Assessment. He also confirmed that the actions proposed by the Revenues and Customer Services Manager would make a positive contribution to the continuous improvement of the housing benefit service and advised that no further scrutiny is required at this stage. A copy of this letter can be seen at appendix 3.

6.0 FEEDBACK FROM 2012 ACTION PLAN

- 6.1 The auditor commented that the Council made excellent progress by completing 10 of the 12 risks by October 2013 which has made a very positive contribution to the delivery of the benefit service. In particular they made positive comments that:
- The service had developed and implemented a service level agreement between the Benefit Service and Customer Services which sets out the roles and responsibilities of each service, details performance targets, monitoring and reporting arrangements.
 - It carried out a customer survey and used the results to inform changes to customer service delivery.
 - The cash collection target for the recovery of benefit overpayments was increased from £5,000 per month to £10,000 and that this target was exceeded, on average, by approximately £2,000 a month between April 2015 and February 2016.
- 6.2 The auditor did comment that there are two risks outstanding from their previous risk assessment and that in order to ensure continuous improvement, the Council needs to address these risks. Detail about these risks can be seen at section 7, Main Findings.

7.0 MAIN FINDINGS FROM THE 2016 RISK ASSESSMENT

- 7.1 The Risk Assessment Report on the whole was extremely positive and the Auditor acknowledged that there were delays in new claim processing times due to new business processing arrangements which were put in place as a result of findings from the ongoing multi-agency landlord fraud investigation, led by Police Scotland that commenced in January 2013. It was noted that whilst processing times for new claims increased to 45 days at November 2014, it is commendable that the Service continued to deliver an excellent level of performance in respect of the time taken to process changes of circumstances, while ensuring that the accuracy of its claims was not compromised.

The findings were split into the following categories:

- 7.2 **Business Planning and Reporting** – the Auditor examined the evidence and was satisfied that that the two Key Performance Indicators for the benefit service; the average number of days to process both new claims and changes in circumstances are reported in the Directorate Plan and that for both indicators, targets are shown in comparison with the previous year's performance and that of other Scottish Councils. It was also commented on that the plan contains upper and lower performance thresholds and that management closely monitors performance to ensure that improvements are delivered.
- 7.3 The Auditor noted that there is a good structure of regular meetings between staff and senior management where performance is routinely discussed and also notes that the Chief Financial Officer receives monthly updates on performance and that performance is reported to the Councils Policy and Resources Committee by means of the Directorate Report.
- 7.4 The Risk Assessment Report also states that the service makes good use of a comprehensive monthly performance management framework which contains performance information across a broad range of the services activities such as speed of processing, accuracy of processing, time taken to deal with appeals and reconsiderations and results from intervention campaigns.

7.5 **Delivering outcomes** - . The Auditor commented that effective operational processes and IT systems, along with skilled staff, help the benefit service deliver sound performance and continuous improvement and it also has a number of management arrangements in place to support this. This category is split into the following sub headings:

7.6 Speed of processing – When customers claim benefit, it is at a time of financial uncertainty for them and as such it is essential that the service has sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.

The Auditor here again commented on the multi-agency large scale landlord fraud exercise and the impact this had on processing times for new claims to housing benefit. While commenting that the impact was huge with processing times declining to 45 days as at November 2014, it acknowledged that the amount of resource that was required to prepare cases for Police Scotland as well as dealing with the numerous enquiries, appeals and verification checks that were required was massive. The Auditor was most positive in comments relating to how the service constantly monitored performance and reviewed and adjusted the verification procedure throughout the exercise to ensure that improvements were made in processing times. The Auditor also stated that it was commendable that given the impact of its involvement in the large scale fraud exercise and other issues such as the introduction of a new document imaging system, the Council was reporting at or below the Scottish average of 24 days consistently from August 2015 to February 2016

The Risk Assessment noted that the average time taken to process changes of circumstances at an average of four days in 2014/15 and five days in 2015/16 placed the Council as the top performer in Scotland each year.

7.7 Accuracy – Audit Scotland write that the accurate and secure administration of housing benefit should be a priority for every Council and to support this, it should have a robust quality assurance framework in place.

The Auditor notes that the benefit service has a comprehensive management checking regime and commends the fact that all quality checks are pre-payment which helps to reduce the potential for local authority administrative delay error overpayments to arise and is considered to be good practice. The Auditor goes on to comment positively about the checking process and management reports that are used to monitor the accuracy of processing and concludes that it is clear the Council places significant importance on the accuracy of its claims and has delivered an excellent level of performance each year by meeting or exceeding its internal target. The Auditor states that this is commendable.

7.8 Interventions – In order to minimise error in caseload, Councils must encourage customers to report changes of circumstances on time and have a robust intervention programme to identify changes and to take corrective action. The Auditor describes how the benefit service actively participates in activities such as the Housing Benefit Matching Service, the Department for Work and Pensions (DWP) Real Time Information data feed which compares actual earnings against those declared by customers. In addition it was reported that the service makes good use of the benefit system Information technology diary facility to produce reports that highlight claims where significant changes are expected or known which could affect the customer's entitlement. The report also acknowledges that the service actively takes advantage of the DWP's Fraud and Error Reduction Incentive Scheme and has been successful in receiving funding from the DWP and in achieving results through the use of this exercise.

The report highlights that under the section 'Interventions' there remains one risk to continued improvement from the previous risk assessment in 2012, in that there was limited recording of intervention outcomes and analysis of interventions activity was not sufficiently detailed to enable the Council to make informed decisions on the effectiveness of its approach, or help it to identify service improvements. The Auditor commented that by recording the value of overpayments or underpayments identified from its intervention activity it would be better placed to determine the effectiveness of each campaign therefore allowing more informed decisions on its future interventions strategy. The description of this risk and the benefit service proposed action can be seen at appendix 2.

- 7.9 **Overpayments** – To protect public funds, Councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified and rigorously recovered.

The Risk Assessment describes in detail how the service has a clear Debt Recovery Policy and how it goes about making deductions from a customer’s entitlement. It also describes the good practices it has in place to ensure that the Finance and Recovery Team makes good use of all recovery options in order to maximise recovery. The report highlights that the team’s commitment to the recovery of overpayments is also demonstrated by its high level of performance in recovering administrative penalties. It should be noted however that as the Council’s fraud investigation function was transferred to the DWP in February 2016, the application of administrative penalties going forward will be negligible and will now be considered going forward by the Council’s corporate fraud team for council tax reduction cases only.

The report highlights that under the section ‘overpayments’ there remains one risk to continued improvement from the previous risk assessment in 2012, in that there are no targets in respect of the recovery of in-year debt or against the value of all debt outstanding. The Auditor commented on the fact that although this information is available, it is not formally reported to senior management and members and therefore the Council has limited assurance that it is delivering optimum performance or that it is fully meeting the aims of the Housing Benefit, Council Tax Benefit Overpayments Recovery Policy to administer and recover benefit overpayments efficiently and effectively.

8.0 CONCLUSION

- 8.1 The Benefits Service considers Audit Scotland’s’ Risk Assessment process to be a useful and informative tool with which it can ensure that it continues to deliver a cost efficient, effective and continually improving service on behalf of the Council and the DWP, which is also effective and efficient in meeting the needs of its customers, many of whom are amongst the most vulnerable in the community.
- 8.2 It is commendable that despite the many challenges the service has faced throughout the last four years since the last audit, no new risks to continued improvement have been identified in any area of housing benefit processing and that the two risks that were carried over since the last audit are low risk and have already been completed by adding the management information asked for by Audit Scotland to the housing benefit monthly performance management framework (MPMF). Audit Scotland has subsequently approved the amended MPMF.

9.0 IMPLICATIONS

9.1 Financial –

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** – None

9.3 **Human Resources** – None

9.4 **Equalities**

The Benefit Service works towards adherence to the Equalities agenda by ensuring that Benefit Take Up is progressed in areas of deprivation where it is identified that there is a low level of live benefit claims. It also works with the council's Advice First and Debt Recovery Teams and the Department for Work and Pensions to identify client groups such as lone parents, disabled and pensioners that may not be claiming full entitlement. The Benefits Service also has a wide range of access points from face to face at Clyde Square, the telephone, direct by email and the Council's website.

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** - None

10.0 **CONSULTATION**

10.1 None

12.0 **LIST OF BACKGROUND PAPERS**

12.1 None

Inverclyde Council

Audit of housing benefit

Risk assessment report



 AUDIT SCOTLAND

Prepared for Inverclyde Council
May 2016

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.

Contents

Introduction	4
Executive summary	4
Business planning and reporting	6
Delivering outcomes	7
Speed of processing.....	7
Accuracy	9
Interventions.....	11
Overpayments.....	13
Counter-fraud	15
Appendix A	16

Introduction

1. This risk assessment was completed as part of Audit Scotland's housing benefit (HB) risk assessment programme. It does not represent a full audit of Inverclyde Council's benefit service.
2. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.
3. Specifically, the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.
4. Information for this risk assessment was gathered from a range of sources including:
 - the self-assessment, supporting evidence, and updated action plan provided by the council
 - Department for Work and Pensions (DWP) indicators and other performance measures
 - scrutiny of internal and external audit reports
 - discussions with the appointed external auditor
 - discussions with senior officers in the council during our site visit in March 2016.

Executive summary

5. A risk assessment was previously carried out on Inverclyde Council's benefit service in January 2012 when Audit Scotland identified 12 risks to continuous improvement. These were reported to the Chief Executive in March 2012 and, in response, the council submitted an action plan later that month to address these risks which Audit Scotland accepted as satisfactory, if fully implemented.
6. Since our previous visit, there have been some significant changes within the benefit service. These included a service restructure in May 2012 which saw the Revenues and Benefits Manager (now the Revenues and Customer Services Manager) take on the responsibility for Customer Services as part of the Environment Regeneration and Resources Directorate.
7. At the same time, responsibility for HB overpayments was transferred to the Revenues Team Leader and, with the introduction of the UK government's welfare reforms in April 2013, the Revenues and Customer Services Manager took on the responsibility for delivering the council's Scottish Welfare Fund.
8. Most notably, between January 2013 and June 2014 the benefit service had significant involvement in a large scale multi-agency landlord fraud investigation, led by Police Scotland. Although the majority of the council's involvement took place between these dates, the

activities arising from the investigation were resource intensive as the council implemented enhanced fraud prevention protocols for a large number of claimants in respect of the landlord under investigation (Agent 1). This led to delays in claims processing times which were further impacted from August 2014, following a change to Agent 1's business arrangements. This is discussed in more detail under *Speed of Processing*.

9. In view of the impact of this investigation on the service's new claims processing performance, which at November 2014 had declined to an average of 45 days, it is commendable that the benefit service continued to deliver an excellent level of performance in respect of the time taken to process changes of circumstances, while ensuring that the accuracy of its claims was not compromised.
10. In February 2016, the council submitted a current self-assessment along with supporting evidence, and an updated action plan. Of the 12 risks identified, the council has made excellent progress by completing 10 of the risks by October 2013. *Appendix A* covers this in detail.
11. In completing 10 of the 12 risks the council has made a very positive contribution to the delivery of the benefit service. In particular, this included:
 - developing and implementing a service level agreement between the benefit service and customer services which sets out the roles and responsibilities of each service, details performance targets, monitoring, and reporting arrangements
 - carrying out a customer survey and using the results to support changes to customer service delivery, and planning to carry out a further customer survey in 2016/17
 - increasing the cash collection target for the recovery of benefit overpayments from £5,000 per month to £10,000 per month, and exceeding this target, on average, by approximately £2,000, between April 2015 and February 2016.
12. Although the council demonstrates awareness of what constitutes an effective, efficient and secure benefit service, there are two risks outstanding from our previous risk assessment. In order to ensure continuous improvement, the council needs to address these risks. These include:
 - performance is not being reported against all aspects of the service, in particular in respect of the amount of in-year debt recovered and against all debt outstanding
 - recording and analysing the outcomes of intervention activities in respect of the value of overpayments and underpayments identified to allow the service to evaluate each intervention campaign and use this information when setting its forward strategy.

Business planning and reporting

13. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance can be measured, monitored and reported.
14. The benefit service is part of Revenues and Customer Services which, as part of Finance Services, is an integral part of the Environment Regeneration and Resources Corporate Directorate. The *Environment Regeneration and Resources Corporate Directorate Plan 2013-2016* sets out the strategic direction for the service and supports the corporate statement 'getting it right for every child, citizen and community'.
15. The directorate plan, which is reviewed annually to ensure the actions contained within it are relevant, contains the two key performance indicators for the benefit service which are the average time to process new claims and the average time to process changes of circumstances. The targets for both indicators show a comparison with previous year's performance and how the council has performed against other Scottish councils.
16. The plan also contains upper and lower performance thresholds and we were told that, if performance breached the lower threshold, an explanation would be provided to senior management and members, and that performance would be closely monitored to ensure improvements were delivered.
17. At an operational level there are regular meetings between staff and senior management where performance is routinely discussed. These include:
 - daily informal meetings between the Principal Benefits and Customer Services Officer and the Revenues and Customer Services Manager
 - monthly 1-2-1 meetings between team leaders and their individual staff members where quantity and quality of work is discussed against personal performance targets
 - monthly 1-2-1 meetings between the Revenues and Customer Services manager and the Chief Financial Officer
 - an item five times a year at the Policy and Resources committee.
18. In addition, the service makes good use of a comprehensive monthly performance management framework which contains performance information across a broad range of the service's activities. This includes the:
 - average number of days to process new claims and changes of circumstances
 - financial and non-financial accuracy of claims
 - time taken to deal with appeals and reconsiderations
 - percentage of postal reviews resulting in a change to benefit

- cash value of benefit overpayments recovered.
19. Staff also receive a monthly e-mail which summarises benefit processing performance in-month, year to date and compared to the same period in respect of the previous year.
 20. Audit Scotland identified two risks to continuous improvement during the previous risk assessment in that:
 - the benefits service and counter fraud business plans did not contain details of the service's key performance targets, monitoring or reporting arrangements
 - despite a comprehensive management framework, not all aspects of performance were being reported to senior management or elected Members. This included the benefit service's performance in respect of the:
 - administration of sanctions
 - recovery of benefits overpayments.
 21. We consider that one of these risks has been addressed as the service's two key performance indicators for speed of processing new claims and changes of circumstances is a key aspect of the *Corporate Directorate Improvement Plan 2013/16* and is regularly reported to senior management and members of the Policy and Resources committee.
 22. However, while the service's comprehensive monthly performance management framework details most aspects of the service's activities, and is regularly monitored and reported to staff and senior management, the service is not formally reporting its performance in respect of the recovery of overpayments. We therefore consider that this risk remains outstanding.
 23. With the transfer of counter fraud functions to the DWP's Single Fraud Investigation Service (SFIS) in February 2016, the risks in respect of the counter-fraud business plan and performance in respect of the administration of sanctions are no longer relevant.

Delivering outcomes

24. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The council has a number of management arrangements in place to support this.

Speed of processing

25. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
26. The benefit service had significant involvement in the investigation of a large scale landlord fraud between January 2013 and June 2014, when the case was reported to the Procurator Fiscal by Police Scotland. The council told us that the investigation was resource intensive as

it had to investigate a significant number of claims, prepare cases for Police Scotland, and deal with the associated and numerous enquiries, including appeals, from the managing agent (Agent 1) concerned.

27. In response to the investigation, the council introduced enhanced verification procedures in July 2013 in respect of all new claims for Agent 1. These new procedures were comprehensive and designed to ensure that the council was as confident as possible that any new claims from Agent 1 were legitimate, and that the property was properly occupied.
28. However, the result of this approach meant that new claims were taking up to eight weeks to verify, which was further complicated when Agent 1 transferred their business to a relative (Agent 2) in August 2014. As a consequence, the council suspended all claims in respect of Agent 1 and contacted all of the property owners to determine if they were aware of this change, and to seek confirmation that they wanted to continue with Agent 2 as their representative.
29. In October 2014, the council extended its enhanced verification checks to all new private tenant claims within a specific council area which was considered to present a higher risk of fraudulent activity. At the same time, more rigorous evidence requirements were introduced across the whole of the private sector for all new claims, and claims where a change of address had been notified. However, as a consequence of these enhanced checks, the time taken to process new claims declined significantly to an average of 45 days, at November 2014.
30. The council responded positively to this decline, and in December 2014 carried out a full review of its approach and focused its efforts and staff resources on improving the time to process new claims. In January 2015, further refinements to the enhanced verification checks process was carried out to make it less rigorous and time consuming, while still providing the required level of assurance. This further refinement helped the service to significantly improve its new claims processing performance to an average of 27 days in 2014/15.
31. Although this level of performance was four days above its 2014/15 target, it is commendable given the impact of its involvement in the large scale landlord fraud investigation, and the other issues which have impacted the service's performance. These included:
 - the introduction of a new document imaging system in April 2014
 - the loss of two members of staff on sick leave for approximately six months each, and the loss of four experienced staff on maternity leave during 2014/15 and 2015/16.
32. Exhibit 1 illustrates the council's current and previous performance.

Exhibit 1: Speed of processing performance (average number of days)			
	2013/14	2014/15	2015/16 (29 Feb)
New claims	22 days	27 days	26 days
Change events	5 days	3 days	5 days

Source: Inverclyde Council & DWP

33. The council told us that, since June 2015, processing performance had stabilised as staff became more competent with the new document imaging system and the new verification procedures. Although performance in 2015/16 placed the council 26th in Scotland for the average time to process new claims, based on DWPs quarter two published performance data, the council has been at, or below, the Scottish average of 24 days consistently from August 2015 to February 2016.
34. In addition, the average time taken to process changes of circumstances at an average of four days in 2014/15, and an average of five days in 2015/16 (at 30 September 2015) placed the council as the top performer in Scotland each year. This is an excellent level of performance and, in view of this, we consider that there is scope for the service to switch its focus to improving new claims processing times while still maintaining a top quartile performance for processing changes of circumstances.
35. The council also told that us that it was considering the introduction of risk based verification which could further improve claims processing times and therefore we consider that the service is well positioned to manage and deliver further improvements in the time taken to process new claims in 2016/17.

Accuracy

36. The accurate and secure administration of HB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place.
37. The benefit service has a comprehensive management checking regime which is detailed in the *Benefit Operations - Quality Checking Procedures* and is carried out by the Standards and Monitoring team. All quality checks are pre-payment which helps to reduce the potential for local authority (LA) / administrative delay error overpayments to arise, and is considered to be good practice.
38. On a daily basis the Standards and Monitoring team selects a random sample of claims that were processed the previous day from a benefit IT system report and conducts up to 37 relevant checks, depending on the claim type, to ensure that:
 - the claim form has been fully completed
 - the claimant has provided proof of their identity
 - backdating has been considered, if appropriate
 - the correct type of tenancy has been recorded
 - the rent amount has been correctly entered on to the benefit IT system.
39. The Standards and Monitoring team aims to check a minimum of 20 claims for each assessor per month and the outcomes of these checks are recorded electronically and analysed to identify recurring trends and patterns of error. Where an error is found the claim is returned to the assessor advising the reason for the error and the corrective action required. The assessor is required to amend the claim and, once completed, to advise the Standards and

Monitoring team so that a final check can be carried out to ensure that the appropriate corrective action has been taken.

40. On a monthly basis a detailed summary report is provided by the Standards and Monitoring officer to benefit team leaders which details, for example, the number of claims processed by each assessor, the number of claims checked, the number of incorrect claims identified, and the financial and non-financial accuracy performance for each assessor and the service as a whole. A separate report is also produced for each assessor with a breakdown of their individual performance.
41. These reports are used as a basis for discussion at the monthly Senior Benefits Staff meeting, which is attended by the Standards and Monitoring officer, and at the monthly 1-2-1 meetings between team leaders and assessors to help identify staff that might require remedial training, or additional monitoring. For example, if an assessor has caused a serious financial error, their work could be monitored for a period of four weeks to determine if specific training or guidance is required to ensure that this type of error does not recur.
42. In addition to the daily management checking process, the Standards and Monitoring team also carries out other activities to ensure the accuracy of claims. These include:
 - a 100% check of the work of new staff, staff returning from extended leave, and staff that are under-performing. These checks are reduced incrementally as the officer gains experience, or their accuracy levels improve to a satisfactory level
 - a 100% pre-payment check of all payments in excess of £500 to ensure the accuracy of the payment before it is released
 - randomly selecting an assessor each week and carrying out a 100% check of their work
 - daily, weekly and twice-weekly scrutiny of benefit IT system reports. For example, the landlord payment report is checked twice per week to ensure that all payments over £500 are accurate and that the correct bank details are being used.
43. Exhibit 2 illustrates the council's current and previous accuracy performance.

Exhibit 2: Financial accuracy performance		
	Target	Achieved
2013/14	99%	100%
2014/15	99%	99%
2015/16 (29 Feb)	99%	99%

Source: Inverclyde Council

44. As part of the work of the Standards and Monitoring team, the value of overpayments or underpayments that have been identified are recorded and reported in the monthly performance e-mail that goes to all benefit staff. In 2014/15, the Standards and Monitoring team identified £25,479 of overpayments and £17,237 of underpayments that would have

been made but for the intervention of the team. This reinforces the benefits of a robust management checking process as intervention at an early stage can help reduce:

- the number of telephone or personal enquiries
- the number of requests for reconsideration and appeals
- the value of overpayments, and the costs associated with the recovery process
- the potential for customers to fall into arrears as a result of an underpayment arising from an incorrect assessment.

45. It is clear that the council places significant importance on the accuracy of its claims and has delivered an excellent level of performance each year by meeting or exceeding its internal target, despite other issues which have affected speed of processing performance. This is commendable.

Interventions

46. To minimise error in the caseload, councils must encourage customers to report changes of circumstances on time and have a robust intervention programme to identify changes and take appropriate corrective action.
47. To support this, the benefit service notification letters remind customers of the requirement to report any change in circumstances and the council website provides customers with details of office opening hours, information on how to contact the benefit service by telephone, letter, or e-mail, and forms to report a change of circumstances, which are available to download.
48. The council also actively participates in the DWP's Housing Benefit Matching Service (HBMS), Audit Scotland's National Fraud Initiative (NFI), and more recently the DWP's Real Time Information (RTI) data matching services, which all help to identify possible unreported changes of circumstances that require further investigation.
49. In addition, the benefit service makes good use of the benefit IT system diary facility to produce reports that highlight claims where future changes are expected, or known, which could affect the customer's benefit entitlement, for example, a significant birthday or an increase in earnings.
50. With the introduction of the DWP's Fraud and Error Reduction Incentive Scheme (FERIS), in November 2014, which was designed to reward councils that proactively identify un-reported changes of circumstances, the council successfully applied to the DWP for start-up funding in January 2015.
51. A further maintenance fund application was also successful and these funds were used to develop a marketing campaign in partnership with its four main housing associations and the council's customer service centre. Leaflets were produced for local offices, and reproduced in bi-annual housing association tenant newsletters in 2015, reminding customers on the importance of reporting changes of circumstances. The council told us that this exercise would be carried out again in 2016/17.

52. In addition, the benefit service carried out presentations to all frontline housing association and customer services staff on the importance of dealing with information from customers and how this might affect benefit entitlement.
53. At an operational level, the benefit service has an annual programme of intervention activity which is managed by a dedicated team of four staff; a senior benefit assessor supported by three assessors. The comprehensive *Benefit Operations - Interventions* procedural document details the actions to be carried out for each campaign and every month the council aims to carry out a new campaign targeting a specific customer group using different intervention techniques as detailed in exhibit 3 below.

Exhibit 3: Example FERIS activities 2016/17		
Month	Task	Method
May	War Pensions	Letter
July	Student income	Telephone call & review form
September	Child Care Charges	Telephone call & review form
November	National minimum wage uprating	Online checks
December	Working Tax Credit/Child Tax Credits	Customer Information System

Source: Inverclyde Council

54. The results from the council's interventions activities are recorded on the benefit IT system's FERIS module which is used to document whether the outcome has resulted in a change or no change to the amount of benefit the customer receives. However, we were told that, where a change has been identified, the council is not recording the value of the resultant overpayment or underpayment.
55. Exhibit 4 below details the outcomes from the council's interventions activity.

Exhibit 4: Interventions performance			
	No. of interventions completed	No. of changes identified	%
2013/14	1177	591	50%
2014/15	1346	778	58%
2015/16 (29 Feb)	889	426	48%

Source: Inverclyde Council

56. Audit Scotland identified one risk to continuous improvement during the previous risk assessment in that there was limited recording of interventions outcomes, and analysis of interventions activity was not sufficiently detailed to enable the council to make informed

decisions on the effectiveness of its approach, or help it to identify service improvements. For example:

- the type of intervention that is most successful in identifying an un-notified change of circumstances
- the type of un-notified changes that are most prevalent.

57. We consider that this risk remains outstanding as the council is not recording the value of overpayments or underpayments identified from its interventions activity. In doing so, it would be better placed to determine the effectiveness of each campaign, and enable the service to make informed decisions on its future interventions strategy.

Overpayments

58. To protect public funds, councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified and rigorously recovered.
59. The *HB/CTR Overpayment Recovery Policy* and the *Sundry Debtors Policy* set out the councils approach to the recovery of debt. The *HB/CTR Overpayment Recovery Policy* details the importance of a clear debt recovery strategy, and the aim of the policy is to ensure that the council administers and recovers HB/CTR overpayments efficiently and effectively.
60. Where a customer remains in receipt of benefit, the overpayment is recovered from ongoing deductions using the DWP's prescribed rates or, if appropriate, at a reduced rate following an assessment of the customer's financial circumstances. However, if a customer is no longer in receipt of benefit, responsibility for the recovery of the debt is transferred to the Finance and Subsidy team, consisting of a Finance and Subsidy officer supported by two Finance and Subsidy assistants.
61. The Finance and Subsidy team makes good use of all available recovery options including:
- issuing an invoice when the customer is no longer in receipt of benefit
 - working with the DWP's Debt Management Unit to recover overpayments from ongoing DWP benefits where appropriate
 - using the DWP's Customer Information System to trace customers who are no longer resident within the local authority area
 - utilising social media, and texting customers to remind them to contact the Finance and Subsidy team
 - arrestment of earnings, where appropriate.
62. We were also told that the council carries out a number of other activities to help minimise the number and value of overpayments that occur. These include a daily check of all overpayments to ensure that they are correctly classified and are set to be recovered from the correct person or organisation, and the prioritisation of high-risk NFI data matches.

63. In addition, the council's customer relationship management system is set to auto-suspend a claim when a change of address is notified, and there is an interface between the council's benefit IT system and its largest housing association's rent system that automatically cancels HB when a tenancy ends. This is considered to be good practice.
64. Exhibit 5 illustrates the council's current and previous recovery performance.

Exhibit 5 Overpayment levels and recovery performance			
	2013/14	2014/15	2015/16 (31 Dec 15)
Total overpayments c/f	£1,177,040	£1,221,037	£1,351,322
Total overpayments raised in-year	£709,817	£902,904	£364,465
HB debt recovered	£511,611	£607,390	£234,425
% of in-year debt recovered	72%	67%	64%
% of total HB debt recovered	27%	29%	24%

Source: Inverclyde Council

65. Although the council's fraud investigation function was transferred to the DWP's SFIS in February 2016, the council told us that it is committed to actively pursuing legacy fraud overpayments / administrative penalties and that any new fraud overpayments / administrative penalties are prioritised for recovery and recovered at the higher recovery rate, as appropriate.
66. This commitment can be demonstrated by the council's performance in recovering administrative penalties. In 2014/15 of the £4,720 of administrative penalties raised, the council had recovered £4,148 (88%) and in 2015/16, of the £4,393 raised, the council had recovered £2,205 (50%), at 30 March 2016.
67. Audit Scotland identified two risks to continuous improvement during the previous risk assessment in that:
- although the council had set a target and reported performance in recovering sundry benefit debt, there were no targets in the performance management framework for in-year debt recovery, or all debt recovery, and therefore this performance was not being routinely reported to senior management or elected Members
 - the council's cash collection target of more than £5,000 per month was not sufficiently challenging when compared to current performance.
68. We consider that one of these risks has been addressed as the council increased its cash collection target from £5,000 per month to £10,000 per month following our previous visit and had collected approximately £12,000 per month on average in 2015/16, at February 2016.
69. However, as detailed under *Performance reporting*, there are no targets in respect of the recovery of in-year debt, or against the value of all debt outstanding. Although this information

is available, it is not formally reported to senior management and members, and therefore the council has limited assurance that it is delivering optimum performance, or that it is fully meeting the aims of the *HB/CTR Overpayments Recovery Policy* to administer and recover benefit overpayments efficiently and effectively.

Counter-fraud

70. The prevention, detection and investigation of fraudulent claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.
71. In 2010, the joint DWP/Her Majesty's Revenues and Customs (HMRC) fraud and error strategy proposed a Single Fraud Investigation Service (SFIS) to address fraud across all benefits and Tax Credits, whether currently administered by DWP, HMRC, or local authorities. The main objective of the policy was to ensure that all types of social security and Tax Credit fraud would be investigated according to a single set of guidance and priorities.
72. In February 2016, the council's benefit fraud investigation function was transferred to SFIS and, as part of the new SFIS regime, a local agreement has been developed between the council and the DWP which sets out the requirements for the exchange of information between the two organisations. This includes recommended timescales, a single point of contact, and an escalation route should any issues arise that cannot be resolved at the single point of contact level.

Appendix A

Progress against action plan update at March 2016	
The benefits service and counter fraud business plans do not contain details of the service's key performance targets, monitoring or reporting arrangements.	Completed
Although the performance management framework is comprehensive, not all aspects of performance are being reported to senior management or elected Members. This includes the benefit service's performance in respect of the: <ul style="list-style-type: none"> administration of sanctions recovery of benefits overpayments. 	Outstanding
Although the council has previously engaged with landlords and benefits customers, in order to obtain meaningful feedback on the quality of service provided, and identify areas for improvements, surveys need to be targeted at, and focussed on, the experience of landlords and customers when dealing with the benefits service.	Completed
There is no service level agreement between the customer service centre and the benefits service setting out the roles and responsibilities of each service and detailing performance targets, monitoring, and reporting arrangements.	Completed
Although the council has previously carried out benefit take-up initiatives, there is no formal benefit take up strategy setting out the council's approach to engaging with potential benefits customers, or those from under-represented groups.	Completed
The council does not have a customer service strategy and, as there are only limited customer service targets, there is limited reporting of customer service performance.	Completed
There is limited recording of interventions outcomes, and analysis of interventions activity is not sufficiently detailed to enable the council to make informed decisions on the effectiveness of its approach, or help it to identify service improvements. For example: <ul style="list-style-type: none"> the type of intervention that is most successful in identifying an un-notified change of circumstances the type of un-notified changes that are most prevalent. 	Outstanding
Although the council has set a target and reports performance in recovering sundry benefits debt, there are no targets in the performance management framework for in-year debt recovery, or all	Completed

Progress against action plan update at March 2016	
debt recovery, and therefore this performance is not being routinely reported to senior management or elected Members.	
The council's cash collection target of more than £5,000 per month is not sufficiently challenging when compared to current performance.	Completed
Although improving, the council's performance in dealing with requests for reconsideration and appeals is below local targets.	Completed
There are incomplete data fields in the appeals and reconsiderations spreadsheet, and the council needs to understand and address the reasons why approximately 60% of requests for reconsideration are being resolved in favour of the customer.	Completed
There is limited analysis of the outcomes of requests for reconsideration, and therefore the council is missing an opportunity to learn from this work by identifying areas for improvements.	Completed

Risk no.	Description of risk	Action to be taken	Responsibility	List of task to be carried out to remove risks	By when	Progress at 13th June 2016	Status of risk at 13th June 2016
1	The is limited recording of interventions outcomes, and analysis of interventions activity is not sufficiently detailed to enable the council to make informed decisions on the effectiveness of its approach, or help it to identify service improvements	Record intervention outcomes on the Benefits Monthly Performance Management Framework (MPMF) and analyse results	Revenues and Customer Services Manager and Benefits and Customer Servies Team Leader services Officer	Agree performance measures and build, run and test benefits processing system reports.	30th June 2016	MPMF updated to track: names of campaigns; number of claims within each campaign; % of campaign claims identifying a decrease or increase/ remaining unchanged. Software does not permit monetary values to be reported.	Complete pending approval by Audit Scotland
2	There are no targets for the recovery of in-year debt, or against the value of all debt outstanding. Performance information is not reported formally to senior management and members.	Set targets, record in-year debt and the value of debt outstanding on the Benefits Monthly Performance Management Framework (MPMF) and report to senior management	Revenues and Customer Services Manager and Revenues Team Leader	Agree performance measures and identify relevant benefits processing system reports that provide required data. Revenues and Benefits Manager to discuss with the Chief Financial Officer the best methodology for reporting performance	30th June 2016	MPMF updated to track: overpayment and sundry debt raised and recovered	Complete pending approval by Audit Scotland

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John Mundell
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21 June 2016

Dear Mr Mundell

The audit of housing benefit – benefits performance audit risk assessment

I would like to thank Fiona Borthwick, Revenues and Customer Services Manager, for her email of 16 June 2016 including the council's response to our risk assessment report sent to you on 16 May 2016.

I have considered your proposals to reduce the risks identified in our report and I am satisfied that the actions you have already implemented and the further amendment to the detail of intervention performance measures proposed by Fiona by telephone on 17 June 2016, will make a positive contribution to the continuous improvement of the council's housing benefit service.

I am therefore pleased to conclude that no further scrutiny is required at this stage.

I would like to thank you and your benefits management team, in particular Fiona Borthwick and Tracy Bunton for the positive and helpful approach displayed throughout the risk assessment process.

Yours sincerely

Russell Frith
Assistant Auditor General

Copied to: Fiona Borthwick
Tracy Bunton

Inverclyde Council

Housing Benefit Performance Management Framework 2016/17

1 Claim Assessment	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
1.1 Days to Proc New	26 days	23 days	26	24	27
1.2 % New Claims Outstanding > 50 days	13%	9%	11%	16%	13%
1.3 Days to Proc CofC	4 days	4	8	4	5
1.4 % New det< 14 days of all info	95%	98%	96%	91%	97%

2 Quality	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
2.1 Financial	93%	93%	90%	96%	95%
2.2 Non Financial	91%	90%	87%	95%	92%
2.9 Accuracy (quarterly)	99%	98.8%	96%		

3 Appeals & Requests for Reconsideration	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
3.1 No. of reconsideration requests received in month				74	76
3.2 Process Reconsiderations < 15 working days of receipt	50%	50%	45%	62%	53%
3.3 No. of appeals received in month	new	new	new	16	17
3.4 Acknowledge Receipt of Appeal < 10 working days of receipt	97%	95%	90%	100%	100%
3.5 Case opened < 28 days of acknowledgement	49%	75%	60%	100%	28%
3.6 Prepare submission to The Appeal Service < 2 months of receipt of the last information to support the appeal	63%	90%	70%	100%	75%

4 Interventions	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
4.1 No of residency check postal reviews issued in month	60	50	45	63	51
4.2 % of other reviews identifying an increase	new	new	new	80%	68%
4.3 % of other reviews unchanged					
4.4 % of other reviews identifying a decrease	new	new	new	20%	32%

4.5	Diary events, sig. age reports etc - no. of claims reviewed	new	new	new	179	211
5	FERIS	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
5.1	Name(s) of campaign(s) commenced in month	new	new	new	None	Earned Income
5.2	No. of claims within campaign(s)	new	new	new	N/A	170 completed (ongoing)
5.3	% of campaign claims identifying an increase	new	new	new	N/A	37%
5.4	% of campaign claims unchanged					
5.5	% of campaign claims identifying a decrease	new	new	new	N/A	63%

6	Correspondence/ Complaints	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
6.1	No. of written enquiries received	monitor	monitor	monitor	17	20
6.2	Enquiries - written	70%	100% < 15 days	80%	71%	55%
6.3	Complaints - written	90%	100% < 7 days	95%	5	7
6.4	No. of Lagan emails & enquiries	new	monitor	monitor	80	201

7	Discretionary Housing Payment	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
7.1	No. of applications o/s at month end	new	tbc	tbc	1488	1408
7.2	% DHP approved	77%	77%	85%	79%	88%
7.3	Uncommitted budget	monitor	monitor	monitor	£893,696.77	£828,790.18
7.4	Reviews received as % of decisions made in month	0.24%	0.25%	0.40%	0%	0%
7.5	% of reviews upheld in favour of applicant	0%	20.00%	30.00%	n/a	0%
7.6	No. of 2nd tier reviews	1	5	8	0	0
7.7	% applications approved - Financial Hardship	47%	50%	60%	100%	100%
7.8	% of applications outstanding for > 14 days after HB decision	new	5%	10%	0%	2%

8	Scottish Welfare Fund	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
8.1	Days to process Crisis Grants		end of next day	2 days	0 days 15 hrs	0 days 12 hrs
8.2	Days to process Comm Care Grants		15 days	15 days	10 days 19 hrs	19 days 6 hrs
8.3	% Crisis Grants processed within target		100.0%	98.0%	97%	100%
8.4	% Comm Care Grants processed within target		100.0%	90.0%	94%	73%

8.5	longest outstanding application		30 days	25 days	22 days	30 days
8.6	% of CG monthly budget spent		95%	100%	84%	60
8.7	% of CCG monthly budget spent		95%	100%	110%	75%
8.8	No. of applications in progress at month end		60	80	74%	6800%
8.9	Reviews rec'd as % of appl. rec'd in month		1%	2%	1%	1%
8.1	% of reviews upheld in favour of applicant		50%	80%	100%	50%
8.11	No. of 2nd Tier reviews rec'd		1	3	0	0
8.12	No. of completed visits		8	4	tbc	tbc
8.13	Net saving/ additional award as a result of visits		£2,500	£5,000	tbc	tbc
8.14	% of incoming calls (incl answer service) answered		75%	65%	77%	67%
8.15	Accuracy - administration		98%	95%	98%	100%
8.16	Accuracy - decision making		92%	89%	100%	90%

9	Debt Recovery	YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
9.1	Fund 5 - Cash Collected	£148,008	£12.5k per month	< £10k per month	£12,645.53	£10,339.28
9.2	Issue Invoices & Reminders	100%	2 weekly invoice runs	5 days beyond due date	100%	100%
9.3	DWP Debt Management Referral - claim checks		120 per month	100 per month	128	134
9.4	7 Day Letters issued (No Employer). Debt > 10 weeks without payment/ instalment plan in place and being adhered to	100%	95%	90%	100%	100%
9.5	Direct Earnings Attachments - Debt > £100 (with Employers)	2	100 debts checked per month	70 per month	109	112
9.6	Action Landlord Recovery Sundry Debt (e.g. LLI, DEA, Sherriff Officer)	100%	98%	95%	100%	100%
9.7	Monitor ongoing recovery levels (i.e. review reduced recovery rates)	100%	100%	95%	100%	100%
9.8	Total Overpayments c/f from 2015/16	new	new	new		
9.9	Overpayment raised in year (HBRF)	new	new	new		
9.1	Overpayment recovered in year (HBRF)	new	new	new		
9.11	% of in year debt recovered	new	new	new		
9.12	% of total HB debt recovered	new	new	new		

9.13	Sundry Debt identified in month (Overs)	new	new	new	£ 51,150.56	£ 39,276.14
9.14	Sundry Debt recovered in month (unders)	new	new	new	£ 40,025.17	£ 24,074.45
9.15	Sundry Debt balance outstanding at month end	new	new	new	£ 791,529.62	£ 796,392.03

		YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
10	Caseload/ Take-up					
10.1	Caseload HB	8554	monitor	monitor	8554	8558
10.2	Caseload CTR	9735	monitor	monitor	9735	9738

		YTD 1516	Target	Trigger Point	Monthly Performance - Apr 2016	Monthly Performance - May 2016
11	NFI					
11.1	No. of cases completed - year to date	new	monitor	monitor	890	918
11.2	No. of cases in progress	new	monitor	monitor	29	29
11.3	No. of cases to be started	new	monitor	monitor	107	79

Report To:	Policy & Resources Committee	Date:	9 August 2016
Report By:	Brian Moore Corporate Director (Chief Officer) Inverclyde Health and Social Care Partnership (HSCP)	Report No:	SW/31/2016/AH
Contact Officer:	Andrina Hunter Service Manager, Health Improvement Inequalities & Personalisation	Contact No:	01475 715285
Subject:	ADVICE SERVICES TEAM ANNUAL REPORT 2015		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Policy & Resources Committee on the role and activities of the Inverclyde HSCP Advice Services Team.

2.0 SUMMARY

- 2.1 The Advice Services Team is an integral team within the Planning, Health Improvement and Commissioning Service area of Inverclyde Health and Social Care Partnership.
- 2.2 The Advice Services Team provides welfare benefits and money/debt information, advice and support and representation to many of Inverclyde's most vulnerable members of the community.
- 2.3 The Team has supported many clients to successfully navigate the welfare benefit system and achieve the financial support they require.

3.0 RECOMMENDATIONS

- 3.1 The Policy & Resources Committee is asked to note the Annual Report for 2015/16 for the Advice Services Team.

**Brian Moore
Corporate Director
(Chief Officer)
Inverclyde HSCP**

4.0 BACKGROUND

- 4.1 Inverclyde HSCP Advice Services team was established in 2013 following an amalgamation of the three teams that provided welfare benefits advice, money advice and welfare rights representation and appeals.
- 4.2 The vision of Inverclyde HSCP Advice Services is to provide an accessible and free, fit for purpose, advice service at point of need for the people of Inverclyde. This vision is underpinned by the values of accessibility, accountability, confidentiality, effectiveness, impartiality, independence and quality. The services provided cover a range of interventions from advice and information through to debt advisory schemes and representation at appeal tribunals.
- 4.3 The Inverclyde Advice Services Team's work plans and priorities are aligned to the Inverclyde HSCP priorities and are all underpinned by the National Wellbeing Outcomes, the five HSCP Strategic commissioning themes and local need identified within the HSCP Strategic Needs Assessment.
- 4.4 The Team is supported by the recent development of an integrated case management system. The system mirrors the model of a single point of access and has allowed Advice Services to refresh and revitalise the way in which it delivers the service and to help mitigate the impacts of the welfare reform agenda.
- 4.5 Key outcomes for April 2015 to March 2016:
- 10,945 Advice First telephone calls were handled with approximately 68% of calls resolved over the telephone.
 - Information and Advice Workers confirmed financial gains of £901,790 for Inverclyde Residents.
 - 698 Welfare Rights appeals scheduled.
 - 74% of appeal cases with a final outcome decision were found in favour of the appellant.
 - Confirmed financial gains of £1,216,160.86 achieved for Inverclyde Residents from successful appeals.
 - 258 interventions carried out with clients requiring money/debt advice and £1,393,712 of multiple debt managed.
- 4.6 In addition a range of specialist services for clients with addictions and homelessness issues, those with a cancer diagnosis and specialist support for children and families are all delivered by the Advice Services Team.

5.0 IMPLICATIONS

FINANCE

5.1 Financial Implications: One off Costs

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

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments

LEGAL

5.2 There are no legal issues within this report.

HUMAN RESOURCES

5.3 There are no human resources issues within this report.

EQUALITIES

5.4 This service deals with vulnerable clients, the majority of which will be covered by protected characteristics including socio economic status. Therefore the service is likely to have a positive impact on these client groups.

Has an Equality Impact Assessment been carried out?

X

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.

6.0 CONSULTATIONS

6.1 This report has been prepared by the Advice Services Team, Inverclyde Health and Social Care Partnership (HSCP)

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

Foreword

It is with great pleasure that I present the 2015 Annual Report of the Inverclyde Health and Social Care Partnership (HSCP) – Advice Services Team. This 2015/16 report is the first of its kind produced by the HSCP Advice Services Team. This report outlines the services we deliver and our key achievements in supporting many of the vulnerable members of the Inverclyde community.

It has been a challenging but interesting year with changes in staffing; development of the triage advice line, underpinned with the introduction of a new caseload management system; funding constraints; welfare reforms and the move towards full integration across health and social care, however the team has continued to deliver a high quality, effective and professional approach to working towards the Inverclyde HSCP vision of Improving Lives.

I hope you enjoy reading this report and finding out more about the work of the Advice Services team.

Brian Moore
Chief Officer
Inverclyde Health and Social Care Partnership

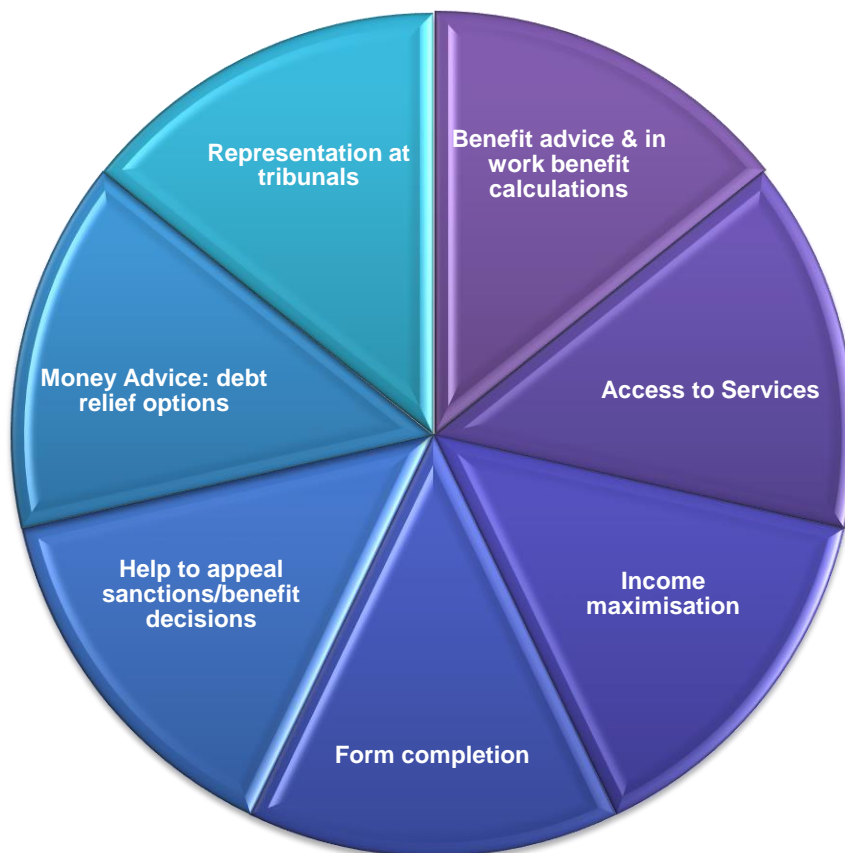
April 2016

Introduction

Inverclyde HSCP Advice Services team was established in 2013 following an amalgamation of the three teams that provided welfare benefits advice; money advice and welfare rights representation and appeals.

The Advice Service is predicated on a rights-based approach that contributes to the alleviation of poverty and effects of debt in the Inverclyde community, making a positive difference to the lives of many. It is imperative for the well-being of vulnerable claimants and also for the wider Inverclyde economy to ensure that people receive the support they require during a period of change and uncertainty as a result of continuing austerity, devolution of aspects of the social security system and wider welfare reform. The provision of an effective advice service is directly relevant to the duty of the HSCP to provide social welfare and the wider efforts to improve health and well-being.

The vision of Inverclyde HSCP Advice Services is to provide an accessible and free, fit for purpose, advice service at point of need for the people of Inverclyde. This vision is underpinned by the values of accessibility, accountability, confidentiality, effectiveness, impartiality, independence and quality. The services provided cover a range of interventions from advice and information through to debt advisory schemes and representation at appeal tribunals.



Integration Legislation

From 1st April 2016 Inverclyde became a fully integrated Health and Social Care Partnership laid down in statute by the integration legislation and its associated guidance. That guidance highlights that every HSCP must produce a Strategic Plan, outlining what services will be included, noting key objectives and how partnerships will deliver improvements. These improvements will be gauged on the nine national wellbeing outcomes, designed to help partnerships demonstrate the difference that joined up services make to the lives of the people who use those services.

The nine National Wellbeing Outcomes are:

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively in the provision of health and social care services.

Inverclyde HSCP Strategic Plan

The Inverclyde Strategic Plan 2016 -19 has been developed by the HSCP's Strategic Planning Group, including representatives of local people, users of services and carers, third and independent sector partners and acute services. The Strategic Plan will deliver against the five commissioning themes:

- ▶ Employability and meaningful activity
- ▶ Recovery and support to live independently
- ▶ Early Intervention, prevention and reablement
- ▶ Support for families
- ▶ Inclusion and empowerment

Going forward, Inverclyde Advice Services work-plans and priorities will be aligned to the Strategic Plan, the National Wellbeing Outcomes and the five strategic commissioning themes.

Impacts of Welfare Reforms

Inverclyde continues to rank in the top 5 of local authorities in Scotland with the highest levels of income deprivation, with 40% of Inverclyde's data zones in the 15% most deprived data zones in Scotland (SIMD, 2012).

The range of welfare reforms introduced over the last few years is significant. The increase in conditionality and sanction regimes; introduction of benefit cap and universal credit will all impact on the local community. However the introduction of, and migration to, Personal Independence Payments (PIP) is likely to be the biggest challenge presented by on-going welfare reform changes in 2016.

The latest update from Sheffield Hallam University, March 2016, highlights that the Inverclyde community is significantly affected by the latest welfare reform changes:

- ▶ Increase in non-dependent deductions: Inverclyde in UK 20 worst affected local authorities, 3rd highest in Scotland
- ▶ Introduction of PIP: Inverclyde in UK 20 worst affected local authorities, 3rd highest in Scotland
- ▶ Current ESA reforms: Inverclyde in UK 20 worst affected local authorities, 3rd highest in Scotland
- ▶ ESA new reforms: Inverclyde in UK 20 worst affected local authorities, 5th highest in Scotland

Fundamental Causes of Inequalities

The links between poverty and health are well documented and for many years now Inverclyde has been characterised by some notably unequal health and socio-economic outcomes. The causes of inequality are well-evidenced in terms of economic and work-related opportunities; levels of education; access to services and societal or cultural norms. Health inequalities are therefore inextricably linked to the unequal distribution of a range of opportunities.

In addressing inequalities and the challenges we have within Inverclyde, action is required at all three levels, fundamental, wider and individual level. Inverclyde's Single Outcome Agreement (SOA), delivered through the Inverclyde Alliance, aims to address these determinants, by improving quality of life and wellbeing of people who live in Inverclyde, whilst tackling the inequalities which exist across the area.

The Advice Services team have a clear role by improving the quality of life and wellbeing of people who live in Inverclyde, whilst tackling the inequalities which exist across the area.

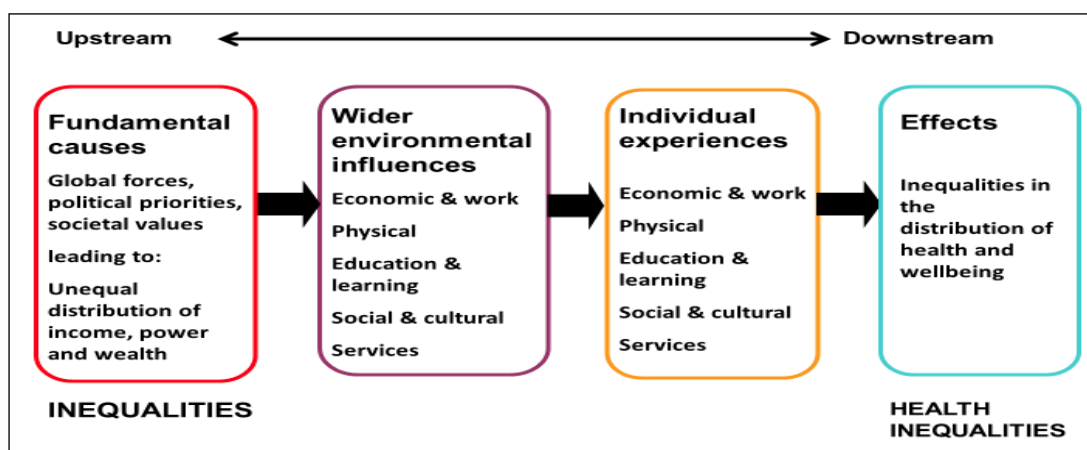


Figure 1 Health Inequalities: Theory of Causation (reproduced with permission from NHS Health Scotland: this info is © NHS Health Scotland).

The HSCP commitment to integration should in addition help translate into an operational reality one of the key policy drivers identified in 'The Impact of Welfare Reform – Tracking Study 3' produced for the Scottish Government. That report says:

"There should be more joined-up practice between health, social care and welfare services. Health and social care professionals need not be experts, but should at least be aware of the kind of support that people might be entitled to, and referral mechanisms between health and social care, and advice services should be established."

This in turn compliments the findings of a Report from the Low Commission, 'The Role of Advice Services in Health Outcomes' published in the Summer of 2015. Although produced with a focus on the English legislative requirements of the Health and Social Care Act 2012 and the Care Act 2014, it nevertheless merits close consideration in terms of the Scottish Health and Social Care Integration agenda predicated on the Public Bodies (Joint Working) (Scotland) Act 2014.

"Improving the financial, material and social circumstances of people presenting at primary care can underpin sustainable improvements in health relating to poverty and deprivation, providing a means by which primary care organisations can address the social, economic and environmental influences on the health of their population."

"Stronger partnership between advice services and health care partners has the potential to affect system change in order to challenge and change policies that are exacerbating health inequalities and creating demand for health provision."

Service Activity Analysis

The Service

Whilst Advice Services is one integrated service it provides three distinct areas of work:

- ▶ Advice and Information
- ▶ Welfare Rights Representation
- ▶ Debt Support

All 3 teams are supported by the recent development of an integrated case management system. The system mirrors the model of a single point of access and has allowed Advice Services to refresh and revitalise the way in which we deliver the service and to help mitigate the impacts of the welfare reform agenda.

As well as supporting the provision of an efficient, quality service to users - the system ensures that our service keeps clear, concise records of advice given and actions taken, and we are able to generate data that will allow the monitoring of the types of work undertaken by advisers and the time taken on each case. The system provides an immediate view of current case numbers to ensure work is fully represented, that advisers work within their capacity, and reports fully on financial gain achieved by the service on behalf of clients. The system has time bound triggers to allow the service to follow up on the outcome of a benefit application or if a client has challenged an adverse decision, ensuring we are providing an efficient wraparound service.

Advice First Telephone Triage Service

The Advice First telephone line is the single point of access to Advice Services and the range of services that are predicated on Advice First. Many of the clients who are contacting the service often have multiple issues, many of which could be resolved over the telephone, thus either negating the need for an appointment or addressing some of the issues prior to attending an appointment. To ensure the service is as accessible as possible, there is a monitored email address where referrals are received from other agencies, clients and other HSCP services.

10,945 Advice First telephone calls were handled from April 2015 to March 2016

Approximately 68% of calls presented to Advice First were resolved over the telephone

Advice and Information Service

The single biggest role for Advice/Information Workers is related to assistance given in the completion of benefit applications. Given the complexity of the benefit system, claimants often fail to include all the necessary information required by the Department of Work and Pensions (DWP). Advice and Information workers are familiar with the claims and decision making process and are aware of what is relevant to an application. The nature of the support provided by Advice/Information workers to claimants has changed over the past couple of years, becoming more intensive with increasing numbers of claimants requiring enhanced levels of ongoing support over many months. The one-off advice intervention is being replaced with the need to remind claimants of the continuing obligations to furnish DWP with information and certificates such as sick lines; of the two stage process of challenging decisions, and the strict statutory time limits involved and assistance with the long term management of claims in general. The Advice and Information Service is committed to assisting Inverclyde residents to navigate the welfare benefits system successfully.

For the period April 2015 to March 2016 Information and Advice Workers confirmed financial gains of £901,790 for Inverclyde Residents*

2776 appointments scheduled between Greenock and Port Glasgow HSCP Offices

214 home visits

1443 follow-ups completed

Access to Service

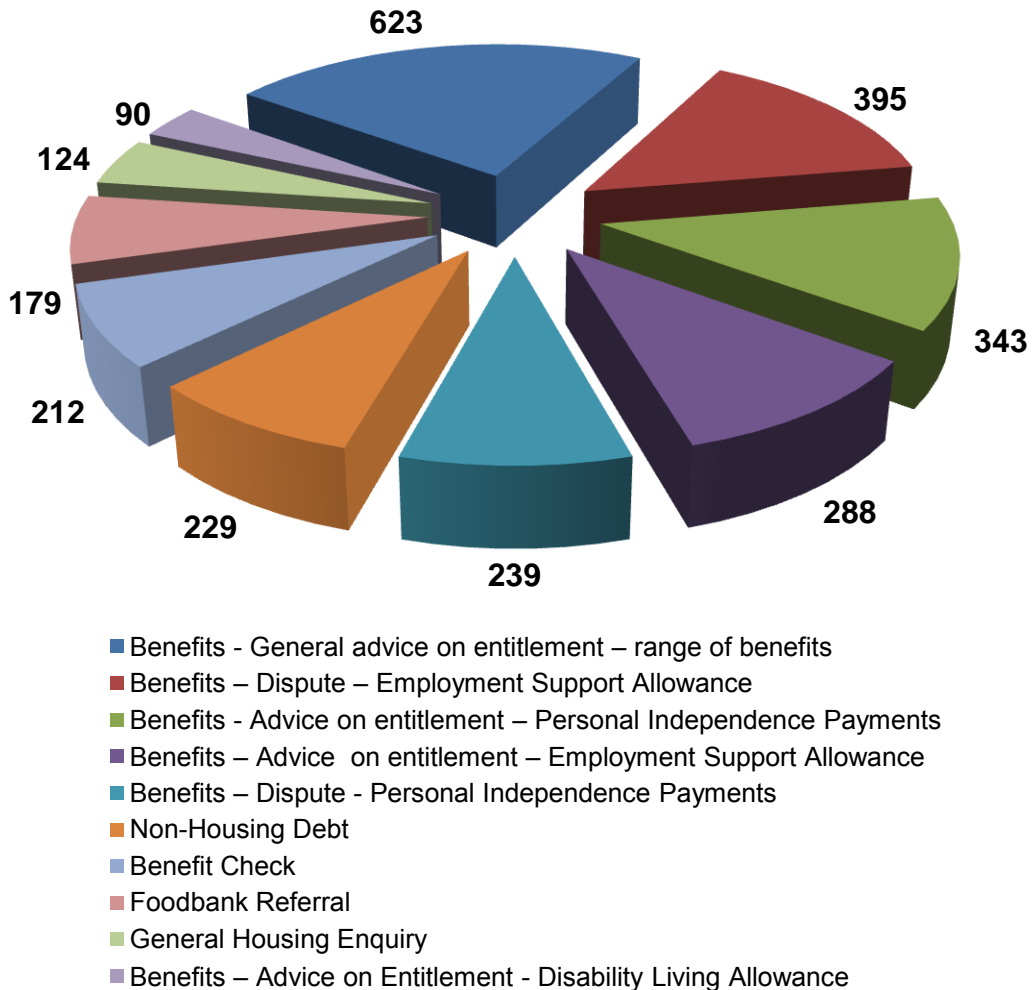
Another key aspect of the Advice and Information Service is providing a single point of access for people who need assistance with daily living tasks and activities to support them to live as independently as possible at home. Service is available to people living within the community whether alone or as a member of a family. Services include: homecare; reablement; community alarm; telehealthcare and respite at home.

194 Access to Service referrals completed

An average of 31 queries per month have been handled and referred to the appropriate Homecare/Community Care Services

*Unlike the specialist advisors, who carry out intensive casework, the advice/information workers operate on a duty rota basis and once clients have received support it can prove more difficult to capture actual financial gains due to disengagement with the service. For this reason the gains are probably under-represented.

This chart demonstrates the top 10 most common enquiries to Advice Services for the period April 2015 to March 2016.



The most common query was on a range of benefits, with 17% of clients contacting for this reason. Almost 40% of all enquiries were in relation to sickness and disability related benefits such as Personal Independence Payments/Disability Living Allowance which is in line with expectations.

Welfare Rights

The core task of Welfare Rights is to help claimants prepare for appeal by:

- ▶ Gathering evidence and researching relevant case law
- ▶ Preparing submissions and providing representation for claimants at oral hearings
- ▶ Finding errors of law in the statement of reasons
- ▶ Preparing submissions to and attending hearings before the UT

The driver of demand for representation is DWP policy and practice. Changes in DWP inflows and outflows from benefit caseloads have a clear correlation to the demand for Tribunal representation.

Where appropriate, Welfare Rights Officers also provide representation at the Upper Tribunal (Administrative Appeals Chamber). This is a superior court of record whose decisions are binding so we often contribute to changing the law generally in favour of claimants.

Two examples of this were: in case *CSE/17/2014* the UT accepted our argument that attendance at a psychiatric day-care centre was medical treatment and not work-related activity so that such individuals were no longer to be treated as capable of work-related activity. In case *CSE/430/2012*, the UT accepted our argument that in considering whether a claimant could reasonably be expected to use a wheelchair, consideration had to be given to where they lived.

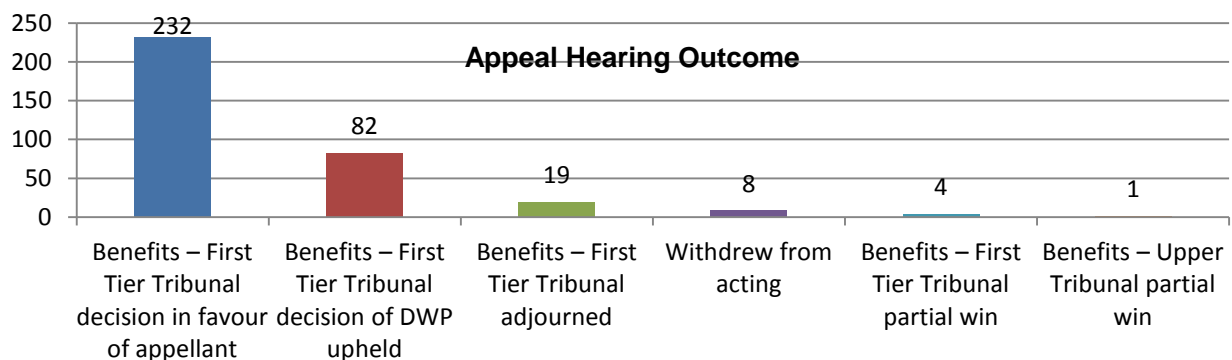
Appeals to the UT are based on legal argument alone and the respondent is ordinarily represented by an Advocate instructed by the Office of the Solicitor to the Advocate General. The appellant is represented by a Welfare Rights Officer.

The appeal hearing outcomes are always lower than the amount of Welfare Rights appeals scheduled. Due to the complexity of the casework there may be more than one appeal hearing required per client. Part of the ongoing development of the caseload management system is the ability to capture and quantify the level of work involved in Welfare Rights, and a focus will be on data capture of the amount of hearings, both First-tier and Upper, required before there is an outcome.

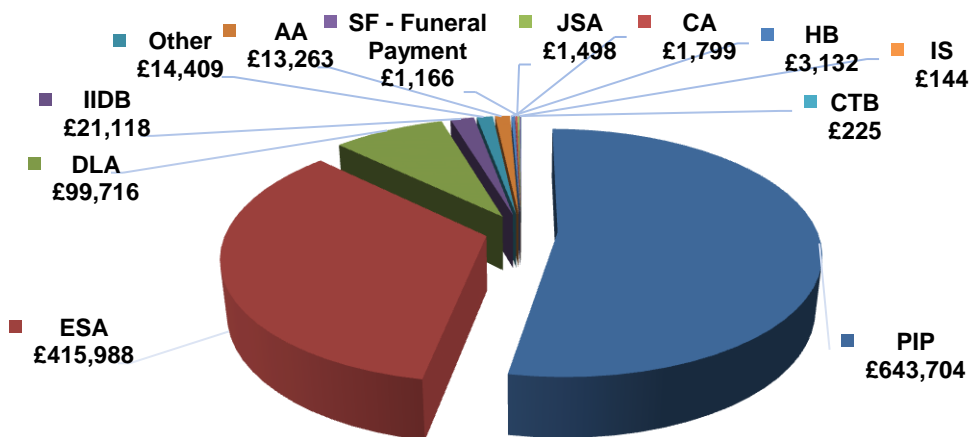
From 1 April 2015 to 31 March 2016 confirmed financial gains of £1,216,160.86 achieved for Inverclyde Residents from successful appeals

698 Welfare Rights appeals scheduled

74% of cases with a final outcome decision were found in favour of the appellant



As seen below the chart demonstrates the financial gain generated from Welfare Rights appeals based on benefit type:



Perhaps one of the largest pieces of work will be the continued roll out of the Personal Independence Payment (PIP) and in particular the migration of Disability Living Allowance (DLA) claimants to PIP. PIP has replaced DLA for working age claimants. DLA was introduced in recognition of the additional costs incurred by claimants with disabilities or health conditions, who as a result required additional heating, special diet, increased cost of travel etc. PIP like DLA is neither means tested nor based on national insurance contributions but awarded on the basis of need. All new claims are now for PIP, while existing DLA claimants in Inverclyde were invited to apply for PIP from October 2015. If a claimant fails to respond to their invitation to claim PIP they will lose their DLA. It is important to note that PIP does not directly replace DLA but is a completely different benefit. This means existing DLA claimants have to apply for PIP and their current receipt of DLA, even of the highest level of an indefinite or life time award does not automatically entitle them to PIP. One of the stated aims of Government when PIP was introduced was to reduce the numbers receiving disability benefits. There are approximately 4,000 working age DLA claimants in Inverclyde who will be subject to the migration process. DWP produced the first set of DLA to PIP reassessment statistics in December 2015. The figures for Inverclyde showed over a third (32%) of those reassessed had lost all entitlement to disability benefit. Of the 68% who secured an award of PIP there is no guarantee the award was similar to that received by way of DLA. Successful but reduced awards of PIP can still result in substantial financial loss, loss of benefit to carers and loss of Motability vehicles. Challenges to PIP decisions made by DWP is the single biggest appeal jurisdiction for the Ministry of Justice at 38%. Early indications are that this will be reflected at an Inverclyde level. Of the 101 Tribunal Hearings scheduled with Welfare Representation in the first two months of 2016, 48 are PIP appeals.

Benefit Key

AA	Attendance Allowance	HB	Housing Benefit
DLA	Disability Living Allowance	CA	Carers Allowance
IIDB	Industrial Injuries Disablement Benefit	IS	Income Support
JSA	Jobseekers Allowance	CTB	Child Tax Benefit
PIP	Personal Independence Payment	SF	Social Fund

Money/Debt Advice

People in poverty pay more for goods and services, for example in accessing fuel or arranging credit. This is often termed the 'poverty premium'. Money/Debt Advice seeks to address this by helping clients make informed decisions in relation to accessing financial services and making arrangements for best payment options in relation to utilities. Clients requiring a specialist and ongoing debt/money advice service are provided with timely and appropriate advice and case work intervention. People trying to manage debt while living on a low income experience stress and depression. Money/Debt Advice, however, works and the earlier people access the help on offer the better their chances of reaching good outcomes for themselves and their families.

Inverclyde HSCP Advice Services Money Advice is the only licensed local operator/provider of the Debt Arrangement Scheme (DAS). The Debt Arrangement Scheme Scotland is a Debt Management Plan set up by the Scottish Government and administered by The Accountant in Bankruptcy (AIB). It was set up in 2004 for people who had multiple debts and have some disposable income to repay the debts. It has had many changes since then, beneficial for both the creditors and debtors and now includes one or multiple debts with all interest and charges frozen from the outset. The DAS has been very successful in Inverclyde with 257 live cases currently maintained on DASH (Debt Arrangement Scheme Hub) with 23 new live cases from April 2015 to March 2016. The total amount of debt for those 23 cases is approximately £400,000 averaging £17,391 per person. This is money being paid back to creditors and gives the debtors more financial capability and enables them to get back in control of their finances. The debtor is supported throughout the process by the money advisor until the debts have been repaid. Specialist approved and accredited money advisors oversee the DASH system, applying variations and payment breaks should the debtor require this over the term of the DAS.

It offers debtors protection from diligence from creditors whilst in the scheme, and ensures the debts are repaid in full.

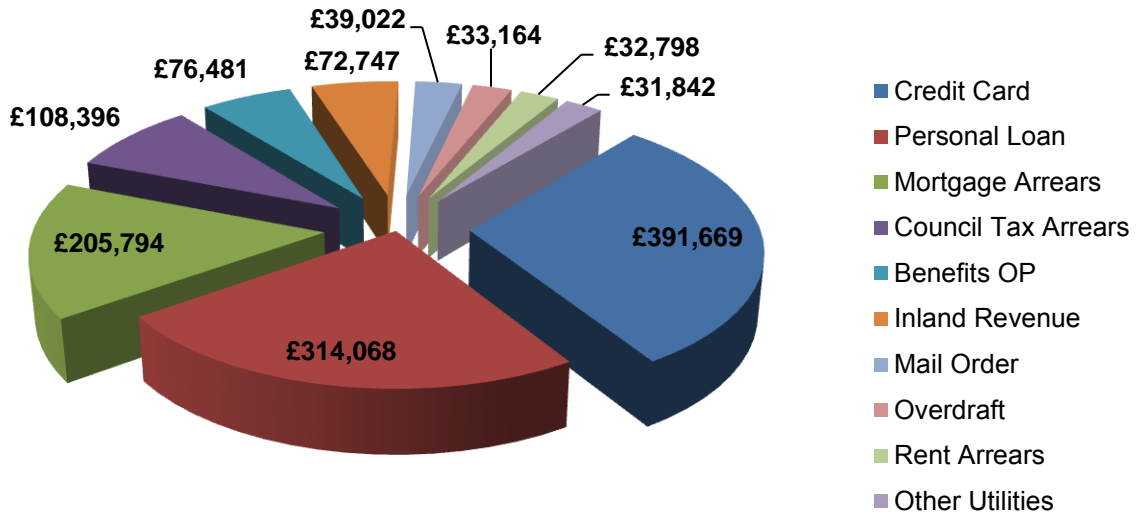
At a national level statistics indicate non-priority debt (credit card debt and other unsecured credit such as pay day loans) is decreasing. Below are statistics based on the reporting period of August 2015 to 31 March 2016, that show the type of debt Inverclyde residents are presenting with.

Amount of multiple debt managed from August 2015 to March 2016: £1,393,712

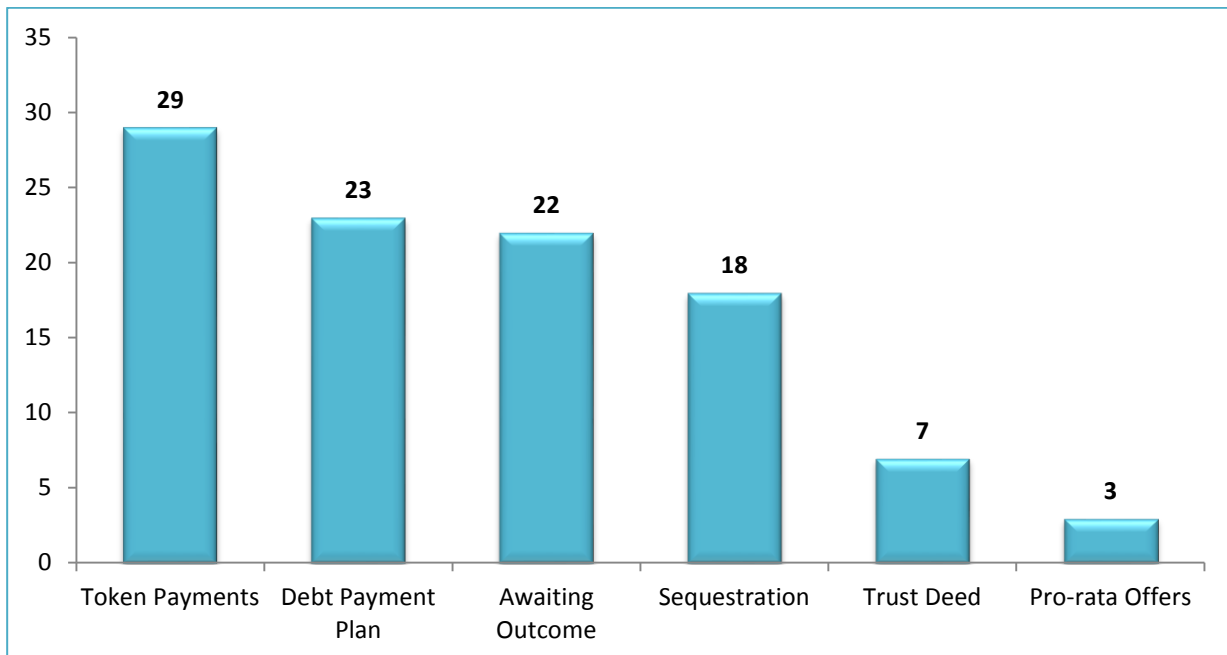
63 cases currently being progressed

258 interventions carried out with clients

Shown are the top 10 types of debt clients have presented with from August 2015 to March 2016.



This chart demonstrates some of the debt relief options clients have opted for over the same period.



Specialist Work

Advice Outreach for Hard to Reach Groups

Funding from the Big Lottery allowed for the employment of an Advice Worker with a locus of working with hard to reach client groups. The funding from the Big Lottery came to an end in August 2015, however Inverclyde Council Welfare Reform money has allowed for the continuation of the post on a temporary basis. As indicated the service delivery focus is on hard to reach client groups, specifically vulnerable clients with chaotic lifestyles (Drugs/Alcohol/Homelessness). The post has proved particularly effective with the establishment of strong links with the Community Drugs Team, Alcohol and Homelessness Teams.

315 clients provided with assistance

Financial gains of £1,436,350 achieved from April 2015 to March 2016

Kinship

The involvement of a Welfare Rights Officer has been an integral feature of the operation of Kinship Care Allowances in Inverclyde since 2009. On receipt of a referral from the Family Placement Team, the WRO contacts the carer to arrange for an income maximisation check. This is not a one off intervention but is followed by regular reviews to ensure full benefit entitlement remains in place. This income maximisation intervention was held up as a model of good practice by the Scottish Government for other Local Authorities to consider implementing. On the downside Inverclyde Advice Service has flagged the possible detrimental operation of the legislative provisions of Universal Credit on Kinship Carers and their entitlement to benefit.

Inverclyde HSCP/Macmillan Welfare Rights Officer

This initiative continues to provide a pathway for cancer patients which maximises income for vulnerable clients, improving access to essential goods and services and reducing the financial burden of cancer. The service is firmly embedded as an integral part of IRH Oncology with strong ties maintained with Ardgowan Hospice. The service model is invaluable both in terms of direct net financial gain for patients and their families as well as the supplementary gains of improved quality of life, well-being and empowerment.

370 clients provided with assistance

Financial gains of £1,189,829 achieved from April 2015 to March 2016

Healthier Wealthier Children

As part of Inverclyde's strategy to tackle child poverty and improve lives, Advice Services have continued to deliver the Healthier Wealthier Children project. The main focus is to maximise the income of pregnant women and families with children under the age of five years. Referrals are received from community and hospital midwives; health visitors and GPs.

107 referrals received and 61 clients engaged

Financial gains of £38,534 from April 2015 to March 2016

Partnership Working

Inverclyde residents are facing many challenges which may affect their ability to become financially included. As the UK recovers from the recession and international banking crisis, there are still existing issues with employment, debt and sustainability of housing. This coupled with the reforms to the welfare system already highlighted have resulted in profound effects for the Inverclyde population. All of these challenges have brought about a higher demand on financial inclusion services.

It is therefore essential that to give the Inverclyde community the best possible support, Advice Services work in partnership with a range of organisations to explore areas where joined up working can maximise the much needed advice and support.

Many of these initiatives have developed through being a key member of Inverclyde's Financial Inclusion Partnership. This partnership is made up of a range of public and 3rd sector organisation who work towards:

"Ensuring that everyone's incoming money is maximised; that they have access to appropriate financial services and products which enable them to manage their money on a day to day basis; and that they can plan for the future and deal effectively with unexpected financial pressures".

The following highlights some of Advice Services' achievements through working with others.

HMP Greenock

In August contact was established with HMP Greenock to explore the feasibility of offering a Money Advice outreach programme within the prison. A meeting with the prison's Education Manager was followed by a further meeting with prisoners in October. Feedback from the meeting was positive and a final meeting with prison staff is scheduled to discuss the operational practicalities. The aim of the initiative is to help stabilise family finance, resolve debt crisis matters and provide an input on financial education and advice on financial planning.

Glenbrae Family Centre

Inverclyde has one of the highest Child Poverty rates in Scotland at 25.6%. The highest concentration of child poverty in Inverclyde is found in Greenock East/Central at 31%. Advice Services are working with Education Services to consider specific action to tackle child poverty by way of income maximisation coupled with money/debt advice. A programme of activity has been agreed, focused on the Glenbrae Family Centre serving Greenock East/Central. The first part of the programme was the delivery of benefits awareness training for staff at Glenbrae Family Centre followed by the establishment of weekly advice drop in sessions. The initiative has allowed the development of a direct online referral process between Glenbrae Family Centre and Advice Services that can be replicated for use in other establishments.

Universal Credit Inverclyde Roll Out

Universal Credit was introduced to Inverclyde in October 2015 and although small numbers are affected at present, it will bring about more changes to the way benefits are processed and issued and will most certainly have further significant impacts on our residents. In order to support the roll out, HSCP Advice Services co-delivered training and awareness sessions with DWP staff covering the local arrangements, aimed at making the operation of the mechanics run as smoothly as possible in Inverclyde. In excess of 400 individuals representing 20 different services or organisations attended the training which was acknowledged by DWP as an exemplar of good practice for other areas to follow.

"It was very useful having an experienced JCP member of staff to explain the reality of the introduction of UC. HSCP: very useful hearing about the support services and avoiding difficulties."

Development of Referral pathways

Discussion with the Council's Revenue and Benefits service revealed through their housing benefits data systems that they were able to identify clients known to them who had been sanctioned for noncompliance with the DWP conditionality arrangements and also those clients who had been negatively affected by the migration from Disability Living Allowance (DLA) to Personal Independence Payments (PIP). This information is now passed through a secure email, with the client's consent, to Advice Services who then contact the client to offer support with financial issues and offer advice with challenging adverse decisions if applicable. This is all underpinned by a robust data sharing agreement between the services.

Benefits for Migrants

Inverclyde is currently involved with two central government initiatives to bring individuals and families who have already been given refugee status into the UK. The rules on eligibility for benefits for people coming to the UK from abroad are one of the most complex areas of welfare rights law. Whether or not a person can claim benefits and, if so, which benefits, may depend on a number of factors. These include: nationality, immigration status (and any conditions attached to it), the circumstances under which a person arrived in the UK, whether they are deemed "habitually resident", whether they are in work or looking for work; and whether they arrived alone or with other family members. Many other factors may be relevant. This has been an increasing feature of advice services work in 2015 and is likely to increase further in 2016 as we work to integrate more families into Inverclyde.

Scottish National Standards

The Scottish Government has re-launched the Scottish National Standards for Information and Advice Providers (SNSIAP), placing responsibility for the development of a new accreditation and audit model in the hands of the Scottish Legal Aid Board. A priority task for Advice Services in 2016 will be to work towards implementing the standards and seeking accreditation. This will act as a guarantee for clients using the service that the information they can expect to receive is appropriate, accurate, timely and fit for purpose. The SNSIAP provides a benchmark that is clear, consistent and capable of facilitating continuous improvement and, importantly, is auditable. In seeking accreditation there is the necessity to ensure effective arrangements are in place to support service delivery. This will encompass the provision of training, consistency and competency in case work and case work management along with clear and comprehensive recording of case work activity. We will therefore look to ensure the necessary IT systems are in place to support a successful audit for accreditation. Digital and telephony services offer innovative methods of service delivery providing clients with speed and ease of access to advice, whilst at the same time both preserve and free up appointment times for vulnerable clients and/or those with complex advice needs who require face to face assistance. We will therefore continue to increase and promote the use of digital and telephony services in 2016.

Case Studies

Advice Services assists clients on a daily basis with multiple issues. Below are just a few examples of some of the assistance we have provided:

Client A had previously accessed Advice Services and was having issues with their benefits. They contacted Advice First telephone triage and advised that their ESA had stopped, having failed to attend a medical. An appointment was made with an Advice Worker who identified that the client should be in receipt of Pension Credits due to their age. Client made an application over the telephone for Pension Credits, which will be backdated to the day after the ESA had stopped. The Advice Worker also contacted Customer Service for Housing and Council Tax benefits to advise of this change. Client A will receive an annual financial gain of almost £8,000 and was very happy with the assistance given.

Client B met with a Money Advisor on the day of their hearing. They were self-employed and were about to be sequestrated for non-payment of a significant amount of tax to HMRC. The client was advised that the service may be able to assist via the Debt Arrangement Scheme which would stop action from creditors and allow the debt to be paid over a reasonable period of time. The Sheriff extended the hearing to allow the client to seek support from the Money Advice team and a follow up appointment was made.

Money Advice lodged a Moratorium which formally gives notice of your intention to apply for a statutory debt relief option and gives six weeks protection from diligence. A full review of Income and Expenditure was carried out and the DAS application submitted. The client had a small amount of council tax arrears outstanding and the council tax office agreed to the DAS on the condition that a direct debit was set up for the current liability. HMRC rejected the DAS proposal stating the balance submitted on the application was incorrect. They claimed they had not received the client's SE tax returns and therefore could not accept this offer of repayment when the total amount of money due to them could not be fully determined and the client had been uncompliant.

The case at the Sheriff Court called again and was extended for another two weeks, by which time the client had submitted their Self-Employment Tax returns to HMRC and balances were confirmed, however HMRC still wanted to pursue sequestration and maintained their decision to reject the DAS payment offer.

A Fair and Reasonable assessment was then carried out by the DAS Administrator, Accountant In Bankruptcy (AIB), as HMRC (the majority creditor in this application) refused to partake in the proposal offered. The AIB requested detailed information which the service provided. The AIB ruled in favour of client as they felt the offer was fair and reasonable and would be repaid over 5 years, this is the time limit for business debts. The decision allowed the client to continue with the business. It also safeguards the business, assets and their property and during the term of the DAS whilst they maintains payments.

The Sheriff was informed of the DAS outcome and the case was dismissed.

Service User Feedback

Questionnaires were sent to a cross section of service users to gain feedback on their experience of the service they received. Below are examples of some of the comments we received:

"I was referred to HSCP and I was grateful for the help and support I got. As stated, everything that was done on my behalf was very helpful. Filling in forms, letting me know what I should and shouldn't do. I couldn't have got to where I'm now without their help"

"I received good, sound advice from what is clearly dedicated and professional people and caring people.

HSCP services are excellent. The officers are very helpful and understanding. They do not judge. I am very grateful to this team and know they are there to assist me, thank goodness."

"My advisor was outstanding and very knowledgeable and made me feel supported and put me at ease from the day I met him. First class."

"I think the services are excellent and very helpful and make you understand things in a different way of thinking yourself."

"I am extremely grateful for the help and care I received by my Money Advisor. At a time I felt really ashamed of myself, she was able to put my mind at rest by giving me options available."

Testimonial:

"I have found the Money/Debt Advice to be a real lifeline to me in what has been one of the most difficult times of my life. I never felt judged by the level of debt I had accumulated and the professional, honest advice I received was second to none. Nothing was ever too much trouble and just having someone to talk to and to help me to deal with my creditors made all the difference and helped me keep my sanity!! Dealing with the pressures of debt and the constant juggling to make ends meet can take its toll on your health and having been through it personally, I would advise anyone going through financial issues to take that first step and contact Money/Debt Advice. I couldn't have managed without them."

Conclusion

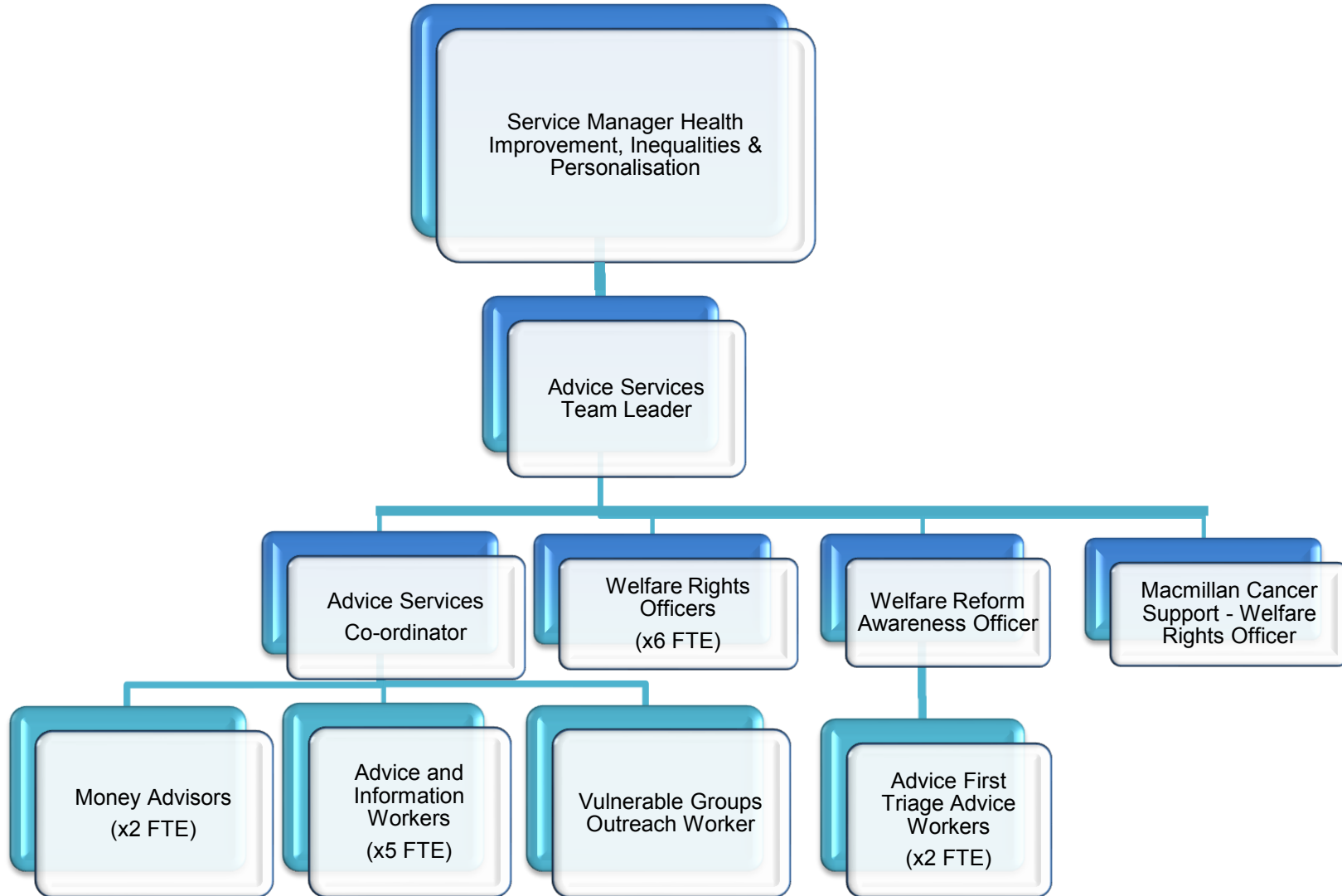
From 1st April 2016, the Integration Joint Board (IJB) has formal delegated responsibility from NHS Glasgow and Clyde and Inverclyde Council for the services and functions specified in the Health and Social Care Partnership (HSCP) Strategic Plan. The Strategic Plan 2016-19, which was developed with local partners, outlines the proposals for taking forward a more joined up approach to delivering Health and Social Care services in Inverclyde in partnership with other agencies and the people who use our services and their families.

Inverclyde Advice Services' future planning will need to take account of the changing climate and further welfare reforms and the challenges and opportunities this may bring, but without losing sight of the major contribution that Advice Services make to better health and reduced inequalities. Our future priorities and work plans will be aligned to the Strategic Plan, the National Wellbeing Outcomes and the five strategic commissioning themes. In addition, information and evidence from the Inverclyde Strategic Needs Assessment and local and national data intelligence will assist in ensuring future priorities meet the needs of our community.

The introduction of a Scottish Social Security system will undoubtedly have an impact on how Advice Services will require to operate in the future. We await further information as to how it will deal with the devolved benefits including Disability Living Allowance, Personal Independence Payments and the housing element of Universal Credit, including the Social Sector Size Criteria, and also the new powers to make discretionary payments in any area of welfare without the need to obtain prior permission from the Department of Work & Pensions.

The service is committed to continuing the professional and essential work we do to support Inverclyde HSCP in its vision of Improving Lives.

HSCP Advice Services Organisation Chart



Report To:	Policy and Resources Committee	Date:	09 August 2016
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	PR/15/16/WB
Contact Officer:	Wilma Bain Corporate Director	Contact No:	01475 712761
Subject:	Auditing Best Value – A New Approach		

1.0 PURPOSE

- 1.1 The purpose of this report is to bring to the attention of members of the Policy and Resources Committee the content of a letter received by the Leader of the Council from the Accounts Commission which highlights a new approach to auditing Best Value. The letter also confirms that Inverclyde Council will be one of six councils who will be audited in the first year of the new approach which commences in October 2016 (Appendix 1).

2.0 SUMMARY

- 2.1 The Local Government in Scotland Act 2003 contains a statutory duty to secure Best Value in local government service provision.
- 2.2 The Accounts Commission recently recognised that the statutory guidance which supports Best Value required to be updated to reflect the various changes in local government and the public sector environment.
- 2.3 At the beginning of July 2016, the Accounts Commission sent a letter to the Leader of the Council highlighting a new approach to auditing Best Value and confirming Inverclyde Council's involvement in a Best Value Audit using the new approach.
- 2.4 A summary of the overall framework for the new approach to auditing Best Value was enclosed with the Accounts Commission's letter to the Leader of the Council (Appendix 2).
- 2.5 The Accounts Commission has proposed the option of further engagement to provide more detail in what is expected from the new approach and the gains for both the public and councils as a result.
- 2.6 An all members' briefing on the new Best Value framework will be arranged in due course to explain the process and introduce members of the Audit Team.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee note both the content of the letter from the Accounts Commission to the Leader of the Council and our intention to accept the offer of further engagement with the Commission to find out more detail about the new approach to auditing Best Value.

Wilma Bain
Corporate Director Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 The Local Government in Scotland Act 2003 contains a statutory duty to secure Best Value in local government service provision. Best Value means achieving continuous improvement and in the context of Inverclyde Council, this statutory duty is about making arrangements to secure continuous improvement in the performance of all Council functions while maintaining an appropriate balance between quality and cost. The approach to Best Value should lead to improved service delivery and ultimately improved outcomes for users and communities.
- 4.2 In order to secure Best Value, we need to have an ongoing rigorous and systematic approach to self-evaluation which leads to continuous improvement. For the Best Value audit, the Council's self-evaluation process will be a key source of evidence for the external auditors, and the accuracy and effectiveness of our self-evaluation tools will provide evidence of the extent to which an improvement culture is in place within Inverclyde Council and its effectiveness.
- 4.3 Best Value audits and associated reports aim to provide assurance to the public on the performance of all councils.

5.0 PROPOSALS

- 5.1 At the beginning of July 2016, the Accounts Commission sent a letter to the Leader of the Council highlighting a new approach to auditing Best Value and confirming Inverclyde Council's involvement in a Best Value Audit using the new approach.
- 5.2 The letter also confirmed that Inverclyde Council will be one of six councils who will be audited in the first year of the new approach.
- 5.3 At a meeting on 09 June 2016, the Accounts Commission agreed the overall framework of the new approach which is considered to be proportionate, risk-based and outcome-focused and will provide the Commission and the public with more regular assurance about the performance of councils.
- 5.4 Best Value Auditors will use the new framework as the basis of audit work from October 2016.
- 5.5 New Best Value Assurance Reports will commence from April 2017.
- 5.6 The Accounts Commission has provided Inverclyde, Clackmannanshire, East Renfrewshire, Orkney, Renfrewshire and West Lothian Councils, with the option of further engagement with the Commission through a brief Autumn event setting out in more detail what is expected from the new approach to auditing Best Value and the benefits of this new approach to the public and councils involved. The event will be targeted at Chief Executives and Council Leaders.
- 5.7 An all members' briefing on the new Best Value framework will be arranged in due course to explain the process and introduce members of the Audit Team.

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

There are no finance implications in connection with 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

Best Value is a statutory duty for Inverclyde Council outlined in the The Local Government Act 2003.

6.3 Human Resources

There are no HR implications in connection with 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.

7.0 REPOPULATION

7.1 N/A

8.0 CONSULTATIONS

8.1 N/A

9.0 CONCLUSIONS

9.1 It is recommended that we accept the offer of further engagement with the Accounts Commission in order to get the detail of the new approach to the auditing of Best Value including the expectations of the and benefits for the Council as a result of this new approach.

10.0 BACKGROUND PAPERS

10.1 N/A

Auditing Best Value

A summary of the overall framework for our new approach

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.

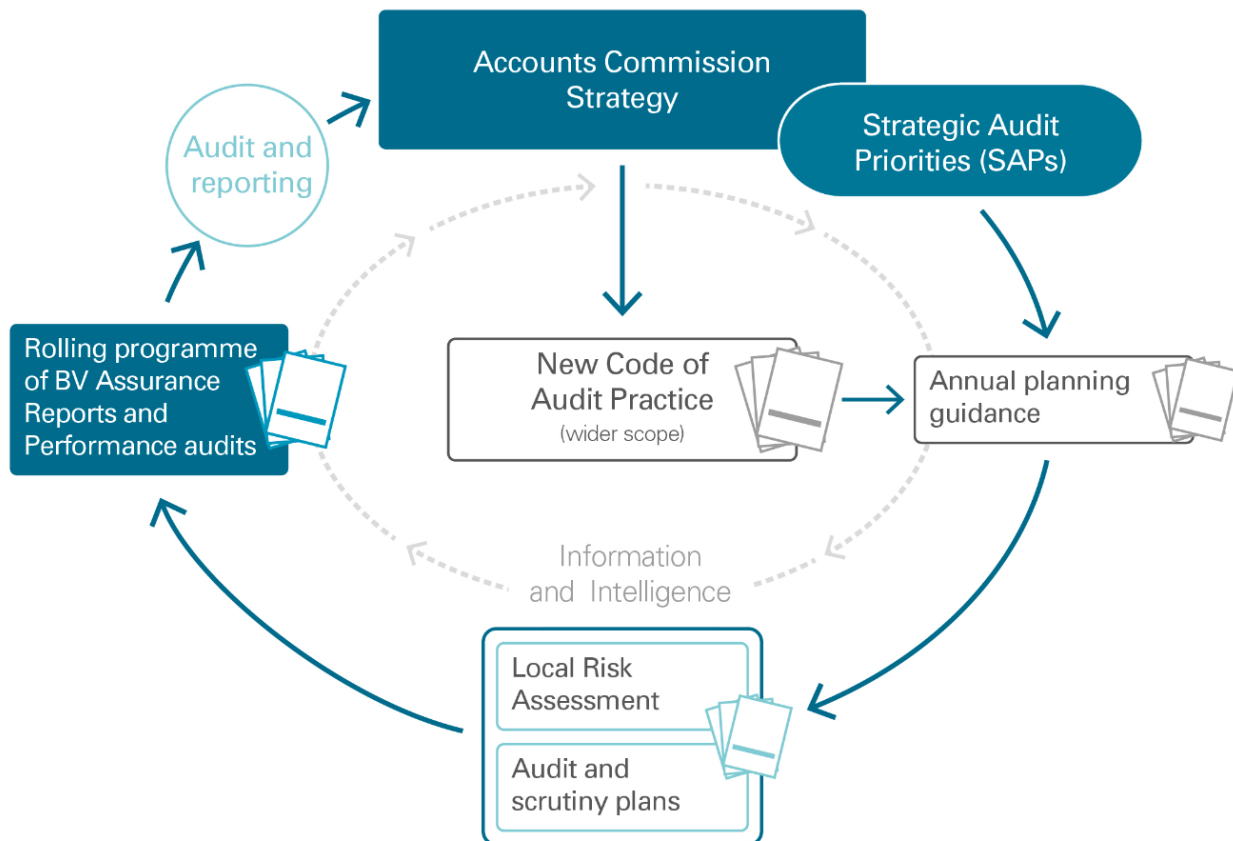
Introduction

1. This paper provides a summary of the overall framework for our new approach to auditing Best Value. At this time, councils are responding to the challenges associated with ensuring both financial and service sustainability in the future. They are thinking about how they can radically change how they work and deliver services. In similar vein, our new approach represents significant change and includes considerable redesign of how we carry out our work. Not just how we audit Best Value, but how we audit a council altogether.
2. We agreed a set of principles for the new approach in December 2014, and development work has been taking place since then to establish the overall audit framework with the changes commencing at the start of the new five-year local government audit appointments in October 2016. We recognise that the new approach involves significant new ways of working for auditors, and that some of these changes cannot be fully achieved in the short term. So, we have agreed that the new approach will be evolutionary in nature. While the core elements will be in place for October 2016, some of the detailed processes and changes will continue to be developed over time. We believe councils will welcome the new approach. We have engaged with council representatives and other stakeholders during the recent development phase and the response has been very positive. The evolutionary nature of the new approach allows us to continue talking to councils in the early stages, making any adjustments in light of the early experiences of auditors and of council staff.
3. An important development principle has been to avoid additional layers of process, so wherever possible, existing aspects of audit planning and reporting arrangements are being incorporated in the new approach and improved to meet its specific requirements. The following paragraphs provide further details on the main aspects of the overall framework.

The audit planning framework

4. The audit planning framework for the new approach is summarised in Exhibit 1.

Exhibit 1 Audit planning framework



Source: Audit Scotland, 2016

5. The Accounts Commission is responsible for appointing auditors to each council for a five-year period, and for setting out the principles and standards to be followed by auditors and what is required of them in the course of their duties. We express this at a high level in the Code of Audit Practice. The Code issued for the appointments commencing in October 2016 includes important changes that underpin the new approach to auditing Best Value through a “wider scope” of audit and requirements for appointed auditors to work in partnership with other performance and Best Value auditors.
6. While the Code covers the full period of the five-year appointment, additional Annual Planning Guidance is issued to auditors each year, and this is an opportunity for us to provide further strategic direction including Strategic Audit Priorities (SAPs). These are based on the Commission's five-year rolling Strategy, which it updates on an annual basis. They will reflect specific issues that the Commission wants considered in the range of audit work carried out across local government.
7. At a local level, auditors will then come together to plan their approach to the council audit for the five-year period and the year ahead. Five-year planning will consider arrangements for

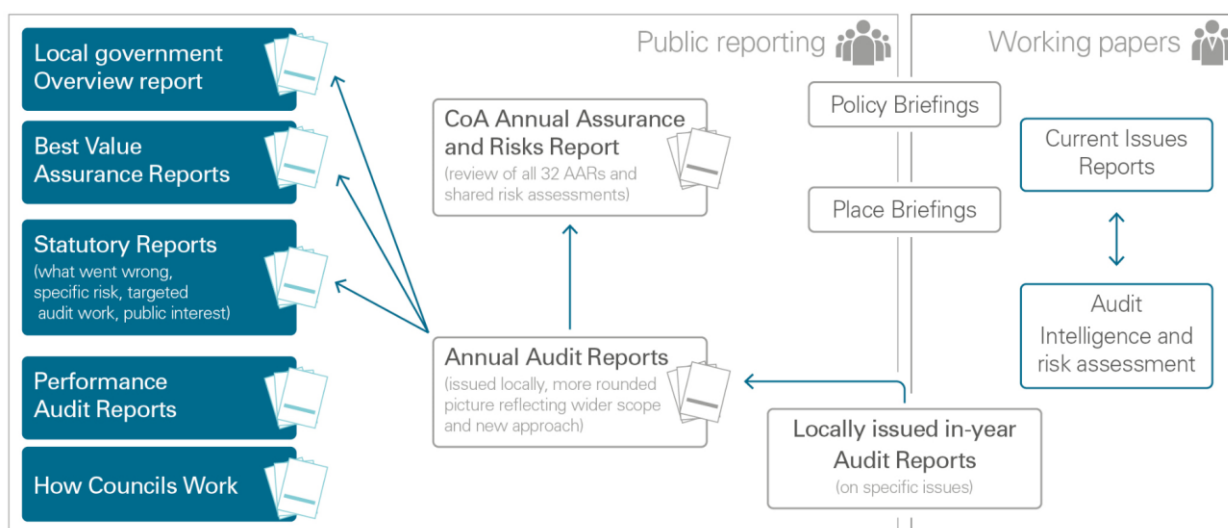
how the characteristics of Best Value will be covered over that period, reflecting the specific circumstances, risks and performance of the individual council. Annual planning will respond to the guidance issued nationally, including SAPs, and include details of both financial statements work and Best Value as expressed through the wider scope. It will incorporate current arrangements for the shared risk assessment, local audit plans and local scrutiny plans which include work by other scrutiny bodies.

8. At a national level, the results of local planning will inform a rolling programme of Best Value Assurance Reports and Performance Audits, and the National Scrutiny Plan.
9. As with current arrangements for audit planning, auditors will fully engage and discuss their plans with councils and take account of views expressed.

The assurance and reporting framework

10. The assurance and reporting framework for the new approach is summarised in Exhibit 2.

Exhibit 2 Assurance and reporting framework



Source: Audit Scotland, 2016

11. As with the planning framework, in developing the new approach we have built on current arrangements, adjusting these to meet the requirements of the new approach. A key objective is to allow the Commission to provide more regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. We will do this by requiring the Controller of Audit to submit a Best Value Assurance Report (BVAR) on each council at least once during the five-year audit appointment. These reports will differ from the current Best Value reports in that they are not audit reports produced directly at the end of an intensive period of specific BV audit work. Instead, they will provide a more longitudinal perspective, contain broader coverage across BV characteristics and a more rounded picture on the performance of the council concerned. They will in effect be an aggregation of the conclusions from a range of audit and other scrutiny work over time. Commission members will consider these reports in public, and decide what action we will take. The options available

to the Commission on considering these reports, are set out in legislation and include options to direct the Controller of Audit to carry out further investigations, to hold a hearing, and to state Commission findings (which can include recommendations).

12. The new Best Value Assurance Reports will sit alongside existing published reports that councils will be familiar with. These include the annual Local Government Overview Report, Performance Audit Reports and the How Councils Work series. The Controller of Audit will continue to issue Statutory Reports where considered necessary, and submit these to the Commission. These cover specific issues in individual councils that raise significant concern and public interest. They will also, under the new approach, be the route for additional reports on Best Value where specific risks have been identified and targeted work is considered proportionate and appropriate.
13. At a local level, appointed auditors will continue to issue an Annual Audit Report (AAR) to each council and the Controller of Audit. However, in future, these reports will be more rounded (reflecting the wider scope from the Code of Audit Practice), will summarise the results of the Best Value assessment work that took place during the past year, and comment appropriately on both the Commission's Strategic Audit Priorities and local audit priorities identified through audit risk assessments and planning. In line with current practice, local auditors will continue to issue reports to councils within the year on specific issues. These will also be summarised in the AAR.
14. Greater use will be made of the AARs under the new approach. They will contribute significantly to BVARs, other Statutory Reports and the Local Government Overview. But, they will also contribute to more regular assurance being provided to the Commission. Currently, the Controller of Audit reports to the Commission each year following his review of the AARs across the 32 councils. He also provides an overview report on the Shared Risk Assessments¹. Under the new approach, these will be brought together in an Annual Assurance and Risks Report. This will provide Commission members with details of the key issues arising from audit work in councils in terms of common strengths and areas for improvement. It will also include commentary on those councils where auditors have expressed particular concerns that will require audit attention in the forthcoming year, examples of positive practice and progress being made by councils on which we have previously reported. Consideration of this report will inform the rolling programme of Best Value Assurance Reports and identify councils where some targeted risk based audit and reporting may be required.
15. The content of the range of audit reports under the new approach will reflect our principles set out following our 2014 review. These include an emphasis on judgements, conclusions and recommendations for improvement; coverage of the wider scope for public audit as set out in the Code of Audit Practice; commentary on a council's self evaluation and the effectiveness of

¹ Shared Risk Assessments are carried out in each council by the Local Area Network, which comprises representatives of all the main scrutiny bodies that engage with councils. The process enables local government scrutiny bodies to work together to set out scrutiny risks and the proposed scrutiny responses over the coming year.

its performance management arrangements; and, commentary on the performance of a council in meeting the needs of its customers and communities.

16. Arrangements for providing assurance to the Commission and its committees on Best Value and the overall performance of councils will continue to include less formal elements, including Current Issues reports, Policy and Place briefings and other outputs based on audit intelligence and programme development work.

How auditors will assess Best Value

17. Auditors assess the extent to which a council is meeting its statutory duties under the Local Government in Scotland Act 2003. These duties are set out in the primary legislation and expressed in more detail in Statutory Ministerial Guidance - which describes the characteristics of a council that is demonstrating Best Value. It therefore represents what auditors are looking for when carrying out their work, and the benchmark on which their judgements are measured and their conclusions reached.
18. While Best Value remains as relevant and critically important today as when it was introduced, the statutory guidance would benefit from strengthening and refreshing in a number of areas and the Commission has made representations to both the Scottish Government and councils in this regard.
19. In the meantime, it remains the responsibility of a council to demonstrate that it is meeting its statutory duties. Our new approach does not alter this fundamental aspect of auditing Best Value. Where councils evidence robust and effective self-evaluation, across corporate activities, service and outcome delivery, auditors are able to take a proportionate approach to audit activity.
20. Best Value audit reports in recent years have tended to focus on a small number of issues around only certain aspects of Best Value. While this was not unexpected in a risk-based approach, we are concerned that important issues, such as equalities for example, have not featured as much as they should in public reports. The new approach offers an opportunity to provide public assurance across the range of Best Value characteristics in a more comprehensive manner. We will achieve this through assessing Best Value on an ongoing basis over the five years of the audit appointment. As stated above, this will be done through audit planning in individual councils so that the particular context and circumstances in each can be taken into account.

What will be different from a council's perspective

21. We have taken the opportunity in recent months to discuss the new approach to auditing Best Value with stakeholders, including council chief executives. The response we have received has been positive and supportive, with the general direction and key features being welcomed.

-
22. While the new approach represents significant change, such as the integration of the range of audit work for a council, much will remain the same, such as audit judgements and conclusions being rooted in the expectations that arise from the statutory guidance.
 23. We want to improve the effectiveness and efficiency of the audit, while minimising any unnecessary burden on councils and their resources. Many of the changes we are making will be to internal audit procedures that will not really be evident to councils but there are a number of areas - such as around planning and reporting as set out in this summary - where they will notice a difference and we hope these will represent an improved experience.



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ACCOUNTS COMMISSION 

Councillor Stephen McCabe
Council Leader
Inverclyde Council
Municipal Buildings
GREENOCK
PA15 1LY

1 July 2016

Dear Councillor McCabe

Auditing Best Value – a new approach

I am writing to advise you of the Commission's recent decision to put in place a framework for the new approach to auditing Best Value, and in particular to confirm that your council will be one of those on whom we will be reporting in the first year of the new approach.

You will recall that I wrote to councils in November last year advising of the Commission's commitment to review its approach to auditing Best Value, in order to assure itself that the approach is reflective of the changing and complex challenges faced by local government in the current political, demographic and financial environment.

At its recent meeting on 9 June, the Commission agreed the overall framework of the new approach. The new approach fulfils the Commission's desire that it is proportionate, risk-based and outcome-focused, providing the Commission and the public with more regular assurance about the performance of councils. We are bringing together audit work on Best Value, the annual financial audit and the multi-agency shared risk assessment process, and this will continue to support our working with our strategic scrutiny partners.

The introduction of the framework coincides with the new five-year audit appointments by the Commission. Audit Scotland has already written to your Chief Executive to this end. As such, auditors will use the framework as the basis of audit work from October this year.

I have attached a summary of the framework.

Also at its 9 June meeting, the Commission agreed the schedule of councils upon whom the Controller of Audit will be reporting to the Commission, through new Best Value Assurance Reports, in the first year of the new approach from April 2017. These councils (in alphabetical order) are:

- Clackmannanshire
- East Renfrewshire
- Inverclyde
- Orkney
- Renfrewshire
- West Lothian

I would also like to propose to you the option of further engagement with the Commission. We wish to explore with councils the benefit of the Commission holding a brief series of event in the Autumn, over

three venues, setting out in more detail what we expect from our new approach to auditing Best Value, and also what we hope the public and councils can gain from it. The event would be aimed at council leaders and chief executives. I would therefore like to get your view as to whether you would find such an event useful. I look forward to hearing from you to this end.

In developing its new approach, the Commission is clear that Best Value is as relevant and vital today as it was when it was introduced in 2003. We recognise, however, that the statutory guidance which supports the legislation for Best Value would benefit from being refreshed and updated, to reflect the various changes in the local government and public sector environment. The Scottish Government has indicated its agreement with this view, and it will be working with local government in the coming weeks and months to take forward this task. But the Commission is firmly of the view that a refresh exercise, whilst ultimately benefitting the public and councils in ensuring that the characteristics of Best Value comprehensively reflect the current environment in which local government operates, does not compromise councils' statutory duty to demonstrate Best Value. We will therefore work with councils in starting to apply the new approach to auditing Best Value whilst the process of updating the statutory guidance is being undertaken.

The Commission looks forward to working with you and all councils in taking forward its new approach to auditing Best Value in order to continue to provide assurance to the public on the performance of all councils.

Please note that I have copied this letter to your Chief Executive.

Yours sincerely,

Douglas Sinclair
Chair

Copied to: Chief Executive

Enc

Report	Policy and Resources Committee	Date:	9th August 2016
Report By:	Chief Financial Officer	Report No:	FIN/74/16/AP/AMCD
Contact Officer:	Allan McDonald	Contact No:	01475 712098
Subject:	MyAccount Scotland – Customer Authentication		

1.0 PURPOSE

- 1.1 The purpose of the report is to recommend adoption of the MyAccount Scotland service as the primary method of customer authentication for online services provide by the Council.

2.0 SUMMARY

- 2.1 As part of the process to provide a greater number of online services it is necessary that customers have the ability to create a user account to complete some transactional processes. ICT Services have been investigating the use of a suitable service prior to launching enhanced online services.
- 2.2 MyAccount is a secure sign-in service provided by the Improvement Service for online public services in Scotland. It provides people living in Scotland with the ability to set up an online account and, to use that online account - using a single user name and password to access a range of online public services provided by Local Authorities, the NHS, the Scottish Government and other Public Service bodies. A majority of Scottish Councils are already using MyAccount Scotland or have indicated their intention to do so. A Benefits Summary is attached as Appendix 1.
- 2.3 The Service is based around existing authoritative public data sources and assets and can be integrated into the Council's existing Customer Service Software. ICT Services have begun the process of engaging with the Improvement Service to investigate the necessary infrastructure changes required to implement the service.

3.0 RECOMMENDATIONS

- 3.1 That the Committee approves the use of MyAccount Scotland as the authentication process for online Council Services.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 As part of the process to provide a greater number of online services it is necessary that customers have the ability to create a user account to complete some transactional processes. ICT Services have been investigating the use of a suitable service prior to launching enhanced online services.
- 4.2 Scotland's Digital Future: Delivery of Public Services sets out an objective to develop a common approach to sign-in to online public services. The Improvement Service (IS) was commissioned to develop this in partnership with the Scottish public sector. MyAccount was launched in 2014 with early participation from NHS Scotland and the City of Edinburgh Council.
- 4.3 The Improvement Service has responsibility for operating and managing the service and developing implementation within the public sector in Scotland. It has indicated that 21 out of the 32 councils are now using MyAccount or have signalled an intention to do so.
- 4.4 A number of organisations have already launched and are currently "live":

- City of Edinburgh Council
- My Diabetes My Way
- The Highland Council
- West Lothian Council
- Living It Up
- Aberdeenshire Council
- North Lanarkshire Council
- Renfrewshire Council
- National Entitlement Card Programme Office (NECPO)

A further three customers / initiatives are fully connected to the service and are awaiting appropriate decisions/approvals through relevant governance arrangements to implement the live service on.

Additionally, there are further active engagements currently under way that will see further services utilising the service:

- Aberdeen City Council
- Argyll & Bute Council
- Dumfries and Galloway Council
- East Renfrewshire Council
- Midlothian Council
- Moray Council
- East Dunbartonshire Council
- Greater Glasgow Health Board
- My Job Scotland
- GLOW

- 4.5 The Service aims to provide 4 key Elements:

- Sign-In - Web single sign-in services including authentication, credentials management and account registration and management
- Data - Tools to help public sector organisations build a single view of their customers
- Verify - Verification, validation and data correction tools to promote data integrity
- Notify – Notification of change in circumstances via "tell-Us-Once " platform

The Improvement Service has reported that there are now just under 120,000 online accounts being used by customers of public services in Scotland in addition to the offline accounts used by NECPO Services

- 4.6 The programme is fully funded by the Scottish Government and is "free" to service providers to utilise.

- 4.7 The Scottish Government has carried out a Privacy Impact Assessment on the policy to adopt a national approach to sign-in to online service (available as a background paper).
- 4.8 Inverclyde currently has just under 35,000 offline accounts as the service is integrated with the National Entitlement Card Management System used to manage and fulfil National Entitlement Cards. The card is used for the two national concessionary travel schemes run by Transport Scotland: one providing free nationwide bus travel to people aged over 60 years and to people with disabilities, and the other, the Young Person's Scheme, which offers national discounted bus and rail travel to 16 to 18 year olds and young full-time volunteers aged 19-25. It is also used for the Young Scot scheme as a proof of age and identity for accessing services. The Council does not currently use any of these accounts for authenticating services.
- 4.9 ICT are using the IS MyAccount Data Hub service to validate citizen details prior to the relaunch of both national entitlement cards.

5.0 ISSUES TO CONSIDER

- 5.1 There has been some controversy regarding the implementation of the MyAccount scheme. Concern was expressed in the Scottish Parliament that MyAccount would become part of a centralised national ID card scheme. There was also concern raised regarding the possibility of a significant data breach if such a centralised database was created. A number of Human Rights and Open Rights groups have expressed similar concerns that the accumulation of data in a central location could allow officials in different agencies to access personal data and allow data mining and profiling in future.
- 5.2 Citizens will be asked to provide full name, date of birth, gender, postal address and an e-mail address when creating an account. There is some risk to holding this data for each citizen in a central location, however no other data will be held in the MyAccount database. The Scottish Government Privacy Impact Assessment (PIA) of the data concluded that an approach that includes a rigorous approach to data security, independent auditing of security practice, and most importantly, adherence to the UK Government's appropriate accreditation standard would mitigate any significant risks to data loss. The Scottish Government has assured that the use of MyAccount is voluntary and that alternative means of accessing services will always be available.
- 5.3 The Improvement Service has recently produced a review of Information Assurance and Standards Management Highlight Report detailing the current position (available as a background paper). The report satisfies the Scottish Government's promise to provide an open and comprehensive review of the Information Assurance standards surrounding the scheme. The Scottish Local Authorities Information Security Group has been involved in the review process and has reported no immediate concerns surrounding the implementation of the programme.
- 5.4 ICT have reviewed the Technical Specification, Policy Documents, Privacy Impact Assessment and Information Assurance and Standards Highlight Report and it is our opinion that the aggregation of the identifier data within MyAccount is not the equivalent of a centralised database of citizen information. There will be no data held in the MyAccount system other than that information used to confirm a customer's identity. The system will allow members of our community to have a single, secure, sign-on for online services if they wish. It is recommended that the Council join other public sector bodies in adopting MyAccount as its method of authenticating customers who wish to use our online services.

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 may be a requirement to review and approve partnership arrangements as appropriate.

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 – an equality Impact Assessment has been completed and is attached as Appendix 2.

No

Repopulation

6.5 There are no repopulation issues arising from this report.

7.0 CONSULTATIONS

7.1 The CMT has endorsed the proposal in this report.

8.0 BACKGROUND PAPERS

8.1 An Information Assurance and Standards monitoring Highlight report and the Scottish Government Privacy Impact Assessment are available for further information.



The secure and easy way to access public services online

Benefits of the Service, plus for
Organisations
and for Customers

7th April 2015

Martin Brown

The Improvement Service

Introduction

The following tables summarises some of the key features and benefits of the myaccount service per se, plus of the benefits possible by customers and by eligible public bodies using the myaccount service.

Features	Benefits of the myaccount service
1. Trusted and based around existing authoritative public data sources and assets	Asserts identity, and helps eligible public bodies deliver services to the right person, and facilitates handling of Assurance Levels
2. Secure	Security vulnerabilities that arise from time to time are monitored and managed centrally by the Improvement Service on behalf of eligible public bodies using the service, and status feedback supplied to them
3. Includes verification, validation and data correction tools	Helps eligible public bodies maintain data integrity, plus build and maintain a single customer view
4. Standards-based, using open standards federation (SAML 2.0)	Aligns to Scottish, UK and EU standards, both current and emerging
5. Informed-consent model	Relies on customer providing consent to the information shared with eligible public bodies
6. Easy-to-integrate	Provides integration support and resources to eligible public bodies adopting the service
7. Policy-backed and funded by the Scottish Government	Underscores national policy as 'the Scottish approach' to sign-in, and the links to national governance means high visibility
8. Free to use	Benefits from Scottish Government funding
9. Accredited ¹	Builds confidence in the market place and in our services
10.SLA-backed managed service	Provides eligible public bodies with full audit trail and visibility of service availability, usage, uptake and trends
11.Agile development	Allows for frequent product releases in line with the requirements of users, and of the changing technology landscape

¹ Interim accreditation being targeted for mid-June 2015, and full accreditation by the end of 2015

12. Flexible delivery patterns	Provides a service that can be loosely coupled or fully integrated, plus available by a portal, by web services or by batch
--------------------------------	---

Customer Benefits

1. Allows customers to access online public services from eligible Scottish public bodies, *easily and securely*
2. Avoids customers having to re-present proofs of identity, of residency, or of entitlement to services
3. Supports customer choice and convenience for accessing online public services from eligible Scottish public bodies (including to use one username and password, if preferred)
4. Involves simple, intuitive registration steps to create an account (or to convert an offline account to an online account)
5. Facilitates an improved customer experience

Benefits to Organisations	Benefits to Organisations
1. Asserts individuals' identities using trusted and authoritative official, public data sources	6. Supports delivery of wider strategic objectives, underpins channel shift ambitions, plus helps better strategic planning
2. Supports eligible Scottish public bodies determine Levels of Assurance needed to access services	7. Handles all user provisioning – registration, authentication and account management – on your behalf: <ul style="list-style-type: none"> – From user management and security being outsourced to the Improvement Service – By removing the hassle and cost to eligible public bodies of managing and re-setting passwords
3. Provides secure, single sign-in capability for the web-facing applications of eligible Scottish public bodies	8. Maintains data integrity, avoiding the potential for embarrassment to eligible public bodies
4. Provides the means to introduce more secure transactions online, plus to deliver more personalisation of services	9. Demonstrates alignment with national policy on sign-in

5. Supports channel shift, plus frees up resources to deliver services to those who either don't want to or who can't access online services

10. Affords eligible public bodies the means to improve substantially the quality and accuracy of customer records

- From regular corrections and updates to definitive authoritative public data sources – NHSCR, AddressBase and Card Management System
- By notifying changes of data to eligible public bodies' registered users, and through from subscribers' ability to 'pull down' and process notifications about 'change intelligence'
- For supplied changes, we can tell you source of origin

Inverclyde Council Equality Analysis Toolkit

This toolkit aims to assist the process of carrying out analysis of the effects on equality of the policies, plans, strategies and programmes of Inverclyde Council. It sets out what services require to do in order to embed equality analysis into processes, and to ensure the Council meets its legislative requirements in regard to the Equality Act 2010.

This toolkit should be completed using the Equality Analysis Toolkit Guidance which provides further detail and information to assist in the process.

Policy Profile

1 Name of the policy, plan, strategy or programme	MyAccount Scotland
2 Responsible organisations/Lead Service	ICT Services
3 Lead Officer	Allan McDonald
4 Partners/other services involved in the development of this policy	The Improvement Service
5 Is this policy:	New <input checked="" type="checkbox"/> Reviewed/Revised <input type="checkbox"/>
6 What is the purpose of the policy? (include any new legislation which prompted the policy or changes to the policy)	Provide customer authentications to online services provided by the council.
7 What are the intended outcomes of the policy?	Allow customers to use a “single sign on” to access public sector services in Scotland
8 What is the period covered by the policy?	Permanent
9 Target geographical area	All Council locations
10 Which parts of the Equality Duty is the policy relevant to?	<input type="checkbox"/> Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010 <input checked="" type="checkbox"/> Advance equality of opportunity between people from different groups <input type="checkbox"/> Foster good relations between people from different groups

Which of the protected characteristics will the policy have an impact upon? (see guidance for examples of key considerations under each characteristic)

Protected Characteristic	Positive Impact +	Neutral Impact =	Negative Impact -	Cross cutting theme
Age		X		
Disability	X			Access
Gender Reassignment		X		
Pregnancy and maternity		X		
Race		X		
Religion or Belief		X		
Sex		X		
Sexual Orientation		X		
Other groups to consider		X		

What evidence do you have to help identify any potential impacts of the policy?
(Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)

Evidence	Details
Consultation/Engagement (including any carried out while developing the policy)	Improvement Service have produces a Customer Benefits Summary document detailing benefits to citizens who choose to use the service.
Research	N/A
Officer's knowledge and experience (inc feedback from frontline staff).	Will provide an additional route to Council Services for those unable to attend in person or use traditional telephony communications
Equalities monitoring data.	N/A
User feedback(inc complaints)	Evidence of growing number of users using online council services.
Stakeholders Other	Customers of the Council
What information gaps are there?	N/A

What are the actual or likely effects of the policy, in relation to the three aims of the equality duty and the protected groups? (list both positive and negative)

This policy will allow access to a range of council services online in line with the Scottish Government's Scotland's Digital Future: Delivery of Public Services programme

- The policy will have a positive effect in terms of equality to accessing Council services.
- It will have a positive effect on how the Council operate in terms of equality.
- The policy does not relate to functions that previous engagement has identified as being important to particular protected groups.
- The policy will not affect protected groups differently.
- The policy does relate to an area with known inequalities.

What steps will you take in response to the findings of your analysis?

None required

How will you review the actual effect of the policy after it is implemented? (e.g. monitoring)

Post implementation analysis of customer take up of the service.

What is the timescale for implementation?

Immediate

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

.

ICT Services will monitor access

What resources are available for the implementation of this policy? Have these resources changed?

N/A

Name of Person (s) who completed the Assessment

Name: Allan McDonald

Position: ICT Operations Manager

Date: 31/7/15

Authorised by:

Name: Alan Puckrin

Position: Chief Financial Officer

Date:31/7/15

Report To:	Policy and Resources Committee	Date:	09 August 2016
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	PR/14/16/WB/RB
Contact Officer:	Janice Boyd, Equalities Officer	Contact No:	01475 712853
Subject:	Disability Confident		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval from the Policy and Resources Committee for the Council to register its interest in the Disability Confident scheme launched by the Prime Minister in July 2013.

2.0 SUMMARY

- 2.1 A letter was received by the Chief Executive on 11 April 2016 providing information on the Disability Confident scheme which was launched by the Prime Minister in July 2013.
- 2.2 The letter asked for the local authority to register its interest in Disability Confident by registering on its website.
- 2.3 By registering its interest, the Council will receive a package of guidance and information, as well as regular communications and updates on the next steps as the scheme develops.
- 2.4 The Council is a member of the 'Double Tick' scheme and Disability Confident will ultimately replace this with a self-assessment and accreditation scheme.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee:
- Agrees for Inverclyde Council to express its interest in the Disability Confident scheme by registering on the appropriate website.
 - Agrees to sign up for the Disability Confident self-assessment and accreditation scheme when it is launched later this year; and
 - Agrees the Council should host or participate in one of the Disability Confident events being planned around the country.

Wilma Bain
Corporate Director
Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 The Chief Executive received a letter from Justin Tomlinson MP, Minister for Disabled People, dated 11 April 2016. The letter outlines initial details on Disability Confident which was launched by the Prime Minister in July 2013. The letter is attached to this report as Appendix 1.
- 4.2 Disability Confident has attracted a large number of employers to get involved but they have tended to be larger employers. Disability Confident is now focusing on engaging small and medium-sized employers, many of whom may not previously have considered the opportunities provided by employing disabled people.
- 4.3 Mr Tomlinson's letter advises that he wants all employers to see the benefits of recruiting from the widest possible pool of talent, and retaining skilled and loyal workers. He goes on to say that central government has an important role to play in this, but it is also essential that change at a local level is driven by local organisations, groups and individuals. He further states that there are three important ways the local authority can get involved:
1. He advises the local authority is a significant employer in our area and he would encourage the Council to register, if it has not already done so, its interest in Disability Confident on the Government's website. In return, the Council will receive a package of guidance and information, and regular communications and updates on the next steps with Disability Confident.
 2. Mr Tomlinson is planning to launch a new Disability Confident self-assessment and accreditation scheme, ultimately replacing the existing 'Two Ticks' scheme later this year and he very much hopes Inverclyde Council will be one of the first to sign up.
 3. By hosting or participating in one of the Disability Confident events that are being planned around the country. These events are often led by a local MP and generally follow a new "Reverse" Jobs Fair model, which is designed to match local employers with vacancies or other opportunities against local disabled people with skills and enthusiasm.
- 4.4 The letter has an attachment that shows the employment rate for disabled people for the period Oct 2014 to Sep 2015 broken down into local authority area. Inverclyde has 11,600 people who considered themselves disabled, with 3,900 individuals being recorded as "in employment". This gives a 34.1% employment rate which is the third lowest in Scotland, with only Dundee City and Glasgow City having a lower rate.
- 4.5 The matter was considered by the Corporate Equalities Group on 12 May 2016 when it was agreed to recommend the Council registers its interest. This was followed up with the same recommendation when the matter was discussed at the Corporate Management Team on 30 June 2016.

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					

Financial Implications - Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

5.2 Human Resources

There are no HR implications resulting from this report.

5.3 Legal

There are no legal implications resulting from this report.

5.4 **Equalities:** registering the Council's interest will highlight the commitment towards equalities and, in particular, the protected characteristic of disability.

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.

5.5 Repopulation

There are no repopulation implications resulting from this report.

6.0 CONCLUSIONS

6.1 The Policy and Resources Committee is asked to consider the terms of the letter from Justin Tomlinson MP.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.



Department
for Work &
Pensions

Minister for Disabled People
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

www.dwp.gov.uk

11 April 2016

Disability Confident Campaign - Registration

Dear Chief Executive,

DISABILITY CONFIDENT IN YOUR LOCAL AUTHORITY AREA

I am writing to you to ask for your support in getting disabled people in your area who want to work into jobs.

In July 2013, the Prime Minister launched 'Disability Confident', which encourages employers to attract, recruit and retain disabled people who are eager to work and have the skills, talents and abilities that employers are looking for. To make a real difference the Government has committed to halving the gap between the employment rates of disabled and non-disabled people. You will see from the attached document what this means for your locality and for the rest of the country.

So far Disability Confident has attracted a large number of employers to get involved but they have tended to be larger employers. Disability Confident is now focusing on engaging small and medium-sized employers, many of whom may not previously have considered the opportunities provided by employing disabled people.

I want all employers to see the benefits of recruiting from the widest possible pool of talent, and retaining skilled and loyal workers. But I am not under-estimating the size of the challenge. To make this happen many employers will need to change their behaviours as well as their attitudes, so that disabled people are encouraged and supported to apply for vacancies, are encouraged and supported in the recruitment process and are encouraged and supported to stay and develop in their employment. The benefits to businesses and communities are clear, with more disabled people becoming independent and fulfilled through work, and able to spend their earnings in the local economy.

Of course, central government has an important role to play in this, but it is also essential that change at a local level is driven by local organisations, groups and individuals. There are three important ways your Local Authority can get involved:

1. Your Local Authority is a significant employer in your area and I would encourage you to register, if you have not done so already, your interest in Disability Confident on Gov.UK at (<https://www.gov.uk/disability-confident>). In return you will receive a package of guidance and information, and regular communications and updates on the next steps with Disability Confident;

2. I am planning to launch a new Disability Confident self-assessment and accreditation scheme, ultimately replacing the existing 'Two Ticks' scheme, later this year and very much hope your Local Authority will be one of the first to sign up. Your registration on Gov.UK will ensure that I can keep you up to date with this development;
3. You and your authority can lead the way in helping other employers in your area to become Disability Confident, by hosting or participating in one of the Disability Confident events we are planning around the country. These events are often led by a local MP and generally follow a new "Reverse" Jobs Fair model, which is designed to match local employers with vacancies or other opportunities against local disabled people with skills and enthusiasm. If you feel your Local Authority could take part in, or host, such an event, please contact Julie Williams (JULIE-ANN.WILLIAMS1@DWP.GSI.GOV.UK).

I very much hope you can get involved in one or more of these initiatives. I firmly believe that by working together we can make a significant difference both to the lives of disabled people who want to work and to the businesses that will benefit from them.

Kind regards

Justin Tomlinson MP
Minister for Disabled People

Report To:	Policy & Resources Committee	Date:	9 August 2016
Report By:	Head of Organisational Development Human Resources & Communications	Report No:	HR/19/16/SM
Contact Officer:	Barbara McQuarrie	Contact No:	Ext 2845
Subject:	Composition of Recruitment Panels		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the approval of the Policy and Resources Committee to revise the wording of the Council's Recruitment and Selection policy in relation to gender balance on the Council's recruitment panels. This follows the submission of a report by the Head of Legal & Property Services to the Policy & Resources Committee on 22 March 2016, advising of a request from Councillor Jones that a report be prepared by the Head of Organisational Development, Human Resources & Communications in relation to gender balance in all appointment panels.
- 1.2 This report also addresses a request from the Policy and Resources Committee on 17 May 2016 that a report be brought back to the Committee on the composition of recruitment panels in relation to political representation.

2.0 SUMMARY

- 2.1 The Council's current Recruitment & Selection Policy includes the undernoted wording on Panel Composition in relation to gender:

"In respect of the Council's Equal Opportunities Policy, every effort should be made to have an appropriate panel composition in relation to the gender of the candidates to be interviewed. It is the Council's policy to make every effort to ensure that interview panels are balanced with at least one male and one female member."

- 2.2 Additional wording to our policy around the gender balance of recruitment panels is recommended at paragraph 5.2 of this report which will reinforce the Council's commitment to strive to achieve a gender balance on all interview panels.
- 2.3 Section 5 of this report also considers the political balance of recruitment panels for Chief Officer appointments and confirms the position in relation to the current political make-up of the Council.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy & Resources Committee:
- agree the revised wording of the Recruitment & Selection Policy, in relation to Recruitment Panels, outlined at Paragraph 5.2;
 - agree that where possible, a gender mix is achieved on Director and Head of Service appointment panels as outlined in paragraph 5.3;

- c) note the political composition of recruitment panels based on the existing make-up of the Council as outlined in the table at Appendix 1 and agree that panel composition should reflect the 'Administration/Minority Groups' as detailed in the 'shaded' Column 4 of the table;
- d) endorse the process for HSCP Joint appointments as outlined in paragraph 6 which will be submitted to the Integration Joint Board for approval, and;
- e) agree the Recruitment and Selection Policy for the Chief Executive and Chief Officers as set out in Appendix 2.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

4.0 BACKGROUND

- 4.1 The Council has a duty to ensure that job applicants are not subject to discrimination on the grounds of sex, marital status, civil partnership status, trans-gender status, pregnancy, sexual orientation, race, religion or belief, disability and age. Decisions on recruitment and selection should be based on objective, job related criteria. The Council seeks to ensure best practice and in so doing, ensure compliance with relevant legislation. To avoid any potential claims of unfair treatment or bias we have a policy of having, where practicable, male and female staff on the recruitment panel, and we require panel members to be trained in recruitment and selection.
- 4.2 The purpose of this report is to seek the approval of the Policy and Resources Committee to revise the wording of the Council's Recruitment and Selection policy in relation to gender balance on the Council's recruitment panels. This follows the submission of a report by the Head of Legal & Property Services to the Policy & Resources Committee on 22 March 2016, advising of a request from Councillor Jones that a report be prepared by the Head of Organisational Development, Human Resources & Communications in relation to gender balance in all appointment panels.
- 4.3 This report also addresses a request from the Policy and Resources Committee on 17 May 2016 that a report be brought back to the Committee on the composition of recruitment panels in relation to political representation.

5.0 PROPOSALS

- 5.1 It is proposed that the existing wording outlined in paragraph 2.2 would remain as part of the Recruitment and Selection Policy but that the following three paragraphs be added to support the achievement of a gender balance on all Council Recruitment Panels:
- 5.2 "In appointment panels, for which recruitment is delegated to officers, it is the role of the Chairperson to ensure that appointments are run in accordance with the Recruitment Procedure and all attempts are made to achieve a gender balance on interview panels.

Where the Recruitment Panel consists of a panel of elected members and/or parent councils, such appointment panels should strive for gender balance and both male and female recruiters should be on each Panel or where that is not practicable, an HR representative/other officer of appropriate gender should be in attendance to advise the Panel.

There may be occasions where an elected member panel composition is fixed based on the principle of political balance and a gender mix may not be possible. In circumstances where it is not possible to have a gender mix on an elected member recruitment panel an additional officer of appropriate gender should attend the panel in an advisory or observing capacity to ensure transparency in the recruitment process."

- 5.3 As outlined in the table in Appendix 1, for Director and Head of Service appointments, based on the current political make-up of the Council, a female member may be present on the panel representing the Liberal Democrat / Independent / Conservative groups. Until such time as there is a greater gender balance amongst council members it is proposed that, where possible, a gender mix be attained through a nomination from this group.
- 5.4 The table in Appendix 1 details the current established policy in terms of the number of elected members involved in recruitment panels for Chief Officer appointments. Where members have representation on recruitment panels, this should be in accordance with the principle of political balance. The table indicates the political representation of panels based on the current make-up of the Council and it is recommended that panels are composed based on the 'shaded' column 4 of the table.

5.5 The existing council policy for chief officer appointments was agreed in April 2006 by the Policy and Strategy Committee. This has now been refreshed to include some key principles around equality and diversity and is attached at Appendix 2 for approval.

6.0 Recruitment of Senior Management Staff to HSCP Joint Posts

6.1 Joint appointments within the HSCP do not fall within the normal policy for Council Chief Officer appointments. However, a process was established and agreed under the former CHCP Scheme of Establishment. With the creation of the HSCP and the Integration Joint Board (IJB), the composition of recruitment panels for joint appointments now requires to be refreshed.

6.2 It is recommended that the composition of the recruitment panel for the appointment to the position of Corporate Director HSCP is as follows:

- Two Councillor representatives from the IJB,
- Two non-executive members of Greater Glasgow & Clyde Health Board, the Chair and one other
- The Council Chief Executive
- The Chief Executive of the Greater Glasgow & Clyde Health Board

The chairperson of the appointment panel would normally be the Chairperson of the IJB.

6.3 It is recommended that the composition of the recruitment panel for the appointment to the position of HSCP Head of Service is as follows:

- Two Councillor representatives from the IJB,
- Two non-executive members of Greater Glasgow & Clyde Health Board
- The Council Chief Executive or their representative
- The Chief Executive of the Greater Glasgow & Clyde Health Board or their representative
- Corporate Director HSCP

The chairperson of the appointment panel would normally be either the Council Chief Executive or Health Board Chief Executive.

6.4 It is proposed that the Policy and Resources Committee endorse the above process for HSCP joint appointments and note that a report will be submitted to the Integrated Joint Board for approval.

7.0 IMPLICATIONS

Finance

7.1 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					

Legal

7.2 As outlined in the report.

Human Resources

7.3 As outlined 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 N/A

8.0 CONSULTATIONS

8.1 Trade Union consultation will take place on the review of the Councils wider Recruitment & Selection Policy which will incorporate the amended wording on composition of recruitment panels as part of our normal consultative processes. It should also be noted that the Recruitment and Selection Policy for Chief Executive and Chief Officers attached at Appendix 2 may be subject to change following this consultation process. Any changes will be reported back to committee in due course.

9.0 LIST OF BACKGROUND PAPERS

9.1 N/A

APPENDIX 1

The table below details the current established policy in terms of the number of elected members involved in recruitment panels for Chief Officer appointments. Where members have representation on recruitment panels, this should be in accordance with the principal of political balance. The table below indicates the political representation of panels based on the current make-up of the Council and it is recommended that panels are composed based on the shaded column 4 below.

	Number of elected members on panel	Council Leader	Political Balance (Per Administration / Minority Groups)	Political Balance (Per Administration / others)	Officers (with voting rights)
Chief Executive (final interview only)	20	Yes*	20	20	None
Director	6	Yes*	3 Labour Group (2.7) 2 SNP Group (1.8) 1 Lib Dem/Indept/Cons Group (1.5) <u>6</u>	3 Labour Group (2.7) 3 Minority Group (3.3) <u>6</u>	Chief Executive
Head of Service	3	No	1 Labour Group (1.35) 1 SNP Group (0.9) 1 Lib Dem/Indept/Cons Group (0.75) <u>3</u>	1 Labour Group (1.35) 2 Minority Group (1.65) <u>3</u>	Chief Executive* Line Manager plus one other director

*Chair of Appointment Panel

In terms of established Council policy it should be noted that for Directors appointments, the Council Leader chairs the panel and the panel includes the Chief Executive and the relevant committee chairperson. For Heads of Service appointments the Chief Executive chairs the panel which should also include the relevant committee chairperson and two Directors. An HR Advisor would also be present on the above appointment panels.

Organisational Development, Human Resources & Communications

RECRUITMENT AND SELECTION POLICY (Chief Executive & Chief Officers)

Produced by:

Policy Development

Organisational Development, Human Resources and Communications

Inverclyde Council
Municipal Buildings
GREENOCK
PA15 1LX

2016



INVERCLYDE COUNCIL IS AN EQUAL OPPORTUNITIES EMPLOYER

**THIS POLICY BOOKLET IS AVAILABLE ON REQUEST, IN LARGE PRINT, BRAILLE, ON
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Contents

Document Control.....		3
1 INTRODUCTION.....		4
1.1 General.....		4
1.2 Aims of Policy		4
1.3 Key Principles		4
2 COMPOSITION OF PANELS.....		5
2.1 Chief Executive Post.....		5
2.2 Director Posts.....		5
2.3 Head of Service Posts.....		5
3 RECRUITMENT OF SENIOR MANAGEMENT STAFF TO HSCP JOINT POSTS.....		6
3.1 General.....		6
4 SELECTION PROCEDURES TO BE FOLLOWED BY PANELS.....		6
4.1 Process		6

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1 INTRODUCTION

1.1 General

- 1.1.1 Inverclyde Council is committed to promoting fair, consistent and safe recruitment and selection practices and to ensuring all employees have the necessary skills, aptitudes and knowledge to deliver an excellent standard of customer service to the residents of Inverclyde.

1.2 Aims of Policy

- 1.2.1 The aims of the policy are to ensure that the principles of fair, consistent and safe recruitment and selection are understood by applicants and Council employees and to ensure the best candidate for the post is appointed based on relevant skills, expertise and qualifications. It is to be used in conjunction with the Authority's General Policy & Procedures on Recruitment & Selection.

1.3 Key Principles

1.3.1 Equality & Diversity

Inverclyde Council is an equal opportunities employer. The aim of the Council's policy is to ensure that no job applicant or employee receives less favourable treatment on any grounds including gender, gender reassignment, sexual orientation, marital or civil partnership status, colour, race, nationality, ethnic or national origins, religion or belief, age, pregnancy or maternity leave, trade union membership, caring responsibilities, background or social status or is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

1.3.2 Gender Balance

In respect of the Council's Equal Opportunities Policy, every effort should be made to have an appropriate panel composition in relation to the gender of the candidates to be interviewed. It is the Council's policy to make every effort to ensure that interview panels are balanced with at least one male and one female member.

In appointment panels, for which recruitment is delegated to officers, it is the role of the Chairperson to ensure that appointments are run in accordance with the Recruitment Procedure and all attempts are made to achieve a gender balance on interview panels.

Where the Recruitment Panel consists of a panel of elected members and/or parent councils, such appointment panels should strive for gender balance and both male and female recruiters should be on each Panel or where that is not practicable an HR representative/other officer of appropriate gender should be in attendance to advise the Panel.

There may be occasions where an elected member panel composition is fixed based on the principle of political balance and a gender mix may not be possible. In circumstances where it is not possible to have a gender mix on an elected member recruitment panel an additional officer of appropriate gender should attend the panel in an advisory or observing capacity to ensure transparency in the recruitment process.

2 COMPOSITION OF PANELS

2.1 Chief Executive Post

The Chief Executive will be appointed following a final interview with all members of the Council. This is appropriate given that the Council is not excessively large and a Head of Paid Service who is put into post on a significant majority vote of the whole council has a helpful mandate from the outset.

2.2 Director Posts

For each Director post, a recruitment panel comprising of the Council Leader plus 5 elected members, along with the chief Executive should be used, all with equal voting rights. The Council Leader will chair the Panel for Corporate Director appointments. The elected members on the panel should include the committee chairperson.

2.3 Head of Service Posts

For Heads of Service appointments the Chief Executive chairs the panel which should comprise:

- The Chief Executive
- The Director who is line manager
- One other Director as agreed by Corporate Management Team
- Three members of the Council, including relevant chairperson

Note For the Chief Executive and all Chief Officer Posts, where members have representation on recruitment panels, this should be in accordance with the principal of political balance.

An HR Advisor would also be present on the appointment panels, in an advisory capacity.

Elected members will not be involved in the selection of Third Tier posts i.e Service Manager level or below.

2.4 The table below summarises the composition of recruitment panels for senior management appointments.

Level of Post	Council Leader	+ Members	Officers
Chief Executive	Yes*	All other elected members	None
Director	Yes*	One quarter of Council (5 members)	Chief Executive
Head of Service	No	Three members	Chief Executive,* Line manager, Plus one other Director
Service Manager (3 rd Tier)	No	No	Director Line Manager + HR Rep

*Chair of appointment panel
HR = Human Resources

3 RECRUITMENT OF SENIOR MANAGEMENT STAFF TO HSCP JOINT POSTS

3.1 General

3.1.1 Joint appointments within the HSCP do not fall within the normal policy for Council Chief Officer appointments. Following the creation of the HSCP and the Integration Joint Board (IJB), the composition of recruitment panels for joint chief officer appointments should be as detailed below.

3.1.2 The composition of the recruitment panel for the appointment to the position of Corporate Director, (Chief Officer) HSCP is as follows:

- Two Councillor members from the Inverclyde IJB
- Two Greater Glasgow & Clyde non-executive members from Inverclyde IJB
- The Chief Executive of the Greater Glasgow & Clyde Health Board

The chairperson of the appointment panel would normally be either the Council Chief Executive or Health Board Chief Executive.

3.1.3 The composition of the recruitment panel for the appointment to the position of HSCP Head of Service is as follows:

- Two Councillor members from the IJB
- Two Greater Glasgow & Clyde non-executive members from Inverclyde IJB
- The Council Chief Executive or their representative
- The Chief Executive of the Greater Glasgow & Clyde Health Board or their representative
- Corporate Director HSCP

The chairperson of the appointment panel would normally be either the Council Chief Executive or Health Board Chief Executive.

3.1.4 The ownership for the recruitment & selection process of this type of post may rest with either of the parties jointly responsible for the post (Council or Health). Applicants will therefore be subject to the recruitment & selection policy & procedures of the organisation responsible for filling the vacancy.

4 SELECTION PROCEDURES TO BE FOLLOWED BY PANELS

4.1 Process

4.1.1 Candidates will be selected for final interview on the basis that they are considered suitable for appointment to the post.

4.1.2 The selection panels will be involved in the short-listing process. Shortlisting for interview will be based on the essential and desirable criteria for the post as set out in the person specification ensuring that the process is free from discrimination.

4.1.3 The format of the recruitment interview should involve candidates delivering a short presentation on a given topic, followed by a series of set questions.

- 4.1.4 The use of Peer Panel Appraisal from staff who will be working with and to the new post-holder should be part of the recruitment process for chief officer appointments. This will provide additional information for the interview panel to consider and weigh in the balance when selecting the individual for appointment.
- 4.1.5 Consideration may also be given to use Occupational Personality Questionnaires for Chief Executive and Director level appointments.
- 4.1.6 All appointment panels for Chief Executive and Chief Officer Posts should go through a process of selection by secret ballot, with the chair of the panel moving through successive ballots (when required) which eliminate the candidates(s) with the smallest vote until a two-thirds majority is achieved.

Report To:	Policy & Resources Committee	Date:	9th August 2016
Report By:	Brian Moore Corporate Director (Chief Officer) Inverclyde Health and Social Care Partnership (HSCP)	Report No:	SW/33/2016/BM
Contact Officer:	Brian Moore Corporate Director (Chief Officer) Inverclyde Health and Social Care Partnership (HSCP)	Contact No:	01475 712722
Subject:	Chief Social Work Officer Statutory Role		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Policy and Resources Committee of the revision to the CSWO guidance and the proposal to vary the CSWO arrangements in Inverclyde.

2.0 SUMMARY

- 2.1 The Social Work (Scotland) Act 1968 requires local authorities to appoint a named single CSWO for purposes of listed Social Work functions. Guidance in respect of the role was first issued by the Scottish Government in 2009.
- 2.2 Legislative and policy changes since that time, including Health and Social Care Legislation, Corporate Parenting, Child and Adult Protection and management of High Risk Offenders have highlighted the complexity of the role. This has been recognised by the Scottish Government and a decision reached to revise the 2009 guidance.
- 2.3 The revised guidance was published in March 2016 (Appendix 1).
- 2.4 Locally it is proposed that the Chief Officer of the Integration Joint Board resign the role of CSWO and that the Head of Children's Services and Criminal Justice be appointed to this role.

3.0 RECOMMENDATIONS

- 3.1 The Policy and Resources Committee is asked to note the revised guidance for the role of CSWO.
- 3.2 The Policy and Resources Committee is asked to approve the appointment of the Head of Children's Services and Criminal Justice as the named CSWO for Inverclyde.

4.0 BACKGROUND

- 4.1 There is a requirement for every Local Authority to appoint a single CSWO for the purpose of listed social work functions, as set out in Section 3 of the Social Work (Scotland) Act 1968.
- 4.2 The overall objective of the CSWO post is to ensure the provision of effective, professional advice to local authorities, elected members and officers, in the authorities' provision of social work services. The post assists in understanding the complexities of social work service delivery including in relation to particular issues such as corporate parenting, child protection, adult protection and the management of high risk offenders. The CSWO also has a role to play in overall performance improvement and the identification and management of corporate risk insofar as they relate to social work services.

The role provides strategic and professional leadership in the delivery of social work services. In addition there are certain functions conferred directly by legislation.

- 4.3 Scottish Ministers first issued guidance on the role of the CSWO in 2009 in accordance with section 5(1) of the Social Work (Scotland) Act 1968.
- 4.4 Since 2009 there have been a number a number of legislative and policy changes impacting on the delivery of Social Work Services.
- 4.5 Most notable of these has been the Public Bodies (Joint Working) (Scotland) Act 2014 (the 2014 Act) which requires the appointment of Chief Officers and puts in place arrangements for the integration of Health and Social Care and the establishment of Integration Joint Boards.
- 4.6 In addition, significant changes to policy areas including corporate parenting and public protection have taken place.
- 4.7 Taking account of the changing context that the role of the CSWO operates in has resulted in a revision of the 2009 guidance.
- 4.8 The purpose of the revised guidance is to:
 - a. help local authorities maximise the role of the CSWO and the value of their professional advice – both strategically and professionally;
 - b. provide advice on how best to support the role so that the CSWO can be effective in their role both within the local authority and in regard to other entities, such as Community Planning Partnerships, whilst recognising that local authorities operate with different management and organisational structures and in different partnership landscapes;
 - c. assist Integration Joint Boards (IJBs) to understand the CSWO role in the context of integration of health and social care brought in through the Public Bodies (Joint Working) (Scotland) Act 2014 (the 2014 Act);
 - d. be sufficiently generic to remain relevant in the event of future management or organisational structural change.
- 4.9 In view of the complexity of the roles of both Chief Officer of the IJB and that of Local Authority CSWO, it is considered that it would be appropriate for these roles to be held by separate officers. This was the recommendation of guidance produced by Scottish Government 2014.
- 4.10 It is proposed that the Chief Officer resign the role of the CSWO and this be assumed by the Head of Children's Services and Criminal Justice from 1st October 2016.
- 4.11 Currently, the appointed CSWO is a member of Inverclyde Council Corporate Management Team. Under the recommended arrangements, the CSWO remit will be located at Head of Service level and the appointed CSWO will not be a member of the Corporate Management

Team.

- 4.12 To facilitate the CSWO to fulfil statutory responsibilities, it is proposed that the CSWO has “open door access” to the Chief Executive and the CMT. The CSWO will also provide six monthly overview reports to the CMT on pertinent social work/social care issues.

The above will be in addition to providing the CSWO annual report for Inverclyde Council and presenting specific reports as required to the Health and Social Care Committee, full Council and Inverclyde Integration Joint Board. The CSWO report has previously been presented to the Council, Health and Social Care Committee, CMT and the Integration Joint Board.

- 4.13 In accordance with Council policy, the nominated officer will receive as additional payment for undertaking a statutory officer role.

5.0 IMPLICATIONS

Finance

- 5.1 Costs will be funded from the Inflation Contingency ..

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
HSCP	Employee Costs	August 2016	£9.5k		Funded from the Inflation Contingency

Legal

- 5.2 There are no legal implications

Human Resources

- 5.3 There are no human resource implications

Equalities

- 5.4

	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

5.5 There are no repopulation implications

6.0 CONSULTATIONS

6.1 None

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

The Role of Chief Social Work Officer

Guidance Issued by Scottish Ministers pursuant to Section 5(1) of the Social Work (Scotland) Act 1968

Revision of Guidance First Issued In 2009

Revised Version – July 2016

**This guidance has been developed in partnership
with local government and supported by COSLA**

INTRODUCTION

1. The Social Work (Scotland) Act 1968 (the 1968 Act) requires local authorities to appoint a single Chief Social Work Officer (CSWO) for the purposes of listed social work functions.
2. This document contains statutory guidance. It is issued to local authorities by Scottish Ministers under section 5 of the 1968 Act. The local authority must have regard to this guidance. It must follow both the letter and the spirit of the guidance. It must not depart from the guidance without good reason. The Guidance replaces guidance previously issued in 2009.

PURPOSE

3. The guidance is for local authorities and will also be of use to bodies and partnerships to which local authorities have delegated social work functions. Local authorities must have regard to this guidance when carrying out their functions under the 1968 Act. Recognising the democratic accountability which local authorities have in this area, clarity and consistency about the role and contribution of the CSWO are particularly important given the diversity of organisational structures and the range of organisations and partnerships with an interest and role in delivery of social work services.
4. This guidance summarises the minimum scope of the role of the CSWO. It will assist elected members in ensuring that the role is delivered effectively and that the local authority derives maximum benefit from the effective functioning of the role. Effective delivery of and support for the role will assist local authorities to be assured that there is coherence and effective interfacing across all of their social work functions.
5. The guidance is intended to:
 - (a) support local authorities in effective discharge of responsibilities for which they are democratically accountable;
 - (b) help local authorities maximise the role of the CSWO and the value of their professional advice – both strategically and professionally;
 - (c) provide advice on how best to support the role so that the CSWO can be effective in their role both within the local authority and in regard to other entities, such as Community Planning Partnerships, whilst recognising that local authorities operate with different management and organisational structures and in different partnership landscapes;
 - (d) assist Integration Joint Boards (IJBs) to understand the CSWO role in the context of integration of health and social care brought in through the Public Bodies (Joint Working) (Scotland) Act 2014 (the 2014 Act).

- (e) be read alongside the wide range of guidance relevant to social work functions of local authorities and relevant guidance issued relating to the 2014 Act.
- (f) be sufficiently generic to remain relevant in the event of future management or organisational structural change.

REQUIREMENT

6. The requirement for every local authority to appoint a Chief Social Work Officer is set out in section 3 of the 1968 Act. This requirement is for the purposes of the local authority functions under the 1968 Act and the enactments listed in section 5(1B) of the Act. The role provides a strategic and professional leadership role in the delivery of social work services. In addition there are certain functions conferred by legislation directly on the CSWO by name.

7. The Scottish Office explicitly recognised that the need for the role was driven by “*the particular responsibilities which fall on social work services in that they affect personal lives, individual rights and liberties to an extent that other local authority services do not.*” (Circular: SWSG2/1995 May 1995)

8. The Public Bodies (Joint Working) (Scotland) Act 2014 provides for the delegation of certain social work functions by a local authority to an integration authority. The CSWO’s responsibilities in relation to local authority social work functions continue to apply to functions which are being delivered by other bodies under integration arrangements. However, the responsibility for appointing a CSWO cannot be delegated and must be exercised directly by the local authority itself.

THE CHIEF SOCIAL WORK OFFICER ROLE

Overview

9. The CSWO role was established to ensure the provision of appropriate professional advice in the discharge of a local authority’s statutory functions as described in paragraph 6. The role also has a place set out in integrated arrangements brought in through the 2014 Act. As a matter of good practice it is expected that the CSWO will undertake the role across the full range of a local authority’s social work functions to provide a focus for professional leadership and governance in regard to these functions.

10. The CSWO should assist local authorities and their partners in understanding the complexities and cross-cutting nature of social work service delivery – including in relation to particular issues such as corporate parenting, child protection, adult protection and the management of high risk offenders - and also the key role social work plays in contributing to the achievement of a wide range of national and local outcomes. The CSWO also has a contribution to make in supporting overall performance improvement and management of corporate risk.

11. It is for local authorities to determine the reporting and management structures that best meet their needs. Where the CSWO is not a full member of the senior management team or equivalent, elected members must satisfy themselves that the officer has appropriate access and influence at the most senior level and is supported to deliver the complex role described in this guidance.

Competencies

12. Scottish Ministers' requirement is that the CSWO role will be held by a person who is qualified as a social worker and registered as such with the Scottish Social Services Council. Local authorities will also want to require this as they will need to ensure that the CSWO:

- can demonstrate extensive experience at a senior level of both operational and strategic management of social work and social care services and;
- has the competence and confidence required to provide effective professional advice at all levels within the organisation and with the full range of partner organisations
- receives effective induction to support them in full delivery of their role

(NB At the time of writing, SI 1996/515, which sets out minimum qualifications for a CSWO is being reviewed with a view to amendment so that the social work degree is specifically included.)

13. Further information on the skills and competencies required of a CSWO is available in the Standard for Chief Social Work Officers (issued by the Scottish Social Services Council in July 2015) which underpins the Level 11 Award for CSWOs which was launched in August 2015 as a further professional accredited qualification aimed at enhancing CSWO competence.

Scope

14. The scope of the role relates to the functions outlined in paragraph 6 whether provided directly by the local authority; through delegation to another statutory body or in partnership with other agencies. Where social work services and support are commissioned on behalf of the authority, including from the independent and voluntary sector, the CSWO has a responsibility to advise on the specification, quality and standards of the commissioned services and support. The CSWO also has a role in providing professional advice and guidance to an Integration Joint Board or NHS Board to which social work functions have been formally delegated.

Responsibility for values and standards

15. The CSWO should:

- (a) promote values and standards of professional practice, including all relevant national Standards and Guidance, and ensure adherence with the Codes of Practice issued by the Scottish Social Services Council for social service employers.

- (b) work with Human Resources (or equivalent function) and responsible senior managers to ensure that all social service workers practice in line with the SSSC's Code of Practice and that all registered social service workers meet the requirements of the regulatory body;
- (c) establish a Practice Governance Group or link with relevant Clinical and Care Governance arrangements designed to support and advise managers in maintaining and developing high standards of practice and supervision in line with relevant guidance, including, for example, - the *Practice Governance Framework: Responsibility and Accountability in Social Work Practice* (SG 2011);
- (d) ensure that the values and standards of professional practice are communicated on a regular basis and adhered to and that local guidance is reviewed and updated periodically.

16. The CSWO must be empowered and enabled to provide professional advice and contribute to decision-making in the local authority and health and social care partnership arrangements, raising issues of concern with the local authority Elected Members or Chief Executive, or the Chief Officer of the Integration Joint Board as appropriate (or the Chief Executive of a Health Board if appropriate in the context of a lead agency model), in regard to:

- (a) effective governance arrangements for the management of the complex balance of need, risk and civil liberties, in accordance with professional standards.
- (b) appropriate systems required to 1) promote continuous improvement and 2) identify and address weak and poor practice.
- (c) the development and monitoring of implementation of appropriate care governance arrangements;
- (d) approaches in place for learning from critical incidents, which could include through facilitation of local authority involvement in the work of Child Protection Committees, Adult Support and Protection Committees and Offender Management Committees where that will result in the necessary learning within local authorities taking place;
- (e) requirements that only registered social workers undertake those functions reserved in legislation or are accountable for those functions described in guidance;
- (f) workforce planning and quality assurance, including safe recruitment practice, probation/mentoring arrangements, managing poor performance and promoting continuous learning and development for staff;

- (g) continuous improvement, raising standards and evidence-informed good practice, including the development of person-centred services that are focussed on the needs of people who use services and support;
- (h) the provision and quality of practice learning experiences for social work students and effective workplace assessment arrangements, in accordance with the SSSC Code of Practice for Employers of Social Service Workers;

Decision-Making

17. There are a small number of areas of decision-making where legislation confers functions directly on the CSWO by name. These areas relate primarily to the curtailment of individual freedom and the protection of both individuals and the public. Such decisions must be made either by the CSWO or by a professionally qualified social worker, at an appropriate level of seniority, to whom the responsibility has been formally delegated and set out within local authority arrangements. Even where responsibility has been delegated, the CSWO retains overall responsibility for ensuring quality and oversight of the decisions. These areas include:

- deciding whether to implement a secure accommodation authorisation in relation to a child (with the consent of a head of the secure accommodation), reviewing such placements and removing a child from secure accommodation if appropriate;
- the transfer of a child subject to a Supervision Order in cases of urgent necessity;
- acting as guardian to an adult with incapacity where the guardianship functions relate to the personal welfare of the adult and no other suitable individual has consented to be appointed;
- decisions associated with the management of drug treatment and testing orders
- carrying out functions as the appropriate authority in relation to a breach of a supervised release order, or to appoint someone to carry out these functions.

18. In addition to these specific areas where legislation confers functions on all CSWOs, there will be a much larger number of areas of decision-making which have been assigned by individual local authorities to Chief Social Work Officers reflecting *“the particular responsibilities which fall on social work services in that they affect personal lives, individual rights and liberties to an extent that other local authority services do not”* noted in paragraph 7. These areas may include responsibilities assigned through guidance or other routes. For example:

- the 2014 guidance on Multi Agency Public Protection Arrangements (MAPPA) makes explicit reference to the role of the CSWO in responsibility for joint arrangements, in co-operation with other authorities.
- although mental health services are delegated to Integration Joint Boards, some of these functions require to be carried out by local authority officers with a social work qualification (Mental Health Officers). Local authorities will want to be reassured via the CSWO that these functions are discharged in accordance with professional standards and statutory requirements

It is for each local authority to make transparent which additional specific areas of responsibility in regard to their social work functions they have assigned to their CSWO

Leadership

19. The CSWO is responsible for providing professional leadership for social workers and staff in social work services. The CSWO should:

- (a) support and contribute to evidence-informed decision making and practice – at professional and corporate level – by providing appropriate professional advice;
- (b) seek to enhance professional leadership and accountability throughout the organisation to support the quality of service and delivery;
- (c) support the delivery of social work's contribution to achieving local and national outcomes;
- (d) promote partnership working across professions and all agencies to support the delivery of integrated services;
- (e) promote social work values across corporate agendas and partner agencies.

The CSWO role in the context of partnerships and integration

20. In the context of Health and Social Care Integration and the 2014 Act, the CSWO is required to be appointed as a non-voting member of the Integration Joint Board (IJB) (or, in lead agency models, the Integration Joint Monitoring Committee). Scottish Ministers are strongly of the view that the influence of high quality professional leaders in the integrated arrangements is central to the effectiveness of improving the quality of care locally and nationally.

21. The CSWO also has a defined role in professional and clinical and care leadership and has a key role to play in Clinical and Care Governance systems which support the work of the Integration Joint Board, as set out in the partnership Integration Schemes and [relevant guidance](#).

22. The local authority should ensure that appropriate arrangements are in place to include the CSWO in relevant strategic and operational forums that provide direct access to the Chief Executive and elected members so that the CSWO is in an optimum position to support and advise them in regard to their social work function responsibilities in their partnership contexts.

Reporting

23. The CSWO has a role in reporting to the local authority Chief Executive, elected members and IJBs – providing comment on issues which may identify risk to safety of vulnerable people or impact on the social work service and also on the findings of relevant service quality and performance reports, setting out:

- implications for the local authority, for the IJB, for services, for people who use services and support and carers, for individual teams/members of staff/partners as appropriate;
- implications for delivery of national and local outcomes;
- proposals for remedial action;
- means for sharing good practice and learning;
- monitoring and reporting arrangements for identified improvement activity.

24. The CSWO should also produce and publish a summary annual report for local authorities and IJBs on the functions of the CSWO role and delivery of the local authority's social work services functions (however these are organised or delivered). A template for this report is available from by the Office of the Chief Social Work Adviser, Scottish Government.

ACCESS, ACCOUNTABILITY AND REPORTING ARRANGEMENTS

25. To discharge their role effectively, the CSWO will need:

- (a) direct access to people and information across the local authority, including the Chief Executive, elected members, managers and frontline practitioners and also in partner services, including in Health and Social Care Partnerships. Specific arrangements will vary according to individual councils, but should be clearly articulated locally;
- (b) to be able to bring matters to the attention of the Chief Executive to ensure that professional standards and values are maintained;
- (c) to be visible and available to any social services worker and ensure the availability of robust professional advice and practice guidance;
- (d) to provide professional advice as required to senior managers across the authority and its partners in support of strategic and corporate agendas.

26. Local authorities will need to agree:

- (a) how the CSWO is enabled to inform and influence corporate issues, such as managing risk, setting budget priorities and public service reform;

- (b) the specific access arrangements for the CSWO to the Chief Executive and elected members;
- (c) the relationships, responsibilities and respective accountabilities of service managers and the CSWO;
- (d) a mechanism to include an independent, professional perspective to the appointment of the CSWO;
- (e) procedures for removal of a CSWO postholder, bearing in mind the need for continuity in the provision of the CSWO functions, the value of independent professional advice and the arrangements for the appointment and removal of the local authority's other proper officers;
- (f) clear and formal deputising arrangements (with similar skills and experience available) to cover any period of absence by the CSWO and appropriate delegation arrangements where scale of business requires this.

27. This document complements the wide set of guidance underpinning the delivery of safe, accountable and effective social work practice and high quality social services in Scotland.



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Any enquiries regarding this publication should be sent to us at
The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-78652-358-7 (web only)

Published by The Scottish Government, July 2016

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS76000 (07/16)

W W W . G O V . S C O T

Report To:	Policy and Resources Committee	Date:	9 August 2016
Report By:	Wilma Bain, Corporate Director, Education, Communities and Organisational Development	Report No:	PR/16/16/GMcG/MMcK
Contact Officer:	Karen Barclay, Corporate Policy Officer	Contact No:	01475 712065
Subject:	Inverclyde Council Corporate Statement 2013/17 - Proposed Extension to 2018		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the Policy and Resources Committee's approval to extend the timeline of the Council's Corporate Statement 2013/17 for one year.

2.0 SUMMARY

- 2.1 Given that a new Administration will be in place following the Scottish local government elections on 4 May 2017, it is proposed to carry forward the current Corporate Statement for one year to 2018. At the appropriate time, the new Administration will be invited to engage in the development of a Corporate Statement for the period 2018/21.
- 2.2 Very minor amendments have been made to the original Corporate Statement to bring it up to date and Corporate Communications Graphics are amending the document for distribution and publication on the website.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources:
- a. approves the proposal to extend the timeline of the Corporate Statement 2013/17 for one year to cover a revised period of 2013/18.

**Wilma Bain, Corporate Director, Education, Communities and Organisational
Development**

4.0 BACKGROUND

- 4.1 In 2012, the Corporate Management Team instigated a review of the Council's Strategic Planning and Performance Management Framework with the aim of streamlining a number of plans and outcomes which were formerly incorporated into a variety of documents. The Framework was approved by the Policy and Resources Committee in 2012. Min Ref
P&R
Cttee
14.8.12
Para 424
- 4.2 One outcome of the above review was the devising of the Council's Corporate Statement 2013/17 which was approved at the meeting of Inverclyde Council on 21 February 2013. Min Ref
Inv
Council
21.2.13
Para 132
- 4.3 A second outcome of the review was the adoption of the vision for the area which focuses on *Getting it right for every child, citizen and community*; the vision aims to ensure that everyone in Inverclyde is Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (the SHANARRI/Wellbeing outcomes). This *Nurturing Inverclyde* approach aims to do the best it can to support all our children, citizens and communities to achieve the best outcomes possible and to tackle growing gaps in equality of outcome. The wellbeing outcomes and the outcomes set out in the Single Outcome Agreement have informed the Corporate Statement.
- 4.4 The Single Outcome Agreement (SOA) 2013/17 and its outcome delivery plans set how the Council, in partnership with its community planning partners, works to achieve the Wellbeing outcomes for the children, citizens and communities of Inverclyde. In addition, the SOA specifically aims to:
- stabilise the population and promote repopulation
 - build successful communities
 - boost economic development and employability
 - build health equality
 - tackle alcohol misuse and problematic drinking
 - nurture all our children and young people to give them the best start in life
 - protect and enhance our environment
 - deliver high quality, continuously improving public services.
- 4.5 The Corporate Directorate Improvement Plans (CDIPs) also include details of how the Council will improve its services and methods of service delivery to achieve the outcomes mentioned above. The new CDIPs for the period 2016/19 were approved at the relevant Committees in April/May 2016. Additionally, at its meeting on 17 May 2016, the Policy and Resources Committee agreed that a report could be submitted to the first meeting of Inverclyde Council following the Summer recess regarding extending the timescale of the current Corporate Statement for one year; this report fulfils that remit. Min Ref
P&R
Cttee
17.5.16

5.0 CORPORATE STATEMENT 2013/17 – PROPOSAL TO EXTEND THE TIMESCALE BY ONE YEAR

- 5.1 Given that a new Administration will be in place following the Scottish local government elections on 4 May 2017, it is proposed to carry forward the current Corporate Statement for one year to end of March 2018. At the appropriate time, the new Administration will be invited to engage in the development of a Corporate Statement for the period 2018/21.
- 5.2 Very minor amendments have been made to the original Corporate Statement and this is currently with Corporate Communications Graphics. An example of the small changes made are where mention is made of, for example, the intention to introduce a Parking Strategy in 2014; the Strategy was in fact implemented in 2014 and the text was revised to reflect this. Amendments such as this are the only changes made to the original document.

6.0 IMPLICATIONS

6.1 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 (if applicable)	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

6.2 Human Resources: There are no direct human resources implications arising from this report.

6.3 Legal: There are no direct legal implications arising from this report.

6.4 Equalities: Because the proposed Corporate Statement 2013/18 is a high level, strategic document, it is difficult to anticipate any negative impact it might have on protected characteristics. However, work undertaken to contribute to the achievement of the outcomes mentioned at paragraphs 4.3 and 4.4 is monitored to identify any negative and/or positive impacts.

6.5 Repopulation: The proposed Corporate Statement 2013/18 includes an outcome to tackle depopulation and therefore sets the direction of travel to develop approaches to retain and enhance the local population.

7.0 CONSULTATION

7.1 Elected Members and communities were engaged in the process of writing the Corporate Statement 2013/17 and their feedback was incorporated into that document. There are no material differences with the proposed Corporate Statement 2013/18 therefore formal consultation is currently not appropriate.

7.2 There was no requirement to consult on the general contents of this report.

8.0 CONCLUSION

8.1 The Policy and Resources Committee is asked to approve the carrying forward of the current Corporate Statement 2013/17 for one year.

9.0 LIST OF BACKGROUND PAPERS

9.1 Inverclyde Council Corporate Statement 2013/17, 21 March 2013

Corporate Directorate Improvement Planning Update - Policy and Resources Committee, 18 September 2012

**INVERCLYDE COUNCIL
POLICY AND RESOURCES COMMITTEE**

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Councillor McCabe	1
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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

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Community Councils 10

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