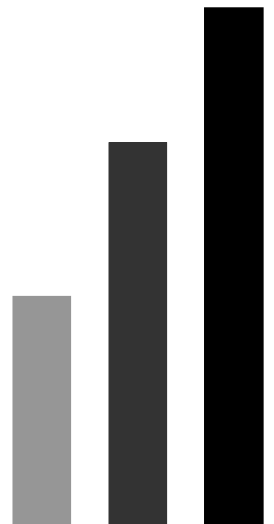


# Agenda 2016

# Policy & Resources Committee

For meeting on:

20	September	2016
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**A meeting of the Policy & Resources Committee will be held on Tuesday 20 September 2016 at 3pm within the Municipal Buildings, Greenock.**

GERARD MALONE  
Head of Legal & Property Services

**BUSINESS**

**\*\*Copy to follow**

1.	<b>Apologies, Substitutions and Declarations of Interest</b>	
<b>PERFORMANCE MANAGEMENT</b>		
2.	<b>Policy &amp; Resources Capital Programme 2016/18 – Progress Report</b> Report by Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	p
3.	<b>Capital Programme 2016/18</b> Report by Chief Financial Officer	p
4.	<b>Policy &amp; Resources Committee Revenue Budget 2016/17 – Period 4 to 31 July 2016</b> Report by Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	p
5.	<b>General Fund Revenue Budget 2016/17 as at 31 July 2016</b> Report by Chief Financial Officer	p
6.	<b>ICT Services Performance Update</b> Report by Chief Financial Officer	p
7.	<b>Procurement Update</b> Report by Corporate Director Environment, Regeneration & Resources	p

8.	<b>Debt Recovery Performance 2015/16</b> Report by Chief Financial Officer	p
9.	<b>Customer Services Performance – Annual Update</b> Report by Chief Financial Officer	p
10.	<b>Welfare Reforms Update</b> Report by Chief Financial Officer and Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	p
11.	<b>Corporate Services Performance Report</b> Report by Corporate Director Environment, Regeneration & Resources and Corporate Director Education, Communities & Organisational Development	p
<b>NEW BUSINESS</b>		
12.	<b>Budget Strategy 2017/20</b> Report by Chief Financial Officer	p
13.	<b>Inverclyde Council - Reserves Policy</b> Report by Chief Financial Officer	p
14.	<b>Service Review Guidance</b> Report by Corporate Director Education, Communities & Organisational Development	p
15.	<b>Scottish Index of Multiple Deprivation (SIMD) 2016</b> Report by Corporate Director Education, Communities & Organisational Development	p
16.	<b>Results from the Citizens' Panel Spring 2016 Survey</b> Report by Head of Inclusive Education, Culture & Corporate Policy	p
17.	<b>Migration</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	p
18.	<b>Oxfam Scotland and Malawi Food Crisis – Request by Councillor McCabe</b> Report by Head of Legal & Property Services	p
19.	<b>People and Organisational Development Strategy 2017 - 2020</b> Report by Head of Organisational Development, Human Resources & Communications	p
20.	<b>Recognition of Service – NHS Greater Glasgow &amp; Clyde (NHSGGC) and Other Public Bodies</b> Report by Head of Organisational Development, Human Resources & Communications	p

21.	<b>Ongoing Cover for Vacant Post of Riverside Inverclyde's CEO</b> Report by Chief Executive		p
22.	<b>Email Archiving &amp; Deletion</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership		p
23. **	<b>Employability Contracts Tender Result</b> Report by Corporate Director Environment, Regeneration & Resources		
24. **	<b>Hydro: Holeburn at Greenock Cut</b> Report by Chief Executive		
<b>REMITS FROM COMMITTEES</b>			
25.	<b>P1 Scottish Grand Prix of the Sea – Remit from Environment &amp; Regeneration Committee</b> Report by Corporate Director Environment, Regeneration & Resources		p
26.	<b>Funding for Inverclyde's iYouth Zones - Remit from Education &amp; Communities Committee</b> Report by Corporate Director Environment, Regeneration & Resources		p
<b>The documentation relative to the following items has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I of Schedule 7(A) of the Act whose numbers are set out opposite the heading to each item.</b>			
<b>NEW BUSINESS</b>			
27.	<b>Public Space CCTV Provision</b> Report by Corporate Director Education, Communities & Organisational Development seeking approval for additional capital expenditure and the invitation of tenders in relation to the continued operation of public space CCTV by Inverclyde Council	<b>Paras 6 &amp; 8</b>	p
28.	<b>Review of PPP Contract</b> Report by Chief Financial Officer on a review of the Schools PPP contract recently undertaken by consultants and seeking approval for the appointment of consultants for the next stage	<b>Paras 6 &amp; 8</b>	p
<b>REMITS FROM COMMITTEES</b>			
29.	<b>Proposed Transfer of Site – Remit from Environment &amp; Regeneration Committee</b> Report by Corporate Director Environment, Regeneration & Resources requesting the Committee to ratify the decision of the Environment & Regeneration Committee in relation to the transfer of a site	<b>Paras 2, 6 &amp; 9</b>	p

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

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/93/16/AP/MT</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>Policy &amp; Resources Capital Programme 2016/18 - Progress Report</b>		

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## **1.0 PURPOSE**

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

## **2.0 SUMMARY**

- 2.1 This report advises Committee in respect of the progress and financial status of the projects within the Policy & Resources Capital Programme.
- 2.2 It can be seen from section 6 that the projected spend over the period to 2017/18 is £2.293m, which means that the total projected spend is on budget.
- 2.3 Expenditure at 31<sup>st</sup> July is 20.0% of 2016/17 projected spend. No slippage is being reported at this time.

## **3.0 RECOMMENDATIONS**

- 3.1 That Committee note current position of the 2016/18 Capital Programme and the progress on the specific projects detailed in Appendix 1.

Alan Puckrin  
Chief Financial Officer

Aubrey Fawcett  
Corporate Director  
Environment, Regeneration  
& Resources

## 4.0 BACKGROUND

4.1 On March 10<sup>th</sup> 2016 the Council approved the 2016/18 Capital Programme, this effectively continued the previously approved 2015/18 Capital Programme.

## 5.0 PROGRESS

5.1 PC Refresh Programme – Phase 1 of the 2016/2017 PC Refresh Programme has now been completed. 1830 older, smaller monitors have been replaced by larger, widescreen, more efficient LED models.

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

5.3 Scottish Wide Area Network (SWAN) – Transition to SWAN has now been completed and associated project and installation works are now finished.

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

## 6.0 FINANCIAL IMPLICATIONS

### Finance

6.1 The approved budget for 2016/17 is £0.425m. The Committee is projecting to spend £0.425m. The figures below detail the position at 31<sup>st</sup> July 2016. Expenditure to date is £0.085m (20.0% of the 2016/17 projected spend). Phasing and project spend has been reviewed.

6.2 The current budget for the period to 31<sup>st</sup> March 2019 is £2.293m. The current projection is £2.293m which means the total projected spend is on budget.

### One off Costs

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

### Annually Recurring Costs/ (Savings)

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

## **7.0 CONSULTATION**

### **7.1 Legal**

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

### **7.2 Human Resources**

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

### **7.3 Equalities**

There are no equalities implications in this report.

### **7.4 Repopulation**

There are no repopulation implications in this report.

## **8.0 LIST OF BACKGROUND PAPERS**

### **8.1 None**

## COMMITTEE: POLICY &amp; RESOURCES

Project Name	1	2	3	4	5	6	7	8
	<u>Est Total Cost</u>	<u>Actual to 31/3/16</u>	<u>Approved Budget 2016/17</u>	<u>Revised Est 2016/17</u>	<u>Actual to 31/07/16</u>	<u>Est 2017/18</u>	<u>Est 2018/19</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Environment, Regeneration &amp; Resources</u></b>								
<b><u>ICT</u></b>								
Storage/Backup Devices/Minor Works & Projects	51	0	51	51	0	0	0	0
Rolling Replacement of PC's	104	0	104	104	21	0	0	0
Whiteboard/Projector Refresh	62	0	32	32	0	30	0	0
Server & Switch Replacement Programme	12	0	12	12	12	0	0	0
2016/18 Indicative Allocation	606	0	154	149	0	457	0	0
Scottish Wide Area Network complete on Site	328	300	23	28	28	0	0	0
	2	0	2	2	0	0	0	0
<b><u>ICT Total</u></b>	<b>1,165</b>	<b>300</b>	<b>378</b>	<b>378</b>	<b>61</b>	<b>487</b>	<b>0</b>	<b>0</b>
<b><u>Finance</u></b>								
Modernisation Fund	1,128	988	47	47	24	93	0	0
<b><u>Finance Total</u></b>	<b>1,128</b>	<b>988</b>	<b>47</b>	<b>47</b>	<b>24</b>	<b>93</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>2,293</b>	<b>1,288</b>	<b>425</b>	<b>425</b>	<b>85</b>	<b>580</b>	<b>0</b>	<b>0</b>



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/90/16/AP/MT</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>2016/18 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2016/18 Capital Programme.

## 2.0 SUMMARY

- 2.1 On March 10<sup>th</sup> 2016 the Council approved the 2016/18 Capital Programme, this effectively continued the previously approved 2015/18 Capital Programme.
- 2.2 While the programme was not materially adjusted from the previously agreed 2015/18 programme the Scottish Government settlement for 2016/17 included re-profiling of part of the capital grant to future years, this resulted in a deficit of £0.823m being approved. Subsequent unbudgeted 3<sup>rd</sup> party contributions and additional grant allocations for various flooding projects, has further reduced the deficit which now stands at £0.178m as can be seen from Appendix 1. This represents 0.19% of projected spend over the 2 year period and is within recommended parameters.
- 2.3 It should be noted that the Government have indicated that the Council will receive £1.4m Capital grant at some point over 2017/20 in lieu of the re-profiled grant from 2016/17. In addition further funding of £0.86m for flooding works is anticipated however this grant will be distributed over a 10 year period and the timing of the grant is not certain. Neither of these matters are reflected in the above figures.
- 2.4 It can be seen from Appendix 2 that as at 31<sup>st</sup> July 2016 expenditure in 2016/17 was 21.34% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director.
- 2.5 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall Committees are projecting to outturn on budget. In the current year net advancement of 7.93% is currently being reported. This compares with net advancement of 3% in 2015/16. In view of slippage levels in previous years officers were prudent in estimates of capital spend when preparing the 2016/17 Capital Programme and are actively seeking to advance projects where possible to offset slippage resulting in the net advancement. It is anticipated that slippage will occur and this figure will change as the year progresses.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2016/18 Capital Programme.

## **4.0 BACKGROUND**

- 4.1 On March 10<sup>th</sup> 2016 the Council approved the 2016/18 Capital Programme, this effectively continued the previously approved 2015/18 Capital Programme to 2017/18.
- 4.2 In December 2015 the Scottish Government announced the provisional settlement for 2016/17. The final settlement was approved on 25<sup>th</sup> February 2016. While the settlement itself was £8.035m, £0.735m higher than had been estimated, £1.443m of this has been re-profiled to future years which means it will not be received in 2016/17 but rather will be added to the Capital Grant over the 2017/20 period. It is therefore not possible not to reflect this additional grant over the current 2016/18 period.
- 4.3 The previously agreed 2015/18 Capital Programme had been budgeted to break even however the re-profiling of the capital grant highlighted above resulted in a budgeted deficit of £0.823m.
- 4.4 Subsequent to the budget approval in March 2016 unbudgeted 3<sup>rd</sup> party contributions were received and along with some year end adjustments reduced the deficit. In addition the 2016/17 General Capital Grant confirmed additional grant allocated for various flooding projects. As these projects were previously funded within the Capital Programme this has further reduced the deficit which now stands at £0.178m.
- 4.5 In addition further grant funding of £0.86m for flooding works is anticipated however this grant will be distributed over a 10 year period and the timing of the receipt is not certain. Again, it is considered prudent not to reflect this additional grant over the current 2016/18 period.

## **5.0 CURRENT POSITION**

- 5.1 Column H of Appendix 2 shows that over the 2016/18 period the Capital Programme is in a break-even position.
- 5.2 The position in respect of individual Committees is as follows:

### Health & Social Care

No slippage is being reported at this time with nominal spend of 0.1%.

### Environment & Regeneration

Net advancement of £1.821m (11.75%) is being reported with spend being 17.8% of projected spend for the year. The advancement is projected mainly within Flooding Strategy (£0.5m) and additional projects within core property assets budgets (£0.916m) including Wallace Place Elevation Roofing Works.

### Education & Communities

Net advancement of £0.349m (3.4%) is being reported with spend being 29.5% of projected spend for the year.

### Policy & Resources

No slippage is being reported at this time with spend being 20% of projected spend for the year.

- 5.3 Overall in 2016/17 it can be seen that expenditure is 21.34% of the projected spend for the year and that project advancement from the programme agreed in March 2016 is currently £2.17 million (7.93%).

## **6.0 CONCLUSIONS**

- 6.1 As can be seen in paragraph 5.3 projected project advancement is currently 7.93%, this compares with advancement of 3% in 2015/16. It should be noted that officers have actively sought to advance projects in anticipation of potential slippage as well as taking a prudent view when setting the 2016/17 Capital Programme.

- 6.2 The Council's Capital Programme for 2016/18 is showing a shortfall in resources of £0.178m. This represents 0.19% of projected spend over the 2 year period and is within acceptable parameters.
- 6.3 Overall Service Committees have spent 21.34% of the 2016/17 projected spend as at 31<sup>st</sup> July 2016.

## 7.0 CONSULTATION

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

## 8.0 IMPLICATIONS

### Finance

#### 8.1 Financial Implications

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

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

### Legal

- 8.2 There are no legal implications.

### Human Resources

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

### Equalities

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

### Repopulation

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

## **9.0 BACKGROUND PAPERS**

9.1 None.

Appendix 1

Capital Programme - 2016/17 - 2018/19

Available Resources

	A	B	C	D	E
	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	7,355	7,300	-	-	14,655
Less: Allocation to School Estate	(4,674)	(4,300)	-	-	(8,974)
Capital Receipts (Note 1)	692	435	-	-	1,127
Capital Grants (Note 2)	919	65	-	-	984
Prudential Funded Projects (Note 3)	14,219	20,974	3,904	-	39,097
Balance B/F From 15/16 (Exc School Estate)	1,243	-	-	-	1,243
Capital Funded from Current Revenue (Note 4)	(2,155)	6,639	-	-	4,484
	<u>17,599</u>	<u>31,113</u>	<u>3,904</u>	<u>-</u>	<u>52,616</u>

Overall Position 2016/19

Available Resources (Appendix 1, Column E)	£000	52,616
Projection (Appendix 2, Column B-E)		52,794
(Shortfall)/Under Utilisation of Resources		<u>(178)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Sales	610	385	-	-	995
Contributions/Recoveries	82	50	-	-	132
	<u>692</u>	<u>435</u>	<u>-</u>	<u>-</u>	<u>1,127</u>

Note 2 (Capital Grants)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	88	-	-	-	88
SPT	175	-	-	-	175
Sustrans	37	-	-	-	37
Sports Scotland/SFA	18	-	-	-	18
Electric Vehicle Charging Points	17	-	-	-	17
Historic Scotland	-	65	-	-	65
Big Lottery Fund	584	-	-	-	584
	<u>919</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>984</u>

## Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	94	66	-	-	160
Vehicle Replacement Programme	110	615	1,179	-	1,904
Greenock Parking Strategy	123	150	-	-	273
Asset Management Plan - Offices	3,133	1,324	-	-	4,457
Asset Management Plan - Depots	3,438	3,174	250	-	6,862
Capital Works on Former Tied Houses	18	210	360	-	588
Waterfront Leisure Complex Combined Heat and Power Plant	227	-	-	-	227
Leisure & Pitches Strategy	13	23	-	-	36
Broomhill Community Facility	-	500	-	-	500
Neil Street Childrens Home Replacement	1,132	498	-	-	1,630
Crosshill Childrens Home Replacement	57	1,535	90	-	1,682
Modernisation Fund	47	93	-	-	140
Watt Complex Refurbishment	523	1,293	-	-	1,816
Roads Asset Management Plan	3,994	5,683	2,025	-	11,702
Surplus Prudential Borrowing due to project savings	60	60	-	-	120
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	(150)	-	-	(300)
Additional Prudential Borrowing to Support annual allocations	1,400	1,400	-	-	2,800
Additional Prudential Borrowing to allow return of Reserves	-	4,500	-	-	4,500
	<u>14,219</u>	<u>20,974</u>	<u>3,904</u>	<u>-</u>	<u>39,097</u>

Note 4 (Capital Funded from Current Revenue)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	345	235	-	-	580
Play Areas	275	90	-	-	365
Contribution to Birkmyre Park Pitch Improvements	25	275	-	-	300
Scheme of Assistance	333	333	-	-	666
Flooding Strategy	137	1,726	-	-	1,863
Greenock Parking Strategy	47	-	-	-	47
Roads Asset Management Plan	23	(23)	-	-	-
Broomhill Community Facility (Community Facility Fund)	(147)	800	-	-	653
Inverkip Community Facility	651	100	-	-	751
Neil Street Childrens Home Replacement	-	133	-	-	133
Primary School MUGA's - various	107	90	-	-	197
Various MUGAs - transfer to SEMP	-	-	-	-	-
Community Facilities Investment	65	-	-	-	65
Blaes Football Parks	27	-	-	-	27
Broomhill Regeneration	(7)	450	-	-	443
Central Gourrock	30	-	-	-	30
Scottish Wide Area Network	23	-	-	-	23
Rankin Park Cycle Track	61	-	-	-	61
Bakers Brae Re-alignment	-	1,000	-	-	1,000
RCGF Port Glasgow/Broomhill	150	350	-	-	500
King George VI Refurbishment	50	450	-	-	500
District Court Room Restoration	-	330	-	-	330
AMP - William Street	-	300	-	-	300
Investment in Play Areas	-	-	-	-	-
Investment in Park Assets	150	-	-	-	150
Contribution to General Fund Reserves	(4,500)	-	-	-	(4,500)
	<u>(2,155)</u>	<u>6,639</u>	<u>-</u>	<u>-</u>	<u>4,484</u>

## Capital Programme - 2016/17 - 2018/19

Agreed Projects

Committee	A Prior Years £000	B 2016/17 £000	C 2017/18 £000	D 2018/19 £000	E Future £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2015/16 Spend To 31/07/16 £000
Policy & Resources	1,288	425	580	-	-	2,293	2,293	-	85
Environment & Regeneration	34,064	17,324	19,292	3,889	-	74,569	74,569	-	3,088
Education & Communities (Exc School Estate)	2,210	2,898	4,108	833	-	10,049	10,049	-	806
CHCP	228	1,189	2,166	90	-	3,673	3,673	-	1
Sub -Total	37,790	21,836	26,146	4,812	-	90,584	90,584	-	3,980
School Estate (Note 1)	5,901	7,703	21,764	9,716	2,429	47,513	47,513	-	2,324
Total	43,691	29,539	47,910	14,528	2,429	138,097	138,097	-	6,304

Note 1Summarised SEMP Capital Position - 2016/19

	2016/17	2017/18	2018/19
Capital Allocation	4,674	4,300	-
Scottish Government School Grant (estimate)	1,120	1,953	100
Surplus b/fwd	3,827	6,943	(6,168)
Prudential Borrowing	3,965	-	-
Contractor Contribution	60	-	-
CFCR	1,000	-	-
Available Funding	14,646	13,196	(6,068)
<u>Projects</u>			
Ex-Prudential Borrowing	2,738	19,364	9,716
Prudential Borrowing	3,965	-	-
CFCR	1,000	-	-
Total	7,703	19,364	9,716
Surplus c/fwd	6,943	(6,168)	(15,784)

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Executive, Corporate Director Environment, Regeneration &amp; Resources, Corporate Director Education, Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/92/16/AP/AE</b>
<b>Contact Officer:</b>	<b>Angela Edmiston</b>	<b>Contact No:</b>	<b>01475712143</b>
<b>Subject:</b>	<b>Policy &amp; Resources Committee 2016/17 Revenue Budget – Period 4 to 31st July 2016</b>		

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2015/16 revenue Budget out-turn and the 2016/17 projected out-turn for the Policy & Resources Committee as at period 4, 31<sup>st</sup> July 2016.

## 2.0 SUMMARY

- 2.1 In 2015/16 the underspend was £3,459,000, 20.56% of the total 2015/16 budget, details of which are shown in Section 5 of the report.
- 2.2 The major variances making up this underspend are as follows:
- a) IRI over-recovery £136,000.
  - b) Inflation & Pressures contingencies underspend returned to reserves £2,690,000.
  - c) Reallocation of Election costs £60,000.
  - d) Benefit Subsidy underspend of £121,000.
  - e) £162,000 over-recovery of prior year's Council Tax.

Committee is asked to note that all these matters were addressed or are being addressed in future years budgets.

- 2.3 The total revised Committee budget for 2016/17 is £14,239,740. This excludes Earmarked Reserves of £1,766,000.
- 2.4 The latest projection, excluding Earmarked Reserves, is an overspend of £20,000.
- 2.5 The main reasons for this overspend are:
- a) £75,000 projected underspend due to additional turnover savings being achieved.
  - b) £100,000 under-recovery on Internal Resource Interest income due to a reduction in interest rates.
- 2.6 The Earmarked Reserves for 2016/17 totals £1,766,000 of which £662,000 is projected to be spent in the current financial year. To date expenditure of £133,000 (20.09%) has been incurred which is £13,000 over the phased budgeted spend to date. It is to be noted that Earmarked Reserves reported in appendix 4 excludes Earmarked Reserves for Asset Plans and Strategic Funds.



2.7 The Common Good Fund is projecting an adverse variance of £5,700 against budget which would result in a surplus fund balance at 31 March 2017 of £17,130. This is below the minimum level of reserves of £100,000 recommended but action was agreed as part of the budget to address this in the medium term.

### **3.0 RECOMMENDATIONS**

3.1 The Committee note the 2015/16 Revenue Budget out-turn and the 2016/17 projected overspend of £20,000 for the Policy and Resources Committee as at Period 4, 31<sup>st</sup> July 2016.

3.2 The Committee note the projected fund balance of £17,130 for the Common Good Fund at 31<sup>st</sup> March 2017.

John Mundell  
Chief Executive

Alan Puckrin  
Chief Financial Officer

Wilma Bain  
Corporate Director  
Education, Communities  
& Organisational Development

Aubrey Fawcett  
Corporate Director  
Environment, Regeneration &  
Resources

#### 4.0 BACKGROUND

4.1 The purpose of this report is to advise Committee of the current position of the 2016/17 budget as well as the 2015/16 out-turn and to highlight the main issues contributing to the underspend of £3,459,000 in 2015/16 and projected overspend of £20,000 in 2016/17.

#### 5.0 2015/16 OUT-TURN

5.1 The main variations from budget in 2015/16 were:

	Revised Budget 2015/16	Out-turn 2015/16	Variance to Budget	Variance to Budget	Movement since P11 Projection
	£000	£000	£000	%	£000
Finance	7,877	7,234	(643)	(8.16)	(113)
Legal & Property Services	1,516	1,538	22	1.45	(23)
<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,393</b>	<b>8,772</b>	<b>(621)</b>	<b>(6.66)</b>	<b>(136)</b>
Organisational Development, Human Resources & Communications	1,714	1,736	22	1.28	3
Corporate Policy	183	184	1	0.54	(3)
<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>1,897</b>	<b>1,920</b>	<b>23</b>	<b>1.21</b>	<b>0</b>
Chief Executive	402	408	6	1.49	(3)
Miscellaneous	5,133	2,266	(2,867)	(55.59)	(132)
<b>Total Net Expenditure (Excluding Earmarked Reserves)</b>	<b>16,825</b>	<b>13,366</b>	<b>(3,459)</b>	<b>(20.56)</b>	<b>(271)</b>

5.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

##### **Finance - £643,0000 underspend**

Employee Costs: An underspend of £138,000 was projected in period 11, final out-turn being £132,000 underspend an increase in spend of £6,000 mainly due to minor increase in spends for holiday pay and redundancy.

Administration Costs: Actual out-turn is an underspend of £62,000 an increase in spend of £4,000 since period 11 report to Committee mainly due to increase in Sheriff Officer expenses offset by an increase in income.

Other Expenditure: In period 11 underspend of £103,000 mainly within benefit subsidy was reported. Final out-turn is an underspend of £140,000 mainly due to an increase in underspend within Benefit Subsidy of £21,000.

Payments to Other Bodies: Final out-turn is an underspend of £65,000 mainly due to NDR Discretionary relief, an increase in underspend of £41,000 since period 11 report to Committee.

Income: In period 11 an over-recovery of £104,000 was projected. Final out-turn is an over-recovery of £237,000 an increase of £133,000 mainly due to a £72,000 over-recovery in prior year Council tax.

### **Legal & Property - £22,000 overspend**

Employee Costs: An overspend of £45,000 was projected in period 11 due to turnover target not being met. There has been no change since.

Other Expenditure: An underspend of £60,000 since period 11 report to Committee mainly due to write off of historic election account balances.

Income: An under-recovery of £27,000 was projected in period 11, the final out-turn being £50,000 an increase of £23,000 mainly due to a reduction in income from liquor licensing due to a fall in demand.

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

### **Organisational Development, H.R. & Communications - £22,000 underspend**

Employee Costs: Final out-turn £27,000 overspend mainly due to turnover target not being met. This is a decrease in spend of £1,000 since last reported to Committee.

- 5.4 The following material variances relate to the Miscellaneous budget.

### **Miscellaneous – £2,867,000 underspend**

Inflation Contingency: Final out-turn is £2,458,000 underspend due to reduction in calls on non-pay inflation contingency. This is a further increase in underspend of £112,000 since period 11 report to Committee.

Pressures Contingency: Due to no significant calls a one off £232,000 underspend resulted within the pressures contingency for 2015/16. This was reported to Committee in period 11.

Internal Resource Interest: As reported in period 11 an over-recovery of £136,000 was achieved within Internal Resource Interest.

## **6.0 2016/17 CURRENT POSITION**

- 6.1 The current projection is an overspend of £20,000. The following are the material variances:

- 6.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

### **Finance - £94,000 underspend**

Employee Costs: £83,000 projected underspend mainly due to difficulties in recruiting Finance employees leading to additional turnover savings.

Supplies & Services: £44,000 projected overspend mainly due to a projected £31,000 increase in cost for Software maintenance and hardware purchases. Officers are examining potential virement to address this issue.

Payments to Other Bodies: Current projection is an underspend of £26,000 mainly due to a combination of reduction in Renfrewshire Valuation Joint Board charges and a projected reduction in discretionary relief claims.

Income: An over-recovery of £23,000 is being projected mainly due to £22,000 additional Government grants being received for Fraud and Error Reduction Incentive Scheme the cost for which is being contained within existing budgets.

### **Legal & Property - £24,000 overspend**

Employee Costs: An overspend of £24,000 is being projected due to turnover target not being met.

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

### **Organisational Development, H.R. & Communications - £36,000 overspend**

There are no areas over £20,000 contributing to this overspend but minor overspends in Advertising and employee costs plus a projected shortfall in income.

- 6.4 The following material variances relate to the Miscellaneous budget.

### **Miscellaneous – £78,000 overspend**

Inflation Contingency: Projecting an underspend of £22,000 based on current estimated calls on inflation contingency.

Internal Resource Interest: Projecting an under-recovery of £100,000 due to a reduction in Bank Base rates.

- 6.5 The following material variances relate to the Chief Executive Budget budget.

### **Chief Executive – £28,000 underspend**

Employee Cost: Projecting an underspend of £28,000 mainly due to additional turnover savings.

## **7.0 VIREMENT**

- 7.1 There are no virements to report in period 4.

## **8.0 EARMARKED RESERVES**

- 8.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding is £1,766,000 of which £662,000 is projected to be spent in 2016/17 and the remaining balance of £1,104,000 to be carried forward to 2017/18 and beyond. It can be seen that expenditure of £133,000 has been achieved which is £13,000 over the phased budgeted spend to date and represents 20.09% of the annual projected spend.

## **9.0 COMMON GOOD FUND**

- 9.1 Appendix 5 shows a projected overspend of £5,700 in the Common Good Fund as at 31<sup>st</sup> July 2016. This results in a projected available fund balance at 31 March 2017 of £17,130. This is below the minimum level of reserves of £100,000 recommended. Rates costs are also being examined to ensure all appropriate relief has been obtained.
- 9.2 Action was approved as part of the March 2016 Budget which should result in a gradual increase in the Common Good balance in future years.

## **10.0 IMPLICATIONS**

- 10.1 **Finance**

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

**10.2 Legal**

There are no specific legal implications arising from this report.

**10.3 Human Resources**

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

**10.4 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.

**10.5 Repopulation**

There are no repopulation issues arising from this report.

**11.0 CONSULTATIONS**

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

**12.0 CONCLUSIONS**

12.1 The Committee note the 2015/16 Revenue Budget out-turn and the 2016/17 projected overspend of £20,000 for the Policy and Resources Committee as at Period 4, 31st July 2016.

**13.0 BACKGROUND PAPERS**

13.1 There are no background papers for this report.

**Policy & Resources Budget Movement - 2016/17****Period 4: 1st April - 31st July 2016**

Service	Approved Budget		Movements			Revised Budget
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2016/17 £000
Finance	7,897	3	(118)		(100)	7,682
Legal & Property	1,496					1,496
Organisational Development, HR & Communications	1,642					1,642
Corporate Policy	190					190
Chief Exec	414					414
Miscellaneous	3,213	(370)	(28)			2,815
Totals	<u>14,852</u>	<u>(367)</u>	<u>(146)</u>	<u>0</u>	<u>(100)</u>	<u>14,239</u>

**Supplementary Budget Detail**

£000

External Resources  
DHP Redetermination

Internal Resources  
Finance

Legal

Organisational Development, HR & Communications

Corporate Policy

Chief Exec

Misc

Savings/Reductions

0

**REVENUE BUDGET MONITORING REPORT**

**CURRENT POSITION**

**PERIOD 4: 1st April 2016- 31st July 2016**

Service	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000
Finance	7,897	7,782	7,688	(94)
Legal & Property Services	1,496	1,496	1,520	24
<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,393</b>	<b>9,278</b>	<b>9,208</b>	<b>(70)</b>
Organisational Development, Human Resources & Communications	1,642	1,642	1,678	36
Corporate Policy	190	190	194	4
<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>1,832</b>	<b>1,832</b>	<b>1,872</b>	<b>40</b>
Chief Executive	414	414	386	(28)
Miscellaneous	3,213	2,815	2,893	78
<b>TOTAL NET EXPENDITURE</b>	<b>14,852</b>	<b>14,339</b>	<b>14,359</b>	<b>20</b>
Earmarked reserves		(100)	(100)	
<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>14,852</b>	<b>14,239</b>	<b>14,259</b>	<b>20</b>

**POLICY & RESOURCES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 4: 1st April 2016 - 31st July 2016**

Outturn 2015/16 £000	Budget Heading	Budget 2016/17 £000	Proportion of Budget £000	Actual to 31/07/16 £000	Projection 2016/2017 £000	Over/(Under) Budget £000
	<b><u>Finance/ICT</u></b>					
5,179	FIN - Employee Costs	5,434	1,757	1,688	5,351	(83)
378	ICT - Computer Hardware Purchase & Software Maintenance	417	104	398	448	31
(338)	Rev's - Government Grants	(232)	(58)	(49)	(255)	(23)
	<b><u>Legal &amp; Property Services</u></b>					
1,597	Audit & legal- Employee Costs	1,076	348	369	1,100	24
	<b><u>Miscellaneous</u></b>					
2,219	Inflation Contingency	650	502	502	628	(22)
(362)	Internal Resource Interest	(326)	0	0	(226)	100
	<b><u>Chief Executive</u></b>					
369	Employee Costs	371	120	115	343	(28)
<b>9,042</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>7,390</b>	<b>2,773</b>	<b>3,023</b>	<b>7,389</b>	<b>(1)</b>



## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy &amp; Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2016/17</u>	<u>Phased Budget To period 4 2016/17</u>	<u>Actual To period 4 2016/17</u>	<u>Projected Spend 2016/17</u>	<u>Amount to be Earmarked for 2017/18 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Modernisation Fund	Alan Puckrin	323	23	18	97	226	DAG overseeing developments including Schools On Line payments , EDRMS and Customer Service developments.
Welfare Reforms - Operational	Alan Puckrin	234	24	39	113	121	Funding temporary Posts.
Budget Development	Alan Puckrin	137	16	16	95	42	Uncommitted £50k. Assuming 50% of uncommitted funds to be utilised in 2016/17 along with £34k spend for temporary Grade G Greenock Town Centre post, £16k for PPP review and £20k for Social transport.
2013/16 Revenue Contingency	Alan Puckrin	318	27	28	209	109	Total uncommitted funds £132k. Spend for 2016/17 includes £65k for Grand Prix Boats, £40k for Chief Exec post advertisement, £20k for play schemes, £5k for Toll Boys and £6k for Gourock Highland Games. The balance of the £73k spend assumes part of the uncommitted funds to be spent during the year. A further £49k is committed for play scheme spend in 2017/18.
Welfare Reform - Policy	Alan Puckrin	503	0	0	0	503	£325k allocated to HSCP / Finance in 2016/17. A further £313k allocated from the £503k balance in 2017/18.
Corporate Complaints Improvements		80	0	0	22	58	Post for 2 years - Grade I expected to be filled Mid - Sept 2016 and continue to Mid Sept 2018.
HR Temporary Resources	Steven McNab	80	11	11	41	39	Two posts being funded from EMR for 2016/17. 1 PT Grade H and 1 Grade D post for 2 years.
Specialist Post - Equalities Officer to 31/03/17	Ruth Binks	46	10	10	40	6	Projected spend on Employee Costs up to 31/03/17 is £40k with £6k of EMR not required and can be written back to General Reserves at Year End.
Specialist Post - Information Governance to 31/03/17	Helen Watson	45	9	11	45	0	The spend relates to the Council's Information Governance Officer.
<b>Total Category C to E</b>		<b>1,766</b>	<b>120</b>	<b>133</b>	<b>662</b>	<b>1,104</b>	

## REVENUE BUDGET MONITORING REPORT 2016/17

## PERIOD 4 : 1st April 2016 to 31st July 2016

	Final Outturn 2015/16	Approved Budget 2016/17	Budget to Date 2016/17	Actual to Date 2016/17	Projected Outturn 2016/17
<b>PROPERTY COSTS</b>	<b>38,790</b>	<b>21,000</b>	<b>7,000</b>	<b>12,350</b>	<b>21,000</b>
Repairs & Maintenance 1	19,700	9,000	3,000	1,570	9,000
Rates 2	20,810	11,000	3,700	12,510	11,000
Property Insurance	(1,720)	1,000	300	(1,730)	1,000
Marketing Costs					
<b>ADMINISTRATION COSTS</b>	<b>17,370</b>	<b>8,700</b>	<b>2,700</b>	<b>4,290</b>	<b>9,400</b>
Sundries	10,170	1,500	500	2,090	2,200
Commercial Rent Management Recharge	2,200	2,200	2,200	2,200	2,200
Recharge for Accountancy	5,000	5,000	0		5,000
<b>OTHER EXPENDITURE</b>	<b>101,230</b>	<b>100,700</b>	<b>44,400</b>	<b>2,820</b>	<b>100,700</b>
Christmas Lights Switch On	10,500	10,500	0		10,500
Christmas Dinners/Parcels	21,600	21,600	0		21,600
Gourock Highland Games	29,400	29,400	29,400		29,400
Armistice Service	6,710	8,300	0	1,570	8,300
Comet Festival	13,300	13,300	13,300		13,300
Fireworks	12,600	12,600	0		12,600
Society of the Innocents Rent Rebate	5,000	5,000	1,700	1,250	5,000
Bad Debt Provision	2,120				0
<b>INCOME</b>	<b>(114,870)</b>	<b>(139,010)</b>	<b>(46,400)</b>	<b>(42,170)</b>	<b>(134,010)</b>
Property Rental	(183,000)	(187,470)	(62,500)	(42,130)	(187,470)
Void Rents 3	68,640	50,460	16,800		55,460
Internal Resources Interest	(510)	(2,000)	(700)	(40)	(2,000)
Donations	0				0
Lease Premium	0				0
Disposal of Land					
<b>NET ANNUAL EXPENDITURE</b>	<b>42,520</b>	<b>(8,610)</b>	<b>7,700</b>	<b>(22,710)</b>	<b>(2,910)</b>
<b>EARMARKED FUNDS</b>	<b>42,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
John Wood St/Bay St Shop Improvemnts	18,420				0
World War 1 Centenary	3,570				0
Port Glasgow Road - Demolition	8,450				0
Repairs & Renewals Fund	12,000				0
<b>TOTAL NET EXPENDITURE</b>	<b>84,960</b>	<b>(8,610)</b>	<b>7,700</b>	<b>(22,710)</b>	<b>(2,910)</b>

Fund Balance as at 31st March 2016

14,220

Projected Fund Balance as at 31st March 2017

17,130

## Notes:

**1 Repairs & Maintenance**

Significant repairs costs continue to be incurred in respect of vacant properties to bring them to an adequate condition to allow the property to be let out. An estimate of the repairs costs is currently being prepared and will be reported to future Committee. Should this estimate be in excess of existing Repairs & Maintenance budgets Officers will consider and recommend how any shortfall should be addressed.

**2 Rates (Empty Properties)**

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

**3 Current Empty Properties are:**Vacant since:

12 Bay St	April 2015
14 Bay St	March 2015
4 John Wood Street	May 2010
17 John Wood Street	March 2014
74 Port Glasgow Road	September 2012 (Under Offer)

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 20 September 2016
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b> FIN/91/16/AP/AE
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b> 01475 712223
<b>Subject:</b>	<b>2016/17 General Fund Revenue Budget as at 31 July 2016</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 31<sup>st</sup> July 2016 and to update Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

## 2.0 SUMMARY

- 2.1 The Council approved the 2016/17 Revenue Budget in March 2016 and at this meeting the Council also provisionally approved the 2017/18 Revenue Budget. The Council set a balanced budget for 2016/17 without the use of Revenue Reserves.
- 2.2 It can be seen from Appendix 1 that as at 31<sup>st</sup> July 2016 the General Fund is projecting a £0.427 million underspend which represents 0.22% of the net Revenue Budget. This is mainly due to:
- Continued projected underspend of Council Tax Reduction due to the Council Tax Freeze.
  - Additional turnover savings across all Directorates.
  - Projected underspend within externally provided ASN Transport.
  - Reduced Internal Resources Interest due to the Bank Rate cut to 0.25%.
- 2.3 From Appendix 1 it can be seen that 3 Service Committees are currently projecting underspends. The Policy and Resources Committee is projecting an overspend primarily due to an under recovery of Internal Resources Interest largely offset by additional turnover savings achieved.
- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Strategic Funds, it can be seen that as at 31<sup>st</sup> July 2016 expenditure totalled £0.796 million which equates to 11.92% of the projected spend in 2016/17. It can also be seen from Appendix 2 that at 31<sup>st</sup> July 2016 actual expenditure is 8.82% behind phased budget.
- 2.5 It can be seen from Appendix 2 that the Health and Social Care Committee has £2.584 million of Earmarked Reserves for 2016/17. This excludes those reserves relating to Asset Plans and Strategic Funds which, when included, increases the Earmarked Reserves balance to £3.382 million. As strategic delivery of these services now lies with the IJB it is recommended that the Council transfer these Earmarked Reserves to the Integrated Joint Board.
- 2.6 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31<sup>st</sup> March 2017 is £4.335 million which is £0.535 million greater than the minimum recommended balance of £3.8 million. Reports included elsewhere on the agenda provide more detail on the potential use of surplus reserves.

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2.7 The Scottish Government has indicated that the Spending Review will be announced in December 2016 and will be for 2017/18 only, more information on the approach to the 2017/20 Budget is included in a report elsewhere on the agenda.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the latest position of the 2016/17 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee note that at the meeting on 10<sup>th</sup> March 2016, consideration of the use of free reserves arising since the budget meeting was deferred until the 2015/16 Accounts are finalised. There is a report elsewhere on the agenda that provides further update on the reserves position and Budget Strategy.
- 3.3 It is recommended that the Committee approve the formal transfer of the Health and Social Care Earmarked Reserves to the Integrated Joint Board.

Alan Puckrin  
Chief Financial Officer

## 4.0 BACKGROUND

- 4.1 The Council approved the 2016/17 Revenue Budget in March 2016 and at this meeting the Council also provisionally approved the 2017/18 Revenue Budget. The Council set a balanced budget for 2016/17 without the use of Revenue Reserves.

## 5.0 POSITION AS AT 31 JULY 2016

- 5.1 It can be seen from Appendix 1 that as at 31<sup>st</sup> July 2016 the General Fund is projecting an underspend of £0.427 million which equates to 0.22% of the net General Revenue Fund Budget.

- 5.2 It can be seen from Appendix 1 that 3 Service Committees are currently projecting underspends, the Policy and Resources Committee is currently projecting an overspend.

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

Policy & Resources Committee – Projected overspend of £20,000 (0.14%) mainly due to a projected under recovery of Internal Resources Interest due to low interest rates which has been offset in part by additional turnover savings achieved.

Environment & Regeneration – Projected underspend of £40,000 (0.21%) mainly due to excess turnover savings projected offset in part by an overspend within residual waste contract due to an increase in tonnages treated and an under recovery within Physical Assets rental income.

Education & Communities - £151,000 (0.18%) projected underspend mainly due to additional turnover savings projected, a projected underspend within externally provided ASN transport and a projected underspend for Biomass fuel. This has been offset in part by a projected overspend for Waivers within Sports and Leisure.

Health & Social Care – Projected underspend of £6,000 (0.01%).

- 5.4 In addition there is a projected underspend in the costs of the Council Tax Reduction scheme in line with prior years. The reasons for this are the freezing of Council Tax and reduction in uptake associated with the move to Universal Credit. Officers are closely monitoring Council Tax collection levels in light of this development.

- 5.5 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing will not be amended during the year and should provide a useful benchmark for Officers and Members to monitor performance against originally envisaged targets. The Earmarked Reserve statement excludes those funds that relate to Assets Plans or Strategic Funds.

- 5.6 It can be seen that as at 31<sup>st</sup> July 2016 the Council has spent £0.796 million against a phased budget target of £0.873 million. This represents slippage of 8.82% against target and spend equates to 11.92% of the projected spend for 2016/17. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee.

- 5.7 The Earmarked Reserves includes £2.584 million for the Health and Social Care Committee and a further £0.798 million for Strategic Funds. As strategic delivery of these services has transferred to the IJB it is recommended that the Council approve the transfer of Health and Social Care Earmarked Reserves to the Integrated Joint Board.

- 5.8 Appendix 3 shows the projected General Fund Reserves position as at 31<sup>st</sup> March 2017.

The projected balance at this date is shown as £4.335 million which is £0.535 million greater than the minimum reserve balance of £3.8 million recommended and approved via the Reserves Strategy. Further proposals regarding the use of Reserves is subject to a report elsewhere on the agenda.

## 6.0 OTHER FINANCIAL MATTERS

6.1 Since the 2016/17 Revenue Budget was approved by Council on 10<sup>th</sup> March 2016, the Scottish Government has indicated that there will be a one year Spending Review expected to be announced December 2016. This will mean a one year Grant Settlement for 2017/18 only will be available to the Council for the upcoming Budget exercise.

## 7.0 CONSULTATION

7.1 This report has been produced utilising the detailed budget reports to each Committee.

## 8.0 IMPLICATIONS

### 8.1 Finance

One off Costs

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

Annually Recurring Costs

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

### 8.2 Legal

None

### 8.3 Human Resources

None

### 8.4 Equalities

None

### 8.5 Repopulation

None

## 9.0 BACKGROUND PAPERS

9.1 None

**Policy & Resources Committee**  
**Revenue Budget Monitoring Report**  
**Position as at 31st July 2016**

Committee	Approved Budget 2016/2017	Revised Budget 2016/2017	Projected Out-turn 2016/2017	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	14,852	14,239	14,259	20	0.14%
Environment & Regeneration	21,386	19,237	19,197	(40)	(0.21%)
Education & Communities <b>(Note 1)</b>	90,930	83,408	83,257	(151)	(0.18%)
Health & Social Care	48,815	48,816	48,810	(6)	(0.01%)
<b>Committee Sub-Total</b>	<b>175,983</b>	<b>165,700</b>	<b>165,523</b>	<b>(177)</b>	<b>(0.11%)</b>
Loan Charges (Including SEMP)	14,395	18,561	18,561	0	0.00%
Contribution to General Fund Reserve	260	405	405	0	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	6,417	6,417	0	0.00%
<b>Total Expenditure</b>	<b>190,398</b>	<b>190,843</b>	<b>190,666</b>	<b>(177)</b>	<b>(0.09%)</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(163,552)	(163,997)	(163,997)	0	0.00%
Council Tax	(26,846)	(26,846)	(27,096)	(250)	0.93%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(427)</b>	<b>(427)</b>	

**Note 1 - Reduction reflects loans charges and earmarked reserves.**

**Earmarked Reserves Position Statement**

**Appendix 2**

**Summary**

<u>Committee</u>	<u>Total Funding 2016/17</u>	<u>Phased Budget to 31 Jul 2016</u>	<u>Actual Spend To 31 Jul 2016</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2016/17</u>	<u>Earmarked 2017/18 &amp; Beyond</u>	<u>2016/17 %age Spend Against Projected</u>	<u>2016/17 %age Over/(Under) Spend Against Phased Budget</u>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Education & Communities	4,346	271	271	0	2,215	2,131	12.23%	0.00%
Health & Social Care	2,584	431	335	(96)	2,469	115	13.57%	(22.27%)
Regeneration & Environment	2,962	51	57	6	1,332	1,630	4.28%	11.76%
Policy & Resources	1,766	120	133	13	662	1,104	20.09%	10.83%
	<b>11,658</b>	<b>873</b>	<b>796</b>	<b>(77)</b>	<b>6,678</b>	<b>4,980</b>	<b>11.92%</b>	<b>(8.82%)</b>

**Actual Spend v Phased Budget      Underspend = (£77k)                      (8.82%)**



**Appendix 3**

**GENERAL FUND RESERVE POSITION**  
**Position as at 31/07/16**

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/16		8783
Projected Surplus/(Deficit) 2016/17	427	
Contribution to General Fund Reserve 2016/17 <b>(Note 1)</b>	<u>405</u>	
		832
Proposals contained in the Budget Strategy Report (Subject to Approval):		
- One off use of reserves for 2017/19 Budget		(5100)
- Funding for I-Zones to 31/03/18		(180)
Projected Unallocated Balance 31/03/17		<u><u>4335</u></u>

**Minimum Reserve required is £3.8 million**

**Note 1 (One off Savings)**

SEMP Loans Charges not required 2016/17	260
Housing Benefit Subsidy (2017/18 £600k Saving Target)	100
Clyde Muirshiel Contribution (2017/18 £600k Saving Target)	28
UC Delivery Partnership Income (2017/18 £600k Saving Target)	17
	<u><u>405</u></u>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20<sup>th</sup> September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/94/16/AP/AMcD</b>
<b>Contact Officer:</b>	<b>Allan McDonald</b>	<b>Contact No:</b>	<b>01475 712098</b>
<b>Subject:</b>	<b>ICT Services Performance Update</b>		

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## **1.0 PURPOSE**

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

## **2.0 SUMMARY**

- 2.1 ICT continues to deliver a high level of service despite increasing demand from users and the reduction in resources. It has a range of ongoing projects listed in Appendix 1 that will improve reliability and delivery of services and is working with a number of services to identify opportunities to implement new ways of working and drive efficiencies.
- 2.2 The Servicedesk continues to deliver a high quality service that has rated highly in Customer Satisfaction exercises. There is a challenge to ensure that this is maintained in light of on-going and increasing resource pressures. The majority of the day to day work that the servicedesk undertakes is in the Schools. With an increasing emphasis on the use technology in the classroom ICT works closely with QIO colleagues in Education Services to ensure that the service delivers in line with educational priorities.
- 2.3 The Council has begun the process to utilise the Scottish National MyAccount Service to authenticate citizens for online services being implemented as part of the Council's Digital Access Strategy
- 2.4 Following recent service issues ICT has completed a review of current Remote Access provisions.

## **3.0 RECOMMENDATIONS**

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

**Alan Puckrin**  
**Chief Financial Officer**

## 4.0 BACKGROUND

- 4.1 As part of the ongoing restructure of the Council's Services. ICT Services became part of Finance Services on 1<sup>st</sup> April 2015.
- 4.2 ICT Services provides 5 main functions as part of its overall service:
- Servicedesk – Incident Response and Service request
  - Server and System Support
  - Network and Telecommunications
  - Application Support and Development
  - Project Management
- 4.3 The service provides support from 08:40 – 17:00 (16:30 Friday) and delivers a highly efficient and very cost effective service as evidenced by SOCITM Benchmarking where the service is consistently benchmarked as one of the lowest spending services per customer/device of all 32 local authorities.
- 4.4 MyAccount is a Scottish Government initiative to provide a single account for all citizens to be able to access a wide range of public sector services using only one username and password. Following Committee approval ICT Services have begun the process of engaging with the Improvement Service to implement the necessary infrastructure changes required to implement the service.
- 4.5 The Council has used a version of Aventail for Remote Access since 2006 when it was procured to replace a number of separate access systems. Since 2011 Dell has owned the product and has rebranded it Dell SonicWall Secure Remote Access (SRA). The system is used in both Corporate and Education Networks. Following recent service and reliability issues, ICT has completed a review of the system and provided a summary of the options and current course of action at Section 2.7 of Appendix 1.

## 5.0 PERFORMANCE

- 5.1 ICT Services provides a range of functions critical to the ongoing delivery of services to staff, pupils and customers of the Council. Despite ongoing budgetary pressures, ICT Services has continued to meet and exceed Service level targets. Appendices 1 and 2 show the high level performance across a range of targets:
- Servicedesk Incidents
  - Servicedesk Service Requests
  - Internet and Web Access
  - Email
  - PC Refresh
  - Projects Update
- 5.2 Servicedesk Incidents. These tables show a steady number of Incidents being received by the servicedesk on a month by month basis. The number of calls that fail to be resolved within the agreed Service Levels remain low and the overall Service Levels remains well above the current 80% target. An incident is defined as an issue that impacts directly on the ability of a member of staff, a team or service to continue to perform their job. Common examples are PC failures, Application errors, Interactive Whiteboard bulb replacements.

The Servicedesk responds to, on average, over 1500 incidents per month of which it resolves 93.45% of calls within agreed SLA levels against an SLA target of 80%.

5.3 ServiceDesk Service Requests. These tables also show a steady number of Service Requests being received by the servicedesk on a month by month basis. The number of requests that fail to be resolved within the agreed Service Levels remain low and the overall remains well above the current 80% target. A Service request is defined as an additional requirement. Common examples are additional network points or equipment, office moves or the provision of a bespoke application.

The Servicedesk receives, on average, over 400 service requests per month of which it resolves 92.67% of requests within agreed SLA levels against an SLA target of 80%.

5.4 Internet and Web Access. This report shows the number of visitors to the main Council website [www.inverclyde.gov.uk](http://www.inverclyde.gov.uk). It shows an improvement in the number of pages being visited since the website was refreshed in May 2015. These enhanced statistics detail the way the site is being used and by which type of device.

5.5 Email. The Council receives an average of just under 500,000 incoming emails each month. The figures in these tables show the breakdown of legitimate mail against spam messages and mail that contains viruses and malware.

5.6 PC Refresh Programme. The Council currently has a five year PC refresh programme. Phase 1 of the 2016 Refresh programme, has now been completed and 1830 older and smaller monitors have been replaced with larger, more efficient LED widescreen devices.

## 6.0 IMPLICATIONS

### 6.1 Finance

#### Financial Implications:

There are no direct costs arising from this report.

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

### 6.2 Legal

There are no legal implications arising from this report.

### 6.3 Human Resources

As per the 2016/17 budget, a restructure has been approved which will deliver a £23,000 saving.

## 6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes

No

This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

## Repopulation

6.5 There are no repopulation issues arising from this report.

## 7.0 CONSULTATIONS

7.1 None

## 8.0 BACKGROUND PAPERS

8.1 None

## **Appendix 1 – Projects Update**

### **1 - Scottish Wide Area Network (SWAN)**

Following final transition of the Council Wide Area Network to SWAN, ICT Services continue to engage with the SWAN Authority, and the supplier, Capita, to progress use of “Value Added Services” that will become available via the SWAN Contract.

Areas currently being pursued by the Council is the implementation of the ability to use Council ICT equipment in other public sector locations and conversely, allowing other public bodies access via our own wireless network. The implementation of a secure email relay service between SWAN members and other public bodies such as the Criminal Justice and Policing sector.

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

### **2 - Digital Access Strategy**

#### **2.1 – MyAccount Scotland**

Committee has given approval for the Council to use MyAccount as the authentication method for Council online services. The Council is now beginning the “on-boarding” process to become a participant in the scheme.

#### **2.2 - Council Website**

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

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

A major update to the Content Management System has been completed. Custom workflow has been delivered. Configuration and testing is continuing. A meeting with core web team members to “walk through” the new features and agree testing parameters has been held.

An updated Intranet server has been deployed. There is an opportunity to refresh the current Intranet site Icon following the deployment of a new server. Early discussions with colleagues in Corporate Comms and the core web team indicate an interest in reviewing the current provision and establishing further enhancements. Corporate Communications are currently canvassing opinions from staff on what functionality and content would be required.

#### **2.3 - Customer Services – Kana Upgrade**

Web Self Service Portal (SSP) has been implemented. Training in the product has now been delivered to ICT and CSC Staff. A number of services offered by Roads, Transport and Waste Collection have been identified as suitable pilots and will be accessible from the main council website. Engagement with Services has begun to identify potential services to be delivered and identify any changes to working practices to accommodate the new system. A small number of services will be identified to form part of a “soft launch” of the new forms. It is anticipated that the service will go live in October 2017.

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

Citizen Mobile is an app for mobile devices which offers similar functionality to the Self Service Portal. This will provide another route to services for citizens. The app takes advantage of the GPS positioning and camera technology inherent in the devices to capture rich and accurate data to attach to the case created in KANA system. Development of the app has been completed and is being tested by ICT Services. Services to be include at go-live are being agreed at a series of planning meetings between Ict and interested Services. Publication in the Apple App Store and Android play Store is anticipated towards the end of September.

A members briefing is planned to demonstrate the services prior to public launch.

## **2.4 Complaints management**

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

A number of outstanding tasks are now required to be completed to deliver the final process configuration in KANA:

- Eform to be reviewed and changes made
- Scripting to be reviewed and changes made
- Work queues to be defined
- Users, groups and recipients to be defined
- Reports to be defined

The Complaints Management Steering Group will "sign-off" the system and agree on an implementation timetable.

## **2.5 – Council Online Payments**

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

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

## **2.6 - Schools Online Payments**

Following a capability and capacity assessment of suppliers with Procurement and Legal Services, a supplier has been appointed.

The project has been initiated and pilot schools have been identified.

Training was delivered towards the end of August and is to be followed by implementation of initial payment items.

Planned go live date of mid-September to allow for schools to return from summer break and local training to be delivered.

## **2.7 Remote Access**

### **Background**

Following two significant recent events that had resulted in loss of remote access to Council Service for Home and Mobile Workers (including access to Council Emails from Smartphones), ICT has conducted a review into alternatives for the current provision.

The council has used a version of Aventail for Remote Access since 2006 when it was procured to replace a number of separate access systems. Since 2011 Dell has owned the product and has rebranded it Dell SonicWall Secure Remote Access (SRA). The system is used in both Corporate and Education Networks.

Aventail was chosen as it provides a range of services in a single appliance that are normally provided by separate services. It allowed a unified approach to be used by staff and suppliers with a requirement to access internal network services remotely.

It provides the following services:

- Remote Access/VPN
- Two Factor Authentications (2FA)
- Portal/Remote Web Access – allows staff on NHS sites to access council network securely
- Mobile Device Access and Security (Smartphone and PDA access to email primarily)

Currently there are:

### **Corporate**

- 471 VPN Users (Laptops and tablets),
- 11 Home Workers,
- 145 Portal Users
- 255 Mobile Device users



- 63 Suppliers

#### Education

- 83 VPN Users (Laptops and tablets),
- 8 Suppliers

#### **Configuration**

The council has a single device deployed for Education Services and two devices to provide a level of contingency for Corporate Users: 1 is located in the Data Centre and one at our DR Site at Newark.

#### **Performance and Reliability**

In the ten years since Aventail was deployed it has been secure with a very high level of availability, however there have been three significant periods of service disruption:

Due to bug in a scheduled upgrade, in December and January 2013/14 it was necessary for ICT Staff to intervene daily to resolve a significant number of access and performance issues. This resulted in loss of access for end-user clients.

At the start of 2016 a client upgrade (the software that sits on laptops and desktops) caused significant issues for users. This caused several weeks of intermittent disruption.

In August 2016 a hardware failure on the corporate device resulted in a loss of service and required a replacement device to be shipped from the supplier as part of the support agreement.

There have also been three recent issues that appeared to be Aventail related (i.e. remote access was unavailable) but that were subsequently identified as being separate issues. In April 2016 a JANET related Security issue restricted internet access to our network, a Windows server issue that arose over a weekend prevented access to remote services and an intermittent internet access issue on the Education Scotland provided Service resulted in some users being unable to access the device.

#### **Potential Replacement Services**

As at the original time of procurement there is no direct replacement of Aventail available therefore any replacement project would require a number of separate services or devices to be purchased:

##### Remote Access/VPN & Authentication Services

Cloud Based: A number of cloud based services are now available to procure via the Government Digital Marketplace.

The pricing is on a per user per month basis and vary dependent on the range of additional services required.

Hardware Based - A physical device such as an additional McAfee Enterprise firewall could be purchased. A 2FA Solution would be needed in addition to this – a cloud based solution could be procured.

Portal – The Aventail Portal is basic and provides limited functionality – the most obvious solution would be to extend the Councils existing Citrix Platform to allow a full rich desktop service. This has previously been discussed with HSCP who requested a review of current solutions – Although the cost of infrastructure would not be excessive, licensing costs would rise significantly.

### **Outcome**

The relatively low ongoing costs and historical stability of the Aventail platform makes migration to a new platform look an expensive step.

The Council has fully paid support for the current device until July 2017. ICT will monitor stability and performance and review the situation make a recommendation based on the requirements at that time.

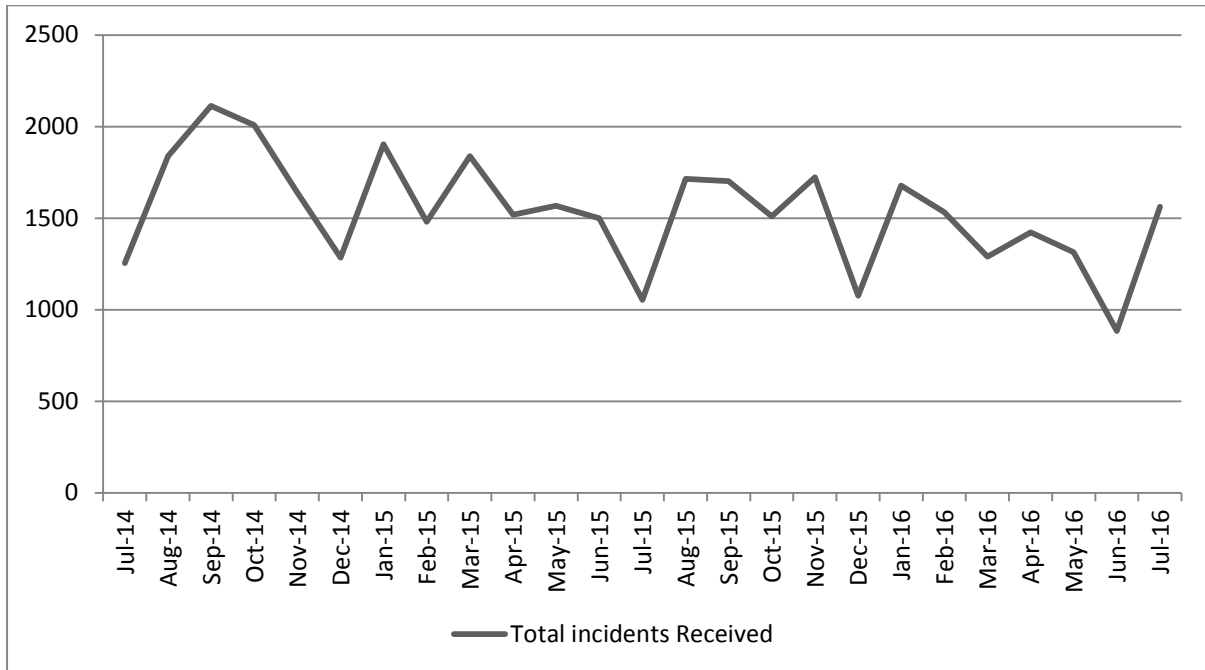
Additionally the service has implemented a text alerting service to advise of any issues with remote access and will use this to provide updates and information if any future issues arise.

## Appendix 2 – Performance Statistics – August 2016

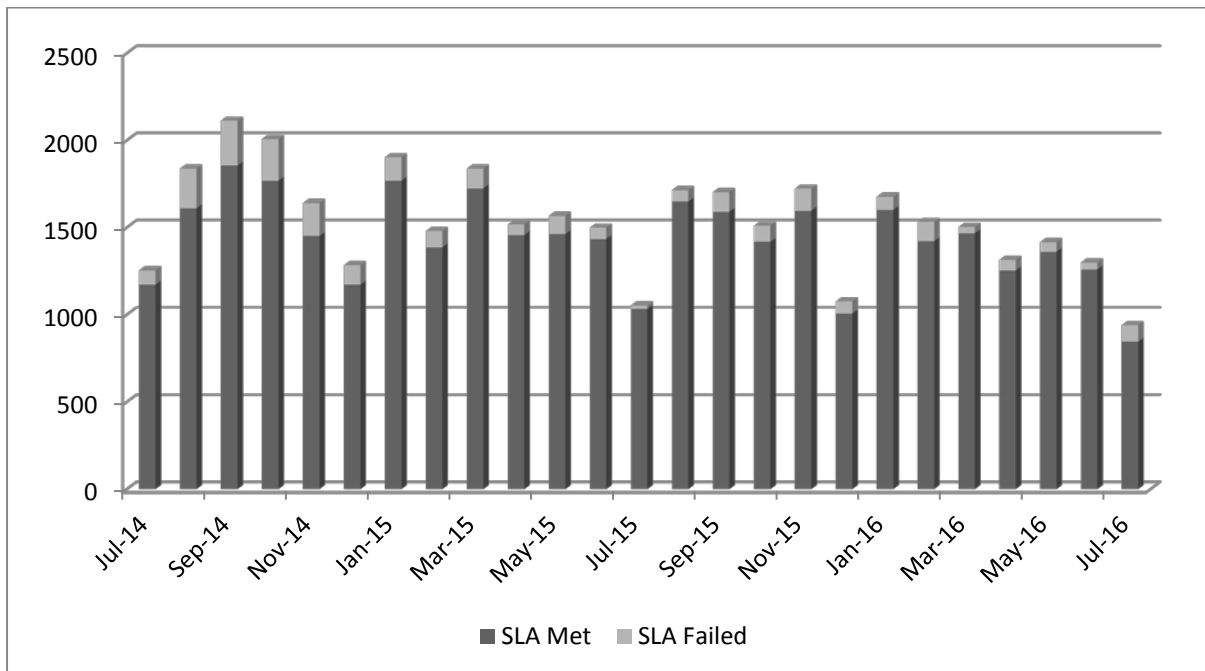
### Section 1 - Servicedesk

#### 1.1 Incidents

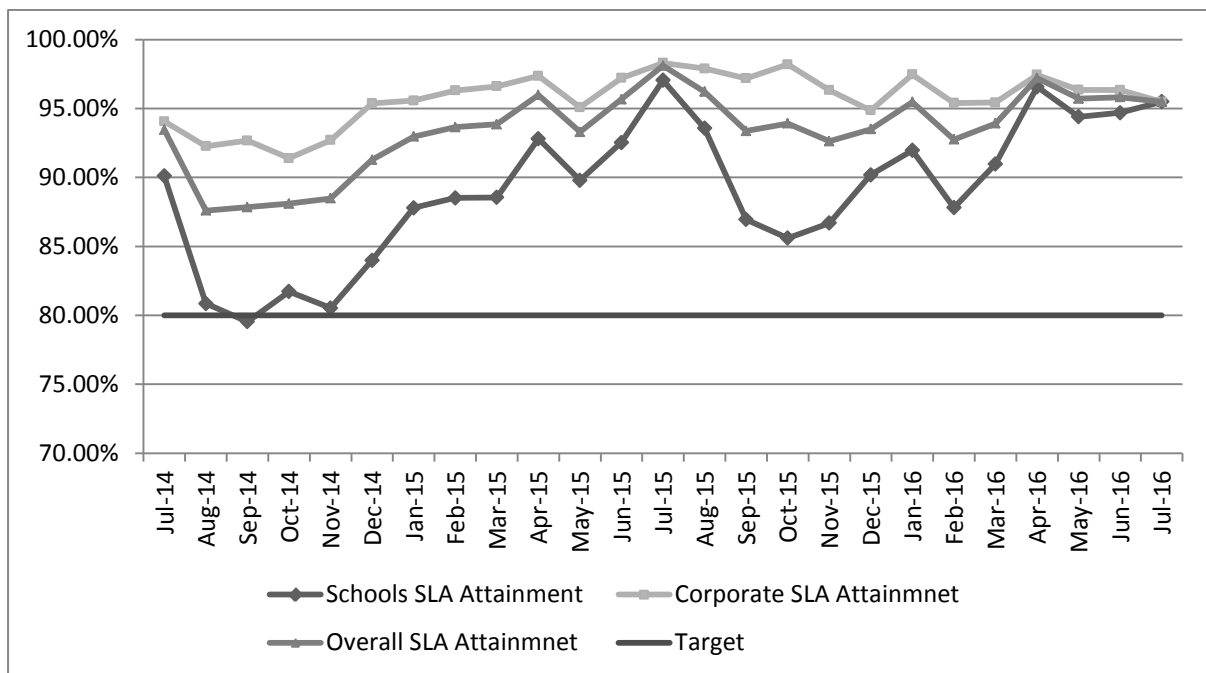
##### Incidents Received



#### 1.1.1 - Incidents Met/Failed within SLA



### 1.1.2 - Monthly Service Level Attainment - Incidents



#### SLA Details

##### VIP Users

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

##### Standard Users

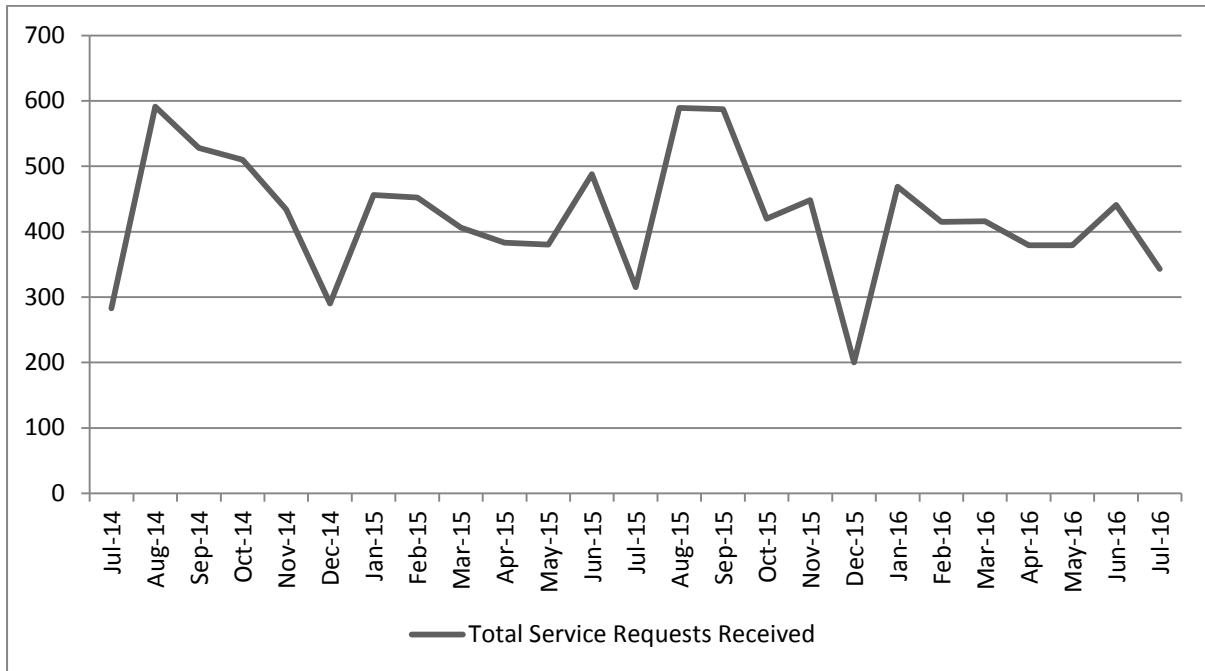
Priority	Target Resolution Time
Critical	4 hours
High	7 hours
Normal	21 hours
Low	35 hours
Long Term	No target

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

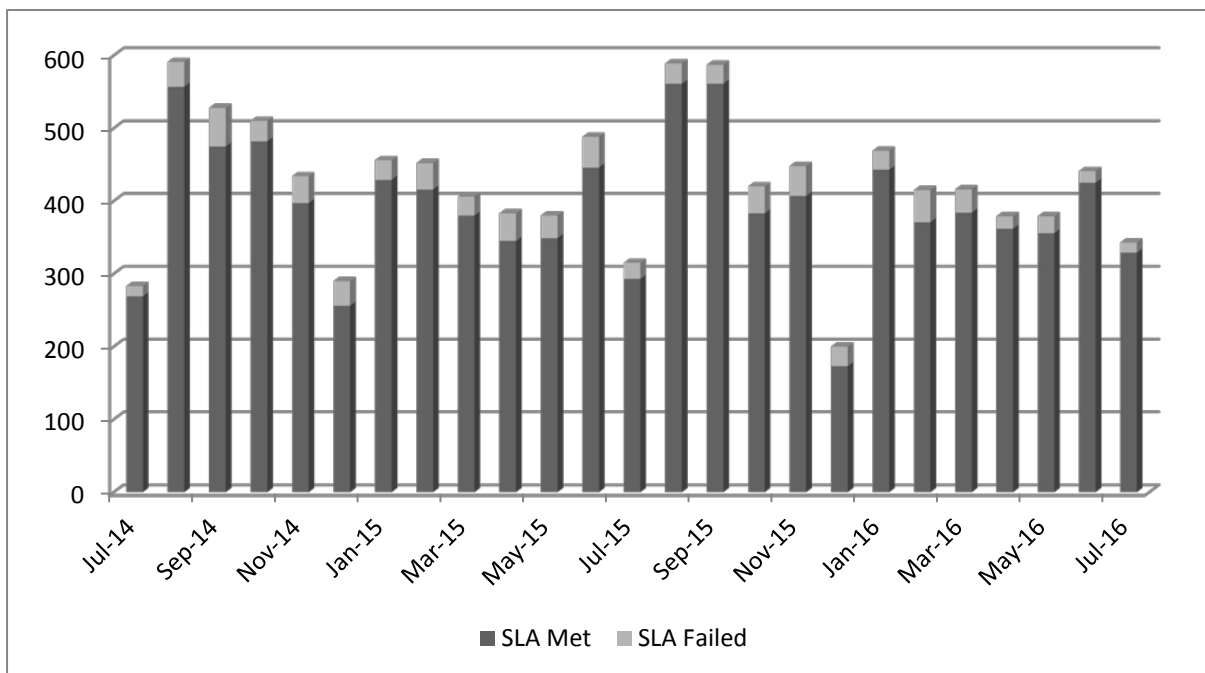
A typical Service request is unlocking a user account or password, software errors, PC faults, PDA, whiteboard and projector issues.

## 1.2 - Service Requests

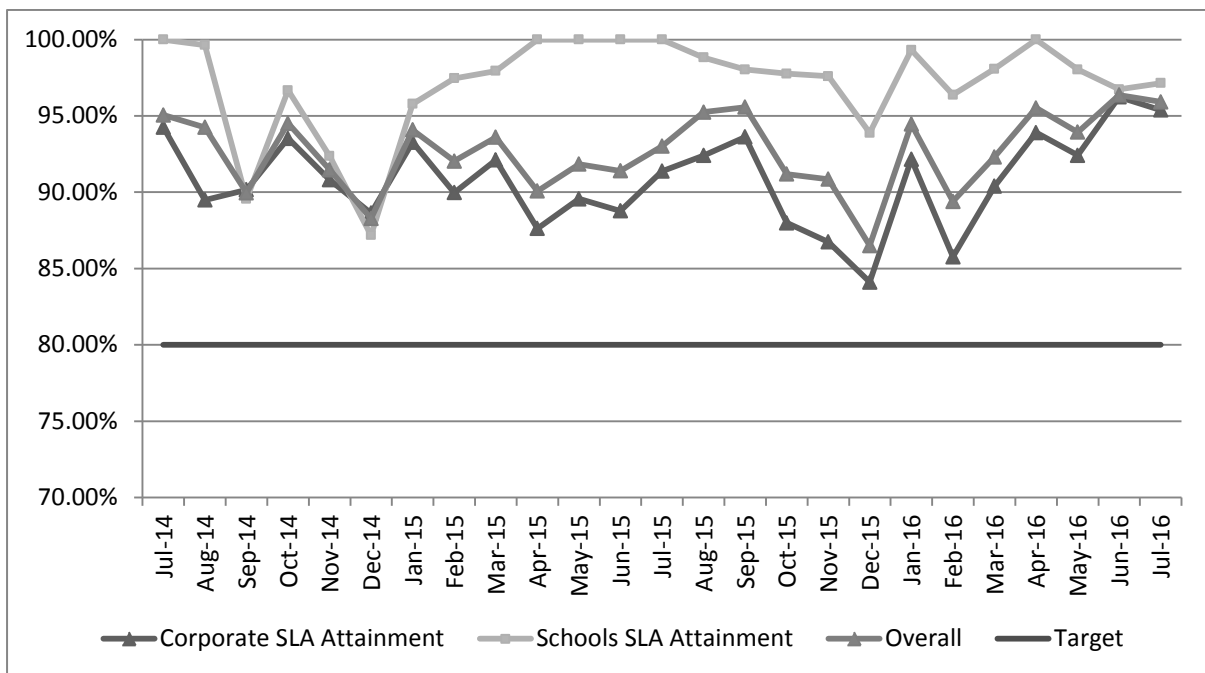
### 1.2.1 - Service Requests Received



### 1.2.2 - Service Requests Met/Failed within SLA



### 1.2.3 - Service Level Attainment – Service Requests



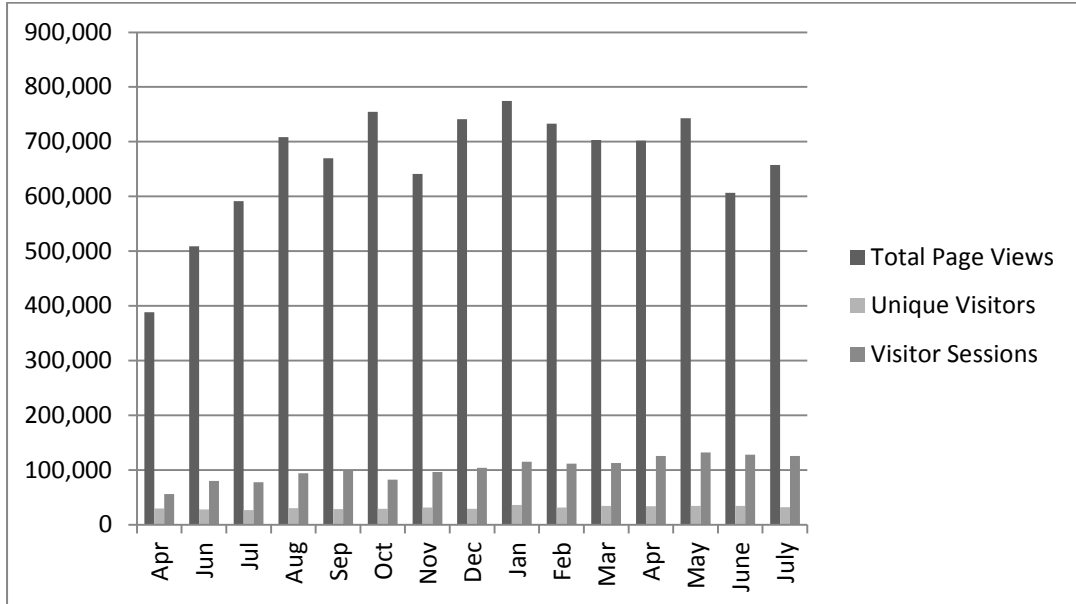
SLA Attainment is 80% of incidents resolved within Target Resolution Time.

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

## Section 2 - Internet and Web Access

### 2.1 - [www.inverclyde.gov.uk](http://www.inverclyde.gov.uk) – Site Statistics

Refreshed website launched May 15 – Figures for April 15 are Pre-Launch



	Feb	Mar	Apr	May	June	July
Total Page Views	733,030	703,084	701,748	743,166	606,734	657,450
Unique Visitors	31,802	34,828	34,116	34,439	34,715	32,270
Visitor Sessions	111,823	112,676	125,892	132,517	128,388	126,062

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

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

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

## 2.2 - Most Popular Pages Visited

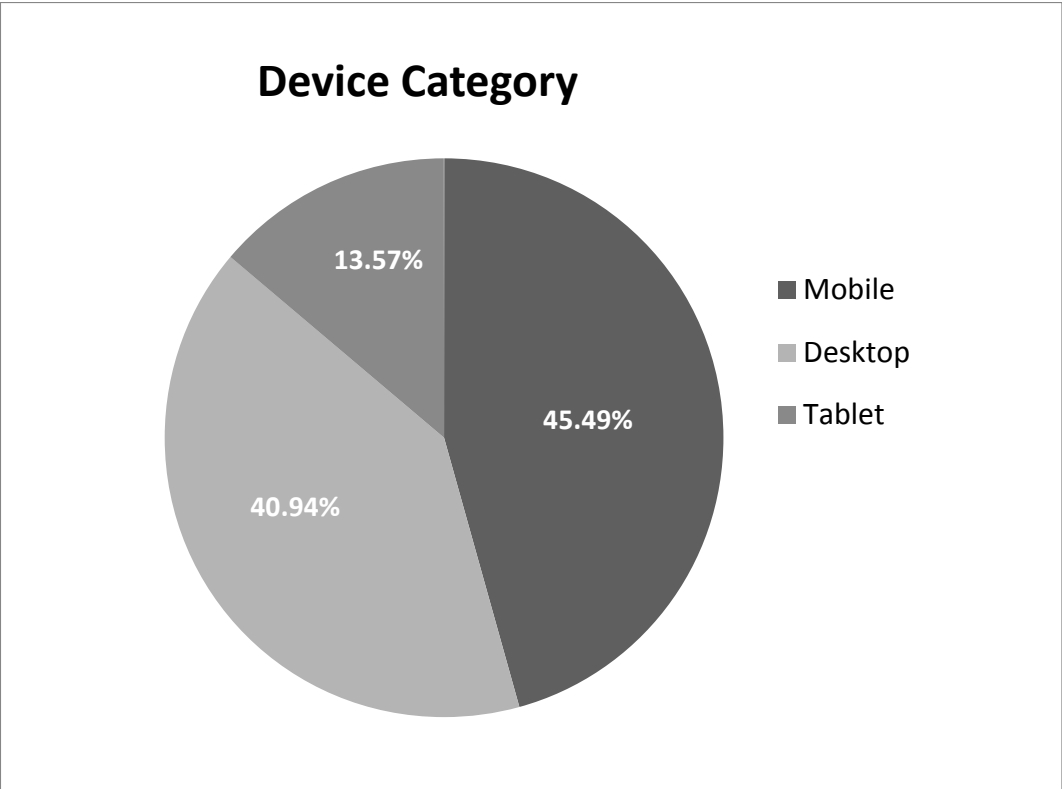
Page
/tourism-and-visitor-attractions/victoria-tower-webcam
/education-and-learning/schools/schools-holidays
/search
/council-and-government/contact-us
/jobs-and-careers/apply-for-a-job/essential-recruitment-information
/environment/recycling-and-waste-services/recycling-centres
/jobs-and-careers
/education-and-learning/schools
/pay-it-online
/forms/
/jobs-and-careers/apply-for-a-job
/a-to-z/
/health-and-social-care
/community-life-and-leisure/libraries
/environment/recycling-and-waste-services
/planning-and-the-environment
/council-and-government/council-tax
/planning-and-the-environment/planning-applications/how-to-view-planning-applications
/planning-and-the-environment/planning-applications
/council-and-government/council-tax/council-tax-bands
/tourism-and-visitor-attractions/victoria-tower-webcam
/education-and-learning/schools/schools-holidays
/search
/council-and-government/contact-us
/jobs-and-careers/apply-for-a-job/essential-recruitment-information
/environment/recycling-and-waste-services/recycling-centres
/jobs-and-careers
/education-and-learning/schools
/pay-it-online
/forms/
Certain pages such as A-Z lists, the search page etc. have been removed so that only primary content pages are shown.



**2.3 - Top 10 Search Terms** – these are the most common terms entered into the Search Bar on the home page:

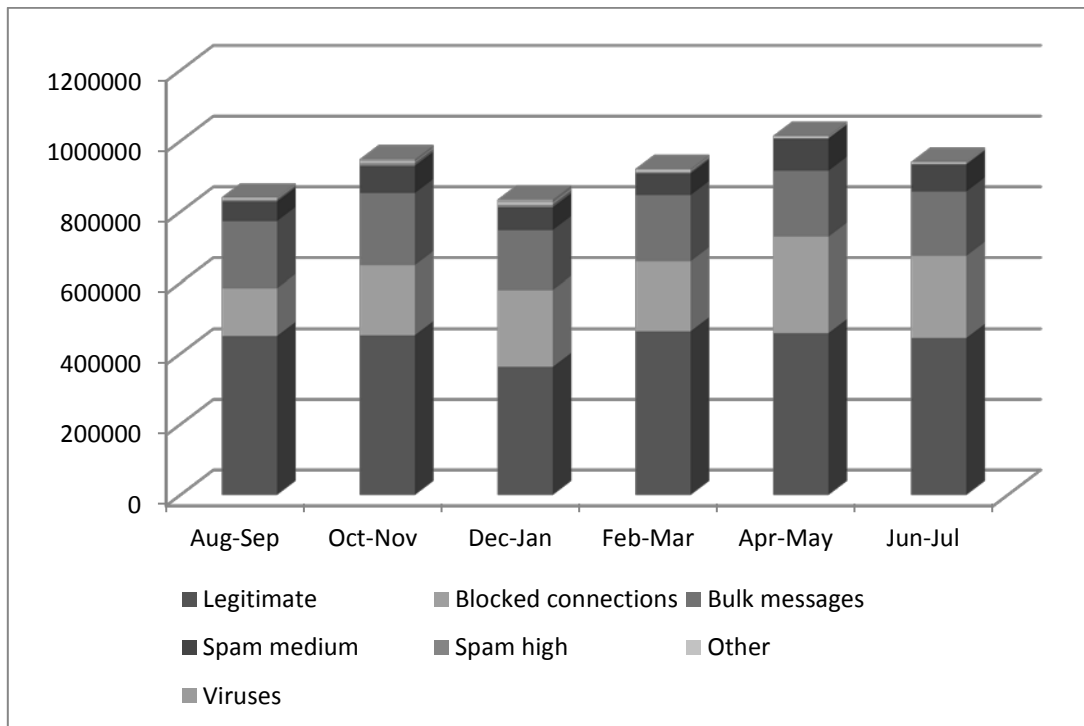
School holidays
planning
council tax
Bus pass
vacancies
chief executive
blue badge
bins
Jobs
business rates

2.4 – Web Browsing by Device Categories



## Section 3 - Email

### 3.1 - Inbound Email Volumes – Yearly Trend



	Aug-Sep	Oct-Nov	Dec-Jan	Feb-Mar	Apr-May	Jun-Jul
Legitimate	450259	452667	362764	463843	458559	444794
Blocked connections	134265	196442	217070	196190	270908	230285
Bulk messages	189110	203674	168446	186990	186434	182236
Spam medium	55430	77451	64570	61629	90939	76352
Spam high	5691	7718	7992	4947	2238	2941
Other	4430	3613	5087	4417	3348	3325
Viruses	1329	6680	8269	2773	2288	909
Totals	840514	948245	834198	920789	1014714	940842

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

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

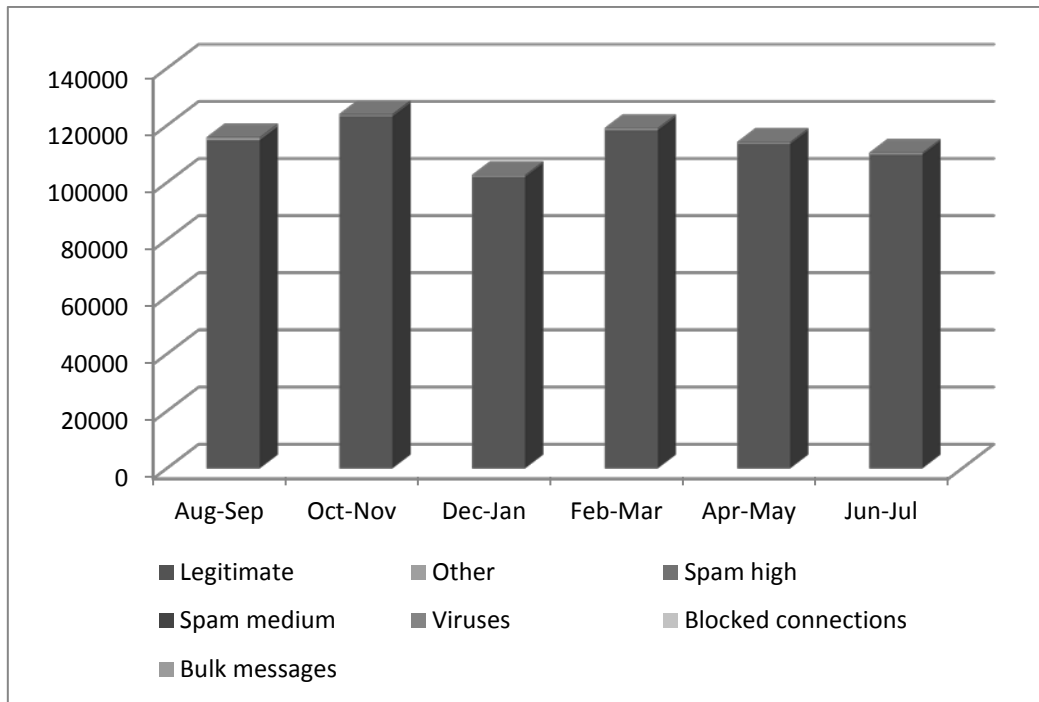
Spam medium – messages with a medium probability rating of being Spam – a message is forwarded to recipient asking if the email is to be released.

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

Other – offensive or racist language, inappropriate content.

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

### 3.2 - Outbound Email Volumes



	Aug-Sep	Oct-Nov	Dec-Jan	Feb-Mar	Apr-May	Jun-Jul
Legitimate	114904	123259	102051	118436	113586	109907
Other	780	348	296	419	293	299
Spam high	106	289	227	115	290	201
Spam medium	98	110	88	134	75	95
Viruses	0	0	0	0	0	0
Blocked connections	0	0	0	0	0	0
Bulk messages	0	0	0	0	0	0

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

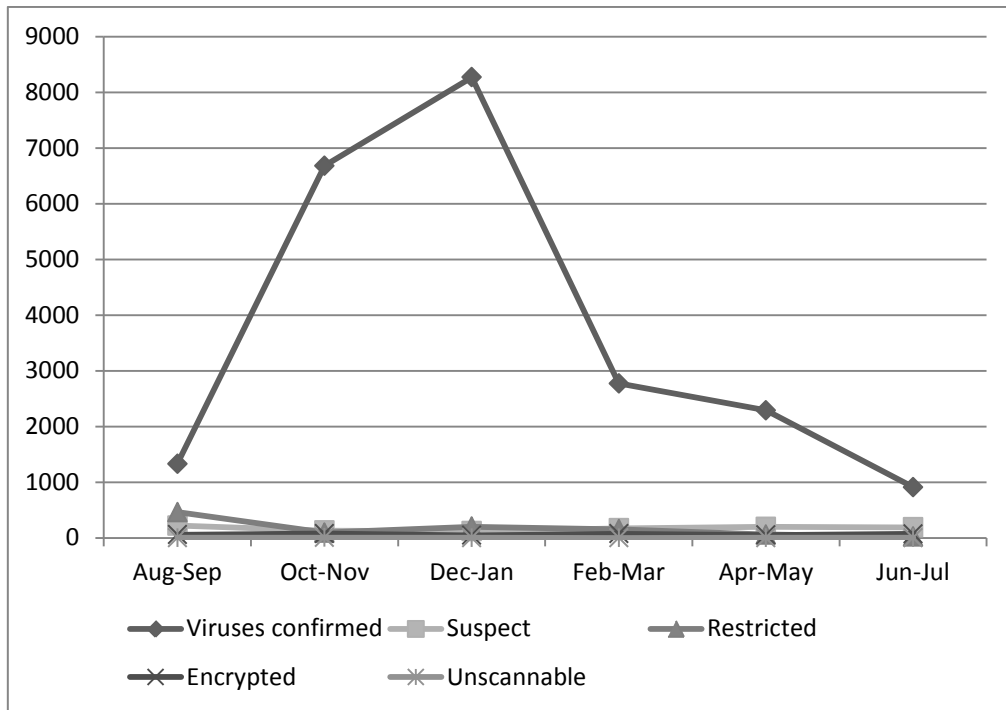
Spam high – messages identified as being with a high probability rating of being Spam – automatically quarantined.

Other – offensive or racist language, inappropriate content.

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

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

### 3.3 - Inbound Virus Trend – Last 52 weeks



	Aug-Sep	Oct-Nov	Dec-Jan	Feb-Mar	Apr-May	Jun-Jul
Viruses confirmed	1329	6680	8269	2773	2288	909
Suspect	220	131	120	171	196	190
Restricted	463	95	201	153	59	25
Encrypted	58	76	44	75	51	71
Unscannable	3	6	2	0	1	1

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20<sup>th</sup> September 2016</b>
<b>Report By:</b>	<b>Corporate Director Environment Regeneration and Resources</b>	<b>Report No:</b>	<b>PR22/16/AF/BH</b>
<b>Contact Officer:</b>	<b>Brendan Hurrell</b>	<b>Contact No:</b>	<b>01475 712654</b>
<b>Subject:</b>	<b>Procurement Update</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of the report is to update the Committee on the latest developments within Procurement.

## **2.0 SUMMARY**

- 2.1 Committee approved the new Procurement Strategy and resultant Action Plan for the period 2015/18 in September 2015. This Strategy will assist the Council in managing changes in public sector procurement and with tendering and contract requirements.
- 2.2 The Action Plan is attached in Appendix 1 with updates against each of the actions that have been agreed. Changes have been made to the Strategy with new actions added as a result of the obligations contained within the new Procurement Regulations.
- 2.3 The 2013/16 Procurement Work stream savings target of £313,000 was achieved. The 2016/18 budget contains a further £28,000 savings target and this has now been achieved. The summary of these savings is contained in Appendix 2
- 2.4 Previous reports to Committee have contained information on the portion of business the Council has with SMEs and Local suppliers. Spend with SMEs was 54% in 2015/16 and 33.5% with Local Suppliers. A summary of the Council's position on this is contained in section 7 of this report.

## **3.0 RECOMMENDATIONS**

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

## **4.0 BACKGROUND**

- 4.1 A key requirement in the development of Procurement is that the Council requires to develop an ongoing Procurement Strategy. Previous versions of the Procurement Strategy have been approved by Committee and the actions monitored and reported to Committee.
- 4.2 Procurement has improved each year since 2010 as evidenced by increasing Procurement Capability Assessment scores each year. The Procurement Capability Assessment (PCA) has now been replaced by a new test. The Procurement and Commercial Improvement Programme (PCIP) focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. This new assessment involves a new question set and new scoring and performance bandings.

## **5.0 RECENT PROGRESS**

- 5.1 The Procurement Strategy is attached as Appendix 1 and is split into discrete sections and, where appropriate, actions against each of the sections have been identified
- 5.2 A number of actions within the Procurement Strategy are related to the publication of the new procurement regulations and the subsequent statutory guidance. The delay in publication of the regulations and the guidance has delayed reviews of the Contract Standing Orders and other policy matters such as Community Benefits.
- 5.3 The focus on Contract and Supplier Management has in the past delivered softer benefits and awareness of supply issues. With the likelihood of achieving savings via tender activity becoming less likely the focus has now been put on obtaining savings from existing contracts. The Procurement Board has agreed a list of suppliers that will be included in a supplier management process during 2016/17. The suppliers cover street lighting maintenance, waste management, roadstone, school transport and software.
- 5.4 Separate Committee reports give detailed updates on the Governance of External Organisations with an annual summary report to the Policy and Resources Committee. The Governance process was put in place to monitor the governance of key External Organisations with which the Council has a significant financial relationship but it also assesses the performance of these organisations which provide services directly to the residents of Inverclyde. This forms part of the supplier management process for these organisations and works in tandem with the Council's over-arching supplier management framework.
- 5.5 The Corporate Procurement Manager has been representing the Council at City Deal Procurement Officer meetings with partner Local Authorities. Inverclyde hosted a meet the Buyer event on behalf of City Deal partners at the Beacon in June. This was well attended and well received by partners and suppliers.
- 5.6 As noted within a report to April's Environment and Regeneration Committee on the Corporate Directorate Improvement Plan, the Procurement function has now been transferred from Finance Services to the Regeneration and Planning Service. This move is helping to build on the links between procurement activity and economic regeneration and will assist the Council in attempts to tackle depopulation. Further information on this will be included in a report to the October Environment and Regeneration Committee.

## **6.0 PROCUREMENT REGULATIONS**

- 6.1 Regulations transposing the public procurement directive have been laid in the Scottish Parliament and will take effect on 18 April 2016. These regulations flow from the new EU directives on procurement and the Procurement Reform Act (Scotland) 2014. An early summary of the new regulations was included in the previous procurement update. In light of the changes to the Procurement Regulations, proposed changes to The Contract Standing Orders are being progressed via the relevant committees for approval. Member briefings and training are being

held to ensure Members are aware of the changes and the impact on our procurement policies.

## **7.0 LOCAL AND SME SUPPLIER SPEND**

- 7.1 Previous reports to Committee have contained sporadic information on the portion of business the Council has with Local and SME suppliers. The 2014 Audit Scotland report on Procurement in Councils, dealt with in another report on this agenda, stated that the Council had a low percentage spend with SMEs in comparison to the national average of around 50%.
- 7.2 The percentage of spend with SMEs has changed from 35% in 2013/14 to 51% in 2014/15 and 54% in 2015/16. The spend with local suppliers was 33.5% in 2015/16 which is an increase of 6.5% from 2013/14. However, the largest impact on the percentage of spend with SMEs has been the decrease in spends on very large construction contracts such as the joint campus and an increase in awards to SMEs. These figures are summarised in the table below:-

Year	2013/14	2014/15	2015/16
Total Spend	£90M	£80M	£94M
SME Spend	£31.5M	£40.8M	£50.7M
Percentage SME Spend	35%	51%	54%
Spend with Local Suppliers	£24.2M	£24.4M	£31.3M
Local Suppliers percentage of Spend	27%	31%	33.5%

- 7.3 The ability to influence a change in these statistics is constrained by the Council's legislative obligations. The local supply market is constrained by a lack of large construction firms though this may present an opportunity to develop smaller suppliers in the local area who could be given assistance in order to be ready to carry out larger contracts.
- 7.4 There are changes to the regulations and associated Scottish Government guidance that now require the Council to consider lotting where it is appropriate. There is also more emphasis on sustainable procurement and fair work practices. This gives more clarity in the ability to structure tenders that may give more opportunities for SMEs and local suppliers to bid for Council contracts. The separate report to the Environment and Regeneration Committee, mentioned at paragraph 5.6 will give more details on how the changes to the procurement policies could create more opportunities for SMEs and local suppliers to bid for Council work.

## **8.0 PROCUREMENT SAVINGS**

### **Finance**

- 8.1 Appendix 2 shows the position in respect of savings planned during 2016/18. A further savings target for 2016/2018 of £28,000 has been achieved. Further savings are expected and will continue to be reported.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

**Legal**

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

**Human Resources**

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

**Equalities**

8.5 Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

**Repopulation**

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

**9.0 CONSULTATIONS**

9.1 None.

**10.0 LIST OF BACKGROUND PAPERS**

10.1 None.



## Procurement Strategy Update

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Appendix 2

Commodity	New Supplier	Start Date	Annual Spend/ (Income)	Achieved or Planned	New Projected 2016/18 Savings	Full Year Savings
Water	Anglian Water	01/03/16	£400,000	A	£3,000	£6,000
High Volume Print	Critiqom	01/09/16	£60,000	A	£2,000	£2,000
Stationery	Lyreco	01/09/16	£170,000	A	£12,000	£20,000

Savings Summary (2016/18)

Savings Achieved	£ 28,000
Savings Target	<u>28,000</u>
Savings to be Achieved	NA

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/85/16/AP/FM</b>
<b>Contact Officer:</b>	<b>Fiona Maciver</b>	<b>Contact No:</b>	<b>01475 712904</b>
<b>Subject:</b>	<b>Debt Recovery Performance 2015/16</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the Council's Debt Recovery performance during 2015/16. The Financial Regulations stipulate that a report on Debt Recovery performance for the preceding financial year be submitted annually to the Policy & Resources Committee.

## 2.0 SUMMARY

- 2.1 The current contract with Alex M Adamson LLP took effect from 01 October 2012 initially for 18 months with the option to extend on a yearly basis up until 31 March 2018. Due to a high level of performance by Alex M Adamson, this extension has been applied.
- 2.2 The contract is for the recovery of Council Tax and Non Domestic Rates. The main focus of the In-house Debt Recovery Team continues to be Council Tax, however more rigorous activity is being applied to the recovery of Sundry Debts (including Commercial rents) as well as Housing Benefit Overpayments along with collection of Parking Fine income. If further action or diligence is required for these categories of debt, ad hoc agreements are made with Alex M Adamson LLP or another party.
- 2.3 Collection levels for 2015/16 in respect of accounts passed to the Council's Debt Partners increased by £59,000. A detailed breakdown of the categories of debt can be seen at Appendix 2. The contractor continues to be effective partners both in terms of their collection results to date and also in the ease of communication with them. They continue to operate from an office in Cathcart Street where individuals can make payments and basic enquires.
- 2.4 Despite another challenging year due to the continuing difficult economic climate and impact of Welfare Reform changes, the Council Tax In year Collection level increased by 0.3% to 95.1% it's highest to date. This is a significant achievement and can be attributed to the hard work of the Council's Revenues Team.
- 2.5 Payment by Direct Debit continued to rise in 2015/16 with 76.5% of in year receipts being received by this method of payment.
- 2.6 The collection level for Non Domestic Rates was 96.1%, a decrease of 0.05% from 2014/15. Full details can be seen at Appendices 1 and 2.
- 2.7 Changes to the Council Tax regime are due to occur from 2017/18 which will increase annual bills for many Band E and above households. Reliefs are also being amended for some households with children. Whilst a more detailed report on this matter will be presented to Committee, at this point it is not anticipated that collection levels will be impacted.

### **3.0 RECOMMENDATIONS**

3.1 That the Committee note the Council's continued good Debt Recovery performance in 2015/16.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 The current contract with Alex M Adamson LLP took effect from 01 October 2012 initially for 18 months with the option to extend on a yearly basis up until 31 March 2018. Due to a high level of performance by Alex M Adamson, this extension has been applied.
- 4.2 The Revenues Management Team meet regularly with the Debt Partner as well as communicating regularly by telephone and email to ensure that there are clear lines of responsibility and that income is maximised as far as possible and that the best solution is found for each customer as an individual. Operational meetings and discussions also take place as and when required. Alex M Adamson are also very receptive to looking at fresh initiatives and ways of working which has contributed towards the increase in collection levels for Council Tax. One example of this is conducting evening home visits to debtors with high balances owing who live in high banded properties.

## **5.0 2015/16 PERFORMANCE**

- 5.1 The Revenues Team based in the Municipal Buildings improved their in year collection figure from 2014/15 and achieved the Council's best ever In Year collection figure of 95.1%. Considering the continuing difficult economic climate and the Welfare Reform changes, this is a commendable effort. The Revenues processing team made considerable contribution to this best ever In Year collection level by processing exemptions, discounts effectively and managing the billing process timeously whilst the Debt Recovery team maintained their high level of performance from prior years.
- 5.2 Prior year debt can be difficult to collect and becomes increasingly difficult with the passage of time. A reduction in prior year collections was recorded in 2015/16, resulting in £1.26m being collected compared to £1.27m in 2014/15. It should be noted that the early years of Council Tax debt are reaching a point where new collection arrangements are difficult to deliver.
- 5.3 There were 17 sequestration actions raised in 2015/16; which were raised for a combination of council tax, rates and commercial rent. These sequestrations have resulted in payments of £41,000 being made. 2016/17 will see more accounts identified and Sequestration proceedings raised against debtors that are in a position to pay but refuse to do so. Cases identified for sequestration are carefully selected to ensure that emphasis continues to be on those debtors who have clear equity on their homes and should be in a position to pay.
- 5.4 Direct Debit uptake has risen again in 2015/16 from 76.2% of in year receipts in 2014/15 to 76.5% in 2015/16. Following the success of previous campaigns, a leaflet promoting Direct Debit was once again enclosed with the annual Council Tax bills.
- 5.5 Officers are aware of the social and financial inclusion issues in Inverclyde and continue to work closely with Advice First with the view to facilitate as many arrangements with debtors before it reaches the stage that diligence is applied. Benefit and Council Tax Reduction take up is also encouraged to ensure that entitlement is maximised as far as possible.
- 5.6 The Debt Recovery Team continues to set up arrangements directly to avoid passing debtors across to the Sheriff Officer in certain circumstances, such as those in debt for the first time. This protects the individuals from being served a 'charge for payment' and saves the Council commission charges.
- 5.7 A statement of the Debt Partnership performance is set out in Appendix 1 and Appendix 2. The Debt Partners collected approximately £2.3 million in Council Tax in 2015/16 which is £100,000 more than last year.
- 5.8 The Debt Recovery Team has continued to work closely with the DWP to manage direct deductions from benefits for customers with arrears who are in receipt of certain benefits. This approach ensures that individuals will see a reduction in their debt rather than being caught in a cycle where debt builds up year on year.

## 6.0 OVERALL POSITION OF COUNCIL DEBT AS AT 31 MARCH 2016

- 6.1 The gross debt as at 31 March 2016 is £22.521 million as shown in Appendix 3. There is a bad debt provision of £17.370 million, leaving net debt of £5.151 million. This is an increase of £0.632 million in 2015/16 the bulk of which was due to a long term loan being made to Inverclyde Leisure for the refurbishment of Ravenscraig Sports Centre. It should be noted that as at 31 March 2016, the Council had collected 96.1% of all Council Tax billed.
- 6.2 Appendix 4 provides more detail behind the figures and highlight new debts raised, payments received and debts written off. All Bad Debt provisions have been calculated in accordance with Council policies and reconcile to the 2015/16 Accounts.

## 7.0 PLANS FOR 2016/17

- 7.1 Work will continue building on the good partnership with Alex M Adamson who have agreed to work toward a further uplift in collection or at a minimum maintain current performance.
- 7.2 The current contract is only for Council Tax and Non Domestic Rates. The In-house Debt Recovery team continues to pursue Sundry Debt (including Commercial Rents) and Housing Benefit overpayments. The Council is also using the Debt Partner to pursue outstanding Parking Fines and it is expected that good progress will be made on this issue in 2015/16. If further action or diligence is required for these categories of debt, ad hoc agreements will be made with Alex M Adamson LLP or a third party company.
- 7.3 The Council's Revenues Management and Debt Recovery Team together with the Council's Debt Management Partner will continue to pursue the special initiatives that are in place such as visiting properties in the evening where there is substantial debt in a high banded property together with conventional recovery methods to ensure that resources are appropriately directed to specific areas of debt ensuring income maximisation.

## 8.0 IMPLICATIONS

### 8.1 Finance

#### 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

Financial – In 2015/16 the Council exceeded its Council Tax prior years collection budget by £162,000 and as a result the target was increased by £180,000 for 2016/17. The extra income generated helps toward assisting the Council in balancing its budgets.

8.2 Legal – There are no legal implications arising from this report.

8.3 Human Resources – There are no HR implications arising from this report.

8.4 Equalities - Debt Recovery Processes are designed to achieve adherence to the Equalities agenda by ensuring close liaison between Debt recovery officers and the Benefits section. In addition by providing a wide range of payment methods and choice of payment dates this makes it easier for everyone to make payments to the Council.

8.5 Repopulation – There are no repopulation issues arising from this report.

## **9.0 CONSULTATION**

9.1 None

## **10.0 BACKGROUND PAPERS**

10.1 None

## ANALYSIS OF DEBT PARTNER PERFORMANCE 2015/16

## Council Tax

Financial Year	Payments Received
	£000's
1993/94	2
1994/95	2
1995/96	2
1996/97	6
1997/98	10
1998/99	12
1999/00	16
2000/01	19
2001/02	20
2002/03	18
2003/04	22
2004/05	21
2005/06	25
2006/07	28
2007/08	41
2008/09	52
2009/10	60
2010/11	74
2011/12	89
2012/13	126
2013/14	188
2014/15	448
2015/16	1017
<b>Total</b>	<b>2298</b>

## Non Domestic Rates

Financial Year	Payments Received
	£000's
1993/94	0
1994/95	0
1995/96	0
1996/97	0
1997/98	0
1998/99	0
1999/00	0
2000/01	0
2001/02	1
2002/03	0
2003/04	0
2004/05	1
2005/06	0
2006/07	0
2007/08	1
2008/09	0
2009/10	0
2010/11	3
2011/12	9
2012/13	5
2013/14	16
2014/15	118
2015/16	109
<b>Total</b>	<b>263</b>



## Appendix 2

### Debt Recovery Partnership Performance Comparison 2014/15 & 2015/16

	2014/15 £000	2015/16 £000	Difference £000	%
Council Tax	2,198	2,298	100	4.55%
Non Domestic Rates	297	263	-34	-11.45%
<b>Total</b>	2495	2561	66	2.65%

**Appendix 3**

	<b>Position 31/03/2016 £'000</b>	<b>Position 31/03/2015 £'000</b>	<b>Movement £'000</b>
<b><u>Council Tax</u></b>			
Gross Debt	16,359	16,270	89
Less: Bad Debt Provision	<u>14,123</u>	<u>14,208</u>	<u>(85)</u>
Net Debt	<u>2,236</u>	<u>2,062</u>	<u>174</u>
<b><u>Sundry Debt</u></b>			
Gross Debt	606	562	44
Less: Bad Debt Provision	<u>283</u>	<u>304</u>	<u>(21)</u>
Net Debt	<u>323</u>	<u>258</u>	<u>65</u>
<b><u>Industrial &amp; Commercial Rent</u></b>			
Gross Debt	116	125	(9)
Less: Bad Debt Provision	<u>64</u>	<u>63</u>	<u>1</u>
Net Debt	<u>52</u>	<u>62</u>	<u>(10)</u>
<b><u>Statutory Additions</u></b>			
Gross Debt	2,900	2,839	61
Less: Bad Debt Provision	<u>2,900</u>	<u>2,839</u>	<u>61</u>
Net Debt	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Long Term Debtors</u></b>			
Gross Debt	2540	2137	403
Less: Bad Debt Provision	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt	<u>2,540</u>	<u>2,137</u>	<u>403</u>
<b><u>Overall Totals</u></b>			
Gross Debt	22,521	21,933	588
Less: Bad Debt Provision	<u>17,370</u>	<u>17,414</u>	<u>(44)</u>
Net Debt	<u>5,151</u>	<u>4,519</u>	<u>632</u>

**2015/16 Debtor Movements****Appendix 4**

	Opening Position £'000	Additions £'000	Payments/ Reliefs £'000	Net Write-Offs £'000	Closing Position £'000
<b><u>Council Tax</u></b>					
Gross Debt	16,270	34,453	(34,152)	(212)	16,359
Less: Bad Debt Provision	14,208	127		(212)	14,123
Net Debt	<u>2,062</u>	<u>34,326</u>	<u>(34,152)</u>	<u>0</u>	<u>2,236</u>
<b><u>Sundry Debt</u></b>					
Gross Debt	562	8,686	(8,589)	(53)	606
Less: Bad Debt Provision	304	32		(53)	283
Net Debt	<u>258</u>	<u>8,654</u>	<u>(8,589)</u>	<u>0</u>	<u>323</u>
<b><u>Industrial &amp; Commercial Rent</u></b>					
Gross Debt	125	809	(818)	0	116
Less: Bad Debt Provision	63	1		0	64
Net Debt	<u>62</u>	<u>808</u>	<u>(818)</u>	<u>0</u>	<u>52</u>
<b><u>Statutory Additions</u></b>					
Gross Debt	2,839	61			2,900
Less: Bad Debt Provision	2,839	61			2,900
Net Debt	<u>0</u>	<u>0</u>	<u>0</u>	<sup>2</sup> <u>0</u>	<u>0</u>
<b><u>Long Term Debtors</u></b>					
Gross Debt	2,137	573	(170)	0	2,540
Less: Bad Debt Provision	0				0
Net Debt	<u>2,137</u>	<u>573</u>	<u>(170)</u>	<u>0</u>	<u>2,540</u>
<b><u>Overall Totals</u></b>					
Gross Debt	21,933	44,582	(43,729)	(265)	22,521
Less: Bad Debt Provision	17,414	221	0	(265)	17,370
Net Debt	<u>4,519</u>	<u>44,361</u>	<u>(43,729)</u>	<sup>1</sup> <u>0</u>	<u>5,151</u>

**Notes:**

<sup>1</sup> Write offs are net of £10k collected for debt previously written off.

<sup>2</sup> Statutory additions are not written off in year but cancelled. Closing position reflects live statutory addition balance as at 31st March 2015.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/86/16/AP/FM</b>
<b>Contact Officer:</b>	<b>Fiona Maciver</b>	<b>Contact No:</b>	<b>01475 712904</b>
<b>Subject:</b>	<b>Customer Services Performance – Annual Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Committee with an update of Customer Service Centre (CSC) performance for 2015/16.

## 2.0 SUMMARY

- 2.1 Following the opening of the Customer Service Centre in the summer of 2012 the Policy & Resources Committee approved its first Customer Services Strategy in November 2012. This Strategy was refreshed in September 2015. It was agreed an annual update on CSC performance would be presented to Committee.

- 2.2 Appendix 1 contains the updated Action Plan which shows:-

- 2 x Blue (Complete) actions
- 8 x Green (On Track) actions
- 3 x Amber (Delayed) actions

More detail is provided on progress in the report.

- 2.3 Appendix 3 provides detailed information on 2015/16 v 2014/15 performance in terms of volumes and throughput. Overall the movement has been positive with fewer abandoned calls and evidence of channel shift from calls to emails.
- 2.4 Section 7 of the report identifies targets for 2016/17 and provides information on the positive outcomes achieved by Modern Apprentices who have worked in the CSC.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the positive progress made in delivering the CSC action plan and the plans for further improvement in 2016/17.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 The Policy & Resources Committee approved its first Customer Services Strategy in November 2012 following the opening of the Customer Service Centre in Clyde Square. This Strategy was refreshed for 2015-2018.
- 4.2 When the CSC first opened in June 2012, Performance Information was basic and unreliable. A temporary Development Officer, funded from the Modernisation Fund for 2 years, developed a series of performance reports which provided more robust information on performance in the CSC.
- 4.3 Analysis of this Management Information (MI) identified that there was an issue with response times for Revenues and Benefits (R&B) enquires, as around 50% of telephone calls were abandoned. The MI also identified that the wait time for R&B face to face interviews could be up to 45 minutes.
- 4.4 General telephone calls which include switchboard calls and enquires for all services within the CSC remit other than R&B at this time were on the whole being answered consistently on an acceptable level with around 10% of calls being abandoned. However there were problems trying to deliver training and quality monitoring due to the volumes of calls and interviews.
- 4.5 A report was presented to the September 2015 Policy & Resources Committee which sought to address these matters supported by the Action Plan. Specific action approved by Committee included:
  - A Customer Services Support Office to be created by means of an internal restructure, filling the post from the existing Senior Customer Services Representatives.
  - Those Customer Service Representatives who deal with Revenues & Benefits enquires to be made a separate role from the general enquires by creating new job descriptions and person specifications.
  - Change the opening hours so that on Wednesdays, the Centre would open at 11.00 rather than 08.45 to allow for team meetings, training and awareness sessions.
  - Temporary extra resource agreed.
- 4.6 The revised Strategy with resultant Action Plan was approved by the Policy and Resources Committee. The Committee agreed that a report on Customer Service Centre performance would be presented on an annual basis after the summer recess commencing in September.

## **5.0 PERFORMANANCE AGAINST THE ACTION PLAN**

- 5.1 The Action Plan which can be seen at appendix 1 shows that 2 of the actions are complete and that the majority are on track. The main successes delivered from the action plan to date are:
  - Identifying training needs within the CSC team and developing a programme of ongoing training. 9 CSC staff have also completed or are working towards completing their Customer Service Professional Qualification.
  - Implemented the late opening on Wednesday mornings. This has proven to be a productive use of time, allowing CSC staff to communicate, generate ideas as well as receive a raft of training and awareness sessions. The general public have adapted to the later opening hours well. Appendix 2 details the types of activities that have taken place since the late openings commenced in October 2015.

- Delivering the amended structure including recruitment of new temporary staff and creating the new team of R&B advisers has been completed albeit took longer than envisaged due to the time involved in recruitment and selection plus awaiting disclosures and notice periods to be worked for new employees.
  - Internal SLAs drawn up and regular meetings are now embedded.
- 5.2 The action on corporate complaints review has slipped in terms of its anticipated delivery date. This has been due to unforeseen technical issues with the target date for completion now September 2016.
- 5.3 The action on reviewing opportunities for Single Assessment is marked as Amber as, whilst a substantial piece of work has been carried out in this area, the National Roll Out of Universal Credit means the planned process is no longer viable. The work carried out however, can be used to identify improvements in processes. It is proposed that this action is changed to “Re-engineering Education processes to become more streamlined and customer friendly”.
- 5.4 The other actions are all on track and in progress with regular updates on the Channel Shift projects being presented via an ICT update to every second meeting of the Committee.

## **6.0 PERFORMANCE INFORMATION – REVENUES AND BENEFITS**

- 6.1 Appendix 3 contains a comparison of performance for Revenues & Benefits for April 2015 to March 2016 against the same period for 2014/15 for telephony, customers interviewed and incoming emails. The Management Information illustrates a positive picture in that 77% of R&B presented telephone calls were answered in 2015/16 when compared to 53% for the same period in 2014/15. A number of factors have contributed to this such as the volume of R&B calls presented have reduced by 12% due to the volume of Welfare Reform calls relating to issues such as the Social Sector Size Criteria reducing as well as the fact that the Benefit Service is up to date with processing new claims which has an impact on incoming telephone calls. Email intake has also increased by 6% which will also have an effect on call volumes.
- 6.2 There is no doubt that re-structure and extra resource has played a significant part in this increase in the number of calls answered. It is accepted that more still requires to be done in this area but reflects well on the work of the team and effective planning and management by the Customer Services Supervisor. Whilst telephone traffic and the number of interviews have decreased, it should be noted that as Universal Credit rolls out to couples and families from November this year an increase in demand is expected due to customers looking for advice and signposting information.
- 6.3 Appendix 3 also contains a comparison of performance for Other Services for April 2014 to March 2015 against that for the same period for 2015/16 for telephony, customers interviewed and incoming emails. The Management Information illustrates a positive picture in that 92% of non R&B presented telephone calls were answered in 2015/16 comparison to 89% for the same period in 2014/15.
- 6.4 It can also be seen that whilst the total contacts for Other Services have decreased by 5%, which is mainly due to the reduction in telephone calls presented, the number of interviews has increased by 56%. This is predominately due to the fact that Education Services customers who formerly called at the old premises in William Street now call at the CSC. Interview waiting time has increased from 05.59 minutes to 07.28 minutes which can be explained by the fact that some of the Education interviews contain an element of complexity.
- 6.5 Email contact has increased by 40% which helps explain the reduction in telephone traffic and is a good outcome in terms of channel shift albeit numbers are still relatively small.

## 7.0 FUTURE PERFORMANCE/OTHER ISSUES

- 7.1 The CSC is now at the stage where the restructure approved by CMT in April 2015 is fully in place and most of the training complete. Whilst improvements have been made, it is anticipated that telephone response times for R&B customers will further improve. The Customer Services Manager and Customer Services Supervisor have set a target of reducing the number of abandoned calls to 20% or below by the end of the calendar year.
- 7.2 For the non R&B telephone calls the aim is to maintain current performance albeit continuous improvement is always the goal.
- 7.3 The CSC has enjoyed successful outcomes through the placement of Modern Apprentices (MA's). Working in the CSC gives young adults a wealth of experience as well as confidence through dealing with different types of customers on the telephone and face to face. It has been satisfying to see MA's progress to gain jobs both within and outwith the Council. There are currently three MA's working in the CSC, all are positive and hardworking and are a great support to the team as well as contributing towards the improvement in service delivery.
- 7.4 It was agreed in April 2015 that the CSC could purchase a Quality Monitoring System which would allow telephone calls to not only be recorded but also to allow senior CSR's to target different staff groups for monitoring and development. The implementation of this system has proven to be challenging but it is expected that the module will go live in September and that once a pattern of quality monitoring is established, further improvements will be made to the rate of abandoned calls.

## 8.0 IMPLICATIONS

### Finance

#### Financial Implications:

- 8.1 There are no financial implications 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					

### 8.2 Legal

There are no legal implications arising from this report.

### 8.3 Human Resources

There no direct implications arising from this report.

#### **8.4 Equalities**

There was a full equalities impact assessment carried out with the initial Strategy and as such an equalities impact assessment is not required at this time.

#### **8.5 Repopulation**

The provision of quality Customer Services to existing residents and potential residents plays an important part in the retention and attraction of people to Inverclyde.

### **9.0 CONSULTATIONS**

9.1 None

### **10.0 LIST OF BACKGROUND PAPERS**

10.1 None



Customer Services Action Plan as at 10th August 2016

Appendix 1

Action	Issue	Action	Success Criteria	Target Date	Responsibility	Current Position	Status
PEOPLE	Develop & Deliver a comprehensive training plan	Training needs will be identified from quality checking and appraisals	Training programme in place Better trained and confident staff. Better customer satisfaction Completion of CSPQ Staff understand expectations allowing resources to be correctly targeted. Service delivery meets management expectations Customer Service visions and outcomes are agreed	On-going	CS Supervisor/CS Support Officer	9 CSC staff have completed or are in the process of completing their CSPQ Training sessions started in October 2015 and are ongoing	GREEN
	Improve Communications with CSC team	Implement late opening. Regular staff meetings to take place.	Staff feel consulted and able to contribute to improvements through team meetings and feedback opportunities.	October/November 2015	Revenues & Customer Service Manager/CS Supervisor	Complete	BLUE
	Deliver amended structure	Complete recruitment and creation of new teams.	New team in place. Improved customer performance.	June '15 - August '15	CS Supervisor	complete	BLUE
PERFORMANCE	Report performance annually to committee.	Annual Report to be produced and passed to senior management	Improved focus on key tasks and improved performance.	April '16	Revenues & Customer Service Manager	slight slippage - report now going to September P&R. Report delayed to allow approved changes to bed in.	AMBER
	Internal customers	Review SLA's on an annual basis & conduct quarterly meetings.	Documents signed off by each service and higher levels of internal customer satisfaction.	On Going	Revenues & Customer Service Manager/CS Supervisor	SLA's have been agreed with the services and annual reviews take place. Quarterly meetings have through experience been deemed as not required but frequent	GREEN
	Performance Management framework is in place	Agree targets reflecting service vision and based on performance information. Agree areas to be reported and frequency. Analyse data/stats/feedback/customer surveys to identify and prioritise improvements.	Staff have clarity/clear objectives. Targets are achieved Performance reports, KPI's Performance meetings/benchmarking Changes implemented and improvements made	From Jan '16	Revenues & Customer Service Manager & CS Supervisor	Customer Services supervisor sends out regular performance information to the Revenues and Customer Services Manager as well as circulating to the whole team. Discussions are ongoing regarding setting meaningful targets - these are planned to be in place by the end of September 2016	GREEN
CUSTOMER ENGAGEMENT	Increased customer involvement in service development	Develop consultation approach and select areas to be consulted upon.	Survey completed and action plan developed incorporating the needs of our customers	April '17 (Survey 2016)	CS Supervisor	A survey directed at customers who have actually used the CSC will be completed by the due date of April 2017	GREEN
	External Communication	Use the website to communicate meaningful information to our citizens	Customer satisfaction improvements - customer expectations are managed better when targets are understood	On-going	Revenues & Customer Service Manager/Corporate Communications	On Going	GREEN
	Corporate Complaints review	Develop configuration of Lagan system to ensure the relevant information is captured for the Corporate complaints process and statistical returns	Accurate and regular MI is provided. Employees can confidently use the CRM system to log complaints and can obtain updates on progress. Complaints dealt with in a corporate manner and customer kept better informed.	Sep-16	CFO, Revenues & Customer Services Manager & ICT Operations Manager	Working with ICT to assist with the implementation of the revised corporate complaints module	AMBER
	Update & improve core CRM systems	Develop Kana system, implementation of web self service portal, mobile applications for citizens and staff, mapping integration for location based fault reporting with corporate GIS system.	Reduced workload for customer services. Streamlined process. Migration of Web-Labs eforms to Kana eforms. Quicker service notification of new/updates to cases. Aligns to digital strategy allowing leverage of potential benefits.	2015 - 2018	Revenues & Customer Services Manager & ICT	Kana training taking place 26-29 July 2016. Regular updates are provided through the digital access group which is chaired by the Chief Financial Officer	GREEN

SERVICE DEVELOPMENT	Channel Shift Projects to be progressed.	Develop online mapping and on-line payments.	Increased achievement of efficiencies through a reduction in direct customer traffic to the Council and more resolution through lower cost channels. Wider range of funds available for on-line payments.	2015 - 2018	Digital Access group	11 additional services can now be paid for on line. Others such as citizens mobile and web self service will follow when the Kana self service module is live	GREEN
	Review Opportunities for Single Assessment	Review use of Seemis. Review Northgate (NG) education module to see if fit for purpose. Visit Angus Council to understand savings to be made using NG module. "To be" process still to be determined.	Review complete and recommendations reported to CMT/Committee.	June '16	Revenue & Customer Services Manager	A paper has been completed on the subject, however the rollout of universal Credit will likely change the feasibility of single assessment in terms of delivering education services such as free school meals and clothing	AMBER
	Local Support services (Universal Credit-Welfare Reform impact)	Report to Committee via MBWG by December 2015.	CSC staff well informed to provide the necessary advice to customers	From 2016	Revenues & Customer Services Manager/Principal Officer	ongoing	GREEN

## Customer Service Training

### **E-Learning**

- Working in teams
- Team Building Course
- Dementia Basic Awareness
- Active Listening
- Caring for your customers

### **Delivered by 3<sup>rd</sup> party or Service**

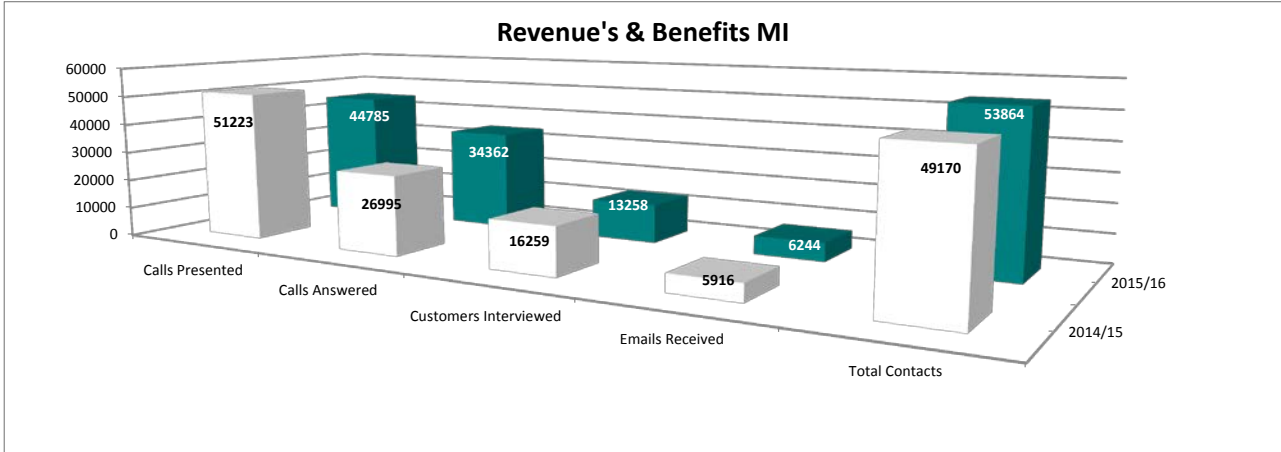
- Disability awareness
- Veterans refresher
- Equality & Diversity
- Complaint Handling
- Conflict Management
- Mental Health Training
- Awareness of Adult Literacies
- Universal Credit training
- Advice First Overview
- April '16 HB changes (overview)
- Discount/Exemptions –Revenues overview
- Train the trainers
- Data Protection overviews

### **Service Specific training – delivered by senior staff/CSSO/CSS**

- Winter Planning over view
- Logging I-Heat referrals
- Education overview of FSM/CG & EMA
- Overgrown trees, hedges and vegetation
- Indexing Refresher
- Benefit emails refresher
- Environmental
- Reception duties and VF training
- Parking Restrictions overview
- Batching & Scanning mail

Team meetings have also taken place during the late opening mornings which are very useful and welcome by the team for discussing performance, issues, emerging trends as well as allowing staff the opportunity to give opinions and ideas.

	2014/15	2015/16
Calls Presented	51223	44785
Calls Answered	26995	34362
Customers Interviewed	16259	13258
Emails Received	5916	6244
Total Contacts	49170	53864



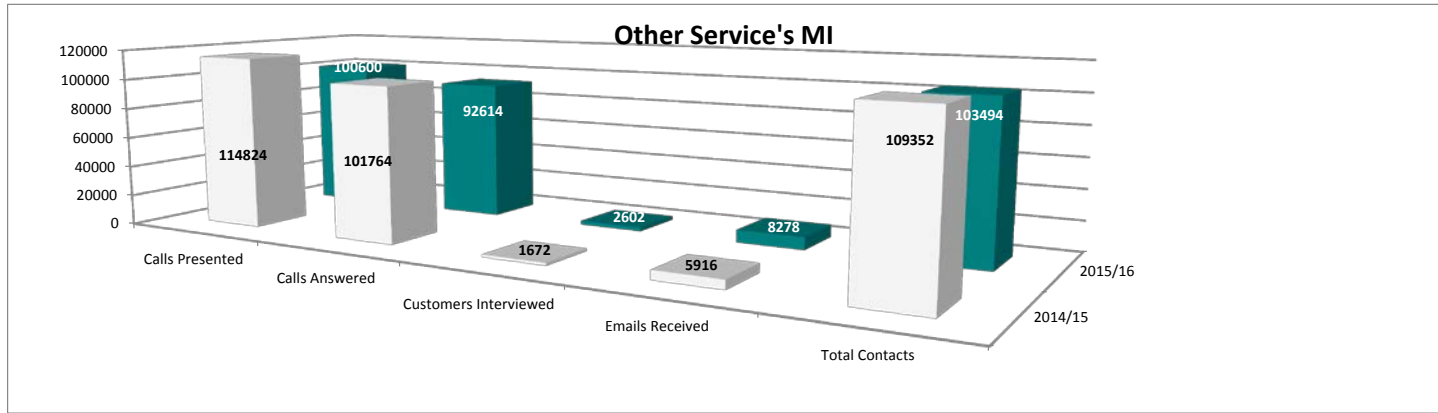
**What does the MI show (annual)?**

- \* Calls presented has decreased by 12%
- \* Calls handed has increased by 27%
- \* 77% of R&B calls are answered compared to 53% last year
- \* Customers interviewed have decreased by 23%
- \* Emails received have increased by 6%
- \* Total contacts have increased by 10%
- \* The outstanding work position for Reveunes & Benefits back office processing has been consistently up-to-date - this has contributed towards the drop in calls.

Average Queue time of handled calls has reduced by 30 seconds

Average abandoned call times have reduced by 18 seconds

	2014/15	2015/16
Calls Presented	114824	100600
Calls Answered	101764	92614
Customers Interviewed	1672	2602
Emails Received	5916	8278
Total Contacts	109352	103494



**What does the MI show?**

- \* Calls presented for all other non R&B services has decreased by 12%
- \* 92% of calls are answered compared to 89% last year
- \* Interviews has increased by 56%
- \* Emails has increased by 40%
- \* Total contacts has decreased by 5%

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director (Chief Officer) Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>FIN/88/16/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Welfare Reforms Update</b>		

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## 1.0 PURPOSE

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

## 2.0 SUMMARY

- 2.1 The Inverclyde area has been selected for the next phase of Universal Credit Full Service with this to be implemented within Inverclyde on 23 November 2016. This is earlier than previously expected and is testament to the assessed state of readiness which the DWP have of the service delivered in Inverclyde. There will be impacts for many claimants within Inverclyde and these are explored in more detail in the report.
- 2.2 The latest position in respect of the Scottish Welfare Fund (SWF) and Discretionary Housing Payments is that both are currently projected to contain costs within available budgets however this is only after significant extra funding has been allocated directly from the Council's own resources to supplement DWP/Scottish Government Funding. It is anticipated that demand for both sources of funding will continue to grow as Universal Credit is rolled out and in the event that further funding is required then officers will report back to Committee.
- 2.3 The Health & Social Care Committee received a report regarding the transition from Disability Living Allowance (DLA) to Personal Independence Payment (PIP). This full report is attached at Appendix 3. Updates on this area will continue to be provided to Committee.
- 2.4 The Benefit Cap enters a new phase from November this year and is estimated to impact on more than 40 households. Proactive contact with those affected is being undertaken by the Council and its Partners.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the implementation date of 23 November 2016 for Universal Credit Full Service within Inverclyde.
- 3.2 It is recommended that the Committee otherwise note the contents of the report.

**Alan Puckrin**  
Chief Financial Officer

**Brian Moore**  
Chief Officer (HSCP)

## **4.0 BACKGROUND**

- 4.1 The Committee receives a report each cycle providing updates on the Council's response to the major Welfare Reform changes being rolled out across the UK. The Council has set aside in excess of £1.2 million on a recurring basis from 2016/17 to meet the significant financial challenges generated by these changes.
- 4.2 Members have previously received a briefing in respect of Universal Credit and whilst numbers moving to Universal Credit have been relatively low this will significantly change in coming months as detailed later in the report.

## **5.0 UNIVERSAL CREDIT**

- 5.1 The Department for Work and Pensions has notified the Council that the Greenock and Port Glasgow Jobcentre Plus offices are being selected for the Universal Credit Full Service from 23 November 2016 instead of further expansion in the Highlands. UC Full Service removes the restrictions in the eligibility criteria currently in place and opens the scheme to all working age welfare benefit claimants who make a new benefit claim, regardless of their circumstances.
- 5.2 More than 800 Universal Credit claims have been made in Inverclyde to date, with more than 250 with housing costs and approximately 35% of UC claimants having income from employment taken into account in the assessment award. The number of Universal Credit claimants is expected to increase rapidly when seasonal employment ends and with Full Service roll-out. Appendix 1 provides details of how UC uptake has evolved over the last 10 months.
- 5.3 Housing Associations are reviewing their processes in anticipation of UC Full Service as well as Advice Services and Community Learning and Development who plan changes to their service provision to respond to new demands from those who would not normally engage with their services such as those already in employment. Officers have already made contact with East Lothian Council who went live in March 2016 and have convened a meeting there to learn from their experience.
- 5.4 UC Full Service will reduce the Council's Housing Benefit incoming work levels because working age applicants will apply instead for the Universal Credit housing element. Responsibility for the maintenance of the "stock" working age Housing Benefit claims will remain with the Council until claimants migrate to Universal Credit, expected to take place between July 2019 and March 2022. A small number of Supported Exempt Accommodation claims will however remain with Pension Age claims which accounts for a third of the caseload until at least 2022.

## **6.0 SCOTTISH WELFARE FUND AND DISCRETIONARY HOUSING PAYMENTS**

- 6.1 Appendix 2 shows Scottish Welfare Fund (SWF) payments up to 12 August 2016. The level of grants awarded is 10% above the Scottish Government programme funding and is met by the balance carried forward from 2015/16 and the allocation of £100k from the recurring Welfare Reforms budget.
- 6.2 The average Crisis Grant for a UC applicant is on average £112 compared with £76 for a non-UC customer because of the extended period of up to 6 weeks UC claimants must wait until their first UC payment is received from the DWP. Universal Credit has to date had a limited effect on the SWF budget with 16 Crisis Grants approved for UC customers between April and August 2016. UC Full Service is however expected to put pressure on the budget due to the higher award levels.
- 6.3 The Scottish Public Services Ombudsman started its new role on 1 April 2016 as SWF 2<sup>nd</sup> tier independent reviewer. Their initial findings are that in general the decision-making by local authorities has been appropriate. One of the main themes emerging from the cases considered so far is in respect of exclusions for Crisis Grants, and the application of exceptional circumstances to qualify for a grant. To date over 110 enquiries or requests to review decisions

have been received throughout Scotland with the SPSO upholding 30% of crisis grant applications and around 50% of community care grants. In these circumstances the SPSO instructs the relevant council to pay the grant. Inverclyde Council has had no 2<sup>nd</sup> tier reviews heard by the SPSO.

- 6.4 All Housing Association tenants affected by the Social Sector Size Criteria (also known as the bedroom tax) in receipt of Discretionary Housing Payment (DHP) at 31 March 2016 have had their award rolled over to 2016/17 and all new applications have been assessed. The projected value of DHP to mitigate the SSSC for those currently affected and assuming their awards continue to year end is £887,000. Committee should note that the Scottish Government has undertaken to underwrite "Bedroom Tax" costs.
- 6.5 DHP to meet pressures as a result of other welfare reforms including the Benefits Cap and restrictions in the private rented and homelessness sectors is projected to be in the region of £91,000. This estimate is based on assumptions about Universal Credit, the Homelessness Service and the uptake of DHP. It is within budget and will be subject to continuous review.

## **7.0 DLA/PIP**

- 7.1 Members had asked for a more detailed update in respect of the migration from DLA to PIP within Inverclyde. This report was presented the Health & Social Care Committee on 25 August 2016 and is attached as Appendix 3 to this report.
- 7.2 It is early days for officers to arrive at any definitive conclusions but as expected there have been significant reductions in awards and the requirement for a large number of appeals which are being supported by HSCP Advice Service Team. Updates in this area as the position becomes clearer will be provided to Committee.

## **8.0 REDUCED BENEFIT CAP**

- 8.1 From 7 November 2016 the Benefits Cap which limits the amount of benefit most working age people can get, currently at £26,000 per year, is to be reduced to £20,000 for couples and families and for single people from £18,200 to £13,400.
- 8.2 Data released by the Department for Work and Pensions indicates that 48 households in Inverclyde where neither the householder nor their partner are employed are expected to have their housing benefit award reduced when the lower benefit cap is introduced. Each household received a letter from DWP preparing them for the reduction later this year.
- 8.3 The average weekly housing benefit reduction will be £47, with the highest reduction expected to be £114. Discretionary Housing Payment can assist with 50% of the shortfall and an application form is sent from the benefits service immediately to the customer after the service is instructed by the DWP to make the deduction.
- 8.4 A group was convened locally to make best use of available expertise to support those expected to be affected with representation from Housing Benefits, HSCP Advice Services, Community Learning and Development (CLD), Inverclyde Community Development Trust (The Trust), DWP Welfare Reforms team, Jobcentre Plus and Housing Associations. A programme of engagement has been agreed to help customers understand the impact of the cap, to help prepare for employment which will remove the household from the cap or if appropriate to determine exemption from the cap by the qualification for certain welfare benefits such as Carers Allowance.
- 8.5 HSCP Advice Services plan to contact each of the households, the Housing Associations plan to visit their tenants and the DWP Welfare Reforms team will contact customers who live in the Private Rented Sector. Jobcentre Plus work coaches can offer additional Flexible Support payments and advice and The Trust can provide resilience training and various means of employability support.

## 9.0 OTHER ISSUES

- 9.1 The Committee will be aware that there are significant changes occurring to the Council Tax system with effect from 1 April 2017. Whilst a more detailed report on this area will be presented to the next Committee in respect of the changes in the multipliers and the expected impacts on Inverclyde there is also a knock on impact to the Council Tax Reduction Scheme.
- 9.2 Discussions are ongoing between Cosla and the Scottish Government as part of the Spending Review regarding the financial impact of the increase in Council Tax reduction payments to ensure that Councils are fully funded for these policy changes.

## 10.0 IMPLICATIONS

### 10.1 Finance

As detailed in the report.

#### 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

### 10.2 Legal

There are no legal implications arising from this report.

### 10.3 Human Resources

There are no HR implications arising from this report.

### 10.4 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.

### 10.5 Repopulation

There are no repopulation implications arising from this report.

## 11.0 LIST OF BACKGROUND PAPERS

11.1 None



## Universal Credit - Inverclyde - cumulative stats

UC meeting	Inverclyde UC Caseload			Evidence of Earnings after 3 months	No. of UC claimants with Housing Costs (approx.)	Council Tax Reduction - number of applicants on UC	No. of SWF Grants
	Greenock JCP	Port Glasgow JCP	Total				
1.12.15	61	35	96	not applicable	19	10	12
12.1.16	127	57	184	not applicable	47	32	33
23.2.16	229	115	344	32%	58	53	52
30.3.16	342	not available	n/a	39%	100	84	62
24.5.16	418	192	610	34%	206	107	67
27.7.16	563	255	818	35%	244	117	72

Notes

1. Caseload is the number of individuals in receipt of Universal Credit either individually or as part of a couple
2. "Evidence of Earnings after 3 months" is the percentage of customers with earnings included in the assessment of their UC award 3 months after the date they first claimed UC

**Scottish Welfare Fund**  
**12<sup>th</sup> August 2016**

Calls Answered	3679		
Applications	1757		
Applications Granted	1177	66.99%	
Applications Refused	264	15.03%	Note 3
Applications Withdrawn	237	13.49%	
In Progress	78	4.49%	
Referrals to DWP	86		Note 2
	<u>Spend</u>	<u>Budget</u>	<u>Spend</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>
Crisis Grant paid (776)	58.7	195.8	29.98%
Community Care Grants paid (416) (includes 15 applications paying both CCG & CG)	210.7	655.5	32.14%
	<u>269.4</u>	<u>851.3</u>	31.64%

**Note 1** 1<sup>st</sup> Tier Reviews = 23 (1.37%)  
1<sup>st</sup> Tier Reviews Upheld in Customer Favour = 12 (52.17%)  
2nd Tier Reviews = 0 (0%)  
2nd Tier Reviews Upheld in Customers Favour = 0 (0%)

**Note 2** Referrals to DWP relates to customers who are awaiting payment of a new claim for Universal Credit JSA / ESA from DWP. In these circumstances an application for an advance payment of benefit, repayable to the DWP can be made.

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

**Note 4** Core Budget is £681,000 to which is added £70,000 carried forward from earlier years plus £100,000 from the Welfare Reforms Budget.

## **Discretionary Housing Payments**

**12<sup>th</sup> August 2016**

### Renewals

Renewals - approved	1327	(93.58%)	
Renewals - refused	12	(0.85%)	Applicants no longer meet priority group criteria
Renewals – not eligible	79	(5.57%)	No entitlement to DHP because Housing Benefit has stopped

### New Applications

New Applications Received to date	217		
Applications Approved	120	(55.30%)	
Applications Refused	70	(32.26%)	
Applications - No Action	9	(4.15%)	DHP paid as 'Renewal'
Awaiting Supporting Evidence	0	(0%)	
New Applications still to be assessed	18	(8.29%)	

### £000

DHP paid to date	333		
DHP Commitments Includes Non-SSSC (£43k)	597		Non-SSSC budget: £119k
New applications to be assessed	13		Estimate based on current average award £14.40
Total Projected Spend (current applications)	<u>943</u>		Anticipate more demand following implementation of UC Full Service and Reduced Benefits Cap
Reviews requested	7	(0.43%)	

### SSSC

Households affected by SSSC at 12.8.16	1305		
Households currently receiving DHP	1269	(97.24%)	
SSSC spend (based on applications in payment at 12.8.16)	£887k		Scottish Government SSSC Projection: £974k

**AGENDA ITEM NO:**


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<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>
<b>Report By:</b>	<b>Brian Moore Chief Officer Inverclyde Health and Social Care Partnership (HSCP)</b>	<b>Report No:</b>
<b>Contact Officer:</b>	<b>Helen Watson Head of Service: Planning, Health Improvement &amp; Commissioning</b>	<b>Contact No: 01475 715285</b>
<b>Subject:</b>	<b>Disability Living Allowance (DLA) Migration to Personal Independence Payment (PIP).</b>	

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**1.0 PURPOSE**

- 1.1 To update Committee on the introduction of the new welfare benefit Personal Independence Payment (PIP); the reassessment process for migrating working age Disability Living Allowance recipients to Personal Independence Payment, and the emerging issues and mitigation responses.

**2.0 SUMMARY**

- 2.1 Disability Living Allowance (DLA) was introduced in 1992 in recognition of the additional costs associated with disability. Personal Independence Payment (PIP) has now replaced DLA for working age claimants. All new claims for disability support are made for Personal Independence Payments, whilst all existing working age DLA claimants in Inverclyde are being invited to apply, and be reassessed for PIP on a rolling programme between October 2015 and late 2017.
- 2.2 There are approximately 3,700 working age DLA claimants in Inverclyde. The first national DWP statistics for outcomes of DLA to PIP reassessments showed 32% of those reassessed in Inverclyde lost all entitlement to disability benefit. Analysis of initial outcome decisions for the DLA to PIP reassessment cases in Inverclyde, notified to Inverclyde Advice Services by DWP, has allowed for extrapolation from DWP caseload statistics to project possible impacts. Analysis suggests an estimated 1,357 existing DLA claimants currently receiving either High or Middle Rate Care stand to lose entitlement to PIP Daily Living Component.
- 2.3 Concerns have been raised as to the PIP claim and reassessment process in addition to decision making in general. Assessments for Inverclyde residents are by and large conducted in Glasgow, in spite of the availability of DWP assessment facilities in Greenock.
- 2.4 Of those Inverclyde claimants who challenge adverse assessment decisions at appeal with Welfare Rights representation, 73 per cent of appeals are found in the claimants favour.
- 2.5 DLA/PIP helps disabled people pay for extra costs, supports daily living and assists

with them remaining independent in the community. If the income of the disabled person is reduced it will be more difficult for them to meet their basic needs and as a result possibly increase the demand for social care to help meet those needs.

- 2.6 At the same time, DLA/PIP income that has played a part in subsidising the cost of social care through charging will no longer be available and lost to the social care system.
- 2.7 The cumulative loss of disability benefit to Inverclyde claimants, and thereby the Inverclyde economy, from the DLA to PIP reassessment process has been estimated at approximately £9 million per annum.
- 2.8 In order to best support members of the community, a range of activities have commenced in addition to the welfare benefits and appeals and representation already in place. This includes establishment of data sharing protocols; in-depth analysis of cases; and on-going research to capture and reflect the consequences of loss of disability benefit on individual claimants to inform future policy development.

### **3.0 RECOMMENDATIONS**

- 3.1 Note the content of the report and the possible impact of the reassessment from DLA to PIP process on Inverclyde claimants, HSCP service delivery, and the wider Inverclyde economy.
- 3.2 To recommend that Inverclyde Council formally approach DWP with a request for greater utilisation of the facilities available at Duff Street in order that PIP assessments for Inverclyde claimants can be conducted in Inverclyde.
- 3.3 To note the range of proactive measures in place to support claimants and consider at a future committee the findings of the DLA/PIP monitoring exercise.
- 3.4 To await further information from the Scottish Government on the new Social Security Bill, which includes the devolvement of disability benefits to Scotland.

**Brian Moore**  
**Chief Officer**  
**Inverclyde HSCP**

#### 4.0 BACKGROUND

- 4.1 Disability Living Allowance (DLA) was introduced in 1992 in recognition of the additional costs associated with disability. Additional food costs as a result of a special diet, additional heating costs, costs to meet on-going transport needs that allows access to essential services and maintains a degree of independence and social contact.
- 4.2 Personal Independence Payment (PIP) has now replaced DLA for working age claimants. All new claims since 2015 are made for PIP. Existing DLA working age claimants in Inverclyde will be invited to apply for PIP on the basis of a rolling programme between October 2015 and late 2017.
- 4.3 It is important to note that PIP does not directly replace DLA and as it is classed as a completely different benefit, existing DLA claimants have to apply for PIP. Current entitlement to DLA at the highest levels or that a DLA award has been made for an indefinite period or on a life time basis is immaterial and offers no guarantee of securing any entitlement to PIP. If an existing DLA claimant fails to respond to their invitation to claim PIP from DWP their entitlement to DLA will nevertheless stop.
- 4.4 Although PIP is a different benefit it shares many similarities with DLA. It is not means tested, not based on National Insurance contributions; acts as a passport to other entitlements; is based on need; is not an earnings replacement benefit and as such is available to those both in and out of work.

#### 5.0 DLA TO PIP MIGRATION IMPACTS

- 5.1 A stated aim of Government in phasing out DLA and introducing PIP was to reduce the numbers receiving disability benefit thereby reducing expenditure on welfare. The June 2010 Budget announced that reform of DLA would save more than £1 billion per year by 2014/15. (HM Treasury, June 2010). The Department of Work and Pensions (DWP) Impact Assessment published in 2012 predicted there would be 500,000 fewer people receiving PIP by 2015/16 that would have received DLA under the existing rules.  
(DWP, Disability Living Allowance Reform Impact Assessment)
- 5.2 Between 2013 and 2018, 190,000 working age DLA claimants in Scotland will be reassessed to determine eligibility for PIP. On the basis of DWP projections it is estimated approximately 150,000 reassessed disabled claimants will lose some or all of their disability benefit by 2018 with a loss of at least £1,134 per claimant per year. Of those, 47 per cent are estimated to receive no PIP award and the remaining 53 per cent to receive a reduced PIP award. Savings stemming from a stricter test of mobility will result in a decrease of £35 per week or a loss of £57 per week for an estimated 47,000 disabled people in Scotland.  
(Scottish Government, Financial Impacts of Welfare Reform on Disabled People in Scotland, August 2014)
- 5.3 Further savings will arise as under PIP there is no replacement of the lowest care component of DLA (£21.80 per week, £1,134 per year) which is currently claimed by approximately 88,630 claimants in Scotland.  
(DWP Tabulation Tool)
- 5.4 The Extra Costs Commission recently published the "Driving down the extra costs disabled people face" report which found that disabled people pay on average £550 per month more than people who are not disabled on everyday living costs. The average award of DLA/PIP is £360 per month. Disability organisations have voiced concern that losses or reductions in entitlement will lead to many current DLA claimants facing financial hardship. A UK survey conducted by the Papworth Trust found that: *"Three-quarters of disabled people would not*

*have enough money if their DLA was cut. Six in ten would lose some of their independence [and] 86 per cent of disabled people would cut back on essentials like food and transport if their DLA was cut”.*

(Papworth Trust, Changes to Disability Living Allowance Survey Results)

5.5 Criticism has been levelled at the PIP claim process from initial claim to assessment through to appeal. Concerns nationally include:

- Application is by way of completion of a 35 page form which is perceived as too long, too complex, often requiring explanation of multiple fluctuating symptoms and cognitive difficulties.
- Participants described the process of claiming PIP as stressful and demoralising from the outset. This caused exacerbation of physical symptoms as well as added emotional distress.
- PIP assessments were perceived as adversarial, designed to be as difficult as possible, and failure inevitable.
- The impact was increased stigma and isolation from family and friends as the process left them fearful and feeling judged, ‘like a criminal’. In some cases this placed a strain on family relationships.
- The emphasis on having to prove their disability was disempowering for claimants, and incompatible with the NHS emphasis on self-management.
- Delays and frequent need for appeal tribunals left some in severe financial hardship, with increased debt and dependency.

(A Deeply Dehumanising Experience. M.E/CFS Journeys Through the PIP Claim Process in Scotland. March 2016, Newcastle University.)

5.6 Ministry of Justice statistics published on 10th March 2016 indicate an increase of 47% in the number of social security appeals from October to December 2015 compared to the same period in 2014. The same statistics reveal PIP appeals is now the largest appeal jurisdiction accounting for 39 per cent of all appeals.

## 6.0 INVERCLYDE

6.1 There are approximately 3,700 working age DLA claimants in Inverclyde who will be reassessed for PIP. The first set of DLA to PIP reassessment statistics was published by DWP in December 2015. The statistics fail to provide case load numbers but do provide percentage breakdowns of outcomes for completed reassessments.

6.2 The figures for Inverclyde show 32% of those reassessed had lost all entitlement to disability benefit. No breakdown is provided for the 68% securing an award to indicate if the award of PIP was a reduced award compared to that previously received under DLA.  
(PIP: Registrations, Clearances and Awards to October 2015, DWP 16/12/15).

6.3 Almost 40% of all enquiries to Inverclyde HSCP Advice First were in relation to sickness and disability related benefits such as Personal Independence Payments/Disability Living Allowance.

6.4 In the year April 1st 2015 to March 31st 2016, Advice Services provided advice on PIP entitlement for 343 clients, assistance to challenge PIP decisions for 239 clients, and provided representation at PIP appeals for 81 clients securing entitlement of £643,704 in the process.

6.5 Within Inverclyde, adverse PIP decisions which are progressed to appeal and are represented by Inverclyde HSCP Welfare Rights, have a 73% success at this appeal stage. This is indicative of both poor DWP decision making at the assessment stage and the effectiveness of HSCP Welfare Rights representation at the Tribunal Hearing. For comparison, the national figure for appeals found in favour of the claimant stands at 61%.  
(Ministry of Justice, Tribunal Statistics Quarterly Oct – Dec 2015, published 10/3/16)

6.6 Of particular concern for Inverclyde residents is that PIP assessments are most often held in Glasgow. This in spite of DWP facilities at Duff Street in Greenock being suitable for assessment. The required journey to Glasgow involving in excess of one hour's travel can exhaust claimants impairing their ability to participate in the assessment effectively.

## 7.0 EMERGING ISSUES

7.1 The impact of welfare changes such as the introduction of PIP has to be set in the context of an individual's life circumstances. For example, a claimant's ability to navigate the benefits system depends on their health at that point of time. Health is a primary focus and determinant of well-being that can constrain a claimant's ability to tackle the process of applying for benefits and can pose a significant barrier to tackling the complexity of the benefits system. This may well be at a point where an individual has few material resources to fall back on, and at the same time as struggling to make ends meet due to the high costs imposed by ill-health and/ or disability. This means that even temporary delay or loss of benefit can have a substantial negative impact.

7.2 Inverclyde Council, in common with other local authorities, means-tests for social care to take account of a client contribution that includes an element of DLA/PIP. If service users lose entitlement to DLA/PIP the contribution towards the costs of social care from DLA/PIP is also lost. It is also possible that the cumulative effect of the loss of an award of DLA/PIP and associated passport entitlements could leave an individual less able to meet the costs of their basic needs, leave the individual potentially housebound and consequently unable to work, socialise and struggle to attend to the requirements of day to day living. It is likely in such a set of circumstances that for some disabled people the dependency on eligibility for, and access to social care will substantially increase at the same time as the client contribution towards the cost of care is reduced.

7.3 Receipt of PIP Daily Living Component is a core qualifying criterion in allowing for a carer to receive Carers Allowance. This is awarded in respect of care provided by the carer to the disabled person claiming PIP. If PIP entitlement is lost and as a consequence carers are rendered ineligible for Carers Allowance this could result in a significant financial burden on social care services as many carers would no longer be able to continue to provide unpaid social care, transferring the burden to the HSCP.

7.4 Powers over benefits for disabled people and carers are devolved to the Scottish Parliament and it is likely that the Social Security Bill will be introduced over the coming years. Given the complexities and practicalities of the issues involved, benefits such as PIP will probably continue to exist in broadly their current form for a number of years. Consideration should be given as to how existing eligibility can be improved and how assessment should better reflect the needs of disabled people and the impact of their disability or health condition on day to day living. There is the potential to better align the ill-health, disability and carers benefits with other devolved services, especially in the health and social care field.

(Creating A Fairer Scotland. A New Future For Social Security In Scotland. Scottish Government – March 2016.)



## 8.0 MITIGATION RESPONSES

- 8.1 In order to best support members of the community, a range of activities have commenced in addition to the welfare benefits appeals and representation already in place. This includes establishment of data sharing protocols; in-depth analysis of cases; and on-going research to capture and reflect the consequences of loss of disability benefit on individual claimants to inform future policy development.

## 9.0 ADVICE AND REPRESENTATION

- 9.1 A number of organisations within Inverclyde provide direct support to clients who are applying for PIP or migrating from DLA to PIP. The HSCP Advice Services team provides a comprehensive support package from initial enquiry through to advice including completion of forms and also representation at appeal if required. Riverclyde homes, Inverclyde Council on Disability and Financial Fitness all provide welfare benefits advice and in addition ICOD are funded by Inverclyde Council to support vulnerable people at their assessments if required. The latest Impact of Welfare Reform in Scotland Tracking Study Sweep 4 - June 2016 highlights the importance of practical and moral support in navigating the benefits system.

## 10.0 DATA SHARING PROTOCOL

- 10.1 HSCP Advice Services and Inverclyde Council Revenue and Benefits Service have entered into a formal data sharing agreement in relation to information received by Revenue and Benefits from DWP of outcome decisions following reassessment of DLA to PIP cases. This data sharing agreement allows the HSCP Advice Service to be proactive in offering support to those affected by the DLA to PIP reassessment process in challenging adverse decision and exploring avenues of income maximisation to mitigate the impacts of the reassessment process as far as possible.

## 11.0 DETAILED ANALYSIS

- 11.1 Details of the first set of outcome cases were passed to HSCP Advice Services in March. This has allowed for analysis of outcomes and by extrapolating from the most up to date DLA Claimant Count for Inverclyde (August 2015) use the DWP Tabulation Tool to project possible future impacts of the reassessment process. The analysis focused on detailed outcomes for 59 claimants going through the DLA to PIP reassessment process during the four months from January to April of this year. Results after April were not included due to restrictions in the data shared by Revenue and Benefits Service from this point that now only covers those cases where income loss has occurred as a result of the reassessment process.

### Results:

- Before reassessment the total weekly DLA received by the 59 claimants was £4,962.
- After reassessment the total weekly PIP received by the 59 claimants was £2,174.
- Weekly income lost as a result of the reassessment process for the 59 claimants was £2,788 (57% of their collective entitlement to Disability Benefit).

Consideration of outcomes by individual component type in addition to overall outcomes has allowed for a more detailed analysis. A further longitudinal analysis will be conducted later in the year to track the claimant experience of the reassessment process allowing for

consideration of more comprehensive data including the outcome of challenges to DWP decisions by way of appeal.

#### Projections:

- By the end of 2017 the expectation from DWP is that all 3,700 working age DLA claimants living in Inverclyde will be reassessed for PIP.
- The total weekly DLA received by working age claimants in Inverclyde in August 2015 was £305,000.
- If the early outcomes are indicative, the total loss to Inverclyde will be in the region of £174,000 a week, or £9,152,000 per annum.

#### Considerations:

It should be noted the above projections take no account of the loss of associated premiums and other passported entitlements awarded as a result of disability benefit than can often be of greater monetary value than the actual award of DLA/PIP itself.

- The projected loss of PIP standard rate care for existing DLA claimants means claims to Carers Allowance will no longer be applicable;
- The projected loss of PIP enhanced rate mobility for existing DLA claimants excludes applications to the Motability Scheme and loss of any current Motability vehicle;
- The projected loss of PIP mobility at any rate for existing DLA low rate mobility claimants will primarily fall on those whose current DLA low rate mobility entitlement is predicated on mental ill-health problems.

## **12.0 INVERCLYDE PIP MONITORING INFORMATION**

12.1 In order to determine an Inverclyde wide perspective on DLA to PIP demand on services, HSCP Advice Services; Riverclyde homes, Inverclyde Council on Disability and Financial Fitness have agreed to collate on a monthly basis the numbers of clients seeking advice and support (appendix 1). The first return for all these organisations is still in the process of collation however, the return from HSCP Advice Service for the period December 1st 2015 to May 31st 2016 shows:

- 179 advice interventions relating to questions of PIP entitlement;
- 142 advice interventions dealing with PIP decision making disputes;
- 42 PIP Appeal Hearings with Welfare Rights representation; and
- 77% of Appeal Hearing outcomes found in favour of the client.

## **13.0 INVERCLYDE PIP CLAIMANT EXPERIENCE QUESTIONNAIRE**

13.1 In order to inform future redesign of PIP or proposals as to the possible shape of devolved disability benefits, Inverclyde Financial Inclusion Partnership has developed a PIP monitoring questionnaire covering claimant experience of the claims, assessment and decision making process. Claimant experience should be central to establishing if the current provision of disability benefit and assessment treats claimants fairly and with dignity or if it falls short. As part of Inverclyde Council's funding arrangements, partner organisations have entered into formal service level agreements that include provision to make comprehensive use of the monitoring return. This will help ensure that the impacts of PIP on claimants in Inverclyde can

be captured and reflected upon and perhaps form the basis for disabled claimants being directly involved in the co-production of the future design of devolved disability benefits in Scotland. Due to the long term timescale from initial application to appeal, the initial returns will be collated over the summer allowing for further analysis of the impact of the introduction of PIP and reassessment of existing DLA claimants in Inverclyde in the autumn. (appendix 2)

## 14.0 IMPLICATIONS

### 14.1 FINANCE

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

### 14.2 LEGAL

There are/are no legal issues within this report.

### 14.3 HUMAN RESOURCES

There are/are no human resources issues within this report.

### 14.4 EQUALITIES

Disabled people are one of the protected characteristic groups under the national Equality legislation

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.

**14.5 REPOPULATION**

There are/are no repopulation issues within this report.

**15.0 CONSULTATION**

15.1 This report has been prepared by the Chief Officer, Inverclyde Health and Social Care Partnership (HSCP) after due consultation with officers from the Inverclyde Financial Inclusion Partnership and HSCP Advice Service.

**Report To:** Policy & Resources Committee      **Date:** 20 September 2016

**Report By:** Corporate Director Environment, Regeneration & Resources      **Report No:** PR/19/16/WB/AF/MMcK  
 Corporate Director, Education, Communities & Organisational Development

**Contact Officer:** Miriam McKenna      **Contact No:** 01475 712042  
 Corporate Policy & Partnership Manager

**Subject:** Corporate Services Performance Report

**1.0 PURPOSE**

- 1.1 The purpose of this report is to update the Committee on the achievement of key objectives by the Council's Corporate Services, as detailed in the new Education, Communities and Organisational Development Corporate Directorate Improvement Plan (CDIP) 2016/19 and the new Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2016/19.
- 1.2 The report focuses on the improvement actions that sit within the following Services: Finance, ICT, Legal and Property; Procurement; Corporate Policy; Organisational Development, Human Resources and Communications.

**2.0 SUMMARY**

2.1 The Council's new Corporate Directorate Improvement Plans 2016/19 were approved in May 2016. This is the first progress report on the Corporate Services elements within the Plans. Full details of progress are provided in Appendix 1. Further progress reports will be submitted to every second meeting of this Committee.

App 1

2.2 The current status of the CDIP's improvement actions is

Status	blue - complete	red - significant slippage	amber - slight slippage	green - on track
August 2016	-	-	-	29

As would be anticipated this early in the delivery of the plans, all actions are currently on track.

2.3 An update on the key performance indicators contained within the CDIP is also provided where new performance information is available (Appendix 2)

App 2

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Committee:

- a. notes the progress made by Corporate Services in delivering the improvement actions outlined in their respective Corporate Directorate Improvement Plans 2016/19; and
- b. agrees that a second progress report will be submitted to this Committee in January 2017.

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

**Aubrey Fawcett**  
**Corporate Director**  
**Environment, Regeneration and Resources**

## 4.0 BACKGROUND

- 4.1 CDIPs are a key component of the Council's Strategic Planning and Performance Management Framework. They are the principal vehicle for managing and delivering the strategic outcomes in the Single Outcome Agreement 2013/17 and the Council's Corporate Statement 2013/18, as well as the wellbeing outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included.
- 4.2 New CDIPs for Education, Communities and Organisational Development and the Environment, Regeneration and Resources Directorates were approved by the Policy and Resources Committee on 17 May 2016.
- 4.3 These new Improvement Plans contain a number of actions that are corporate in nature. A separate Corporate Services progress report will therefore be presented to every second meeting of this Committee in keeping with previous reporting arrangements. The remaining CDIP improvement actions within the Plans will also be reported to every second meeting of the appropriate Committee.
- 4.4 As detailed in Appendix 1, improvement actions have been allocated a 'BRAG' status:  
blue - complete; red - significant slippage; amber - slight slippage; green - on track.
- 4.5 The CDIP also contains key performance indicators, comprising statutory performance indicators and local performance indicators. These indicators provide an important measure of how the Directorate's Services contribute to the Council's strategic aims. Information on indicators is gathered either quarterly or annually and performance reported to Committee at the appropriate time; the most recent position on the indicators is attached as Appendix 2.

## 5.0 PROGRESS

- 5.1 This is the first progress report on the delivery of the Corporate Services element of the new CDIPs and, as such, all of the actions are currently on track. This is to be expected this early in the delivery of the plans. The current status of the CDIP's improvement actions is:

Status	blue - complete	red – significant slippage	amber - slight slippage	green - on track
August 2016	-	-	-	29

- 5.2 Appendix 1 details the present status of the improvement actions, together with commentaries from the appropriate Service.
- 5.3 Good progress has been made in delivering the corporate improvement actions, examples of which include:
- Additional on-line services including access to Customer Services, Online Payments and introduction of App based services are either in pilot stages or have been introduced.
  - Internal audit arrangements for the Integrated Joint Board (IJB) were confirmed by the IJB at its meeting on 20 June 2016. Resources for the provision of corporate support from the Council to the IJB have been identified and work is now underway to develop the scope and wording of the Service Level Agreement (SLA).
  - A refreshed Workforce strategy has been reviewed and a new strategy for 2017-19 has been developed in conjunction with key stakeholders. This will be presented to Committee for approval.

## 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	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: There are no direct equalities implications arising from this report.

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

## 7.0 CONSULTATION

7.1 Updates on progress with the CDIP's implementation have been provided by the lead officer of each improvement action.

## 8.0 CONCLUSION

8.1 This is the first progress report on the Corporate Services element of the Education, Communities and Organisational Development and Environment, Regeneration and Resources Corporate Directorate Improvement Plans. It is presented for Committee's approval with the recommendation that the next progress report be presented in January 2017.

## 9.0 BACKGROUND PAPERS

9.1 Education, Communities and Organisational Development CDIP 2016/19.  
Environment, Regeneration and Resources CDIP 2016/19.



# **Corporate Services**

Progress Report

September 2016

# **Corporate Improvement Actions 2016-17**

## 1.0 Corporate Improvement Actions

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

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<p>The Council and the CPP are ready for the implementation of the Community Empowerment (Scotland) Act 2015, working with partners to deliver on the statutory requirements. Each element is in place across all Services.</p> <p>There are locality profiles and plans for the agreed localities across Inverclyde, mapping assets and issues, agreed with and led on by communities.</p> <p>Services/ CPP partners and communities use these profiles to plan service delivery, targeting inequalities and working to reduce them</p> <p>(ECOD_CA2)</p>	<p>Respond to Scottish Government guidance.</p> <p>Bring the improving data analysis group together to gather information around the agreed localities</p> <p>Facilitate improved community engagement in the development of Locality Plans and community planning through Wellbeing Clusters and the development of more robust community engagement methods, including Place Standard</p> <p>Timescale: September 2016</p> <p>Set up working groups to cover each element, for example, legal, environmental, community learning and development, property etc.</p> <p>Create a community food growing strategy.</p>	<p>●</p> <p>Green On Track</p>	<p>Still awaiting finalised Scottish Government guidance. Work ongoing with services and communities to raise awareness of the act. SOA being reviewed to change over to a Local Outcomes Improvement Plan.</p>	<p>Included, Responsible</p>
<p>Community engagement has taken place to help develop the new SOA and to assess whether the current outcomes are appropriate.</p> <p>New Local Outcome Improvement Plan/ SOA agreed and being delivered.</p> <p>(ECOD_CA3)</p>	<p>Carry out a strategic assessment to inform the new SOA, including engagement with communities</p> <p>Use locality profiles to inform development of the SOA</p> <p>Timescale: 31 March 2017</p>	<p>●</p> <p>Green On Track</p>	<p>Localities have been defined and approved by the Alliance Board. Engagement events took place in May 2016 as part of the community cluster meetings. Discussions have been ongoing at the Programme Board regarding the new Local Outcomes Improvement Plan and a report was considered by the Board at its meeting on 19 August 2016.</p>	<p>All SOA and Wellbeing Outcomes</p>

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<p>More robust performance information that meets the requirements of the new Audit Scotland Statutory Performance Indicator Direction 2015.</p> <p>The PIs that are reported to committee complement our PIs for PPR; we need a more joined up approach</p> <p>Services are in the habit of updating PIs on a monthly/quarterly basis using Inverclyde Performs</p> <p>Inverclyde Council can evidence how it promotes and works to achieve best value.</p> <p>(ECOD_CA4)</p>	<p>Work with Services to review current PIs and develop new indicators/delete indicators, where appropriate</p> <p>Develop PIs that are captured on Inverclyde Performs and create monthly/quarterly indicators.</p>	<p>●</p> <p>Green On Track</p>	<p>Quarterly and monthly indicators have been developed for CDIP KPIs where appropriate and it is the responsibility of the individual service to ensure that performance information is updated in a timely manner.</p> <p>Due to changes in the Audit Scotland direction, Audit Scotland has not carried out an appraisal of our PPR arrangements for 2014/15. Infographics have been developed and are available online following feedback in 2013/14.</p> <p>Notification has been received that Inverclyde Council will be amongst the first round of Councils to participate in a Best Value audit.</p>	<p>Responsible</p>
<p>Ensure workforce planning and development is integrated into CDIPs, risk registers and associated strategies to address the key workforce over the next 3 years.</p> <p>(ECOD_CA6)</p>	<p>Analysis of workforce data and learning needs with a coordinated approach to WP and L&amp;D solutions.</p>	<p>●</p> <p>Green On Track</p>	<p>Workforce planning data is recorded on the Workforce Information and Activity Reports (WIAR) which are issued quarterly to Services to aid in their development of workforce planning strategies. Continuing to look for ICT solutions to further develop workforce planning approaches.</p>	<p>Achieving; Respected; Included</p>

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<p>Developing a fully joined up plan to improve ease of access to Council Services</p> <p>(ERR_CA1)</p>	<p>On-going investment over the next budget period and review thereafter</p>	<p>●</p> <p>Green On Track</p>	<p>Additional on-line services including access to Customer Services, Online Payments and introduction of App based services are either in pilot stages or have been introduced.</p>	<p>Included</p>
<p>The Publication Scheme is updated and includes signposts for information which is routinely collected for FOI requests.</p> <p>(ERR_CA2)</p>	<p>Co-ordinated approach via Services to ensure Publication Scheme is reviewed and updated by May 2017.</p>	<p>●</p> <p>Green On Track</p>	<p>Work is ongoing to update the scheme including updating hyperlinks. Additional information is being added.</p>	<p>Responsible</p>
<p>Service Level Agreement is in place for Integrated Joint Board for administration, legal and audit.</p> <p>(ERR_CA4)</p>	<p>Governance documentation is being finalised for approval and allocation of resources for legal, administration and audit support is being discussed. It is anticipated the SLA will be in place by December 2016.</p>	<p>●</p> <p>Green On Track</p>	<p>Internal Audit arrangements for the IJB were confirmed by the IJB at its meeting on 20 June 2016. Resources for the provision of corporate support from the Council to the IJB have been identified and work is now underway to develop the scope and wording of the SLA.</p>	<p>Achieving</p>
<p>PCIP has replaced PCA. The previous score was 62% which placed the Council on an equal footing with peers. A similar or better performance in PCIP would represent success.</p> <p>(ERR_CA6)</p>	<p>The Procurement Strategy sets out goals and timescales.</p>	<p>●</p> <p>Green On Track</p>		<p>Achieving</p>

# **Cross Directorate Improvement Actions 2016-17**

## 2.0 Cross Directorate Improvement Actions

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

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<p>Manage the transition from Housing Benefit to Universal Credit (UC) and other Welfare Reform Issues, key areas being:</p> <ul style="list-style-type: none"> <li>• Manage the digitalisation and subsequent roll out of Universal Credit</li> <li>• Work force planning</li> <li>• Financial implications both in terms of reduction in subsidy cost of staff resource with reducing caseload and demand for SWF etc</li> </ul> <p>(ERR_CD1)</p>	<p>Strategic planning through effective communications and action plans that clearly outline changes and impacts ahead and how they will be managed. Timescale from now until 2020</p>	<p>● Green On Track</p>	<p>Universal Credit has been advanced for Inverclyde to November 2016. Processes under review, training commenced and regular updates to Committee.</p>	<p>Achieving and Nurtured</p>
<p>Move customers away from traditional costly channels of communication such as face to face to digital channels such as self – serve</p> <p>(ERR_CD2)</p>	<ul style="list-style-type: none"> <li>• By increasing the number of channels and transactions dealt with via digital routes</li> <li>• Thorough effective communication and meeting of action plan deadlines, facilitated through the Digital Access Group Timescale – from now and ongoing</li> </ul>	<p>● Green On Track</p>	<p>Web self-service and Citizen's Mobile due for launch imminently. More online payment options operations from April 2016.</p>	<p>Included</p>





# **Service Improvement Actions 2016-17**



## 2.0 Service Improvement Actions

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

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<b>Organisational Development, HR and Communications</b>				
To have an agreed Corporate Communications Strategy (ECOD_ODHRC1)	Development of a CCS, working with Council Services and the CMT	● Green On Track	Stakeholder engagement has been undertaken in preparation for development of a Corporate Communications Strategy.	SOA8  Achieving Nurturing
Implementation of the third edition of the job evaluation scheme is in place for all jobs across the Council.  Relevant procedures are reviewed. (ECOD_ODHRC2)	Testing, piloting and agreement with the Trades Unions, following pilot process.  Implementation of the third edition of the job evaluation scheme.	● Green On Track	The 3rd Edition of the Job evaluation scheme is being put in place in partnership with the Trades Unions. Each stage is being monitored as it is implemented.	Responsible, Included
Refreshed People and OD Strategy for 2017/20 agreed and in place. (ECOD_ODHRC3)	Review existing OD strategy and develop proposal to address the specific challenges and opportunities ahead for Inverclyde Council Engage with various stakeholders Employee survey results will feed in.	● Green On Track	The strategy has been reviewed and a new strategy for 2017-20 has been developed in conjunction with key stakeholders. This will be presented to committee for approval.	Respected; Included; Achieving
Health and Safety management systems embedded and being implemented by Services across the Council (ECOD_ODHRC4)	Develop and agree Health and Safety plan for 2016 – 19	● Green On Track	Plan out for consultation, to be agreed at the September Corporate H&S Committee prior to submission at the November P&R committee.	Safe

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<b>Finance</b>				
Manage the impact of changes to Council Tax anticipated post April 2017 whilst maintaining collection levels  (ERR_FIN1)	Ensure a system upgrade is purchased and tested prior to the changes. <ul style="list-style-type: none"> <li>• Ensure appropriate training is given to relevant staff including Customer Services</li> <li>• Re-assess Council Tax Reduction awards in line with new Policy</li> <li>• Ensure changes are publicised to the community</li> </ul> Timescale from now until April 2017	  Green On Track	Awaiting Government Regulations (due October / November) before formal communications with Council Tax payers commence.  Software changes being progressed at a national level.  Funding issues being clarified with Scottish Government.	Achieving and nurtured
Implementation of SWIFT Finance module  (ERR_FIN2)	Several successful modules rolled out in previous years with remainder to be implemented in Sept 16	  Green On Track	On target to complete transfer by the end of September.	Responsible
Increase value added professional support to services, improve the budget management by budget holders whilst managing a reduction in Accountancy staff by 2 FTE  (ERR_FIN3)	Improve systems and associated management information. Improve budget holder knowledge and increase self-reliance.	  Green On Track	First budget monitoring under new process nearing completion. Restructure being implemented. Liaison by Managers with budget holders identifying FMS reporting improvements.	Responsible
The council wishes to use the opportunities that SWAN generates to encourage joint working and collaboration with other public sector bodies and to develop integrated working with HSCP. Provide the ability for NHS and Council	We will work with partners to develop data sharing, network availability and wireless connectivity. Shared Network Services to be available by March 2017	  Green On Track	Initial meetings with partners to implement roaming wireless capabilities have concluded and proposals for a SWAN Roam or equivalent UK govt. scheme are being	Safe

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
staff to utilise network services in each other's accommodation. (ERR_FIN4)			progressed.	
A refreshed ICT Strategy incorporating Digital Transformation and Development roadmaps (ERR_FIN5)	Officers will produce a refreshed strategy in consultation with other Council services by February 2017	● Green On Track	Scoping has begun and the delivery of the strategy in February 2017 remains on target.	Achieving
<b>Legal and Property Services</b>				
Fully implemented Post-Project Implementation process for completed projects which allows us to identify benefits realisation and incorporate learning into new projects going forward. (ERR_LPS1)	The post-project evaluation team will follow a simple questionnaire led approach. Response rate will require to be monitored in the early stages of implementation. Officer time will be required in connection with the Client / Technical Lead role in collating the report.	● Green On Track	Two are in progress, one at the PG Community Campus and the other at St. Columba's	Responsible
The profile of spend is closely monitored to assist early identification of any areas of slippage so that risk is minimised. (ERR_LPS2)	A co-ordinated approach to developing management information to assist officers identify areas of slippage at an early stage.	● Green On Track		Responsible
The capital asset management plan is updated to fully reflect current position and links to supporting asset management plans which have been developed. (ERR_LPS3)	A co-ordinated approach will be implemented to update the current plan by 31 March 2017.	● Green On Track		Achieving

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
Up to date and relevant information is available in relation to our properties.  (ERR_LPS4)	Implementation of PAMIS modules on a phased approach. Target for full implementation by 31 March 2017.	●  Green On Track		Responsible
After successful implementation of REVIT on current project, the intention would be to rollout the process to all subsequent projects from April 2017 and relevant staff are fully trained in the use of the software.  (ERR_LPS5)	Phased approach being implemented with a view to roll out to all projects by April 2017.	●  Green On Track	Some employees have undertaken training with further ongoing training to take place, until system fully integrated. A pilot project makes the Council compliant with Scottish Government requirements and other projects will follow in the near future.	Safe
<b>Procurement</b>				
Policy required on inviting SME and local suppliers to bid for quotes and encourages engagement on tendering.  (ERR_RP2)	On-going monitoring of the success in inviting SME and local supplier to bid for quotes and the numbers who seek the assistance of Supplier Development Programme	●  Green On Track	Policy will be subject to the approval of the new Contract Standing Orders	Included

# **Capital Project Improvement Actions 2016-17**

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
Fully refurbished school estate to high quality, modern standards.  (ERR_CP1)	SEMP investment is fully approved and capacity will be provided by Legal and Property Services with external Hub construction projects where required.	 Green On Track		Safe

# **Corporate Governance Improvement Actions 2016-17**

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

Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
<p>All employees undertake corporate induction training.</p> <p>Increase in Performance Appraisals carried out.</p> <p>Succession planning becomes an embedded process within services</p>	<p>Through the delivery of the People and Organisational Development Strategy</p>	<p>●</p> <p>Green On Track</p>	<p>An induction training checklist is being finalised and as information becomes available this will be included in the WIAR report on a quarterly basis.</p> <p>There is currently a 91% rate for completion of Performance Appraisals; the target will remain at 90%.</p> <p>Succession planning guidance is being prepared and will be piloted in OD,HR and Comms.</p>	<p>Responsible</p>
<p>Financial Regulation Updated Regulations taking account of changes with IJB , changes in technology etc</p> <p>(ERR_CG1)</p>	<p>Report to P&amp;R via Audit Committee by September 2016.</p>	<p>●</p> <p>Green On Track</p>	<p>Financial Regulations &amp; Standing Orders for Contracts went to Audit Committee in August and due to be approved at Full Council on 29.9.16</p>	<p>Responsible</p>
<p>The Council's governance documentation fully reflects its structure and officer responsibilities which supports the Annual Governance Statement.</p> <p>(ERR_CG2)</p>	<p>Co-ordinated approach via ECMT, CMT and Elected Members to ensure documentation is reviewed and updated by September 2016.</p>	<p>●</p> <p>Green On Track</p>	<p>Standing Orders for Contracts has been considered by Audit Committee and will go to full Council in September. Financial Regulations were approved at Audit Committee. ECMT have received documentation relating to the</p>	<p>Responsible</p>



Where do we want to be?	How will we get there (including timescale)?	BRAG Status	Commentary August 2016	SOA and Wellbeing Outcome
			Scheme of Delegation and the Scheme of Administration is being updated.	

Key Performance Measure	Performance 2015/16	Current Performance	Target 2016/17	Frequency of monitoring	Analysis of performance
Council Tax in year collection level	95.1%	Q1 2016/17 27.9%	94.8%	Monthly	The target for this indicator is a year end target. Performance is slightly higher than at the same point last year.
Speed of processing new Housing Benefit / Council Tax benefit reduction claims	25.98 days	Q1 2016/17 24.5 days	21 days	Monthly	Performance in the first quarter is slightly lower than target
Speed of processing changes in circumstance Housing Benefit / Council Tax reduction claims	4.02 days	Q1 2016/17 4.74 days	5 days	Monthly	Performance in the first quarter is better than target
Creditor payments: Percentage of invoices paid within 30 days	96.48%	Q1 2016/17 97.81%	96%	Monthly	Performance in the first quarter is better than target

ICT KPIs have not been included in this report as these as reported separately to this Committee.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>29<sup>th</sup> September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/87/16/AP/CM</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Budget Strategy 2017/20</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to seek agreement by the Policy & Resources Committee of the proposed Budget Strategy and to note the impact on the Council's finances.

## 2.0 SUMMARY

- 2.1 2017/18 currently has a funding gap of approximately £3.41 million based on latest estimates. The Corporate Management Team (CMT) is committed to delivering non front line/efficiency savings totalling at least £600,000 in 2017/18 thus leaving £2.81 million to be funded from Reserves and Council Tax increases. The position in respect of the £600,000 saving is shown in Appendix 1.
- 2.2 The Members' Budget Working Group gave a clear indication that it would not wish a detailed savings exercise to be undertaken over this autumn/winter and as such, unless the Government Grant Settlement for 2017/18 is considerably better than currently estimated, further Reserves will be required to balance the 2017/18 Revenue Budget. The Policy & Resources Committee is asked to consider this approach.
- 2.3 At the June Council meeting a presentation was given to Members highlighting the estimated funding gap for the period 2017/20 based on latest information. The funding gap ranged from £13.1 million (optimistic) to £37.4 million (pessimistic) for the period 2017/20. The mid-range estimate of £22.5 million represents over 11% of the current Council Revenue Budget. To address a funding gap of this scale requires a considerable lead in time which will require a fundamental review of many of the Council's services and extensive consultation. This will be resource intensive for senior officers and a clear political steer will be needed in order to minimise abortive work and reduce unnecessary stress and concern to residents and service users.
- 2.4 Recent events in respect of the European Referendum and the resultant impact on the constitutional question within Scotland allied to the new Fiscal Powers for the new Scottish Government have greatly increased uncertainty regarding the strength of the public finances and the potential impact on Council budgets. It has also been confirmed that the Scottish Government spending announcement in December 2016 will only cover 2017/18 in detail.
- 2.5 All these factors point to the need for Officers to spend coming months developing comprehensive options for the new Council to consider post May 2017. The base data for this exercise should be the 10%/25% savings exercise carried out by officers in the summer of 2015.
- 2.6 In respect of any consultation then the CMT would recommend that in order to ensure that feedback is received by the current Council as part of the 2017 Budget Report, then the Consultation will need to commence prior to the Christmas period. If this general approach is agreed by Committee then it is proposed that a detailed Consultation proposal is presented to the November Policy & Resources Committee.
- 2.7 Based on the approach outlined above, Appendix 2 contains a timetable which illustrates the sequence of high level tasks leading to the setting of the 2018/20 budgets.

- 2.8 A further item which was due to be considered by the Policy & Resources Committee in September is in relation to the use of Free Reserves. The unaudited accounts report that there is almost £5.0 million of Free Reserves available for Members to consider. Even based on progressing ground work over 2016 and early 2017 it will not be possible for a new Council to deliver sufficient savings to balance the 2018/19 budget due to the lead in time for consultation/ de-commissioning/release of employees. As such and based on a 2017/19 funding gap of £12.8 million then it is estimated that at least a third of this funding gap will not be closed in 2018/19.
- 2.9 Paragraph 8.1 contains the advice from the Chief Financial Officer regarding the use of Reserves to meet the estimated funding gap. This advice accords with LAAP Bulletin 99 issued by CIPFA.
- 2.10 Appendix 3 contains a list of potential uses for the Free Reserves which have been covered by reports to Committee or discussed by the MBWG. From Appendix 3 however it can be seen there is very limited room for manoeuvre especially given the previously reported pressures on the 2017/20 Capital Programme. A more fundamental review of existing Reserves will be required to free up resources if Members wish to add new projects.
- 2.11 It is recommended therefore that Committee only approve the bare minimum of new projects to be funded from Reserves given the significant increase in global uncertainty, and need for Reserves to be used to meet projected funding shortfalls in both 2017/18 and 2018/19 plus the pressure on the 2017/20 Capital Programme. It therefore follows that Members defer any further decisions regarding the use of any available Reserves until considering the budget in February 2017.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee approve the proposed approach to the 2017/20 Budget as outlined in the report.
- 3.2 It is recommended that the Committee approve the proposed non front line/efficiency savings outlined in Appendix 1.
- 3.3 It is recommended that the Committee approve the approach and timetable outlined in Appendix 2 and agree that a report detailing the Council's approach to Public Consultation be presented to the November Committee.
- 3.4 It is recommended that the Committee note and support the advice from the Chief Financial Officer outlined in Paragraph 8.1 and consider the proposed uses of reserves outlined in Appendix 3.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 The MBWG have agreed that it is not Members wish to have a “traditional” budget process over the autumn/winter of 2016/17 but would rather spend the time preparing information for the new Council, post May 2017, to consider.
- 4.2 The UK and in particular Scotland is entering a period of significant constitutional and financial uncertainty in coming years and this clearly increases potential risks to the public finances which need to be considered when developing the Budget Strategy and considering the use of Reserves.
- 4.3 The capacity of the Senior Management Team is going to be under pressure over the autumn/winter period and this needs to be considered when deciding on the approach to developing savings proposals.

## **5.0 UPDATED POSITION – 2017/20 BUDGET PERIOD**

- 5.1 2017/18 currently has a funding gap of approximately £3.41 million based on latest estimates. The Corporate Management Team is committed to delivering non front line/efficiency savings totalling at least £600,000 in 2017/18 thus leaving £2.81 million to be funded from Reserves and Council Tax increases.
- 5.2 Appendix 1 contains the latest position regarding £601,000 of non front line/efficiency savings proposals. It can be seen that the target can be reached albeit there is no scope to remove any of the proposals without there being a shortfall.
- 5.3 The Scottish Government have now confirmed that the Grant Settlement announcement for next Budget will only cover 2017/18 and due to the new complexities arising from the new Fiscal Powers, the announcement will be delayed until later in December. This lack of information for the period after 2017/18 gives weight to the decision to focus on preparing information for the new Council, post May 2017.
- 5.4 The financial impact of not taking any further savings decisions beyond the £601,000 savings proposals contained in Appendix 1 is that, unless the 2017/18 grant settlement is better than that estimated or unless the Council agrees to increase Council Tax (over and above the Band E-H increases already announced by the Scottish Government), there will be a £0.8 million increase in the use of Reserves to balance the budget in 2017/18.
- 5.5 In addition, by delaying approving the actual savings decisions to close the estimated funding gap in 2017/18 and beyond then this will have the knock on impact on the implementation of some savings thus inevitably leaving a funding gap in 2018/19 which will require further use of Reserves.
- 5.6 At the June Council meeting a presentation was given to Members highlighting the estimated funding gap for the period 2017/20 based on latest information. The funding gap ranged from £13.1 million (optimistic) to £37.4 million (pessimistic) for the period 2017/20. The mid-range estimate of £22.5 million represents over 11% of the current Council Revenue Budget.
- 5.7 Using the mid-range scenario then the Council faces a funding gap of £12.8million over 2017/19 and even assuming that the new Council identifies deliverable savings in the autumn of 2017, the CMT would recommend that at least 33% of the 2018/19 funding gap be met from Reserves. The impact of this is illustrated later in the paper.

## **6.0 CONSULTATION PROPOSALS**

- 6.1 The MBWG confirmed that they do not wish to take any further savings decisions beyond the proposals in Appendix 1 this side of the May 2017 Local Government elections. There was however a clear wish that officers undertake a consultation exercise and that this be concluded well in advance of the purdah period for the local elections.

- 6.2 The CMT would recommend that in order to ensure that the consultation feedback is received by the current Council as part of the 2017 Budget Report, then the Consultation will need to commence prior to the Christmas period. If this general approach is agreed then it is proposed that a detailed Consultation proposal is presented to the November Policy & Resources Committee.
- 6.3 Based on the approach outlined above, Appendix 2 contains a timetable which illustrates the sequence of high level tasks leading to the setting of the 2018/20 budgets.
- 6.4 Using a 2017/19 funding gap of £12.8million then proposals for consideration by the new Council will need to be of the order of at least £20million. It goes without saying that generating savings options of this order will not only be a significant piece of work but will raise concerns amongst a large proportion of the Council's workforce and customers and as such a clear communication strategy will require to be agreed at that time.

## **7.0 USE OF FREE RESERVES**

- 7.1 The Unaudited Annual Accounts for 2015/16 show that the Council has Unallocated Reserves of £8.8million. £3.8million of this sum represents the Council's 2% contingency leaving £5.0million "free" for Members to consider. Given the major upheaval caused by the recent decision to leave the EU and the resultant indications that public finances will be adversely impacted in the short/medium term plus the likelihood of increased inflation, then there is an argument that the 2% figure should be increased. This is an issue which may have to be revisited in coming months.
- 7.2 Appendix 3 contains a list of potential uses for the Free Reserves which have been covered by reports to Committee or discussed by the MBWG. From Appendix 3 however it can be seen there is very limited room for manoeuvre especially given the previously reported pressures on the 2017/20 Capital Programme. A more fundamental review of existing Reserves would be required to free up resources if Members wish to add new projects over and above those listed.
- 7.3 It would therefore be the CMT recommendation that Members only approve the bare minimum of new projects to be funded from Reserves and that Members take decisions regarding the use of any available Reserves when considering the budget in February 2017 by which time the 2017/18 settlement will be known and the need for a greater contingency will be clearer.
- 7.4 The advice from the Chief Financial Officer regarding the allocation of reserves to meet a future estimated funding gap is included in Paragraph 8.1 below.

## **8.0 IMPLICATIONS**

### **8.1 Finance**

The Local Authority Accounting Panel (LAAP) Bulletin 99 on Reserves and Balances provides guidance to Chief Financial Officers in the area of using Reserves to fund recurrent expenditure as follows:

"It is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term"

This report supported by the table in Appendix 3 and the current Reserves Policy meet the requirements of this guidance but it is important that Members understand that the proposed use of Reserves as outlined in this Strategy is a short term, one off measure and is justifiable on the basis that there will be a fundamental review of Council Services, Eligibility Criteria and Charging

Policies over the next 18 months.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

**8.2 Legal**

There are no legal implications arising at this point in time.

**8.3 Human Resources**

Developing savings options of the scale envisaged will raise concerns amongst Council employees and close working with the Trades Unions and clear communications with employees will be imperative during this exercise.

**8.4 Equalities**

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

**8.5 Repopulation**

Budget reductions of this order will have an adverse impact on the services the Council currently delivers and could make the area less attractive to current and potential residents.

**9.0 CONSULTATIONS**

9.1 The MBWG have endorsed the proposals in this report and the Trades Unions have been consulted via the Joint Budget Group.

**10.0 LIST OF BACKGROUND PAPERS**

10.1 None

## 2017/18 - £600k Savings

Opportunity	Update	Saving £000	Status
1/ Business Support in Schools	Report to CMT - 10/3/16 identified £36k FY savings. Being Implemented.	36	Confirmed
2/ SPT - 2017/18 Requisition Reduction	SPT to work on over the summer. Indications are a 1-2% Cash Reduction.	20	Estimate
3/ Clyde Muirshiel Park	Reduction in 2016/17 Requisition.	28	Confirmed
4/ L&PS Admin Review - Ph2	Report to CMT - 10/3/16 approved. Saving is £29k but some to be reinvested in service.	20	Confirmed
5/ Learning Disability Review	John St/Caladh House phase agreed by IJB 5/3/16. Includes a further saving of £73k.	150	Confirmed
6/ Homelessness Restructure	FYE of release of Homelessness Service Manager offset by regrading.	10	Confirmed
7/ Printers in Schools	Target agreed by Corporate Director following Clydeview Academy pilot	8	Confirmed
8/ ASN Travel	Review budget in line with 2015/16 out-turn. Reverses 2015/16 Pressure.	40	Confirmed
9/ Benefit Subsidy	Based on 16/17 initial estimate and 15/16 out-turn	100	Confirmed
10/ UC Delivery Partnership Income	16/17 sum confirmed for Management costs as £17k. Found income.	17	Confirmed



11/ Increased Government Funding	Saving due to Council already implementing aspects of Childrens & Young Persons Act for which extra funding was received.	50	Confirmed
12/ Finance - Exchequer VER	PT Clerical post holder released. Cost £7.6k.	3	Confirmed
13/ Cleaning in Schools	Reported to CMT 28/4/16. Final net saving of £164k by 2018/19. £37k saving in 16/17.	100	Confirmed
14/ Waterfront CHP	Surplus of Council saving after paying loans charges on investment.	15	Confirmed
15/ Chief Executive's Salary	Reduction in salary plus on-costs of new Chief Executive.	4	Confirmed
Total Potential Savings (£600k Target)		601	

AP/CM  
28/7/16

Budget 2018/20 High Level Timetable

- 12 August 2016 - Consultation Proposal considered by MBWG.
- 20 September 2016 - P&R Committee agree process and impact on Finances.
- 15 November 2016 - Consultation approach approved by P&R Committee.
- 1 December 2016 - Updated Financial Strategy considered by the Council.
- February 2017 - Consultation Responses included in overall Budget Report.
- May 2017 - Local Government Elections
- August 2017 - Political steer on savings proposals to undertake detailed consultation/undertake VS Trawls.
- December 2017 - 2018/20 Settlement figures.
- February – March 2018 - Comprehensive package of phased savings agreed for 2018/20.

AP/LA  
3/8/16

Possible Uses of Free Reserves

<u>Issue</u>	<u>£000</u>	<u>Comment</u>
1. Summer Playschemes - 2016 - 2017	20 49	Meet both years from Contingency. Includes £17k for Craigmarnoch.
2. Delay in School Transport Review.	200	Fund from SEMP Model.
3. 2017/18 i-Zone Funding.	180	Subject to report to September E&C Committee.
4. 2017/19 Budget – Bridging Finance.	5100	See Calculation Below.

<u>Bridging Finance</u>	<u>2017/18</u> <u>£m</u>	<u>2018/19</u> <u>£m</u>
Annual Deficit	2.8	10.0
Cumulative Deficit	2.8	12.8
Reserves Budget For	(2.0)	-
Reserves Required	0.8	4.3 Based on 33% of Deficit in 18/19

Note

Above figures exclude any use of reserves to supplement the 2017/20 Capital Programme over and above current decisions. Expected Capital Pressures include RAMP post 2017/18, Replacement Cremators and Cemetery provision.

AP/LA  
28/7/16

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/76/16/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Inverclyde Council – Reserves Policy</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present the proposed Reserves Policy for Inverclyde Council to Committee for consideration as part of the agreed triennial review.

## 2.0 SUMMARY

- 2.1 The Policy & Resources Committee has agreed to review its Reserves Policy on a 3 yearly basis with the last review being undertaken in August 2013. The Council's Reserves Policy drew heavily on LAAP Bulletin 77 produced in November 2008 which provides guidance and advice in respect of Local Authority reserves and balances. This LAAP Bulletin was updated in July 2014 to LAAP Bulletin 99, however the main requirements are unchanged.
- 2.2 The Reserves Policy covers 4 main areas:
- a) The statutory parameters and Professional Guidance underpinning the Reserves Policy.
  - b) The types of reserves operated by the Council.
  - c) The proposals for governance of the various funds and reserves.
  - d) The arrangements for reporting and review.
- 2.3 Appendix 1 is an extract from the Unaudited Annual Accounts for the year ending March 2016 which shows the latest position of the Council's Usable Reserves whilst Appendix 2 provides a summary of the movement in the Council's Usable Reserves in the 6 year period from the 31 March 2010 to the 31 March 2016. From this it can be seen that the Council's Usable Reserves have effectively doubled from £29.5 million to £58.8 million over the 6 year period.
- 2.4 The last Local Government Overview Report highlighted that Inverclyde Council had proportionately the highest level of Usable Reserves of any Council in Scotland but equally showed that the vast majority of the Council's Usable Reserves were earmarked for specific uses.
- 2.5 As has been recently reported the Council is facing a period of unprecedented financial pressure. In addition the recent EU Referendum and the potential for further constitutional uncertainty adds a significant degree of risk to the Council's finances in the short to medium term. In this context the Council's prudent approach to Budget Management should continue and as a result no material changes are proposed to the previously approved Reserves Policy.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position in respect of the Council's Usable Reserves.
- 3.2 It is recommended that the Committee approve the Reserves Policy attached at Appendix 3.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 The Policy & Resources Committee has previously agreed to review its Reserves Policy on a 3 yearly basis with the last review being undertaken in August 2013.
- 4.2 The Council's Reserves Policy drew heavily on LAAP Bulletin 77 produced in November 2008 which provided guidance on Local Authority reserves and balances. LAAP Bulletin 99 replaced this in July 2014 but the main requirements remain unchanged.
- 4.3 It is important that the Committee note that within LAAP 99 it states "CIPFA and the Local Accounting Panel consider that local authorities should establish reserves including the level of these reserves based on the advice of their Chief Financial Officer. Authorities should make their own judgements on such matters taking into account relevant local circumstances. A well managed authority for example with a prudent approach to budgeting should be able to operate with a level of General Reserves appropriate for the risks (both internal and external) to which it is exposed".
- 4.4 The Council's external auditors have commented on the level of usable reserves held by the Council and have asked that Members keep the level of reserves under regular review. This does take place both as part of the formal Revenue Budget process but also throughout the year via revenue reports to the Policy & Resources Committee and the 6 monthly Financial Strategy updates.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 is an extract from the Unaudited Annual Accounts for 2015/16. From this it can be seen that the current level of Usable Reserves as at 31 March 2016 is £58.831 million. It is important to note that of this sum 85% is earmarked for specific use. A report elsewhere on the agenda regarding the Budget Strategy highlights the potential for a further £5.1 million of the Non Earmarked Reserves to be earmarked to address the 2017/19 budget position which if agreed would reduce the Non Earmarked Reserves to marginally below the 2% minimum approved level.
- 5.2 The Council's Usable Reserves have built up significantly over the last 5 to 6 years as illustrated in Appendix 2. From this it is clear that the major growth has been within Earmarked Reserves which has more than doubled from £18.074 million at the 31 March 2010 to £40.297 million at the 31 March 2016. The use of Earmarked Reserves has significantly helped the Council in terms of delivering medium to long term strategies and funding one off costs which allows the Council smooth its core Revenue Budget requirement.
- 5.3 Members receive regular reports in terms of the short to medium term financial position of the Council and the Full Council received a presentation from the Chief Financial Officer on 2 June 2016 highlighting a range of scenarios in terms of the financial position over 2017/20. Subsequent to this the UK has voted to leave the European Union and this has also raised potential constitutional issues in respect of Scotland. Both these matters provide further layers of significant financial uncertainty for the Council.
- 5.4 The clear financial advice whether it be for individuals, businesses or public sector organisations is that at times of significant uncertainty then steps should be taken to ensure that resources are in place to address any financial shocks which may occur. Therefore in this context, the Council's increasing level of reserves and prudent approach to financial management provides a robust base from which to meet the undoubted challenges ahead.
- 5.5 In light of all the above it is not proposed to materially change the Reserves Policy from that approved in August 2013 and Appendix 3 contains the proposed Policy for Committee consideration.

## 6.0 IMPLICATIONS

### 6.1 Finance

The current level of Usable Reserves means the Council can use internal “Cash Backed Reserves” which helps reduce capital financing costs. As the Reserves reduce in the medium term then this will require the Council to borrow more to fund its capital debt which will increase loans charges. These costs have been factored into the loans charges projections included in the Treasury Strategy.

#### Financial Implications:

##### One off Costs

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

##### Annually Recurring Costs/ (Savings)

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

### 6.2 Legal

There are no legal implications arising from this report.

### 6.3 Human Resources

There are no HR implications arising from this report.

### 6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

### 6.5 Repopulation

A significant proportion of the proposed use of Earmarked Reserves will make Inverclyde a more attractive place for prospective and current residents whilst an element is targeted to stimulate economic activity. Both these factors will have a positive impact on the Council’s repopulation agenda.

## 7.0 CONSULTATIONS

7.1 This report has been approved by the Corporate Management Team.

## 8.0 LIST OF BACKGROUND PAPERS

8.1 LAAP Bulletin 99 (July 2014) – Local Authority Reserves and Balances.

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement (MiRS). The major part of the General Fund balance shown in the MiRS has been earmarked and effectively committed to fund specific projects in future years. The amounts set aside for earmarked reserves are shown in the following table:

	31 March 2016 £000	31 March 2015 £000
Modernisation Fund	323	308
School Estate Management Plan	5,701	2,942
Contribution to Riverside Inverclyde	1,690	1,858
Miscellaneous Community Health & Social Care Partnership Reserves	326	996
Fostering & Adoption	682	1,143
Miscellaneous Policy and Resources Committee Reserves	790	724
Miscellaneous Environment & Regeneration Committee Reserves	3,120	1,861
Renewal of Clune Park Area	1,910	1,835
Asset Management Plan	1,320	1,578
Support for Owners	921	713
Flooding Works	1,863	1,863
Roads Asset Management Plan	0	2,165
Early Retiral / Voluntary Severance Reserve	2,571	3,562
Capital Funded from Current Revenue	5,965	3,623
Integrated Care Fund	704	0
Miscellaneous Education & Communities Reserves	1,295	999
Vehicle Replacement Programme	208	255
Equal Pay	4,561	4,668
Youth Employment	70	151
Deferred Income - Health & Social Care	116	407
Repopulating/Promoting Inverclyde	385	606
Beacon Arts Centre	129	1,950
Temporary Use of Reserves - Revenue Budget	2,000	3,298
Welfare Reforms	1,027	1,007
Loans Charges Reserve	2,152	1,200
Roads Defects & Drainage Works	468	291
<b>Total Earmarked Reserves</b>	<b>40,297</b>	<b>40,003</b>
Non-earmarked balance	8,783	4,988
<b>Total General Fund Balance</b>	<b>49,080</b>	<b>44,991</b>
Capital Receipts Reserve	396	0
Capital Fund	2,318	2,590
Repairs & Renewal Fund	3,185	2,959
Insurance Fund	3,852	3,860
<b>Total Usable Reserves</b>	<b>58,831</b>	<b>54,400</b>

**Use of Council's Share of the £250 million**

<u>Position at:</u>	<u>Total £m</u>	<u>Non Earmarked £m</u>	<u>EMR £m</u>	<u>Statutory £m</u>
31.3.16	58.831	8.783	40.297	9.751
31.3.15	54.400	4.988	40.003	9.409
31.3.14	50.834	4.793	38.097	7.944
31.3.13	52.916	5.540	39.713	7.663
31.3.12	47.538	6.124	34.588	6.826
31.3.11	36.439	4.249	24.949	7.241
31.3.10	29.522	4.200	18.074	7.248

AP/LA  
8/7/16



## Reserves Policy

### **1.0 Introduction**

- 1.1 It is requirement as good financial practice that the Council has a documented and approved Financial Reserve Policy.
- 1.2 Local Authority Accounting Practice (LAAP) Bulletin 99 published in July 2014 provides advice from CIPFA in respect of Local Authority Reserves and Balances.
- 1.3 The following Policy reflects the key messages from the LAAP Bulletin and also outlines the practical application within Inverclyde Council.

### **2.0 LAAP Bulletin 99 – Main Messages**

- 2.1 In Scotland there are explicit statutory powers under Schedule 3 of the Local Government (Scotland) Act 1975 permitting Local Authorities to establish a Renewal and Repair Fund, an Insurance Fund and Capital Fund alongside a requirement to maintain a General Fund Reserve.
- 2.2 Within the General Fund Reserve, Scottish Local Authorities are allowed to earmark specific parts for specific purposes.
- 2.3 It is the duty of the Chief Financial Officer to report on the robustness of estimates and adequacy of reserves as part of his statutory duty. This requirement also needs to take account of the requirements of CIPFAs Prudential Code in respect of affordability when making recommendations about the Council's future Capital Programme.
- 2.4 The LAAP Bulletin makes it clear it is not responsibility of External Auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.
- 2.5 Whilst not prescribing a generally acceptable minimal level of reserves the LAAP Bulletin makes it clear that reserves should not be held without a clear purpose. This purpose however does include "a contingency to cushion the impact of unexpected events or emergencies".
- 2.6 Over and above the resource backed reserves outlined in paragraph 2.1 there are other reserves which are not resource backed which appear in the annual accounts.
- 2.7 In the case of Earmarked Reserves then there should be a clear protocol setting out the purpose of the reserve, how and when the reserve can be used and a process for review of the reserve to ensure continuing relevance and adequacy. The protocol for Inverclyde Council is shown in Annex 1.
- 2.8 The LAAP Bulletin concludes that "it is not normally prudent for reserves to be deployed to Finance recurrent expenditure" and "where such action is taken it should be made explicit and an explanation given as to how such expenditure will be funded in the medium to long term"

### **3.0 Types of Reserves Operated by Inverclyde Council**

#### **3.1 General Fund Reserve**

The General Fund Reserve is split into an non Earmarked portion and Earmarked Reserves. The former is often referred to as the "Free Reserve" and it held for unforeseen emergencies and contingencies. Council policy is that Free Reserves should not be lower than 2% of annual turnover where turnover is defined as General Revenue Grant Income and Council Tax Budgeted Income. Earmarked Reserves are sums of money retained for specific purposes.

### 3.2 Repairs and Renewals Fund

The Repairs and Renewals Fund contains funds which have been set aside for specific maintenance purposes sometimes arising from a commuted sum given to the Council as part of an asset transfer deal. Such cases include the Council taking on the maintenance of Greenock Cut, the Railway Bridge at Inverkip, the maintenance of some landscaping areas adjacent to the A8 in Port Glasgow Town Centre and the former Housing Repairs and Renewals Fund which has been set aside to meet unavoidable contamination costs on former HRA sites. In addition the Council has been allocating funding from the Revenue Budget for future repairs of its 2G/3G Pitch estate.

### 3.3 Capital Fund

A Capital Fund receives income arising from the sale of Capital assets and can be used to incur Capital expenditure or assist meeting the principal repayments of loans charges.

### 3.4 Insurance Fund

The Council maintains an Insurance Fund as income and expenditure in relation to Insurance claims does not fall evenly on an annual basis. Given the long term nature of some Insurance claims then it is important that the Council has an appropriate balance to meet these claims some of which could relate to events which happened decades ago. The Council receives advice on the appropriate level of Insurance Fund via a triennial actuarial valuation.

## 4.0 **Governance Reserves**

4.1 It is important that there is clarity on the rules and responsibilities in respect of governance of the Council's Funds and Reserves. Taking each in turn then the governance arrangements are as follows:-

a) General Fund Reserve -

- i. Level of Free Reserves agreed as part of the Reserve Policy and reviewed no less frequently than 3 yearly by the Policy & Resources Committee.
- ii. Projected Balance of Free Reserves reported to each cycle of the Policy & Resources Committee.
- iii. Reported six monthly to the full Council as part of the review of the Financial Strategy.

b) Earmarked Reserves –

- i. Creation of Earmarked Reserves approved by the Policy and Resources Committee.
- ii. Update in respect of Earmarked Reserves given to each Service Committee.
- iii. Update in respect of Earmarked Reserves reported each reporting cycle to the Corporate Management Team.
- iv. Management of Earmarked Reserves covered by a Guidance Note (See Annex 1)

c) Repairs and Renewal Fund –

- i. New liabilities to the Repairs and Renewal Fund require Policy & Resources approval.
- ii. Budgets allocated to Services from the Fund as part of the budget process and monitored via the normal budget monitoring process.
- iii. Update in respect of the Repairs and Renewal Fund provided as part of the six monthly review of the Financial Strategy.

d) Capital Fund –

- i. All receipts from sales of assets are paid into the Capital Fund unless otherwise approved by the Policy & Resources Committee.
- ii. Decisions to utilise the Capital Fund approved by the Policy and Resources Committee.
- iii. Capital Fund update reported as part of the Financial Strategy on a six monthly basis.

e) Insurance Fund –

- i. Insurance Fund Balance reviewed and reported as part of the Annual Accounts.
- ii. Annual report in respect of the Insurance Fund reported to the Policy & Resources Committee.
- iii. Outcome of the triennial actuarial review is reported to the Policy & Resources Committee.

## 5.0 Reporting & Review

- 5.1 The Reserve Policy requires to be reviewed and approved no less frequently than three yearly and by the Policy & Resources Committee.
- 5.2 In the event that the Council's Non-earmarked General Fund Reserve fall below the 2% of limit then the Chief Financial Officer should report no later than the next meeting of the Policy & Resources Committee explaining the reasons for this shortfall and the options available to rectify the situation.

Alan Puckrin  
Chief Financial Officer  
July 2016

## Earmarked Reserves Protocol

### 1/ Earmarked Reserve (EMR) establishment

- a) The event which necessitates the creation of an EMR is the financial year end and as such there is no requirement for regular requests throughout the year to establish EMRs.
- b) The correct vehicle for taking decisions around EMRs is the Budget and officers should therefore ensure that requests to establish an EMR outwith this process are by exception. In every case which uses this exception route the establishment of the EMR will require a report to CMT, then a report to the Service Committee and approval by the Policy & Resources Committee.

### 2/ Supporting Documentation

- a) For each EMR a standard pro forma requires to be completed outlining the detail of what the EMR is required for plus the amount requested, expected outcomes, milestones, phasing and areas of spend. The completed pro forma will require to be approved by the relevant Corporate Director and Finance Manager.
- b) The same process will be required for the carry forward of any year end balances where an EMR covers more than one year.

### 3/ Managing Delivery & Spend

- a) When establishing an EMR and each year thereafter, monthly phasing of spend will require to be agreed with Finance Services. Performance against this phasing will be reported to CMT/Committee each Committee cycle.
- b) In order to avoid the carry forward of immaterial sums and to minimise the number of EMRs in existence at any one time, any EMR with an outstanding sum of less than £20,000 at the end of the financial year will be closed and the balance written back to the General Fund. In the event there is residual spend in the next financial year then this will require to be contained by the Committee.

Finance Services  
July 2016

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Wilma Bain, Corporate Director, Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/18/16/WB/KMcC</b>
<b>Contact Officer:</b>	<b>Karen McCready, Corporate Policy Officer</b>	<b>Contact No:</b>	<b>01475 712146</b>
<b>Subject:</b>	<b>Service Review Guidance</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Policy and Resources Committee for approval Guidance on how to conduct a Service Review.

## 2.0 SUMMARY

- 2.1 Service review has been an integral part of the budget setting process, particularly in recent years with the huge efficiencies that the Council has had to achieve due to financial pressures. The Council must be able to demonstrate that it is delivering public services in the most cost effective manner possible.
- 2.2 The Council must also be confident that service reviews are conducted in a rigorous and transparent manner and that the services that we continue to provide represent value for money. Self-awareness and continuous improvement will continue to be fundamental to the emerging new Best Value framework. Audit Scotland has indicated that it will be looking for Councils to be able to demonstrate:
- Sharing good practice, expertise, resources and innovation
  - Increased pace of improvement, evidenced by Councils in the reporting of better outcomes for service users and communities
  - Clarity about its strategy for self-evaluation
- 2.3 As part of the Council's commitment to demonstrating Best Value, the attached Service Review Guidance summary (Appendix 1) has been produced by the Corporate Quality Improvement Group. It outlines the key stages, supporting processes and procedures that should be adopted by all services in conducting a service review. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide throughout the review process.
- 2.4 There is a more detailed Service Review Guidance document, covering review processes in more detail. This guidance has been placed on ICON for services to access when carrying out service reviews and options appraisal (<http://icon/directorates/education-communities-organisational-development/inclusive-education--culture-and-corporate-policy/policy-and-performance/organisational-improvement/service-review-guidance/>).
- 2.5 Adhering to the guidance will ensure that reviews are rigorous and are capable of standing the test of both internal and external scrutiny.

2.6 The guidance is supported by the Council's self-evaluation guidance 'Planning for Delivery and to Secure Improvement' (<http://icon/directorates/education-communities-organisational-development/inclusive-education--culture-and-corporate-policy/policy-and-performance/organisational-improvement/self-evaluation-guidance/>).

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Policy and Resources Committee:

- Consider and comment on the attached Guidance on how to conduct a Service Review
- Agree that this guidance should be adopted by all Services when carrying out a Service Review.

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

## **4.0 BACKGROUND**

- 4.1 Service review has been an integral part of the budget setting process, particularly in recent years with the huge efficiencies that the Council has had to achieve. The Council must be able to demonstrate that it is delivering public services in the most cost effective manner possible.
- 4.2 The Council must also be confident that service reviews are conducted in a rigorous and transparent manner. Self-awareness and continuous improvement will continue to be fundamental to the new Best Value framework. Audit Scotland has indicated that it will be looking for Councils to be able to demonstrate:
- Sharing good practice, expertise, resources and innovation
  - Increased pace of improvement, evidenced by Councils in the reporting of better outcomes for service users and communities
  - Clarity about its strategy for self-evaluation

## **5.0 GUIDANCE ON HOW TO CONDUCT A SERVICE REVIEW**

- 5.1 As part of the Council's commitment to demonstrating Best Value, the attached Service Review Guidance Summary (Appendix 1) has been produced by the Corporate Quality Improvement Group. It outlines the key stages, supporting processes and procedures that should be adopted by all services in conducting a service review. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide throughout the review process.
- 5.2 This guidance sets out:
- The necessary preparation for scoping the service review;
  - the key stages in managing a service review;
  - the identification and documentation of action(s) arising from the review through a process of option appraisal;
  - a review plan template.
- 5.3 The guidance has been developed in line with best practice elsewhere and the Audit Scotland report "Options Appraisal: Are you getting it right?"
- 5.4 Adhering to the guidance will ensure that reviews are rigorous and are capable of standing the test of both internal and external scrutiny.
- 5.5 A more comprehensive Service Review Guidance document has been made available on ICON for services to help guide them in their service review processes. The guidance is supported by the Council's self-evaluation guidance 'Planning for Delivery and to Secure Improvement'.

## **6.0 IMPLICATIONS**

- 6.1 Financial: To work well, a service review needs to be resourced properly. This will involve devoting the appropriate time, money, skills and experience to ensure that sound decisions are made. The process needs to be proportionate to the significance of the decision to be made.
- 6.2 Human Resources: as above.
- 6.3 Legal: Everything that the Council does has its roots in legislation. Whilst some services are more prescribed in legislation than others, councils still have a lot of discretion on the level of service provided. The legal implication of an option is one of the criteria that will be assessed as part of the options appraisal process.

6.4 Equalities: The guidance sets out that an option will need to be in line with the Council's equality objectives.

6.5 Repopulation: There is no direct impact on repopulation.

## **7.0 CONSULTATIONS**

7.1 The Corporate Quality Improvement Group were fully engaged in the development of this guidance.

## **8.0 CONCLUSIONS**

8.1 The Council requires to have a structured approach to service review and options appraisal, to support the delivery of best value and continuous improvement. The Policy and Resources Committee is asked to approve the attached guidance, to instruct services to use this for any future service reviews, and to embed options appraisal into this process.

## **9.0 LIST OF BACKGROUND PAPERS**

9.1 Options Appraisal: Are you getting it right? Audit Scotland  
<http://www.audit-scotland.gov.uk/report/how-councils-work-an-improvement-series-for-councillors-and-officers-options-appraisal-are>



# SERVICE REVIEW GUIDANCE

## Summary



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### 1. Service Review Summary

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The service review and improvement process is a vital component of Inverclyde Council's commitment to continuous improvement and demonstrating Best Value. It allows managers to assess current levels of performance and can be used to achieve financial savings by providing options for service delivery and / or improved efficiency, effectiveness and performance, assuring value for money.

The Council is under continual pressure to provide better quality and better value services with fewer financial resources. In this climate it is critically important to consider where financial savings will be achieved to meet reduced revenue budgets; ensuring that in achieving these efficiencies we are focusing on the priorities that we want to achieve.

A service review involves challenging how we currently provide services; thinking more creatively with partners, our customers and the communities we serve, to seek the most effective delivery options.

Service reviews should be conducted in a manner that is transparent, systematic and objective with the results made available to all stakeholders.

This summary of the full service review guidance [insert link to ICON] outlines the key stages that must be carried out by all services in conducting service reviews. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide through the review process. The detailed work carried out during the review is for the review team to determine. Much of this will only become clear once the assessment and options appraisal is complete.

The full guidance sets out:

- the key stages in managing a service review;
- the identification and documentation of action(s) arising from the review through a process of option appraisal;
- the arrangements for reporting results;
- plans for service improvement and evaluation.

This summary of that guidance sets out the key templates to be completed when it comes to reviewing a service.

## 2. Template to assist in scoping a review

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### Background

Effectively scoping a review is an essential part of the continuous improvement and review process.

The scoping stage of a review contains a number of key elements which involves answering some fundamental questions about why and how the review will be conducted.

This stage will result in clear terms of reference which throughout the review will be an essential point of reference. The terms of reference for each review require to be approved by the Corporate Management Team and elected members.

In terms of preparing the terms of reference for each review there is a need to:

### Appoint a Lead Officer

The Lead Officer will in effect be the Project Director who is tasked with overseeing and seeing the review through. He / she will need to appoint a Project Manager to ensure the review is kept on track.

### Identify and appoint a Review Team

To support the project manager in delivering the review there will be the need to appoint a review team.

### Remit

The review will need a clear remit, which details the purpose of the review. The remit needs to be defined and documented. The remit should come from the review team and be endorsed by the senior management and should not be changed once it has been agreed, unless agreed by senior management.

### Aims and Objectives

What are the aims and objectives of the review? The aims and objectives of the remit need to build upon the remit and set out what the review is expected to deliver/achieve. The review team needs to consider the aims and objectives of the review. This is important as the success of the review will be assessed against achievement of the aims and objectives.

### Scope

This needs to involve determining what activities, functions or services the review will consider.

It is also as important to decide what will not be included in the review, as deciding what will be covered as part of the review.

### Progressing the Review / Key Deliverables and Timescales

There needs to be discussion and agreement on the key deliverables required from the review and the timescales for completion including:

- Formal start of the review
- Completion of consultation
- Review of findings
- Consideration of options
- Production of draft report
- Challenge and comments on draft report
- Production of the final report

### Engagement

Identify key groups of staff and customers who will be involved in the review.

### Resource Implications

The review team also needs to fully assess the resource implications in conducting the review.

### Projected Savings

Reviews should identify the projected efficiency savings that will be generated following the implication of the review.

### Key Risks

It is essential to identify any risks to the success of the review. These need to be managed to reduce the likelihood and impact of unwanted outcome such as time and cost overruns as a result of changes both internal/external or negative impact on outcomes for communities.

### Reporting Mechanisms

At this stage the reporting mechanisms throughout the review should also be agreed:

Who: Senior Management Team  
Corporate Management Team  
Elected Members

How: Progress Reports to Senior Management Team/Corporate Management Team and Elected members.

## Service Review Guidance

1. Title of Review

2. Lead Officer

3. Review Team Members

4. Remit of Review

5. Scope

6. Aims and Objectives

7. Key Deliverables/ Milestones

Formal start of the review

Completion of consultation

Review of findings

Consideration of options

Production of draft report

Challenge and comments on draft report

Production of the final report

8. Engagement

Who:

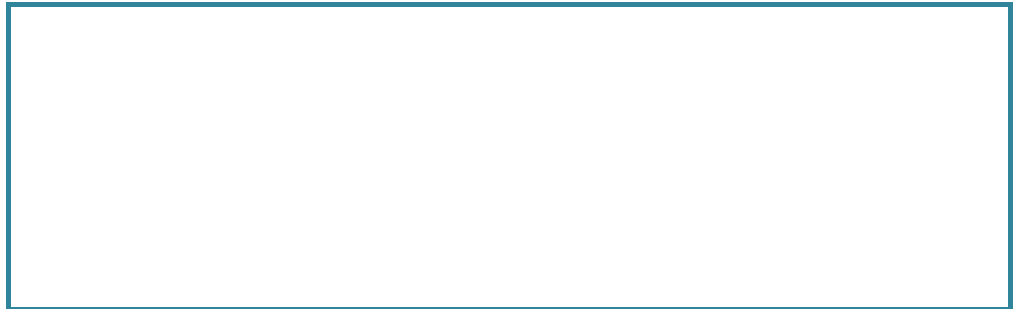
Method of engagement/ Communication:

8. Resource Implications

9. Projected Savings

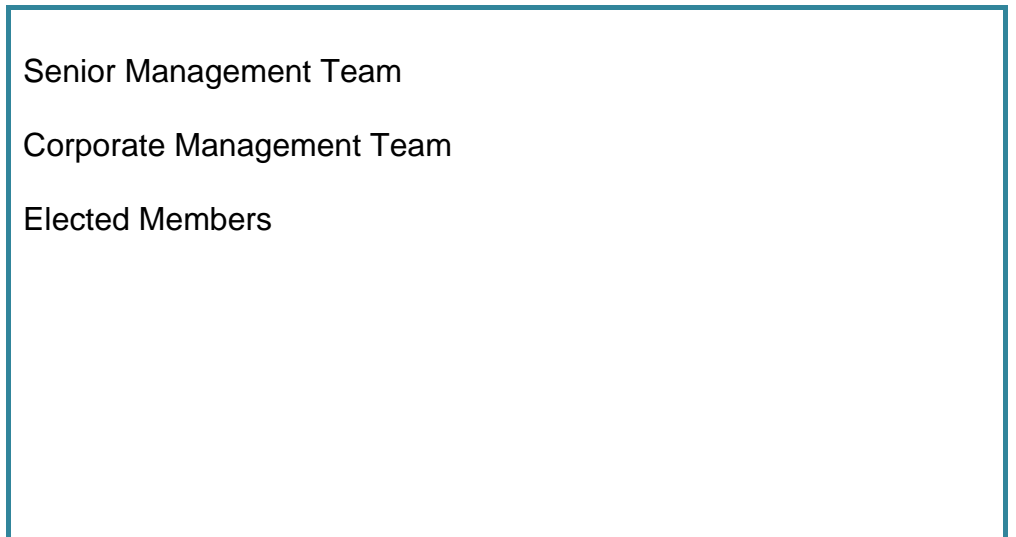


10. Key Risks

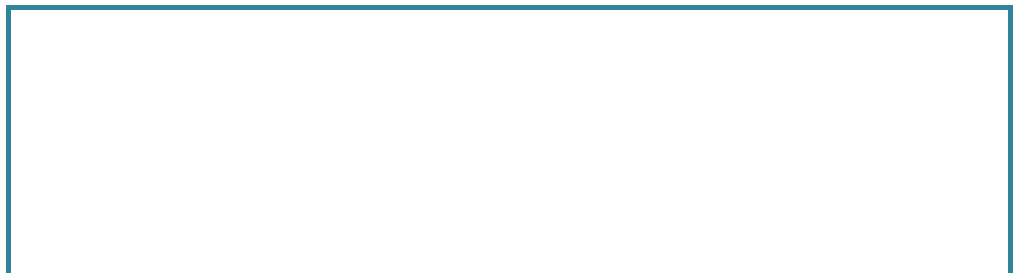


11. Reporting Mechanisms

Senior Management Team  
Corporate Management Team  
Elected Members



12. Estimated Completion Date and Final Review Report





### 3. A suggested review timetable

This timetable reflects the time that may be taken to complete an *average* review. Straightforward reviews covering only one service area may well be shorter and completed in less than 6 months. On the other hand cross cutting reviews may take longer. All reviews however should be capable of being completed within twelve months. The timetable adopted should be planned and realistic.

The aim should always be to timetable a review so that it can complete and report in time for any budget or resource recommendation to be factored into the budget review process and cycle. This is particularly important for cross cutting or joint service reviews where resources or budgets may require to be found from two or more partner organisations in order to implement any review recommendations.

<b>BY END OF:</b>	
<b>MONTH 1</b>	
Prepare for the review <ul style="list-style-type: none"> <li>- produce scoping report and submit to Corporate Management Team and appropriate Committee for approval</li> </ul>	STAGE 1
<b>MONTH 3</b>	
Examine the existing service performance by gathering evidence <ul style="list-style-type: none"> <li>- conduct a robust self-evaluation of the service, including establishing performance information for the service and benchmarking information</li> </ul>	STAGE 2
<b>MONTH 6</b>	
Start the Review <ul style="list-style-type: none"> <li>- consultation with service users and stakeholders</li> <li>- consider options for service delivery</li> <li>- apply appraisal criteria</li> <li>- manage risk</li> <li>- scrutiny by Challenge Panel</li> </ul>	STAGE 3 STAGE 4 STAGE 5
<b>MONTH 8</b>	
Future delivery of the service <ul style="list-style-type: none"> <li>- develop a Review Report for the CMT</li> <li>- develop an Action Plan</li> <li>- establish monitoring and evaluation procedures</li> <li>- monitoring and evaluation arrangements put in place</li> </ul>	STAGE 6 STAGE 7

## 4. Options Appraisal Checklist for Officers

The checklist from Audit Scotland’s ‘Options Appraisal: Are you getting it right?’ is designed to help officers ensure that they have carried out a robust options appraisal as part of their service review. Audit Scotland have been placing an emphasis on options appraisal and expect to see this as part of any service review process, therefore this part of the service review process is mandatory.

Questions	Yes / No
Defining the objectives	
<p>Are the main reasons/drivers for considering other delivery arrangements clear?</p> <ul style="list-style-type: none"> <li>• performance</li> <li>• financial</li> <li>• risk</li> <li>• strategic priorities.</li> </ul> <p>Am I clear about how the options relate to the council's corporate priorities?</p>	
Agreeing the process	
<p>Have the elected members approved a robust options appraisal process?</p> <p>Is everyone aware of the roles and their responsibilities in the options appraisal framework being used?</p> <p>Have I developed a clear plan for the process and identified:</p> <ul style="list-style-type: none"> <li>• timescales?</li> <li>• resource implications?</li> <li>• roles and responsibilities?</li> <li>• skills and expertise?</li> <li>• governance arrangements?</li> </ul>	
Identifying and filtering options	
<p>Am I confident that I am identifying the full range of options?</p> <ul style="list-style-type: none"> <li>• Do I know how similar services are delivered by other councils in Scotland and in the UK?</li> <li>• Do I know how similar services are delivered in the private sector?</li> </ul>	

Questions	Yes / No
<p>Am I clear about the relative merits of the options?</p> <ul style="list-style-type: none"> <li>• 'Strategic fit' with the council's policy objectives</li> <li>• Impact on the quality of service for the customer</li> <li>• Financial implications (both costs and savings)</li> <li>• Legal implications</li> <li>• Risk assessment</li> <li>• Impact on other council services.</li> </ul>	
<p>Assessing and analysing options</p>	
<p>For the 'shortlist' of options have I considered:</p> <ul style="list-style-type: none"> <li>• all of the current and future costs and benefits?</li> <li>• legal and financial implications?</li> <li>• risks?</li> <li>• practical implications of delivering the option?</li> </ul> <p>Is there a robust process in place to help members take the decisions?</p> <p>Have I clearly presented all of the information members will need to make the decision?</p> <ul style="list-style-type: none"> <li>• On current and projected costs, performance and risks</li> <li>• Business case(s) including assumptions.</li> </ul>	
<p>Implementing the option</p>	
<p>Have I developed a clear action plan to implement the decision?</p> <ul style="list-style-type: none"> <li>• Timetable</li> <li>• Resources</li> <li>• Managing the risks</li> </ul> <p>Have I ensured that there are robust arrangements in place to monitor and report performance, regardless of the option chosen?</p> <ul style="list-style-type: none"> <li>• Contract</li> <li>• Service level agreement</li> <li>• Performance and financial reporting</li> <li>• Escalation arrangements if things go wrong</li> </ul> <p>Have I carried out a 'lessons learned review' to inform future options appraisals?</p>	

## 5. Review Plan template

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You can use this review plan template to clearly set out a report in a logical sequence, incorporating all the key elements as described below. For lengthy reports, please use a contents table with page numbers at the front.

Title of the report:

Author:

Date:

### Management Summary:

Always start anything except the shortest reports with a summary, this should include:

- A brief statement to the purpose / aim of the service(s), function(s), group or theme under review
- Summary of the process or research undertaken
- Key findings of the review
- Key recommendations for improvement and change

### 1. Introduction

As this suggests, set out a brief introduction to the content of the report. This section of the report is generally brief but should outline the following:

- The context – the review scope and objectives
- Background to the review – the reasons why the review was carried out
- Members of the review team
- Key issues identified

### 2. Current service provision

This includes:

- Service objectives and links to corporate key strategies and where we are now
- Key activities and processes
- Resource inputs – management and staffing structure, budgets, technology
- Current partnership arrangements with contractors, partners and major stakeholders

- Views of service users
- Summary of the findings relating to the current position

### 3. Benchmarking and performance

- How performance is managed
- Performance against local, national indicators and others
- Examples of best practice in aspects of service delivery
- Summary of performance and benchmarking that has been carried out

### 4. Market competitiveness

This section should summarise:

- Segmentation of the market
- Needs / demands for the service
- Trends in needs / demands
- Projected needs / demands in future
- Legislative, economic, social, technological variables and their likely impact on the service
- Competition

### 5. Challenge

This section should summarise:

- Should the service be provided at all (statutory and discretionary)
- The level of service that should be provided and why
- Where do we want to be in the future
- How to move from the current service provision to the future model of provision
- Objectives for the service in the future
- Performance standards and targets for the service in the future
- Summary of the main issues to be address to secure improvement

### 6. Future service provision

This section should summarise:

- How will the future model of service provision be achieved?
- The options for future service provision
- Evaluation of the options/options appraisal
- The views of stakeholders, users and others on the options
- The preferred option

### 7. Conclusions and recommendations

Include the conclusions from the overall findings reached by the service review team referring to the original aims and objectives. Summarise the recommendations for approval and take forward as possible actions for implementation. Include the draft Action Plan.

### 8. Appendices

Appendices are useful to provide additional data, reference materials however these should only include information that is relevant to the reading and understanding of the report.

Review teams should maintain a review file to enable others to review additional information if necessary.

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20/09/16</b>
<b>Report By:</b>	<b>Wilma Bain, Corporate Director, Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/21/16/WB/MMcK</b>
<b>Contact Officer:</b>	<b>Miriam McKenna, Corporate Policy &amp; Partnership Manager</b>	<b>Contact No:</b>	<b>712042</b>
	<b>Karen McCready, Corporate Policy Officer</b>		<b>712146</b>
<b>Subject:</b>	<b>Scottish Index of Multiple Deprivation (SIMD) 2016</b>		

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**1.0 Purpose**

1.1 The purpose of this report is to provide the Policy and Resources Committee with an overview of the results from the Scottish Index of Multiple Deprivation (SIMD) 2016.

**2.0 Summary**

2.1 The Scottish Government published the Scottish Index of Multiple Deprivation on 31 August 2016. Previous SIMD statistics have been published in 2012, 2009, 2006 and 2004.

2.2 The SIMD is the Scottish Government's official tool for identifying places in Scotland suffering from deprivation. It incorporates several different aspects of deprivation, combining them into a single index.

2.3 SIMD 2016 is calculated upon the 2011 datazone boundaries. These datazones are based on the 2011 Census and were introduced in November 2014. 2011 datazone boundaries differ from the 2001 datazones which were used for previous SIMD editions. Therefore, direct comparisons of indicators between 2016 and previous years are not possible.

2.4 As a result of the changes to datazone boundaries there are now 6,976 datazones across Scotland, 471 more than previously. Each datazone contains around 760 people. Inverclyde now has 114 datazones, four more than the previous 110.

2.5 The SIMD 2016 uses data relating to multiple aspects of life in order to gain the fullest possible picture of deprivation across Scotland. Seven different domains are used, with 38 indicators underpinning these. The use of data for such small areas helps to identify 'pockets' of deprivation or multiple deprivation that may be missed in analyses based on larger areas such as council wards or local authorities. The data can be used to target policies and resources at the places with greatest need.

2.6 Data from the domains is combined to produce a relative ranking for each datazone, where a ranking of 1 equates to the most deprived and 6,976 the least deprived.

2.7 The SIMD 2016 contains the same domains as the SIMD 2012, 2009 and 2006. As well as providing an overall rank for each datazone the SIMD also provides a rank for each datazone within each of the seven domains. It is therefore possible to look at individual aspects of deprivation for each area, as well as the overall level of deprivation.

2.8 The key points to emerge from SIMD 2016 include:

- The number of Inverclyde datazones in the 5% most deprived in Scotland has fallen by 3 from 14 to 11. This equates to 9.6% of all 114 Inverclyde datazones in the 5% most deprived category.
- The number of Inverclyde datazones in the 15% most deprived in Scotland decreased by 3 from 44 to 41. This equates to 36% of Inverclyde's datazones featuring in the 15% most deprived. This compares to 40% in SIMD 2012.
- The most deprived datazone in Inverclyde is SO1010891 which is found in Greenock Town Centre and East Central. It is ranked 23 in the overall ranking for Scotland.
- The least deprived datazone in Inverclyde is SO1010821 which is found in Kilmacollm, Quarriers, Greenock Upper East/Central. It is ranked 6741 in the overall ranking for Scotland.
- Both income and employment deprivation continue to be higher in Inverclyde than Scotland as a whole. Inverclyde is second behind Glasgow in overall levels of deprivation (local share of datazones which are in the top 20% most deprived).

In considering this information, the Policy and Resources Committee should bear in mind that there are now 4 additional datazones in Inverclyde, the boundaries of the datazones have changed and the overall number of datazones in Scotland has increased.

2.9 In relation to the individual domains that make up the SIMD:

- On the **income** domain, the number of datazones in the 15% most deprived has remained at 39 compared to 2012.
- On the **employment** domain, the number of datazones in the most deprived 15% in Scotland has decreased by 3, from 42 to 39.
- On the **health** domain, the number of datazones in the most deprived 15% has decreased by 5, from 47 to 42.
- On the **education** domain, the number of datazones in the most deprived 15% has increased from 25 to 27
- On the **housing** domain, the number of datazones in the most deprived 15% is 20. This is the same number of datazones as in 2012.
- On the **access** domain, the number of datazones in the most deprived 15% has fallen by 3, from 14 to 11.
- On the **crime** domain, the number of datazones in the most deprived 15% has increased by 2 from 26 to 28.

2.10 It is important to remember that the SIMD identifies deprived *areas* not individuals, so not everyone living in a deprived area is deprived, and not all deprived people live in deprived areas. The index looks at multiple deprivation. 'Deprived' does not just mean 'poor' or 'low income' (although these are heavily weighted), but can also mean people have fewer resources and opportunities, for example in health and education.

### 3.0 Recommendations

3.1 It is recommended that the Policy and Resources Committee:

- a) Note the content of this report.
- b) Identify any further areas for analysis across the SIMD 2016 results.

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



## 4.0 Background

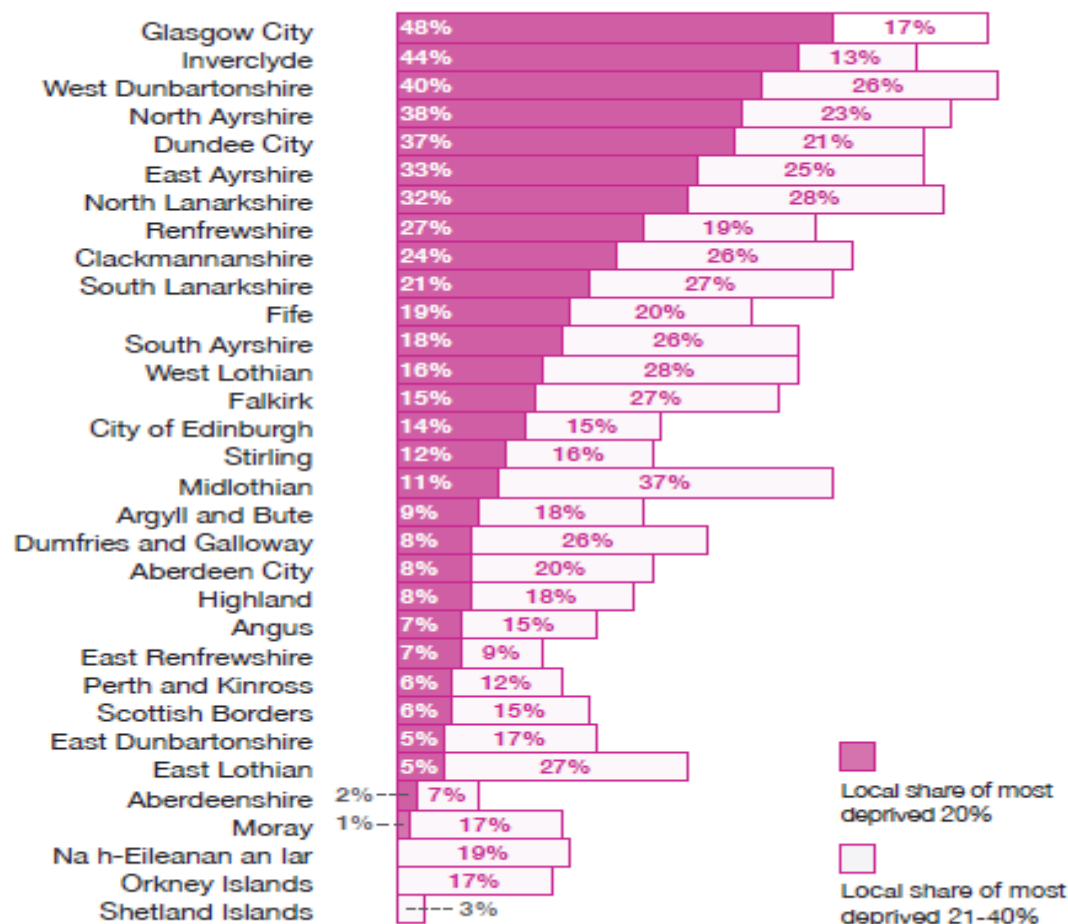
- 4.1 On 31 August 2016, the Scottish Government published the latest Scottish Index of Multiple Deprivation (SIMD). Earlier releases of SIMD statistics were published in 2012, 2009, 2006 and 2004.
- 4.2 The SIMD is the Scottish Government's official tool for identifying those places in Scotland suffering from deprivation. It incorporates several different aspects of deprivation, combining them into a single index. Scotland is divided into 6,976 small areas, called datazones, and a relative ranking from 1 (most deprived) to 6,976 (least deprived) is made. The SIMD can be used to target policies and resources at the places with greatest need.
- 4.3 In the context of the SIMD, deprivation is defined more widely as the range of problems that arise due to lack of resources or opportunities, covering health, safety, education, employment, housing and access to services, as well as financial aspects. The SIMD uses data relating to multiple aspects of life in order to gain the fullest possible picture of deprivation across Scotland. Seven different domains are identified and data from these domains are combined to produce the index. The domains are made up of 38 indicators.
- 4.4 The SIMD is based on small areas known as datazones. Each datazone has on average 760 people living in it. As datazones are population-based they can vary hugely in size. In SIMD 2016, the physical datazone boundaries changed from those used in SIMD 2004 to 2012, with an additional 4 datazones in Inverclyde and 471 more nationally.
- 4.5 The SIMD 2016 does however contain the same overall domains as the SIMD 2012, 2009 and 2006. As well as providing an overall rank for each datazone (from 1, the most deprived, to 6,976, the least deprived), the SIMD also provides a rank for each datazone within each of the seven domains. There have been some minor changes to the indicators included in SIMD 2016 to reflect the introduction of Universal Credit, changes to the school examination system and improvements in data quality. It is still possible to look at individual aspects of deprivation for each area, as well as the overall level of deprivation, but these are not directly comparable with previous years.

## 5.0 SIMD 2016 – National Picture

- 5.1 11 Councils now have a larger share of the 20% most deprived datazones in Scotland compared to SIMD 2012. Ten Council areas, including Inverclyde, have a smaller share (Appendix 1).
- 5.2 The most deprived datazone in Scotland in SIMD 2016 is S012068, in the Ferguslie Park area of Paisley, Renfrewshire. This datazone (or the previous corresponding datazone) was also the most deprived in Scotland in SIMD 2006, was ranked 2nd most deprived in SIMD 2009 and was the most deprived again in 2012.
- 5.3 The least deprived datazone in SIMD 2016 is S01008405, in Lower Whitecraigs and South Giffnock in East Renfrewshire.
- 5.4 It is important to remember that the SIMD identifies deprived *areas* not individuals, so not everyone living in a deprived area is deprived, and not all deprived people live in deprived areas. Two out of three people who are income deprived do not live in deprived areas. Just under one in three people living in a deprived area are income deprived.
- 5.5 West Dunbartonshire, Midlothian, North Ayrshire and South Ayrshire have seen relatively large *increases* in their share of datazones in the 15% most deprived areas in Scotland, compared with North Lanarkshire, Fife, Renfrewshire and East Ayrshire between SIMD 2009 and SIMD 2012.
- 5.6 Aberdeen City and Clackmannanshire have seen relatively large *decreases* in their share of datazones in the 15% most deprived areas in Scotland between SIMD 2012 and SIMD 2016. A map of the changes is set out at Appendix One.
- 5.7 Eilean Siar, Orkney Islands and Shetland Islands continue to not have any datazones in the 15% most deprived in the SIMD 2016. This does not mean that there is no deprivation in these areas;

rather that it is not concentrated in small areas.

5.8 This chart shows the proportion of datazones in each area which are among the most deprived 20%. This *local share* is calculated by dividing the number of deprived datazones in an area by all datazones in that area.



## 6.0 SIMD 2016 – Inverclyde Picture

6.1 For the purposes of the SIMD 2016, Inverclyde is split into 114 datazones.

6.2 The table below shows the changes in the national and local share between SIMD 2009, SIMD 2012 and 2016. These figures are not directly comparable from 2012 to 2016, as there are 471 new datazones across Scotland and 4 locally.

SIMD Domain	National share(%) of 15% most deprived datazones			Local share(%) of 15% most deprived datazones		
	2016	2012	2009	2016	2012	2009
ALL DOMAINS	3.9%	4.5%	4.3%	36%	40%	38.2%
INCOME	3.7%	4%	4.1%	34.2%	35.5%	36.4%
EMPLOYMENT	3.7%	4.3%	4.3%	34.2%	38.2%	38.2%
HEALTH	4%	4.8%	4.7%	36.8%	42.7%	41.8%
EDUCATION	2.6%	2.6%	2.4%	23.7%	22.7%	20.9%
HOUSING	1.9%	2%	-	17.5%	18.2%	-
ACCESS	1%	1.4%	3.9%	9.6%	12.7%	34.5%
CRIME	2.7%	2.7%	2%	24.6%	23.6%	18.2%

6.3 The Policy and Resources Committee are asked to note that in the SIMD 2012, the national ranking of the most deprived datazone in Inverclyde was 115. In 2016 there are five datazones which are

ranked lower than this:

<b>Rank</b>	<b>Datzone</b>	<b>Intermediate Geography</b>
23	S01010891	Greenock Town Centre and East Central
52	S01010862	Lower Bow and Larkfield, Fancy Farm, Mallard Bowl
77	S01010893	Greenock Town Centre and East Central
88	S01010889	Greenock Upper Central
114	S01010904	Greenock East

Maps highlighting where these datazones are, are attached at Appendix Three.

- 6.4 The datzone which is the least deprived in Inverclyde is in the intermediate geography of Kilmacolm, Quarriers, Greenock Upper East/Central and is shown in the map at Appendix Four.

## **7.0 Conclusions**

- 7.1 It is encouraging that in the current financial climate, Inverclyde has seen a drop in the number of datazones that are in the 5% and 15% most deprived category in Scotland, However the concentration of datazones that sit at the most deprived end of the spectrum, contrasted with the least deprived being in the top 5% least deprived, serves to show continued effort is required in reducing inequality across the Inverclyde area, bearing in mind that the SIMD is a relative scale, where what happens in other areas affects where Inverclyde sits within the rankings.

- 7.2 The datazones that comprise the 5% and 15% most deprived have been identified and this information will be disseminated to services and partners to help inform service development and the prioritisation of resources, particularly in the ongoing development of locality planning.

- 7.3 Further analysis is planned on the individual domains and the SIMD data will inform the work being carried out on locality planning within community planning.

## **8.0 Implications**

### **8.1 Finance**

There are no financial implications as a result of this report.

### **8.2 Legal**

There are no legal implications as a result of this report.

### **8.3 Human Resources**

There are no HR implications as a result of this report.

### **8.4 Equalities**

The SIMD 2016 data will inform work on tackling inequality, which will also have an impact on targeting support for people with protected characteristics, as there can be a higher number of people experiencing inequality because of a protected characteristic.

### **8.5 Repopulation**

Negative press coverage of the number of Inverclyde datazones which fall into the most deprived 5%, 10% and 15% in Scotland will have implications on how people perceive the Inverclyde area, having a detrimental impact on efforts to encourage people to consider living in the area.

## **9.0 Background Papers**

- 9.1 Further information can be found here <http://www.gov.scot/simd>.

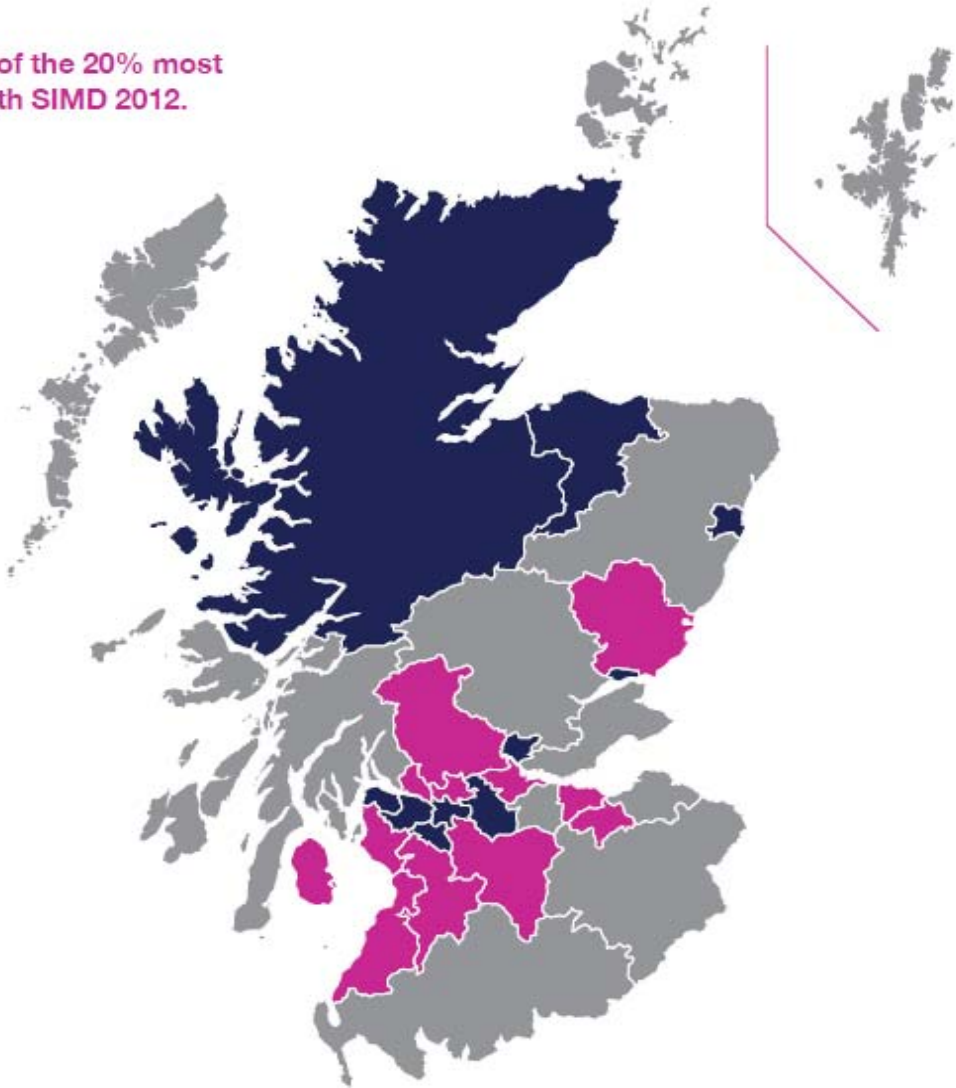
Eleven council areas now have a larger share of the 20% most deprived data zones in Scotland compared with SIMD 2012.  
Ten council areas now have a smaller share.

**Change map (by council region)**

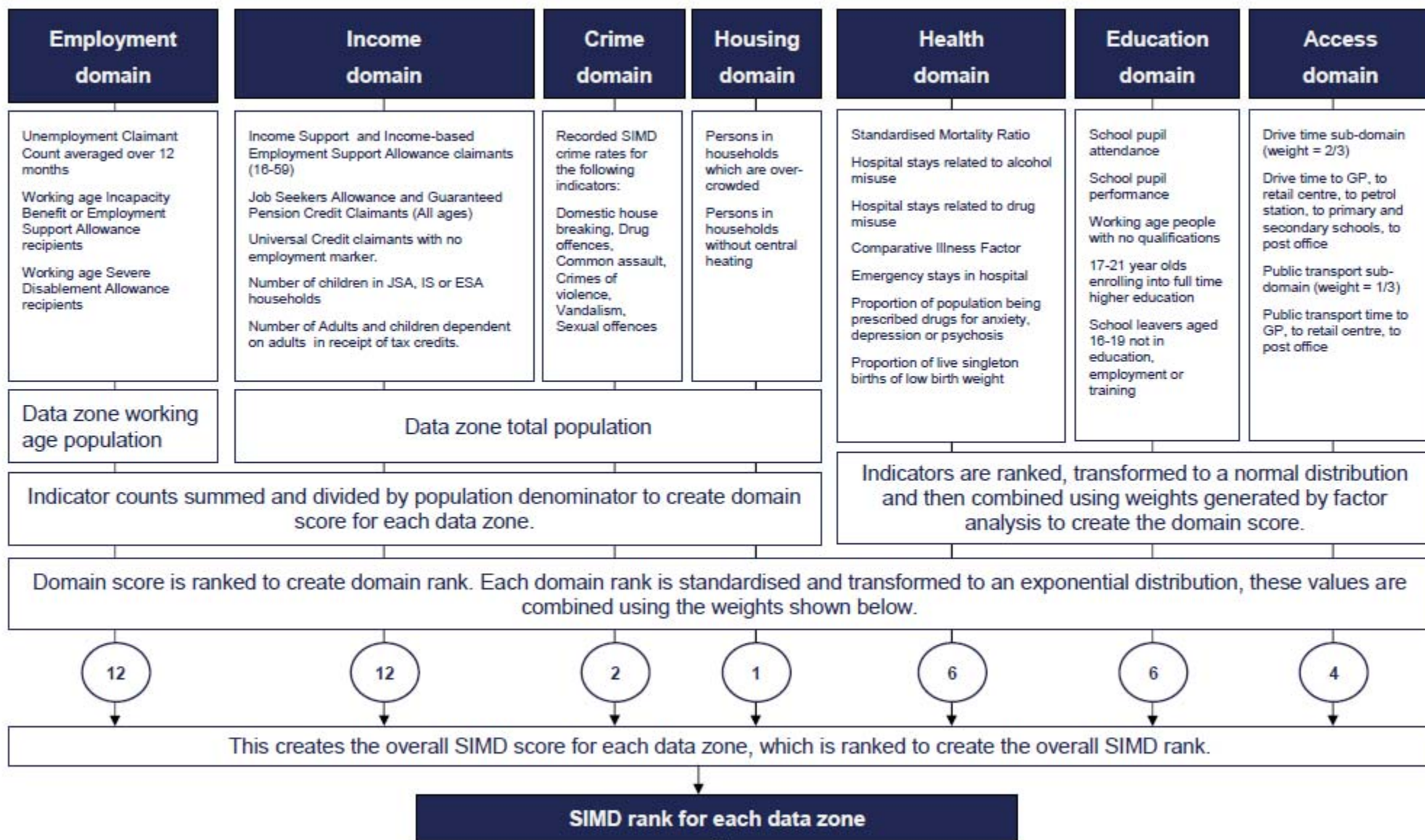
- Decrease in Deprivation
- Increase in Deprivation
- No change in Deprivation

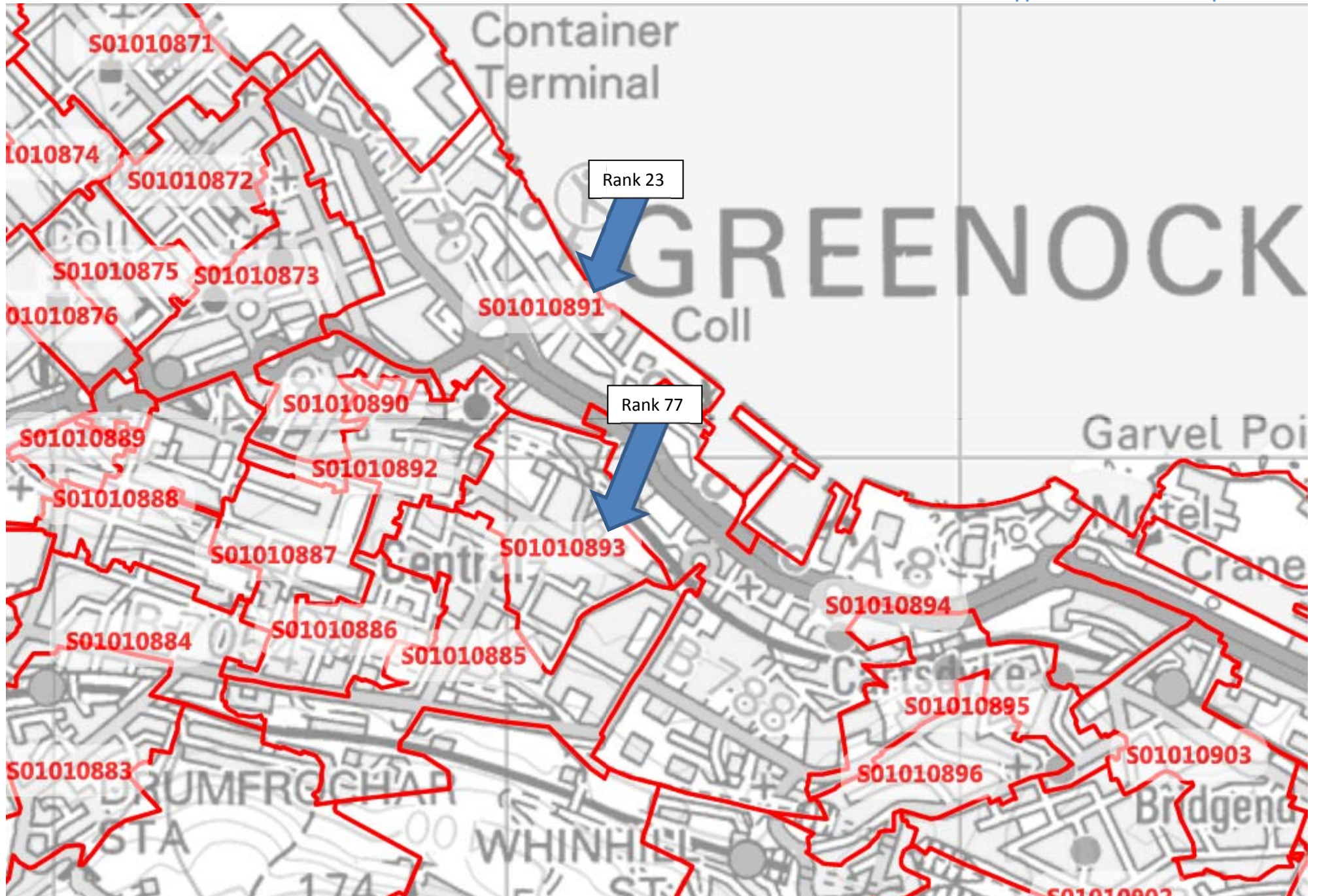
- Council areas with the largest decrease:**
- Aberdeen City
  - Clackmannanshire

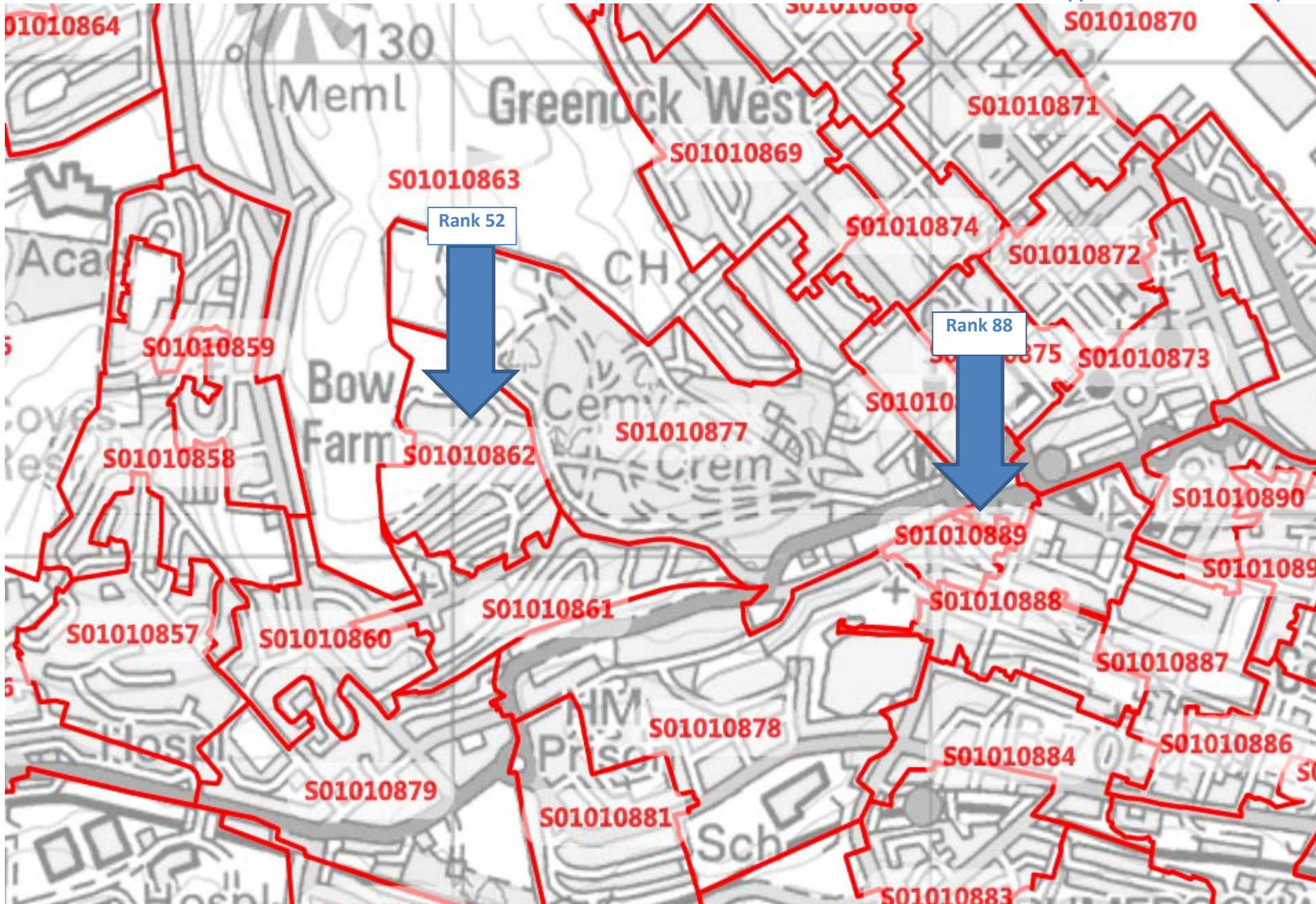
- Council areas with the largest increase:**
- West Dunbartonshire
  - Midlothian
  - North Ayrshire
  - South Ayrshire

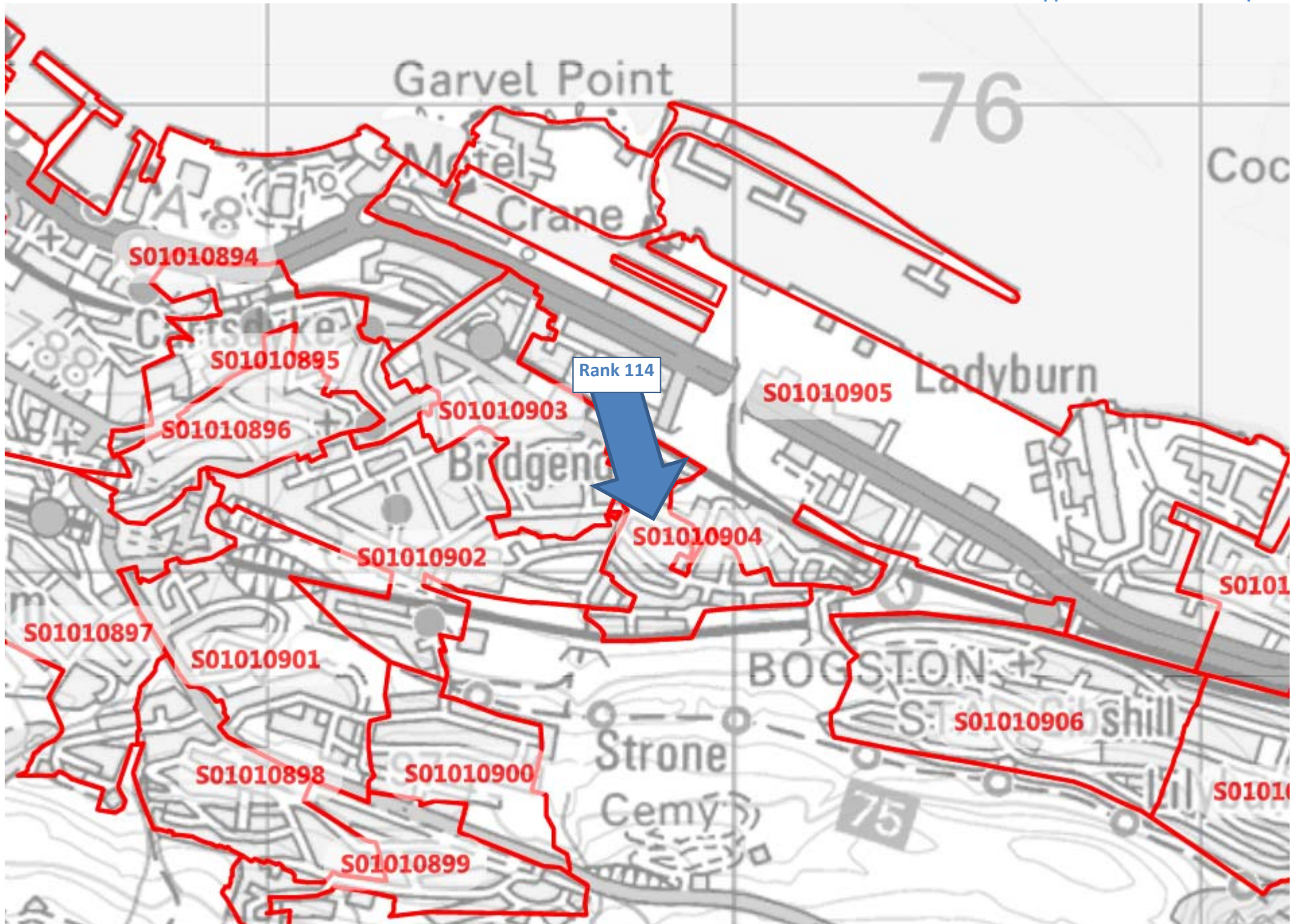


**SIMD16 Methodology**

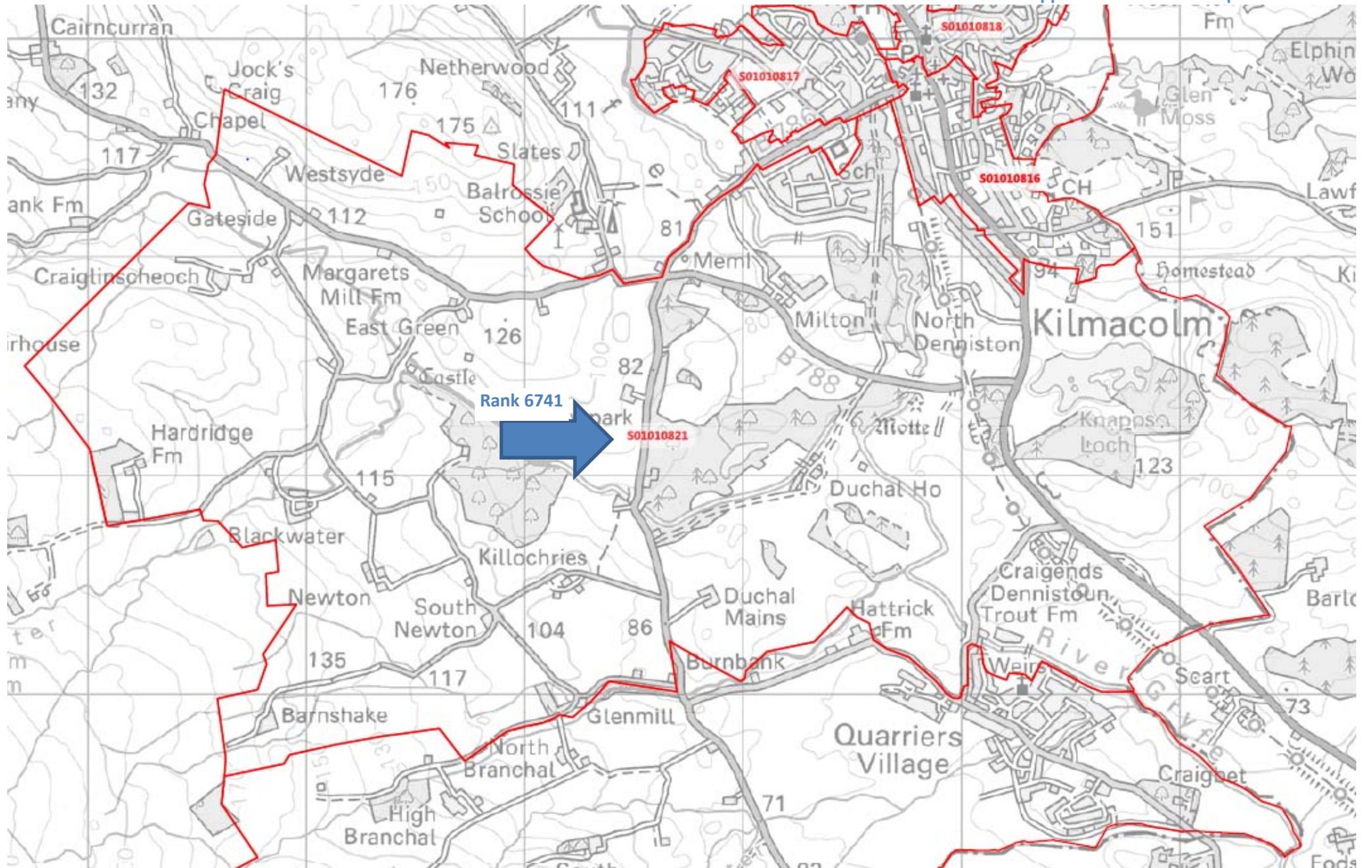












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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Grant McGovern, Head of Inclusive Education, Culture and Corporate Policy</b>	<b>Report No:</b>	<b>PR/17/16/GMcG/KB</b>
<b>Contact Officer:</b>	<b>Karen Barclay, Corporate Policy Officer</b>	<b>Contact No:</b>	<b>01475 712065</b>
<b>Subject:</b>	<b>Results from the Citizens' Panel Spring 2016 Survey</b>		

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## **1.0 PURPOSE**

1.1 The purpose of this report is to inform the Policy and Resources Committee of the headline results from the Citizens' Panel Spring 2016 Survey.

## **2.0 SUMMARY**

2.1 The Survey focused on the following topics:

- Inverclyde Council's Local Development Plan
- libraries in Inverclyde
- community safety.

2.2 Throughout the report, commentaries on the results are included from the appropriate Council Service.

2.3 A number of significant points emerged from the Spring 2016 Survey:

- two thirds (66%) of Panel members thought the mix of uses in the Greenock, Gourock and Port Glasgow town centres is right;
- 83% of respondents said they were either very satisfied or satisfied with public libraries in Inverclyde; and
- there has been an increase of 20% in the number of Panel members who noticed a reduction in anti-social behaviour in their neighbourhood in the past 12 months.

## **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Policy and Resources Committee:

- a. notes the main findings from the Spring 2016 Citizens' Panel Survey; and
- b. takes account of the results when reviewing service delivery, as appropriate.

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

## 4.0 BACKGROUND

- 4.1 The Citizens' Panel was established in 2007 to enable the Council to regularly consult with Inverclyde residents on a wide range of issues and to obtain feedback to improve and develop services to meet the needs of local people. The Panel comprises 1,000 local residents, with membership refreshed annually by one third.
- 4.2 The return rate of 65% for the Spring 2016 Survey is one of the highest response rates we have received.

## 5.0 SURVEY TOPICS, FINDINGS AND COMMENTARIES

### 5.1 Inverclyde Council's Local Development Plan

- 5.2 The first section of the Survey asked questions about the Council's Local Development Plan (LDP). The Plan identifies land use policies and proposals which help guide development to the most appropriate locations in Inverclyde, while also protecting the area's valued assets. The Council is reviewing its LDP and sought the views of Panel members on the main issues that the document should address.

- **Housing**

Just over three quarters (76%) of respondents stated that the LDP should continue to prioritise development in Greenock East and Port Glasgow, ahead of other areas in Inverclyde. Almost all respondents (95%) stated that the Plan should continue to prioritise previously developed land in Inverclyde's three towns, rather than sites in the Green Belt.

- **Business and industrial land**

The vast majority (94%) of Panel members said that business and industrial land should be identified for another use if it has been undeveloped for a period of time: 87% of respondents said that land should be identified for another use after 10-20 years while 13% of respondents said it should be identified for another use after more than 20 years.

- **Town centres**

Three quarters (66%) of respondents said they thought the mix of uses in the Greenock, Gourock and Port Glasgow town centres is right.

- **Renewables**

The top three types of renewable energy that respondents stated they would favour were 'energy from waste' (85%), 'solar/photovoltaic' (54%) and 'hydro' (50%).

- **Coastline**

Inverclyde has 23 miles (37 km) of coastline, 17 miles (27 km) of which is in the urban area. Panel members were then asked to indicate what the Council's Regeneration and Planning Service could do to enhance/protect/utilise this resource. The types of responses included:

- Enhance

- More walking and cycling routes
- Pick up litter, keep areas clean and tidy
- Better facilities – cafes, bars, restaurants

#### Protect

- Maintain beaches, wildlife and the natural environment to a high standard
- Restrict building on the coastline

#### Utilise

- Encourage use for leisure
- Promote and advertise it more
- Improved signage.

- **The waterfront**

Just over half (55%) of respondents think that connecting access from the waterfront routes in Inverclyde's three towns to the Clyde Muirshiel Regional Park would benefit local communities.

- **Tourism**

Almost two thirds (65%) of Panel members agreed that 'To support tourism, the LDP should identify areas for tourist facilities and accommodation, for example, holiday chalets, caravan parks'.

- **Open space**

Half (50%) of respondents said there are open spaces in their neighbourhood which they think should be identified and protected in the LDP.

### 5.3 **Inverclyde Council's Local Development Plan – Service Commentary**

The Council's Regeneration and Planning Service welcomes the wealth of information provided by the Citizens' Panel regarding the LDP. Questions in the Spring 2016 Survey covered a number of topics likely to be of significance in the next LDP including housing, business and industry, town centres, renewable energy and tourism.

We have now started the review of the existing LDP and it is important that individuals, community groups and stakeholders have the opportunity to give their views on what the new Plan needs to address.

The Citizens' Panel is part of a much wider engagement process that is being undertaken in advance of the Main Issues Report which is the first stage of the new LDP and will be published in Spring 2017. Consulting with the Panel allows us to evidence the breadth and depth of our LDP consultation process. Scottish Ministers expect local authorities to employ a range of innovative methods to meaningfully engage with stakeholders and communities with the emphasis at this stage on identifying and assessing issues and options. Aware of the importance of obtaining the views of young people in the local area, the consultation process also included the distribution of the Citizens' Panel questionnaire to students participating in the Council's 'The Recruit' programme.

The responses from the Panel, together with all other comments from key agencies, businesses, community groups, voluntary organisations and other stakeholders, will be taken forward and used in the preparation of the Main Issues Report.

### 5.4 Libraries in Inverclyde

5.5 This section of the Survey asked about library provision in the local area. Panel members were requested to respond to these questions only if they had used a public library in Inverclyde in the last 12 months; 43% said they had used a public library in the previous year therefore those respondents completed this section of the Survey.

5.6 Of the Panel members who said they had used a public library in Inverclyde in the previous 12 months, 83% said they were either very satisfied or satisfied with public libraries in Inverclyde.

5.7 Respondents were then asked to consider a number of aspects relating to local libraries and indicate how satisfied or dissatisfied they were with each of them. The top three aspects that respondents were most satisfied with were:

Satisfied/Very Satisfied

Opening hours	85%
Locations of libraries	80%
Children and young people's provision in libraries	67%.

In contrast, the aspect that respondents were most dissatisfied with was:

Dissatisfied/Very Dissatisfied

Range of books and materials	19%.
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5.8 Panel members were then invited to add comments to the satisfaction ratings given in the previous part of the Survey, together with any other comments they may have about libraries in Inverclyde. These can be grouped under the headings:

- Information
- Service provision
- Staff
- Locations of libraries
- Opening hours.

5.9 **Libraries in Inverclyde – Service commentary**

Inverclyde Council's libraries service is delighted to note that 83% of Panel members who had used a public library in Inverclyde in the previous 12 months said they were satisfied or very satisfied with local public libraries. This response is particularly pleasing given that the Local Government Benchmarking Framework 2014/15 figure for satisfaction with local libraries was 74% and the Scottish average was 77%; satisfaction levels in Inverclyde are therefore well above the national average for this measure.

It is also pleasing to note that 'children and young people's provision in libraries' is one of the top three services that respondents are satisfied or very satisfied with. This was identified as a priority for the Council in 2010 and has subsequently become even more of a focus now that we are participating in the Attainment Challenge.

In contrast, while it is disappointing that 19% of Panel members were either dissatisfied or very dissatisfied with the range of books and materials in libraries, this perhaps reflects the 25% reduction in the relevant budget since 2013 which would have impacted on the amount and variety of titles available. However, Panel members acknowledge that a good service is provided against a backdrop of limited funding.

At the same time, it should be noted that there has been a move nationally to offering books, talking books and magazine titles in electronic versions; however, this is a more expensive option than traditional formats. In response to this changing demand for service, however, Inverclyde libraries launched an eMagazine service in April 2014 and, together with our eBook/eAudio service, we have seen an incredible 245% increase in eIssues.

It should also be noted that, since the Greenock Central Library moved to refurbished premises in 2015 with slightly smaller floor space, the amount of stock offered at that location has subsequently reduced, something that is likely to have impacted on satisfaction rates.

Finally, the libraries service welcomes the very positive comments about its staff.

#### 5.10 Community safety

5.11 Inverclyde Council and its community safety partners aim to make Inverclyde safer by promoting wellbeing and safety and reducing violence, crime, disorder and unintentional injuries. Panel members' responses to questions in this part of the Survey will help us to better understand the community safety issues affecting residents in Inverclyde and identify areas where we could improve.

5.12 The first part of this section of the Survey asked Panel members about their satisfaction with the local area as a place to live. The following table outlines their responses, together with their replies when the same questions were asked in 2011 and 2014:

<b>% Who are satisfied with Inverclyde as a place to live</b>		
2011 %	2014 %	2016 %
72	72	75

<b>% Who are satisfied with their neighbourhood as a place to live</b>		
2011 %	2014 %	2016 %
84	85	81

5.13 Respondents were then asked to look at a variety of crimes and state how concerned they were about them in their neighbourhood. The top three issues that people are most concerned with are:

- 'theft/robbery' (46%);
- 'vandalism, graffiti or other deliberate damage to property' (40%); and
- 'people starting fires' (36%).

These responses are different from those given in 2014 when the same question was asked; at that time, the top three responses were 'having your car damaged by vandals' (37%); 'being assaulted or pestered by anybody while in the street or any other public space' (24%); and 'having things stolen from your car' (23%).

5.14 The next part of this section of the Survey asked Panel Members how safe they felt outside. The vast majority of people (96%) said they feel safe in their neighbourhood outside during the day; at night, however, the figure drops to 73%.

When asked how unsafe they felt in their neighbourhood during the last year, 10% of respondents said they always or often felt unsafe, a fifth (20%) said they sometimes felt unsafe and 70% said they seldom or never felt unsafe in their neighbourhood in the past 12 months.

5.15 Twelve percent of Panel members said that either they or someone in their household had been a victim of a crime or anti-social behaviour in the last 12 months. Respondents who had been a victim of a crime or anti-social behaviour were most likely to report it to the Police (82%), followed by Inverclyde Council (including the Community Wardens) (37%) and their housing provider/landlord (27%); 18% of respondents said they did not report the incident.

Of the people who had been a victim of a crime or anti-social behaviour, 12% thought the offence was a hate crime (a criminal offence committed against an individual or property that is motivated by a person's hatred of someone because of his or her actual or perceived race, religion, transgender identity, sexual orientation or disability). Almost two thirds (63%) of the 12% of respondents did not think the incident was a hate crime and a quarter (25%) of the 12% of respondents said they were not sure.

- 5.16 Respondents were then asked if they had noticed a reduction in anti-social behaviour in the past 12 months. The following table outlines their responses, together with the replies when the same question was asked in 2011 and 2014:

<b>Have you noticed a reduction in anti-social behaviour in your neighbourhood in the past 12 months?</b>		
2011	2014	2016
%	%	%
10	13	33

The next question asked Panel members if they were aware of the freephone Inverclyde Anti-Social Behaviour Helpline number to report anti-social behaviour (tel: 0800 01 317 01). The following table outlines their responses, together with the replies when the same question was asked in 2011 and 2014:

<b>Did you know there is a freephone Inverclyde Anti-Social Behaviour Helpline number to report anti-social behaviour?</b>		
2011	2014	2016
%	%	%
44	43	35

- 5.17 When asked what would help them feel safer in their neighbourhood, Panel members provided a number of comments, which can be summarised under the following headings:

- Police
- Enforcement
- Physical measures
- Miscellaneous.

5.18 **Community safety – Service commentary**

It is pleasing to note that three quarters (75%) of Panel members are satisfied with Inverclyde as a place to live, an increase of 3% since 2014. While there was a small reduction (4%) since two years ago in the number of respondents who are satisfied with their neighbourhood as a place to live, we are encouraged to see that the figure remains very high at 81%.

There has been a huge increase (20%) in the number of Panel members who have noticed a reduction in anti-social behaviour in their neighbourhood, rising from 13% in 2014 to 33% this year. Perhaps unsurprisingly, there was corresponding small drop in the number of people who are aware of the Inverclyde Anti-Social Behaviour Helpline number; we will however work with our partners and the community to promote this facility.

The Panel provided useful comments regarding what would help them feel safer in their neighbourhood, together with comments about community safety in Inverclyde. We will engage with Council Services and external agencies to provide feedback in community safety reports which will be published on the Council's website. In terms of specific comments made about CCTV, we are currently reviewing public space CCTV provision in Inverclyde.

While the Council cannot respond directly to the Panel's comments regarding additional Police patrols, we have shared this information on an anonymised, confidential basis with colleagues at Police Scotland. It should be noted, however, that the Council works closely with Police Scotland with daily meetings arranged to discuss reported incidents. Additionally, joint patrols frequently take place between the Community Wardens and neighbourhood policing teams.

The fairly low percentage (12%) of victims of crime or anti-social behaviour who identified the incidents as 'hate crimes' could be for diverse reasons. For example, there may be a low number of hate crimes taking place in Inverclyde or there could be poor understanding of what constitutes a hate crime; the fact that 25% of respondents were not able to say if the offence was a hate crime or not could perhaps indicate the latter. We are currently exploring the establishment of Council premises as 'Third Party Reporting Centres' (where trained staff can assist a victim or witness to submit a report to the Police); promotion of these Centres may help to increase understanding of what constitutes a hate crime.

## 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	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: There are no direct equalities implications arising from this report.

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

## 7.0 CONSULTATION

7.1 The appropriate Council Services were consulted on the development of the Spring 2016 Citizens' Panel Survey. Commentaries on the results of Survey from the respective Council Service are included in this report.

## 8.0 CONCLUSION

8.1 The results of the Citizens' Panel Spring 2016 questionnaire are presented for the Policy and Resources Committee's consideration, with the recommendation that they are taken into account when reviewing service delivery, as appropriate.

## 9.0 BACKGROUND PAPERS

9.1 The Citizens' Panel Spring 2016 Survey.



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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20<sup>th</sup> September 2016</b>
<b>Report By:</b>	<b>Brian Moore Corporate Director (Chief Officer) Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>SW/42/2016/AH</b>
<b>Contact Officer:</b>	<b>Andrina Hunter Service Manager HSCP</b>	<b>Contact No:</b>	<b>76125</b>
<b>Subject:</b>	<b>Migration</b>		

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## 1.0 PURPOSE

- 1.1 To update Committee on the current involvement in the two refugee resettlement schemes; the requests from the Home Office for Inverclyde to participate in the dispersal of newly arrived adult asylum seekers; and the dispersal of unaccompanied asylum seeking and refugee children.

## 2.0 SUMMARY

- 2.1 Inverclyde is currently participating in two refugee resettlement schemes and have to date resettled 12 Afghan families and 6 Syrian families within Inverclyde, with a further Syrian family arriving in August.
- 2.2 The Home Office contacted all local authorities in Scotland to assist them in the discharge of their obligations with regard to the accommodation of those claiming asylum. Council staff met with officials from the Home Office and CoSLA on 4<sup>th</sup> May 2016 and advised that in principle Inverclyde would consider becoming an asylum dispersal area in the future subject to approval by the relevant Council committee.
- 2.3 Inverclyde Council have advised the Home Office that any involvement in the dispersal scheme would be predicated on the arrangement being directly between Serco (the Home Office contactor); the Council and Registered Social Landlords in Inverclyde, rather than involving Serco's subcontractor; Orchard and Shipman. This would include the procurement of accommodation; all support services; and assistance for those asylum seekers who receive a positive decision on their application with their options if they chose to remain in the area.
- 2.4 Requests have now been made to the Council through the Home Office to participate in three Unaccompanied Asylum Seeking Children (UASC) schemes. This involves placing children from Kent; from refugee camps in countries surrounding Syria; and also from countries in Europe where children have already arrived.

## 3.0 RECOMMENDATIONS

- 3.1 To acknowledge the progress of the Council's commitment to the existing refugee schemes and the success of the scheme to date.
- 3.2 To support the request from the Home Office and recommendations from officers to extend participation in the two resettlement schemes and increase the number of families from 22 to 44 resettled within Inverclyde over the next four years.
- 3.3 To note the request from the Home Office to voluntarily become an asylum dispersal area and to consider the likely impact of any dispersal schemes on the local area and community. In the

event of Inverclyde agreeing to become a dispersal area, the initial numbers being accepted into the area would be in the region of 16 to 20.

- 3.4 To note proposals to continue dialogue with CoSLA and other local authorities to seek agreement for a Scottish wide response for Unaccompanied Asylum Seeking Children (UASC), involving the Scottish Government and national children's organisations.
- 3.5 That regular updates be provided to committee.

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

#### **4.0 AFGHAN AND SYRIAN REFUGEE RESETTLEMENT SCHEMES**

- 4.1 Inverclyde Council had committed to support the resettlement of 12 Afghan families and 10 Syrian families through participation in the Afghan Locally Engaged Staff Ex-Gratia Scheme and the Syrian Vulnerable Persons Resettlement Scheme.
- 4.2 To date 18 families have been resettled within Inverclyde (12 Afghan families and 6 Syrian Families) with an additional Syrian family due in August 2016. There currently are 37 adults and 39 children ranging from 1 month to 13 years.
- 4.3 A “low key” approach to the resettlement has been taken and all families have settled well within Inverclyde with support provided by Council services and a range of partners. All the children are attending nursery or school and are integrating well.
- 4.4 A civic reception was held on 30<sup>th</sup> August 2016 to officially welcome the Syrian refugees to Inverclyde and fulfil their request to pass on their thanks to Inverclyde Council for supporting their resettlement.
- 4.5 Both schemes come with a viable financial support package to ensure families are supported to integrate into the locality and are able to access relevant services. This funding has been utilised to support this integration and in addition to start-up costs for accommodation for each family, it has been used to create an HSCP Refugee Integration team consisting of a Coordinator and two support workers; additional funding to education for EAL support; commissioned ESOL provision from the Council’s Community Learning Development Team and West College Scotland; and provision of a Volunteer/Volunteering project with Inverclyde Volunteer Centre.

#### **5.0 THE ASYLUM DISPERSAL SCHEME**

- 5.1 The national dispersal policy for asylum seekers was introduced as a result of the Immigration and Asylum Act 1999 and was intended to ease pressure on local authorities in the south east of England that had previously dealt with the vast majority of people seeking asylum in the UK.
- 5.2 The Home Office has the right to disperse asylum seekers across the UK as it sees fit however they are keen for local authorities to volunteer to support the programme. Given that Inverclyde is already participating in two refugee schemes and has developed local support systems, there is a strong belief from the Home Office that the Council should participate in the asylum dispersal scheme.
- 5.3 A meeting took place on 4<sup>th</sup> May 2016 with officers from the Council; HSCP; CoSLA Migration team and the Home Office to discuss any future participation. Discussion included the positive benefits of dispersal for Inverclyde including the transformation of the demographic profile of the area, providing a young and growing population, and the boost to cultural diversity, creating a more cosmopolitan local authority. However, concerns were raised with the Home Office regarding the current procurement and service providers; potential numbers; the lack of funding available; potential impacts on the HSCP Homelessness Service and the process for asylum seekers whose application to remain in the UK is unsuccessful.
- 5.4 The Home Office has a contract with Serco to deliver the asylum dispersal scheme in Scotland. Serco subcontract to the property services group Orchard and Shipman, however due to concerns raised nationally, the Council have requested that Orchard and Shipman have no involvement in Inverclyde and that Serco would deal directly with local Registered Social Landlords. The Home Office has agreed to this and they would establish an Inverclyde Procurement Group to look at local proposals for accommodating in particular areas. The Home Office have already provided copies of the Statement of Requirements for accommodation providers along with the protocol from Glasgow City regarding the procurement of accommodation across the city.

- 5.5 The Home Office works on a dispersal ratio of one asylum seeker per 200 local authority population. This would mean that the maximum number of asylum seekers Inverclyde would be asked to house to be around 380. Agreement was reached with the Home Office that Inverclyde would require to start with a small cohort of asylum seekers (16-20) and only agree to an increase in numbers through time if involvement in the scheme proved to be a success.
- 5.6 The Home Office has confirmed that there is no funding to local authorities for participation in the asylum dispersal programme and that future funding through local authority block grants will reflect the increase in the local population. The block grant funding does not reflect the higher costs of services for these new citizens at the present time; however the services currently funded for the Afghan and Syrian refugees would be able to be utilised by the asylum seekers.
- 5.7 Approximately 45% of asylum seekers within the dispersal scheme receive a positive decision with right to remain within the UK. Asylum seekers receiving positive decisions on their asylum applications and deciding to remain in Inverclyde would have an impact internally on the HSCP Homelessness Service.
- 5.8 A major area of concern for the Council would be the predominance of single male asylum seekers currently entering the UK, which would be reflected in any dispersal programme. The ratio of singles to families is presently 80% to 20%.
- 5.9 The Council has expressed its concern over what would happen to those asylum seekers who have been refused status and are left with no accommodation and no financial support, particularly as UK Visas and Immigration do not have a good record in terms of removing failed asylum seekers.
- 5.10 As part of its response to dealing with potential failed asylum seekers, the Council would require as a matter of urgency, to develop policies and guidance to advise staff of what support, if any, is available, and what alternative sources might be considered.
- 5.11 This approach should also be extended to other categories of migrant, particularly in light of recent changes to social security legislation.

## **6.0 UNACCOMPANIED ASYLUM SEEKING CHILDREN (UASC)**

- 6.1 There are now three different UASC schemes which the Home Office is asking local authorities to commit to supporting. The first involves 1,000 unaccompanied asylum seeking children in Kent County Council care who have made their own way to the UK and require to be accommodated. The second scheme is to support 3,000 UASC children currently in countries surrounding Syria and the third scheme is 3,000 children in camps within European countries.
- 6.2 The Home Office, in conjunction with the Department for Education and the Department for Communities and Local Government, has written to Scottish Council Leaders, via CoSLA, to seek voluntary involvement in the dispersal of these unaccompanied asylum seeking children, the majority of which are aged 16/17 and qualify to be looked after and accommodated.
- 6.3 Concerns have already been raised and outlined previously regarding the funding package available for UASC's not being of a suitable value to cover all costs associated with UASC requirements.
- 6.4 Inverclyde's children and family services at present require to commission services out with the Authority in order to accommodate the existing numbers of looked after and accommodated children within Inverclyde at present, and would therefore be concerned as to the capacity to appropriately meet the needs of an increasing number of vulnerable children who are likely to present with a different set of vulnerabilities.
- 6.5 A national UASC Dispersal Group has been established to try to develop a Scotland wide approach to this with involvement from local authorities; Scottish Government; the Care Inspectorate and input from Social Work Scotland.

- 6.6 Concerns have been raised with CoSLA that this UASC dispersal is being treated in a similar way as the current refugee programmes, and whilst there may be some similarities, there needs to be the recognition that it is a very different cohort of the refugee population-vulnerable young people, who will have a very specific set of needs requiring to be met.
- 6.7 A potential model of delivery maybe for partnerships between the local authorities; RSL's and 3<sup>rd</sup> sector organisations to deliver a supported living model of accommodation. If Inverclyde was to participate in the UASC schemes and use a supported accommodation model it is likely that maximum numbers would be 12 young people.

## 7.0 PROPOSALS

- 7.1 Officers recommend that Council approve the expansion of the current refugee schemes and seek approval from Committee for further involvement in both the Afghan and Syrian schemes to 44 families.
- 7.2 Officers will continue to examine the likely impact of Inverclyde becoming an asylum dispersal area and will work with national and local colleagues in the dispersal as appropriate.
- 7.3 Policies and guidance require to be developed to look at what support may be available for potential failed asylum seekers and that this should be developed to include other categories of migrant.
- 7.4 The current Inverclyde Refugee Resettlement Group will be renamed and extended to become the Inverclyde Migration Steering Group to discuss all aspects of refugee resettlement; asylum dispersal and UASC.
- 7.5 With regard to the UASC programme, officers from both Children and Families and the refugee resettlement team will continue to be involved in discussions nationally, and depending on the model agreed will consider future options.

## 8.0 IMPLICATIONS

### Finance

- 8.1 None at this stage.

#### Financial Implications:

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

### Legal

- 8.2 The Home Office have longstanding powers contained in the Immigration and Asylum Act 1999

to force local authorities to become dispersal areas for asylum seekers. To date, these powers have never been used. However, the Home Office have indicated that if they fail to receive sufficient offers of help from local authorities, the powers will be used. There are no such powers currently available in relation to unaccompanied asylum seeking children in Scotland. However, the Government have put powers in place in the Immigration Act 2016 which recently received Royal Assent in Parliament to force Local Authorities in England to receive dispersed refugee and asylum seeking children. Any such additional powers in Scotland would require the support of Scottish Ministers. The Immigration Act 2016 will be of particular interest to local authorities as it not only makes changes to immigration law and practice but also extends immigration control into other areas such as housing, social welfare and employment to tackle illegal immigration by making it harder to live and work in the UK without permission.

### Human Resources

8.3 No impact at this stage.

### Equalities

8.4 None at this time, although recognition will be given to the wider and associate equalities agenda.

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 change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

### Repopulation

8.5 Any participation in either of the proposed dispersal schemes will have a positive impact on the repopulation of the area.

## 9.0 CONSULTATIONS

9.1 Consultation has taken place with the Council's community planning partners through the multi-agency group which was established to oversee the integration of Afghan and Syrian refugees in the area. The group is being expanded and re-named to reflect its future role in relation to wider migration issues. Membership currently consists of staff from the Health and Social Care Partnership, Education Services, the Health Board, Police, Registered Social Landlords, Department of Work and Pensions Social Work, Skills Development Scotland, Community Learning and Development and the Council's Equalities Officer. Information regarding future potential developments, as outlined in the report, has been shared and discussed with the group. Feedback has been universally positive, reflecting the good work already ongoing in the area.

## 10.0 LIST OF BACKGROUND PAPERS

10.1 There are no specific background papers.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Head of Legal &amp; Property Services</b>	<b>Report No:</b>	<b>RMcG/LP/108/16</b>
<b>Contact Officer:</b>	<b>Rona McGhee</b>	<b>Contact No:</b>	<b>01475 712113</b>
<b>Subject:</b>	<b>Oxfam Scotland and Malawi Food Crisis – Request by Councillor McCabe</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to ask the Policy & Resources Committee to consider a request from Councillor McCabe.

## **2.0 SUMMARY**

- 2.1 Councillor McCabe has requested that the Committee consider publicising Oxfam's emergency appeal for the food crisis in Malawi. A copy of Oxfam's document outlining the current situation and an overview of their response to it is attached (APPENDIX).

## **3.0 RECOMMENDATION**

- 3.1 That the Committee consider the request from Councillor McCabe.

**Gerard Malone**  
**Head of Legal & Property Services**

## Oxfam's response

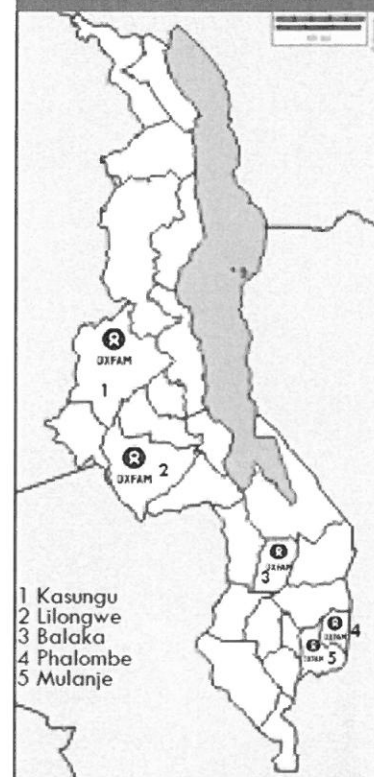
Oxfam plans to reach 650,000 of the most vulnerable men, women and children in five districts with life-saving emergency food assistance, protection of livelihoods, and prevention of irreversible negative coping strategies so that people build their resilience to cope in future.

Oxfam is active in the overall national humanitarian response coordinated in line with the Government of Malawi and UN agencies.

Priority activities in Oxfam's response are:

- **Alleviating hunger and reducing the risk of malnutrition** through emergency cash grants, direct food aid, community outreach and public health messaging to support good nutritional practices.
- **Ensuring access to safe water** by rehabilitating water points both for drinking and for their harvest, as well as public health promotion activities to reduce the risk of outbreaks of life threatening diseases such as cholera.
- **Avoiding dangerous and irreversible use of negative coping strategies** through the provision of farming inputs such as drought-resilient seeds, tools and fertilisers as well as agricultural training.

Oxfam is working in five districts across Malawi



  
**£35**

can buy seeds and fertilisers so that families can grow vegetables

  
**£65**

can help provide families with clean, safe water to drink

  
**£100**

can help provide families with cash so that they can buy life-saving essentials like food and soap



Oxfam has already assisted over 29,000 people in Balaka district with sweet potato vines, maize and vegetable seeds and fertilisers.

Photo: Oxfam

Thank you for Supporting oxfam's Malawi food crisis appeal  
Give now, save lives



## Malawi food crisis August 2016

**A devastating drought has left 6.5 million people - nearly 40% of the population - in Malawi facing severe food insecurity**

**Oxfam IS CALLING for urgent assistance to prevent hunger and disease**

In 2015, prolonged dry spells, high temperatures, and severe flooding in some areas of Malawi affected the maize harvest, leaving 2.8 million people in need of food assistance to survive.

The El Niño weather phenomenon has exacerbated the effects of this unpredictable weather and in June 2016, the Government of Malawi announced a state of emergency, estimating that 6.5 million people would face food shortages due to the drought.

Families are turning to negative coping strategies such as selling their livestock, early marriage of daughters, withdrawing children from school and transactional sex (a key driver of HIV). These coping mechanisms erode vital household assets, increase risks to women and girls and force families into acute insecurity, with devastating effects.



**Stezia Ziyangoyango says she only grew about a third of her normal maize harvest, and now worries about how she will feed her family.**

**Photo: Kenny Rae/Oxfam**

## KEY FACTS

- **Southern Africa is facing its worst drought in 35 years**
- **This year Malawi has had 60% less rainfall compared with the average**
- **Maize and rice production is 42% lower than in the 2013/14 season**
- **The price of maize is currently 137% higher than the five year average**
  - **Over 6.5 million people are facing severe food shortages**
  - **Over 950,000 of whom are children under the age of two**
  - **4.7 million people are in need of direct food assistance**
    - **1.7 million people are in need of financial aid**
- **Cholera cases reached 1,172 in late March 2016 with 30 reported deaths**

**(Oxfam Monthly Monitoring Report, April 2016)**

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Head of Organisational Development, Human Resources and Communications</b>	<b>Report No:</b>	<b>HR/17/16/AW</b>
<b>Contact Officer:</b>	<b>Allan Wilson</b>	<b>Contact No:</b>	<b>712022</b>
<b>Subject:</b>	<b>People and Organisational Development Strategy 2017-2020</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update Members on the delivery of the existing Organisational Development Strategy 2013-2016 and seek approval of the 3<sup>rd</sup> edition of the (People and) Organisational Development Strategy for 2017-2020.

## 2.0 SUMMARY

- 2.1 The Organisational Development Strategy 2013-2016 has continued to make considerable progress Council wide and Section 5 of this report outlines some of the key achievements over the past three years. Looking forward the period 2017-2020 will continue to be challenging for the Council and it is therefore more important than ever to ensure that we have a strategy in place which ensures our employees will be motivated, sufficiently trained, qualified and experienced, to deliver quality services which meet current and anticipated service needs.
- 2.2 The 2017-2020 strategy has been developed in consultation with all services and reflects the key objectives within Corporate Directorate Improvement Plans. Stakeholder engagement has included workshops with the Extended Corporate Management Team, Heads of Educational Establishments and feedback from Senior Managers at a recent Leadership Development event. Consultation on the development of this strategy has also taken place with the Trade Unions and the recently formed Workforce Planning and Development Group which has representation from all Directorates. The feedback from the recent Employee Opinion Survey has also been taken into account in the development of this strategy.
- 2.3 A title change to People and Organisational Development Strategy (PODS) reflects the feedback received and would serve to further enhance the understanding and profile of the strategy across the workforce. The key themes of the strategy have also been updated to reflect feedback received and the challenges ahead for the Council. The proposed key themes of the People and Organisational Development Strategy 2017/20 are:
1. *Organisational Development (Planning for the Future)*
  2. *Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)*
  3. *Employer of Choice (Continuous Improvement)*
  4. *Fairness & Equality (Promoting Equality, Dignity & Respect)*
- 2.4 The themes are designed to continue with the objectives of having a skilled, motivated, flexible and diverse workforce, aiming to develop a modern, innovative organisation which will develop and sustain a positive and recognisable Inverclyde Council culture. Each theme will be supported by a range of work streams.

2.5 Delivery of the actions associated with the proposed strategy will be taken forward in consultation with the Trades Unions and the workforce. The Corporate Workforce Planning and Development Group will have a key role in monitoring and ensuring a consistent implementation of the strategy across the Council.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Committee:

- a) note the progress made in the delivery of the Council's Organisational Development Strategy 2013-2016;
- b) approve the People and Organisational Development Strategy 2017/20 attached at Appendix 1;
- c) agree a communications strategy is developed to promote the strategy to employees and managers.

**Steven McNab**  
**Head of Organisational Development,**  
**Human Resources and Communications**

## 4.0 BACKGROUND

- 4.1 Inverclyde Council formally introduced an Organisational Development Strategy in 2009, shortly after the successful introduction of Single Status. Since then the Council have continued to give Organisational Development (OD) a prominent role, placing a high value on OD activity. The 2009-2012 strategy was followed by our second OD strategy 2013-2016 which continued to ensure that positive people management initiatives were supported, introduced and recognised as playing a valuable role in achieving high service delivery standards across the Council. The lifespan of our second Organisational Development strategy is about to end and this report seeks the approval of a refreshed and revised strategy for the period 2017-2020.
- 4.2 The People and Organisational Development Strategy 2017/20 has been developed in consultation with all services and reflects the key objectives within Corporate Directorate Improvement Plans. Stakeholder engagement has included workshops with the Extended Corporate Management Team, Heads of Educational Establishments and feedback from Senior Managers at a recent Leadership Development event. Consultation on the development of this strategy has also taken place with the Trades Unions and the recently formed Workforce Planning and Development Group which has representation from all Directorates. The feedback from the recent Employee Opinion Survey has also been taken into account in the development of this strategy.
- 4.3 A proposed title change to the People and Organisational Development Strategy (PODS) reflects the feedback received and would serve to further enhance the understanding and profile of the strategy across the workforce. The key themes of the strategy have also been updated to reflect feedback received and the challenges ahead for the Council. The proposed key themes of the People and Organisational Development Strategy 2017/20 are:
1. *Organisational Development (Planning for the Future)*
  2. *Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)*
  3. *Employer of Choice (Continuous Improvement)*
  4. *Fairness & Equality (Promoting Equality, Dignity & Respect)*

The main change relates to the fourth theme which in the 2013/16 strategy was “Grading and Pay”. This has been changed to “Fairness & Equality” which will continue to address grading and pay but will also focus on wider issues of equality, dignity and respect at work.

- 4.4 The themes are designed to continue with the objectives of having a skilled, motivated, flexible and diverse workforce, aiming to develop a modern, innovative organisation which will develop and sustain a positive and recognisable Inverclyde Council culture. Each theme once again is supported by a range of work streams.
- 4.5 The proposed People and Organisational Development Strategy 2017/20 is attached at Appendix 1 for approval. Delivery of the actions associated with the proposed strategy will be taken forward in consultation with the Trades Unions and the workforce. The Corporate Workforce Planning and Development Group will have a key role in monitoring and ensuring a consistent implementation of the strategy across the Council.
- 4.6 The main purpose of the Council's People and Organisational Development strategy is to ensure that the Council can continue to deliver its core business and service objectives, with an engaged and motivated workforce, in a climate of financial and resource constraints. The Council has reduced its workforce as a direct result of the financial pressures it has faced. It is anticipated that the workforce will continue to decrease over the next three years.
- 4.7 The Council is pursuing an ambitious and wide ranging agenda through the recently refreshed and approved Corporate Directorate Improvement Plans (CDIP). One of the greatest challenges in the coming years is to continue to deliver high quality services to our customers

in extremely challenging financial circumstances. The delivery of the objectives within our CDIPs will require the commitment and hard work of the Council's workforce.

- 4.8 In addition, the Council and its partners are operating in an environment dominated by a public sector reform agenda, involving anticipated changes in legislation and policy which directly affects the way the Council services are delivered in the future and will make new demands on the skills and capabilities of our workforce. It is essential therefore that the People and Organisational Development strategy for the next three years responds to these challenges, equips its managers and workforce to enable the Council to continue to work corporately and effectively to deliver on its policy ambitions.

## **5. COMPLETION OF THE COUNCIL'S ORGANISATIONAL DEVELOPMENT STRATEGY 2013-2016**

- 5.1 All key actions and priorities within the Council's Organisational Development Strategy 2013-2016 have been progressed. A summary of the key achievements made since the last progress report to committee is noted below:

### *Theme 1: Organisational Development*

- Performance Appraisals process now firmly established across the Council and is measured and reported through our key performance indicators (KPIs). In 2014/15 we reported 83% of our employees having gone through the performance appraisal process. This rose to 91% in 2015/16,
- 360 degree performance appraisal process is being piloted within the organisational development service,
- Redundancy Selection Matrix has been revised and is no longer based solely on 'first in first out',
- Key HR policies have been modernised including disciplinary policy and process where a new approach has been agreed with the Trades Unions and introduced,
- Agreement reached to transfer former 'Craft employees' on to single status terms and conditions leading to a more consistent application of terms and conditions for all local government employees,
- Improved workforce management information is now available to corporate directors and managers to better inform workforce related decisions and actions. This includes the introduction of the Workforce Information and Activity Report (WIAR) which is issued quarterly and provides detailed information on key areas such as employee absence levels, employee demographics, turnover information, temporary employees, employee learning and development and health and safety statistics,
- A key achievement has been the completion of the PVG/PSN checking process with all employees now fully covered,
- The use of information technology has been maximised where possible and E-Forms have been introduced to replace paper based systems (e.g. reporting an accident form now on line),
- Positive employee relations have been maintained with the recognised Trades Unions throughout the recent challenging period for the Council and a 'Partnership at Work' Pledge was signed by all parties in the summer of 2015.

### *Theme 2: Leadership, Succession Planning & Skills Development*

- Senior Management Leadership Development Training with West of Scotland University. This was an accredited and certified training qualification which 120 of our managers have been supported through and completed. Over 80% of those managers completing the course indicated that they found it assisted them to better perform their role with Inverclyde Council,
- Succession Planning Programme has been developed and has been piloted within a Council service. Further consideration will be given to rolling a succession planning programme out wider as part of the 2017/20 Strategy,

- Identifying skills gaps and addressing training needs has been a key part of our performance appraisal process which 91% of our employees went through last year. Information on key development needs is collated and fed into corporate training planning process,
- Training Matrix has been introduced for team leaders, managers and chief officers which identifies priority areas for training across the Council,
- A range of new E-Learning modules have been rolled out across the Council on key areas such as information security and data protection.

### *Theme 3: Employer of Choice*

- A new Work Life Balance policy was introduced in 2014 which outlined the Council's commitment to flexible working opportunities and the promotion of a good work life balance for our employees,
- Regular Corporate trade union liaison meetings introduced every 8 weeks to promote and foster good working relations,
- Our Cycle to Work scheme has generated nearly 200 participants since its introduction and continues to offer a cost effective option for our employees to purchase a bicycle and keep fit,
- The Council's Buy and Bank leave scheme continues to be an attractive initiative for employees with up to 60 employees banking leave and over 200 employees buying extra leave in recent years,
- Our Childcare Voucher Scheme offers our employees cost effective means of paying for child care with well over 100 applicants since its introduction,
- Flexible Working Scheme continues to offer our employees greater flexibility around start and stop times to suit their personal circumstances,
- Employee Benefits booklet is updated every quarter and offers employees a range of discounts from local businesses,
- The Council has recently maintained its Healthy Working Lives Gold Award. This demonstrates its long term commitment to the health and wellbeing of our employees. Given around 80% of our employee live within Inverclyde this has a positive effect on our community,
- New homeworking has been introduced to support employees homeworking in appropriate areas,
- Conditions of Service has been refreshed to ensure a consistent application to all employee groups where possible,
- The results of the recent employee opinion survey were very positive and encouraging,
- Inverclyde Council achieved Bloomberg's Best Government Services Employer in the UK award for 2016.

### *Theme 4: Pay & Grading*

- Equality Impact Assessment undertaken on our grading and pay structure in 2013 which was assessed as being non-discriminatory,
- The Scottish Councils' Job Evaluation Scheme has been revised at a national level and measures are now being taken to ensure the smooth introduction of the 3<sup>rd</sup> edition of the Scheme within Inverclyde Council,
- Maintenance of the Job Evaluation Scheme procedures have been agreed and continue to be implemented for new and revised jobs including impact on pay and grading,
- Earlier this year the Council achieved 'Living Wage' accreditation and remains one of only a small number of Councils to have achieved external accreditation,
- Appropriate revisions to pay have been made to address recent case law (e.g. holiday pay for overtime hours and the term time calculator).

- 5.2 The success of Organisational Development Strategy 2013-16 can be put down to the quick appreciation from all stakeholders that while the OD/HR service are the guardians of positive people management initiatives it is everybody's responsibility to shape, follow and revitalise organisational development as we go. This will be a key remit for the recently formed workforce planning and development group as well as the Corporate Management Team.
- 5.3 Evidence of this approach reaping rewards for the council can be seen with reference to the encouraging results coming out of the recent Employee Opinion Survey, the Bloomberg best Council award for 2016 and from our latest attendance management statistic which follows a positive downward trend.

## 6.0 PEOPLE AND ORGANISATIONAL DEVELOPMENT STRATEGY 2017-2020

- 6.1 The People and Organisational Development Strategy 2017-2020 is attached for approval and sets out a number of key workforce and organisational development priorities in the following areas:
- Organisational Development (Planning for the Future)
  - Leadership, Succession Planning and Skills Development (Employees our most Valuable Resource)
  - Employer of Choice (Continuous Improvement)
  - Fairness & Equality (*Promoting Equality, Dignity & Respect*)

Subject to Members' approval of the key themes proposed in the strategy, further work will be done by officers on a detailed action plan which will be reported on along with a progress report to the Committee.

## 7.0 PROPOSALS

- 7.1 It is proposed that the Policy and Resources Committee note the progress made in the delivery of the Council's Organisational Development Strategy 2013-2016 and approves the People and Organisational Development Strategy 2017/20 attached at Appendix 1.

## 8.0 IMPLICATIONS

### Finance

- 8.1 N/A

#### Financial Implications:

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

## **Legal**

- 8.2 None - agreed themes and work streams will continue with due regard to legal requirements. Full consultation with Legal Services will be sought as required.

## **Human Resources**

- 8.3 All Human Resources issues are included within the report.

## **Equalities**

- 8.4 Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

NO - will be completed as required for specific topics

## **Repopulation**

- 8.5 N/A

## **9.0 CONSULTATIONS**

- 9.1 This strategy has been developed following consultation with the full Extended Corporate Management Team (ECMT); Trade Union colleagues and; employees via the recently conducted opinion survey

## **10.0 LIST OF BACKGROUND PAPERS**

- 10.1 Appendix 1 People and Organisational Development Strategy 2017-2020.



*Organisational Development, Human Resources &  
Communications*

**Inverclyde Council  
People and Organisational  
Development Strategy  
2017 - 2020**

## 1 Introduction

- 1.1 This is the third Organisational Development Strategy and covers the period 2017 – 2020. It has been developed to meet the challenges that the Council will face over the next 3 years and aims to ensure that our workforce is positive, motivated, and well managed.
- 1.2 The 2017-2020 strategy has been developed in consultation with all services which has helped to provide a baseline assessment against the key objectives within Corporate Directorate Improvement Plans. Stakeholder engagement has included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the recent Employee Opinion Survey. Consultation on the development of this strategy has also taken place with the Trade Unions and the recently formed Workforce Planning and Development Group which has representation from all Directorates of the Council.
- 1.3 The People and Organisational Development Strategy is a key element in focussing on our key priorities and delivering our CDIP objectives. It recognises that in order to deliver on the Council's policy ambition in a climate of reducing resources, the Council will need a workforce that remains engaged, and motivated.
- 1.4 Recent estimates highlight a significant funding gap for the period 2017/20. The mid-range estimate of £22.5 million represents over 11% of the current revenue budget. To address a funding gap of this scale requires a fundamental review of many of the Council's services and extensive consultation. The Council is committed to investing in and supporting staff through these changes with an integrated range of activities which consult, engage, inform and develop our staff to ensure we meet the challenges ahead.
- 1.5 The people who deliver public services in Inverclyde are at the heart of what we aim to achieve in our Corporate Statement. The expertise, energy and creativity of the workforce will be essential if we are to succeed in pursuing our ambitious and wide ranging agenda aimed at improving public services. Public sector spending constraints have placed substantial pressure on local public services, and it is important that all partner organisations work jointly to build multi-agency capacity, share ideas, promote learning and deliver results.
- 1.6 The People and Organisational Development Strategy 2017-2020 sets out a number of key workforce and organisational development priorities across the following four key themes:-
  - Organisational Development (Planning for the Future)
  - Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)
  - Employer of Choice (Continuous Improvement)
  - Fairness & Equality (Promoting Equality, Dignity & Respect)
- 1.7 These themes will be supported by key HR Policies and an action plan which will be developed in consultation with services and Trade Unions to ensure it supports the delivery and achievement of key service priorities and outcomes.

## 2 Theme 1 – Organisational Development (Planning for the Future)

### Outcomes – What we plan to achieve

*Excellence in people & performance management and organisational design. To continue to identify current and future workforce challenges and solutions.*

### Actions – The key areas we will focus on over the next three years:-

- Reviewing our employee performance appraisal process with the aim of achieving a consistent approach across key employee groups;
- Consider the introduction of a 360 degree performance appraisal process;
- Modernise and maximise the use of ICT in our people management and communication processes;
- Further develop workplace data reports for managers to better inform key workforce planning and development decisions and actions;
- Identifying future skill requirements and work with partners to address potential gaps;
- Explore partnership working opportunities with our partners and establish closer links in relation to organisational development activity;
- Ensuring the efficient management of change to ensure service models and structures are in place which address current budget reductions and service priorities.
- Maximising employee attendance through the implementation of revised policy and procedure;
- Continue to work in partnership with the trade unions to identify and address the challenges ahead.

- 2.1 This theme will focus on organisational arrangements, processes and policies which aim to maximise the performance of our people, ensure resources are deployed in the right areas and ensure efficient and effective structures are in place across the council.
- 2.2 As the Council continues to tackle legislative changes, public sector reform and financial constraints, there will be significant workforce challenges ahead which will affect how services are delivered in the future. These include health and social care integration, the Community Empowerment Act, welfare reform and the potential impact of 'Brexit' on local government. The Council is also committed to maximising the use of ICT which will change the way we do business across the council.
- 2.3 The Council will continue to investigate all creative, flexible and sustainable employment models. It is expected that further restructuring of services will be necessary in the future given the financial challenges ahead.
- 2.4 Effective HR policy development and implementation will play a key role in improving the performance of our people. For example supporting employee attendance is a major focus for the Council and will continue to be so in future years to ensure acceptable levels of service delivery and minimise the impact of absenteeism on other employees. In times of economic constraint, managing the costs of absence becomes even more important. Similarly good health and safety management arrangements must be in place across the Council.

**Evaluation – How will we know we are succeeding:-**

- Our employee performance appraisal process will be reviewed and implemented consistently across key employee groups (Chief officers & Local Government Employee);
- Option appraisal analysis will be undertaken on the merits of introducing a 360 degree assessment process;
- Our HR & Communication processes will be reviewed to maximise the use of ICT resulting in our people management and communication processes being more streamlined and efficient;
- More effective workforce data will be made available to managers on a regular basis to better inform decision making;
- Better joint working arrangements with our partners will be achieved improving the delivery of organisational development initiatives;
- A revised and modernised supporting attendance policy will be implemented improving attendance levels across the Council;
- Service models and structures will be in place which address current budget reductions and service priorities;
- Positive and effective relationships will be maintained with the Trade Unions.

**3 Theme 2 – Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)**

**Outcomes – What we plan to achieve**

Ensuring our employees are sufficiently trained, qualified and experienced and our leaders are developed to lead, motivate and inspire to deliver quality services which meet service demands.

**Actions – The key areas we will focus on over the next two years:-**

- Developing learning and development programmes and opportunities which support employees to deliver service and council objectives;
- Reviewing our core competency framework for employees, managers and chief officers linked to the Councils priorities and objectives;
- Arrange Leadership Development Events for senior managers across the Council;
- Continue to support employees with opportunities to attend accredited courses and attain accredited qualification;
- Reviewing our Talent Management and Succession Planning programmes;
- Ensuring Training Needs Analysis and the creation of individual development plans are a key part and out performance appraisal process;
- Continuing to promote and develop our eLearning modules and ensure their availability to all council employees;
- Aiming to increase employment and training opportunities in various occupational areas across the Council and its' partners i.e. Modern Apprenticeships;
- Reviewing and ensuring implementation of the Core Training & Development matrix for managers.

- 3.1 The key to our success as a modern local authority will be heavily dependent on our capacity to match the skills and abilities of our workforce to meet the needs determined by our changing service demands.

- 3.2 This theme focuses on the development of our employees and improving leadership, management capacity and skills across the Council. Performance appraisal, talent management and succession planning will be critical if we are to continue to meet current and future demands of service users.
- 3.3 Modern Apprenticeships will continue to assist our young people finding a way into the world of work following school. A creative and innovative approach will ensure we continue to get the very best out of what we have.
- 3.4 Managers are regularly required to undertake new and challenging things, often with less time or resources than before. It is important that managers are able to receive the learning and development opportunities they need to be effective leaders who can motivate, inspire and empower staff to deliver what is required.
- 3.5 The Council will continue to work in partnership with the Clyde Valley Learning and Development Consortium and the wider public sector to research, develop and implement a range of shared and enhanced learning and development provisions benefitting all employees.

**Evaluation – How will we know we are succeeding:-**

- Suitable Learning and development programmes will be available and taken up by increased numbers of employees with evaluation of courses being improved;
- Our core competency framework for employees, managers and chief officers will be reviewed to ensure it continues to be fit for purpose and meets the Council's priorities and objectives;
- Regular Leadership Development Events for senior managers will take place addressing key learning needs with positive feedback from participants;
- Employees will have individual development plans in place based on learning needs linked to service priorities,
- Access to our eLearning modules will be increased and available to all employees leading to an increase in learning & development activity for our employees;
- Improve results in our next employee opinion survey in the area of employee learning and development;
- There will be increased employment and training opportunities in various occupational areas across the Council and its' partners.

**4 Theme 3 – Employer of Choice (Continuous Improvement)**

**Outcomes – What we plan to achieve**

*To enhance our reputation as an employer of choice and as a Local Leader on innovative and modern employment practices, attract future and retain existing employees by promoting Inverclyde Council as a great place to live and work.*

**Actions – The key areas we will focus on over the next two years:-**

- Develop and implement a new Recruitment Policy ensuring we attract and appoint the right people with the right skills to posts;
- Review and improve the council's induction programme for new starts joining the Council;

- Develop pathways for employees which support career progression and employee retention;
- Demonstrate the Councils long term commitment to the health and wellbeing of employees by retaining the 'Healthy Working Lives' Gold Award;
- Continue to introduce Modern & Innovative HR Policies which support new, more efficient ways of working;
- Improve data gathered from employees leaving the council and report on reasons for leaving;
- Review and improve employee engagement, communication and recognition arrangements;

4.1 The Council is in the process of developing a new 'Recruitment and Selection' policy which will aim to ensure the Council can attract and appoint highly skilled, flexible and motivated employees who can meet future needs of the community of Inverclyde.

4.2 Evidence of our success in the implementation of key organisational development initiatives can be seen with reference to the encouraging results coming out of the recent Employee Opinion Survey, the Bloomberg Business Best Government Services Employer award for 2016 and from our latest attendance management statistic which follows a positive downward trend. The Council seeks to build on this success over the next three years.

#### **Evaluation – How will we know we are succeeding:-**

- Inverclyde will be recognised as a good employer, locally, regionally and nationally;
- Refreshed recruitment policy and procedures will be implemented addressing recruitment challenges;
- Key skill, experience and knowledge will be retained by improving employee retention;
- Employees will be engaged, motivated and this will be reflected in the results of our next employee opinion survey;
- New starts joining Inverclyde will feel more positive and better equipped to undertake their role by going through our refreshed induction programme;
- The Council will retain the 'Healthy Working Lives' Gold Award demonstrating our long term commitment to the health and wellbeing of employees;
- A range of Modern & Innovative HR Policies will be reviewed and implemented which support new, more efficient ways of working;
- We will have efficient internal communications that reach all employees
- Staff engagement is improved and their feedback is used to support further improvement.

## **5 Theme 4 – Fairness & Equality**

### **Outcomes – What we plan to achieve**

*Continue to work with our community partners to promote equality, dignity and respect and ensure our employees, customers and partners are treated fairly and with respect at all times. Ensure equality requirements are met through our grading and pay model and job evaluation processes.*

**Actions – The key areas we will focus on over the next two years:-**

- Conduct a full review of existing grading and pay model ensuring equality requirements are met;
- Implement the 3<sup>rd</sup> Edition of the Scottish Councils Job Evaluation Scheme in partnership with the Trade Unions;
- Take steps to further gather and improve equality data held on the composition of the workforce;
- Review and strengthen the Councils Equal Opportunities policy demonstrating the Councils commitment to fairness and equality;
- Introduce Respect at Work policy for our employees;
- Take steps to improve pay gaps between male and female, people with disabilities and people without, and people from minority racial groups and people who are not;
- Ensure full equality impact assessments are undertaken where necessary;
- Deliver equality and diversity training to employees and managers including eLearning where appropriate;
- Work with Trade Unions and partners to eliminate discrimination, advance equality and foster good relations.

- 5.1 Equality and Diversity issues continue to be a high priority for the Council so all employees, customers and partners are treated fairly and with respect at all times. It is essential, during any period of significant change, that we maintain a focus on our commitments and have processes in place to meet our responsibilities and to monitor the impact on our staff and our workforce profile.
- 5.2 Specific Equality and Diversity training is available to all employees of the Council in both a classroom style environment and through e-learning. Equality and Diversity is also mainstreamed throughout the Councils learning and development programmes.
- 5.3 Equality is embedded in all Council policies and procedures. The Council will continue to ensure that following the introduction of the equality legislation, relevant policies, processes and training will be reviewed and amended to ensure compliance.

**Evaluation – How will we know we are succeeding:-**

- Our grading and pay structure will be reviewed and independently assessed as meeting equality requirements;
- The 3<sup>rd</sup> Edition of the Scottish Councils Job Evaluation Scheme will be implemented and managed in partnership with the Trade Unions;
- We will increase the equality data held on the composition of the workforce;
- The Councils Equal Opportunities policy will be reviewed, modernised and implemented demonstrating the Councils commitment to fairness and equality;
- A Respect at Work policy will be introduced for our employees;
- There will be improvements in pay gaps between male and female, people with disabilities and people without, and people from minority racial groups and people who are not;
- Full equality impact assessments will be undertaken and published where necessary;

- Training and development programmes will be evaluated and in place to raise awareness and address equality issues effectively;
- There will be evidence of positive partnership working with the Trade Unions and other partners to eliminate discrimination, advance equality and foster good relations.

## **6. Progress Review**

- 6.1 The four key themes within the People and Organisational Development Strategy demonstrate the councils continued commitment to investing in and supporting employees with a range of activities which consult, inform and develop individuals and teams to meet the anticipated challenges of the next three years.
- 6.2 It is important that senior managers are accountable and take responsibility for the implementation of key actions which will be developed from this strategy. The strategy and the underpinning action plan will both be live documents subject to regular review to ensure that the most important actions are addressed. Adjustments may be made in response to changing service delivery priorities and/or external pressures.
- 6.3 The Councils Workforce Planning & Development group will contribute to the development and monitoring of the key components and actions of the plan. It will ensure greater awareness of specific initiatives and plans and also inform policy development. Progress reports will also be brought to the Corporate Management Team.



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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Head of Organisational Development, Human Resources &amp; Communications</b>	<b>Report No:</b>	<b>HR/02/16/AW</b>
<b>Contact Officer:</b>	<b>Allan Wilson</b>	<b>Contact No:</b>	<b>Ext 2015</b>
<b>Subject:</b>	<b>Recognition of Service - NHS Greater Glasgow and Clyde (NHSGGC) &amp; Other Public Bodies</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to recommend to committee that continuous NHSGGC service is recognised for certain conditions of service by the Council when engaging a new employee and to note that NHSGGC will mirror this arrangement. In addition approval is sought to widen recognition of continuous service to cover service with other public bodies without any reciprocal arrangements.

## 2.0 SUMMARY

- 2.1 Inverclyde Council work in partnership with NHSGGC providing joint services developed through the (Inverclyde) Health and Social Care Partnership (HSCP).
- 2.2 Currently employees who transfer from NHSGGC to the Inverclyde HSCP have previous continuous service with NHSGGC recognised for the application of (local) conditions of service however, not in respect of statutory terms and conditions of employment.
- 2.3 There is currently no reciprocal arrangement in place for Inverclyde Council (IC) employees who transfer to NHSGGC. However, following recent discussion with officers from the NHSGGC, it has been agreed that they are now in a position to rectify this for (local) conditions of service and enter into a reciprocal agreement which will benefit any Council employee who may transfer to NHSGGC.
- 2.4. In recognition of this improved position it is proposed to widen the arrangement to cover all Inverclyde Council employees (not just those employed in the HSCP) who transfer to NHSGGC and, for all NHSGGC employees who transfer to Inverclyde Council. In addition, this report seeks approval to widen recognition of continuous service to cover all public bodies without any reciprocal arrangements.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- agree to extend the recognition of continuous service effective from 1 January 2017 for local terms and conditions of employment to previously NHSGGC employees who transfer to Inverclyde Council;
  - note that this arrangement will now be fully reciprocated by NHSGGC;
  - agree to extend the recognition of service to all Public Bodies without any reciprocal arrangement as outlined in the report.

**Steven McNab**  
**Head of Organisational Development,**  
**Human Resources and Communications**

## **4.0 BACKGROUND**

- 4.1 A report to the former Best Value and Corporate Services Committee of December 2005 introduced the recognition of continuous service with NHS Argyll & Clyde (now changed to NHSGGC) only, for employees who transfer to Inverclyde's then Joint Future Partnership (now changed to HSCP) for certain terms and conditions of employment.
- 4.2 Otherwise employees moving into Local Government from the NHS do not have NHS service recognised; this is because the NHS is not a named employer on the Redundancy Modification Order. Essentially, the primary significance of the Order is in relation to redundancy.
- 4.3 Inverclyde Council therefore, currently recognise NHSGGC continuous service for posts that are designated HSCP posts. Details of how this is applied is undernoted:
  - Inverclyde Council recognise service of employees who have continuous service with NHS Greater Glasgow and Clyde only,
  - Service is recognised for annual leave, sickness allowance, maternity/paternity/worklife balance, and any other (local) service orientated benefits,
  - Inverclyde Council continue to apply the Redundancy Modification Order, which does not allow for the recognition of NHS service, in respect of redundancy, and statutory employment rights.
- 4.4 NHSGGC are proposing a reciprocal agreement to recognise service for the Council or NHS employees working with the 6 HSCPs within the NHSGGC area.
- 4.5 There are a range of agreements currently in place across Health and Social Care Partnerships within the NHSGGC boundaries, with some offering reciprocal credit for service between the respective council and NHS.
- 4.6 The proposals in this report to extend the recognition of service to NHSGGC and other Public Bodies increases the potential talent pool of job applicants, who otherwise may be put off applying for an HSCP or Council vacancy. There are however minor financial implications in recognising NHSGGC service, primarily in relation to immediate access to sickness allowance benefits and holiday entitlement. However, this is not considered to be a significant sum and may be off-set to a degree by the benefit of ensuring that vacancies attract a high level of qualified applicants.

## **5.0 PROPOSALS**

- 5.1 It is proposed to extend the recognition of continuous service of NHSGGC employees who join the Council across any Directorates. Details of how this is to be applied:
  - Inverclyde Council (including HSCP) recognise service of employees who have continuous service with the NHSGGC,
  - Service is recognised for annual leave, sickness allowance, maternity/paternity/worklife balance, and any other (local) service orientated benefits,
  - Inverclyde Council continue to apply the Redundancy Modification Order, which does not allow for the recognition of NHS service, in respect of redundancy, and statutory employment rights.
- 5.2 It is proposed to widen this arrangement to cover all Public Bodies without any reciprocal arrangement.

## 6.0 IMPLICATIONS

### Finance

6.1 There are direct and indirect financial implications as undernoted:

Direct:-

- Immediate access to sickness absence/maternity scheme/paternity scheme benefits, rather than after a qualifying period

Indirect:-

- Immediate increase in annual leave entitlement

Note: on costs are considered insignificant and will be contained within existing budgets.

### 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 As outlined in report.

### Human Resources

6.3 All areas covered in report – note proposal implemented from 1 January 2017 as this will allow any increased annual leave to be managed appropriately. This arrangement will not be applied retrospectively.

### Equalities

6.4 Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

## 7.0 CONSULTATIONS

7.1 Trades Unions have been consulted and support the proposals in this paper.

## 8.0 LIST OF BACKGROUND PAPERS

8.1 N/A

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Chief Executive</b>	<b>Report No:</b>	<b>HR/21/16/SMC</b>
<b>Contact Officer:</b>	<b>Steven McNab</b>	<b>Contact No:</b>	<b>01475 712015</b>
<b>Subject:</b>	<b>Ongoing cover for vacant post of Riverside Inverclyde's CEO</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the arrangements for covering the post of Riverside Inverclyde's (ri) CEO position following the appointment of Mr Aubrey Fawcett as the Council's new Chief Executive.

## 2.0 SUMMARY

- 2.1 The Policy and Resources Committee, at its meeting on 18 November 2014, agreed that the Corporate Director Environment, Regeneration and Resources be allocated the additional responsibility of ri's CEO up to no later than March 2017.
- 2.2 It should be borne in mind that the Council's management structure approved in 2012 includes provision for 2.5 full time equivalents (FTE) Council funded Corporate Directors and was not designed to incorporate management capacity for the Riverside Inverclyde CEO role on a temporary or permanent basis or to cope with additional significant major initiatives such as the City Deal.
- 2.3 Following the appointment of Mr Aubrey Fawcett to the Council's Chief Executive position it is proposed that appropriate management arrangements are now put in place to cover the position of ri's CEO.
- 2.4 Following discussion with the Chairperson of Riverside Inverclyde, appropriate management arrangements will be put in place at Riverside Inverclyde to cover the CEO's position. The new Corporate Director Environment, Regeneration and Resources will take on the Accountable Officer role on behalf of Inverclyde Council, which is currently held by the Council's Chief Executive.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that:
- the Committee notes that appropriate management arrangements will be put in place at Riverside Inverclyde; and
  - the Accountable Officer duties for Riverside Inverclyde be undertaken by the Corporate Director Environment, Regeneration and Resources.

**Steven McNab**  
**Head of Organisational Development,**  
**Human Resources and Communications**

## 4.0 BACKGROUND

- 4.1 A report was previously agreed by the Policy and Resources Committee on 18<sup>th</sup> November 2014 which outlined the proposals to cover the CEO of Riverside Inverclyde. The Committee agreed that the Corporate Director Environment, Regeneration & Resources would, in parallel, take on the additional responsibility of Riverside Inverclyde's CEO to coincide with the end of the current Single Operating Plan, up to a maximum of March 2017.
- 4.2 Following the recent recruitment process, Mr Aubrey Fawcett has been successful in being appointed the Council's Chief Executive and will take up post from 20<sup>th</sup> September 2016 leaving the Corporate Director's post vacant.
- 4.3 Arrangements are currently being made to recruit a new Corporate Director of Environment, Regeneration & Resources and it is anticipated that a successful candidate will be known in October 2016.
- 4.4 It needs to be recognised that a longer term arrangement for filling the vacancy of Riverside Inverclyde' CEO requires to be progressed. In addition it must be borne in mind that the Council's management structure approved in 2012 includes provision for 2.5 full time equivalents (FTE) Council funded Corporate Directors and was not designed to incorporate management capacity for the Riverside Inverclyde CEO role on a temporary or permanent basis or to cope with additional significant major initiatives such as the City Deal.
- 4.5 Accordingly, following discussion with the Chairperson of Riverside Inverclyde, appropriate management arrangements will be put in place at Riverside Inverclyde and the new Corporate Director Environment, Regeneration and Resources will take on the Accountable Officer role on behalf of Inverclyde Council, which is currently held by the Council's Chief Executive.

## 5.0 PROPOSALS

- 5.1 It is proposed that the Committee notes that appropriate management arrangements will be put in place at Riverside Inverclyde and that the new Corporate Director Environment, Regeneration and Resources, will take on the Accountable Officer role on behalf of Inverclyde Council, which is currently held by the Council's Chief Executive.

## 7.0 IMPLICATIONS

### Finance

- 7.1 There is currently a recharge of a percentage of the Corporate Director's costs to Riverside Inverclyde which will cease once appropriate management arrangements are put in place.

### 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 This proposal ensures that the ongoing management of Riverside Inverclyde is maintained and regeneration programmes, which contribute to the repopulation of Inverclyde, are progressed.

## **8.0 CONSULTATIONS**

8.1 Riverside Inverclyde and Scottish Enterprise have been consulted in respect of this proposal.

<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date: 20 September 2016</b>
<b>Report By:</b>	<b>Brian Moore Corporate Director, Chief Officer) Inverclyde HSCP</b>	<b>Report No: SW/44/2016/AM</b>
<b>Contact Officer:</b>	<b>Allan McDonald</b>	<b>Contact No: 712098</b>
<b>Subject:</b>	<b>Email Archiving and Deletion</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to report back to Committee with an updated recommendations for a corporate approach to the deletion of archived emails that ties in with the Council's Records' Retention and Information Classification Policies.

## 2.0 SUMMARY

- 2.1 The Council has for some time been developing an approach to Email Archiving and Deletion that meets the legislative requirements for the retention of public records, the Council Policy for the Retention and Disposals of Documents, Data Processing legislation and the ability for officers to carry out their duties in an effective and efficient manner.
- 2.2 A report was presented to the Policy and Resources Committee on 11<sup>th</sup> August 2015 recommending that all emails be deleted after a period of six months. This proposal was not received favourably by Members of the Committee and the report was remitted for further consultation. Feedback from Members at this meeting indicated a desire for a much longer period of retention, with a suggestion of three years generally being agreed.
- 2.3 An all Members' briefing to discuss the proposals was subsequently held on 8<sup>th</sup> October 2015. At the briefing, Elected Members again expressed dissatisfaction with the proposals, particularly around the short retention period and the desire for Members to retain correspondence from constituents for reference to previous enquiries and cases that may extend for several years. Alternative approaches were discussed as part of the consultation process. A proposal from Elected Members to implement a fixed mailbox limit was met with general approval.
- 2.4 The Information Governance Steering Group reviewed the policy in line with feedback from Elected Members and agreed the following approach to be included in the Council Records Management Plan submitted to the Keeper of the Records:
  - Users are given a fixed amount of storage which they need to manage.
  - Users move records to appropriate folders/EDM system.
  - Auto archive/deletion will take place.
  - Email archiving/deletion policy and guidance (or include within updated Acceptable Use of Information Systems) is developed.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Committee agree the following proposals:

- a) As part of the implementation of the Retention and Disposal of Documents and Records Policy, the revised Information Classification Policy and this Policy, staff are to be reminded of the most appropriate method and location of storing emails and other official documentation. A full set of user instructions is to be developed and distributed to all staff.
- b) A fixed limit to mailbox sizes is implemented, allowing staff to retain or delete emails as appropriate. This will be a dynamic process and ICT Services will analyse current mailbox sizes and implement using best practice recommendations from Microsoft.
- c) Deleted Emails are retained for a period of one year for backup and recovery purposes and then permanently deleted from the archive.
- d) Deleted Items folders in mailboxes be cleared after thirty days.
- e) Inactive mailboxes will be deleted after 1 year.
- f) A range of automated and system emails will be subject to a 30 day retention period before deletion.

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



## 4.0 BACKGROUND

- 4.1 A Corporate Policy for the Retention and Disposal of Documents and Records was agreed at the Policy and Resources Committee meeting on 13th November 2012. It sets out the Council's approach to the storage, retention and disposal of official documents, detailing retention and destruction schedules for both paper and electronic documents and records.
- 4.2 Since then, the Information Governance Working Group has been working to develop a policy to manage the current email archive which now numbers some 55 million messages.
- 4.3 At CMT on 4<sup>th</sup> June 2015 it was agreed that a proposal to delete all emails after a period of 6 months should be recommended to Elected Members at the Policy and Resources (P&R) Committee.
- 4.4 A report was presented to P&R Committee on 11<sup>th</sup> August 2015 recommending that all emails be deleted after a period of 6 months. The recommendation met with considerable opposition with a strong rejection of the short deletion period in particular. Members variously recommended differing periods for retention, with three years being the most widely supported recommendation on the day. It was agreed to remit the report and to hold an all Members' briefing to discuss the issues and policy challenges.
- 4.5 The briefing was subsequently on 8<sup>th</sup> October 2015. At the briefing, Elected Members again expressed dissatisfaction with the proposals and alternative approaches were discussed as part of the consultation process. A proposal from Elected Members to implement a fixed mailbox limit was met with general approval. A recent upgrade to the Council Email System, completed in June 2016, would allow this to be implemented.
- 4.6 To allow maximisation of available space, Deleted Items folders will be cleared after a period of thirty days.
- 4.7 Using current mailbox sizes no individual mailbox would initially be affected by the new limits to be implemented and the vast majority of staff would have significant room for storing additional correspondence. Of the 2127 active mailboxes the usage levels at implementation would be:

<b>% of Limit Used</b>	<b>No of Mailboxes</b>	<b>% of Total Mailboxes</b>
75-100 %	32	1.49%
50-75 %	36	1.68%
Less than 50 %	2059	96.13%

The Information Governance Working Group will advise the small number of staff with mailboxes approaching the allowance to advise on good housekeeping practices.

- 4.8 The Email archive would retain a copy of all emails for a period of one year for back-up and restore purposes (allowing recovery of items deleted in error etc.).
- 4.9 Archived mail of staff who no longer have accounts are currently retained permanently. It is recommended that mailboxes are retained for 1 year, before the data is permanently deleted.
- 4.10 Automated messages, such as those generated by weather warnings, news, shopping and travel sites and system messages (e.g. server monitoring applications utilised by ICT Services) are currently retained within the email archive. It is suggested that these be deleted after thirty days.

## 5.0 RECOMMENDATIONS

5.1 The Information Governance Working Group recommends the following:

- a) As part of the implementation of the Retention and Disposal of Documents and Records Policy, the revised Information Classification Policy and this Policy, staff are to be reminded of the most appropriate method and location of storing emails and other official documentation. A full set of user instructions is to be developed and distributed to all staff.
- b) A fixed limit to mailbox sizes is implemented, allowing staff to retain or delete emails as appropriate. This will be a dynamic process and ICT Services will analyse current mailbox sizes and implement using best practice recommendations from Microsoft.
- c) Deleted Emails are retained for a period of one year for backup and recovery purposes and then permanently deleted from the archive.
- d) Deleted Items folders in mailboxes be cleared after thirty days.
- e) Inactive mailboxes will be deleted after 1 year.
- f) A range of automated and system emails will be subject to a 30 day retention period before deletion.

## 6.0 IMPLICATIONS

### Finance

6.1 There are no known financial implications.

#### Financial Implications:

##### One Off Costs

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

##### Annually Recurring Costs/ (Savings)

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

### Legal

6.2 Legal Services have been consulted and have no objections to the options proposed.

### Human Resources

6.3 There are no known HR implications.

### Repopulation

6.4 There are no repopulation implications.

**7.0 EQUALITIES**

7.1 Has an Equality Impact Assessment been carried out? **NO**

**8.0 CONSULTATIONS**

8.1 The Information Governance Group is comprised of staff members from all directorates.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>RMcG/LP/112/16</b>
<b>Contact Officer:</b>	<b>Rona McGhee</b>	<b>Contact No:</b>	<b>01475 712113</b>
<b>Subject:</b>	<b>P1 Scottish Grand Prix of the Sea – Remit from Environment &amp; Regeneration Committee</b>		

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## 1.0 PURPOSE

1.1 The purpose of this report is to request the Committee to consider a remit from the Environment & Regeneration Committee.

## 2.0 SUMMARY

2.1 The Environment & Regeneration Committee at its meeting on 1 September 2016 considered a report by the Corporate Director Environment, Regeneration & Resources highlighting the success of the first P1 Scottish Grand Prix of the Sea and recommending that the Council enter into an agreement to co-host the event again in 2017 with the option of 2018.

2.2 A copy of the report to the Environment & Regeneration Committee is attached as Appendix 1. This provides background information and information on the implications.

2.3 The Committee decided:

(1) to welcome the success of the 2016 P1 Scottish Grand Prix of the Sea event and approve the Council's continued involvement in 2017, with the option of 2018, subject to a further report after the 2017 event, in a 50/50 partnership with Riverside Inverclyde to host the P1 Scottish Grand Prix of the Sea event in Inverclyde based on a maximum contribution of £100,000;

(2) that £50,000 of the funding come from the allowance originally allocated for the procurement of a car park in Greenock Town Centre and that it be agreed to remit a request for the remaining £50,000 to the Policy & Resources Committee, to be funded from the Contingency Earmarked Reserves; and

(3) to delegate authority to the Corporate Director Environment, Regeneration & Resources to conclude event fee negotiations with Riverside Inverclyde, the Powerboat P1 Organisation and procure part or all services, where necessary, and commit Inverclyde Council funds to co-host this event in 2017 and, on conclusion of negotiations, to review the venue hosting agreement with Riverside Inverclyde and Powerboat P1 Management Ltd on terms and conditions satisfactory to the Chief Financial Officer and the Head of Legal & Property Services.

## 3.0 RECOMMENDATION

3.1 The Committee is asked to consider the remit from the Environment & Regeneration Committee.



## **4.0 BACKGROUND**

- 4.1 The Powerboat P1 Grand Prix of the Sea is an international high profile event that had never been held in Scotland. The five locations UK Championships series to date have been held in England and Wales.
- 4.2 Inverclyde Council agreed on 16 June 2015 to enter into a co-hosting arrangement with urban regeneration company, Riverside Inverclyde, to host the inaugural P1 Scottish Grand Prix of the Sea.
- 4.3 The event, held over the weekend of 18-19 June 2016, was held off The Esplanade, Greenock.
- 4.4 The event hosting arrangement included the option of extending to an additional two years, based on the success of the event.

## **5.0 THE EVENT**

- 5.1 The inaugural P1 Scottish Grand Prix of the Sea event was held on 18-19 June 2016.
- 5.2 The event was the second of five rounds of the 2016 national championships which saw the series visit Scarborough, Gosport, Cardiff and Bournemouth. Over the season the teams raced to accumulate points over the championship rounds with the overall winners crowned at the end of the season.
- 5.3 An Inverclyde-branded boat with a Scottish crew competes in all rounds of the UK championship, boosting awareness of Inverclyde as a destination for visitors.
- 5.4 There are two race classes competing in the event:

P1 Superstock - the world's largest one-design powerboat racing series, based on affordability, accessibility and excitement for racers and fans. The boat is powered by the award-winning Evinrude 250HO ETec engine with racing taking place both inland and offshore producing spectacularly close and unpredictable racing. Each boat has a driver and navigator who must work closely together if they are to succeed out on the water. Courses are positioned close to shore, providing unparalleled spectator viewing and increased benefit for the racing teams, host areas and sponsors.

P1 AquaX - jet ski series geared towards attracting amateur riders a completely new experience. Races take place on a variety of courses where the rider's skill prevails over horsepower, creating a level playing field for all. AquaX is split into three categories – 200hp, 250hp and 300hp – to accommodate the diversity in engine sizes and each class is well supported by all the leading manufacturers, including SeaDoo, Kawasaki and Yamaha. There are limited modifications that can be made to race skis which means costs are kept under tight control.

- 5.5 The event attendance over the two days is estimated at 30,000 spectators, with some of the highest attendance on the Saturday. The Sunday weather was poor, though attendance is estimated at a conservative 4-5,000.
- 5.6 Marine education and marine wildlife monitoring were two additional features developed for the event in Inverclyde. This involved school visits by P1 Marine Foundation delivering an education programme entitled 'Discovering the River Clyde' to raise awareness amongst local children on the importance of the river and focused on local wildlife, the many uses of the Clyde ahead of the P1 Scottish Grand Prix of the Sea.

It was delivered to 180 students from St Mary's and Ardgowan primary schools in Greenock with each student creating a poster that highlighted their favourite aspect of the River Clyde. These were then exhibited at the P1 Marine Foundation stand during the race weekend.

During the race weekend 90 students from St Mary's Primary School were invited on a guided tour at James Watt Dock Marina, where they learnt about marine wildlife observation with P1 Marine Foundation racing.

The Marine Wildlife Monitoring - Mitigation Plan was put in place to identify measures that would be taken to ensure the protection of the European protected species and seals present during the event. To achieve this, P1 provided a marine wildlife training meeting for all event officials and participants prior to the event, educational packages to each event official and participant which includes the Scottish Marine Wildlife Watching Code; a team of five qualified marine wildlife observers on land and on water who were in close communication with P1's race management team to stop the event if any endangered species were observed within the boundaries of race course or within 150 meters of the perimeter of the race course assurances that the event would not resume until the animal had moved away from the area under its own volition or for at least a 30 minute period following the sighting.

- 5.7 The Inverclyde Showcase was a key element of the inaugural P1 Scottish Grand Prix of the Sea event. It delivered free spaces on the Esplanade for local Inverclyde-based tourism-related businesses.

## 6.0 MEDIA AND ECONOMIC VALUE

- 6.1 A key feature of the P1 Scottish Grand Prix of the Sea event was the opportunity to showcase Inverclyde to a global TV audience through the broadcast partnership with Sky Sports. The TV broadcast was shown on a range of channels:

Flow (Carribbean) – 350,000 households

Fox Africa (Africa) – 1.5m households

Fox Europe (Italy, Netherlands, Turkey, Cyprus and Malta) – 14.2m households

Motors TV (pan-Europe) – 28.2m households

Nautical Channel; Yacht and sail and Acqua (worldwide in 37 countries) – 21m households

Sky Sports UK (United Kingdom) – 11m households

Mav TV (United States of America) – 550,000 households

TEN Sports (India) – 110m households

Magazine highlight shows are also scheduled on worldwide channels including Motorsport Mundial; Planet Speed and Max Power.

The media value is based on a combination of television, print, radio and digital coverage:

TV Broadcast value (race event - based on Repucom data)	£454,756
TV Broadcast value (branded boat - Repucom data)	£420,116
Radio (interviews, adverts, promotions)	£7,500
Impact relation (UK & USA - based on KPMG and Repucom estimates)	£250,000
Print and TV news media (programmes, interviews, PR race reports, promotions and news reports)	£32,500
Digital value (online reports, advertisements, promotions and videos)	£267,504
Total	£1,432,376

- 6.2 The event delivery impact covers operational expenditure across various categories including accommodation, travel, subsistence, hospitality and event operations.

The total number of P1 staff, crew and participants involved in the P1 Scottish Grand Prix of the Sea was 385 with a total number of hotel rooms (bed nights) at 724.

Based on the direct spend by P1 on accommodation, transport, marketing and sponsorship activity for P1 direct and their participants an event impact delivery value is estimated at £370,199.

- 6.3 In addition, a spectator impact figure has been calculated based on attendance travelling to the event. The calculations assume that 4% travelled and stayed overnight; 15% were day visitors and 81% were from Inverclyde. The spectator impact value is £529,100.
- 6.4 A combination of the media value (£1.4m); event delivery impact (£370,199) and Spectator impact (£529,100) delivers an overall event impact for the inaugural P1 Scottish Grand Prix of the Sea event of £2,331,675.
- 6.5 Overall the event in 2016 was very well organised and considered an outstanding success.

## **7.0 FUTURE EVENTS**

- 7.1 As part of the 2016 hosting agreement, Inverclyde Council and Riverside Inverclyde (ri) held the option of extending the hosting, based on successful delivery of the event, for a further two years.
- 7.2 It is recommended, subject to agreement, that Inverclyde Council and Riverside Inverclyde (ri) enter into agreement to co-host the P1 Scottish Grand Prix of the Sea in 2017 with the further option of hosting in 2018 subject to a further report after the event in 2017. Based on the event hosting agreement and additional costs incurred, hosting the event on a 50/50 basis with Riverside Inverclyde would cost:

Year	Event Hosting Fee	Event Management Costs	Inverclyde Council
2017	£65,000	£135,000	£100,000 (50%)

- 7.3 If the Council and Riverside Inverclyde (ri) agreed to co-host the P1 Scottish Grand Prix of the Sea event for 2017, it is proposed that themes are developed for the onshore activity to link in with the Visit Scotland themes. These are for 2017 History, Heritage and Archaeology and 2018 Young People.
- 7.4 This would mean the Inverclyde showcase onshore element would include, in 2017, events and entertainment focussed on Scotland and Inverclyde's History, Heritage and Archaeology with a particular focus on maritime history.
- 7.5 The inaugural P1 Scottish Grand Prix of the Sea event in 2016 was highly successful, achieving all of its agreed aims in terms of audience attendance, despite the weather on Sunday, and as an opportunity to showcase Inverclyde. Given the extremes of weather experienced over the two days, a component on the agreement for 2017 will include ensuring a realistic and achievable view of audience attendance over the course of the weekend taking into account the potential for inclement weather.
- 7.6 If agreed to host in 2017, the P1 Scottish Grand Prix of the Sea will help to continue the work of cementing Inverclyde's reputation as the Marine Leisure Capital of Scotland.

## **8.0 IMPLICATIONS**

- 8.1 Financial Implications - One off Costs



Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report £000	Virement From	Other Comments
Corporate Communications	Earmarked Reserves	2017/19	£100	£50,000 to be vired from the car park purchase allowance	£50,000 balance to come from the Council contingency subject to P&R approval

Financial Implications - Annually Recurring Costs/ (Savings)

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

8.2 Personnel: None

8.3 Legal: Should the recommendations in this report be approved, officers in Legal & Property Services will liaise with Corporate Communications, Riverside Inverclyde and P1 to enter into a formal renewal of the venue hosting agreement.

8.4 Equalities: None

## 9.0 BACKGROUND PAPERS

9.1 The Environment & Regeneration Committee - 16 June 2015. Powerboat P1 Event 2016.

Policy and Resources Committee - 11 August 2015. Powerboat P1 Event 2016 – Remit from Environment & Regeneration Committee.

**APPENDIX 1: VISUALS FROM THE INAUGURAL P1 SCOTTISH GRAND PRIX OF THE SEA.**  
Images courtesy of P1 Superstock and Greenock Telegraph



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>SL/LP/118/16</b>
<b>Contact Officer:</b>	<b>Sharon Lang</b>	<b>Contact No:</b>	<b>01475 712112</b>
<b>Subject:</b>	<b>Funding for Inverclyde's iYouth Zones – Remit from Education &amp; Communities Committee</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to request the Committee to consider a remit from the Education & Communities Committee.

## 2.0 SUMMARY

- 2.1 The Education & Communities Committee at its meeting on 6 September 2016 considered a report by the Corporate Director Education, Communities & Organisational Development (1) advising of the projected funding shortfall from 2016/17 onwards for iYouth Zone funding and (2) recommending the use of free reserves to fund iYouth Zones for 2017/18 with the funding beyond that to be considered as part of the overall review of community facilities.
- 2.2 A copy of the report to the Education & Communities Committee is attached as Appendix 1. This provides background information and information on the implications.
- 2.3 The Committee decided:
- (1) that agreement be given to the use of £180,000 from free reserves to meet the 2017/18 shortfall for iYouth Zones;
  - (2) that the matter be remitted to the Policy & Resources Committee for consideration; and
  - (3) that thereafter, consideration be given to the future funding of iYouth Zones as part of the wider review of community facilities.

## 3.0 RECOMMENDATION

- 3.1 The Committee is asked to consider the remit from the Education & Communities Committee.

<b>Report To:</b>	<b>Education and Communities Committee</b>	<b>Date:</b>	<b>06 September 2016</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>EDUCOM/54/16/JA</b>
<b>Contact Officer:</b>	<b>Maggie Paterson</b>	<b>Contact No:</b>	<b>01475715450</b>
<b>Subject:</b>	<b>Funding for Inverclyde's iYouth Zones</b>		

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## 1.0 PURPOSE

1.1 The purpose of this report is to:

- Advise members of the projected funding shortfall from 2016-2017 onwards for iYouth zone funding.
- Recommend the use of free reserves to fund iYouth Zones for 2017/18 with the funding beyond that to be considered as part of the overall review of community facilities.

## 2.0 SUMMARY

2.1 In June 2013, the CLD Youth Work Sub-Group secured £293,000 over 3 years, from the Big Lottery 'Our Place' funding stream. For a variety of reasons all of the funding will not be spent this financial year and Big Lottery has agreed that the balance can be carried forward into 2016-2017. The current projection is for an underspend of £23k at 31 March 2017.

2.2 In 2014 Earmarked Reserves of £271,000 were allocated to support the opening of iYouth Zones in Port Glasgow and Gourock. The Port Glasgow iYouth Zone opened in January 2015 followed by the Gourock iYouth Zone in September 2015.

2.3 The projected funding position for the 3 iYouth Zones from 2016/17 to 2018/19 is outlined in Appendix 1. This indicates a shortfall from 2017-2018 onwards.

2.4 It is proposed that the shortfall of £180k for 2017/18 is addressed through the use of free reserves, subject to agreement at committee, and that the continued provision of iYouth Zones beyond 2017/18 be considered as part of the overall review of community facilities.

## 3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee agree the use of £180k from free reserves to meet the 2017/18 shortfall for iYouth Zones, remit this issue to the Policy and Resources Committee for consideration and thereafter consider the future funding of iYouth zones as part of the wider review of Community Facilities.

## 4.0 BACKGROUND

- 4.1 In June 2013 Partners in the CLD Youth Work Sub-Group secured £293,000 over 3 years, from the Big Lottery 'Our Place' funding stream. Premises were identified in Nicolson Street, Greenock and the first iYouth Zone opened in November 2013. The success of the project and its positive impact on the lives of the young people attending stimulated interest in providing similar facilities in Gourock and Port Glasgow.
- 4.2 In November 2014, the Education & Communities Committee agreed a report on the Development of iYouth Zones in Gourock and Port Glasgow.

## 5.0 CURRENT POSITION

- 5.1 The iYouth Zones in all 3 facilities are now operating successfully. Both Greenock and Port Glasgow are operating to capacity. The newer iYouth Zone in Gourock is now established. See appendix 2 for an overview of current activity and participation across the 3 facilities.
- 5.2 The projected costs for the current provision for 2017/18 are £180k, rising to £208k the following year. (Appendix 1).

## 6.0 IMPLICATIONS

### Finance

6.1

#### Financial Implications:

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A	Free Reserves	2017/18	£180		

#### Annually Recurring Costs/ (Savings)

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

### Legal

6.2 None

### Human Resources

6.3 A decision is required this Committee cycle to allow staff affected to be given an adequate period of notice.

### Equalities

6.4 Age is a protected characteristic. An Equalities Impact Assessment will be required for any change to current provision.

## **Repopulation**

6.5 None

## **7.0 CONSULTATIONS**

7.1 Not applicable

## **8.0 BACKGROUND PAPERS**

8.1 None

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## **Appendix 2**

### **I YOUTHZones within Inverclyde**

Currently the activities and programmes within IYOUTHZones broadly fall into three categories – drop-in, 16+ targeted provision and structured groups.

#### Drop-in provision

These are open groups which provide a safe and supportive environment for young people to participate in youth work activities. This may include peer education work, youth achievement programmes, recreational activities, issue based workshops, active citizenship, etc.

#### 16+ Targeted provision

This provides support for older young people who may be transitioning into adulthood and the world of work or to further education. Work with these groups includes programmes around employability, skills development, democracy, personal /social and emotional development, etc.

#### Structured groups

These groups are formed round a particular issue or for a particular purpose such as the Inverclyde Youth Council and Inverclyde Young LGBT+ group.

The figures for Greenock and Port Glasgow cover the period April 2015 to March 2016. The Gourock figures cover the period September 2015 to March 2016.

The information below does not include a range of summer and holiday programmes which essentially means that the IYOUTHZones operate 50 weeks over the year. Both the Greenock and PG IYOUTHZones are now used to near capacity for daytime programmes provided for adults and community members by the CLD Service and other Partners.

### **Gourock I Youth Zone** (September 2015 to March 2016)

Membership: 82  
Drop-in footfall: 782

<b>Provision type</b>	<b>Frequency of Provision</b>	<b>Numbers attending</b>
Drop-in	3 x 3 hour sessions	March average per night = 12

		(now risen to average per night = 18)
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### Greenock IYOUTHZone

Membership: 537  
Drop-in footfall: 6777

Provision Type	Frequency of provision	Numbers attending
Drop in	4 x 2.5 hour evening sessions	Mon, Tues, Thurs = average 22 Fri = average 10 (now risen to 38 following targeting of P7 to S1 transition)
Drop-in 16+ targeted provision	4 x 3 hour sessions	Average = 22
Structured groups	Worxclub Steering Group, Youth Council, LGBT+	46 individual attendees 56 individual attendees

### Port Glasgow IYOUTHZone

Membership: 435  
Drop-in footfall: 5003

Provision type	Frequency of provision	Numbers attending
Drop in (S2 to S4)	2 x 3 hour sessions	Thurs S3 average = 23 Fri S2 average = 33
Drop in (transition group)	1 x 3 hour session	Tues P7/S1 average = 47
16+ targeted provision	1 x 3 hour session	S4+ average = 19
Structured groups	Young mums Study Support Group pilot Steering Group/Risky Behaviours	32 individual attendees 79 individual attendees 43 individual attendees

PG IYOUTHZone also provides a number of programmes in partnership with the PG Joint Campus, including Employability and volunteering group with 48 individual attendees to date.