Inverclyde
council

Municipal Buildings, Greenock PA15 1LY

Ref: RMcG/KB

Date: 5 September 2019

A meeting of the Policy & Resources Committee will be held on Tuesday 17 September 2019 at 3pm within the Municipal Buildings, Greenock.

GERARD MALONE
Head of Legal & Property Services

BUSINESS

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1.	**Apologies, Substitutions and Declarations of Interest**	**Page**
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2.	**Policy & Resources Capital Programme 2019/2023 – Progress Report** Report by Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	**p**
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5.	**2019/20 General Fund Revenue Budget as at 31 July 2019** Report by Chief Financial Officer	**p**
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NEW BUSINESS		
14.	**Procurement Policy – Request by Councillor C McEleny** Report by Corporate Director Environment, Regeneration & Resources	P
15. **	**2020/23 Revenue Budget Update** Report by Chief Financial Officer	
16. **	**Budget Consultation 2020/2023** Report by Head of Organisational Development, Policy & Communications	
17.	**Remembrance Sunday – Canadian Armed Forces' Involvement** Report by Head of Organisational Development, Policy & Communications	p
18.	**Travel and Subsistence Policy** Report by Head of Organisational Development, Policy & Communications	p
19.	**High Level Governance Review** Report by Head of Legal & Property Services	p
The documentation relative to the following items has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I of Schedule 7(A) of the Act as are set opposite the heading to each item.		
20.	**Review of Members' Support** **Para 1** Report by Head of Legal & Property Services on a review of Members' support outlining resources and tasks and providing comparative information from other Councils	p
21.	**Joint Collaboration - Audit and Fraud Services** **Paras 1 & 11** **Inverclyde and West Dunbartonshire Councils** Report by Corporate Director Environment, Regeneration & Resources on collaborative opportunities with Inverclyde and West Dunbartonshire Councils around internal audit and fraud services	p
REMITS FROM COMMITTEES		

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

Inverclyde
council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Chief Financial Officer and Corporate Director Environment, Regeneration & Resources**	**Report No:**	**FIN/84/19/AP/MT**
Contact Officer:	**Matt Thomson**	**Contact No:**	**01475 712256**
Subject:	**Policy & Resources Capital Programme 2019/2023 - Progress Report**		

1.0 PURPOSE

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

2.0 SUMMARY

2.1 This report updates the 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 2022/23 is £2.126m which means that the total projected spend is on budget.

2.3 Expenditure at 31 July 2019 is 18.86% of 2019/20 projected spend. Net advancement of £0.094m (22.65%) is being reported.

3.0 RECOMMENDATIONS

3.1 That the Committee notes current position of the 2019/23 Capital Programme, the reported net advancement and the progress on the specific projects detailed in the report and Appendix 1.

Alan Puckrin
Chief Financial Officer

Scott Allan
Corporate Director
Environment, Regeneration
& Resources

4.0 BACKGROUND

4.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which continued the core annual ICT allocation of £0.363m.

5.0 PROGRESS

5.1 **PC Refresh Programme** – ICT implements a six year desktop and laptop refresh strategy. Following the successful Schools Estate programme, the 2019/20 refresh programme has targeted laptop devices within the corporate estate targeting devices for staff within the Health and Social Care Partnership, particularly those staff required to work in a more flexible and mobile environment. To date in 2019/20 £0.072m has been spent through the Scottish Government National Framework for mobile devices. This represents the best overall value for the procurement of IT Equipment and guarantees supply and support of identified models for the period of the contract.

5.2 **Server and Switch Replacement** – Replacement or upgrade of the Council's central file storage services is currently being evaluated and will be implemented in line with a Cloud Migration Strategy to improve resilience and availability of systems in 2019/20.

5.3 **Whiteboard Projector/Refresh** – A number of whiteboard projectors within the school estate are coming to the end of their useful lifecycle or are no longer available for replacement in the event of equipment failure. Devices are replaced "as and when" they fail and are subject to budgetary availability. Migration away from traditional projector/screen configuration to all in one LED active panels, where possible is being investigated. £0.048m has been invested in this programme with £0.043m spend to date.

5.4 **Modernisation Fund** – As previously reported two Business Cases for investment as part of the Council's Digital Strategy have been approved by the Digital Access Group. More detail on progress is included in the ICT update later on the agenda.

6.0 FINANCIAL IMPLICATIONS

Finance

6.1 The figures below detail the position at 31 July 2019. Expenditure to date is £0.096m (18.86% of the 2019/20 projected spend).

6.2 The current budget for the period to 31 March 2023 is £2.126m. The current projection is £2.126m which means the total projected spend is on budget.

6.3 The approved budget for 2019/20 is £0.415m. The Committee is projecting to spend £0.509m with net advancement of £0.094m (22.65%) mainly due to advancement within the Rolling Replacement of PC's (£0.077m) and the Server & Switch Replacement Programme (£0.023m), offset by slippage within the Modernisation Fund of £0.06m.

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, Policy and Communications has not been consulted.

7.3 Equalities

Has an Equality Impact Assessment been carried out?

	Yes	See attached appendix

X	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.

7.4 Repopulation

There are no repopulation implications in this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Project Name	1	2	3	4	5	6	7	8	9
	Est Total Cost	Actual to 31/3/19	Approved Budget 2019/20	Revised Est 2019/20	Actual to 31/07/19	Est 2020/21	Est 2021/22	Est 2022/23	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environment, Regeneration & Resources									
ICT									
Storage/Backup Devices/Minor Works and Projects	65	24	41	41	8	0	0	0	0
Rolling Replacement of PC's	611	267	267	344	72	0	0	0	0
Whiteboard/Projector Refresh	10	5	5	5	2	0	0	0	0
Server & Switch Replacement Programme	228	114	91	114	14	0	0	0	0
Annual Allocation	1,089	0	0	0		363	363	363	0
ICT Total	**2,003**	**410**	**404**	**504**	**96**	**363**	**363**	**363**	**0**
Finance									
Modernisation Fund	123	112	11	5	0	6	0		
Finance Total	**123**	**112**	**11**	**5**	**0**	**6**	**0**	**0**	**0**
TOTAL	**2,126**	**522**	**415**	**509**	**96**	**369**	**363**	**363**	**0**

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Chief Financial Officer**	**Report No:**	**FIN/80/19/AP/MT**
Contact Officer:	**Matt Thomson**	**Contact No:**	**01475 712256**
Subject:	**2019/23 Capital Programme**		

1.0 PURPOSE

1.1 The purpose of the report is to provide the Committee with the latest position of the 2019/23 Capital Programme.

2.0 SUMMARY

2.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built on the previously approved 2018/21 Capital Programme.

2.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23.   The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.

2.3 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. As a result the Capital Programme is reporting a shortfall in resources of £2.437m which represents 3.51% of the 2019/23 resources.

2.4 It can be seen from Appendix 2 that as at 31 July 2019 expenditure in 2019/20 was 17.3% 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 slippage of 8.28% is currently being reported. This is due to slippage within the Environment & Regeneration Committee (£1.022m) and School Estate (£1.145m) offset by minor advancement within the Policy & Resources Committee (£0.094m). Officers are identifying areas where expenditure can be accelerated in order to reduce any slippage.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the current position of the 2019/23 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built upon the previously approved 2018/21 Capital Programme.

4.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23. The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.

4.3 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. As a result the Capital Programme is reporting a shortfall in resources of £2.437m which represents 3.51% of the 2019/23 resources.

5.0 CURRENT POSITION

5.1 Appendix 1 shows that over the 2019/23 period the Capital Programme is reporting a £2.437m deficit. This is considered to be within an acceptable level of up to 5% over provision.

5.2 The position in respect of individual Committees for 2019/20 is as follows:

Health & Social Care
No slippage is being reported with spend of £0.107m for the year to date.

Environment & Regeneration
Net slippage of £1.022m (8.16%) is being reported with spend of £1.258m for the year. Slippage is projected mainly within the Cremator replacement (£1.147m) however this is partially offset by minor advancements on various budgets across the RAMP and Property Services annual allocations.

Education & Communities
Net slippage of £1.145m (10.4%) is being reported with spend of £2.507m for the year. The slippage being reported is in connection with the pre-construction/design stage delays experienced on the Hillend Refurbishment project and the 1140hrs projects at Larkfield and Park Farm (Rainbow) which have been partially offset by projected acceleration of lifecycle expenditure.

Policy & Resources
Net advancement of £0.094m (22.65%) is being reported with spend of £0.096m for the year. The refresh is progressing well with potential further advancement in 2019/20.

5.3 Overall in 2019/20 expenditure is 17.3% of projected spend for the year and project slippage from the programme agreed in March 2019 is £2.073 million (8.28%). The Corporate Director, Environment, Regeneration and Resources will continue to work with the rest of the corporate Capital Programme officer group to identify ways which will reduce any further slippage and potentially advance projects.

6.0 CONSULTATION

6.1 This report reflects the detail reported to Service Committees.

7.0 IMPLICATIONS

Finance

7.1 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

7.2 There are no legal implications.

Human Resources

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

Equalities

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

Repopulation

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

8.0 BACKGROUND PAPERS

8.1 None.

Capital Programme - 2019/20 - 2022/23

Available Resources

	A	B	C	D	E	F
	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	9,390	8,100	8,100	8,100	-	33,690
Capital Receipts (Note 1)	282	543	148	95	-	1,068
Capital Grants (Note 2)	4,178	1,500	19	-	-	5,697
Prudential Funded Projects (Note 3)	4,227	3,999	463	332	230	9,251
Balance B/F From 17/18	17,735	-	-	-	-	17,735
Capital Funded from Current Revenue	1,108	933	233	-	-	2,274
	36,920	15,075	8,963	8,527	230	69,715

Overall Position 2019/23

	£000
Available Resources (Appendix 1, Column G)	69,715
Projection (Appendix 2, Column B-F)	72,152
(Shortfall)/Under Utilisation of Resources	(2,437)

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Sales	247	543	148	95	-	1,033
Contributions/Recoveries	35	-	-	-	-	35
	282	543	148	95	-	1,068

Note 2 (Capital Grants)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Early Years	2,200	1,500	-	-	-	3,700
Town Centre Fund	660	-	-	-	-	660
Cycling, Walking & Safer Streets	-	-	-	-	-	-
SPT	1,110	-	-	-	-	1,110
HES - Watt Complex	175	-	-	-	-	175
Big Lottery Fund	-	-	-	-	-	-
Electric Vehicles	33	-	19	-	-	52
Grant - Branchton Play Area						-
	4,178	1,500	19	-	-	5,697

Note 3 (Prudentially Funded Projects)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	5	-	-	-	-	5
Vehicle Replacement Programme	1,021	1,768	403	272	-	3,464
Greenock Parking Strategy	-	-	-	-	-	-
Asset Management Plan - Offices	-	11	-	-	-	11
Asset Management Plan - Depots	404	805		-	-	1,209
Capital Works on Former Tied Houses	1	40	60	60	230	391
Waterfront Leisure Complex Combined Heat and Power Plant	-	-	-	-	-	-
Leisure & Pitches Strategy	-	-	-	-	-	-
CCTV	-	-	-	-	-	-
Clune Park Regeneration	469	-	-	-	-	469
Neil Street Childrens Home Replacement	-	-	-	-	-	-
Crosshill Childrens Home Replacement	943	171	-	-	-	1,114
Modernisation Fund	-	-	-	-	-	-
Roads Asset Management Plan	1,384	1,204	-	-	-	2,588
	4,227	3,999	463	332	230	9,251

Capital Programme - 2019/20 - 2022/23

Agreed Projects

	A	B	C	D	E	F	G	H	I	J
Committee	Prior Years	2019/20	2020/21	2021/22	2022/23	Future	Total	Approved Budget	(Under)/ Over	2019/20 Spend To 31/07/2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	522	509	369	363	363	-	2,126	2,126	-	96
Environment & Regeneration	53,840	11,507	19,121	6,973	6,420	230	98,091	98,091	-	1,258
School Estate	5,367	8,378	8,722	2,212	2,900	-	27,579	27,579	-	1,662
Education & Communities (Exc School Estate)	248	1,485	900	280	141	-	3,054	3,054	-	845
HSCP	582	1,093	186	-	-	-	1,861	1,861	-	107
Total	60,559	22,972	29,298	9,828	9,824	230	132,711	132,711	-	3,968

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer**	**Report No:**	**FIN/78/19/AP/AE**
Contact Officer:	**Angela Edmiston**	**Contact No:**	**01475 712143**
Subject:	**Policy & Resources Committee 2019/20 Revenue Budget – Period 4 to 31 July 2019**		

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the 2018/19 Revenue Budget out-turn and the 2019/20 projected out-turn for the Policy & Resources Committee as at period 4, 31 July 2019.

2.0 SUMMARY

2.1 In 2018/19 the underspend was £1,925,000, details of which are shown in Section 5 of the report.

2.2 The major variances making up this underspend are as follows:
   a) Inflation & Pressures contingencies underspend returned to reserves £1,174,000.
   b) Internal Resource Interest over-recovery £343,000.
   c) £90,000 over-recovery of ICT income.
   d) £79,000 additional turnover savings.

2.3 The total revised Committee budget for 2019/20 is £17,026,000. This excludes Earmarked Reserves of £2,740,000.

2.4 The latest projection, excluding Earmarked Reserves, is an underspend of £1,067,000 (6.27%).

2.5 The main reasons for this underspend are:
   a) £250,000 projected underspend of non-pay inflation contingency
   b) £500,000 projected underspend of pay inflation contingency
   c) £250,000 over recovery of Internal Resource Interest

2.6 The Earmarked Reserves for 2019/20 totals £2,740,000 of which £1,662,000 is projected to be spent in the current financial year. To date expenditure of £139,000 (8.36%) has been incurred which is £31,000 less than 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 a surplus fund balance at 31 March 2020 of £75,130.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the 2018/19 Revenue Budget out-turn and the 2019/20 projected underspend of £1,067,000 for the Policy and Resources Committee as at Period 4, 31 July 2019.

3.2 It is recommended that the Committee notes the projected 2019/20 surplus of £48,600 for the Common Good Fund.

3.3 It is recommended that the Committee approve the virement detailed in Appendix 6.

Aubrey Fawcett   Alan Puckrin
Chief Executive   Chief Financial Officer

Ruth Binks   Scott Allan
Corporate Director   Corporate Director
Education, Communities   Environment, Regeneration &
& Organisational Development   Resources

4.0 BACKGROUND

4.1 The purpose of this report is to advise the Committee of the current position of the 2019/20 budget as well as the 2018/19 out-turn and to highlight the main issues contributing to the underspend of £1,925,000 in 2018/19 and projected underspend of £1,067,000 in 2019/20.

5.0 2018/19 OUT-TURN

5.1 The main variations from budget in 2018/19 were:

	Revised Budget 2018/19	Out-turn 2018/19	Variance to Budget	Variance to Budget	Movement since P11 Outturn Projection
	£000	£000	£000	%	£000
Finance	7,701	7,327	(374)	(4.85)	(168)
Legal & Property Services	1,701	1,707	6	0.35	(26)
Total Net Expenditure Environment, Regeneration & Resources	**9,402**	**9,034**	**(368)**	**(3.91)**	**(194)**
Organisational Development, Human Resources & Communications	1,995	1,992	(3)	(0.15)	4
Total Net Expenditure Education, Communities & Organisational Development	**1,995**	**1,992**	**(3)**	**(0.15)**	**4**
Chief Executive	339	312	(27)	(0.79)	(2)
Miscellaneous	7,179	5,652	(1,527)	(21.27)	(955)
TOTAL NET EXPENDITURE	**18,915**	**16,990**	**(1,925)**	**(10.17)**	**(1,147)**
Earmarked reserves	(350)	(350)	0	0	0
Total Net Expenditure (Excluding Earmarked Reserves)	**18,565**	**16,640**	**(1,925)**	**(10.36)**	**(1,147)**

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

Finance - £374,000 underspend (£168,000 increase in underspend since P11)

Employee Costs: Final outturn is £67,000 underspend due to additional turnover savings being achieved. This is a £6,000 reduction in costs since last reported to the Committee.

Admin Costs: £40,000 underspend mainly due to a £35,000 overspend within Legal Expenses Sheriff Officer, offset within income. Various underspends being projected, which include £27,000 for ICT corporate calls and £25,000 postage costs within Revenues following a move to increased electronic communication. Overall decrease in spend of £47,000 since last reported to the Committee.

Other Expenditure: An overspend of £17,000 projected to the Committee mainly due to £35,000 reduction in Bad Debt Provision due to the reduced amount of Housing Benefit debt now raised due to Universal Credit, offset by under-recovery in income. Also £28,000 underspend due to the Universal Support payment to River Clyde Homes being less than budget. Overall increase in spend of £89,000 since last reported to the Committee.

<u>Income:</u> An over-recovery of £210,000 is being projected. This is mainly due to a £19,000 over-recovery within Legal fee income and £34,000 ICT income for Line Rental charges which are offset within Admin Costs. Also £118,000 over-recovery in Housing Benefit recoveries which is largely offset by a reduced Bad Debt Provision.

In addition, one-off income of £28,000 within ICT received from Education PEF funding and other ICT service charges and £44,000 over Recovery within Revenues mainly due to additional one-off grant funding from the DWP. Partially offset by an under recovery of prior years' Council Tax Income of £46,000.

<u>Legal & Property - £6,000 overspend (decrease of £26,000 since P11)</u>

<u>Income:</u> Final outturn is £44,000 over-recovery. This is an increase in income of £69,000 since last reported to Committee mainly due to £25,000 licensing recharge and £35,000 employee recharge off-set within employee costs.

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

<u>Organisational Development, H.R. & Communications - £3,000 underspend (increase of £4,000 since P11)</u>

Various projected overspends all of which are below £10,000.

5.4 The following material variances relate to the Miscellaneous budget.

<u>Miscellaneous – £1,527,000 underspend (£955,000 increase in underspend since P11)</u>

<u>Non-Pay Inflation Contingency</u>: Final underspend of £804,000 based on actual calls on inflation contingency. Increase in underspend of £76,000 since last reported to the Committee. Non-Pay Inflation Contingency reduced by £497,000 in 2019/20 budget and is to be reviewed as part of the 2020/21 Budget process.

<u>Pay Inflation Contingency</u>: Final underspend of £370,000 due to lower than anticipated requirements, mainly auto-enrolment costs being contained within the Service. Increase in underspend of £634,000 since last reported to the Committee.

<u>Internal Resource Interest:</u> Final out-turn is £343,000 over-recovery. This is an increase of £243,000 since reported at the Committee. A review of this budget was undertaken as part of the 2019/20 budget process and the recovery target was increased by £100,000 with a further increase being proposed for 2020/21.

6.0 2019/20 CURRENT POSITION

6.1 The current projection is an underspend of £1,067,000. The following are the material variances:

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

<u>Finance - £91,000 underspend</u>

<u>Employee Costs:</u> £39,000 projected underspend mainly due to additional turnover savings.

<u>Other Expenditure:</u> An underspend of £30,000 across various overhead budgets all under £10,000.

Income: An over-recovery of £25,000 is being projected. This is due to various minor over-recoveries all under £10,000.

Legal & Property - £2,000 underspend

Projected underspends are all below £20,000.

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

Organisational Development, H.R. & Communications - £16,000 overspend

Various projected overspends, all of which are below £10,000.

6.4 The following material variances relate to the Miscellaneous budget.

Miscellaneous – £1,000,000 underspend

Non-Pay Inflation Contingency: There is a projected underspend of £250,000 based on current estimated calls on inflation contingency.

Pay Inflation: Currently projecting £500,000 underspend due to a reduced call on Teachers Pay Inflation than originally estimated due to Scottish Government contribution and Auto enrolment costs now contained within the Service.

Internal Resource Interest: Projecting a £250,000 over-recovery of income based on 2018/19 out-turn after a budget increase of £100,000 in 2019/20. The projected over-recovery will be considered as part of the 2020/23 draft budget.

6.5 The position relates to the Chief Executive budget.

Chief Executive – £10,000 overspend

Projected variances are all below £10,000.

7.0 VIREMENT

7.1 The Committee is asked to approve the virement of £43,000, no net impact within the Policy & Resources Committee, as detailed in Appendix 6. Virement has been reflected within this report.

8.0 EARMARKED RESERVES

8.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding is £2,740,000 of which £1,662,000 is projected to be spent in 2019/20 and the remaining balance of £1,078,000 to be carried forward to 2020/21 and beyond. It can be seen that expenditure of £139,000 has been achieved which is £31,000 less that the phased budgeted spend to date and represents 8.36% of the annual projected spend.

A further £500,000 was agreed at the August Policy & Resources Committee for a Spend to Save Earmarked Reserve with the majority of spend being incurred in future years.

9.0 COMMON GOOD FUND

9.1 The Common Good Fund is projecting a surplus in 2019/20 of £48,600.

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 That the Committee note the 2018/19 Revenue Budget out-turn and the 2019/20 projected underspend of £1,067,000 for the Policy and Resources Committee as at Period 4, 31 July 2019.

13.0 BACKGROUND PAPERS

13.1   There are no background papers for this report.

Policy & Resources Budget Movement - 2019/20

Period 4: 1st April - 31st July 2019

Service	Approved Budget 2019/20 £000	Movements Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	Revised Budget 2019/20 £000
Finance	7,933	70			(300)	7,703
Legal	1,860					1,860
Organisational Development, HR & Communications	2,061					2,061
Chief Exec	318					318
Miscellaneous	6,053	(969)				5,084
Totals	18,225	(899)	0	0	(300)	17,026

Supplementary Budget Detail   £000

Inflation
Miscellaneous Inflation breakdown:
Miscellaneous Pay Inflation	(731)
Miscellaneous Non Pay Inflation	(238)
Finance - Various annual inflationary increases	70
	(899)

Total Inflation & Virements   **(899)**

POLICY & RESOURCES   Appendix 2

REVENUE BUDGET MONITORING REPORT

CURRENT POSITION

PERIOD 4: 1st April 2019- 31st July 2019

2018/19 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000
9,075	Employee Costs	8,685	8,675	8,657	(18)
534	Property Costs	564	563	564	1
673	Supplies & Services	932	986	996	10
3	Transport & Plant	4	4	4	0
1,503	Administration Costs	1,345	1,335	1,326	(9)
33,812	Payments to Other Bodies	36,048	35,054	34,279	(775)
(32,147)	Income	(29,353)	(29,291)	(29,567)	(276)
13,454	**TOTAL NET EXPENDITURE**	**18,225**	**17,326**	**16,259**	**(1,067)**
	Earmarked reserves		(300)	(300)	0
13,454	**Total Net Expenditure excluding Earmarked Reserves**	**18,225**	**17,626**	**16,559**	**(1,067)**

2018/19 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000
7,278	Finance	7,933	8,004	7,913	(91)
1,772	Legal Services	1,860	1,860	1,858	(2)
9,050	**Total Net Expenditure Environment, Regeneration & Resources**	**9,793**	**9,864**	**9,771**	**(93)**
2,075	Organisational Development, Human Resources & Communications	2,061	2,061	2,077	16
2,075	**Total Net Expenditure Education, Communities & Organisational Development**	**2,061**	**2,061**	**2,077**	**16**
321	Chief Executive	318	318	328	10
2,007	Miscellaneous	6,053	5,084	4,084	(1,000)
13,454	**TOTAL NET EXPENDITURE**	**18,225**	**17,326**	**16,259**	**(1,067)**
	Earmarked reserves		(300)	(300)	0
13,454	**Total Net Expenditure excluding Earmarked Reserves**	**18,225**	**17,626**	**16,559**	**(1,067)**

	Approved Reserves £000	Revised Reserves £000	19/20 Budget £000	Projected Spend £000	Projected Carry Forward £000
Earmarked Reserves	14,994	16,964	3,992	3,992	12,972
CFCR	0	450	450	450	0
Policy & Resources Overall Expenditure	**14,994**	**17,414**	**4,442**	**4,442**	**12,972**

POLICY & RESOURCES

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)

PERIOD 4: 1st April 2019- 31st July 2019

Outturn 2018/19 £000	Budget Heading	Budget 2019/20 £000	Proportion of Budget £000	Actual to 31/07/19 £000	Projection 2019/2020 £000	Over/(Under) Budget £000
	Finance/ICT					
5,178	Employee Costs	5,300	1,671	1,658	5,261	(39)
10	Supplies & Services - Computer Software	3	2	7	23	20
0	PTOB - Payments to Other Bodies	46	8	0	16	(30)
	Legal Services					
	No material variances					0
	Miscellaneous					
1,651	Non-pay Inflation Contingency	2,602	20	20	2,352	(250)
3,423	Pay Inflation Contingency	1,042	5	5	542	(500)
(493)	Internal Resource Interest	(250)	0	0	(500)	(250)
9,769	**TOTAL MATERIAL VARIANCES**	**8,743**	**1,706**	**1,690**	**7,694**	**(1,049)**

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Project	Lead Officer/ Responsible Manager	Total Funding 2019/20 £000	Phased Budget To Period 4 2019/20 £000	Actual To Period 4 2019/20 £000	Projected Spend 2019/20 £000	Amount to be Earmarked for 2020/21 & Beyond £000	Lead Officer Update
Digital Strategy	Alan Puckrin	197	40	35	139	58	KANA upgarde and Revenues citizens access progressing.
Welfare Reform - Operational	Alan Puckrin	229	21	19	76	153	Being used to pay for additional temporary employees to address workload demands
Budget Development	Alan Puckrin	26	0	0	14	12	£22k of uncommitted projects to date, £10k of which will be spent in 2019/20.
2013/18 Revenue Contingency	Alan Puckrin	73	0	0	35	38	Projects to date include £10k Jewish Heritage Centre, £5k for Gourock Highland Games & £9k for The Great Get Together. Total uncommitted funds in 2019/20 of £22k.
Anti-Poverty Fund	Alan Puckrin	1,302	100	77	515	787	Wi Fi in Community Centres being progressed. Update on progress with other spend included in the September Welfare Reform update
GDPR	Gerry Malone	67	1	1	37	30	Estimated spend of £37k this financial year on training, ICT requirements, storage and CPD.
Develop Pay & Grading Model	Steven McNab	16	8	7	16	0	Staffing resources to assist with the develpoment and implementation of pay and grading Model. Grade H (22.75hrs) to 31/10/19.
Pay & Grading Model - Funding for 2019/20	Alan Puckrin	830	0	0	830	0	To fund implementation of new pay and grading model from 2019/20.
Total Category C to E		**2,740**	**170**	**139**	**1,662**	**1,078**	

COMMON GOOD FUND

REVENUE BUDGET MONITORING REPORT 2019/20

PERIOD 4 : 1st April 2019 to 31st July 2019

		Final Outturn 2018/19	Approved Budget 2019/20	Budget to Date 2019/20	Actual to Date 2019/20	Projected Outturn 2019/20
PROPERTY COSTS		**26,190**	**22,000**	**7,300**	**22,980**	**29,000**
Repairs & Maintenance		6,260	9,000	3,000	340	9,000
Rates	1	18,690	12,000	4,000	22,640	20,000
Property Insurance		1,240	1,000	300		0
ADMINISTRATION COSTS		**15,690**	**7,700**	**4,500**	**790**	**7,700**
Sundries		9,490	1,500	500	790	1,500
Commercial Rent Management Recharge		2,200	2,200	0		2,200
Recharge for Accountancy		4,000	4,000	4,000		4,000
OTHER EXPENDITURE		**64,940**	**79,100**	**44,400**	**43,140**	**74,100**
Christmas Lights Switch On		10,500	10,500	0		10,500
Gourock Highland Games		29,400	29,400	29,400	29,400	29,400
Armistice Service		6,930	8,300	0	440	8,300
Comet Festival		13,300	13,300	13,300	13,300	13,300
Fireworks		450	12,600	0		12,600
Society of the Innocents Rent Rebate		3,820	5,000	1,700	0	0
Bad Debt Provision		540				0
INCOME		**(125,960)**	**(135,440)**	**(45,200)**	**(37,570)**	**(159,400)**
Property Rental		(168,950)	(168,950)	(56,300)	(47,590)	(168,950)
Void Rents	2	43,140	34,010	11,300	10,020	45,050
Internal Resources Interest		(150)	(500)	(200)		(500)
Disposal of Land						(35,000)
NET ANNUAL EXPENDITURE		**(19,140)**	**(26,640)**	**11,000**	**29,340**	**(48,600)**
EARMARKED FUNDS		**0**	**0**	**0**	**0**	**0**
TOTAL NET EXPENDITURE		**(19,140)**	**(26,640)**	**11,000**	**29,340**	**(48,600)**

Fund Balance as at 31st March 2019 26,530

Projected Fund Balance as at 31st March 2020 75,130

Notes:

1 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.

2 Current Empty Properties are:

Vacant since:

12 Bay St	April 2015, currently being marketed
6 John Wood Street	January 2019
10 John Wood Street	August 2018
15 John Wood Street	June 2017, currently being marketed
17 John Wood Street	March 2014, currently being marketed
74 Port Glasgow Road	September 2012

POLICY AND RESOURCES COMMITTEE

VIREMENT REQUESTS

Budget Heading		Increase Budget		(Decrease) Budget
		£		£
Legal Expenses - Sheriff Officer		43,000		
Legal Fees Income				(43,000)
Total		**43,000**		**(43,000)**

Note

Reason for virement:
£43,000 to be vired with the Revenues & Benefits Services to realign budgets with expenditure and income.

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Chief Financial Officer**	**Report No:**	**FIN/79/19/AP/AE**
Contact Officer:	**Alan Puckrin**	**Contact No**:	**01475 712223**
Subject:	**2019/20 General Fund Revenue Budget as at 31 July 2019**		

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 July 2019 and to update the Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

2.0 SUMMARY

2.1 The Council approved the 2019/20 Revenue Budget in March 2019 and at this meeting agreed to utilise £0.83m of free reserves to fund the 2019/20 Pay and Grading Model.

2.2 It can be seen from Appendix 1 that as at 31 July 2019 the General Fund is projecting a £1.230 million underspend (excluding Health & Social Care Directorate) which represents 0.64% of the net Revenue Budget. This is mainly due to:

- Release of non-pay inflation not required (£250,000)
- Release of pay inflation not required (£500,000)
- Projected over recovery Internal Resources Interest (£250,000)

2.3 From Appendix 1 it can be seen that three Service Committees are currently projecting underspends. The Education and Communities Committee is currently projecting an overspend within various education budgets; Non-Teacher employee costs, Contract Catering recharge and Pupil Travel. The Health and Social Care Partnership is currently projecting an underspend, however any resulting underspend will be retained by the Integration Joint Board.

2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Funding Models, it can be seen that as at 31 July 2019 expenditure totalled £0.930 million which equates to 15.50% of the planned spend in 2019/20. It can also be seen from Appendix 2 that at 31 July 2019 actual expenditure is 4.52% less than phased budget.

2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 July 2019 is £5.928 million which is £2.128 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 21 March 2019.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the latest position of the 2019/20 Revenue Budget and General Fund Reserves.

3.2 It is recommended that the Committee notes that the use of any Free Reserves will be considered as part of the 2020/23 budget process.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council approved the 2019/20 Revenue Budget in March 2019. At this meeting the Council approved £0.83m use of free reserves to fund the Pay and Grading Model for 2019/20.

5.0 POSITION AS AT 31 JULY 2019

5.1 It can be seen from Appendix 1 that as at 31 July 2019 the General Fund is projecting an underspend of £1.230 million which equates to 0.64% of the net General Revenue Fund Budget.

5.2 Appendix 1 shows that three Service Committees are currently projecting an underspend with the Education and Communities Committee projecting an overspend.

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

Policy & Resources Committee – Projected underspend of £1,067,000 (6.27%) mainly due to release of non-pay and pay inflation contingency not required and a projected over recovery of Internal Resources Interest. Both these underspends will be considered as part of the 2020/23 budget setting.

Environment & Regeneration – Projected underspend of £66,000 (0.28%) mainly due to additional turnover savings partially off-set by an increase in agency costs.

Education & Communities – Projected overspend of £199,000 (0.23%) mainly due to overspends within various education budgets; Non-Teacher employee costs, Contract Catering recharge and Pupil Travel. Also overspends within Libraries and Museums employee costs and a projected shortfall in library & Museum income mainly due to continued closure of Museum shop during refurbishment period.

Health & Social Care – Projected underspend of £513,000 (1.02%) mainly due to additional turnover savings and surplus budget that has been identified within the Directorate to fund the proposed Learning Disability Hub. A request to earmark £526,000 for the new Learning Disability Hub has been proposed to the Integration Joint Board.

5.4 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 provides 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 Funding Models.

5.5 As at 31 July 2019 the Council has spent £0.930 million against a phased budget target of £0.974 million. This represents 4.52% less than the target and spend equates to 15.50% of the projected spend for 2019/20. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee.

5.6 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected unallocated balance at 31 March 2019 is £5.928 million which is £2.128 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meetings 21 March 2019. At the meeting, the Council approved the allocation of £4.0 million of free reserves to various investment proposals. At the Policy and Resources Committee on 6 August 2019 the Committee approved the use of £500,000 of free reserves to set up a spend to save earmarked reserve for the 2020/23 budget process. This is reflected in Appendix 3 and the remaining free reserve balance will be considered as part of the 2020/23 budget process.

6.0 CONSULTATION

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

7.0 IMPLICATIONS

7.1 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

7.2 Legal

There are no legal implications arising from this report.

7.3 Human Resources

There are no HR implications arising from this report.

7.4 Equalities

There are no equality implications arising from this report.

7.5 Repopulation

There are no repopulation implications arising from this report.

8.0 BACKGROUND PAPERS

8.1 None

Policy & Resources Committee

Revenue Budget Monitoring Report

Position as at 31st Jul 2019

Committee	Approved Budget 2019/2020	Revised Budget 2019/2020	Projected Out-turn 2019/2020	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	18,225	17,026	15,959	(1,067)	(6.27%)
Environment & Regeneration	23,895	23,900	23,834	(66)	(0.28%)
Education & Communities **(Note 1)**	88,362	86,119	86,318	199	0.23%
Health & Social Care	50,529	50,529	50,016	(513)	(1.02%)
Committee Sub-Total	**181,011**	**177,574**	**176,127**	**(1,447)**	**(0.81%)**
Loan Charges (Including SEMP)	12,075	16,807	16,807	0	0.00%
Savings Achieved Early **(Note 2)**	46	46	0	(46)	(100.00%)
Saving Approved yet to be allocated **(Note 3)**	(128)	(128)	(128)	0	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	1,471	1,471	0	0.00%
Total Expenditure	**192,764**	**195,530**	**194,037**	**(1,493)**	**(0.76%)**
Financed By: General Revenue Grant/Non Domestic Rates	(160,575)	(163,341)	(163,341)	0	0.00%
Contribution form General Reserves	(830)	(830)	(830)	0	0.00%
Council Tax	(31,359)	(31,359)	(31,609)	(250)	100.00%
Integration Joint Board - Increase in Reserves	0	0	513	513	100.00%
Net Expenditure	**0**	**0**	**(1,230)**	**(1,230)**	

Note 1 - Reduction reflects loans charges and earmarked reserves.
Note 2 - Early acheivement of savings removed from Education and Committee budget.
Note 3 - Approved saving to be removed from Service Committee budgets.

Earmarked Reserves Position Statement

Summary

Committee	Total Funding 2019/20	Phased Budget to 31 July 2019	Actual Spend To 31 July 2019	Variance Actual to Phased Budget	Projected Spend 2019/20	Earmarked 2020/21 & Beyond		2019/20 %age Spend Against Projected	2019/20 %age Over/(Under) Spend Against Phased Budget
	£000	£000	£000	£000	£000	£000		£000	£000
Education & Communities	1,061	233	233	0	607	454		38.39%	0.00%
Health & Social Care	2,220	438	425	(13)	2,015	205		21.09%	(2.97%)
Regeneration & Environment	4,659	133	133	0	1,716	2,943		7.75%	0.00%
Policy & Resources	2,740	170	139	(31)	1,662	1,078		8.36%	(18.24%)
	10,680	974	930	(44)	6,000	4,680		15.50%	(4.52%)

Actual Spend v Phased Budget   **Behind Phasing =**   **(£44k)**   **(4.52%)**

GENERAL FUND RESERVE POSITION
Position as at 31/07/19

	£000	£000
Projected Balance 31/03/19		9198
Projected Surplus/(Deficit) 2019/20	1230	
Contribution to/(from) General Fund Reserves **Note 1**	0	
		1230
Approved Use of Free Reserves (March 2019) **Note 2**		(4000)
Approved Use of Free Reserves (August 2019)		(500)
Projected Unallocated Balance 31/03/20		**5928**

Minimum Reserve required is £3.8 million

Note 1 No contribution from reserves was required when setting 2019/20 Revenue Budget.

Note 2 (Use of Reserves)

Grieve Road Community Centre	200
Youth Connections Burns Square building repairs	100
Year of Young People Legacy Fund	100
Refurbishment Wemyss Bay Community Centre	100
Incorporate 'Equally Safe'	10
Extended opening of Gourock Pool - 2019	15
IL - PG Pool spend to save proposal	150
Clune Park Area Regeneration Plan	850
Roads Defects & Drainage	200
Purchase of King Street Carpark & Ground floor of Hector McNeil House	325
Play Area Strategy	250
Allocation for a Safer Streets Initiative	150
Seed Funding for active travel within Inverclyde	50
Establish a conservation area and listed building grant	80
Repaint and carry out essential repairs to the Comet	50
Drumshantie Road Carpark	80
Resurface Auchneagh Farm Lane	10
2019/23 Capital Programme	450
Pay & Grading Model - Funding for 2019/20	830
	4000

Inverclyde council

Report To:	Policy & Resources Committee	**Date:**	17 September, 2019
Report By:	Chief Financial Officer	**Report No:**	FIN/85/19/AP/FM
Contact Officer:	Alan Puckrin	**Contact No:**	01475 712223
Subject:	Welfare Reform Update		

1.0 PURPOSE

1.1 The purpose of this report is to provide an update to the Committee on recent developments in respect of Welfare Reform.

2.0 SUMMARY

2.1 The number of Universal Credit claimants increased to 5900, the highest level to date. The DWP is taking a slow and measured approach to moving people from legacy benefits with the "Move to UC" project which commenced in Harrogate in July 2019. In the meantime policy amendments and legal challenges are taking effect; the report contains the most recent.

2.2 SWF is projecting an overspend against resources allocated by the Government. Indications in the first 4 months are that this is to a lesser degree than in previous years. The overspend will be contained in the extra £100,000 allocated annually by the Council to support SWF payments. DHP applications under new categories introduced as a result of an increased allocation are being promoted actively through the Financial Inclusion Partnership.

2.3 A Menu for Change: Cash, Rights, Food project funded by Oxfam, Child Poverty Action Group in Scotland amongst others, examined the delivery of the Scottish Welfare Fund and the role it plays for those who run out of money for food. Inverclyde's SWF service is one of 3 Councils whose performance is in the top set of 5 of the report's 6 performance measures. Inverclyde's performance and how it compares against the key findings and recommendations are included in the appendices.

2.4 Social Security Scotland continues to introduce new devolved benefits and grants with the Young Carer Grant and Funeral Expense Assistance in the coming months. Best Start Grant data has been published and is contained within the report.

2.5 Expanded qualifying criteria for Education benefits have been introduced. At 31 July 2019, 194 additional families (300 pupils) received School Clothing Grants of £145, the highest grant in Scotland, and Free School Meals as a result of the raised income threshold.

2.6 Five organisations external to the Council were supported by the Anti-Poverty fund of £147,000 during 2018-19. Outcomes from the funding are contained within the report

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the latest update regarding the impact of Welfare Reform within Inverclyde.

  Alan Puckrin
  Chief Financial Officer

4.0 BACKGROUND

4.1 Inverclyde became one of the first areas in Scotland to implement Universal Credit Full Service (November 2016). The Committee has received reports each cycle on the impact of this and other Welfare Reforms.

4.2 The Council leads a multi-agency Welfare Reform Project Board and the updates to the Committee contain matters discussed and progressed by officers.

5.0 UNIVERSAL CREDIT

5.1 There are 5918 UC claimants in Inverclyde as of July 2019, the highest level to date (Appendix1).

5.2 Since the last update report, the "Move to UC" pilot to move people from legacy benefits to Universal Credit started in Harrogate and will run until late 2020. DWP is taking a distinctly cautious approach, working with local services to identify and ask legacy benefit claimants to participate in the pilot to get ready for Universal Credit and then to be invited to claim. Preparing for UC includes tackling literacy, budgeting and other related needs to ensure a smooth transition. A review will be carried out when 100 new UC claims have been made. Expansion processes will be developed based on the Harrogate experience and will be developed further when the project moves to other areas with different demographic structures and different local provision. Evaluation of 10,000 cases will be reported to Parliament. The new proposed end date for the full UC programme including a new 6 month "contingency period" is June 2024.

5.3 People who received the severe disability premium (SDP) before they moved to Universal Credit lost up to £405 each month. Following successful legal challenge, Regulations are now in place to address the loss and make compensatory Transitional Payments that reflect the SDP to which they were previously entitled and covering the time that has elapsed since. Claims will be worked on in date order and DWP estimates that approximately 45,000 claimants will receive this support, worth an estimated £600 million over the next six years. The National Association of Welfare Rights Advisors has written to the Director General of the Universal Credit Programme expressing concern however about Transitional Payment not fully compensating for losses incurred in some situations, citing an example of a monthly shortfall of £68.

5.4 Prior to 15 May 2019, couples where one party reached the qualifying age for State Pension Credit could claim Pension Credit and pension age Housing Benefit or they could choose to remain on working age benefits if they were better off doing so. This choice has been removed meaning mixed age couples must instead claim Universal Credit until the younger of the 2 reaches pension age. The Institute for Fiscal Studies expects that once the policy is fully in place, households will lose on average £4,500 per year, saving the Government just over £1 billion a year. Couples with active Pension Credit and pension age Housing Benefit claims before 15 May 2019 are protected from the new rules and can continue to claim these benefits for as long as their circumstances remain the same. The numbers affected this year are expected to be low but will increase over the next few years as the qualifying age for state pension increases. Eligibility and payment of State Retirement Pension remains unchanged.

5.5 DWP statistics, 'Child Tax Credit and Universal Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2019', were published on July 31 2019. The figures show that almost 600,000 children are living in households affected by the two-child policy, limiting reserved welfare benefit support to 2 children. The number of affected households is 161,000; 59% were classified as 'in work' households; and 40% were single adult households.

5.6 On 1 August 2019 a further set of DWP statistics was published, 'Benefit Cap: number of households capped to May 2019.' There are 25 Housing Benefit claimants in Inverclyde whose benefit is capped and "up to 30" UC claims. Discretionary Housing Payment is available to help with housing costs and it continues to be promoted actively by the Housing Benefit service and the Financial Inclusion Partners.

6.0 DISCRETIONARY HOUSING PAYMENTS

6.1 Appendix 2 shows that expenditure on the Social Sector Size Criteria up to 31 July 2019 was £1.047 million exceeding the Scottish Government's projection by £0.015 million. The Scottish Government is committed to meeting the shortfall.

6.2 The allocation for other purposes for 2019/20 increased by 48% to £178,355. New DHP categories were introduced following agreement by Members in May 2019 increasing the qualifying threshold for excess weekly income above essential expenditure from less than £20 to less than £50 and supporting private rented sector claimants subject to Local Housing Allowance restrictions who are in "exceptional circumstances". Total expenditure on DHP for other purposes at 31 July 2019 was £89,000. Applications approved within the new categories is low but is expected to increase since being promoted throughout the Financial Inclusion Partnership.

7.0 SCOTTISH WELFARE FUND

7.1 Appendix 3 shows that expenditure to date was £228,000. The service anticipates spending all of the 2019/20 core allocation (£670,985) supplemented by an element of the £100,000 annual funding allocated by the Council. Officers will continue to monitor the level of the supplementary Council funding for SWF.

7.2 The delivery and administration of the Scottish Welfare Fund was examined by "A Menu for Change: Cash, Rights, Food", a three year project funded by Oxfam, Child Poverty Action Group in Scotland amongst others, aimed to improve Scotland's response to food insecurity. The project's overarching objective is to support a reduction in the need for emergency food aid by encouraging national and local action to prevent food insecurity and enhance and evolve the response for those experiencing crisis.

7.3 The project published the report "The Scottish Welfare Fund: Strengthening the Safety Net; A Study of Best Practice" which concludes that the best way to do this is to promote and improve the accessibility of high quality advice services and cash-based responses available to those who run out of money for food.

7.4 Senior managers, team leaders and decision makers within 11 Councils including Inverclyde were interviewed to get an in-depth understanding of how each SWF is organised and administered. The project supplemented these findings with data published by the Scottish Government. Councils were categorised into one of 3 groups according to the size of their service. Inverclyde is the top performing Council in the largest group of 23 Councils and is one of 3 Councils whose performance is in the top set of 5 of the 6 performance measures.

7.5 The report concludes that there is a clear shortfall in administrative funding provided to local authorities by the Scottish Government and without additional funding local authorities will be unable to administer their funds appropriately or offer a high-quality service to some of the most vulnerable people in Scotland. Furthermore, it highlights that if local authorities are going to advertise and remove all existing barriers to people applying for crisis support, the programme budget will undoubtedly require further investment due to the anticipated increased demand.

7.6 Inverclyde Council recognises the necessity of the SWF and has supplemented administration funding by £49k and programme funding by £100k on a recurring basis.

7.7 Appendix 4 shows Inverclyde's performance and how it compares against the key findings and recommended actions from the report.

8.0 SOCIAL SECURITY SCOTLAND

8.1 The Scottish Government released Best Start Grant data covering the period from the launch of the new grants in December 2018 up to 31 May 2019. There were 560 approved applications for Inverclyde residents with payment of £103,800 for the Pregnancy and Baby Payment and £73,500 Early Learning Payment. The School Age Payment will be reported in the next release of

statistics.

8.2 The Scottish Government will introduce by Autumn 2019 a Young Carer Grant (YCG) - an annual one off payment of £300 to all 16 to 18 year olds who spend 16 hours or more a week caring for people entitled to qualifying disability benefits. The definition of care encompasses examples of emotional and psychological aspects of care and enables young carers to combine hours spent caring for up to three cared for persons in order to satisfy the 16 hour requirement. The Scottish Government is investing £600,000 to support nearly 2000 young carers in Scotland in 2019/20.

8.3 On 26 June 2019 the Communities Secretary made a statement to the Scottish Parliament outlining the intention to bring forward the introduction of a proposed Income Supplement for low income families to be known as the Scottish Child Payment (SCP). The payment is to be made for children less than 6 years by March 2021 and to all eligible children aged less than 16 years by the end of 2022. The qualifying criteria for the new benefit is wide and will be £10 per week, per child, to be paid on a monthly basis. There will be no cap on the number of eligible children in a family. The Scottish Government has acknowledged the need to engage with DWP and the Treasury to confirm the payment will not be off-set by reductions elsewhere in the UK benefits system. The policy is costed at £180 million and projected to lift 30,000 children out of relative poverty and increase the incomes for tens of thousands more families. The introduction of the SCP will require a short delay to the timetable for the completion of the delivery of all devolved benefits from 2024 to 2025.

8.4 Social Security Scotland is running a series of roadshows throughout August for the new Funeral Expense Assistance (FEA). This will provide a one off payment to help people on low income benefits with a contribution towards the cost of a funeral. It will replace the Department for Work and Pensions Funeral Payment in Scotland. The roadshows will look at the application process, a Q&A session as well as the engagement approach.

9.0 FINANCIAL ADVICE & SUPPORT

9.1 The Universal Credit Support Service provided by East Renfrewshire's Citizen Advice Bureau on behalf of the DWP has been in place since 1 April 2019. Referral pathways are in place and feedback from services and partner organisations has been positive. Uptake has been low in line with the slow increase in the local UC caseload.

9.2 The Citizen's Advice Scotland financial health check service has been renamed the "Money Talk Team" and is available to help low income families in Inverclyde with basic debt advice, benefit uptake advice and money and budgeting advice. The service operates a drop in service at Your Voice. Uptake of the service has been low but is expected to increase following a planned re-launch in the coming months.

9.3 Citizens Advice Scotland has rolled out an EU Citizens Support Service funded by both the UK Government and Scottish Government to help EU, EEA and Swiss Nationals stay in Scotland after Brexit. Applications must be made to the EU Settlement Scheme to continue living in the UK after 30 June 2021. A dedicated advisor based at East Renfrewshire's Citizens Advice Bureau will provide outreach in Inverclyde with a base in Your Voice to help people who have difficulty accessing an android mobile phone, have limited access to the internet, find it difficult to get the evidence needed to apply, are at greater risk due to personal circumstances or have specific immigration or residency issues.

10.0 FREE SCHOOL MEALS AND SCHOOL CLOTHING GRANTS

10.1 As part of the approved 2019/20 Revenue Budget, the Council took decisions to expand the provision of Free School Meals (FSM) as from August, 2019. The approved proposals were to provide FSM to all Primary 4 pupils and to raise the entitlement to FSM and School Clothing Grant (SCG) to include those with net earnings of £915/month. Application forms were distributed to every pupil and pre-school child and coverage of the expanded qualifying criteria was carried by the local press and promoted on social media. At 31 July 2019, 194 additional families (300 pupils) received School Clothing Grants of £145, the highest grant in Scotland and Free School

Meals as a result of the expanded income threshold. Applications for senior pupils are pending confirmation of their return to school. Application forms can be obtained by those still to apply from the Customer Service Centre.

10.2 Officers continue to pursue the ambition to automate the payment of school clothing grants and remove the need for families to apply for free school meals. The Council would like to re-use information provided by the Department for Work & Pensions (DWP) for Council Tax Reduction purposes to do this. The DWP has given verbal agreement but final confirmation is needed from Her Majesty's Revenue and Customs (HMRC).

11.0 ANTI POVERTY FUND

11.1 Five organisations external to the Council were supported by the Anti-Poverty fund during 2018-19:

Organisation	2018-19 £000
Financial Fitness	30
Starterpacks	20
Future Skills (River Clyde Homes)	45
IHEAT	40
Inverclyde Foodbank (I58 Project)	12
Total	147

11.2 Financial Fitness:
- To provide a generic welfare rights advice service to Inverclyde residents; and
- Provided 600 client interventions in the financial year.

Starter Packs:
- Provide packs of basic household items to vulnerable clients, setting up new tenancies; and
- Provided 140 vulnerable clients each year with packs.

Future Skills:
- Provided one-to-one digital skills support to 216 Inverclyde residents; and
- One-to-one budgeting advice and support to 54 Inverclyde residents.

I58 Food Bank:
- Over 2018-19, 4,345 food vouchers were issued to households, equating to a cost to Inverclyde Council of £2.76 per household; and
- Of the 4,345 vouchers issued to households, these were to support 7,634 household members. Of these household members, 73.5% were adults and 26.5% were children. This equates to a cost of £1.57 per household member.

The Wise Group:
- Two hundred customers via energy advice home visits; and
- Continued the '£75 for 75' project to provide payments to Inverclyde residents over 75 who are in fuel poverty or fuel fear and Emergency Fund.

12.0 IMPLICATIONS

12.1 **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					

12.2 **Legal**

There are no legal issues arising from this report.

12.3 **Human Resources**

There are no HR issues arising from this report.

12.4 **Equalities**

Has an Equality Impact Assessment been carried out?

☐ Yes

| X | 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.

12.5 **Repopulation**

The Council's positive approach to the impact of Welfare Reform will assist with the Council's repopulation agenda.

13.0 CONSULTATIONS

13.1 None

14.0 LIST OF BACKGROUND PAPERS

14.1 "A Menu for Change: Cash, Rights, Food" funded by Oxfam, Child Poverty Action Group in Scotland amongst others: copies available from Carolyn McLellan/Laura Aitchison, Finance Services or see https://www.inverclyde.gov.uk/menu-for-change

Universal Credit - Inverclyde Council

	No. of UC claimants	% of UC claimants with earnings	No. of UC claimants with Council Tax Reduction	No. of UC claimants awarded SWF Crisis Grants
Jun-18	5240	32%	2408	135
Jul-18	5397	32%	2526	125
Aug-18	5527	32%	2607	176
Sep-18	5640	33%	2647	156
Oct-18	5718	33%	2657	127
Nov-18	5804	34%	2690	172
Dec-18	5753	35%	2725	118
Jan-19	5768	34%	2800	198
Feb-19	5597	29%	2823	151
Mar-19	5611	28%	2969	148
Apr-19	5680	28%	3098	142
May-19	5707	28%	3155	153
Jun-19	5749	27%	3134	130
Jul-19	5918	27%	3206	134

Notes

1. No. of UC claimants is the number of individuals in receipt of Universal Credit either individually or as part of a couple

Discretionary Housing Payments
Position 31.07.19

1/   SSSC (Bedroom Tax)

Applications Approved	1421	91.38%
Applications Not Eligible/Refused	101	6.50%
Applications Being Assessed	33	2.12%
	1555	

	£	
Paid to Date	1046765	Note 1
2019/20 Budget	1031380	Note 2
(Under)/Overspend	15385	

2/   Other DHP Cases

	£	
2019/20 Budget	178355	
less : Payments to 31/07/19	88795	Note 3
(Under)/Overspend	(89560)	

Notes

1/   Represents 99.29% of those households known to be affected by SSSC.
2/   Estimate of liability; Scottish Government will meet expenditure in full.
3/   Includes £15k Benefit Cap

Finance Services
31/7/19

Scottish Welfare Fund
31<u>st</u> July 2019

Calls Answered	3412		
Applications	2070		
Applications Granted	1083	52.32%	
Applications Refused	505	24.40%	Note 3
Applications Withdrawn	416	20.09%	
In Progress	66	3.19%	
Referrals to DWP	58		Note 2

	Spend £000	Budget £000	Spend %
Crisis Grant paid (780)	69	264	26.14%
Community Care Grants paid (337) (includes 34 applications paying both CCG & CG)	159	507	31.36%
	228	771	29.57%

Note 1   1st Tier Reviews awaiting decision = 3
1st Tier Review decisions = 22 (1.39%)
1st Tier Reviews upheld in customer favour = 14 (63.64%)
2nd Tier Reviews = 3 (as % of 1st tier decisions: (13.64%)
2nd Tier Reviews upheld in customers favour by SPSO = 1 (50.00%)   Note 5

Note 2   Referrals to DWP are the number of customers who are awaiting payment of a new claim for Universal Credit from DWP. In these circumstances an application can be made for a UC advance, which is repayable to the DWP.

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

Note 4   Core Budget is £670,985 to which is added £100,000 allocation from the Anti-Poverty recurring budget.

Note 5   1 decision was based on additional information sourced by SPSO which was not available to Discretionary Payments Team at the point of the original application or 1st tier review stage.

A Menu for Change: The Scottish Welfare Fund: Strengthening the Safety Net

Inverclyde Council: Crisis Grant Performance (2017/18)

1.0 Quantitative Measures

Indicator	Measure	Approach	Scotland Average	Inverclyde Council Performance	Inverclyde Council Ranking*
Decision making times	Decision no later than the end of the next working day	Ranked based on the ratio of same day decisions to overall decisions.	67%	98%	5
Average award	The average value of Crisis Grants	Ranked based on the average value of awards	£76.84	£97.62	2
Repeat Applications	Repeat applications within 2 months of the initial application	Ranked based on the percentage of repeat applications	29%	21%	2
Successful Appeals	No. of review requests to the SPSO	% of review requests upheld in favour of applicant	35%	100%	11
Accessibility	Application methods	No. of ways to apply advertised on council websites	n/a	4	2
Onward Referrals	Referrals to other services	% of applicants referred to other services	n/a	99%	3

*Inverclyde Council was classed as a medium sized service in a group of 23 other medium sized Councils. Inverclyde is the top performing Council in its group and along with Fife Council and Glasgow City Council is one of 3 Councils whose performance is in the top set of 5 of the 6 performance measures.

Decision making times

The speed with which someone receives their award is important when they are seeking money for food. Inverclyde processed 98% crisis grants on the same day as application. This is 31% above Scotland's overall position of 67%.

Award Amounts

The average award for Crisis Grants in Inverclyde was £97.62. This is £20.78 more than Scotland's average of £76.84. Clackmannanshire issues the highest average award of £127.00 with Scottish Borders being the lowest with £48.42. Higher award amounts are more likely to adequately meet the need of the applicant. Inverclyde's average award increased with the roll out of Universal Credit because applicants require higher grants to meet their needs over longer periods until their next monthly benefit payment is due.

Repeat Applications

Inverclyde had 21% repeat crisis grant applications within two months of initial application, which is 8% less than the Scotland average of 29%. Midlothian had the highest with 41% with Orkney having the lowest of 7%. The Scottish Welfare Fund provides money in an emergency and should be sufficient to provide stability until the next scheduled income. A low level of repeat applications indicates that grants are paid at a sufficient level and that applicants have understood the message that SWF cannot be relied on as a source of regular income.

Successful Appeals

The Scottish Public Services Ombudsman received one review request from Inverclyde in which the applicant's request was upheld. Overall in Scotland, 238 review requests were received with 35% being upheld.

Accessibility

Guidance states local authorities must make provisions for applications to be made via there delivery channels. According to services advertised on council websites, Inverclyde has 3 application methods when applying for a crisis grant:-

- Phone (local)
- Paper
- Face to face

There are only 7 local authorities offering face to face applications. 24 local authorities offer online applications and two local authorities offer free phone calls.

Onward Referrals

99% of people applying for crisis grants in Inverclyde were referred to other Services, including money management or financial capability support, welfare rights/benefits maximisation, social work and housing.

2.0 Key Findings and Recommendations

	Key Finding/ Recommendation	Does Inverclyde Council comply?
1.	When taking crisis grant applications by phone, have the same member of staff take the application and make the award decision	Yes
2.	Not use an "eligibility checker" for online applications	Yes
3.	Re-evaluate what evidence from applicants is deemed to be "essential" and reduce this, where appropriate	Yes
4.	Make active referrals to advice and support services rather than simply signpost people in crisis	An active referral process is being developed in response to this recommendation and is scheduled to be in place by September 2019.
5.	Pay all applicants in cash as opposed to vouchers	Yes
6.	Give all applicants their decision over the phone initially, followed by a written decision	Yes

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Chief Financial Officer**	**Report No:**	**FIN/81/19/AP/AMcD**
Contact Officer:	**Allan McDonald**	**Contact No:**	**01475 712098**
Subject:	**ICT Services Performance Update**		

1.0 PURPOSE

1.1 On 20 June 2017 the Committee approved the Council's Digital and ICT Strategies for 2017 – 2020. This report includes updates on the Digital and ICT Strategies, performance and Channel Shift statistics, details of the Council's PC Refresh programme and information on a number of upgrade projects being implemented by ICT and Finance Services.

2.0 SUMMARY

2.1 Updates to the action plans for the Digital and ICT Strategies can be found at Appendices 1 and 2. The Committee will note updates for two key work streams which were delayed due to supplier issues.

2.2 The Council continues to look towards new and distinct methods of allowing customers to interact with the Council's Services. Updated Contact and Payment statistical information is now provided to monitor channel usage in Appendix 3, Section 1

2.3 The Servicedesk has maintained service improvements as shown in Appendix 3, Section 2 resulting in meeting its Incident Response targets. There remains a challenge to ensure that this is maintained in light of on-going and increasing resource pressures.

2.4 As reported in the Capital report elsewhere on the agenda, ICT completed its PC refresh programme for 2018/2019. To complement the Schools Wi-Fi project, the replacement of laptops in the school estate had been identified as the priority for the refresh programme. The Council invested over £0.3 million in replacing over 830 laptop devices across all areas of the Primary, Secondary and ASN School Estate. The 2019/2020 refresh programme has now commenced and is replacing the oldest equipment in the Corporate estate.

2.5 A comprehensive review of wireless provision with the Corporate Campus around Greenock Municipal Buildings developed a programme to upgrade and enhance coverage across the estate. This was a key action in the Digital Strategy 2017/20, ties in with the current review of the Agile Working Policy by HR and was completed in May 2019.

2.6 A programme to migrate the Council's BACS transfer application to a cloud based payments processing system has been implemented.

2.7 The Council experienced an outage of the device that filters external emails from Monday 12 to Wednesday 14 August 2019. Delays in providing supplier support resulted in unacceptable delays in restoring the service and ICT are meeting with the supplier to investigate and mitigate future issues.

2.7 The Council has completed the Key Actions of the Scottish Government Public Sector Cyber Resilience Action Plan and has successfully tested its Cyber Security Incident response processes in conjunction with the Joint Civil Contingencies Service.

3.0 RECOMMENDATIONS

3.1 That the Committee notes the Performance Statistics Report and Action Plan updates for the Digital and ICT Strategies.

3.2 That the Committee notes the completion of the project to upgrade Wireless Provision within the Corporate Campus.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council runs a small and cost effective ICT service which provides support across ICT hardware, software and security. The parameters for this support and how users operate the system are supported by a number of ICT policies which are considered and approved by the Policy & Resources Committee.

4.2 ICT Services provides 6 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
- Cyber Security & Incident Response

4.3 The service provides support from 08:40 – 17:00 (16:30 Friday) and continues to deliver a highly efficient and cost effective service. The service is consistently benchmarked as one of the lowest spending services per customer/device of all 32 local authorities.

4.4 On 20 June 2017 the Committee approved the Council's Digital and ICT Strategies for 2017 – 2020.

5.0 STRATEGY UPDATES

5.1 The Digital Strategy highlights the increase in the use of digital media and services in the everyday lives of the public and the need for the Council to continue to develop its services to ensure that they can be accessed and delivered in the manner which the public expect. It recognises that there are a sizable number of customers within Inverclyde who make limited or no use of digital services and will continue to interact with the Council on a face to face basis or by telephone.

5.2 The Digital Strategy update at Appendix 1 notes that two key projects, Citizens Access – Revenues implementation and the Customer Services CRM Update, whilst delayed are now reaching significant milestones and are close to full implementation.

5.3 Citizens Access – Revenues (CA-R) will allow residents to manage and update Council Tax accounts, apply for discounts and update personal details. Quality Assurance testing by the service identified significant issues that the supplier has agreed to resolve. An updated version of the system with the issues addressed is scheduled for release in Autumn 2019.

5.4 The Kana CRM system Upgrade is at an advanced stage. The upgrade system has now been fully implemented in our test environment and staff training and evaluation is continuing. The first two processes to be developed for the new system – Bulky Uplift Ordering and Street Lighting Fault reporting and management are being tested by services. A new process for the ordering and payment for the new Garden Waste recycling service is being developed as part of the implementation process.

5.5 The ICT Strategy supports the Digital Strategy and details how the Service will deliver the core ICT infrastructure and functions including system support, hardware and software refresh, core systems and system security. Appendix 2 shows the progress being made against the key actions identified in the strategy.

5.6 ICT are continuing to develop relevant statistical information monitoring the progress towards different delivery channels and uptake of digital service. Section 1 of Appendix 3 shows relevant statistical information for Contacts (tables 1.1 and 1.2) and Payment Types (tables 1.3 and 1.4). These tables show that the use of available channels remains largely unchanged over the previous 12 month period.

5.7 As reported in more detail in the Capital Update reported to the Committee, in conjunction with

colleagues from Education Services ICT identified its PC refresh programme for 2018/2019. To complement the Schools Wi-Fi project replacement of laptops in the school estate was identified as the priority for this refresh programme. The Council invested over £0.3m in replacing over 830 laptop devices across all areas of the Primary, Secondary and ASN School Estate.

5.8 ICT Services investigated the condition of corporate wireless infrastructure across the campus of Greenock Municipal Buildings and associated offices. A project to upgrade the core infrastructure and provide comprehensive wireless coverage across all of the Greenock Municipal Buildings Campus was implemented and completed in May 2019. Full Wi-Fi coverage has been installed across all buildings in the Greenock Town Centre campus including James Watt House, Drummers Close, Hector McNeil House and Wallace Place. Full deployment in Greenock Municipal Buildings was completed in April 2019. Formal testing and review of coverage was completed in May 2019.

5.9 A programme to migrate the Council's BACS transfer application to a cloud based payments processing system has been completed. The current supplier of BACS system – Bottomline Technologies - was engaged to provide a new service to enhance BACS security. This allows full encryption of payment details from the originating system and prevents "man in the middle" attacks that could compromise the integrity of BACS Payments to third parties.

5.10 The Scottish Government Public Sector Cyber Resilience Action Plan was introduced in December 2017. The Council committed to implement and support the plan and the key actions that the Scottish Government, public bodies and key partners will take up to the end of 2018 to further enhance cyber resilience in Scotland's public sector. It recognises the strong foundations in place and aims to ensure that Scotland's public bodies work towards becoming exemplars in respect of cyber resilience.

5.11 The Council completed its requirements to meet all Key Actions by becoming Cyber Essential Plus accredited and by successfully completing the Public Sector Network Code of Connection process by December 2018. Further requirements requested by the Scottish Government, including testing the Council's Cyber Incident Response processes, were completed in conjunction with Joint Civil Contingencies Service in August 2019. More recently reported to Committee, the Council is at a comparable or better position than comparator organisations across the Scottish Public Sector.

6.0 OPERATIONAL PERFORMANCE

6.1 Section 2 of Appendix 3 details the ongoing performance statistics of the ICT Service Desk. The statistics show continued increases in the number of Incidents and Service Requests on an annual basis.

6.2 The Servicedesk recovered from service and resource issues experienced in the summer of 2018 and ongoing recent improvements have resulted in Incident Response levels being maintained across the final quarter of 2018 and the 2019. The majority of the day to day work that the servicedesk undertakes is in the Schools, with an increasing emphasis on the use of technology in the classroom. ICT works closely with QIO colleagues in Education Services to ensure that the service delivers in line with educational priorities.

6.3 The Council suffered an outage affecting sending and receiving external email from Monday 12 – Wednesday 14 August. The email filtering appliance failed at some point over the weekend of 11/12 August and could not be restored. The Council worked with its external suppliers to rebuild and restore the service, however subsequent repeated delays with the vendor of the device resulted in an unacceptable delay to restoration of service.

6.4 ICT Services will meet with the vendor to express its concerns regarding the level of support it received and work with them to supplier to investigate and mitigate future issues.

7.0 IMPLICATIONS

7.1 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
N/A					

7.2 **Legal**

There are no legal implications arising from this report.

7.3 **Human Resources**

There are no HR implications arising from this report.

7.4 **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.

7.5 **Repopulation**

The provision of modern and responsive services will help promote the area and contribute towards stabilising the area's population.

8.0 CONSULTATIONS

8.1 There have been no consultations required for this report

9.0 BACKGROUND PAPERS

9.1 Digital Strategy 2017 – 2020 and ICT Strategy 2017 - 2020

Appendix 1 – Digital Strategy Action Plan Update August 2019

Action		Success Criteria	Implementation	Target Date	Responsible Officer	Update	Status
Customer Focus	Provide Improved online Services	Delivery of extended range of services available.	Develop a Citizen Self-Service Portal where KANA CRM is linked to the portal & enable citizens to access multiple services via single sign-on. Allow customers to book & pay for services online. Increase the range of services available via Web Self-Service	Dec 19	ICT Service Manager	Test system completed and submitted for QA testing. Work to resolve mapping and integration issues completed by ICT Staff. Processes for Bulky Uplift booking and Street Lighting Faults have been completed and are being tested. New process for Green Waste payments to be included as part of implementation project.	Testing to be completed.
			Allow Council Tax administration via the Council website - Business case for implementation has been agreed.	Oct 19	Revenues & Customer Services Manager	Initial implementation complete – QA testing by service identified issues that prevented implementation. Update expected from supplier to allow testing by Service in April/May 19 was not completed by supplier. Additional issues identified and being addressed by supplier in anticipation of December 2019 implementation	Awaiting update from vendors
			Revise the range of Services available via Inverclyde on-line app	Jan 18	ICT Service Manager	Review completed and working group established	Complete
			Conduct targeted citizen surveys – design services the way citizens want them to be delivered.	Dec 17	CSC Team Leader	CSC Survey complete, results being analysed.	Complete
			Create KANA scripts to gather feedback and promote digital services.		CSC Team Leader	To be developed following implementation of Kana upgrade	Not yet started
	Increase customer feedback opportunities to design, improve and promote services. Enable citizens to track and monitor progress of queries, orders, applications	Increased use of Digital Channels Improved Customer Service & satisfaction	Enable opportunity to allow citizen to rate experiences.		Corporate Policy & Partnership Manager	To be developed following implementation of Kana upgrade	Not yet started
			Conduct regular citizen surveys to gather feedback.	Ongoing		Citizen Panel Engagement completed. Review of findings being undertaken.	On Track
			Identify and develop digital ambassadors & Customer Service Champions in all Services and provide training to members.	TBC	Revenues & Customer Services Manager	Engagement required with appropriate officers	Not yet started

| | | Provide training & qualification opportunities for all customer facing staff | Ongoing | Head of OD & HR | Identify as part of Annual appraisal process. | Ongoing |

Action		Success Criteria	Implementation	Target Date	Responsible Officer	Update	Status
Working Practices	Identify and implement agile working opportunities subject to appropriate Business Case	Delivery of agile working solutions for appropriate staff.	Work with Property Maintenance and Environmental & Commercial Services to identify opportunities. Produce appropriate business cases & implement If required.	Dec 18	ICT Service Manager	All Visits DMTs and SMTs sent to services. ERR, ECOD SMTs visited. HSCP now completed. No new opportunities identified by Services	Complete
			Review physical infrastructure – building layouts.		Corporate Director ERR	Review of recently refurbished buildings part of Directorate Change Board	Complete
			Optimise use of existing buildings via appropriate Equipment/Access/Permissions & Hot Desk Facilities.		Property Services Manager	Agile working facilities are provided as required by customers	Complete
	Review home and Mobile working Policies	OD&HR to review policies a practices. Improved productivity and employer satisfaction	Identify opportunities with ECMT	August 2018	Head of ODHR	Review underway and consultation has begun with TU's in anticipation of presentation to CMT. Includes change of focus from Flexible and Mobile Working to Agile Approach. Draft Policy completed and is being reviewed.	Ongoing
	Develop a range of management and business intelligence reports and the creation of a central Customer Service dashboard of management information reports in order to improve and target service delivery.	Delivery of a range of reports and information required by services	Define specifications and identify appropriate functions to be offered.	Dec 2018	ICT Service Manager/Revenue & Customer Services Manager.	Initial set of reports detailing Channel delivery developed. Ongoing engagement to identify and produce extended reports being overseen by Channel Shift Group	Complete

Action		Success Criteria	Implementation	Target Date	Responsible Officer	Update	Status
Infrastructure	Implement an open Data Policy	Open data policy published and implemented.	Develop a clear policy in line with customer expectations and national developments.	Ongoing	Senior Information Risk Officer/ Information Governance Working Group	Policy Published	Complete
	Investigate further systems integration	Further systems become available online.	Engage with suppliers to identify possible system integrations to allow additional services to be available to staff and customers	August 2018	ICT Service Manager	Engagement with services and suppliers ongoing. Initial discussions regarding potential UFIS/Uniform integration with Kana No requests from Services.	Complete
	Consolidate and improve ICT offering in Community Facilities	Reduce Digital Exclusion	Identify key access hubs & refresh equipment/improve digital access.	Mar 2020	Head of Safer and Inclusive Communities ICT Service Manager	Audit of current estate (including partners) completed. Future of hubs and budget identified. Survey of Service Users completed – project development meeting arranged. Pilot sites to be agreed.	Ongoing

Appendix 2 – ICT Strategy Action Plan Update August 2019

Action		Milestones	Success Criteria	Target Date	Update	Status
Service Provision	Continuous Improvement	Review and publish updated SLA Targets	New SLAs agreed and then met.	From June 2017	Updated stage 1 targets incorporated from April 2018	Complete
	Working With Services	Regular engagement with key Services including Education, HSCP and Finance.	Deliver objectives in the Digital Strategy	From June 2017	Ongoing engagement with Key Services.	On Track
	Training & Skills Development	Identify training and skills required to support the service	ICT Staff have appropriate skills & knowledge to deliver high quality services	April 2018	ICT Service Manager is working with team leaders to identify as part of Appraisal Process	Complete
Information Security	Network and System Security	Support the Information Governance group in dealing with the individual data management responsibilities of each member of staff.	Corporate approach to data handling and electronic document management.	Ongoing	ICT Service Manager is member of IG Working Group	Complete
	PSN Compliance	Use of industry partners to provide Security Assurance through the Penetration Test & IT Health check process. Maintain PSN Code of Connection compliance/accreditation	Provision of report and implementation of recommendations PSN Compliance Certificate	May 2018	IT Health Check completed (see separate report to Committee)	Complete

Action		Milestones	Success Criteria	Target Date	Update April 2018	Status
Core Systems	Review Core Systems	Engage with services to review Core Systems. Complete a full Strengths, Weaknesses, Opportunities and Threat (SWOT) review of all core systems	Council Systems are robust, provide best value and appropriate functionality.	April 2018	Key review process identified and supporting processes developed. ICT working in partnership with HSCP to identify suitable replacement for SWIFT	Complete
		Determine if each identified system still provides best value and appropriate functionality. Develop plans for retirement or replacement of existing systems which are no longer sustainable and integrating their functions into other existing Council solutions. Subject to appropriate cost/benefit analysis.		Dec 2019 (for decision)	Total have advised that there will only be minimal new development of FMS and that in the longer term, support may be withdrawn. Total Mobile to confirm long term plans by Autumn 2019.	On Track
	Ensure that existing systems are being used effectively	Engage with services to ensure that existing systems are being used effectively. Focussing on collaboration and communication tools including the Cisco telephony systems, Cisco Jabber, JANET Video Conferencing. Evaluate Skype for Business as an alternative client.	Services have access to the tools and functions required to provide effective efficient services to customers and staff.	August 2018	Key review process identified and supporting processes developed.	Complete
Asset management Programme & Procurement	Hardware Refresh programme	Support requirement for children and young people to have access to the appropriate technologies required to support their learning in the curriculum	Equipment remains up to date and fit for purpose.	Ongoing	831 School laptops identified for replacement in 2018/19 project	Complete
	Supplier management	ICT Service and Corporate Procurement liaise with the major suppliers' account managers on a regular basis via the established Supplier Management Process.	Appropriate level of supplier support and best value.	Ongoing	Supplier engagement ongoing.	On Track
	Cloud Based Services	Investigate migration of services to Cloud based/hosted systems.	Systems delivered efficiently and within appropriate pricing structures	December 2019	Meetings with suppliers and other Local Authorities to produce Cloud Migration Strategy and budget implications ongoing	On Track

Appendix 3 – Performance Statistics – 31st July 2019

Section 1 – Channel Shift

1.1   Total Number of Requests by Channel
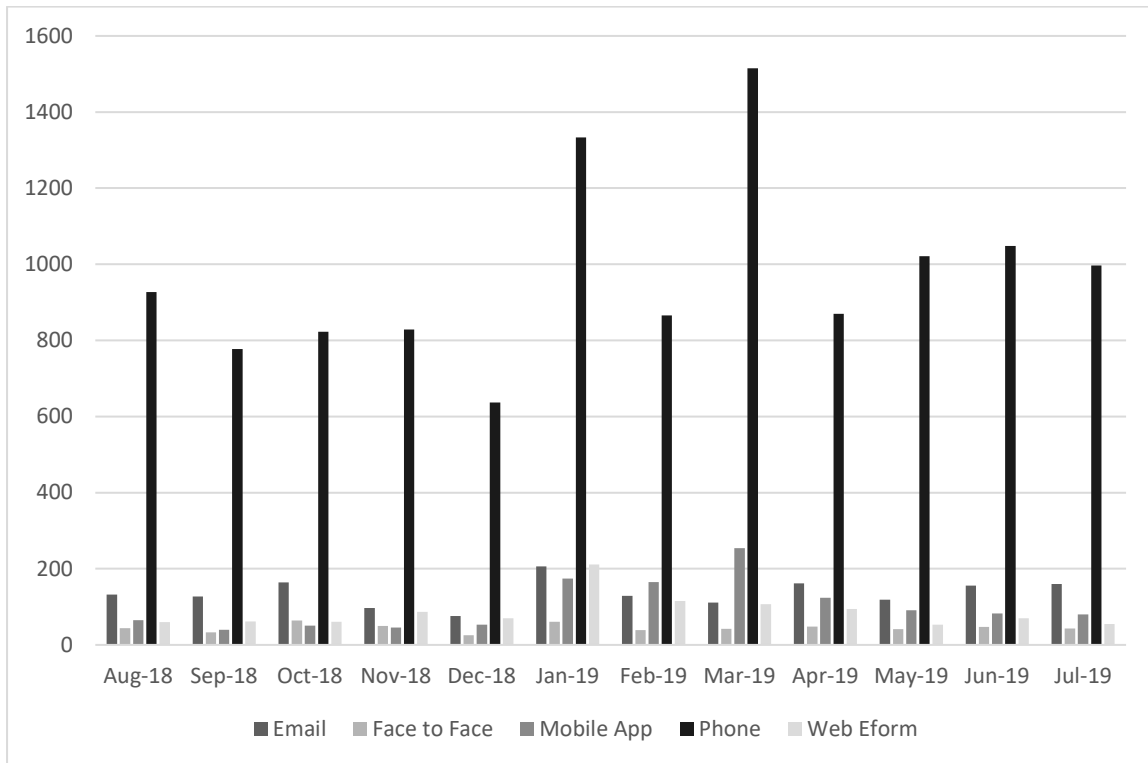
1.2 Percentage of Requests by Channel – Trend
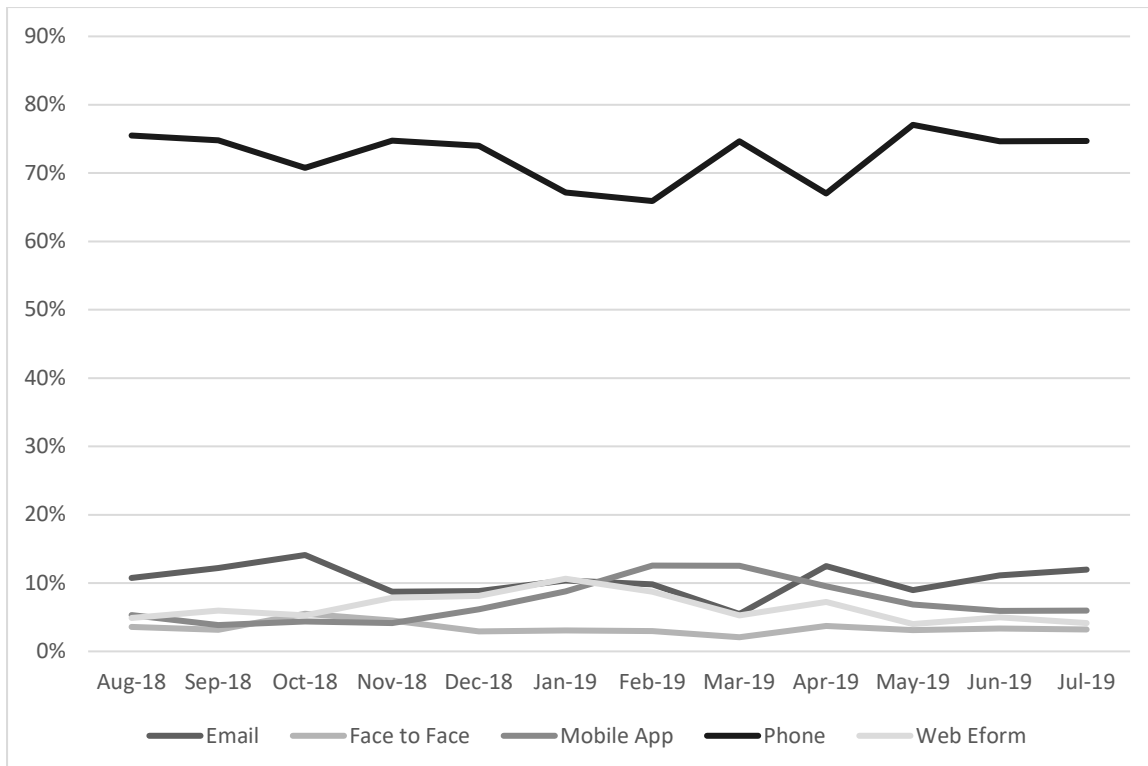
1.3 Total Number of Payments by Channel

Legend: Face to Face, Online, OTHER, Phone
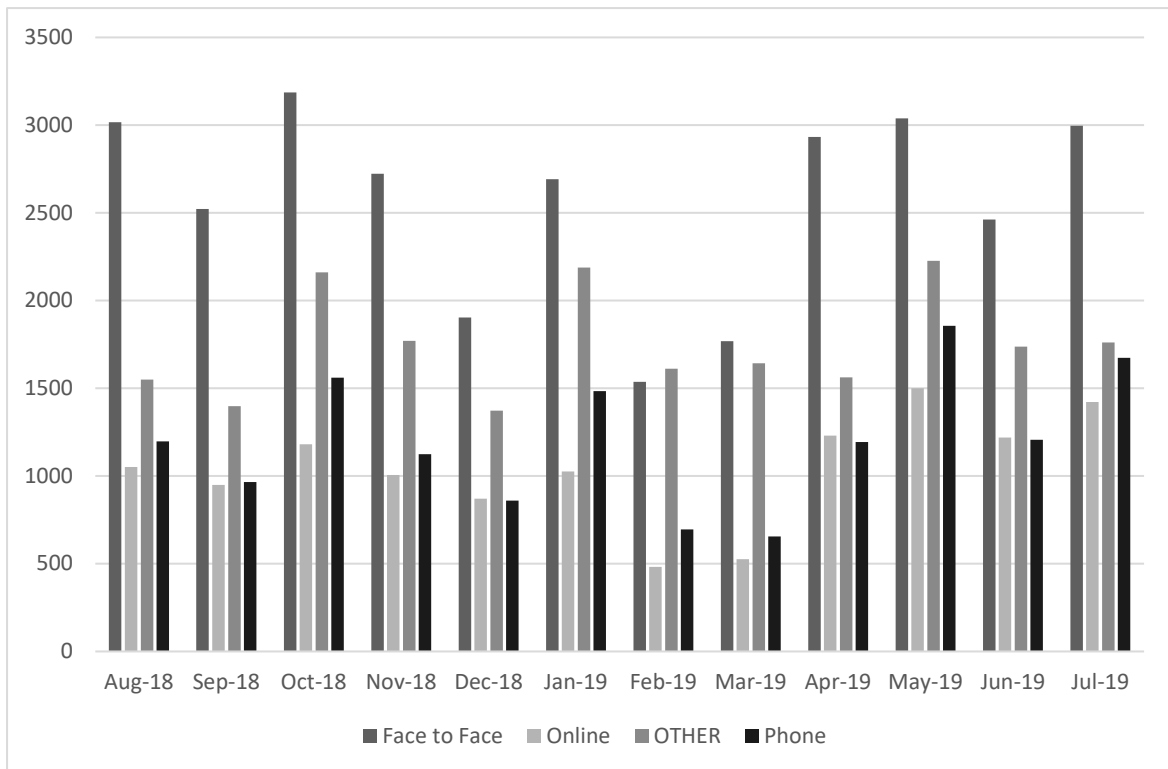
1.4 Percentage of Payments by Channel – Trend

Legend: Face to Face, Online, OTHER, Phone, Total Other Channels
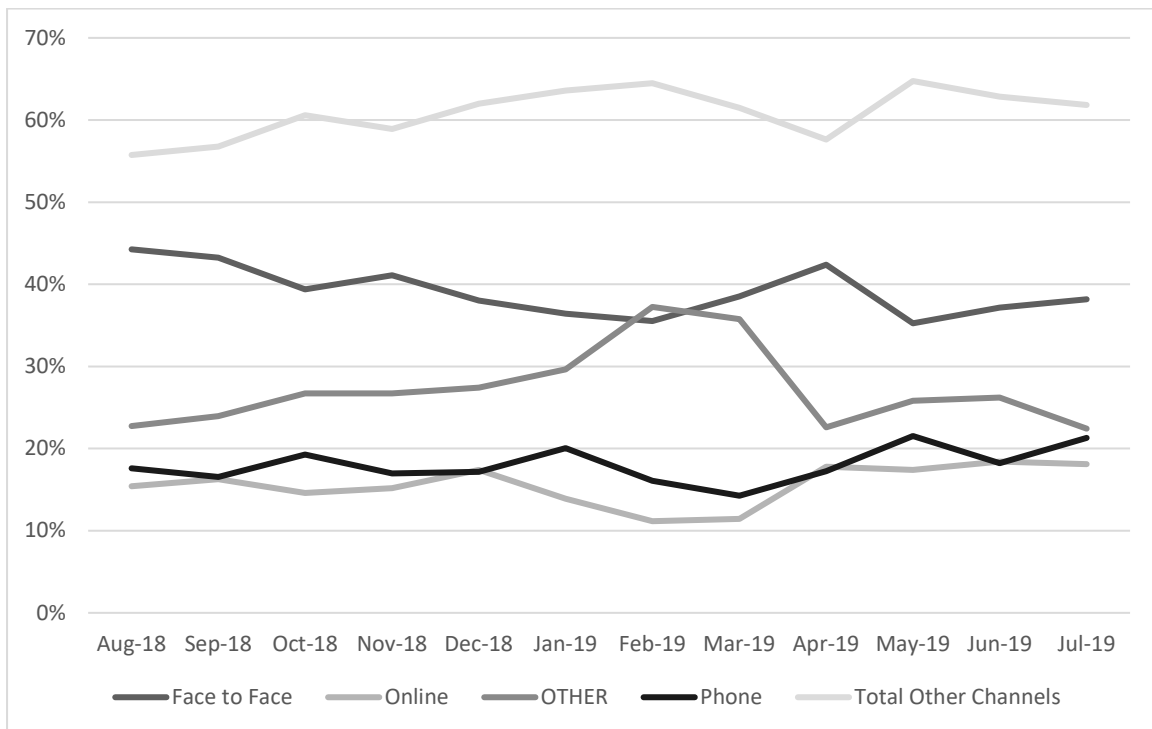
Section 2 - Servicedesk

2.1   Incidents

Incidents Received
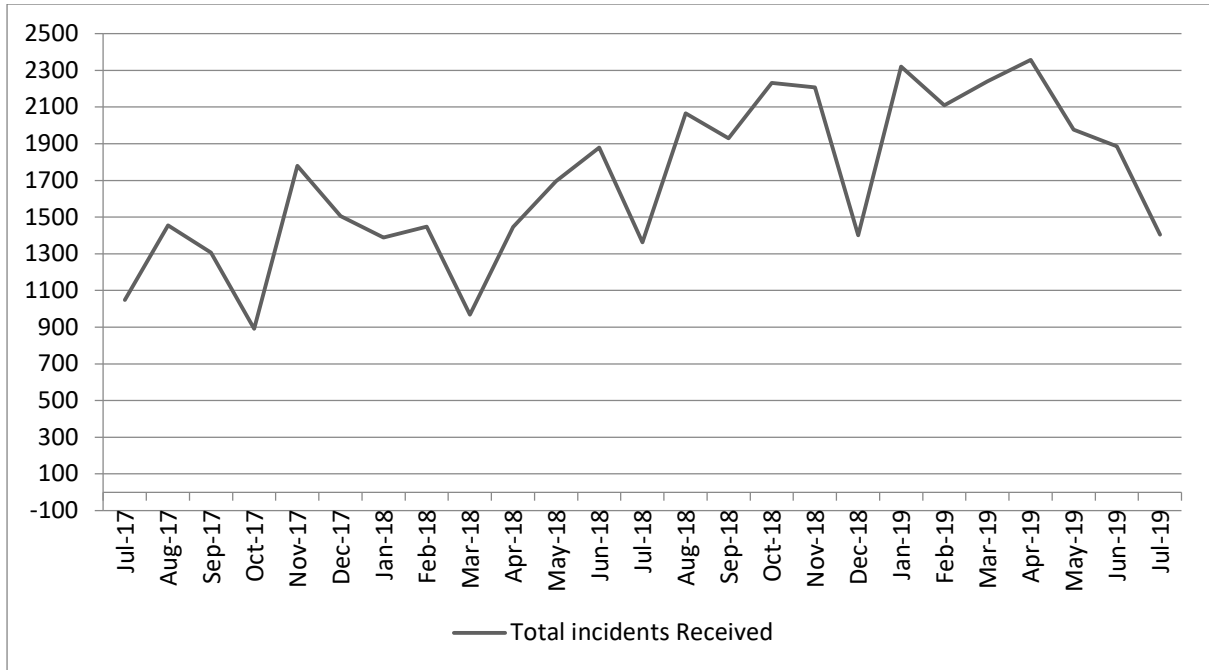
2.1.1 - Incidents Met/Failed within SLA
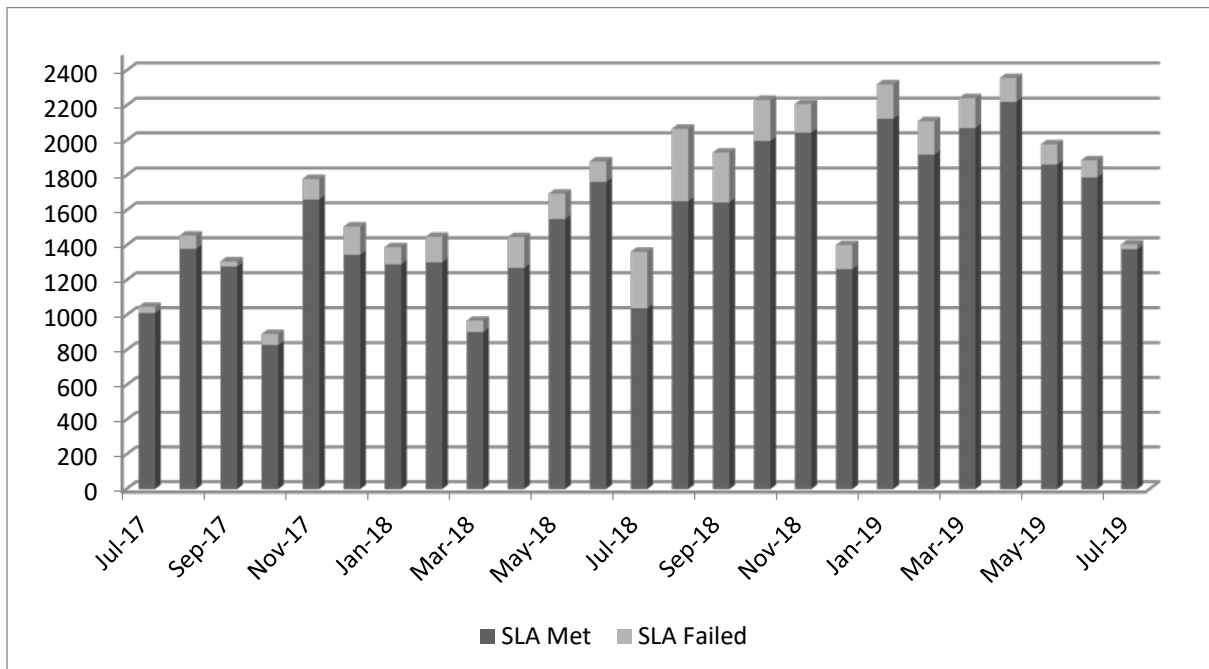
2.1.2 - Monthly Service Level Attainment - Incidents
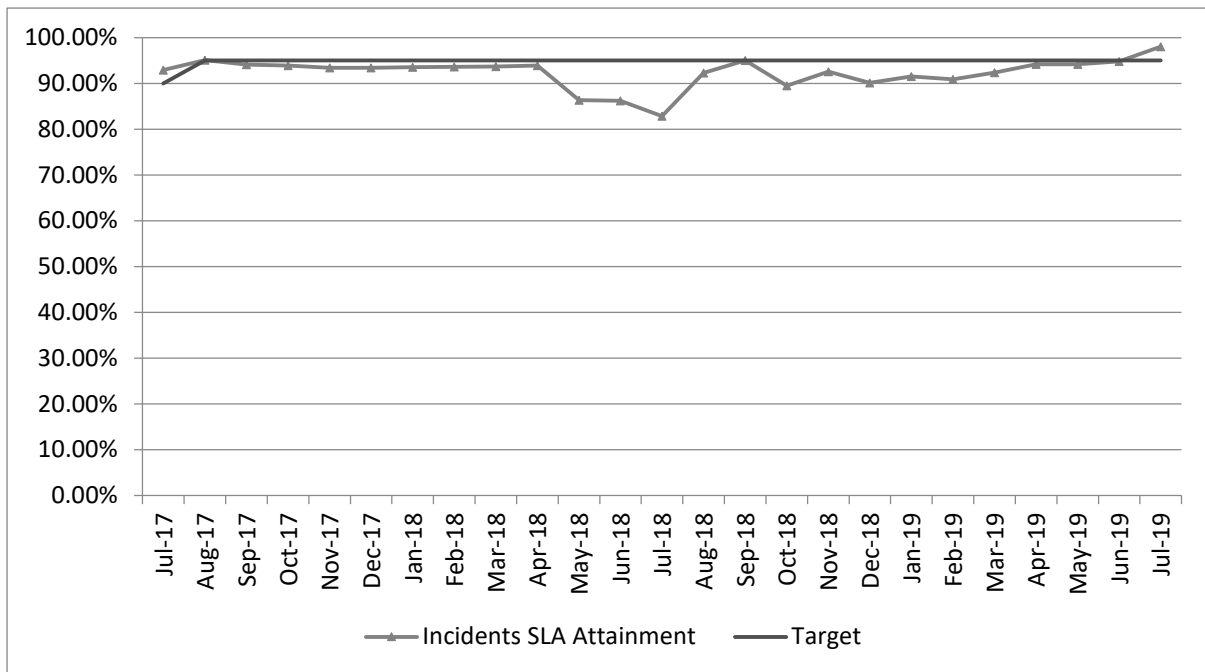
SLA Details

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 95% of incidents resolved within Target Resolution Time (90% until July 2017)

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

2.2 - Service Requests

2.2.1 - Service Requests Received
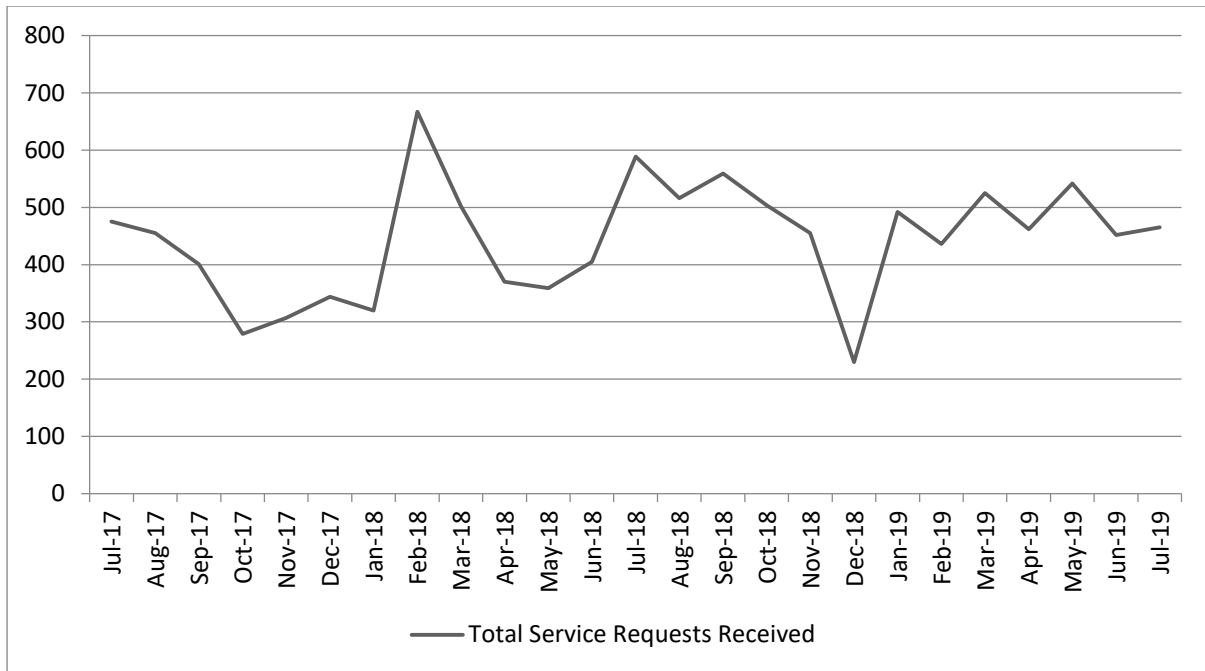
2.2.2 - Service Requests Met/Failed within SLA
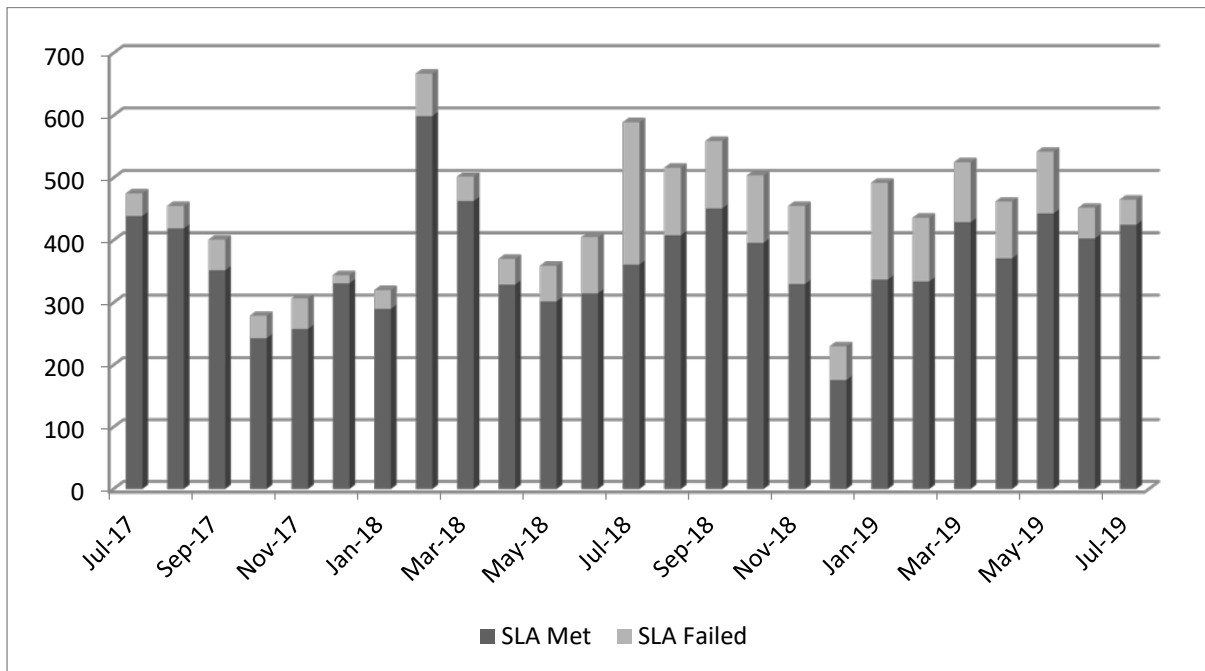
2.2.3 - Service Level Attainment – Service Requests
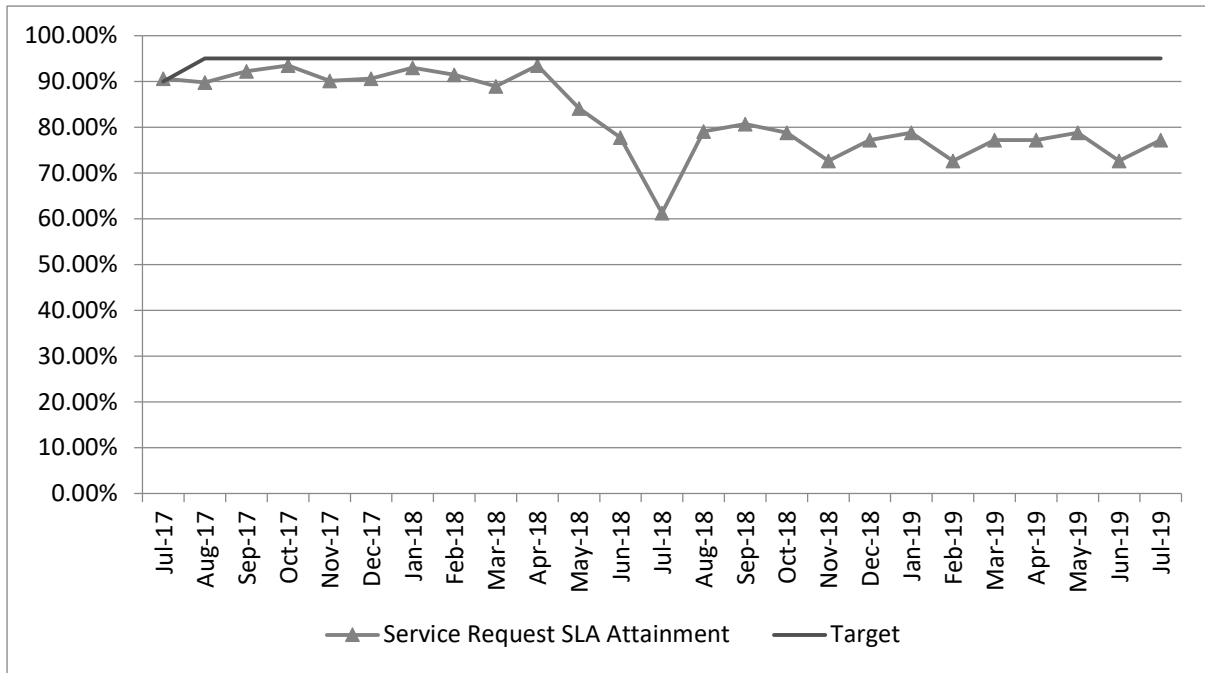
SLA Attainment is 95% of incidents resolved within Target Resolution Time (90% until July 2017)

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

Inverclyde council

Report To:	**Policy and Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Steven McNab**	**Report No:**	**PR/22/19/KM**
	Head of Organisational Development, Policy & Communications		
Contact Officer:	**Louise McVey, Corporate Policy, Performance and Partnership**	**Contact No:**	**01475 712042**
Subject:	**Corporate Services Progress Report**		

1.0 PURPOSE

1.1 The purpose of this report is to update the Committee on the delivery of the improvement actions by the Council's Corporate Services, as detailed in the Education, Communities and Organisational Development and the Environment, Regeneration and Resources Corporate Directorate Improvement Plans (CDIPs) 2019/22. Details are provided in the Appendices.

Appendix 1
Appendix 2

1.2 The report focuses on improvement actions that are the responsibility of the following services: Finance and ICT; Legal and Property; Organisational Development and Policy and Communications.

2.0 SUMMARY

2.1 The Council's CDIPs 2019/22 were approved by the Policy and Resources Committee on 21 May 2019. This is the first progress report on the delivery of the year 1 actions within the Plans. Full details of the progress that has been made is provided in Appendix 1. The latest information for the CDIP key performance indicators (KPIs) is provided in Appendix 2.

2.2 The status of the CDIPs' improvement actions as at August 2019 is shown below:

Status	blue - complete	red - significant slippage	amber - slight slippage	green - on track
August 2019	1	-	1	19

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the progress made by the Council's Corporate Services during 2019/20 in delivering the year one improvement actions, as detailed in their respective CDIPs.

Ruth Binks	**Scott Allan**
Corporate Director	**Corporate Director**
Education, Communities and Organisational Development	**Environment, Regeneration and Resources**

4.0   BACKGROUND

4.1   Improving corporate and service performance is a key priority for Inverclyde Council. Information is regularly given to key stakeholders to allow them to evaluate and make informed judgements about performance and the delivery of strategic priorities.

4.2   CDIPs are a key component of the Council's Strategic Planning and Performance Management Framework. They are the principal vehicle for the delivery of the organisational priorities in the Corporate Plan 2018/22, as well as the wellbeing outcomes, which are: Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI).

4.3   The Environment, Regeneration and Resources CDIP 2019/22 was approved by the Environment and Regeneration Committee on 2 May 2019, whilst the Education, Communities and Organisational Development CDIP 2019/22 was approved by the Education and Communities Committee on 7 May 2019. Both CDIPs were thereafter approved by the Policy and Resources Committee on 21 May 2019.

4.4   Progress in the delivery of these two CDIPs is reported to every second meeting of the relevant service Committee. Additionally, because the CDIPs include improvement actions that are corporate in nature, a separate Corporate Services Performance Report is submitted to every second meeting of the Policy and Resources Committee. The aim of this is to provide Members with a summary of progress and to give the Committee and officers the opportunity to make appropriate judgements on where performance across the Council is improving, good or where performance has declined.

4.5   This report focuses on improvement actions that sit within the following Services: Finance and ICT; Legal and Property; Procurement; Organisational Development, Policy and Communications.

4.6   As shown in Appendix 1, improvement actions have been allocated a 'BRAG' status:

blue - complete; red - significant slippage; amber - slight slippage; green - on track.

4.7   The CDIPs also contain key performance indicators, comprising statutory performance indicators and local performance indicators. These indicators provide an important measure of how our Corporate Services contribute to the Council's overall performance. Information on indicators is gathered either quarterly or annually and performance reported to Committee at the appropriate time. The most recent performance data is provided in Appendix 2.

5.0   YEAR ONE IMPROVEMENT PLAN - PROGRESS 2019/20

5.1   This is the first progress report on delivery of the CDIPs' Corporate Services improvement actions during 2019/20. The current status of the improvement actions is:

Status	blue - complete	red – significant slippage	amber - slight slippage	green - on track
August 2019	1	-	1	19

Appendix 1 details the present status of all the improvement actions, together with a commentary from the appropriate Service.

5.2 **Improvement actions with green status – on track**

Progress with a number of improvement actions is on track; examples of which include:

The Community Empowerment Act

A Communication and Engagement Strategy and Action Plan for locality planning has been agreed. Six community events took place during the last two weeks of August / early September. The purpose of these events was to obtain a better understanding of community priorities and provide an opportunity for community members and organisations to come together to highlight where changes could be made to improve the lives of those living in our communities and shape the future.

Child Poverty

The Local Child Poverty Action Report was approved by the Alliance Board on 17 June 2019 and submitted to the Scottish Government thereafter. The next steps include the implementation of the projects and initiatives to tackle child poverty that are the responsibility of Inverclyde Council and the monitoring of those that are the responsibility of partners.

2020/23 Budget

The Corporate Management Team has developed an initial list of proposals which are being refined. These proposals will be the subject of discussion at the Members' Budget Working Group and the Joint Budget Group in the coming months.

Welfare Reform – Employees

The Scottish Social Security Agency has met with senior officers from Inverclyde Council and costs have been agreed to co-locate up to four members of staff in Inverclyde Council's Customer Services Centre. Recruitment is now underway and a Service Level Agreement is in the process of being completed.

5.3 **Improvement actions with amber status – slight slippage**

One action has an amber (slight slippage) status, the details of which are provided below:

Channel Shift

The supplier issues that were identified during the quality assurance testing has delayed the implementation of the initial projects. The timescale for delivery has been revised from summer 2019 to autumn 2019. The testing of the new Bulky Uplift process and Street Lighting Fault Reporting and Management have been included in the first tranche of services to be developed. A payment process for the new Garden Waste Recycling Scheme will also be incorporated into the implementation phase.

5.4 **Improvement actions with blue status – complete**

One improvement actions is complete as noted below:

Payroll System

The 'Version 8' upgrade has been fully implemented and rolled out across the Council.

5.5 **Performance Indicators – 2019/20 Performance**

Performance targets were met, or were better than target, in the first quarter of 2019/20 for the following indicators:

- The speed of processing changes in circumstances to Housing Benefit;
- The percentage of Customer Service Centre abandoned calls for both general and revenues and benefits calls;
- The percentage of invoices paid within 30 days.

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.

Has an Equality Impact Assessment been carried out?

| | Yes   See attached appendix |

| X | 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:** The provision of services that are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde supports the Council's priority of retaining and enhancing the local population.

7.0 CONSULTATION

7.1 Updates on progress with the Corporate Services improvement actions included in the CDIPs have been provided by the nominated officer with lead responsibility for each action.

8.0 BACKGROUND PAPERS

8.1 Environment, Regeneration and Resources CDIP 2019/22.
Education, Communities and Organisational Development CDIP 2019/22.

9.0 CONCLUSION

9.1 This is the first progress report on the improvement actions that sit within the Finance and ICT; Legal and Property; Organisational Development, Policy and Communications sections of the ERR CDIP 2019/22 and the ECOD CDIP 2019/22. It is presented for Members' consideration and approval.

Appendix One – Improvement Actions

CORPORATE SERVICES ANNUAL PROGRESS REPORT 2019/20

Corporate Improvement Actions 2019/20

These improvement actions have implications for the whole Council or more than one Directorate

	Corporate Improvement Actions 2019/20					
	Where do we want to be?	**How will we get there?**	**Status August 2019**		**Commentary August 2019**	**Corporate Plan priority**
1.	The Community Empowerment Act The council and its partners can demonstrate that it is effectively delivering on the statutory requirements of the Community Empowerment (S) Act 2015 All Inverclyde Alliance Partners are investing in building the capacity of communities so that they feel confident about exercising their rights, as set out in the Community Empowerment (S) Act. Locality Plans are used by Services and CPP partners and communities to plan service delivery, target inequalities and work together to reduce them. Communities feel supported and empowered.	Respond to Scottish Government guidance. Continue to gather data from partners around the three localities. Facilitate improved community engagement in the implementation of the Locality Plans and the development of more robust community engagement methods. Hold an annual event for the three localities, aimed at engaging with communities to ensure plans continue to reflect local priorities. Create a Community Food Growing Strategy. Develop appropriate	🟢	Green – on track	An agreed structure is now in place for locality planning along with a Communication and Engagement Strategy and Action Plan. Six community events took place over the last two weeks in August / early September. The Community Engagement Strategy and Action Plan will be discussed at these events. Guidance to local authorities on part 9 of the Community Empowerment (Scotland) Act 2015 (Allotments) was published at the end of June 2019. The guidance includes reference to the duty to prepare a food growing strategy and this is currently being considered by officers.	OP1, OP2, OP3, OP4, OP5, OP6, OP7, OP8

Appendix One – Improvement Actions

		Where do we want to be?	How will we get there?	Status August 2019		Commentary August 2019	Corporate Plan priority
		Corporate Improvement Actions 2019/20					
			structures to respond to the Council's decision to allocate a significant budget to Participatory Budgeting (PB) in 2018/19. Review the success of this.				
2.		Child Poverty The projects and initiatives within the Inverclyde LAR 2018/19 are implemented and impact monitored.	All partner (CPAG) activity and data linked to child poverty is held centrally to enable partners to measure progress against the national child poverty targets.	●	Green – on track	The Child Poverty Local Action Report was approved by the Alliance Board on 17 June and has been submitted to the Scottish Government. The next steps include the implementation of the projects that are the responsibility of Inverclyde Council and the monitoring of those projects and initiatives that will be delivered by partners.	OP1, OP4, OP5 OP6
3.		Change Management ECOD and ERR services have been reviewed and where appropriate redesigned to ensure they are fit for purpose, meet customer's needs and are efficient.	Continue to meet regularly and progress specific projects. Detailed projects are established. Ongoing work with the Policy and Resources Committee and Members Budget Working Group.	●	Green – on track	Change management meetings continue. A new structure has been agreed for ECOD Heads of Service. The HSCP Transformation Board meetings are diaried in advance and with clear links to the Strategic Plan and the associated 6 Big Actions.	OP9, OP10

Appendix One – Improvement Actions

		Corporate Improvement Actions 2019/20				
	Where do we want to be?	**How will we get there?**		**Status August 2019**	**Commentary August 2019**	**Corporate Plan priority**
4.	Measuring impact on outcomes Inverclyde Alliance and Inverclyde Council are better able to demonstrate impact on outcomes, at various levels across services and programmes. Performance reporting is linked to measuring impact on outcomes at an individual, community and population level.	Continue to work with experts and other performance management specialists, to identify processes to better measure impact on outcomes. Publish an Annual Report on the Corporate Plan that sets out progress on the delivery of the Council's priorities for the residents of Inverclyde. Review our public performance reporting to deliver a more streamlined, robust set of KPIs, linked to organisational priorities. Identify desired outcomes with key milestones / timescales for the Inverclyde Alliance Partnership Action Plans. Continue to learn from good practice elsewhere.	●	Green – on track	A review of the KPIs has been carried out to ensure that our performance measures are linked to our corporate plan priorities. This will provide a set of measures that help demonstrate progress in delivering the council's organisational priorities. The first Corporate Plan Annual Report was considered by the Policy and Resources Committee on 6 August 2019. The Annual Report contains a range of performance measures as well as examples of projects and initiatives that have delivered improved outcomes for residents. The Corporate Plan sits alongside the Inverclyde Alliance LOIP Annual Report, which was also considered by the Policy and Resources Committee on 6 August. Measuring outcomes remains on the agenda of the Scottish Performance Management Forum as councils continue to learn from each other.	OP1, OP2 OP3, OP4 OP5, OP6 OP7, OP8

Appendix One – Improvement Actions

<table>
<tr><th colspan="6">Corporate Improvement Actions 2019/20</th></tr>
<tr>
<th></th>
<th>Where do we want to be?</th>
<th>How will we get there?</th>
<th colspan="2">Status
August 2019</th>
<th>Commentary
August 2019</th>
<th>Corporate
Plan priority</th>
</tr>
<tr>
<td>5.</td>
<td>Workforce Planning

Continue to ensure workforce planning and development is integrated into CDIPs, risk registers and associated plans to address the key workforce challenges over the next 3 years and into the longer term.

Continue to ensure Service Workforce Plans are actioned and reviewed.</td>
<td>Analysis of workforce data and learning needs with a coordinated approach to WP and L&D solutions.

Assessing future workforce requirements via service workforce plans.

Delivery of plans to be monitored by the Workforce Planning & Development Group (ongoing).</td>
<td>●</td>
<td>Green – on track</td>
<td>Feedback from the leadership event will be presented to the CMT. Feedback will be used to inform the Organisational Development strategy.</td>
<td>OP1, OP3, OP9, OP10</td>
</tr>
<tr>
<td>6.</td>
<td>People and Organisational Development Strategy

A new Strategy is developed for 2020/23 which builds on the work of the 2017/20 Strategy</td>
<td>Workshops to be arranged with relevant stakeholders to determine key priorities and objectives of the strategy

March 2020</td>
<td>●</td>
<td>Green – on track</td>
<td>The Leadership event and workshop took place on 25 June 2019. Views were captured from senior managers on the key challenges ahead and the actions needed to address these.</td>
<td>OP9,OP10</td>
</tr>
<tr>
<td>7.</td>
<td>Fairer Scotland Duty

Ensure we are compliant with the Duty, as appropriate, by actively considering how we can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions.</td>
<td>By taking advantage of the support offered by the Improvement Service to develop and share best practice on the Duty.

When making strategic</td>
<td>●</td>
<td>Green – on track</td>
<td>The council was present at a Fairer Scotland Duty Even organised by the Improvement Service.

Officers from across various council services attended a number of equality impact assessment training sessions</td>
<td>OP2, OP4, OP9</td>
</tr>
</table>

Appendix One – Improvement Actions

		Where do we want to be?	How will we get there?	Status August 2019		Commentary August 2019	Corporate Plan priority
			decisions, actively consider, with an open mind, whether there are opportunities to reduce socio-economic disadvantage.			held in April 2019. These training sessions also incorporated the Fairer Scotland Duty.	
8.		FMS Review / Replacement Conduct a review to determine whether to further extend the FMS contract or have a transition plan in place	Supplier engagement and discussions with other local authorities by the end of 2019/20.	🟢	Green – on track	A meeting with Totalmobile Regional Director is being progressed over September / October, which should provide an initial indication of the future support of FMS.	OP9
9.		2020/23 Budget To develop a balanced three year budget that has been approved by Council.	Initial three year budget developed by March 2020. Calculate funding gap by December 2019.	🟢	Green – on track	The CMT has developed an initial list of proposals which are being refined and will be discussed at Members' Budget Working Group and the Joint Budget Group in coming months.	OP9
10.		Asset Management Strategy The capital asset management plan is updated to fully reflect current position and links to supporting plans which have been developed.	A co-ordinated approach will be implemented to update the current plan by November 2019.	🟢	Green – on track	Initial work has been carried out in reviewing the various workstreams. A list of actions has been developed to feed into the development of the strategy.	OP9
11.		Information Governance The Council's Freedom of Information Policy and associated	Freedom of Information Policy and procedures are updated to reflect current practice.	🟢	Green – on track	An Action Plan is in place for individual workstreams.	OP9

Appendix One – Improvement Actions

	Corporate Improvement Actions 2019/20					
	Where do we want to be?	**How will we get there?**	**Status August 2019**		**Commentary August 2019**	**Corporate Plan priority**
	guidance to officers is updated.	Information Management System to manage FOI requests is implemented. A corporate training programme is established. March 2020.				

Appendix One – Improvement Actions

			Cross Directorate Actions 2019/20		
	Where do we want to be?	**How will we get there?**	**Status August 2019**	**Commentary August 2019**	**Corporate Plan priority**
1.	Channel Shift Move customers away from traditional channels of communication to digital channels such as self-serve and online services.	Improve range of services and systems available online by increasing the number of channels and transactions dealt with via digital routes. Initial projects operational by summer 2019.	🟡 Amber – slight slippage	Supplier issues identified during the quality assurance testing has resulted in delayed implementation until autumn 2019. The testing of new bulky uplift process and the street lighting fault reporting and management are included in the first tranche of services to be developed. A new payment process for the new garden waste recycling scheme is to be incorporated in the implementation phase.	**OP9**

Appendix One – Improvement Actions

Service Improvement Actions 2019/20

These improvement actions will be implemented by individual Council Services

	Service Improvement Actions 2019/20 Finance and ICT				
	Where do we want to be?	**How will we get there?**	**Status August 2019**	**Commentary August 2019**	**Corporate Plan priority**
1.	Welfare Reform – Employees There is an adequately resourced Benefit and Customer Service Team in place. The service has effective joined up working with Social Security Scotland Agency and other key partners.	Communication with employees and Trades Unions. Regular updates to the Policy and Resources Committee. Effective communication with partners will be achieved through the forum of the Welfare Reform Project Board and Financial Inclusion Partnership. Proposals as part of the 2020/23 Budget.	● Green – on track	The Benefit and Customer Service Team is adequately resourced and communication with the team happens as necessary. Updates are also provided to the Policy and Resources Committee as required. The Scottish Social Security Agency has met with senior officers and costs agreed to co-locate up to 4 members of staff in the Customer Service Centre. Recruitment is underway and a Service Level Agreement is in the process of being completed.	OP4, OP9, OP10
2.	Collaboration – Non-domestic rates Improved resilience and improved customer service for NDR delivery.	NDR collaboration operational by 2020.	● Green – on track	The Chief Financial Officer is in discussion with Finance Directors from other Councils and is investigating options for non-domestic rates collaboration.	OP9

Appendix One – Improvement Actions

<table>
<tr>
<td colspan="6" align="center">Service Improvement Actions 2019/20
Finance and ICT</td>
</tr>
<tr>
<td></td>
<td>Where do we want to be?</td>
<td>How will we get there?</td>
<td colspan="2" align="center">Status
August 2019</td>
<td>Commentary
August 2019</td>
<td>Corporate
Plan priority</td>
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<td>3.</td>
<td><u>Cloud Migration Strategy</u>

The review is complete and the recommendations arising from it have been implemented.</td>
<td>Engagement with suppliers and other local authorities.</td>
<td>🟢</td>
<td>Green – on track</td>
<td>The ICT service has engaged with the Council's suppliers of Office automation. Networks Storage and Telephony Systems to identify opportunities and costs for migrating services to Cloud platforms.

The council has established links with colleagues in West Dunbartonshire to examine possible collaboration for Cloud migration.</td>
<td>OP9</td>
</tr>
</table>

Appendix One – Improvement Actions

<table>
<tr><td colspan="6">Service Improvement Actions 2019/20
Legal and Property Services</td></tr>
<tr><td></td><td>Where do we want to be?</td><td>How will we get there?</td><td colspan="2">Status
August 2019</td><td>Commentary
August 2019</td><td>Corporate Plan priority</td></tr>
<tr><td>1.</td><td>Partnership Working

Partnership working is planned and roles and expectations are clear.</td><td>Develop SLAs with the relevant services</td><td>●</td><td>Green – on track</td><td>This action is being progressed by the service.</td><td>OP10</td></tr>
<tr><td>2.</td><td>Elections

An Election Team is identified with responsibility for planning / arrangements to deliver the local government election in 2022.</td><td>Develop succession planning to ensure that an Election Team is in place to deliver the required actions.</td><td>●</td><td>Green – on track</td><td>Key members of the Election Team are in place and there is an awareness of the need to prioritise the identification of staff resource in the event of a loss of any key team members.</td><td>OP10</td></tr>
</table>

Appendix One – Improvement Actions

<table>
<tr><td colspan="6">Service Improvement Actions 2019/20
Organisational Development, Policy and Communications</td></tr>
<tr><td></td><td>**Where do we want to be?**</td><td>**How will we get there?**</td><td colspan="2">**Status
August 2019**</td><td>**Commentary
August 2019**</td><td>**Corporate Plan priority**</td></tr>
<tr><td>1.</td><td><u>Pay and Grading Model</u>

A revised Pay and Grading model is fully implemented.</td><td>Finalise the Implementation Plan, including the creation of a new structure and the migration of employees to this.

Appropriate testing and employee communication to be carried out.

October 2019</td><td>🟢</td><td>Green – on track</td><td>An implementation plan has been agreed and is being progressed.</td><td>OP9, OP10</td></tr>
<tr><td>2.</td><td><u>Health and Safety Monitoring System</u>

To record and monitor key action points and control measures which require to be implemented at Service level.

To monitor and record that implementation has taken place.

To integrate the accident reporting function with Finance's Insurance section, allowing a more streamlined investigation and recording process to ensure that all documentation is readily available for use in the event</td><td>Develop and test the relevant modules in the Figtree system.

Change over the current incident reporting system to the Figtree system.

Bring online the audit and assessment modules and pilot them in selected areas (Fire Risk Assessment, Education and Environmental and Commercial Services).

Develop the reporting function to bring statistical information</td><td>🟢</td><td>Green – on track</td><td>The hazard and action modules are being utilised for incident reports and this will continue to be developed.

Statistical information from incidents is being reported on and this will be expanded to include monitoring of actions.

External audits are now also being placed on the system.</td><td>OP9, OP10</td></tr>
</table>

Appendix One – Improvement Actions

<table>
<tr>
<th colspan="7">Service Improvement Actions 2019/20
Organisational Development, Policy and Communications</th>
</tr>
<tr>
<th></th>
<th>Where do we want to be?</th>
<th>How will we get there?</th>
<th colspan="2">Status
August 2019</th>
<th>Commentary
August 2019</th>
<th>Corporate Plan priority</th>
</tr>
<tr>
<td></td>
<td>of a claim.</td>
<td>to the Corporate Health and Safety Committee as required.

December 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Payroll System

A 'Version 8' upgrade is fully implemented and rolled out across the whole Council.</td>
<td>Carry out staff training and stakeholder engagement

Conduct a review of processes

Significant testing

October 2019</td>
<td>●</td>
<td>Blue - complete</td>
<td>The 'version 8' upgrade is now fully implemented.</td>
<td>OP9, OP10</td>
</tr>
<tr>
<td>4.</td>
<td>Repopulation and tourism 'place' marketing linked to branding

A planned and coordinated place marketing campaign, involving a range of partners, linked to the work of Tourism Inverclyde and using a redevelopment of the 'discover Inverclyde' brand to promote Inverclyde as a place to encourage more visitors, more businesses and more new residents</td>
<td>A new web resource will be created as a new 'discover Inverclyde' website under the support to Inverclyde tourism, the local area tourism partnership in the first half of 2019 supported by a place marketing campaign throughout 2019 and 2020 focused on promoting Inverclyde as a place to visit, live and work.</td>
<td>●</td>
<td>Green – on track</td>
<td>'Discover Inverclyde' is now out to tender. An action plan and funding has been approved and a temporary communications officer has been appointed.</td>
<td>OP1, OP9</td>
</tr>
</table>

Appendix Two – Performance Indicators

CORPORATE SERVICES PROGRESS REPORT 2019/20 – PERFORMANCE INDICATORS

August 2019

The Council's key performance indicators help demonstrate performance in terms of strategic and operational objectives. These indicators include statutory performance indicators and local performance indicators. Full year figures for 2016/17, 2017/18 and 2018/19 (where available) are shown below, together with the 2018/19 targets. Data on the first financial quarter in 2019/20 is also provided, where this information is available.

Key performance measure	Performance 2017/18	Performance 2018/19	Financial Quarter 1 2019/20	Target 2019/20	Commentary
Council Tax: in-year collection level[1]	95.5%	95.7%	27.7%	95.5%	Performance was at the same level as the first quarter in 2018/19.
Speed of Benefits processing changes in circumstances to HB	4 days	3.74 days	3.95 days	4 days	Performance was better than target in the first quarter of the financial year.
Speed of Processing new claims for Council Tax Reduction	30 days	33 days	34.83 days	34 days	Performance was slightly below target in the first quarter of the financial year.
Creditor payments: number of invoices paid within 30 calendar days of receipt as a % of all invoices paid	97.13%	95.86%	97.32%	97.13%	Performance is better than target in the first quarter of the financial year.

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[1] This is a year-end target. A higher % of Council Tax is expected to be paid in the first 3 quarters of the year than in the final quarter. Most Council Tax customers pay by 10 monthly instalments from April to January each year; therefore, dividing the annual target by 4 quarters would not give a true reflection of the expected income in each quarter

Appendix Two – Performance Indicators

Key performance measure	Performance 2017/18	Performance 2018/19	Financial Quarter 1 2019/20	Target 2019/20	Commentary
Customer Service Centre – abandoned calls • Revenues and Benefits • General	 25% 7%	 18% 7%	 9% 4%	 20% 7%	Performance in the first quarter was better than target for both revenues and benefits and general calls.
Performance appraisals: the % of performance appraisals completed and the individual development plans agreed	94%	97%	N/A	93%	Performance was better than target in 2018/19. This performance information is gathered annually.
Equal opportunities: % of the highest paid 5% of earners among Inverclyde Council employees that are women (excluding teachers)	53.9%	58.7%	N/A	50.6%	This indicator is part of the LGBF return. Performance was better than target in 2018/19. This performance information is gathered annually.

*An ICT Services Performance Update Report is prepared for every second meeting of the Policy and Resources Committee.

Report To:	**Policy and Resources Committee**	Date:	**17 September 2019**
Report By:	**Aubrey Fawcett, Chief Executive**	Report No:	**PR/23/19/LMcV**
Contact Officer:	**Louise McVey, Corporate Policy, Performance and Partnership Manager**	Contact No:	**01475 712042**
Subject:	**Inverclyde Best Value Assurance Report - Improvement Plan Progress Report**		

1.0 PURPOSE

1.1 The purpose of this report is to present the Policy and Resources Committee with an update on the Inverclyde Best Value Assurance Report (BVAR) Improvement Plan.

2.0 SUMMARY

2.1 The Inverclyde Best Value Assurance Report (BVAR) was submitted to Inverclyde Council on 29 June 2017 along with an Improvement Plan which was developed in order to address the recommendations made by Audit Scotland. The actions in the Improvement Plan have been absorbed into the Council's Corporate Directorate Improvement Plans (CDIPs).

2.2 It was agreed that the Committee would receive progress reports on the Improvement Plan approximately every 6 months. This is the fourth progress report to be considered by the Committee and brings together the updates on the improvement actions as reported in the Corporate Directorate Improvement Plan progress reports.

2.3 The current status of the 10 BVAR Improvement Plan actions is:

Status	Blue - complete	Red – significant slippage	Amber – slight slippage	Green – on track
	4	-	-	6

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee notes the progress made in regard to the BVAR improvement actions, as set out at appendix one.

Aubrey Fawcett
Chief Executive

4.0   BACKGROUND

4.1   The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Audit Scotland advises that the audit approach is proportionate, risk-based and is reflective of the context, risks and performance of an individual council. It also draws on intelligence from previous audit and scrutiny work.

4.2   Inverclyde Council's BVAR report resulted in an improvement plan to enable the Council to address the recommendations made by Audit Scotland.

4.3   The recommendations in the report were:

- To progress community empowerment to the level that the Act requires, the Council will need to further develop the capacity of communities it is working with. It will need to raise awareness of the possibilities for communities, and look at the level of funding and staffing required to work with communities to progress initiatives including the transfer of assets and participatory budgeting (Action BV1).

- The Council and its partners should use the Local Outcome Improvement Plan to develop a single set of outcomes which simplifies the strategic and planning framework (Action BV2).

- The Council should develop more detailed workforce plans and longer-term forecasts of workforce numbers and skills required (Actions BV3 and BV7).

- Actions to deliver strategic improvements should identify the difference they are expected to make to the overall strategic outcomes, with milestones at key intervals (Action BV4).

- Key corporate initiatives such as City Deal projects and shared services should be reflected in updated corporate planning documents (Actions BV5 and BV8).

- The Council should embed the recent introduction of directorate change management groups to prioritise, manage and monitor service improvement activity (Action BV6).

- The Council has experienced delays in its City Deal projects. Councillors and officers should continue to focus significant efforts on developing these projects with private sector partners (Action BV9).

- A detailed review of earmarked reserves should be undertaken with the new Council as part of the 2018-20 revenue budget development (Action BV10).

- Councillors should consider continuing with the Members' Budget Working Group, given the financial challenges that exist and the key decisions that will need to be made following the May 2017 local government election (see paragraph 4.4 below).

- All service review reports should be presented to councillors at the relevant service committee, in accordance with the Council's service review guidance. Councillors should also receive progress reports on service reviews (see paragraph 4.4 below).

4.4   In regard to the Members' Budget Working Group it was agreed unanimously by the Council to continue with this group, as recommended by Audit Scotland. Service review reports are reported to relevant service committees as they are completed. The timing of reporting of some service reviews is affected by the budget planning process.

4.5 Attached at Appendix 1 is a full progress report on the improvement actions included in the BVAR Improvement Plan. Highlights of the activity which has been undertaken since the last progress report includes:

- A Leadership event and workshop took place on 25 June 2019. The views of senior managers were captured on the key challenges that lie ahead and the actions that are needed to key challenges ahead. The feedback from the event will be used to inform the Council's Organisational Development Strategy.
- The Corporate Plan Annual Report was approved by the Policy and Resources Committee at its meeting on 6 August 2019. The Annual Report contains a range of performance measures as well as examples of projects and initiatives that have delivered improved outcomes for residents.

4.6 Members will be aware from earlier progress reports that a number of the improvement actions are now complete:

- The new Inverclyde Outcomes Improvement Plan was approved by the Alliance Board in December 2017. The LOIP has one set of strategic outcomes, the SHANARRI wellbeing outcomes and three strategic priorities. The LOIP Annual Report 2018/19 has been approved by the Alliance Board (BV2).
- Key corporate initiatives, such as City Deal and Shared Services are reflected in updated corporate documents, including the Local Outcomes Improvement Plan, the LOIP Annual Report, Inverclyde Council Corporate Plan 2018/22 and the Corporate Plan Annual Report 2018/19 (BV5 and BV8).
- All succession plans are now complete (BV3 and BV7).
- A full review of earmarked reserves has been completed (BV10).

4.7 The status of the 10 improvement actions is:

Status	Blue - complete	Red – significant slippage	Amber – slight slippage	Green – on track
	4	-	-	6

5.0 IMPLICATIONS

5.1 Financial Implications - One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a					

Financial Implications - Annually Recurring Costs/ (Savings)

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

5.2 Human Resources: none at present

5.3 Legal: none at present

5.4 Equalities: none at present.

5.5 Repopulation: A positive BVAR for Inverclyde Council contributes to the work of promoting Inverclyde as a good place to live and work.

6.0 CONSULTATION

6.1 n/a

7.0 CONCLUSIONS

7.1 There is good progress being made against the recommendations for improvement from Audit Scotland and these have been used to inform the self-evaluation processes used to develop improvement plans for the organisation. By embedding the improvement actions within the CDIPs, this allows the Council to ensure delivery.

8.0 LIST OF BACKGROUND PAPERS

8.1 Inverclyde Best Value Assurance Report 2017 http://www.audit-scotland.gov.uk/report/best-value-assurance-report-inverclyde-council

Appendix One: Actions to address BVAR recommendations

BVAR Improvement Action Plan

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
BV1	**The Community Empowerment (Scotland) Act 2015**	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. There are locality profiles and plans for the agreed localities across Inverclyde, mapping assets and issues, agreed with and led on by communities. Services/CPP partners and communities use these profiles to plan service delivery, targeting inequalities and working to reduce them All Inverclyde Alliance Partners are investing in building the capacity of	Respond to Scottish Government guidance. Bring the improving data analysis group together to gather information around the agreed localities 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 Timescale: October 2017 Set up working groups to cover each element, for example, legal, environmental, community learning and development,	Locality plans are available for Port Glasgow, Greenock East and Central and Greenock South and South West. Community Food Growing Strategy in Place A broader range and number of individuals and community groups are engaged and contributing to the development and delivery of Locality Plans and community planning. The Council is ready to manage participation request and asset transfer requests Communities are making full use of the Community Asset Transfer, Participation Request and Participation in Public Decision-	Steven McNab/Grant McGovern/ Gerard Malone	An agreed structure is now in place for locality planning along with a Communication and Engagement Strategy and Action Plan. Six community events are planned for the last two weeks in August/early September to obtain a better understanding of community priorities and provide an opportunity for community members and organisations to come together to shape the future and highlight where changes could be made to improve the lives of those living in our communities. Guidance to local authorities on part 9 of the Community Empowerment (Scotland) Act 2015 – Allotments was published at the end of June 2019. The guidance includes reference to the duty to prepare a food growing strategy and this is currently being considered by officers.	🟢 Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
		communities so that they may take full advantage of their rights set out in the Community Empowerment Act.	property etc. October 2017 Create a community food growing strategy. Awaiting guidance re timescales. Through the Community Engagement Network, highlight to the Alliance Board the resources required to effectively deliver on community empowerment/ engagement and capacity building, and make recommendations to the Alliance Board. December 2017 meeting of Alliance Board.	Making elements of the Community Empowerment Act.			
BV2	**Local Outcome Improvement Plan (LOIP)**	Community engagement has taken place to help develop the new LOIP and to assess whether the current outcomes are appropriate. New Local Outcome Improvement Plan agreed and being	Carry out a strategic assessment to inform the new LOIP, including engagement with communities Use locality profiles to inform development of the LOIP	Community Engagement taken place. LOIP produced and agreed by all partners.	All IOIP Leads	The new Inverclyde Outcomes Improvement Plan was approved by the Alliance Board at its meeting on 11 December 2017. The LOIP has one set of outcomes, the wellbeing outcomes and 3 strategic priorities. A comprehensive Strategic Needs Assessment for Inverclyde has been developed and is appended to the LOIP.	● Blue - complete

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
		delivered.\n\nOne set of outcomes is adopted by the Alliance and the Council.	Timescale: 1 October 2017			Work is ongoing to develop the Locality Plans.\n\nThe Local Outcome Improvement Plan Annual Report was approved by the Alliance Board in March 2019 and the Policy and Resources Committee on 6 August 2019.	
BV3	Corporate Workforce Planning and Development	Continue to ensure workforce planning and development is integrated into CDIPs, risk registers and workforce plans are in place for service areas to address the key workforce challenges over the next 3 years and into the longer term.	Analysis of workforce data and learning needs with a coordinated approach to WP and L&D solutions.\n\nIncluding future workforce requirements.\n\nMarch 2018.	WP and L&D activity is prioritised and needs are met through coordinated and cost effective approaches. Appropriate WP and L&D interventions are implemented to address key workforce challenges over the next 3 years.	Steven McNab	A Leadership event and workshop took place on 25th June 2019. Views were captured from senior managers on the key challenges ahead and the actions needed to address these.\n\nThe feedback received from the event will be used to inform the Organisational Development Strategy.	🟢 Green – on track
BV4	Measuring Impact on Outcomes	Inverclyde Alliance and Inverclyde Council are better able to demonstrate impact on outcomes, at various levels across services and programmes.	Working with experts and other performance management specialists, processes will be developed to better measure impact on outcomes.\n\nBy March 2018	In the next Best Value Assurance Report Audit Scotland are assured that Inverclyde is able to demonstrate impact on outcomes for all its children, citizens and communities.	Steven McNab	A review of the KPIs has been carried out to ensure that our performance measurement is linked to our corporate plan priorities. This will provide a set of measures that help demonstrate progress in delivering the council's organisational priorities.\n\nThe first Corporate Plan Annual Report was considered by the Policy and Resources Committee on 6 August 2019. The Annual Report contains a range of performance measures as well as examples of projects and initiatives that have delivered improved outcomes for residents.	🟢 Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
						The improvement actions in the new CDIPs 2019/22 are aligned to the delivery of the Corporate Plan organisational priorities. This topic remains on the agenda of the Scottish Performance Management Forum as councils continue to learn from each other. An annual report for the Inverclyde Outcomes Improvement Plan has been approved and is available on the council's website.	
BV5	**Key Corporate Initiatives**	Key corporate initiatives are reflected in updated corporate documents, included as part of the review of the Strategic Planning and Performance Management Framework.	When drafting the new LOIP and Corporate Statement, references to City Deal and shared services will be made. By March 2018.	The LOIP and Corporate statement make reference to City Deal and shared services.	Steven McNab	The new Inverclyde Outcomes Improvement Plan includes reference to City Deal and was approved by the Alliance Board on 11 December 2017. The new Corporate Plan 2018/22 was approved by The Inverclyde Council on 7 June 2018. City Deal was reflected in the Corporate Plan 2018/22 and updates are included in both the LOIP Annual Report 2018 and the Corporate Plan Annual Report 2018/19.	⬤ Blue – Complete
BV6	**Change Management**	Services have been reviewed and where appropriate redesigned to ensure they are fit for purpose, meet customer's needs and are efficient.	3 Change Management Directorate Groups are established to review progress on all change projects on a monthly basis. The Group will be chaired by the	Savings are identified through change management process. Change Management Directorate Groups meeting regularly.	Ruth Binks/ Louise Long/ Scott Allan	Regular meetings take place and officers are progressing all change management proposals. There is a new structure of ECOD Heads of Service now in place. HSCP Transformation Board meetings are diaried in advance	⬤ Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
			Corporate Director and consist of the DMT plus Finance & HR support. Heads of Service will be accountable for promoting change management projects and taking necessary action to ensure timeous delivery. Progress reports using a RAG status will be submitted to the Corporate Management Team. Once further work on Change Management is embedded with the new Council, in the summer of 2017, regular updates will be presented to the Policy & Resources Committee.	Bimonthly review of progress by the CMT using a RAG report.		with clear links to the Strategic Plan and associated 6 Big Actions.	
BV7	**Succession Planning**	Develop and Implement a Succession Planning programme for the Council.	Develop and Introduce Succession Planning programme in consultation with key stakeholders December 2017	A Succession Planning programme will be developed and rolled out across the Council to support the Councils workforce meet future challenges.	Steven McNab	All plans are complete.	● Blue – Complete

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
BV8	**Environment and Public Protection – service wide**	Appointment of a lead change officer and the production of a detailed Business Plan for shared services.	Through joint collaborative working and with partner authority and the successful development of the detailed Business Plan in Autumn 2017. Progress throughout 2018 was associated with achieving agreement across workforces in both Council and Council approaches. Action timeline for 2019 includes;- **January 2019** Workforce Briefings **Jan–March 2019** Workshops to identify: Early Wins Collaboration/Resilience/Efficiencies Opportunities for use of Technology Resource & Performance Issues **Apr–Sep 2019** Service Proposals &	A staged approach for the detailed Business Plan reported to the joint Committee and tracked against timescales and targets	Lead change officer reporting through Chief Executives Group and Corporate directors Scott Allen Gail McFarlane	Inverclyde and West Dunbartonshire have appointed a shared Head of Service to manage roads and transportation services in both councils. The development of resilience and shared service for roads is in place. The wider service business case is being developed. A report was considered by the Environment and Regeneration Committee on 29 August 2019. Wider collaboration of strategic management is covered in another report to this Committee. In addition, West Dunbartonshire and Inverclyde Councils have agreed to share strategic management across wider front line services.	🟢 Green – on track

Ref no	Area of Directorate activity	Where do we want to be?	How will we get there (including timescale)?	How will we know we are getting there?	Who is responsible?	Progress update 05/02/19	Status 05/02/19
			Implementation **May-Dec 2019** Develop Strategic Business Cases: Fleet/Waste/Greenspace/Street Scene				
BV9	**Regeneration**	Implementation of projects in respect of Inverkip road infrastructure Implementation of the projects to expand the quayside and delivery of a new visitor centre at Greenock Ocean Terminal Progress the Inchgreen project	Outline Business Cases will be presented to Environment and Regeneration Committee for approval OBC to be ratified by The Glasgow City Region Cabinet	Reports on progress will be delivered to the City Deal Project Board Project Monitoring Office – 4 weekly Inverclyde Council Environment & Regeneration Committee	Scott Allan	Regular updates are provided to the Project Board and to Committee.	🟢 Green – on track
BV10	**Reserves**	A full review of earmarked reserves has been undertaken and reflects the Council's medium term financial priorities and challenges.	Members' Budget Working Group will undertake review in September to December 2017 and any decisions will be taken in February 2018 as part of the budget.	Report is available regarding the review of earmarked reserves and this complies with the Approved Reserves Policy. Regular reporting of Reserves position to Committees and bimonthly review by the CMT.	Alan Puckrin	Complete. A review has been undertaken and with write backs of £2.3million agreed by the Council on 21st December 2017. Further decisions on the use of the Council's Reserves were taken in March, 2018.	⚫ Blue - complete

Inverclyde
council

Report To:	**Policy & Resources Committee**	**Date**:	**17 September 2019**
Report By:	**Chief Financial Officer**	**Report No:**	**FIN/82/19/AP/FM**
Contact Officer:	**Fiona Maciver**	**Contact No**:	**01475 712904**
Subject:	**Debt Recovery Performance 2018/19**		

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the Council's Debt Recovery performance during 2018/19. 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 for recovery of Council Tax and NDR took effect from 1 April 2018 initially for 2 years with the option to extend on a yearly basis up until 31 March 2022. The new contract includes the collection of Council Tax, Non Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and Parking Charge Notices.

2.2 The main focus of the In-house Debt Recovery Team continues to be Council Tax however, in line with last year, more rigorous activity is being applied to the recovery of Non Domestic Rates Sundry Debts (including Commercial rents), and Housing Benefit Overpayments.

2.3 Collection levels for 2018/19 in respect of Council Tax accounts passed to the Council's Debt Partners increased by £115,000. A breakdown of the categories of debt can be seen at Appendix 2. The contractor continues to be an effective partner both in terms of their collection results to date and also in the ease of communication with them. The contractor continues to operate from an office in Cathcart Street and recently expanded the number of staff working from the location to include a Sheriff Officer and a witness. The service allows the partner to take payments and answer 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 0.2% to 95.7%, the highest to date. Inverclyde Council is ranked 25th of the 32 Scottish Local Authorities for 'In Year' Council Tax collection and the Council is now exceeding the budgeted collection rate of 96.8% on all years prior to 2016/17. This is a significant achievement and can be attributed to the hard work of the Council's Revenues Team with support from Customer Services and the Benefits Team.

2.5 Payment by Direct Debit has remained high, 78.9% of in year receipts being received by this method of payment. As the Council's Digital Strategy is rolled out, it is hoped that more people will take advantage of paying by direct debit when they can set up themselves online at home. Direct Debit continues to be promoted as the first choice of payment method.

2.6 The collection level for Non Domestic Rates was 97.24%, an increase of 1.47% from 2017/18. In addition Debt Recovery for earlier years increased by £131,000 (see Appendix 2). This increase can be attributed to persistence of the Debt Recovery team and our Debt Recovery Partner.

2.7 As reported to the Committee in November 2016, changes to the Council Tax regime were introduced in April 2017 which increased annual bills for many Band E and above households. In addition a Council Tax increase of 3% was agreed for the 2018/19 financial year and an increase in the Long Term Empty Levy from 30% to 50% took effect from 1 April 2018. In April

2019 there was a 4.79% increase applied to Council Tax bills and the Long Term Empty Levy was increased to 100%. To date there has been no obvious impact on collection levels since these changes were introduced nor with the volume of recovery notices being issued for properties.

2.8   Following the planned retirement of the Revenues Team Leader a restructure of Revenues and Customer Services resulted in the Benefits Team Leader taking over Team Leader responsibility for Revenues from April 2019.

3.0   RECOMMENDATIONS

3.1   It is recommended that the Committee notes the Council's continued good Debt Recovery performance in 2018/19.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The current contract Debt Recovery Partnership took effect from 1 April 2018 initially for 2 years with the option to extend on a yearly basis up until 31 March 2022; performance from the Debt Partner is strong and it is fully expected that the extensions until 2022 will be utilised. The contract includes Council Tax, Non Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and Parking Charge Notices.

4.2 The Revenues Management Team meets 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. The Debt Partner is also very receptive to looking at fresh initiatives and ways of working which has contributed towards the continuing increase in collection levels for Council Tax. One example of this is conducting evening home visits to Council Tax debtors with high balances owing who live in high banded properties.

5.0 2018/19 PERFORMANCE

5.1 The Revenues Team based in the Municipal Buildings improved their in year Council Tax collection figure from 2017/18 and achieved the Council's best ever In Year collection figure of 95.7% in 2018/19. Inverclyde Council is ranked 25th of the 32 Scottish Local Authorities for 'In Year' Council Tax collection, of which 17 Local Authorities, not Inverclyde, report their collections on a line by line basis. This method of reporting has the effect of increasing the reported collection figures. Inverclyde Council is now exceeding the budgeted collection rate of 96.8% on all years prior to 2016/17. Considering the continuing difficult economic climate and the Welfare Reform changes, this is a commendable effort. The Revenues processing team made a 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. Due to the concerted efforts of the Debt Partner and the Council's Debt Recovery Team prior year collections increased during 2018/19 to £1.402m which is an increase of £16k from 2017/18. Figures at the end of March 2019 showed that the Council has collected 96.63% of all Council Tax billed since 1993.

5.3 As reported to Committee in November 2016, changes to the Council Tax regime were introduced in April 2017 which increased annual bills for many Band E and above households. In addition a Council Tax increase of 3% was agreed for the 2018/19 financial year and an increase in the Long Term Empty Levy from 30% to 50% took effect from 1 April 2018. In April 2019 there was a 4.79% increase applied to Council Tax bills and the Long Term Empty Levy was increased to 100%; collection levels will be closely monitored and any impact will be reported to the Committee in next year's performance report.

5.4 The collection rate for Non Domestic Rates was 97.24%, an increase of 1.47% since 2017/18; Rates collection level can vary greatly month to month depending on the volume of and value of bills issued.

5.5 The Council is currently using the Debt Partner to pursue outstanding Parking Fines and the collection of these is improving each month with an average collection level of 89% across all PCN's raised for 2018/19.

5.6 Robust procedures are in place to ensure that revenue to the Council is maximised. This involves employment traces, Earnings and Bank arrestments being lodged against individuals that fail to agree repayment proposals with the Debt Recovery Partner.

5.7 There were 7 sequestration actions raised in 2018/19, which were raised for a combination of Council Tax, rates and commercial rent. These sequestrations have resulted in payments of £45,309.72 being made. The number of sequestrations has remained fairly stable with 8 actions raised in 2017/18 although the income received by this method has increased by £26,531 in 2018/19. 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. The process in place for sequestration ensures that this is a last resort diligence and only used once all other means for recovery have been exhausted. This ensures that the customer has every opportunity to engage with the Council or the Debt Partner to make arrangements. Cases involving customers that have failed to engage are referred to an Insolvency Practitioner, who will attempt to contact the customer by letter in relation to their debt.

5.8 These letters appear to have the desired effect of encouraging customers to get in touch and make repayment arrangements which is beneficial to the customer as it avoids being in effect made bankrupt and saves the Council around £800 in legal costs for each case that does not progress to sequestration.

5.9 Payment by Direct Debit has remained high at 78.9% of in year receipts being received by this method of payment. This is a slight increase on last year's figure of 78.5%. As the Council's Digital Access Strategy is rolled out, it is hoped that more people will take advantage of paying by direct debit when they can set this up online.
Direct Debit continues to be promoted as the first choice of payment method.

5.10 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 although it should be noted that the introduction of Universal Credit Full Service in Inverclyde in November 2016 continues to have an impact.

5.11 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 can reduce costs to the debtors.

5.12 A statement of the Debt Partnership performance is set out in Appendix 1 and Appendix 2. The Debt Partners collected £2.582 million in Council Tax in 2018/19 which is £115,000 more than 2017/18.

5.13 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. It should be noted that the move to Universal Credit has had an adverse impact on the level of deductions being made from customer's benefits. Ongoing discussions are taking place with the DWP to streamline the process to ensure that customers can continue to benefit from the scheme.

6.0 OVERALL POSITION OF COUNCIL DEBT AS AT 31 MARCH 2019

6.1 The gross debt as at 31 March 2019 is £23,518 million as shown in Appendix 3. There is a bad debt provision of £17.009 million, leaving a net debt of £6.509 million. It should be noted that as at 31st March 2019, the Council had collected 96.63% of all Council Tax billed, an increase of 0.13% from 2017/18.

6.2 Appendix 4 provides more detail behind the figures and highlights 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 2018/19 Accounts.

7.0 PLANS FOR 2019/20

7.1 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.

7.2 In line with the Council's Digital Strategy and Customer Services Improvement Action plan, there are plans to modernise Council Tax Administration through:
- the implementation later this year of MyAccount which will allow customers to view their account on line without contacting the Council
- the Committee was advised last year that software has been purchased that will allow customers to report changes in circumstances online which can automatically update the Revenues processing system, Northgate, reducing the need for manual processing. Revenues and ICT Services are currently in the process of implementing this technology and it should be live by December this year.

7.3 A member of staff from Alex M Adamson currently works within the Debt Recovery Team one day a week to undertake joint recovery initiatives to increase revenue to the Council, this arrangement will continue to be reviewed and if deemed effective consideration will be given to expanding this role to help improve collections in all Inverclyde Council income streams.

7.4 Following the planned retirement of the Revenues Team Leader a restructure of Revenues and Customer Services resulted in the Benefits Team Leader taking over Team Leader responsibility for Revenues from April 2019. An intensive period of knowledge transfer took place before prior to the officer retiring however Revenues is a complex area and it will take time to gain experience as situations arise; the Revenues Supervisor who has excellent Council Tax and Debt Recovery experience will be instrumental in providing support to the Team Leader while knowledge in this area increases.

8.0 IMPLICATIONS

8.1 Finance

<u>Financial Implications:</u>

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 2018/19 the Council under recovered in its Council Tax prior year collection budget by £46,000. The shortfall has been contained in the overall Council Tax Income Account due to an improved in year collection for 2018/19.

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

10.1 None

Analysis of Debt Partner Performance 2018/19   **Appendix 1**

	Council Tax		Non Domestic Rates

Financial Year	Payments Received £000's	Financial Year	Payments Received £000's
1993/94	1	1993/94	1
1994/95	2	1994/95	0
1995/96	2	1995/96	0
1996/97	5	1996/97	0
1997/98	8	1997/98	0
1998/99	7	1998/99	0
1999/00	8	1999/00	0
2000/01	13	2000/01	0
2001/02	15	2001/02	0
2002/03	16	2002/03	0
2003/04	13	2003/04	0
2004/05	12	2004/05	0
2005/06	19	2005/06	0
2006/07	23	2006/07	0
2007/08	25	2007/08	2
2008/09	35	2008/09	0
2009/10	37	2009/10	0
2010/11	46	2010/11	0
2011/12	54	2011/12	1
2012/13	64	2012/13	1
2013/14	84	2013/14	1
2014/15	98	2014/15	0
2015/16	103	2015/16	10
2016/17	200	2016/17	44
2017/18	512	2017/18	83
2018/19	1180	2018/19	405
Total	2582	Total	548

Debt Recovery Partnership   Performance Comparison   2017/18 & 2018/19

	2017/18 £000's	2018/19 £000's	Difference £000's	%
Council Tax	2467	2582	115	4.66%
Non Domestic Rates	417	548	131	31.41%
Total	**2884**	**3130**	**246**	**8.53%**

	Position 31/03/2019 £'000	Position 31/03/2018 £'000	Movement £'000
Council Tax			
Gross Debt	16,366	16,327	39
Less: Bad Debt Provision	13,647	13,764	(117)
Net Debt	2,719	2,563	156
Sundry Debt			
Gross Debt	1,585	1,182	403
Less: Bad Debt Provision	333	334	(1)
Net Debt	1,252	848	404
Industrial & Commercial Rent			
Gross Debt	85	106	(21)
Less: Bad Debt Provision	39	38	1
Net Debt	46	68	(22)
Statutory Additions			
Gross Debt	2,990	2,949	41
Less: Bad Debt Provision	2,990	2,949	41
Net Debt	0	0	0
Long Term Debtors			
Gross Debt	2,492	2,552	(60)
Less: Bad Debt Provision	0	0	0
Net Debt	2,492	2,552	(60)
Overall Totals			
Gross Debt	23,518	23,116	402
Less: Bad Debt Provision	17,009	17,085	(76)
Net Debt	6,509	6,031	478

Inverclyde council

Report To:	Policy & Resources Committee	Date:	17 September 2019
Report By:	Chief Financial Officer	Report No:	FIN/83/19/AP/FM
Contact Officer:	Fiona Maciver	Contact No:	01475 712904
Subject:	Customer Services Annual Performance Update		

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 2018/19 and to provide an update on the Action Plan which has been an evolving document since the first CSC Strategy was approved in 2012.

2.0 SUMMARY

2.1 Following the opening of the Customer Service Centre (CSC) 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 and again in 2018 for 2018-21. It was also agreed that an annual update of CSC performance would be presented to the Committee.

2.2 Since last year's performance report a restructure has taken place in Revenues and Customer Services due to the planned retirement of the Revenues Supervisor in April 2019. The Benefits Team Leader took on responsibility for Revenues whilst Registration Services was transferred to Customer Services, all still reporting to the Revenues and Customer Services Manager. More detail on this restructure can be seen in at paragraph 4.2 of this report.

2.3 Appendix 1 details progress against the action plan presented to the Committee in September 2017 and Appendix 2 provides performance information for 2018/19 as compared to 2017/18 in terms of volumes and throughput. Overall the level of performance in Revenues and Benefits has improved and exceeded the target set last year. Performance in non-Revenues and Benefits service areas has remained fairly stable with a slight improvement; more information relating to performance can be seen at Section 6 of this report.

2.4 Improvement can also be seen in 3 out of 4 of the service areas monitored under the Quality Assessment procedure with one area remaining static. More information relating to this performance can be seen at Section 6 of this report.

2.5 Section 7 of the report identifies targets for 2019/20 which are reported through the Corporate Directorate Improvement Plan and Inverclyde Performs. This section also outlines the challenges ahead including ongoing work to drive forward channel shift, partnership working with the Scottish Social Security Agency and developments in the pipeline for CSC staff to take on telephone booking appointments for the registration of marriages and deaths.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the performance in terms of the improvement in abandoned calls for Revenues and Benefits and for Quality outcomes and for the high level of compliments received.

3.2 It is recommended that the Committee notes the smooth transition of Registration Services merging with Customer Services.

3.3 It is recommended that the Committee notes the ongoing impact of Welfare Reform changes, particularly Universal Credit (UC), including the new Scottish Social Security Agency, on the workload/service delivery within the Customer Service Centre.

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 is refreshed on a triennial basis with the most recent being approved by the Committee in September 2018 for 2018-2021. When the initial Strategy was presented to the Committee in 2012 it was agreed that a report on Customer Service performance be presented to the Policy and Resources Committee on an annual basis after the Summer recess. As well as performance, the report also highlights areas of development that have been or are being introduced to ensure continued improvement.

4.2 Since last year's performance report a restructure has taken place in Revenues and Customer Services due to the planned retirement of the Revenues Supervisor in April 2019. The Benefits Team Leader took on responsibility for Revenues whilst Registration Services was transferred to Customer Services, all still reporting to the Revenues and Customer Services Manager. In the lead up to this change together with shared learning and knowledge transfer.

5.0 2018/19 PERFORMANCE AGAINST THE ACTION PLAN

5.1 In 2018 together with the Customer Services Strategy the updated Action Plan which details current and future developments for the Service was presented to the Committee. This Action Plan has been updated to show the current position; Appendix 1 refers and shows:

- 2 x Blue (completed actions)
- 5 x Green (on-track actions)
- 1 x Amber (slippage)

5.2 One of the key successful completed actions from the 2018 Action Plan was:

- 'The transfer of Registration Services to Customer Services'; detail of which can be seen at paragraph 4. A new action relating to Registration Services has been added to the plan for CSRs to take on the task of taking telephone calls relating to marriages and then deaths, telephone calls for births have already been successfully transferred to CSRs. Progress on this will be reported in next year's performance report.

5.3 The Action Plan is an evolving document and as such new actions are added or adjusted depending on the direction of travel.

An example of this is in relation to the Scottish Social Security Agency (SSSA) which in 2018 was to:

'Keep abreast of developments in relation to the Scottish Social Security Agency'; Since this action was added to the Plan in 2018, the SSSA have agreed that they will have a team of up to 4 members of staff co-located in the CSC; chargeable costs have been agreed and ICT and equipment requirements have been identified and a Health and Safety Risk Assessment completed. Co-location in the CSC will allow customers to access Council and SSSA services in the one location with Health and Social Care Services also being available in nearby Hector McNeil House. More detail about the SSSA can be seen later in the report.

5.4 The action on the 2018 Action Plan relating to Service Development/Self Service which, when implemented will allow for an increased range of services such as Bulky Uplifts to be booked and paid for on line, has slipped in terms of its planned go live date due to technical difficulties which are currently being resolved. It is anticipated that on line self service will be live from late autumn this year starting with Bulky Uplifts followed by Street Lighting. Promotion of these services through the use of media and encouragement by the Customer Service Representatives during phone calls and face to face visits to the CSC will be key if we are to see a shift in the channel of contact for our customers and allow the new target described at paragraph 7.1.

6.0 2018/19 PERFORMANCE

6.1 Appendix 2 contains a comparison of performance for Revenues & Benefits (R&B) enquiries for 2018/19 against the same period for 2017/18 for telephony, customers interviewed and incoming emails. The Management Information (MI) illustrates that call volumes have reduced by 15% with the abandoned call levels improving from 25% in 2017/18 to 18% in 2018/19 which is well within the target of 20%. This is a credible performance given that the team lost 3 experienced members of the Revenues and Benefits team at the end of 2018 and, whilst the subsequent vacancies were filled, it took a few months of intensive training before the new advisors were as effective.

6.2 The average time that customers had to wait for their call to be answered in 2018/19 improved from just over 2 minutes in 2017/18 to just under a minute in 2018/19. The number of customers interviewed decreased by 3% in 2018/19 compared to a 12% reduction in 2017/18. It had been expected that this figure would continue to drop year on year as Universal Credit rolls out however the delays to the planned migration of UC means that the Housing Benefit caseload is not reducing at the rate predicted. UC migration is now not expected to be fully rolled out until 2024.

6.3 Appendix 2 also contains a comparison of performance for Other Council Services from 1 April 2018 to 31 March 2019. This shows:

- The abandoned call level has improved slightly from 7% in 2017/18 to 6% in 2018/19 with performance being within the target of 7%.
- The number of overall calls presented has dropped slightly by 7%.
- General enquiry emails decreased by 26% and total contact for general enquires reduced by 7%. The reason for this is not clear; it is possible that this is a result of services performing more efficiently for example bin uplifts etc. resulting in less need to contact the Council.
- Usage of the mobile app and website has decreased by 22% since the 2018 performance was reported. Reduction in the usage of the mobile app could partly be attributed to technical problems with Apple meaning that Apple phone users have been unable to use this app since August 2018. Apple are looking at this issue together with the Council's software company however there is no information available at this time to know if this is likely to be resolved.

Management Information in the above areas will continue to be closely monitored.

6.4 Targets are set for the CSC in respect of volumes of complaints and compliments; the target for 2018/19 was based on the outturn for 2017/18. The target for last year was that the CSC was to receive no more than 20 complaints and to receive in excess of 63 compliments. The outturn for 2018/19 was that 20 complaints and 96 compliments were received. The nature of the complaints varies with no emerging theme; the high number of compliments received continues to be testament to the knowledge and professionalism of the CS staff.

6.5 Whilst it is disappointing to see that the number of customers using electronic means of contact such as the mobile app remains small, it is anticipated that when self service is available for customers to, for example, book and pay for bulky uplifts online together with developments underway as part of the Digital Strategy to implement Revenues Citizens Access and the roll out of MyAccount that this will help drive the shift to more digital channels of contacting the Council.

6.6 It was reported to the Committee in September 2018 that the Quality Monitoring System had been implemented following technical difficulties. This system and subsequent quality checks are now embedded into the service and provides valuable information on the performance of the Customer Service Representatives (CSR).

6.7 The process involves a Senior CSR listening into a percentage of calls. A scoring matrix is applied to give an overall score for each advisor. Templates have been developed for each of the key areas and for the key services. The elements that are scored on will vary depending on the

service however the following summarises the key areas that are scored:

- Did the CSR apply the correct greeting and offer further assistance at the end of the call?
- Did they apply the standard verification protocols?
- Did they access the correct record?
- Did they sound friendly, polite and interested in helping?
- Did they deploy effective listening and effective questioning skills to gather further information avoiding the use of jargon?
- Was the customer given correct advice, guidance and/or issued the correct forms as appropriate?
- Were the appropriate systems updated?
- Were the correct procedures followed when transferring a call?

6.8 Various parameters can also be monitored such as handling times of calls over or under certain duration. The Senior CSR provides one to one feedback to the CSR on their performance and ensures that feedback is positive where merited as well as highlighting areas where improvements can be made.

6.9 The quality assessment of telephone calls is broken down into four areas: Revenue & Benefits, Environmental & Public Protection, Taking a Payment and Switchboard calls. These four areas look for different outcomes and are assessed independently of each other. The results for 2018/19 showed that the high level of performance in its first year of performance in 2017/18 has been exceeded in 2018/19 in 3 of the 4 areas and remained static in one; the accuracy results are:

- Revenue & Benefits – 89% (81% in 2017/18)
- Environmental & Public Protection – 87% (87% in 2017/18)
- Taking a Payment – 94% (90% in 2017/18)
- Switchboard – 93% (90% in 2017/18)

6.10 Reducing the volume of cash payment continues to be a focus for the CSC; in 2017/18 there were 27,758 cash transactions which amounts to 57% of all transactions. In 2018/19 this reduced to 24,689 transactions which amounts to 53% of all transactions. It will be difficult reducing this figure much further without closing down cash payments as an option but it is acknowledged that due to the demographics in Inverclyde many customers particularly the elderly like to pay in cash. When web-self-service is live it is hoped that this may reduce cash transactions further.

6.11 The late opening on a Wednesday morning continues to be of benefit for staff training and development.

7.0 **FUTURE PLANS AND TARGETS**

7.1 Customer Services targets for 2019/20 have been agreed as:

- To have fewer than 20% abandoned R&B telephone calls – no change from last year.
- To have fewer than 7% abandoned general calls – no change from last year.
- To receive no more than 20 complaints – 20 were received in 2018/19 compared to 14 received in 2017/18.
- To receive in excess of 70 compliments – 96 were received in 2018/19 compared to 81 in 2017/18.
- To have 10% of interactions with the Council without intervention at the CSC by utilising the web or mobile app for self-service in respect of general enquiries and service requests.

7.2 Channel Shift continues to be a key priority for the Service and the following actions will help facilitate this:

- Work with suppliers to fully enable the functionality for customers to book and pay for

bookable and transactional services such as bulky uplifts.

- Enhance the range of services available via Web Self-service, including integration of MyAccount authentication which would allow one secure sign in.
- Review and revise the range of services available via the Inverclyde Online smartphone app and continue to improve back end processes and more widely promote this channel of contact.
- Work with suppliers to enable Council Tax account administration such as reporting changes in circumstances via the Council web site.

7.3 Progress on the above channel shift actions is monitored through the Finance/ICT meetings which are chaired by the Chief Financial Officer and is also tracked through the Digital Strategy Action Plan as well as the Customer Service Action Plan. These projects as noted earlier in the report have been subject to slippage but are on track to go live by the end of September.

7.4 The CSC has continued to enjoy successful outcomes through the placement of Modern Apprentices (MA). 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. The CSC has proven history of developing MAs enhancing their employment opportunities within and external to the Council. In 2018/19 two MAs secured positions as Customer Service Representative (CSRs) in the CSC. As well as it being of great benefit for the individuals receiving training and mentoring throughout the MA process enhancing their chances of employment, the CSRs and senior CSRs are delighted to see results of their investment. The Service is waiting on word as to whether a MA is to be allocated to a placement in the CSC from this year's intake.

7.5 Welfare Reform continues to have an impact on the volume and nature of contacts with the Customer Service Centre. The pace of this change will increase over coming years as Universal Credit begins its migration of the current Housing Benefit case load to UC albeit the pace of change has slowed down with full migration now not expected to be complete until 2024. The effect of UC will continue to be closely monitored.

7.6 It was reported to the Committee last year that when the appropriate systems were in place, Customer Service staff would be trained in taking registration telephone calls for customers wishing to make appointments, allowing the registration staff to concentrate on delivering the service. Whilst the software is not yet in place to allow the full roll out of all calls, Customer Service staff have been taking telephone calls in relation to the registration of births since June 2019 which has been a success. Following further training in a modular basis and the appropriate booking software being implemented, the plan is to transfer the telephone calls regarding marriages and then death appointments. It is critical that this training is thorough due to the sensitivities and legislative requirements of registering births, deaths and marriages. Progress of this will be monitored through the CS Action Plan and reported to the Committee on next year's Performance Report.

7.7 Following Royal Assent of the Scotland Act 2016 in March 2016, the Scottish Social Security Agency (SSSA) was set up to deliver 11 Social Security Benefits which have been devolved to Scotland to deliver and which are currently administered by the UK Government. The timescales for the delivery of the devolved Benefits began with the top up to Carer's Allowance from summer 2018, Best Start Allowance then Funeral payments during 2019 with a phased roll out of the remaining benefits for full implementation by 2021.

7.8 The SSSA intend to employ staff locally and envisage them working within every local authority area with recruitment underway. Rather than replace local delivery arrangements, Scottish Government officials wish to build on what already exists through augmentation and support and acknowledge that partnership arrangements will be key to the new arrangements. As noted earlier in the report, the SSSA have agreed that they will have a team of up to 4 members of staff co-located in the CSC; chargeable costs have been agreed and ICT and equipment requirements have been identified and a Health and Safety Risk Assessment completed. It is expected that SSSA staff will be in place in the CSC by 2019; co-location in the CSC will allow customers to access Council and SSSA services in the one location with Health and Social Care Services also being available in nearby Hector McNeil House. Progress in this area will be monitored through the CSC Action Plan and by means of regular meetings with the SSSA and internal services in the Council.

7.9 The British Sign Language (Scotland) Act 2015 requires Councils to develop a British Sign Language Plan (BSL) for 2018/23; CS and Corporate front line staff have attended a BSL training course and an e-course will be released within the next 6 months. A survey is being issued next month to ask staff if they use BSL for work and/or personal use and if yes ascertain what level of qualification they hold. The staff Disability Forum will have reviewed the Equal Opportunities Form by the end of the year to establish if the wording for current and potential employees could be improved. The Council will have joined contact SCOTLAND-BSL by the end of the year which through the use of an online interpreting video relay service will allow a 3 way conversation between the deaf user, an online interpreter and a member of our staff. Progress on the BSL Plan is reported to the CMT.

8.0 CUSTOMER CONSULTATION

8.1 No customer consultation was carried out in 2018/19 however there are biannual citizens panel surveys which include customer service questions with the next one due in 2020; it is planned that questions will be included around the area of website self-service in order to gauge awareness of these channels and collect information about how customers have found the experience of utilising on line services.

9.0 IMPLICATIONS

9.1 **Finance**

Financial Implications: 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					

9.2 **Legal**

There are no legal implications arising from this report.

9.3 **Human Resources**

There are no direct HR implications arising from this report.

9.4 **Equalities**

There was a full equalities impact assessment carried out with the initial Customer Services Strategy which was updated as part of the refreshed CS Strategy presented to the Committee in 2018 and will be further refreshed when the Strategy is next refreshed in 2021.

Has an Equality Impact Assessment been carried out?

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

9.5 **Repopulation**

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

10.0   CONSULTATIONS

10.1   None

11.0   LIST OF BACKGROUND PAPERS

11.1   None

2018/21 Customer Services Strategy - Action Plan

Action	Action	Success Criteria	Target Date	Responsibility	August '19 Position	Status
PEOPLE	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 Team Leader/CS Supervisor	* 15 CSC staff have completed or are in the process of completing their CSPQ * Await confirmation for funding to be available via Individual Training Accounts (ITA) fo the remainder of the team to complete course.	
	British Sign Language plan 2018 - 2023. Support Corporate Policy with the implentation	Meeting objectives in plan Better customer satisfaction Trained staff	Ongoing	Corporate Policy Team/CS Team Leader	* Consultation complete * HR will pilot Contact Scotland software before rolling out to customer services * Six CSC team members attended West College Scotland for full day BSL course	
	Keep abreast of developments in relation to the Scottish Social Security Agency (SSSA)	Joint working with the SSSA and internal servies such as HSCP in order to implement co-location.	Dec-19	Revenues and Customers Services Manager/CFO	Site visits have taken place regarding co-location. * Council and SSSA have agreed costings per head for any SSSA staff members to be located in the CSC. *ICT specification and equipment requirements have been established. *Health & Safety templates for SSSA staff working in CSC have been completed.	
CUSTOMER ENGAGMENT	Use the website to communicate meaningful information to our citizens. Feed issues into the Corporate Web Group	Customer satisfaction improvements - customer expectations are managed better when targets are understood.	On-going	Revenues & Customer Service Manager/Corporate Communications	On Going	
SERVICE DEVELOPMENT	*Develop Kana system *Implementation of web self service *Mapping integration for location based fault reporting with corporate GIS system *Develop further online payments *Revise the range of services available via the council website *Development of citizen access for council tax	*Increased range of services available via Web Self Service *Customers are able to book and pay for services online *Customers are able to conduct council tax administrative requests via the council website *Customers can access multiple services via a single sign on (MyAccount) *Reduces workload for customer services *Streamlines processes *Quicker service notification of new/updates to cases	Oct '19	Revenues & Customer Services Manager & ICT	* Business case approved March 2018 and implementation is under way. Core system upgrade applied. Issue identified with integration between Kana and Uniform System. Requirement to resolve prior to "go-live" of any new services. Work being completed in tandem with upgrade process. * GIS issue has still to be incorporated for use by Customer Service staff and relevant systems to be fully tested * CA - R: Initial implementation complete – QA testing by service identified issues that prevented implementation. Upgrade from supplier is expected in October '19 to resolve these issues. Milestone chart currently being devised to identify launch date.	SLIGHT SLIPPAGE
	CSR's to take appointment calls for marriages and followed by deaths	Calls handled by CSR's	Mar '20	Customer Services Team Leader & Registrar	*Birth Registration calls handled by CSR from June 19 *Await upgrade of Opti Time booking scheduler rather than using Outlook	
	Agree escalation process where individuals repeatedly fail to meet required standards.	*Improved customer service delivery *Improvement in scoring of individual's quality managed calls	On-going	Customer Services Supervisor/Support Officer	Procedure developed and implemented	COMPLETE

	Transfer of Registration Services to Customer Services	Knowledge transfer of operational processes and legislation	Apr '19	CS Supervisor/Principal Benefits and Customer Services Officer	Complete	COMPLETE

	2017/18	2018/19
Calls Presented	34256	29192
Calls Answered	25859	23,741
Customers Interviewed	11494	11859
Emails Received	4381	3631
Total Contacts	41734	39231

Revenue &Benefit MI

(chart showing values: Calls Presented 34256 / 29192, Calls Answered 25859 / 23,741, Customers Interviewed 11494 / 11859, Emails Received 4381 / 3631, Total Contacts 41734 / 39231; series 2018/19 and 2017/18)
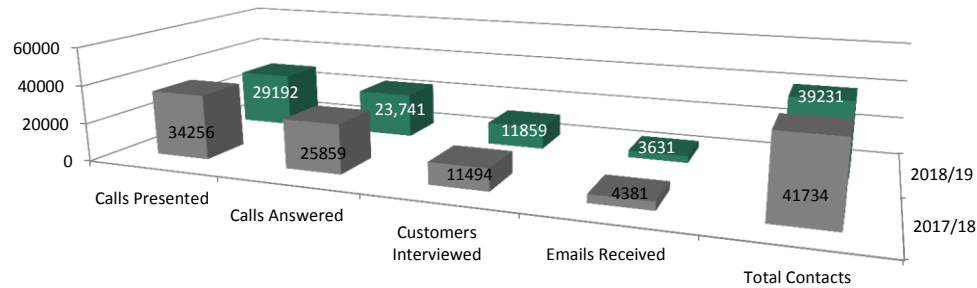
What does the MI show (annual)?

* Calls presented has decreased by 15%. This is largley contributed to by a 20% decrease in Housing Benefit calls

* Customers interviewed has increased by 3%

* Abandoned call level has decreased from 25% last year to 18% this year. This exceeded the 20% target set.

* Housing Benefit emails received has decreased by 17%

* Total contacts has decreased by 6%

* The team lost 3 experienced staff members in Dec 18. These vacancies were filled mind Januaury 19 but they only handled CTX enquiries for the first 8 weeks when benefit training was then delivered.

	2017/18	2018/19
Calls Presented	90874	85,041
Calls Answered	84483	79,495
Customers Interviewed	2563	2373
Emails Received	7384	5873
Total Contacts	185304	173,921

Other Services MI

(chart showing values: Calls Presented 90874 / 85,041, Calls Answered 84483 / 79,495, Customers Interviewed 2563 / 2373, Emails Received 7384 / 5873, Total Contacts 185304 / 173,921; series 2018/19 and 2017/18)
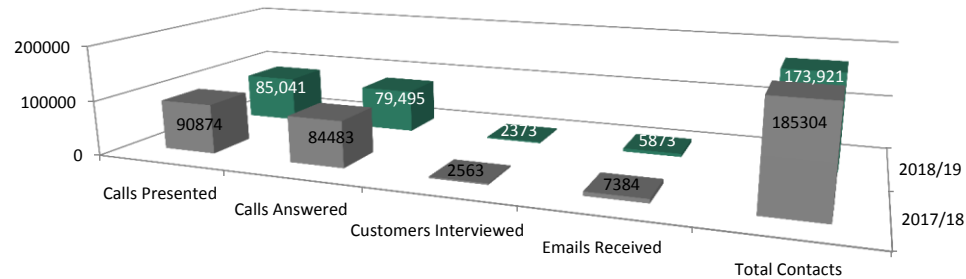
What does the MI show?

* Calls presented for all other non R&B services has decreased by 7%

* Calls handled for all other non R&B services has increased slightly to 94%

* 6% of calls remain unanswered - this is a slight improvement to last year with the target set at 7%

* Interviews has decreased by 8%. This will be largely contributed to free school meals being automatically awarded to P1 - P3

* Emails have decreased by 26%

* Total contacts has decreased by 7%.

Usage of the mobile app and website has decreased by 22%. 1705 enquiries where submitted in 2018/19 compared to 2197. These enquiries were originally made via the CSC. (The decline in enquiries is perhaps due to Apple users being unable to use the mobile app due to technical problems (since August 18)).

	Avg wait time of calls	Avg wait time of interviews	Avg Interview duration
2017/18	00:02:19	00:11:03	00:13:45
2018/19	00:00:57	00:10:26	00:12:49

Revenues & Benefits MI
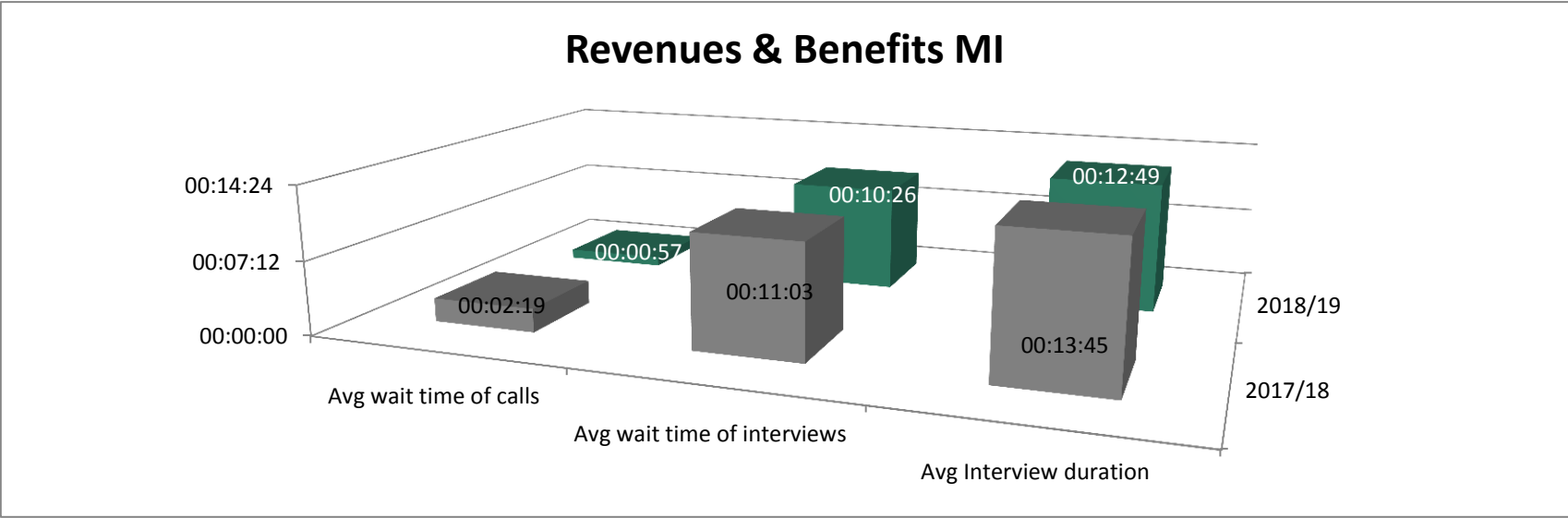
	Avg wait time of calls	Avg wait time of interviews	Avg Interview duration
2017/18	00:02:19	00:07:57	00:06:27
2018/19	00:00:57	00:08:16	00:07:43
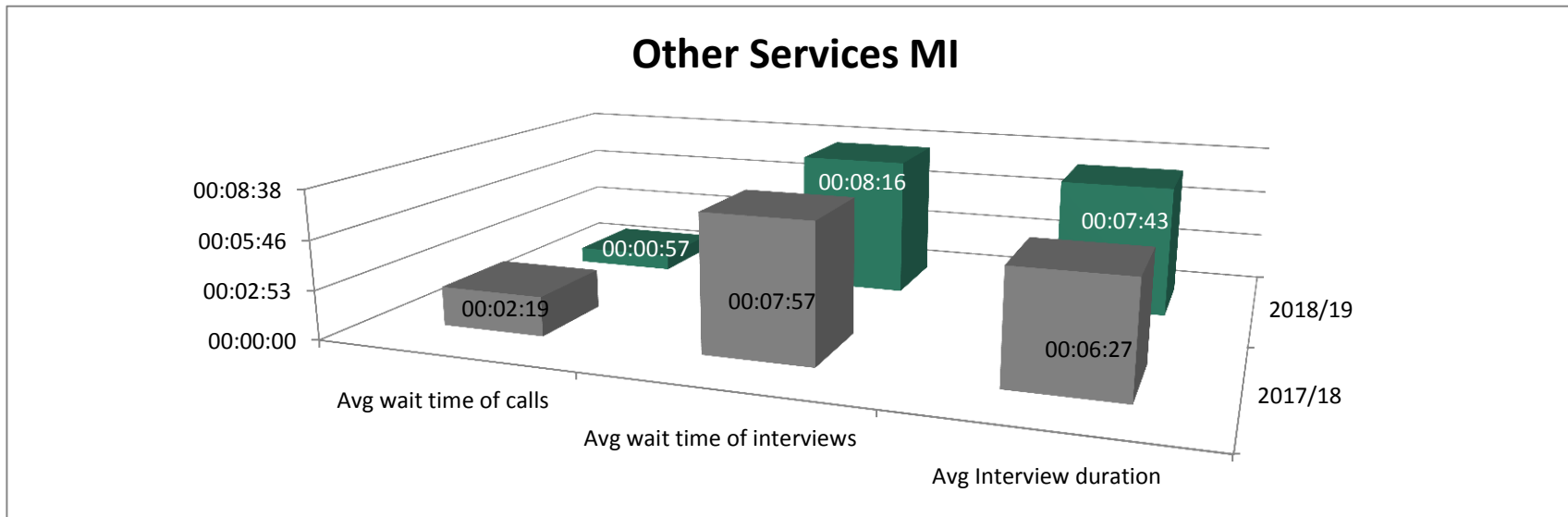
Other Services MI

Report To:	Policy & Resources Committee	Date:	17 September 2019
Report By:	Chief Financial Officer	Report No:	FIN/70/19/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Inverclyde Council – Reserves Policy		

1.0 PURPOSE

1.1 The purpose of this report is to present the Reserves Policy for Inverclyde Council to the 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 September 2016. The Council's Reserve Policy draws heavily on LAAP Bulletin 99 issued in July 2014.

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 2019, amended for an adjustment subsequently identified by officers which shows the latest position of the Council's Useable Reserves. Appendix 2 provides a summary of the movement in the Council's Useable Reserves in the 10 year period from 31 March 2010 to 31 Match 2019. From this it can be seen that the Council's Useable Reserves more than doubled from £29.5 million to £60.8 million over the period 31 March 2010 to 31 March, 2017 but over the last 2 years have dropped by almost £16million. This reduction is in line with the planned use of Reserves to support the Capital Programme and the transfer of former Social Work Reserves to the Integrated Joint Board.

2.4 The last Local Government Overview Report highlighted that Inverclyde Council had proportionately one of the highest levels of Useable General Fund Reserves in Scotland but equally showed that the vast majority of the Council's Useable Reserves were earmarked for specific uses.

2.5 The Council continues to face a period of unprecedented financial pressure and uncertainty and this 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 the management of its Reserves should continue and no material changes are therefore proposed to the previously approved Reserves Policy.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the latest position in respect of the Council's Reserves as set out in Appendix 1 and Appendix 2.

3.2 It is recommended that the Committee approves 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 September, 2016.

4.2 The Council's Reserves Policy draws heavily on LAAP Bulletin 99 issued in July 2014.

4.3 LAAP 99 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 useable 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 2018/19 amended for a subsequent adjustment identified by officers. From this it can be seen that the current level of Useable Reserves as at 31 March 2019 is £44.945million. It is important to note that of this sum 88% is earmarked for specific use. Free Reserves currently sit at £5.2million or £1.4million above the minimum level recommended.

5.2 The Council's Useable Reserves built up significantly over the period 2010 to 2017 as illustrated in Appendix 2 however there has been a sharp reduction in the level of reserves held over the last 2 financial years. The use of Reserves to support the Capital Programme has significantly helped the Council in terms of delivering medium to long term strategies.

5.3 Members receive regular reports in terms of the short to medium term financial position of the Council and the Full Council receives 6 monthly updates in respect of the Financial Strategy. These updates have highlighted the ongoing pressure on public finances and the remaining constitutional uncertainty.

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 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 2016 and Appendix 3 contains the proposed Policy for Committee consideration.

6.0 IMPLICATIONS

6.1 **Finance**

The current level of Useable Reserves means the Council can use internal "Cash Backed Reserves" which helps reduce capital financing costs. As the Reserves continue to 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 Financial 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 additional 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

☒ X   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.

Earmarked Reserves:	Balance at 1 April 2017 £000	Transfers Out 2017-2018 £000	Transfers In 2017-2018 £000	Balance at 31 March 2018 £000	Transfers Out 2018-2019 £000	Transfers In 2018-2019 £000	Balance at 31 March 2019 £000
Digital Strategy	297	(80)	0	217	(20)	0	197
School Estate Management Plan	3,511	(373)	0	3,138	(1,206)	0	1,932
Contribution to Riverside Inverclyde	2,177	(253)	298	2,222	(1,254)	0	968
Miscellaneous Policy & Resources Committee Reserves	1,091	(495)	854	1,450	(654)	315	1,111
Miscellaneous Environment & Regeneration Committee Reserves	2,616	(1,710)	751	1,657	(661)	899	1,895
Renewal of Clune Park Area	1,684	(142)	0	1,542	(107)	850	2,285
Asset Management Plan	1,140	(2,162)	1,729	707	(133)	0	574
Support for Owners	772	(772)	0	0	0	0	0
Major Events 2019-2021	0	0	345	345	(195)	0	150
Community Fund	0	0	350	350	(6)	0	344
Early Retiral/Voluntary Severance Reserve	5,148	(908)	0	4,240	(602)	0	3,638
Revenue Contribution to Capital Programme	8,309	(7,439)	3,832	4,702	(4,702)	1,365	1,365
Miscellaneous Education & Communities Reserves	1,405	(954)	625	1,076	(528)	513	1,061
Vehicle Replacement Programme	229	(1,128)	1,129	230	(37)	0	193
Equal Pay	3,579	(1,840)	0	1,739	(484)	0	1,255
Youth Employment	70	(25)	500	545	(82)	170	633
Repopulating/Promoting Inverclyde	137	(19)	500	618	(23)	0	595
Beacon Arts Centre	259	(259)	120	120	(65)	0	55
Temporary Use of Reserves - Revenue Budget	4,630	(4,630)	3,000	3,000	(340)	340	3,000
Anti Poverty Fund	1,383	(556)	673	1,500	(234)	36	1,302
Loans Charges Reserve	6,104	0	392	6,496	(1,410)	1,000	6,086
Roads Defects & Drainage Works	202	(202)	204	204	(204)	200	200
General Revenue Grant 2017-2018	0	0	523	523	(523)	0	0
Pay and Grading Costs 2019/20	0	0	0	0	0	830	830
Total Earmarked Reserves	44,743	(23,947)	15,825	36,621	(13,470)	6,518	29,669
Non-earmarked balance	6,481	0	184	6,665	(1,466)	0	5,199
Total General Fund Balance	51,224	(23,947)	16,009	43,286	(14,936)	6,518	34,868
Capital Fund	2,260	0	909	3,169	(934)	0	2,235
Repairs & Renewal Fund	3,162	0	87	3,249	0	7	3,256
Insurance Fund	4,128	0	163	4,291	0	295	4,586
Total Usable Reserves	60,774	(23,947)	17,168	53,995	(15,870)	6,820	44,945

Movement in Council Reserves -2009-2019

Position at:	Total	Non Earmarked	EMR	Statutory
	£m	£m	£m	£m
31.3.19	44.945	5.199	29.669	10.077
31.3.18	53.995	6.665	36.621	10.709
31.3.17	60.774	6.481	44.743	9.550
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
25/7/19

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 CIPFA's 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 a 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 the 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.

3.5   Integration Joint Board

Following the Public Bodies (Joint Working) Act 2014 the Council no longer accounts for Social Work reserves and these no longer appear in the Council's Annual Accounts. Decisions in respect of the use of these reserves will be taken by the Integration Joint Board.

4.0   Governance of 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:-

   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 can be 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 Reserves 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 falls 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 2019

Earmarked Reserves Protocol

1/ Earmarked Reserve (EMR) establishment

   a) The usual 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 uncommitted 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 2019

Inverclyde council

Report To:	**Policy and Resources Committee**	**Date: 17 September 2019**
Report By:	**Scott Allan** **Corporate Director, Environment** **Regeneration & Resources**	**Report No: PR25/19/SA/BH**
Contact Officer:	**Brendan Hurrell Service Manager**	**Contact No: 01475 712654**
Subject:	**Annual Procurement Report**	

1.0 PURPOSE

1.1 The purpose of this report is to seek approval to publish the Annual Procurement Report attached within Appendix 1 and provide an update on the latest spend with local and SME suppliers.

2.0 SUMMARY

2.1 As required under section 15 of the Procurement Reform (Scotland) Act 2014 a contracting authority must publish a Procurement Strategy by December 2016 and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority's regulated procurement activities against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year.

2.2 The content of this report covers all regulated procurements completed during the period 1 April 2018 to 31 March 2019 and details how those procurements supported the objectives included within the Council's Corporate Procurement Strategy.

2.3 Previous procurement reports have updated this Committee on the Council's spend with Local and SME suppliers. The spend in 2018/19 with local suppliers is 31.5% and 66% with SMEs. The spend with local suppliers has increased from 29% last year and the spend with SMEs from 59%. Further comment is provided in section 5 of this report.

2.4 The draft Annual Procurement report is contained within Appendix 1. The report contains the headline items listed in the bullets points below. The report highlights that the total Procurement Spend for 2018/19 was £114,530,114. There were 10 regulated procurements performed in the period with a total value of £4,325,896. Each of the 10 suppliers who were awarded these contracts have committed to pay the real Living Wage with 3 of these suppliers being accredit Living Wage suppliers. The low value of awards impacted on the lower than average number of community benefits for the period and this is expected to increase significantly with the large value construction contracts that are underway or will be awarded through our City Deal Projects.

- Summary of Regulated Procurements and Compliance
- Community Benefit Summary
- Supported Business Summary
- Fair Work and the Real Living Wage
- Future Regulated Procurements
- Payment Performance and Spend on Purchase Cards

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3.0 RECOMMENDATIONS

3.1 That the Committee agrees that the Annual Procurement Report is published on the Council's website.

3.2 That the Committee notes the latest spend with SMEs and local suppliers.

Scott Allan
Corporate Director
Environment Regeneration and Resources.

4.0 BACKGROUND

4.1 The requirement to publish an Annual Procurement Report was introduced into Scottish Legislation to further the principles of openness and transparency. All public contracting authorities with spends greater than £5,000,000 must publish an Annual Procurement Report.

4.2 Previous reports to the Committee have given annual updates on spend with local Suppliers and with SMEs. The Council has several processes and initiatives in place to support local and SME suppliers and these are detailed within section 5 of this report.

5.0 LOCAL AND SME SPEND

5.1 The analysis of spend for the last financial year has now been completed. The spend in 2018/19 with SMEs has increased by 7% to 66% while the local suppliers spend has increased by 2.5% to 31.5%.

5.2 The ability for Local Authorities to award contracts to local suppliers has been the matter of some debate within all Local Authorities within the United Kingdom for a long period of time due to legal and financial issues that minimise the possibility of simply awarding contracts to local suppliers.

5.3 The legal constraints are in place due to the Council's obligations to remain compliant with procurement legislation. The relevant legislation is the Public Contracts Scotland Regulations 2015 and the Procurement Reform Scotland Act 2014. The intention of the legislation is to stop EU member states from taking the advantages of being an EU member state but at the same time not allowing free trade. In a UK and Scottish national sense as well as within Inverclyde, this means that we must tender contracts above a certain value and allow bids from interested suppliers from all member states, all UK companies and all Scottish companies. If the Council does not follow the procurement laws it can be taken to court. If the Court finds that the Council has not acted within the law then it can lead to contracts being nullified, damages being awarded to aggrieved suppliers, fines and reputational damage.

5.4 The spend with local supplier compares well with other Local Authorities and the area benefits further from spending money with social care providers who have a business base out with Inverclyde area but employ many of their staff here and use local premises. In order to substantially increase spend with local suppliers there would need to be the creation of a supply chain capable of supplying the volume and quality of products and services that the Council requires. For example, Inverclyde does not have any utilities suppliers, ICT suppliers or waste services on a scale that the Council requires. This is the case across many commodities.

5.5 The Sustainable Procurement Duty outlined in the Procurement Reform (Scotland) Act 2014 requires that an organisation must think about how they can improve the social, environmental and economic wellbeing of the area in which they operate, with a particular focus on reducing inequality. Statutory Guidance has been published on the Sustainable Procurement Duty. The Sustainable Procurement Duty outlined in the Procurement Reform (Scotland) Act 2014 requires that an organisation must think about how they can improve the social, environmental and economic wellbeing of the area in which they operate, with a particular focus on reducing inequality.

5.6 The Council will continue to use the following policies and practices which may assist local suppliers in bidding for Council contracts:–
- Consider Lotting contracts
- Continue to pay local suppliers early where this is requested
- Select at least 50% of suppliers from the local area to bid for quotations

- Refer suppliers to the Supplier Development Programme
- Hold meet the buyer events, supplier debriefs and individual meetings
- Inform local suppliers of Scotland Excel contract opportunities and lobbying Scotland Excel to lot these contracts to allow local suppliers the ability to bid.
- Simplify tender documents and ask for less repeating information
- Take local suppliers and SMEs into account when creating tender strategies
- Promote access to Public Contracts Scotland
- Use the Council's website to advertise contract opportunities and publish the Annual Report.

Given the legislative obligations and the associated guidance, procurement officers Identify the opportunities to improve the economic, social and environmental wellbeing of the area on a case by case basis. The following factors are considered:–

Economic Factors
•Availability of suitable and high quality jobs
•Measures to encourage local small businesses
•Efficient and effective transport links
•Lifelong learning
•Training and skills development
•The provision of infrastructure and new ICT products

Social Factors
•The promotion of good quality and affordable housing
•Safe communities
•The encouragement of the voluntary sector
•Looking after the needs of children and young people
•Looking after the most vulnerable
•Access to the arts, leisure or education

Health Factors
•Promotion of good physical, social and mental health
•Developing and promoting policies that have a positive impact on health outcomes
•Addressing health inequalities

Environmental Factors
•Availability of clean air, clean water and clean streets
•The quality of the built environment
•The removal of objects considered hazardous to health
•Removal of disfiguring or offensive graffiti
•Protecting communities against the threat of climate change
•Freedom from a high risk of flooding
•Improving and promoting biodiversity and accessibility to nature

IMPLICATIONS

6.0 FINANCE

6.1 **Financial Implications**:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

LEGAL

6.2 There are no legal issues within this report.

HUMAN RESOURCES

6.3 Nil at present however the review will make recommendations which may impact upon staffing levels.

EQUALITIES

6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
√	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.0 CONSULTATION

7.1 Consultations have been held as detailed within the report.

8.0 BACKGROUND PAPERS

8.1 None.

Inverclyde Council Annual Procurement Report 1ST APRIL 2018 – 31ST MARCH 2019

Contents

1. Introduction

As required under section 15 of the Procurement Reform (Scotland) Act 2014 ("the Act"), a contracting authority must publish a Procurement Strategy by December 2016 and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority's regulated procurement activities against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year.

Inverclyde Council is pleased to publish our second Annual Procurement Report. The content of this Report covers all regulated procurements completed during the period 1st April 2018 to 31st March 2019 and details how those procurements supported the objectives included within the council's Corporate Procurement Strategy.

All actions listed on the action plan were completed within the agreed timescales.

Key benefits delivered by these actions included:

• Updating process and procedures to comply with the requirements of the new procurement rules and regulations.

• Increasing time spent on strategic aspects of procurement activities.

• Supporting the council's overall savings targets.

• Embedding the council's community benefits policy into all relevant and proportionate contracts delivering a greater volume and increased variety of outcomes across a wider range of commodities.

• Transitioning to the Scottish Government Procurement Journey which standardised and aligned our processes and procedures and reduced risk and duplication.

• Ensuring Small and Medium-sized Enterprises (SMEs) are provided targeted opportunities as standard within our Quick Quote process (Goods and Services under £25,000, Works under £100,000).

• Fulfilment of our procurement work plans, including the delivery of tenders supporting special projects (e.g. The Glasgow City Region City Deal)

The council was assessed as part of the national Procurement and Commercial Improvement Programme (PCIP), and achieved a score of 70% in 2016. A further PCIP assessment will take place in late 2020.

2. Summary of Regulated Procurement

Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: "a summary of the regulated procurements that have been completed during the year covered by the report"

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call offs from existing framework agreements.

In total the council completed 10 regulated procurements during the reporting period with a total value of £4,325,896

Type	Volume	Value
Awards of New Council Contracts	7	£3,713,877
Awards from Non Council Frameworks	3	£612,019

Appendix 1 shows a full list of each individual procurement completed.

We also utilised the COSLA National Care Home Contract to make awards above regulated procurement with a total value of £12,500,000.

During the reporting period, we also utilised a number of legacy non council frameworks on a call off basis, meaning a large volume of low value orders were raised accumulating to more than £50,000. The 2018/19 spend is shown for each framework in Appendix 1 table 2.

Contract values are based on the total value of the contract for all years that the contract could be in place and therefore includes possible extensions.

During the same period there were instances where alternative methods of procurement were used in line with the regulations and the Council Standing Orders Relating to Contracts (e.g. where there is only one potential supplier).

3. Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

The council's Procurement Strategy sets out how regulated procurement would be undertaken in compliance with the Act. This Strategy also set out objectives for improving the process and procedures relating to regulated procurements.

From the Strategy objectives we identified the following key compliance categories:

- Best Value
- Fairness and transparency (General Duties)
- Economic and social sustainability (community benefits)
- Environmental sustainability
- Fair work practices (including Living Wage)
- Purchase to pay efficiencies

Further information on the requirements of the Act can be seen in Appendix 2.

All regulated procurement in the council is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with the Strategy. Legal requirements are set out in the Council Standing Orders Relating to Contracts. Procedural requirements are set out in Scottish Government Procurement Journey (for general procurement best practice) and the Corporate Procurement Manual.

Throughout the reporting period, our regulated procurements were monitored on an ongoing basis. This monitoring process consisted of reviewing the key supporting documents that underpin our legislative and procedural framework including sourcing strategies, project plans, procedural documentation, scoring calculators and approval reports. The monitoring process was supplemented by post project reviews, which are undertaken after a contract is awarded as well as at the end of the contract. In addition the best value aspect of our contracts is monitored regularly as part of a robust contract management process. These combined processes ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework and, as a result, in compliance with the Strategy. The reviews have also allowed us to identify the following potential improvement areas:

- There are further opportunities to secure economic and social sustainability outcomes from non Council frameworks.
- Existing contract and frameworks can continue to be targeted in order to increase purchase to pay efficiencies.
- Continue to work with client teams on advance provision of work plans which will allow increased opportunity to deliver best value from our regulated procurements.

The council is committed to ensuring that all suppliers who are awarded business are paid within 30 days. Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions. Suppliers are required to apply the same terms and conditions with their sub-contractors who are delivering and supporting the council contract.

4. Community Benefit Summary

Section 18(2)(d) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for an annual procurement report to include "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report".

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities "must consider whether to impose community benefit requirements as part of the procurement" when the estimated contract value is greater than or equal to £4,000,000.

The council's own policy and manual stipulates that community benefits must be considered for inclusion in all works contracts with an estimated value greater than £1,000,000 and give consideration to include in all goods and services contracts above £50,000.

Robust processes have been developed to ensure that community benefits are considered for inclusion in all relevant contracts in line with the requirements of both the Procurement Reform (Scotland) Act 2014 and the Council's own community benefits policy.

When initiating procurement activity, client departments are required to consider and highlight potential community benefits considerations for inclusion where relevant. Procurement staff then engage with key stakeholders and undertake market research and benchmarking activity to further explore potential opportunities and identify appropriate requirements for inclusion in the contract.

Delivery of agreed outcomes is monitored and reported internally on a quarterly basis using monitoring updates provided by suppliers..

Key community benefits outcomes secured include:

- 1 Modern Apprenticeships
- 4 New start skilled or semi-skilled posts.
- 6 educational events and or site visits

Appendix 3 provides full details of all outcomes secured and delivered during the reporting period.

5. Fair Work and the Real Living Wage

As an update to the requirements within the 2017/18 Procurement Annual report, the Council is now also required to provide the following summary:

a) The number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	10
b) Number of unique supplier who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	10
c) Number of unique suppliers who are accredited Living wage employers and were awarded a regulated contract during the period	3
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract award during the period	2

6. Payment Performance

A further addition to this years report from last years is the table below on payment performance.

a) Number of valid invoices for the period	59750
b) Percentage of invoices paid on time for the period	95.86%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains	10
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts	0

A summary of spend by supplier using a purchase card is provided in Appendix 5. Although this is not a requirement of the act this information serves as an extra level of transparency. All of these transactions involve legitimate expenses and have been fully scrutinised before being approved.

7. Supported Businesses Summary

Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 requires organisations to include "a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report".

The council's Contract Standing Orders dictates that consideration be given to inclusion of supported businesses in all regulated procurements.

During the reporting period there were no regulated procurements awarded to supported businesses. The reason for this is that the goods, services or works associated with these procurements are not provided by existing supported businesses.

The council does have existing agreements in place with Lady Haigs Poppy Factory, spending £297, who are a registered Supported Business and continues to explore opportunities for other organisations to become a supported business.

8. Spend and Savings Summary

A further new requirement of this years report is that the following summary of spend and savings is provided:

a) Total procurement spend for the period covered by the annual procurement report.	£114,530,134
b) Total procurement spend for the period on SMEs during the period covered by the annual procurement report.	£75,303,563
c) Total procurement spend with third sector bodies during the period covered by the report.	£38,834,932
d) Percentage of total procurement spend through collaborative contracts	28.5%
e) Total targeted cash savings for the period covered by the annual procurement report	£0
f) Total delivered cash savings for the period covered by the annual procurement report	£0
g) Total non-cash savings for the period covered by the annual procurement report	£0

9. Future Regulated Procurements Summary

Section 18(2)(f) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include "a summary of the regulated procurements the authority expects to commence in the next two financial years." Future regulated procurements have been identified via the following means:

- Current contracts on the council register that will expire and need to be extended or re-let over the next two years.
- New procurements identified via future work plans provided by Council service teams.
- New procurements identified via anticipated work plans for special projects (e.g. The Glasgow City Region City Deal).

A full list of anticipated procurements in the next two years can be seen in Appendix 4.

Appendix 1 – Full List of Regulated Procurements

Table 1 - Awards of New Council Frameworks and Contracts

Date of Award	The Names of Suppliers	Subject Matter (Commodity)	Title of Contract	Contract Value	Contract start date	Contract End date including extensions	SME YES/NO	3rd Sector YES/NO
17/10/18	Portakabin (Scotland) Ltd	Temporary Accommodation	Gourock Primary Temporary Accommodation	£131,854.00	14/11/2018	02/10/2019	Y	N
31/10/18	Marwood Electrical Company Limited	Supply of Street Lighting Materials	Street Lighting Materials via Mini Competition on Scotland Excel Framework	£322,494.30	31/10/2018	12/12/2018	Y	N
20/11/18	Safe Shores Limited	Telecare	Provision of a Lone Monitoring System	£48,000	01/01/2019	31/12/2022	Y	N
04/12/18	The Legal Services Agency	Legal Advice	Housing Information and Advice	£110,000	11/12/2018	10/12/2021	Y	Y
04/05/18	Kompan Scotland Limited	Outdoor Play Equipment	Design, Supply & Installation of Outdoor Play Equipment via Mini Competition on Scotland Excel Framework	£139,525.45	18/06/2018	20/08/2018	Y	N

18/05/18	Hillhouse Quarry Group Limited	Roadstone	Supply and Delivery of Coated Roadstone	£2,000.000	01/06/2018	31/05/2020	Y	N
24/05/18	Kone plc	Lift Maintenance	Service, Maintenance and Repair of Lifts	£75,000	01/06/2018	31/05/2021	Y	N
05/06/2018	The Wise Group	Property Maintenance and Construction/ Energy Efficiency	Management Partner for the Delivery of Home Energy Efficiency Programmes	£1,249,023	29/06/2018	30/06/2021	Y	Y
02/07/18	Scottish Water Horizons	Waste Processing	Provision of a Food Waste Service via Mini Competition on Scotland Excel Framework	£100,000	16/10/2018	15/10/2021	N	N
09/08/2018	Imperial Civil Enforcement Solutions	Software	Parking Management Systems Services	£150,000	16/10/2018	15/10/2021	Y	N

Table 2 – Orders on Frameworks amounting to more than £50,000 spend in 2018/19.

Framework Owner	Framework Name	Framework Start	2018/19 Spend
Scotland Excel	Children's Residential Care	01/05/2018	£1,636,099
Scotland Excel	Street Lighting Materials	01/07/2017	£434,891
Scotland Excel	Groceries & Provisions	01/05/2016	£442,778
Scotland Excel	Care Homes for Adults (LD)	29/06/2015	£704,699
Scotland Excel	Heavy Plant	02/03/2015	£103,824
Scotland Excel	Frozen Foods	01/07/2017	£262,422
Scotland Excel	Meats - Fresh, Prepared & Cooked (inc. Fresh	01/01/2018	£156,553
Scotland Excel	Secure Care	01/04/2017	£88,933
Scotland Excel	Salt	01/07/2014	£152,836
Scotland Excel	Janitorial Products	01/03/2015	£104,821
Scotland Excel	Library Books & Textbooks	01/02/2018	£157,764
Scotland Excel	Engineering Consultancy	18/03/2017	£138,732
Scotland Excel	Education Materials	01/08/2017	£224,802
Scotland Excel	Fostering	25/03/2017	£154,512
Scotland Excel	Security	01/04/2015	£142,260

Scotland Excel	Presentation & Audio Visual Equipment	01/04/2015	£151,382
Scotland Excel	Milk	01/03/2014	£102,239
Scotland Excel	Heavy Vehicles	01/01/2018	£99,744
Scotland Excel	Light Vehicles	16/07/2013	£87,480
Scotland Excel	Street Lighting Bulk Renewal of Luminaires	21/07/2016	£86,859
Scotland Excel	Education And Office Furniture	01/03/2017	£224,802
Scotland Excel	Recycle and Refuse Containers	01/11/2013	£103,824
Scotland Excel	Personal Protective Equipment	01/03/2017	£85,434
Scotland Excel	Vehicle Parts	13/01/2017	£65,793
Scotland Excel	Tyres	01/11/2017	£129,851.12
Scotland Excel	Asbestos	01/04/2015	£62,200
Scotland Excel	Building Related Engineering Consultancy	01/10/2015	£59,118
Scotland Excel	Vehicle and Plant Hire	10/11/2017	£56,894
Scotland Excel	Electrical Materials	01/04/2016	£70,959
Procurement Scotland	Stationery and Office Paper	01/06/2016	£357,316
Procurement Scotland	ICT Products	01/01/2016	£404,500

Procurement Scotland	Fuel	14/10/2015	£565,023
Procurement Scotland	Gas	01/04/2014	£692,467
Procurement Scotland	Electricity	01/04/2013	£1,878,422
Procurement Scotland	Water and Waste Water	01/03/2016	£390,000

Appendix 2 – Requirements of the Act

Procurement Reform (Scotland) Act 2014 asp 12 Part 2 General duties Section 8 8 General duties

(1) A contracting authority must, in carrying out a regulated procurement— (a) treat relevant economic operators equally and without discrimination, (b) act in a transparent and proportionate manner.

(2) A contracting authority must also comply with the sustainable procurement duty.

(3) However, a contracting authority must not do anything in pursuance of subsection
(2) that would conflict with its duty under subsection (1).

(4) A relevant economic operator is an economic operator who is a national of, or is established in—

(a) a member State, or

(b) Iceland, Liechtenstein or Norway.

(5) Subsection (1) does not apply in relation to an EU-regulated procurement.

9 Sustainable procurement duty

(1) For the purposes of this Act, the sustainable procurement duty is the duty of a contracting authority—

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

(i) improve the economic, social, and environmental wellbeing of the authority's area,

(ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and

(iii) promote innovation, and

(b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).

(2) The contracting authority must consider under subsection (1) only matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.

(3) In this section—

• "small and medium enterprises" means businesses with not more than 250 employees,

• "third sector bodies" means organisations (other than bodies established under an enactment) that exist wholly or mainly to provide benefits for society or the environment.

(4)In this section, references to the wellbeing of the authority's area include, in particular, reducing inequality in the area.

15 Procurement strategy

(1) A contracting authority which expects to have significant procurement expenditure in the next financial year must, before the start of that year—

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

.(b) review its procurement strategy for the current financial year and make such revisions to it as the authority considers appropriate.

(2) Subsection (3) applies where a contracting authority—

(a) has not, in relation to a financial year, prepared or reviewed a strategy under subsection (1), and

(b) becomes aware of the likelihood of having significant procurement expenditure during that year.

(3) The contracting authority must, as soon as practicable after it becomes aware of the likelihood of having significant procurement expenditure—

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

(b) review its most recent procurement strategy and make such revisions to it as the authority considers appropriate.

(4) An authority has significant procurement expenditure in a year if the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5,000,000.

(5) The procurement strategy must, in particular—

(a) set out how the authority intends to ensure that its regulated procurements will

(i) contribute to the carrying out of its functions and the achievement of its purposes,

(ii) deliver value for money, and

(iii) be carried out in compliance with its duties under section 8, (b) include a statement

of the authority's general policy on—

(i) the use of community benefit requirements,

(ii) consulting and engaging with those affected by its procurements,

(iii)   the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements,

(iv)   promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, and

(v)   the procurement of fairly and ethically traded goods and services,

(c)   include a statement of the authority's general policy on how it intends its approach to regulated procurements involving the provision of food to—

(i)   improve the health, wellbeing and education of communities in the authority's area, and

(ii)   promote the highest standards of animal welfare,

(d)   set out how the authority intends to ensure that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented—

(i)   payments due by the authority to a contractor,

(ii)   payments due by a contractor to a sub-contractor,

(iii)   payments due by a sub-contractor to a sub-contractor,

(e)   address such other matters as the Scottish Ministers may by order specify.

(6) The Scottish Ministers may by order modify subsection (4) so as to substitute for the figure specified there for the time being such other figure as they consider appropriate.

(7) In subsection (5)(b)(iii), a "living wage" means remuneration which is sufficient to ensure an acceptable standard of living.

Appendix 3 – Community Benefit Outcomes

Theme	Outcome	Secured for Delivery
Targeted Recruitment and Training	New Entrant - Modern Apprentice Saint Mary's	1 posts
	New Entrant – Job Crosshill Childrens Centre Saint Mary's	1 posts 3 posts
Educational Support	Careers Event, Industry Awareness Days or Workshops for school pupils or college students	6 events

Appendix 4 – Future Regulated Procurements (From April 2019 to March 2021)

Subject Matter (Commodity)	Title of Contract	Contract Start Date	Estimated Total Contract Value	Type
Software	SWIFT Replacement	01/01/2021	£1,000,000	Ongoing
Software	Homecare Management System	30/07/2020	£300,000	Ongoing
Roads Civils	Road Markings & Studs	01/11/2019	£200,000	Ongoing
Adult Social Care	National Care Home Contract	01/04/2020	£12,500,000	Ongoing
Construction	Inverkip Power Station (City Deal)	01/10/2019	£3,250,000	One off
Construction	Ocean Terminal Marine Works	01/08/2019	£12,000,000	One off
Construction	Ocean Terminal Building	01/10/2019	£7,200,000	One off
IT Hardware	Multi-Functional Devices	01/12/2019	1,500,000	Ongoing
Healthcare	Occupational Health	01/02/2020	£270,000	Ongoing
Ironmongery/ Blacksmiths	Blacksmiths	01/11/2019	£400,000	Ongoing
Professional Services	Provision of a Citizen`s Panel	01/11/2019	£50,000	Ongoing
Waste	Residual Waste	01/09/2021	£15,000,000	Ongoing
Fuel	Wood Pellet	01/12/2019	£240,000	Ongoing
Waste Management	Gulley Waste and Street Sweeping	01/12/2019	£50,000	Ongoing
Business Development	Business Gateway	01/09/2019	£370,000	Ongoing

Appendix 5
Purchase Card Spends Equating to more than £25,000 for 2018/19

Supplier	Spend
MCCONECHY TYRES	£129,851.12
AMAZON	£68,596.47
ELECTRIC CENTER	£66,321.39
ARNOLD CLARK2	£65,087.74
TESCO	£61,327.00
GRAHAM	£47,372.57
DVLA VEHICLE TAX	£40,124.00
MGM TIMBER	£28,519.74
LYRECO UK LTD	£26,361.93
SHB HIRE LTD	£25,837.41

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Corporate Director Environment, Regeneration & Resources**	**Report No:**	**RMcG/LP/093/19**
Contact Officer:	**Rona McGhee**	**Contact No:**	**01475 712113**
Subject:	**Procurement Policy – Request by Councillor C McEleny**		

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of a request received from Councillor C McEleny in the following terms:

"This committee notes that the Scottish Government has declared a climate emergency and that there is enhanced awareness of public bodies' role in creating a better future environment. Committee notes that when contracts are awarded to companies outwith Inverclyde it is logical to assume that this results in a greater carbon footprint being created as a result of Council Contract Awards than would be the case if the work was awarded to locally based companies and workers.

Committee requests that a report is brought back to the next Policy and Resources Committee that advises on the following:

- Measures the Council can take that better include environmental impacts as a result of the Council's Procurement Policy e.g. Environmental weighting.
- Measures that can result in more locally based SME's and Inverclyde workers being successful in being awarded Council Contracts, a measure that will both be good for the environment due to the reduction in CO2 emissions, and good for the local economy through the support of, and creation of, local jobs."

2.0 RECOMMENDATION

2.1 The Committee is asked to consider the request from Councillor C McEleny.

Gerard Malone
Head of Legal & Property Services

Inverclyde council

Report To:	**Policy and Resources Committee**	**Date:**	**17 September 2019**
Report By:	**Head of Organisational Development, Policy and Communications**	**Report No:**	**HR/16/19/GB**
Contact Officer:	**George Barbour**	**Contact No:**	**01475 712385**
Subject:	**Remembrance Sunday – Canadian Armed Forces' Involvement**		

1.0 INTRODUCTION

1.1 This report highlights the pivotal role Greenock played at the start of WWII in welcoming Canadian forces to the UK and proposes that a formal invitation is extended to the High Commissioner of Canada, or her representative, to attend the Greenock Remembrance commemorations each year.

2.0 SUMMARY

2.1 Greenock played a pivotal role in welcoming Canadian forces at the outbreak of WWII. In anticipation of the declaration of war, the Canadian Active Service Force was mobilised on 1 September 1939.

2.2 The Canadian forces arrived in Greenock between December 1939 and February 1940 with the first arriving on 16 December 1939.

2.3 The official party, which included the future Prime Minister Anthony Eden in his capacity as Secretary of State for Dominion Affairs and Mr. Vincent Massey High Commissioner for Canada, came aboard the RMS Aquitania, a Cunard ship built on the Clyde, to welcome troops to Greenock. They read a welcome message from the King: *"The British Army will be proud to have as comrades-in-arms the successors of those who came from Canada in the Great War and fought with a heroism that has never been forgotten".*

2.4 Given the pivotal role played by Greenock in welcoming Canadian forces to Scotland and the UK at the start of the war, it is considered appropriate to recognise the link the area has and to extend a formal invitation to the High Commissioner of Canada, or her representative, to attend the 2019 and future Remembrance services in Greenock.

3.0 RECOMMENDATION

3.1 That the Council formally extends an invitation to the High Commissioner of Canada, or her representative, to attend the annual act of Remembrance in Greenock each year.

Steven McNab
Head of Organisational Development,
Policy and Communications

Inverclyde council

Report To:	Policy & Resources Committee	Date:	17 September 2019
Report By:	Head of Organisational Development, Policy and Communications	Report No:	HR/15/19/BMcQ
Contact Officer	Barbara McQuarrie, OD & HR Manager	Contact No:	2845
Subject:	Travel & Subsistence Policy		

1.0 PURPOSE

1.1 The purpose of this report is seek the agreement of the Policy & Resources Committee to introduce an amended Travel & Subsistence Policy attached at Appendix 1. This policy and procedure updates the existing Policy which has been in place since 1997 with only minor amendments in 2008 and 2017.

2.0 SUMMARY

2.1 The purpose of the Travel & Subsistence Policy is to:

- ensure value for money at all times whilst undertaking duties which, as part of their employment, takes employees from their normal place of work.

- ensure that employees are appropriately reimbursed for expenditure reasonably incurred whilst undertaking such duties.

- ensure that appropriate documentation checks have been carried out in relation to all employees who drive a private vehicle whilst undertaking such duties.

2.2 The amended Policy encourages employees to use the most efficient, cost effective and environmentally friendly method of travelling whilst undertaking their official duty and looks at the business travel decision-making and approval process.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy & Resources Committee:

- approves the amended Policy, attached as appendix 1.
- approves the current rates as interim rates subject to the finalisation of the budget process in January/February 2019

Steven McNab
Head of Organisational Development, Policy and Communications

4.0 BACKGROUND

4.1 The key changes from the existing guidance include:

- an options guide to allow employees to make a decision on the most appropriate way to travel

- payment of vehicle mileage is restricted to travel within Inverclyde Council boundaries, however, taking all factors into consideration (i.e. time taken for journey/costings) the Authorising Officer may authorise journeys by vehicle outwith the boundaries. Payment of vehicle mileage in these circumstances will only be authorised if permission is granted in advance.

- for journeys outwith the Council area where the use of public transport would represent a reasonable alternative, payment for the whole journey shall be at the public transport rate. If public transport is not a reasonable alternative then the normal mileage rate will apply.

4.2 The amended Policy encourages employees to use the most efficient, cost effective and environmentally friendly method of travelling whilst undertaking their official duty and looks at the business travel decision-making and approval process. It reinforces important Check Points for Claimants and Authorising Managers

4.3 All related policies, procedures, contractual documentation will be reviewed to ensure it reflects changes to this policy

5.0 PROPOSALS

5.1 It is proposed that the Policy & Resources Committee approve the amended Policy.

6.0 IMPLICATIONS

Finance

6.1 <u>Financial Implications:</u>

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   N/A

Human Resources

6.3   As outlined in the report

Equalities

6.4   Has an Equality Impact Assessment been carried out?

| X | YES |

| | NO |

7.0   CONSULTATIONS

7.1   Consultation has taken place, and will be ongoing with the recognised Trade Unions.

8.0   LIST OF BACKGROUND PAPERS

8.1   Appendix 1 – Travel & Subsistence Policy.

8.2   Equality Impact Assessment.

Inverclyde Council
Travel & Subsistence Policy

Inverclyde Council

2019

DOCUMENT CONTROL

Document Responsibility

Name	Title	Service
Anne Lamont	Policy Development Officer	Human Resources
Alex Hughes	OD Team Leader	Human Resources

Change History

Version	Date	Comments
Barbara McQuarrie HR Manager	19/8/19	OD, Policy & Communications

Distribution

Name	Title	Date
0.1	April 1997	
0.2	March 2008	Reflect change to new layout. No change to content.
0.3	May 2017	Changes to reflect HMRC rates

Distribution may be made to others on request.

CONTENTS

1.   INTRODUCTION

1.1   The purpose of the policy is:

- To ensure value for money at all times whilst undertaking duties which, as part of their employment, take employees from their normal place of work.

- To ensure that employees are appropriately reimbursed for expenditure reasonably incurred whilst undertaking such duties.

- To ensure that appropriate documentation checks have been carried out in relation to all employees who drive a private vehicle whilst undertaking such duties.

1.2   This policy applies to all employees of Inverclyde Council and provides guidance for staff and managers on ensuring its fair and appropriate application.

Reducing the need to travel

1.3   When planning journeys, employees are required to consider the following:

- **Time –** Is there a specific time constraint that requires travel to fulfil a time-dependent task?

- **Location –** Is there a need to travel to a specific location to carry out a task?

- **Expectation –** Does a customer or client expect a member of staff to visit in order to meet their requirements?

- **Alternative –** Is there a way the requirements of this journey could be met without the need to travel (e.g. could the task be taken forward by a telephone call or using video conferencing facilities)?

Modes of Travel

1.4   When a journey is authorised, the employee should be encouraged to use the most efficient, cost effective and environmentally friendly method of travelling whilst undertaking their official duty.

1.5   This section looks at the business travel decision-making process and introduces an options guide to allow employees to make a decision on the most appropriate way to travel.

Most sustainable	• Reducing the need to travel
	• Walking
	• Cycling
	• Public Transport
	• Pool Car
	• Multiple occupancy car journeys
Least sustainable	• Single occupancy car journeys
	• Air Travel

Walking and Cycling

1.6 Although often overlooked as options when traveling for business, active travel choices such as walking and cycling are healthy, sustainable and very low cost travel options, ideal for short journeys.

1.7 Employees should be actively discouraged from travelling distances of less than 1 mile (15-20 minutes) by car unless in exceptional circumstances (e.g. requirement to carry heavy equipment or staff with mobility impairments), as this is neither environmentally sustainable or cost effective.

Public Transport

1.8 Frequently overlooked as an option when travelling for business, public transport can offer a convenient and cost-effective alternative to car-based business travel for short, medium and long distance journeys.

1.9 For medium to long trips in particular, public transport options should always be the first mode of transport considered. With a small amount of forward planning, bus and train travel can provide a good alternative to car travel for many journeys. Employees would also be able to utilise the time on public transport to work remotely whilst following the Council's Data Protection Procedures.

1.10 Where travel by public transport compares favourably with car travel, it should be the default mode of travel except in exceptional circumstances.

Car-Sharing

1.11 Sharing car journeys is a key way of minimising the financial cost and environmental impact of car travel. When travelling to the same meeting or location, or locations in close proximity, employees should, where practical, share vehicles rather than travelling separately.

1.12 The Council currently operates a car-share policy for commuting, through an online facility in partnership with SPT (accessible via the intranet). However, this could also be utilised for arranging car-sharing for business trips.

<u>Basic Principles and Definitions</u>

<u>Definition of Normal Working Location</u>

1.13 An employee's place of work (work base) is detailed in their Offer of Appointment & Written Particulars of Terms of Employment.

Employees may be required to work in another location within the Council subject to any request to do so being reasonable and following consultation.

<u>Peripatetic Employees</u>

1.14 Defined as an employee who is not attached to a particular base/establishment but who can be deployed in any location to which he or she is directed by the employer (e.g. Teaching Staff, Home Carers etc.).

1.15 It is recognised that a variety of arrangements exist where employees are deployed across a number of working locations as part of their normal working pattern.

1.16 Whilst reasonable expenditure incurred for essential business journeys taken throughout the duration of a working day can be claimed, those incurred during the initial travel from home to place of work and final travel from work to home is excluded.

2. CAR, MOTORBIKE AND BICYCLE USE

2.1 Employees authorised by the Council to use their own vehicles (including electric cars) for official business shall be classified as an Authorised User and become entitled to reimbursement of expenditure subject to the following conditions:-

<u>Authorisation/Eligibility Requirements</u>

2.2 Before any journeys are undertaken, employees must be determined as authorised users by their Authorising Officer and have completed the annual vehicle documentation check form as detailed in paragraph 2.11 below.

2.3 All employees who use their own private motor vehicle whilst undertaking official duties as part of their employment and in

connection with the Council's business must ensure that their motor vehicle insurance cover includes business use and that this is documented in the Certificate of Motor Insurance. This applies regardless of whether or not mileage allowance is claimed. The Council will not contribute to any cost related to this

2.4   If an employee who is classified as an authorised user is involved in an accident involving their vehicle while at work, any claim by a third party arising out of the accident will be against the employees' own motor vehicle insurance.

2.5   Journeys taken should be by the most economical route balancing journey distance and time taken.

2.6   Payment of vehicle mileage is restricted to travel within Inverclyde Council boundaries. however, taking all factors into consideration (i.e. time taken for journey/costings) the Authorising Officer may authorise journeys by vehicle outwith the boundaries. Payment of vehicle mileage in these circumstances will only be authorised if permission is granted in advance.

2.7   For journeys outwith the Council area where the use of public transport would represent a reasonable alternative, payment for the whole journey shall be at the public transport rate. If public transport is not a reasonable alternative then the normal mileage rate will apply.

2.8   When claiming for vehicle mileage, employees must use established mileage calculators e.g. odometers to ensure that the correct distance and mileage is being claimed.

The mileage rate covers the costs of buying, running and maintaining the vehicle, such as fuel, oil, servicing, repairs, insurance, vehicle excise duty and MOT. The rate also covers depreciation of the vehicle.

Compliance

2.9   Heads of Service must ensure that Authorising Officers are in place across their areas of responsibility, as appropriate, and that these are updated following any changes in personnel or service structure.

2.10   The Authorising Officer will ensure that all new employees of the Council who will be carrying out official Council business using their own vehicles will be subject to a vehicle documentation check on commencement of employment with the Council. All other employees will have an annual vehicle document check carried out by the Authorising Officer in November of each year to ensure that they are complying with the conditions of the policy.

2.11   The Authorising Officer will ensure that the annual vehicle documentation check process for checking the driving licence, motor

insurance certificate and MOT (if appropriate), of all employees who are authorised to use their own vehicle on Council business is in place. The Authorising Officer must see the documentation.

2.12 All parking fees, etc., that are reasonably incurred will be reimbursed in respect of authorised business, with the appropriate receipt

<u>Bicycle Use</u>

2.13 Employees authorised by the Council to use a bicycle for official business journeys are entitled to be reimbursed subject to journeys being prior approved in respect of journey duration and the impact upon productive time.

3. PROCESSING OF CLAIMS

3.1 All claims under this policy must be made using the Travel and Subsistence claim form. The HR21 self-service system for employees, is currently being developed and when available should be used by all those who have access. Employees must forward claims to their designated Authorising Officer for approval. All appropriate details must be recorded on the claim form including reason for journey and the start and end point of journey.

3.2 An appropriate VAT receipt for fuel consumed during the period of the claim, dated no later than the date of the first journey, should be submitted with your claim to allow authorisation. Electricity is not considered as a fuel for car benefit purposes therefore; electric car users are not required to provide VAT information.

3.3 "Claims shall be submitted promptly, and on a regular basis, Claims applicable to a financial year shall be submitted within one month after 31 March that year" in accordance with para 8.5 of the Financial Regulations." Claims relating to a period longer than 3 months may not be authorised for payment.

3.4 The nominated Authorising Officer shall be required to certify that the journeys were authorised and necessarily undertaken and that the claim is approved for payment.

3.5 It is the responsibility of both the employee and Authorising Officer to be fully conversant with the policy for payment of business travel and subsistence prior to any claim being authorised for payment

3.6 All employees have a responsibility to adhere to this policy. Any abuse or failure to do so constitutes a breach of the policy and will be dealt with in accordance with the appropriate Council Disciplinary Policy.

3.7 The Council will not accept any liability, whether financial or otherwise, for parking fines, fixed penalty notices or driving endorsements incurred whilst an employee is travelling on Council business. No reimbursement of associated costs will be made.

3.8 Each Head of Service shall arrange for the monitoring of an employee's accumulated mileage for the year.

4   RATES

4.1   Car User:

Per mile – first 10,000 miles	45p
Per mile – over 10,000 miles	25p
Amount of VAT per mile in petrol element	0.9976p

4.2   Motor Cycle Rates

Per Mile – 24p

4.3   Bicycle Rates

Per Mile – 20p

4.4   Travel Outwith Council Boundaries

Individuals who are traveling outwith the Council area where the use of public transport would represent a reasonable alternative, but have chosen not to use public transport, payment for the whole journey shall be at the public transport rate
Managers authorising allowances must ensure this rate is applied.

5.   TRAVELLING EXPENSES

Employees Working Sessions, Irregular Hours and/or Split Shifts

5.1 Employees working sessions, irregular hours and/or split shifts shall not be entitled to claim expenses for journeys undertaken after completion of their normal contracted working hours.

Commencing or Finishing Work at other than Work Base

5.2 Where an employee is authorised to commence or finish work at a place other than the employee's work base, the employee may claim travelling expenditure in excess of the expenditure which would have normally been incurred in travelling from the employee's home to Administrative Centre or vice-versa.

Call-Out

5.3 In accordance with the Standby & Disturbance Policy - In responding to an emergency call-out, employees will be entitled to a flat travel rate of £3.50 per call-out, where it has been deemed necessary to use their personal vehicle or for reimbursement in the use of approved public transport. All employees who are using their personal vehicle must hold a motor insurance certificate which proves they are able to use their vehicle for "business use". The flat rate should be claimed on a travel and subsistence form under column 'taxable other expenses'.

Overtime

5.4 Journeys from home to work base for overtime are considered as a normal home to workplace journey for which employees would not be entitled to claim expenses.

Longer Journeys and Overnight Stays

5.5 Where it is necessary for claimants to stay overnight in a hotel, arrangements should be made in advance and authorisation for reimbursement of expenses agreed with the Authorising Officer. Hotels should be assessed based on cost and convenience. A minimum of 3 hotels should be reviewed prior to booking.

5.6 Where appropriate, advance booking should be applied. If more than 1 individual is travelling, booking should be made at the same time to ensure the most competitive rate.

6. **SUBSISTENCE REIMBURSEMENT AND CRITERIA**

6.1 Subsistence is payable where an employee is directed to undertake duties outside the Inverclyde Council boundaries. If an employee is required to undertake duties at a work location that is not their usual place of work, but is within the boundary area of Inverclyde Council, then subsistence will not be paid. The only exceptions to this will be:

- Where an employee is undertaking unplanned duties. Reimbursement in respect of meals will only apply if the costs incurred are over and above the employee's normal meal time expenditure

  or

- Where the employee is a social care professional claiming reimbursement for aiding a Service User.

6.2 The cost of purchase of breakfast, lunch, or evening meal will be reimbursed, up to the maximum published rate if the employee meets the criteria. This is also subject to evidence of the expenditure being incurred, and within the time limits specified.

Breakfast	The employee must have left their home/work base before 7am (or is required to commence duties prior to 7.00am and meets the exception criteria shown above) – maximum up to £4.48
Lunch	Employees will be re reimbursed costs incurred up to the maximum £6.17
Evening Meal	Depending on the time of arrival at home/work base (or if required to continue duties which meet the exception criteria shown above re imbursement for an evening meal may be claimed up to £7.64

Work at Normal Place of Employment

6.3 Re imbursement of evening meals will be payable to employees working at their work base outside normal hours who are not paid overtime payments, provided work continues after 8.30 p.m.

6.4 Re imbursement will not be paid where a suitable meal is provided.

Other Expenditure

6.5 It is recognised that there may be other circumstances, not otherwise described in this Policy, where employees will incur expenses whilst undertaking official duties as part of their employment with Inverclyde Council.

6.6 Employees are expected to adopt a reasonable and responsible approach when submitting these claims. In all circumstances receipts must be provided.

6.7 In these circumstances advanced approval is required by the Authorising Officer for such payments.

Employees must always exercise prudence when incurring business-related expenses, and ensure that any expenditure incurred meets the standards of public accountability and transparency. Any abuse of the Travel and Subsistence Policy will be considered gross misconduct and may result in the employee's dismissal.

Important Check Points for Claimants and Authorising Managers

1. Line managers and authorised signatories must scrutinise claims to ensure they are valid and in line with the Councils Travel & Subsistence Policy.

2. Sufficient detail of the nature and purpose of journey including start and finishing points, points of call, purpose and any other relevant information must be included on claim form

3. Fuel receipts/ proof of expenditure to support travel /subsistence claim and covering the period of the claim must be submitted

4. There must be a justification for journeys outwith Inverclyde, particularly where there is a high mileage by private vehicle

5. "Claims shall be submitted promptly, and on a regular basis, Claims applicable to a financial year shall be submitted within one month after 31 March that year" in accordance with para 8.5 of the Financial Regulations. Claim may not be accepted if outwith 3 months.

6. Claimants and authorising managers need to have a checking system in place to avoid duplicate claims

7. The mileage claims require to be accurate e.g. recorded using vehicle odometer readings where possible

8. Claim form needs to be fully completed and signed by the claimant and by an appropriate authorised manager who has knowledge of the journey undertaken

9. Mileage claims should not be rounded up.

10. If travelling direct from home address to an event / training course regular home to work commuting mileage should be deducted

11. When Overtime working , home to work payments are not eligible to be reimbursed even if e.g. weekend overtime etc. – where the overtime payment (paid where eligible) would be expected to compensate the employee

12. In accordance with the Standby & Disturbance Policy - In responding to an emergency call-out, employees will be entitled to a flat travel rate of £3.50 per call-out, where it has been deemed necessary to use their

personal vehicle or for reimbursement in the use of approved public transport

13. Mileage claims should not be claimed or authorised for periods which cover when an employee is/was on sickness absence

14. Subsistence e.g. breakfast, lunch, dinner, tea & coffee etc. must be validated and represent value for money and should only be claimed in accordance with para 6 e.g. used when supporting clients and in accordance with more detailed guidance of claimants own service

15. Business mileage – where an employee is authorised to start or finish work at their normal place of work or administrative base the employee may be entitled to claim business mileage in excess of the expenditure which would have normally been incurred in travelling from their home to the normal location or administrative centre.

Head of Service and /or Head of OD, Policy & Communications reserve right not to approve processing where claims are late, are not accurate and/or where they do not have a reasonable justification acceptable to management.

Inverclyde council

Report to:	**Policy and Resources Committee**	**Date:**	**17 Sept 2019**
By:	**Head of Legal & Property Services**	**Report No:**	**GM/LP/114/19**
Contact Officer:	**Gerard Malone**	**Contact No:**	**01475 712710**
Subject:	**High-Level Governance Review**		

1.0 INTRODUCTION

1.1 This report identifies key items of the Council's governance processes for review by the Committee.

2.0 SUMMARY

2.1 The Council previously undertook detailed and thorough reviews of its governance structures in 2007 and 2012 and it constantly reviews its key governance documentation, most recently in 2016, to ensure its processes are modern and robust. The Council's processes are validated and unchallenged by external stakeholders, e.g. the Accounts Commission through its Best Value review framework.

2.2 As part of a current review, the items specified in section 5 of this report are identified for discussion with the Committee to ensure there is Member satisfaction with these key elements.

3.0 RECOMMENDATION

3.1 That the Committee considers the terms of this report and endorses the proposals in section 5.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

4.1 This Council has reviewed in specific, focused terms its Committee structures and key governance documentation regularly and timeously with each Administration. The Council's current processes are based upon the Council's detailed review in 2007 of all options for its decision-making structures. Then, in 2012, there was a subsequent, further review of decision-making and Committee structures. The 2012 review incorporated significant developments that had taken place in community planning and recognised the increasing emphasis on partnership working and integration with our community planning partners. These key issues remain relevant for the Council's current structure. The 2012 review clearly confirmed for Members that the Council's structure is working well and that there is a clear sense that decisions are being made in terms of due process and that the scrutiny role is being conducted effectively.

4.2 A full scale review of the Council's governance documentation took place in 2016 to ensure that the Council's Financial Regulations, Standing Orders and Scheme of Administration, Scheme of Delegation to Officers and Contract Standing Orders were thoroughly reviewed and reflected Member/Officer needs and requirements. This has been a useful exercise to modernise the Council's key documentation to match its changing structures and ancillary updates are sought by Officers through the Council to ensure developing situations are addressed e.g. the authorisations that are required for specific Officers, such as the Head of Environmental & Public Protection, in relation to prospective legislative changes in connection with any exit from the European Union.

4.3 It is entirely for the Council to decide its key governance documentation and to design structures and processes to be implemented for local needs. The Council's processes are subject to the challenges of daily operational use and are robust and fit for its decision-making and scrutiny roles. The Council's key external stakeholders and regulators, such as the Accounts Commission through the Best Value review framework, are satisfied with the effectiveness and strength of the Council's decision-making structures. This Council regularly focuses on important issues affecting its governance.

5.0 PROPOSALS

5.1 Following upon separate discussions within the Corporate Management Team and through engagement with Elected Members, including the Members' Budget Working Group, some key items for consideration have been identified. This report summarises these items for review by the Committee. The items are as follows:

5.2 **Thematic Committees**

5.2.1 There have been discussions with Elected Members on a Committee review and on aspects of best practice from cabinet systems to improve turnaround and decision-making capacity whilst maintaining or improving scrutiny. As part of those discussion, it is accepted that there is no critical business need at this time to alter the current Thematic Committee Model which, given the size of the Council, ensures that all Members of the Council are engaged and accountable for the Council's performance.

5.2.2 It is recognised that it is for each Administration to determine its preferred decision-making and scrutiny structure and accepted that the Head of Legal & Property Services will prepare for any incoming Administration so that Thematic Committees or cabinet/executive models are available for adoption as may be seen fit. As with any alterations in structures, a lead-in time and training/preparation process would have to be accommodated within agreed timescales. Elected Members are satisfied that the Council's current model should continue pending any review, as is entirely appropriate, with incoming Administrations.

5.3 **Committee Agenda Process – Printing and Postage Savings**

5.3.1 The Committee agenda process was reviewed last year to deliver savings on printing and postage costs. This year one review (the "housekeeping" stage) has been implemented successfully by Members and Officers and has involved changed practices for the distribution of Committee agendas. In this process as approved by the Policy & Resources Committee, non-Members of Committees receive the necessary statutory notice of all Committee meetings and the list of agenda items, as is required by the Local Government Acts, by email but will not receive hard copy agendas. Pre-agenda processes for printing and distributing agendas have also been improved. These practices have resulted in yearly savings of £10,000 and the practices will continue to be monitored in future years. There has been a successful implementation of this process in year one.

5.3.2 Phase 2 involves the preparation for paperless meetings. Preparation for this phase requires colleagues from ICT working with Elected Members to provide support and training for use of existing hardware and software so there can be confident use of available technology for paperless meetings, subject to every individual Member's preference, at Committees. The software for accessing and annotating Committee reports is available and improved Wi-Fi connection within the Council Chambers as a venue for meetings has been undertaken. This phase will be developed in close co-ordination with Members' wishes and in timescales that can reflect training and Members' needs.

5.3.3 An aspect of this phase is to improve information provision within the Council Chambers itself and to provide a work preparation area in the adjacent canteen area so that Officers attending meetings for specific items on the agenda can best organise their time and access real-time information about Committee progress. Software is available to ensure that Officers, outside the Chambers whether at their own desks or at the adjacent canteen area, can be made aware of Committee progress on an item by item basis so that they are available to attend when necessary for the Committee business.

5.4 **Noting Reports**

5.4.1 The frequency of Council meetings is currently on an eight week cycle and this seems to be a sensible and proportionate use of Elected Member time. Crucially, this frequency of meetings is necessary to deal with the volume of business of the Council and it allows for an effective and timeous framework for making decisions and for dealing with any issues that might be referred to the full Council for final decision.

5.4.2 I believe it is accurate to state that Conveners and Officers are acutely conscious of the number of items on Committee agendas and have an awareness of how the volume of business impacts on the duration of meetings.

5.4.3 In this regard, the pre-agenda process assists at a first level with a review or filtering of any "unnecessary" reports. Conveners and Officers are aware of their responsibilities to manage the business of the Committee and for that reason Committee reports should only be submitted where business decisions are required. Although there are properly notable exceptions for some crucial performance management reports being required for noting – such as critical financial performance monitoring and reviews – the majority of reports are in fact submitted for action rather than for noting purposes.

5.4.4 It will, however, assist the focus of business to introduce a new section in Committee agendas to be headed "Items for Information". If an item is for noting – and is not related to a key performance management, financial or legal issue – then the future practice will be to identify that item on the Committee agenda as an "information" item.

5.4.5 Items for noting will be included in a summary report and will also be printed on the hard copy agenda. If Members wish, questions can competently be asked at Committee on the specific item for information. However, identification of "information" items in this way will assist Members separate noting/information items from the main decision-making business of the Committee. In this way, it would be expected of Members that in the first instance they contact directly the author of the report to clarify any points or to ask any questions.

5.4.6   The main purpose of this proposed alteration is to ensure that information or noting items are brought to the attention of Committee Members without unnecessarily tying up Committee time and attention.

5.4.7   Furthermore, Corporate Directors will use Committee briefings and briefing notes to improve the awareness of and to communicate relevant background information that would otherwise be included in "information" items to ensure that Members have access to all necessary information for the exercise of their decision-making roles. In this way, if the item for information/noting is not necessary for inclusion on a Committee agenda, there are entirely separate ways to ensure such information is brought to the attention of Elected Members: it is entirely appropriate in this circumstance for Corporate Directors to circulate briefing notes by email to Councillors without it being identified as an item of business for a Committee. Relevant information can in this way be sent to Members of Committees for their general interest and awareness or circulated to all Members of the Council as items of interest. Officers should be encouraged to use briefing notes to ensure that all Members are aware of relevant background information issues.

5.5   **Consultation Documentation and Processes**

5.5.1   At present, Officers use their discretion to determine the process for consideration and response to various consultation documents. The Council is engaged in many consultation processes relative to proposed changes in legislation or main strategic priorities or policies. These consultations often originate at government level, whether UK or Scotland, or through MPs and/or MSPs, other public bodies or key regulators or providers of services. Dependent on the level of enquiry, whether political or operational, Officers will assess and decide whether to take one of three broad actions:

(a)   To report on the initial consultation to the Council/Committee in order to seek a direction for any proposed response; or
(b)   To suggest a draft response to Committee/Council taking into account any Member comments submitted during consideration; or
(c)   To deal with the consultation document operationally and to respond without Member involvement.

5.5.2   The volume of requests for consultations, conflicting timescales with other work and the wide range of impacts involved in consultations have all caused pressures at Committee. Although the Officers' discretion, above, has provided flexibility in response to those pressures, it is proposed to improve our procedures by the following:

• On the receipt of a consultation document, the Corporate Director will in liaison with the relevant Convener determine whether a consultation request should be responded to by Committee or by the Officer;
• Any consultation responses which are reported to Committee will be accompanied by a draft response to reflect as far as possible the Council's strategic aims and priorities but will be subject to Committee decision in the same way as any other item of business; and
• Any consultation response that is dealt with on an Officer basis will be noted as such within the "information" heading of the relevant Committee agenda so that Members may be aware of and may access the Officer response and thus scrutinise the processes, above.
• In exceptional circumstances, where it is not possible to meet the consultation's deadline for an item which would otherwise be reported to Committee for direction, the relevant Convener will be consulted prior to return of the response and the full consultation response will be included within the Committee agenda for noting purposes.

5.6   **Background Papers and Impact Assessments**

5.6.1   The Council is obliged to ensure that any non-published sources that form the basis of its reports at Committee must be identified and made available, where appropriate, for public inspection and scrutiny. This practice will continue unaltered. The Council now undertakes

three main impact assessments in relation to (1) Equalities legislation, (2) the Fairer Scotland duty; and, (3) Data Protection impact. All of these assessments will be treated similarly as background papers and will be retained and made available, where appropriate, for public scrutiny and inspection. These impact assessments will not, however, in the interests of Committee agenda processes for printing and posting savings be included as hard copy within any Committee reports.

5.7 **Duration of Committees**

5.7.1 There are significant numbers of business items for Councillors to consider and scrutinise and Committees transact a major workload but unnecessary or avoidable reporting is not a significant issue within Inverclyde Council. There is a high degree of cooperation in dealing with business pressures. Officers will support as the key priority of this Council the infrastructure needed for the efficient transaction of business at Committees meetings and it is critical to ensure that effective Officer/Member collaborative working is maintained.

5.8 **Conclusions**

5.8.1 The Committee's consideration of the key items, identified above, is requested. Officers will develop any processes that are feasible in order to assist Members in the transaction of key business.

6.0 IMPLICATIONS

6.1 **Finance**

There are no direct financial implications identified within the governance review. In terms of the next phase of the Committee agenda process and review, there will be expenditure needed for presentation screens within the Council Chambers, a display screen within the canteen area with Wi-Fi and network support these costs will be identified in a further report regarding implementation of the next phase

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

6.2 **Legal**

There are no direct implications within this report.

6.3 **Human Resources**

There are no direct implications within this report.

6.4 **Equalities**

There are no direct implications within this report.

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO

6.5 **Repopulation**

There are no direct implications within this report.

7.0 CONSULTATIONS

7.1 This report has been endorsed by the CMT.

8.0 BACKGROUND PAPERS

8.1 None.