

A meeting of the Policy & Resources Committee will be held on Tuesday 11 August 2020 at 3pm.

This meeting is by remote online access only through the videoconferencing facilities which are available to Members and relevant Officers. The joining details will be sent to Members and Officers prior to the meeting.

In the event of connectivity issues, Members are asked to use the *join by phone* number in the Webex invitation.

Please note this meeting will be recorded.

GERARD MALONE
Head of Legal & Property Services

BUSINESS

****Copy to follow**

1.	Apologies, Substitutions and Declarations of Interest	Page
PERFORMANCE MANAGEMENT		
2. **	COVID-19 (Coronavirus): Scrutiny Report Report by Chief Executive	
3.	Funding of Excess Covid Costs Report by Chief Financial Officer	p
4.	Revenue Budget Outturn 2019/20 - Unaudited Report by Chief Financial Officer	p
5.	2019/20 Capital Programme Performance Report by Chief Financial Officer	p
6.	Capital Budget, Revision of 2020/23 Base Budgets Report by Chief Financial Officer	p
7.	Treasury Management – Annual Report 2019/20 Report by Chief Financial Officer	p
8.	Inverclyde Council Corporate Plan Annual Report 2019/20 Report by Head of Organisational Development, Policy and Communications	p

9.	General Data Protection Regulation Update Report by Head of Legal & Property Services	p
NEW BUSINESS		
10.	Review of Community Council Grant Funding Report by Head of Legal & Property Services	p
REMITTS FROM COMMITTEES		
11.	Use of Anti-Poverty Funds – Remit from Policy & Resources Executive Sub-Committee Report by Chief Financial Officer	p
The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in paragraph 1 of Part I of Schedule 7(A) of the Act.		
NEW BUSINESS		
12.	Voluntary Severance Scheme Releases Report by Head of Organisational Development, Policy & Communications providing an update on the position of releases agreed under the Council's Voluntary Severance Scheme since the previous report to the Committee in March 2019	p
<p>Please note that because of the current COVID-19 (Coronavirus) emergency, this meeting will not be open to members of the public.</p> <p>The reports are available publicly on the Council's website and the minute of the meeting will be submitted to the next standing meeting of the Inverclyde Council. The agenda for the meeting of the Inverclyde Council will be available publicly on the Council's website.</p> <p>In terms of Section 50A(3A) of the Local Government (Scotland) Act 1973, as introduced by Schedule 6, Paragraph 13 of the Coronavirus (Scotland) Act 2020, it is necessary to exclude the public from the meetings of the Committee on public health grounds. The Council considers that, if members of the public were to be present, this would create a real or substantial risk to public health, specifically relating to infection or contamination by Coronavirus.</p>		

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/63/20/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Funding of Excess Covid Costs		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for how the estimated extra costs associated with the Covid pandemic are to be funded in order that this matter can be addressed before commencing consideration of the 2021/23 Revenue Budget.

2.0 SUMMARY

- 2.1 The Policy & Resources Executive Sub-Committee has received regular updates on the developing picture regarding increased cost pressures and income reductions as a result of the Covid-19 pandemic. The extent of cost pressures and income reductions has been reduced by the extra funding to Councils from the Scottish Government. Appendix 1 shows the latest estimated gross cost for 2020/21 as being £15.1million. Within this total is approximately £3.8 million for the social care element of the HSCP and throughout the crisis the assumption has been that this cost would be fully met by either Scottish Government funding or IJB reserves.
- 2.2 Appendix 1 also shows that after the extra funding streams announced by the Scottish Government to date and the approved use of other Council budgets then the net estimated budget pressure is £5.867 million. Members have agreed that a report be presented to the August Policy & Resources Committee seeking approval as to how the net 2020/21 Covid cost should be funded prior to the commencement of the 2021/23 Revenue Budget process.
- 2.3 The options for funding the costs are as follows:
- £1.5million surplus Contingency Reserve
 - Earmarked Reserves
 - Dropping Capital projects
- 2.4 Appendix 2 is a comprehensive list of all existing Earmarked Reserves showing the balance as at 1 April 2020 and the estimated value of the Earmarked Reserve not legally committed. The Members' Budget Working Group (MBWG) has reviewed the position and has recommended write backs totalling £3.535 million as shown in the appendix.
- 2.5 Appendix 3 shows the summary position based on the proposals from the MBWG. This includes 3 funding requests included in the draft Recovery Plan due to be presented to the Alliance and Policy & Resources Committee in September. From this it can be seen that based on Appendix 2 there are sufficient proposals to fully fund the estimated net costs and the 3 proposals from the draft Recovery Plan.
- 2.6 The Committee should be aware that there are likely to remain significant budget pressures arising from the Covid 19 pandemic beyond 2020/21 and these will be factored in to the initial 2021/23 Revenue Budget. In addition the current Recovery Plans are identifying areas for continued or one off funding to assist with the area's recovery from the pandemic. These issues will however be the subject of further reports in coming months but it is important Members are aware of this when considering requests for funding.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the latest estimated financial pressure of £15.1 million for the period ending 31 March 2021 arising from the Covid-19 pandemic.
- 3.2 It is recommended that the Committee notes the assumption that all excess costs incurred by the HSCP will be contained by either Scottish Government funding or the IJB Reserves and that were this to change then this would increase the funding pressure on the Council.
- 3.3 It is recommended that the Committee approves the MBWG proposals for the write back of earmarked reserves in Appendix 2.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Policy & Resources Executive Sub-Committee has received regular updates on the developing picture regarding increased cost pressures and income reductions as a result of the Covid-19 pandemic.
- 4.2 In addition Members have been kept updated on the significant extra funding streams announced by the Scottish and UK Governments to assist the Council directly or the wider Inverclyde community in tackling this unprecedented situation.
- 4.3 Members have agreed that a report be presented to the August Policy & Resources Committee seeking approval as to how the net 2020/21 Covid cost should be funded prior to the commencement of the 2021/23 Revenue Budget process.
- 4.4 The unaudited Annual Accounts reported an increase in surplus of £1.5million from that projected when the 2020/21 Budget was approved.

5.0 OPTIONS

- 5.1 Appendix 1 shows the makeup of the extra costs estimated to be incurred by the Council during 2020/21. The appendix also shows extra funding streams announced by the Scottish Government to date and from this it can be seen that after this and the approved use of some existing budgets the net estimated budget pressure is £5.867 million. This excludes £3.837 million for the social care element of the HSCP and throughout the crisis the assumption has been that this cost would be fully met by either Scottish Government funding or IJB reserves.
- 5.2 The options for funding the costs are as follows:
 - £1.5million surplus Contingency Reserve
 - Earmarked Reserves
 - Dropping Capital projects
- 5.3 After allocating the surplus £1.5million in the Contingency Reserve and using existing funds to meet some of the increased Capital Programme costs, there remains £3.355 million to be funded.
- 5.4 Appendix 2 is a comprehensive list of all existing Earmarked Reserves showing the balance as at 1 April 2020 and the estimated value of the Earmarked Reserve not legally committed. The MBWG has reviewed the position and has recommended write backs totalling £3.535 million as shown in the appendix.
- 5.5 Appendix 3 shows the summary position based on the proposals from the MBWG. This includes 3 funding requests included in the draft Recovery Plan due to be presented to the Alliance and Policy & Resources Committee in September. From this it can be seen that based on Appendix 2 there are sufficient proposals to fully fund the estimated net costs and the 3 proposals from the draft Recovery Plan.

6.0 LOOKING BEYOND 2020/21

- 6.1 Members should be aware that there are likely to remain significant budget pressures arising from the Covid 19 pandemic beyond 2020/21 and these will be factored in to the initial 2021/23 Revenue Budget. Potential areas being identified include increased cleaning capacity, ongoing support for Humanitarian Aid, ICT equipment and support for flexible/home working and increased support for key partners/providers
- 6.2 In addition, the current Recovery Plans will include areas for continued or one off funding to assist with the area's recovery from the pandemic. These issues will however be the subject of further reports in coming months. Areas for increased investment emerging from the Recovery Plans include Business Development, Employability, Digital Inclusion and Community Capacity building.

7.0 IMPLICATIONS

7.1 Finance

Cosla continues to press the Scottish Government for more funding in addition to working with the Scottish Government to lobby the UK Government for increased funding. This report is prepared on the basis of known funding. Whilst it is possible that further funding will be confirmed in coming months there remains a similar possibility that new funding pressures will emerge.

The first monitoring reports for the current financial year are being prepared and it is expected that these will identify further underspends which will help fund as yet unquantified pressures.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Covid	Various	2020/21	£5.867 million		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	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

Equalities

- (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.
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X	NO
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(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

7.5 Repopulation

There are no repopulation proposals arising from this report.

8.0 CONSULTATIONS

8.1 The MBWG has been consulted and supports the proposals in this report.

9.0 BACKGROUND PAPERS

9.1 None

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Health & Social Care Partnership - IJB Return	
Fitzgerald Centre - Suspend Day Service. Loss of income	81
Hillend Respite Service- Income Loss	57
Homecare Commissioned Services	300
Homelessness Service - Security Costs	54
Inverclyde Centre	186
43 TFA's	159
Bed & Breakfast Support	128
Care Homes- Extra beds and sustainability payments	776
PPE Cots - Council	250
Providers	250
Additional Staffing Costs across Directorate	1,243
3.3% Living Wage uplift on Care at Home Provision	135
Equipment for working from home	50
Temporary Childrens Unit	66
Criminal Justice Early Release - Rent and Set up costs 18 Flats	66
Other Expenditure Areas	36
Government Grants to date	(500)
Gross Expenditure - Integrated Joint Board	3,337
Education, Communities & ODHR	
Inverclyde Leisure	800
Extended opening of Gourock Pool	20
Payment of School Meal Grant - Provide families who are entitled to a free School meal with £25 per fortnight.	712
Other Food Fund Projects	313
Balance of Food Fund not allocated	164
Schools Digital Inclusion- Connectivity/WiFi and devices	514
Increased ICT Support (Digital Inclusion)	136
Loss of Lets income	99
Loss of School Meal Income	294
Lower provision of School Meals	(294)
Loss of Wraparound income	140
Refunds to parents of cancelled School Trips.	75
Additional School/ELC Cleaning costs	380
Additional Non-School Cleaning Costs	170
Allowance for Handsanitiser/PPE - Council Wide	150
Other Losses of income	67

Comments
Loss of income due to suspension of all day services
6 months
Paying providers on planned hours for 6 months. Under review
Additional security at Inverclyde Centre
12 months loss of rent due to increased voids
One off cost of additional 43 flats.
Based on an extra 7 B&B rooms each night
Purchase of 32 extra beds for 12 weeks plus SG sustainability scheme to 31.7.20
Subject to approval/funding by the IJB in August.
£135k is additional cost of 1.1% above what was built into budget.
4 months
Rental (offset by HB), furniture and minor costs for 18 flats
Loss of income and increased delivery costs.
Share of £50million, Living Wage and CSWO support grants
Assumed to be funded by Health Directorate and IJB
Based on net income loss of £1.14million for Inverclyde Leisure to 31.3.21 including £70k for the payment of the Living wage and after the furlough scheme/use of £340k from IL reserves.
Allows for Pool to remain open until the end of October.
To 28.8.20 and funded from additional Scottish Government funding.
Funded from additional Scottish Government funding.
Largely funded from additional Scottish Government COVID funding. Includes £66k vired from Playschemes
£414k funded from PEF/Attainment Fund
2 x Technicians for 24 months
Based on on going reduction for 20/21
Figures based to the end of School term.
Figures based to the end of School term.
Figures based to the start of new School term.
This is based on the worst case scenario prior to any insurance payouts.
Covers period to 31.3.21
Covers 6 month period to 31.1.21
FM co-ordinating procurement for services
Library/Museum, Breakfast Clubs

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Supply Teachers additional costs	243
Public Conveniences	52
Increased media resources to 30.9.20	11
Partner nurseries and childminders	300
Term Time staff working over the summer	165
ELC Foodbags/£25/fortnight payments	85
Increased support for Health & Wellbeing of employees	50

Comments
For 3 months & includes holiday pay.
Extra cleaning/Supervision Costs based on 6 months from August
Funded from ELC underspend in 2019/20
Funded from ELC underspend in 2019/20
Funded from ELC underspend in 2019/20
Increased staffing and Occupational Health costs

Environment, Regeneration & Resources - Local Authority Return	
<u>Building Services:</u>	
Reduction in costs due to income loss	(200)
Reduction in Rev/ Capital income	383
Recovery Plans - Office Works	200
Equipment for Home/Flexible working	80
Loss of Property Services Fee Income	200
Planning income - reduction in demand	304
2 x Temporary Business Development Officers	120
Clyde Muirshiel Park	25
Humanitarian Aid Centres	
Software Costs	15
Overtime	20
Suspension of Parking Enforcement:	
- Parking Charges	132
- Penalty Notices	87
Suspension of normal Waste Collection procedures - all waste to be collected via Residual Waste.	
- Additional Cost of Landfill	233
- Loss of external income	236
- Reduced cost of landfill from reduced external income	(116)
<u>Roads Client:</u>	
Reduction in income - Sales Fees and Charges	119
<u>Roads Ops Unit:</u>	
Reduction in costs due to loss of income	(672)
Reduction in Rev/ Capital and NCI income	1,000
Vehicle Charges	(51)
Increased Burial/Cremation Income	(120)
Early Prisoner Release- Payment to RCH	63
Retain HoS post to co-ordinate Covid response	114

3 month reduction in work
Minor works, hand sanitising units, furniture removal and £100k Property fees
Furniture/ICT equipment
Figure net of fees earned from recovery plans
Estimate 3 months with no income then reduced income thereafter
18 month contracts funded from existing Earmarked Reserve
Share of net loss of income
£5k/month software costs
minimum 622hrs
4.5 months no income , continued shortfall thereafter
4.5 months no income
Based on 3 month impact
Based on 3 month impact
Based on 3 month impact
Inability to earn full Capital fees for 3 month period and small amount of other income
Materials, vehicles and overtime
Capital only, largely resurfacing work
Reduction in Fuel and Non routine Maintenance for 3 months
Reflects increased number of deaths since March
Based on £3.5k/ property x 18
Based on 12 months to 31.3.21.

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
ICT: Additional licences and equipment to support mobile working, staff overtime	260
Statutory Additions	118
Prior Years Council Tax	140
Scottish Welfare Fund - Crisis Grants	447
One off saving in Central Repairs during lockdown	(150)
Other minor Expenditure areas	74

Comments
£44k licences committed to date, up to £16k on additional licences and assumed overtime over the public holidays. £200k laptops.
40% reduction
40% reduction
Funded by increased Scottish Government Grant.
Allowance based on buildings being closed and contractors unavailable
ICT costs/Registrars Income reduction/ Overtime etc

Corporate Expenditure	
Cashflow	10
Council Tax, Loss of Income due to reduced collection levels	630
Savings in Loans Charges due to reduction in interest rates	(180)
Reduction in Internal Resources Income due to low interest rates	180
Council Tax Reduction – Unfunded extra support	200
Council Tax - Long Term Empty Income Reduction	40
Utility Costs -	(58)
Allowance for costs/income reductions not identified to date	218
Capital - cost of inflation due to delays to Contracts, increases in tendering returns and contract delivery costs .	2,994
Gross Expenditure -	11,741
Government Grant - Food Insecurity Ph1	(565)
Government Grant - Food Insecurity Ph2	(558)
Government Grant - Scottish Welfare Fund	(447)
Government Grant - Hardship Fund	(749)
Government Grant - Consequentials £155m	(2,321)
Government Grant- Registrars Overtime	(9)
Government Grant- Schools Return £100m	Tbc
Gross Income-	(4,649)
Net Expenditure	7,092
Other Funding	
Early Years Grant Underspend	(550)
Education Flexibilities (PEF/SAC)	(414)
Directorate Resources:	
Schools Budget to fund School Trips	(75)
Summer Playschemes Budget to fund Food Insecurity	(66)

Based on delays to NDR annual billing, reduction in Council Tax income etc.
Based on a 5% reduction in in-year collection in 2020/21 leading to a 2% increase in Bad Debt.
Offsets cost below
50% reduction due to low interest rates and poorer cashflow.
5% increase in CTR expenditure would cost £320k but assume anything over £200k will be funded by the Government.
Based on policy relaxation to 31.8.20
Mainly due to savings in electricity in Schools.
Originally £300k
Based on restricted working practices, increased length of contract and after allowing for additional fees.
Also increased in ICT and Vehicle costs due to global demand
Costs to 30.6.20 .Projected spend is £631,000
Use of balance to be approved August P&R
Use of balance to be approved August P&R
Share of £50million Grant
Share of £155million Grant
Share of £0.6million Grant
Awaiting confirmation of share of Grant and Conditions
2019/20 Underspend - Approved P&R Exec 16/6
Schools Digital Inclusion - Approved P&R Exec 16/6
Approved Emergency Powers July 2020
Approved P&R Exec June 2020

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Use of EMR to fund Business Development Posts	(120)
Total from existing Council Budgets	(1,225)
Balance to be Funded	5,867

Comments
2 Posts for 18 months

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Communities

Appendix 2
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<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2020/21 £000</u>	<u>Committed Funding 2020/21</u>	<u>Uncommitted Funding 2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back £000</u>	<u>Impact of Write Back</u>
School Estate M P	Eddie Montgomery	668	668	0	All of SEMP funding will be used in 2021.	0	
Community Fund	Tony McEwan	159	154	5	£89k of the c/f to 20/21 is currently committed for funding PB. Feb P&R approved use of £65k for temp CLD 18 month resource. This leaves £5k uncommitted.	0	
ASN Placements/Transport/ Resources	Michael Roach	211	0	211	This funding is for a smoothing reserve which is under pressure.	0	
Beacon Arts Recovery Plan	Tony McEwan	87	0	87	Given the impact of Covid on the Theatre sector it is recommended that this sum be retained to assist the Beacon with budget pressures over the next year whilst the medium term future becomes clearer	0	
Major Events 19/21	Steven McNab	140	0	140	A number of projects which were due to comence have been halted due to COVID 19. Funding was focussed on supporting events as part of the year of coasts and waters 2020 which has been moved to 2021 by Visit Scotland. Tourism sector recovery expected to include support for events to stimulate local economy and encourage visitors as part of repopulation ambitions moving out of covid-19 restrictions.	80	Reduces the sum available for any future events which would be the subject of a report to Committee
Year of Young People Legacy Fund	Tony McEwan	80	0	80	No money has been committed this year	0	
Incorporate 'Equally Safe'	Steven McNab	7	0	7	Not committed	0	
Autism Friendly	Tony McEwan	189	16	173	Largely uncommitted	0	
2019/20 Early Years 1140		2,043	1,707	336	This is the carry forward of unspent specific grant and has to be fully utilised therefore no scope to write back.	0	
Total Category A		668	668	0			
Total Category B		211	0	211			
Total Category C to E		2,705	1,877	828		80	
Total CFCR		0	0	0			

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

Appendix 2
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Project	Lead Officer/ Responsible Manager	Total Funding	Committed Funding	Uncommitted Funding	Lead Officer Update	Proposed Write Back	Impact of Write Back
		2020/21	2020/21	2020/21			
		£000					£000
Riverside Inverclyde	Scott Allan	126		126	Sums required for completion of Sculpture		
Whinhill Golf Infrastructure	Gerard Malone	125	0	125	Building condition is rated C (Poor) in recent externally commissioned surveys with substantial backlog maintenance / lifecycle works required. Works would also include element of alteration / improvement to align with ILT business plan.		
Renewal of Clune Park Area	Martin McNab	2,294	80	2,214	Current contract extant for dangerous buildings surveys approx £80K remaining. We are currently negotiating contracts for other survey work including Tolerable Standard, Rot and Economic viability plus there are also have legal costs arising from the current appeal against a demolition order to progress the regeneration of Clune Park to a conclusion.		
Asset Management Plan - Replacement Depot	Gerard Malone	168	168	0	Funding needed to complete the Depot AMP		
Youth Employment	Stuart Jamieson	455	442	13	Largely committed		
Winter Maintenance	Steven Walker	451	0	451	Essential funds used to smooth earlier savings delivered in Winter budget and allocated to provide safe Winter Operations in the event that existing Winter budget becomes exhausted.		
Vehicle Replacement Programme	Jim Bradley	178	0	178	Balance of the Vehicle AMP model		
Repopulating/Promoting Inverclyde/ Group Action Plan	Scott Allan	530	330	200	Action plan that was approved as follows: . Inverclyde and encouraging tourism £160k Growing the housing market £100k Growing local jobs and enabling infrastructure £120k Encouraging opportunities for all people £60k Increasing opportunities for employment in culture and leisure sector £40k		
Employability Initiatives	Stuart Jamieson	454	325	129	If reduced officers would be unable to support a number of clients in time of maximum need		
Town and Village Centre Environmental Improvements	Scott Allan	63	63	0	All committed		
Business Development	Stuart Jamieson	300		300	Proposed to fund temporary Business Development officers to assist with the Covid recovery plan		
Demolish Redundant Buildings	Scott Allan	150		150	No uptake to date	150	No interest in take up despite promotion of the scheme

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

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<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u>	<u>Committed Funding</u>	<u>Uncommitted Funding</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u>	<u>Impact of Write Back</u>
		<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>			
		<u>£000</u>					<u>£000</u>
City Deal	Stuart Jamieson	1,026	1,026	0	Balance required to fund the current planned projects		
Allocation for a Safer Streets Initiative	Gail MacFarlane	250	0	250	No commitments		
Seed Funding for active travel within Inverclyde	Gail MacFarlane	50	0	50	No commitments		
Establish a conservation area and listed building grant	Stuart Jamieson	76		76	No uptake to date	76	No impact as no uptake
Repaint and carry out essential repairs to the Comet	Gerard Malone	42	0	42	No further commitment beyond initial report. Impact if taken would be dependent on what the overall plan for the Comet is which will potentially require significant additional funding.		
Resilience & Insurance Claims - Health & Safety	Gerard Malone	400	0	400	Funding to provide a lift in Watt Institute Gallery - this is currently an Equality Act / DDA issue as part of the building is not accessible for those with mobility issues. Remaining budget will address improvements to Customhouse Square area with cobbled roads being first priority as they have been subject of recent claims through Insurance section due to poor condition.		
Climate Change	Stuart Jamieson	500		500	Not allocated at this stage	200	
Promotion and Tourism	Stuart Jamieson	50	0	50	Prior to Covid-19 the funding was planned to update the now out-of-date tourism strategy and align it with the new Scottish tourism strategy, launched in early March 2020.		
Feasibility Studies	Gerard Malone	110	0	110	Feasibility budget to identify / prioritise future capital projects which was created following proposals by the MBWG.		
Resilience & Insurance Claims - Black Start Equipment	Martin McNab	25	0	25	For the provision of a back-up generator for Pottery Street in the event of a widespread loss of power.		
Resilience & Insurance Claims - Training	Steven McNab	25	0	25	Training and equipment to reduce future claims		
Provision of a Dog Park	Martin McNab	20		20	Location has been identified but no committed spend to date		
Murdieston/Thom Street Dam Area	Gail MacFarlane	25		25	Not programmed or committed currently		
Roadside Trees	Gail MacFarlane	100	0	100	no commitments		
Barrs Brae Steps	Gail MacFarlane	40	0	40	Not committed		
St Ninians Site - Parking/Landscaping	Gail MacFarlane	75	0	75	Not Committed		
Overton Play Park surrounds	Gail MacFarlane	40	0	40	Not committed		

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

Appendix 2
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<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u>	<u>Committed Funding</u>	<u>Uncommitted Funding</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u>	<u>Impact of Write Back</u>
		<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>			
		<u>£000</u>				<u>£000</u>	<u>£000</u>
Town Centres	Scott Allan	700		700	Not allocated at this stage		
Play Area Strategy	Gail MacFarlane	400	0	400	Initial internal discussion undertaken to determine locations of play area improvement works. Not committed		
Sea Walls/Retaining Walls	Gerard Malone	100	0	100	Only initial scoping / discussion internally to date. Failure of these assets can lead to health and safety issues and impacts on adjacent public infrastructure.		
		0	0	0			
		0	0	0			
		0	0	0			
		0	0	0		426	
		0	0	0			

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u>
Early Retiral/Voluntary Severance Reserve	Alan Puckrin	3,113		3,113	Is going to be required in coming years in order to release employees to balance projected budget gaps. Write back not recommended.	281	Reduces sum available for future VER but substantial sum remains
Voluntary Severance Reserve - HR Support	Steven McNab	65	65	0	Employees in post and funds to be spent by 31.3.21.		
Equal Pay	Steven McNab	821	0	821	Write back leaving an amount for future legal etc costs.	621	No impact expected as most due to be written back on 31 March, 2021
Digital Strategy	Alan Puckrin	338	88	250	£200k new funding agreed as part of the 2020/21 Budget and not allocated yet. However, in light of lessons learned throughout Covid it is anticipated this funding will be needed to support remote/flexible working and continuing to develop on line service delivery.		
Welfare Reform - Operational	Alan Puckrin	186	96	90	Funding is used annually to support extra resources with the CSC which has maintained service levels.		
Cloud Technology	Alan Puckrin	1,000		1,000	Nothing committed to date but a proportion of this funding was to be used for the roll out of cloud technology linked to savings already agreed and the balance will support increased ICT investment post-Covid. Recognised that some could be used to fund the purchase of extra laptops to support the increase in home/remote working	400	Project will be sized accordingly
Revenue Contingency	Alan Puckrin	63	20	43	Remaining contingency balance. Only budget for appeals one off gifts etc.		
Anti-Poverty Fund	Alan Puckrin	1,090	490	600	This is linked to the August P&R Report on Poverty & Deprivation and as such write back would not be recommended.		
Loan Charge EMR - To meet spike in loan charges from 2016/17	Alan Puckrin	4,150		4,150	Latest Financial Strategy indicates there is scope to reduce this balance by £1million.	1,000	No impact provided interest rates remain as projected
GDPR	Gerry Malone	60	0	60	Needed to deliver the actions , including the implementation of a information governance system and associated corporate training.		

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u>
Revenue Budget Smoothing Reserve	Alan Puckrin	3,000		3,000	Financial Strategy assumes that this is used over 2021/23 to meet budget gap including on going Covid related costs/income reductions . Write back not recommended.		
Spend to Save	Alan Puckrin	477		477	Was created to encourage services with spend to save bids. Little activity and therefore write back of up to £300k is possible	477	No impact in the medium term as other funding routes exist if projects are developed. No Vehicle Replacement programme inflation allowance
Peter Stanton Trust	Alan Puckrin	25	25	0	Sum transferred therefore no scope to write back.		
2020/23 Capital Programme	Alan Puckrin	4,858		4,858	£300k from SEMP to fund whiteboards refresh. £8k from AMP Office. £350k from AMP Depot. Further £3.6m from free reserves and £0.6m SWIFT Any write back would require specific projects/budgets to be removed from the 2020/23 Capital Programme	250	
						3,029	

Funding Projected 2020/21 Excess Covid Costs		APPENDIX 3
	£000	£000
Funding Gap Net of Scottish Government Support		5,867
Increased Capital Programme Costs to be met from Existing Funding	1,007	
2019/20 Increase in Surplus	1,505	-2,512
Gap to be met by Reserves		3,355
Appendix 3 - Options		
Education & Communities	80	
Environment & Regeneration	426	
Policy & Resources	3,029	
	3,535	
Recovery Plans Short Term Funding Identified		
Remembrance Programme	40	
Preparation of Economic Case	60	
Recovery Cultural Events	80	
	180	
AP 27/7/20		

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/59/20/AE/AP
Contact Officer:	Angela Edmiston	Contact No:	01475 712143
Subject:	Revenue Budget Outturn 2019/20 - Unaudited		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise the Committee of the unaudited outturn of Service Committee Budgets for the year ending 31 March 2020 and to highlight any significant variances between revised budgets, period 10 report (period 9 Service Committees) and outturn per the 2019/20 Unaudited Accounts.

2.0 SUMMARY

- 2.1 Appendix 1 details the outturn (excluding earmarked reserves) per the unaudited accounts for 2019/20 and the variance between the outturn and the period 10 report presented to the Policy & Resources Committee for all Service Committees on 24 March 2020.
- 2.2 The outturn per the unaudited accounts shows an underspend for 2019/20 of £2,172,000 (Appendix 1) for all Service Committees (Inclusive of HSCP). This represents an underspend of 1.23% against 2019/20 revised budget of £176,746,000. The main areas of underspend relate to:
- Additional turnover savings achieved across the Council of £720,000
 - Release of contingencies not required throughout 2019/20 of £1,114,000
 - Additional Internal Resources Interest earned of £181,000
 - One-Off NDR refunds relating to Education buildings of £280,000
 - HSCP one-off underspend for Free Personal Care under 65's of £190,000
- 2.3 The underspends above are offset by various overspends; mainly £697,000 overspend within HSCP Client Commitments for Learning Disability clients and Older People Services. £84,000 of costs related to COVID 19 expenditure, however the majority of costs relating to COVID 19 will be reported against 2020/21.
- 2.4 Appendix 1 shows a decrease in the underspend reported to the last Policy & Resources Committee (Period 10) of £12,000 (0.01%). Appendix 2 provides the material variances for individual Committees and further explanations for the significant variances during the year.
- 2.5 Many of the areas of underspend were one off in 2019/20 or were included in the 2020/21 Budget. Appendix 2 highlights those areas that were adjusted during 2020/21 where applicable.
- 2.6 The Council currently utilises smoothing earmarked reserves to deal with pressures arising from demand led services. This approach helps smooth out budget pressures over a number of years. Current smoothing earmarked reserves include ASN Placement/Transport, Winter Maintenance, City Deal, Residential Childcare, Older People Residential Care Homes, Learning Disability Redesign and Loans Charges.

-
- 2.7 Overall, the unaudited accounts position reflects a free reserves position of £5.305m which is an increase of £1.505m since the budget was set in March 2020. This excludes the Health & Social Care overspend as this will be contained by the IJB. The increase is mainly due to additional Council Tax Income collected of £0.518m, planned write back of an earmarked reserve of £0.433m and further underspends across Committees detailed in this report. A review of the free reserves has been undertaken by the Members' Budget Working Group and is the subject of a separate report to this Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the underspend per the unaudited accounts for 2019/20 of £2,172,000, the reasons for the material variances from budget and the 1.23% movement from Period 10 to Final Outturn.
- 3.2 It is recommended that the Committee notes that officers will identify any opportunities for adjustments to be included in the 2021/23 Budget.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the outturn position per the unaudited accounts for 2019/20 and to highlight the main issues contributing to the underspend of £2,172,000. The report also informs the Committee of the movement since the last report to the Committee and the main issues contributing to the movement.

5.0 2019/20 UNAUDITED OUTTURN

- 5.1 It can be seen from Appendix 1 that the outturn per the unaudited accounts for 2019/20 is an underspend of £2,172,000 for all Service Committees. The outturn comprises underspends of £2,161,000 within Policy & Resources Committee and £302,000 within Environment & Regeneration Committee. Also overspends of £42,000 within Education & Communities and £249,000 within Health & Social Care. It should be noted that the overspend within Health & Social Care will be absorbed by the IJB and not impact on the Council's reserves.
- 5.2 Main areas of underspend relate to additional turnover savings achieved, the release of inflation contingencies not required, one-off NDR refunds relating to previous year buildings within Education Services and additional Internal Resources Interest earned. Appendix 2 provides more detailed material variances and reasons behind the underspend on a Committee by Committee basis.
- 5.3 Further underspends below £50,000 were incurred across all Services. The underspend in year has been partly offset by increased costs for client care package cost within Social Care Services and overspends within Education Services for catering contract and catering supplies. The report includes additional costs of £84,000 relating to COVID 19, the majority of costs will have been incurred during 2020/21.
- 5.4 It can be seen in Appendix 1, that the outturn (per the unaudited accounts) of £2,172,000 is a movement of £12,000 since the last report to the Policy & Resources Committee in March 2020. Appendix 1 details the movement in underspend per Service Committee. Appendix 2 provides more details regarding the material variances since the Period 10 Policy & Resources Committee report and the reasons for these movements.
- 5.5 Further details on the 2019/20 outturn will be submitted to individual Committees with the first Revenue Monitoring Report for 2020/21 in the next Committee cycle.
- 5.6 The unaudited accounts position reflects free reserves of £5,305,000 at 31 March 2020. This is an increase in the reserves position of £1,505,000 since the budget was set in March 2020. The free reserves position excludes Health & Social Care. The increase is mainly due to additional Council Tax Income received of £0.518m, planned write back of an earmarked reserve of £0.433m and further underspends across Committees detailed in this report. Consideration of use of free reserves has been undertaken by the Members' Budget Working Group and is the subject of a report to this Committee.

6.0 OTHER INFORMATION

- 6.1 The accuracy of budgeting and projections is an important measure of the Council's Financial Management performance. The percentage variance for 2019/20 decreased from 2018/19 and remains above 1% but below 2% as the past four years. The decrease in percentage underspend in 2019/20 is due to the continual review and reduction to budgets with historic underspends. A number of the underspends were identified in 2019/20 and have already been removed as part of the 2020/21 budget. The following table shows the variance for the last 4 years and the percentage variance against revised revenue budget for the relevant year.

Year	Variance	Percentage Variance
2015/16	Underspend £5.814m	3.41%
2016/17	Underspend £2.243m	1.38%
2017/18	Underspend £2.797m	1.67%
2018/19	Underspend £3.181m	1.87%
2019/20	Underspend £2.172m	1.23%

- 6.2 Officers will use this latest information to identify further potential budget adjustments in order to reduce the funding gap over 2021/23.

7.0 CONSULTATION

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

8.0 IMPLICATIONS

8.1 Finance

One off Costs

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

Annually Recurring Costs

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

8.2 Legal

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

There are no equality implications arising from this report.

Equalities

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

<input type="checkbox"/>	YES (see attached appendix)
<input checked="" type="checkbox"/>	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

8.5 Repopulation

There are no repopulation implications arising from this report.

9.0 BACKGROUND PAPERS

9.1 None

POLICY & RESOURCES**REVENUE BUDGET PROJECTED POSITION AT PERIOD 9 TO FINAL OUTTURN**

2018/19 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2019/20 £000	Period 9 Revised Budget 2019/20 £000	Period 9 Projection 2019/20 £000	Period 9 Projected Over/(Under) Spend 2019/20 £000	Final Over/(Under) Spend 2019/20 £000	Movement from Probable Outturn £000	Variance as % of Revised Budget
	Policy & Resources	18,225	15,580	13,497	(2,083)	(2,161)	(78)	-13.87%
	Environment & Regeneration	23,895	23,689	23,498	(191)	(302)	(111)	-1.27%
	Education & Communities	88,362	86,955	86,980	25	42	17	0.05%
	Health & Social Care	50,529	50,522	50,587	65	249	184	0.49%
0	COMMITTEE NET EXPENDITURE EXCLUDING EARMARKED RESERVES	181,011	176,746	174,562	(2,184)	(2,172)	12	-1.23%

Reasons: Final Outturn**POLICY & RESOURCES**

Additional Turnover Target Achieved	(103)
Inflation Contingencies not used	(1,114)
Internal Resource Interest over recovery	(181)
One off NDR refunds for Education buildings	(280)
Net over recovery of PDP/Sundry Debt	(88)
Over recovery of Council Tax Prior Years Income	(64)
Various (Underspends)/Overspends all under £50k	(331)
	(2,161)

ENVIRONMENT & REGENERATION

Additional Turnover Savings Achieved	(312)
Net underspend within Waste Strategy	(77)
Underspend within Economic Development Training Budget	(73)
Under recovery of Cremations Income	57
Net under recovery in Planning Income (after using smoothing EMR)	51
COVID 19 Additional Costs	44
Various (Underspends)/Overspends all under £50k	8
	(302)

EDUCATION & COMMUNITIES

Additional Turnover Savings Achieved	(149)
Catering Contract Overspend	145
Overspend on Catering Supplies	75
Education Transport Costs Overspend	62
Income Shortfall across Directorate	91

Reasons: Movement Period 9 to Final Outturn**POLICY & RESOURCES**

Internal Resources Interest less than projected	69
Over recovery of PDP/Sundry Debt Income	(63)
Various (Underspends)/Overspends all under £30k	(84)
	(78)

ENVIRONMENT & REGENERATION

Additional Turnover Savings Achieved	(80)
Reduction in net Income for Building Services Unit	43
COVID 19 Additional Costs	44
Various (Underspends)/Overspends all under £30k	(118)
	(111)

EDUCATION & COMMUNITIES

Additional Turnover Savings Achieved	(115)
Catering Contract Overspend	154
Reduced costs for Education Transport	(95)
Further Income Shortfall across Directorate	75
COVID 19 Additional Costs	40

POLICY & RESOURCESREVENUE BUDGET PROJECTED POSITION AT PERIOD 9 TO FINAL OUTTURN

Property Costs Underspend - primarily NDR
 COVID 19 Additional Costs
 Various (Underspends)/Overspends all under £50k

(93)
 40
 (129)

42

Various (Underspends)/Overspends all under £30k

(42)

17

HEALTH & SOCIAL CARE

Additional Turnover Savings Achieved
 Overspend in Client Package Costs across all Services
 Under Recovery of Income within Learning Disability Services
 Net Overspend on Physical Disability Services Income
 One Off Underspend for Free Personal Care Unders 65's
 One off Underspend in Carers Act Funding
 Various (Underspends)/Overspends all under £50k

(331)
 625
 72
 71
 (190)
 (68)
 70

249

HEALTH & SOCIAL CARE

Reduction in Turnover Savings Projected
 Additional Funding Received towards Criminal Justice Client
 Increase costs relating to Client Package Costs
 Underspend within Carers Act Funding
 Various (Underspends)/Overspends all under £30k

199
 (174)
 380
 (46)
 (175)

184

MATERIAL VARIANCES FROM BUDGET (OVER £50,000)

POLICY & RESOURCES COMMITTEE

1. Contingencies – Outturn Underspend £1,114,000 (44.03%)

Due to a lower than anticipated requirement for non-pay and pay inflationary pressures, the Council underspent by £1,114,000. As part of the 2020/21 budget process, a total of £750,000 of non-pay inflation and £750,000 of pay inflation has been released over the 2020/21 budget period.

2. Internal Resources Income – Outturn Over Recovery £181,000 (72.4%)

Due to an increase in interest rates, Internal Resources Interest received was £181,000 more than budgeted in 2019/20. A review of this budget has been undertaken as part of the budget process and the recovery target has been increased by a further £250,000.

3. NDR Refund – Outturn Over Recovery £280,000 (100%)

One-off refunds of £280,000 was received in NDR payments within 2019/20 as a result of a successful appeal. The refunds related to Education buildings but were held centrally within the Policy & Resources Committee.

4. Turnover Savings – Outturn Underspend £103,000 (1.19%)

Turnover savings of £103,000 was achieved by the Committee for 2019/20 which is a decrease of £21,000 since last reported to Committee. The Council agreed to an increased turnover target of £400,000 across the Directorates in September 2019 for the 2020/21 budget.

5. Prior Years Council Tax – Outturn Over Recovery £64,000 (20.9%)

Additional prior year's Council Tax income of £64,000 was achieved within 2019/20. This is a decrease in income of £36,000 since reported to P10 Committee.

ENVIRONMENT & REGENERATION COMMITTEE

1. Turnover Savings – Outturn Over Recovery £312,000 (1.95%)

The Services within the Environment & Regeneration Committee achieved additional Turnover Savings of £312,000 in 2019/20. The Council agreed an increase to the turnover target across Directorates of £400,000 in September 2019 for the 2020/21 budget.

2. Economic Training Budget – Outturn Underspend £73,000 (100%)

An underspend in the training budget within Economic Development - Workforce Development of £73,000 was achieved in 2019/20, due to

expenditure in this area being curtailed. This underspend was reported to period 10 Committee.

3. Waste Strategy Recycling Contract – Outturn Underspend £77,000 (22.38%)

The Waste Strategy Recycling Contract out-turned with an underspend of £77,000 in 2019/20, an element of which is in line with the previous years' outturn.

4. Crematorium Income – Outturn Under Recovery £57,000 (8.18%)

Crematorium income was under recovered by £57,000 in 2019/20. This is an increase in the under recovery of income of £22,000 since last reported to Committee

5. Planning Income – Outturn Under Recovery £51,000 (8.43%)

Under-recovery of £57,000 was outturned in 2019/20, this was due to reduced demand. This is an increase in demand of £20,000 since reported at P10 Committee.

EDUCATION & COMMUNITIES

1. Turnover Savings – Outturn Over Recovery £149,000 (0.21%)

The Committee achieved additional Turnover Savings of £149,000 which is an increase in savings achieved of £123,000 since reported to Committee at period 10, the movement mainly within Facilities Management. The Council agreed an increase in turnover target of £400,000 in September 2019 for the 2020/21 budget.

2. Communities Income – Outturn Under Recovery £91,000 (25.07%)

Under recovery of income within Community services for Libraries & Museums, Golf and Lets. This is a further decrease in income of £52,000 since reported at Period 10.

3. Contract Catering - Outturn Overspend £145,000 (4.67%)

An overspend of £145,000 was out-turned within 2019/20. This was not projected at P10 Committee. Further work is being under taken to ascertain why this was not identified earlier.

4. Catering Supplies – Outturn Overspend £75,000 (6.50%)

Education Catering Supplies were overspent by £75,000 during 2019/20. This is an increase in spend of £61,000 since Period 10.

5. Education Transport Costs – Outturn Overspend £62,000 (2.41%)

The Committee has outturned at an overspend of £62,000. This overspend consists of various transport costs, mainly; ASN transport, Gaelic Transport, School Bus Contract and Pupil Consortium. This is a reduction in costs of £95,000 since reported at P10 Committee.

HEALTH & SOCIAL CARE COMMITTEE

1. Turnover Savings – Outturn Over Recovery £331,000 (1.19%)

The Committee achieved additional turnover savings for 2019/20 of £331,000 which is an increase of costs of £199,000 since last reported to Committee. This was partly due to more employee's choosing to remain in the pension scheme after automatic opt in than projected. The Council agreed an increase to the turnover target across Directorates of £400,000 in September 2019 for the 2020/21 budget.

2. Learning Disabilities Client Commitments – Outturn Overspend £524,000 (6.22%)

Learning Disabilities Client Commitments were overspent by £524,000 during 2019/20. Increased costs of £261,000 were incurred since last reported to Committee in period 10. Increased costs reflected necessary uplifts in clients' packages relating to increased needs.

3. Free Personal Care – Under 65's – Outturn Underspend £190,000 (47.38%)

During 2019/20 a one-off underspend of £190,000 was achieved for Free Personal Care for under 65's, this was reported at P10 Committee and was agreed as a saving in November 2019 as part of the 2020/21 budget.

4. Residential Nursing Client Commitments – Outturn Overspend £173,000 (40.14%)

Within 2019/20 Residential Nursing Client Commitments overspent by £173,000. This is an increase in costs of £25,000 since last reported to Committee. Additional costs related to Direct Payments, Respite and Additional client hours allocated.

GENERAL FUND

1. Council Tax Income Account – Outturn Over Recovery of £518,000 (1.7%)

An over recovery of Council Tax Income during the year mainly due to additional income from premiums charged to second homes and long term empty properties plus an increase in income collected in relation to increased Council Tax base. A saving of £250,000 was approved in September 2019 based on the current collection levels of Long Term Empty levies and Council Tax base and a further £65,000 approved February 2020 to increase the ultimate collection rate target to 97.0%.

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/60/20/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2019/20 Capital Programme Performance		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee on the performance in respect of the delivery of the 2019/20 Capital Programme.

2.0 SUMMARY

- 2.1 The Committee receives an annual report detailing the Capital Programme out-turn against approved budget. Achieving budgeted capital spend has been raised at a Scotland wide level by Auditors for many years and the Committee has previously approved action taken to reduce levels of slippage.
- 2.2 In 2019/20 there was net slippage of 13.4% following on from net advancement of 0.5% in 2018/19. Appendix 1 illustrates the movement in slippage since 2015/16 and it can be seen that the 5 year average slippage is 0.2%. Slippage should be kept under 10% and likewise for acceleration, as greater than this could indicate issues with initial budget setting. In 2019/20 slippage was greater than the 10% threshold due to a number of factors detailed in the report and appendices.
- 2.3 Appendix 2 provides a summary of the main causes for slippage/advancement provided by Lead Officers. As has previously been the case, it is clear that variations are not attributable to either a single project or a single reason. It should be noted that whilst the Covid lockdown commenced 23 March, there were some supply chain issues going back into February however this would only explain a small part of the overall slippage.
- 2.4 Appendix 3 provides more detail on an individual project basis whilst Appendix 4 shows the movement in projections throughout the year. From this it can be seen that there was significant movement in projections in percentage terms reported to the Communities part of the Education & Communities Committee and HSCP however it should be noted that the Capital Programme in these areas is smaller. Within the SEMP and Environment & Regeneration projections moved by similar amounts but show a much smaller percentage movement due to the significantly larger budgets.
- 2.5 Overall there was significant slippage in the 2019/20 Capital Programme, mainly due to internal slippage and delays involving third parties. A report elsewhere on the agenda highlights the significant impact of Covid on the 2020/21 Capital Programme and recommends resetting the Capital Budget for this year. The Corporate Director Environment, Regeneration & Resources will continue to work with relevant officers throughout the year to monitor project delivery and update Committee as required.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the 2019/20 Capital Out-turn Position of 13.42% slippage and that a separate report elsewhere on the agenda seeks approval to reset the 2020/21 Capital Budget.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Following concerns over the level of capital slippage a number of years ago the Committee undertook action as part of the budget setting process to reduce slippage. It was agreed that the Committee receive an annual report comparing slippage/advancement against the approved Capital Programme and this report covers the 2019/20 performance.

5.0 2019/20 CAPITAL DELIVERY PERFORMANCE

- 5.1 Subject to the audit of the Final Accounts, the Capital out-turn for 2019/20 is reporting slippage of 13.42% (0.5% advancement reported in 2018/19). Overall slippage is greater than the 10% threshold, this was due to a number of factors as detailed in Appendix 3. Throughout the year actions were taken by Officers to minimise slippage including accelerating capital spend on a number of projects such as the Road Asset Management Plan (RAMP) however this could not offset significant slippage in a small number of projects.
- 5.2 Appendix 2 provides an analysis prepared by Officers of the main reasons for any slippage whilst Appendix 3 contains a commentary by the Lead Officer where appropriate and a categorisation of the type of slippage. This latter issue is not an exact science, but does give an indication of the main reasons for the slippage.
- 5.3 It can be seen that slippage of £6.756 million (87% of all slippage) arose from internal slippage and slippage involving 3rd Parties. This was partly compensated for by projects accelerated by Officers of £4.311m.
- 5.4 Directorate performance was as follows:

Corporate Director Environment, Regeneration & Resources – overall slippage 7.2%/£949,000 (2018/19: 0.81% slippage) this was mainly due to slippage within Flooding, Cremator Replacement, Town and Village Centre Regeneration and Clyde Square Re-roofing offset by advancement in RAMP, Waterfront Leisure Lifecycle works, Minor Works and Statutory Duty Works.

Corporate Director Education, Communities & Organisational Development – overall project slippage of 20.4%/£2.28million (2018/19: 6.18% advancement) mainly as a result of slippage within the School Estate and Early Years programme and Hillend Children's Centre.

Corporate Director Health & Social Care – overall slippage of 18.2%/£199,000 (2018/19: 32.99% slippage) and related mainly to a single project, the Crosshill Children's Home replacement.

- 5.5 Allied to the early identification of slippage is the potential to identify alternative projects which could be accelerated. Roads investment in particular lends itself to this approach where projects can be developed and delivered in a far shorter timescale than many other capital projects. During 2019/20 a total of £4.311m (2018/19: £4.964m (17.7%)) was advanced. Much of this was as a result of Council policies such as the advancement of the Road Asset Management Plan, Property Minor Works, Statutory Duty Works, Inverclyde Leisure Projects, and the School Lifecycle Works.

6.0 IMPLICATIONS

6.1 Finance

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					

6.2 Legal

There are no legal implications.

6.3 Human Resources

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.

6.4 Equalities

(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

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

7.0 BACKGROUND PAPERS

7.1 None.

Annual Slippage Summary

Appendix 1

<u>Year</u>	<u>Budget</u> <u>£000's</u>	<u>Slippage /</u> <u>(Advancement)</u> <u>£000's</u>	<u>%age</u>
2015/16	30,070	(903)	(3.0)%
2016/17	27,955	(2,560)	(9.2)%
2017/18	32,271	398	1.2%
2018/19	27,995	(146)	(0.5)%
2019/20	25,544	3428	13.42%
5 year average	28,767	43	0.2%

Summary of Reported Slippage by Category

Appendix 2

<u>Committee</u>	<u>Policy Decision</u> £000	<u>Project Cost Reduced</u> £000	<u>Internal Slippage</u> £000	<u>Delay involving 3rd Party</u> £000	<u>Minor Slippage</u> £000	<u>Accelerated Projects</u> £000	<u>Total</u> £000	<u>%age</u>
Policy & Resources	-	-	-	-	-	(78)	(78)	(18.8)%
Environment, Regeneration & Resources	190	423	3,091	331	356	(3,364)	1,027	8.0%
Education & Lifelong Learning	-	-	83	-	14	(30)	67	4.5%
School Estate	-	-	2,624	409	-	(820)	2,213	22.8%
Health & Social Care	-	-	-	218	-	(19)	199	18.2%
Total	190	423	5,798	958	370	(4,311)	3,428	13.42%
<u>Directorate</u>								
Environment, Regeneration & Resources	190	423	3,091	331	356	(3,442)	949	7.2%
Education, Communities & Organisational Development	-	-	2,707	409	14	(850)	2,280	20.4%
Health & Social Care	-	-	-	218	-	(19)	199	18.2%
Total	190	423	5,798	958	370	(4,311)	3,428	13.4%

	Approved Budget 2018/19 £000's	Draft 2018/19 Final Outturn £000's	Slippage from Approved Budget £000's	Slippage from Approved Budget %age	1 Policy Decision £000's	2 Project Cost Reduced £000's	3 Internal Slippage £000's	4 Delay involving 3rd Party £000's	5 Minor Slippage £000's	6 Accelerated Projects £000's	Variation Category	Additional Comments
Policy & Resources												
Various Projects	415	493	(78)	(18.80)%						(78)	6 Accelerated Projects	
TOTAL Policy & Resources	415	493	(78)	(18.80)%	0	0	0	0	0	(78)		
Environment & Regeneration												
Environmental Services - Roads												
SPT	1,137	1,039	98	8.62%					98		5 Minor Slippage	Delay in Walking/Cycle Route project due to Covid 19 restrictions.
Flooding Strategy - Greenock Central	108	49	59	54.63%					59		5 Minor Slippage	
Flooding Strategy - Future schemes	501	78	423	84.43%		423					2 Project Cost Reduced	Cost reduced and project delay due to Covid 19
Various Projects	155	140	15	9.68%					15		5 Minor Slippage	
Roads Asset Management Plan												
Carriageways	1,386	1,907	(521)	(37.59)%						(521)	6 Accelerated Projects	
Footways	237	267	(30)	(12.66)%						(30)	6 Accelerated Projects	
Structures	407	811	(404)	(99.26)%						(404)	6 Accelerated Projects	Expenditure includes EV Charge points.
Lighting	670	339	331	49.40%				331			4 Delay involving 3rd Party	Procurement delays causing slippage prior to Covid which then exacerbated delay due to lockdown.
Other Assets	125	122	3	100.00%					3		5 Minor Slippage	
Staff Costs	225	383	(158)	(70.22)%						(158)	6 Accelerated Projects	
Environmental Services												
Scheme of Assistance	653	748	(95)	(14.55)%						(95)	6 Accelerated Projects	
Clune Park Regeneration	0	91	(91)	100.00%						(91)	6 Accelerated Projects	
Cremator Replacement	1,647	66	1,581	95.99%			1,581				3 Internal Slippage	Procurement route more complex than originally envisaged.
Vehicles Replacement Programme	1,345	1,524	(179)	(13.31)%						(179)	6 Accelerated Projects	
Park, Cemeteries & Open Spaces AMP	120	220	(100)	(83.33)%						(100)	6 Accelerated Projects	
Various Projects	418	278	140	33.49%					140		5 Minor Slippage	
Regeneration and Planning												
Regeneration of Town & Village Centres	303	70	233	76.90%			233				3 Internal Slippage	Reprofiling of the Town Centre Funding to 2020/21.
T&VC - Lyle Fountain	130	13	117	90.00%			117				3 Internal Slippage	Delay in Lyle fountain tender due to specialist nature of the work and
T&VC - Jamaica Street Car Park	250	110	140	56.00%			140				3 Internal Slippage	Delay in clearance of the site which is now complete. Phase 2 will commence once Covid-19 restrictions lifted.
Various Projects	70	29	41	58.57%					41		5 Minor Slippage	
Property Services												
Greenock Municipal Buildings - Clyde Square Re-roofing	815	62	753	92.39%			753				3 Internal Slippage	Progression linked to completion of carriageway glazed roof project which is behind programme.
Greenock Municipal Buildings - Various projects	533	622	(89)	(16.70)%						(89)	6 Accelerated Projects	
Greenock Cemetery - Ivy House Replacement	130	8	122	93.85%			122				3 Internal Slippage	Project required redesign to reduce projected cost. Retender required based on revised scheme.
King George VI Refurbishment	293	415	(122)	(41.64)%						(122)	6 Accelerated Projects	Project scope revisited due to existig building issues. Future phase expenditure brought forward.
Waterfront Leisure Centre Lifecycle Works	249	549	(300)	(120.48)%						(300)	6 Accelerated Projects	
Boglestone Community Centre Roof	155	10	145	93.55%			145				3 Internal Slippage	Pre-contract stage delays.
Inverclyde Center for Independent Living - Re-roofing	0	122	(122)	100.00%						(122)	6 Accelerated Projects	Project brought forward to assist slippage mitigation.
Caladh House Residential Care Home - Building Services Remedial Works	0	72	(72)	100.00%						(72)	6 Accelerated Projects	Project brought forward to assist slippage mitigation.
Various Projects	0	129	(129)	100.00%						(129)	6 Accelerated Projects	Various minor works brought forward to assist slippage mitigation.
Minor Works	170	559	(389)	(228.82)%						(389)	6 Accelerated Projects	Various minor works brought forward to assist slippage mitigation.
Statutory Duty Works	67	335	(268)	(400.00)%						(268)	6 Accelerated Projects	Various minor works brought forward to assist slippage mitigation.
Kirn Drive Civic Amenity Site	201	11	190	94.53%	190						1 Policy Decision	Project scope revised with alternative site now proposed.
Pottery Street Offices & Depot Refurbishment	341	566	(225)	(65.98)%						(225)	6 Accelerated Projects	
Various Projects	12	82	(70)	(583.33)%						(70)	6 Accelerated Projects	Various minor works brought forward to assist slippage mitigation.
TOTAL Environment & Regeneration	12,853	11,826	1,027	7.99%	190	423	3,091	331	356	(3,364)		

	Approved Budget 2018/19 £000's	Draft 2018/19 Final Outturn £000's	Slippage from Approved Budget £000's	Slippage from Approved Budget %age	1 Policy Decision £000's	2 Project Cost Reduced £000's	3 Internal Slippage £000's	4 Delay involving 3rd Party £000's	5 Minor Slippage £000's	6 Accelerated Projects £000's	Variation Category	Additional Comments
Education & Lifelong Learning												
Non-SEMP												
Education & Communities (Non-SEMP)												
Safer Communities												
Grieve Road Community Centre	175	92	83	47.43%			83				3 Internal Slippage	Works in progress suspended due to COVID. Some works delayed due to statutory approvals (building warrant).
IL Spend to save- Boglestone	685	715	(30)	(4.38)%						(30)	6 Accelerated Projects	
Various Projects	625	611	14	2.24%					14		5 Minor Slippage	
TOTAL Education & Lifelong Learning (excl School Estate)	1,485	1,418	67	4.51%	0	0	83	0	14	(30)		
SEMP												
Hillend Children's Centre - Refurbishment	927	59	868	93.64%			868				3 Internal Slippage	Pre-contract stage delays including protracted tender evaluation process.
Lifecycle Fund	381	953	(572)	(150.13)%						(572)	6 Accelerated Projects	Lifecycle programme accelerated where possible to assist slippage mitigation.
Gourock PS Extension	1581	1172	409	25.87%				409			4 Delay involving 3rd Party	Main Contractor ceased works on site in February due to Administration.
St Mary's PS - Refurb & Extension	4560	4149	411	9.01%			411				3 Internal Slippage	Works in progress suspended due to Covid-19 and delays on site related to existing building pre-covid.
New Build - Larkfield CC/Park Farm (Rainbow FC)	1659	314	1,345	81.07%			1,345				3 Internal Slippage	Protracted planning approval process and value engineering required. Links to St Mary's PS delay.
Other Early Years 1140 Hours Capital	590	768	(178)	(30.17)%						(178)	6 Accelerated Projects	Minor projects accelerated where possible.
Various Projects	0	70	(70)	100.00%						(70)	6 Accelerated Projects	
TOTAL SEMP	9,698	7,485	2,213	22.82%	0	0	2,624	409	0	(820)		
Health & Social Care Committee												
Crosshill Childrens Home Replacement	995	777	218	21.91%				218			4 Delay involving 3rd Party	Main Contractor ceased works on site in February due to Administration.
various projects	98	117	(19)	(19.39)%						(19)	6 Accelerated Projects	
Total Health & Social Care	1,093	894	199	18.21%	0	0	0	218	0	(19)		
Council Total	25,544	22,116	3,428	13.42%	190	423	5,798	958	370	(4,311)		
Movement per Category as %age of Capital Programme				13.42%	.74%	1.66%	22.70%	3.75%	1.45%	(16.88)%		
Movement per Category as %age of total Slippage				100.00%	5.54%	12.34%	169.14%	27.95%	10.79%	(125.76)%		

Summary of Reported Slippage by Period

Appendix 4

	July'19 - Period 4	Sept'19 - Period 6	Nov '20 - Period 8	Jan '20 - Period 10	March'20 - Period 12	Provisional Outturn
	£000's	£000's	£000's	£000's	£000's	£000's
	%	%	%	%	%	%
Policy & Resources	(94)	(94)	(89)	(89)	162	(78)
Environment, Regeneration & Resources	-22.65%	-22.65%	-21.45%	-21.45%	39.04%	-18.80%
Education & Lifelong Learning	12.68%	6.55%	5.80%	9.22%	12.69%	7.99%
School Estate	0.00%	(175)	0.00%	148	74	67
Health & Social Care	13.61%	19.75%	21.81%	23.82%	23.77%	22.82%
	0.00%	0.00%	0.00%	0.00%	19.03%	18.21%
	-	-	-	-	208	199
	1,320	1,915	2,115	2,310	2,305	2,213
	2,248	2,475	2,483	3,554	4,380	3,428
Total	8.9%	9.8%	9.7%	13.9%	17.2%	13.4%

Movement Sept'19 (Period 6) v Outturn

	£000's	%
Policy & Resources	16	3.9%
Environment, Regeneration & Resources	198	1.4%
Education & Lifelong Learning	242	17.9%
School Estate	298	3.1%
Health & Social Care	199	18.2%
Total	953	3.6%

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/55/20/AP/MT
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Capital Budget, Revision of 2020/23 Base Budgets		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Committee with an update of the 2020/23 Capital Programme in light of the significant impact the Covid pandemic has had on the construction industry as well as other areas relating to the Capital Programme.

2.0 SUMMARY

- 2.1 On 12 March 2020 the Council set the 2020/21 Revenue Budget and 2020/23 Capital Programme.
- 2.2 In terms of Capital a 3 year Capital Programme was agreed, the 2020/21 element of that is then adjusted to reflect the final outturn for 2019/20 to form the approved 2020/21 Capital Budget. This approved budget is then used to monitor performance during the year with slippage being measured against this approved budget.
- 2.3 Due to the impact of the Covid pandemic from late March construction work effectively ceased meaning work stopped on existing projects and new projects could not be progressed. Officers have reviewed the phasings of the 2020/23 Capital Programme in light of this and based on present estimates the slippage for 2020/21 is projected to be 47.25%.
- 2.4 It is proposed that given the unprecedented nature of the Covid emergency the Committee approves the latest projections as the 2020/21 Capital Budget against which the capital performance will be measured. The current approved budgets and latest projections are included at Appendix 1.
- 2.5 In addition to the impact on the timing of delivery of the Capital Programme it is becoming clear that there are likely to be significant cost increases resulting from the Covid pandemic. Officers currently estimate these at £2.994m arising from costs associated with new working practices, increased prices and costs arising from 2 contractors going into Administration. The Capital Programme does not contain sufficient funding to contain the estimated cost increases and a report elsewhere on the agenda addresses this issue.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves the revised Capital Programme and specifically that the revised 2020/21 projections are adopted as the approved budget for measuring 2020/21 Capital delivery performance.
- 3.2 It is recommended that the Committee notes the estimated cost increases as a result of the Covid pandemic and that these increases will be addressed in a report elsewhere on this agenda.

4.0 BACKGROUND

- 4.1 Inverclyde Council formally approved the Council's Budget on 12 March 2020, the Budget comprised the 2020/21 Revenue Budget and 2020/23 Capital Programme.
- 4.2 In terms of Capital a 3 year Capital Programme was agreed, the 2020/21 element of that is then adjusted to reflect the final outturn for 2019/20 to form the approved 2020/21 Capital Budget. This approved budget is then used to monitor performance during the year with slippage being measured against this approved budget.

5.0 COVID IMPACT AND CAPITAL PERFORMANCE

- 5.1 Members will be aware through updates to the Policy & Resources Executive Sub-Committee of the significant impact the Covid pandemic has had across most areas of the Council's operations. On commencement of lockdown in late March construction work effectively ceased meaning work stopped on existing projects and new projects could not be progressed. The approved Capital Budget for 2020/21 is £19.965m, officers have reviewed the projections for the 2020/23 Capital Programme in light of this and the current projection is £10.531m giving slippage of £9.434m or 47.25%.
- 5.2 The Capital outturn is reported to this Committee annually and is included elsewhere on this agenda. This report summarises both the amount and reasons for slippage for the year as well as giving a 5 year average for slippage levels. The inclusion of slippage at the levels currently being indicated will not give a meaningful measure of capital performance for 2020/21 and will impact on the average slippage reported for the next 5 years.
- 5.3 It is therefore proposed that given the unprecedented nature of the Covid emergency the Committee approves the latest projections as the 2020/21 Capital Budget against which the capital performance will be measured. The current approved budgets and latest projections are included at Appendix 1.

6.0 COVID IMPACT, COST PRESSURES

- 6.1 In addition to the impact on the timing of delivery of the Capital Programme it is becoming clear that there are likely to be significant cost increases resulting from the Covid pandemic. Officers currently estimate these at £2.994m, as detailed below. Members should be aware that these are only a current estimate as the full, longer term, impact of restricted work practices are not known.

<u>Area</u>	<u>Estimated Additional Cost £000's</u>	<u>Assumption</u>
Property etc*	£2,054	Assessment of individual projects currently on site or in development
Roads	£600	Estimate 20% increases across 1 year RAMP Allocation
ICT	£90	Estimate 25% increases across 1 year allocation
Vehicles	£250	Increase short term costs
Total	£2,994	

* Includes all areas for which Property Services provides technical support, ie Property, School Estate, HSCP and some Environmental and Communities projects.

- 6.2 The Capital Programme does not contain sufficient funding to contain these cost increases and action will require to be taken to address any resultant funding shortfall. The Members' Budget Working Group has considered options to revise the Capital Programme to contain these cost increases and are reported elsewhere in this agenda. The Committee is asked to note that this report excludes the 3 City Deal Projects which standalone via their own funding model.

7.0 IMPLICATIONS

7.1 Finance

Financial Implications:

Members are asked to approve the revised phasings within the overall Capital Programme.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Capital	Various	2020/23	£2.994m		Increased funding needed or cost reductions required.

Annually Recurring Costs/ (Savings)

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

7.2 Legal

All legal issues are as highlighted in the report.

7.3 Human Resources

There are no HR issues to highlight

7.4 Equalities

Equalities

- (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?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

7.5 Repopulation

There are no repopulation implications arising from this report.

8.0 CONSULTATIONS

8.1 This report is supported by the CMT.

9.0 BACKGROUND PAPERS

9.1 None.

Capital Programme - 2020/23**Available Resources**

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
Government Capital Support	6,470	6,470	7,100	7,100	20,670
Capital Receipts	543	552	148	95	795
Capital Grants	1,844	1,720	89	-	1,809
Prudential Funded Projects	2,169	640	7,038	4,653	12,331
Balance B/F From 19/20	15,808	15,982	-	-	15,982
Capital Funded from Current Revenue	4,883	8,777	346	893	10,016
Available Resources	31,717	34,141	14,721	12,741	61,603
Total Expenditure	19,965	10,531	33,409	23,022	66,962
(Shortfall)/Under Utilisation of Resources					(5,359)
Approved 5% Overcommitment					(3,069)
Shortfall in Resources					(2,290)

Notes:**Funding Deficit**

Overprovision within the Capital Programme of 5% against available resources has been approved. This over provision allows for either increases in resources or cost reductions. In the event neither of these occur then funding from 2023/24 will be required to complete the programme.

Allowing for the projected cost increases as a result of Covid the overprovision exceeds the approved 5% overprovision, the Members Budget Working Group have considered options to revise the Capital Programme to contain these cost increases and are reported elsewhere in this agenda.

Government Capital Support

2020/21 Scottish Government grant support based on settlement announcement.

2021/22 & 2022/23 grant is estimated.

Approved Programme

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
<u>Environment, Regeneration & Resources (Policy & Resources)</u>					
<u>Finance</u>					
Annual Allocation (ICT)	254	254	423	423	1,100
Modernisation Fund	11	11	-	-	11
<u>Environment, Regeneration & Resources (Policy & Resources) Total</u>	265	265	423	423	1,111

Approved Programme

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
<u>Environment & Regeneration</u>					
<u>Roads & Environmental</u>					
Cycling, Walking and Safer Streets	344	194	-	-	194
SPT	116	116	-	-	116
Flooding Works	481	281	601	500	1,382
Kirn Drive Passing Places	-	-	192	-	192
Drumshantie Road Carpark	80	80	-	-	80
Complete on Site	9	8	-	-	8
RAMP - Carriageways	1,252	652	1,850	2,150	4,652
RAMP - Footways	272	272	300	300	872
RAMP - Structures	96	96	250	250	596
RAMP - Lighting	531	431	550	450	1,431
RAMP - Other Assets	153	153	150	150	453
RAMP -Staff Costs	402	292	480	370	1,142
Vehicle Replacement Programme	1,798	598	1,780	977	3,355
Cemetery Development	482	150	1,332	-	1,482
Cremator Replacement	809	20	789	772	1,581
Play Areas/Park Assets	110	60	450	-	510
Park, Cemeteries & Open Spaces AMP	130	60	290	300	650
Zero Waste Fund	65	65	60	60	185
<u>Roads & Environmental Total</u>	7,130	3,528	9,074	6,279	18,881
<u>Regeneration & Planning</u>					
Regeneration of Port Glasgow Town Centre	71	-	50	571	621
Central Gourock	20	20	-	-	20
Regeneration of Town & Village Centres - West Blackhall Street	73	3	-	1,500	1,503
Regeneration of Town & Village Centres - Lyle Fountain	97	-	117	-	117
Regeneration of Town & Village Centres - Jamaica Street Car Park	140	140	-	-	140
Regeneration of Town & Village Centres - Other	654	654	1,375	-	2,029
Scheme of Assistance/Aids & Adaptations	702	560	1,376	875	2,811
Clune Park	9	-	378	-	378
Public Space CCTV	15	15	-	-	15
<u>Regeneration & Planning Total</u>	1,781	1,392	3,296	2,946	7,634

Approved Programme

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
<u>Legal & Property Services</u>					
General Provision	50	-	2,132	2,000	4,132
Feasibility Studies	8	10	142	50	202
Greenock Municipal Buildings - Window Replacement	40	15	25	-	40
Greenock Municipal Buildings Carriageway Glazed Roof	96	96	17	-	113
Greenock Municipal Buildings - Flue replacement	59	59	-	-	59
Greenock Municipal Buildings - Finance Wing First Floor Refurbishment	9	9	-	-	9
Greenock Municipal Buildings - Clyde Square Re-roofing	858	400	558	-	958
Greenock Cemetery _ Ivy House Replacement	95	25	370	-	395
King George VI Refurbishment	385	385	50	-	435
Waterfront Leisure Centre Lifecycle Works	178	18	260	-	278
Boglestone Community Centre Roof	220	20	250	-	270
Inverclyde Center for Independent Living - Re-roofing	68	68	-	-	68
Caladh House Residential Care Home - Remedial Works	118	100	18	-	118
Sea Walls/Retaining Walls	-	15	85	-	100
Whinhill Golf Club Lifecycle Works	-	-	125	-	125
Customhouse Square/Watt Institute - Risk/DDA Works	-	20	380	-	400
Minor Works	65	115	255	-	370
Statutory Duty Works	86	69	206	-	275
Capital Works on Former Tied Houses	-	-	97	290	387
Complete on Site	66	-	149	-	149
<u>Asset Management Plan:</u>					
Depot Demolitions	42	34	108	-	142
Kirn Drive Civic Amenity Site	30	15	249	-	264
AMP Complete on site	-	-	89	-	89
<u>Legal & Property Services Total</u>	2,473	1,473	5,565	2,340	9,378
Environment & Regeneration Total	11,384	6,393	17,935	11,565	35,893

Approved Programme

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
<u>Education, Communities & Organisational Development</u>					
<u>Inclusive Education, Culture & Communities</u>					
Lady Alice Bowling Club Toilets	-	-	193	-	193
Indoor Sports Facility for Tennis	-	-	500	-	500
Leisure Pitches AMP - Lifecycle Fund	50	250	593	780	1,623
Grieve Road Community Centre	108	90	18	-	108
Wemyss Bay Community Centre Refurbishment	54	70	16	-	86
Whinhill Golf Club Lifecycle Works	-	50	75	-	125
Complete On Site - Inverclyde Leisure Spend to Save	7	7	-	-	7
Complete on Site	-	-	37	-	37
<u>Inclusive Education, Culture & Communities Total</u>	219	467	1,432	780	2,679
<u>Education (SEMP)</u>					
Lifecycle Fund	447	400	2,700	3,760	6,860
Gourock PS Extension	553	250	323	-	573
St Mary's PS - Refurb & Extension	611	611	31	-	642
Hillend Children's Centre - Refurbishment	1,003	500	639	-	1,139
Demolish Kelly Street CC	57	57	-	-	57
Demolish Sacred Heart PS	100	-	366	-	366
Whiteboard refresh	700	75	625	-	700
Complete on site	10	-	407	-	407
<u>Education (Early Learning & Childcare Expansion)</u>					
Refurbishment - Craigmarloch/Gourock YAC	50	50	20	-	70
New Build - Larkfield CC/Park Farm (Rainbow FC)	3,339	400	3,789	-	4,189
Outdoor	10	10	-	-	10
Infrastructure project support - CFCR	678	678	-	-	678
Wellpark Children's Centre Alterations - CFCR	80	80	-	-	80
Glenpark Early Learning Centre Outdoor Expansion - CFCR	120	120	-	-	120
<u>Education Total</u>	7,758	3,231	8,900	3,760	15,891
<u>Education, Communities & Organisational Development Total</u>	7,977	3,698	10,332	4,540	18,570

Approved Programme

	Approved Budget 2020/21 £000	Proposed Budget 2020/21 £000	Budget 2021/22 £000	Budget 2022/23 £000	Total £000
<u>Health & Social Care Partnership</u>					
Crosshill Childrens Home Replacement	339	100	271	-	371
New Learning Disability Facility	-	75	3,825	3,500	7,400
Swift Upgrade	-	-	600	-	600
Complete on Site	-	-	23	-	23
Health & Social Care Partnership Total	339	175	4,719	3,500	8,394
<u>Cost Pressures</u>					
Property etc				2,054	2,054
Roads				600	600
ICT				90	90
Vehicles				250	250
Cost Pressures Total	-	-	-	2,994	2,994
Total Expenditure	19,965	10,531	33,409	23,022	66,962

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/56/20/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	TREASURY MANAGEMENT – ANNUAL REPORT 2019/20		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the operation of the treasury function and its activities for 2019/20 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

2.0 SUMMARY

- 2.1 As at 31 March 2020 the Council had gross external debt (including PPP) of £274,392,487 and investments of £29,655,497. This compares to gross external debt (including PPP) of £259,305,590 and investments of £18,915,222 at 31 March 2019.
- 2.2 The Council's Capital Financing Requirement at 31 March 2020 was £302,233,000. The gross external debt was £27,840,513 (9.2%) less than the Capital Financing Requirement meaning that the Council was in an underborrowed position (and remains so in 2020/21). This position is attributable to the level of cash-backed reserves held by the Council.
- 2.3 The Loans Fund Pool Rate for 2019/20 was lower than that in 2018/19 and at its lowest level since before Local Government reorganisation.
- 2.4 The average rate of return achieved on investments during 2019/20 was 0.867% which exceeds the benchmark return rate for the year of 0.634% by 0.233% and resulted in £51,300 of additional interest on investments for the Council.
- 2.5 The Council operated within the required treasury limits and Prudential Indicators for the year set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.
- 2.6 The Covid-19 crisis has added to economic uncertainty in the UK and around the world, resulting in continuing volatility in the financial markets and uncertainty on UK interest rates. The economic situation continues to be closely monitored.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the contents of the annual report on Treasury Management for 2019/20 and the ongoing work to seek to ensure the delivery of financial benefits for the Council during the current uncertainty and beyond.
- 3.2 It is recommended that the Committee notes that the report will be remitted to the Full Council for approval.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20.
- 4.2 Treasury Management in this context is defined as: "The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 4.3 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The report also includes a section on Loan Fund Advances (section 7) which includes information required by regulations that came into effect on 1 April 2016.

5.0 ANNUAL REVIEW

- 5.1 The treasury management issues arising during the year were:
 - a. The Council's debt (including PPP) increased during the year by £15.086m whilst Council investments increased by £10.740m. The Council borrowed £32m during the year. Of this, £20m was to cover maturing debt that was repaid this year and in previous years whilst £12m was new borrowing including £2m in April 2019 at a reduced rate available for the Gourrock Primary School extension and £10m of 1 year borrowing in March 2020 for additional liquidity to cover payments expected to arise due to Covid-19.
 - b. The Council remained within its Prudential Indicator and Treasury Management limits during 2019/20.
 - c. As at 31 March 2020 the Council had under borrowed against its capital financing requirement by £27.841m. This under borrowing is lower than in 2018/19 due to the borrowing undertaken in the year.
 - d. In November 2018 the Treasury Consultants forecast that the Bank Rate would increase from 0.75% to 1.25% during the year. The rate actually remained unchanged at 0.75% during the year until the Covid-19 crisis when, in March 2020, the Bank of England cut the Bank Rate twice in 8 days at emergency meetings, firstly by 0.50% to 0.25% and then down to 0.10% - the lowest Bank Rate ever in the UK. In addition, the Bank added a further £200bn of Quantitative Easing at the second emergency meeting.
 - e. PWLB rates for new borrowing were expected to increase by between 0.20% and 0.40% but rates increased by 0.15% for long-term and up to 0.45% for short-term. The PWLB added 1% to all rates from 9 October 2019. If this increase had not happened then rates would have fallen over the year. Aside from the PWLB addition to rates, the difference in rates for some loan periods between their highest and lowest levels during the year was in line with 2018/19, being 0.30% for some short-term loans but up to 0.64% for longer periods.
 - f. The interest rates for investments remained low during the year and fell in March 2020 with the Bank Rate cuts.
 - g. The Council's investments earned a rate of return of 0.867% during the year and outperformed the benchmark return of 0.634% resulting in additional income to the Council of £51,300.
 - h. All investments were in accordance with the Council's investment policy and no institutions with which investments were made had any difficulty in repaying those investments and interest in full during the year.
 - i. The Council's investment performance is due to undertaking fixed term and notice account investments at interest rates that were above the benchmark with counterparties which have high creditworthiness (the Bank of Scotland and Santander UK) and in accordance with the Council's investment strategy.

- j. The Council undertook a Loan Charges review in 2019/20 which resulted in a one-off £1,411,000 revenue saving in Loan Charge principal repayments for the period to 31/3/2019 and ongoing Loan Charge repayment savings of £400,000 per year from 2019/20 to 2035/36.

5.2 During 2019/20 there was significant economic uncertainty in the UK and around the world. The Covid-19 crisis has caused additional uncertainty with the unknown economic impact (in both size and duration) on the UK and all global economies.

The economic situation continues to be closely monitored.

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

	At 31 March 2019	At 31 March 2020
	£	£
Total Excluding PPP	196,822,590	213,699,487
PPP Debt	62,483,000	60,693,000
Total Including PPP	259,305,590	274,392,487

Further detail is given in the following table:

	At 31 March 2019		At 31 March 2020		Movement 2019/20
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	97,260		114,117		16,857
- Market *	56,000		55,000		(1,000)
	153,260	3.94%	169,117	3.55%	15,857
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	43,400		44,400		1,000
- Temporary #	163		182		19
	43,563	4.93%	44,582	4.86%	1,019
Total Debt (Excl PPP)	196,823	4.16%	213,699	3.82%	16,876
PPP Debt	62,483		60,693		(1,790)
Total Debt (Incl PPP)	259,306		274,392		15,086

* - Market Loans are shown as variable when they have less than 1 year to go until their next call date. The total value of Market Loans has not changed between financial years, just the split between fixed and variable.

- Temporary Loans includes funds held by the Council on behalf of the Common Good and Trust Funds and that are to be treated as borrowing for Treasury Management purposes under Scottish Government requirements.

5.4 The Council's cash balances investment position was as follows:

	At 31 March 2019		At 31 March 2020		Movement 2019/20
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	10,000	1.00%	0	0.00%	(10,000)
- Notice Accounts	0	0.60%	10,036	0.25%	10,036
- Deposit Accounts	8,915	0.75%	19,619	0.00%	10,704
Totals	18,915	0.88%	29,655	0.08%	10,740

Investments as at 31 March 2020: £29,655,497

Maximum level of investments in 2019/20: £41,765,824 on 17 September 2019

Minimum level of investments in 2019/20: £7,145,523 on 26 July 2019

Daily average for the year 2019/20: £22,017,234

5.5 2019/20 Outturn Compared to Estimates in 2019/20 Strategy

The 2019/20 outturn compared to the estimates in the 2019/20 strategy:

	2019/20 Estimate	2019/20 Outturn
<u>Borrowing Requirement</u>	£000	£000
New borrowing	5,000	12,000
Alternative financing requirements	0	0
Replacement borrowing	25,000	20,000
TOTAL	30,000	32,000
<u>Prudential/Treasury Management Indicators</u>	£000	£000
Gross external debt including PPP (As at 31 March 2020)	277,456	274,392
Capital financing requirement (As at 31 March 2020)	311,820	302,233
(Under)/over borrowing against CFR	(34,364)	(27,841)
Gross capital expenditure	£000 34,226	£000 25,805
Ratio of financing costs (including PPP) to net revenue stream	14.75%	12.63%
Ratio of net debt (debt and PPP less investments) to net revenue stream	137.0%	124.2%

5.6 The table in paragraph 5.5 above shows that the Council had under borrowed against its capital financing requirement by £27.841m. Under borrowing means that the Council is using cash it already has (e.g. in earmarked reserves and other balances) to cash flow capital expenditure and maturing debt rather than bringing in new funds from borrowing. The level of under borrowing is considered manageable but is kept under review in light of Council capital financing and other funding requirements.

5.7 2019/20 Outturn Compared to Limits in 2019/20 Strategy

The 2019/20 outturn compared to limits in the 2019/20 strategy:

Prudential/Treasury Management Indicators

Authorised limit for external debt

- Borrowing
- Other long term liabilities

Operational boundary for external debt

- Borrowing
- Other long term liabilities

Upper limit on sums invested for periods longer than 364 days (Actual is maximum in period)

Limits on fixed and variable rate borrowing maturing in each period at 31 March 2020 (LOBOs included based on call dates and not maturity dates)

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and within 30 years
- 30 years and within 50 years
- 50 years and within 70 years

Council Policy Limits

Maximum Percentage of Debt Repayable In Any Year (Actual is as at 31 March 2020 and relates to Financial Year 2077/78)

Maximum Proportion of Debt At Variable Rates (Actual is as at 31 March 2020)

Maximum Percentage of Debt Restructured In Year (Actual is as at 31 March 2020)

2019/20 Limits		2019/20 Outturn	
£000		£000	
249,000		213,699	
63,000		60,693	
312,000		274,392	
£000		£000	
239,000		213,699	
63,000		60,693	
302,000		274,392	
£000		£000	
10,000		0	
Fixed	Var.	Fixed	Var.
45%	35%	7.0%	20.9%
45%	35%	11.7%	0%
45%	35%	7.1%	0%
45%	35%	5.3%	0%
45%	35%	8.2%	0%
45%	35%	21.1%	0%
45%	35%	18.7%	0%
25%		18.7%	
45%		20.9%	
30%		0%	

The forecast Investment Balances for 2019/20 required for “investments” as defined in the Investment Regulations and the actual position at 31 March 2020 are shown in Appendix 1.

5.8 The Prudential Code requires that the Council states how interest rate exposure is managed and monitored.

The position in 2019/20 was that all of the Council’s PWLB debt was at fixed rates. The Market debt contained some debt at fixed rates, some small elements at variable rates and some where the rates could change (but none did). The Council’s investments, which were all for less than 1 year, were all variable or regarded as variable under the treasury management rules.

During 2019/20, these interest rate exposures were managed and monitored by the Council through management reports on treasury management that were received and reviewed by the Chief Financial Officer.

- 5.9 The forecast from the Treasury Consultants in the Strategy for the Bank Rate as at 31 March and the latest forecast (produced on 31 March 2020) are:

	Forecast Per 2019/20 Strategy	Actual/ Latest Forecast
2019/20	1.25%	0.10% (Actual)
2020/21	1.50%	0.10% (Forecast)
2021/22	2.00%	0.10% (Forecast)

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

Year	Loans Fund Pool Rate
2015/16	3.843%
2016/17	3.659%
2017/18	3.557%
2018/19	3.608%
2019/20	3.436%

The Loans Fund Pool Rate for 2019/20 is its lowest level since before Local Government reorganisation.

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

- 5.11 The Council's investment policy for the year is governed by Scottish Government Investment Regulations and was implemented in the annual investment strategy approved by the Council on 21 February 2019. This policy sets out the approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks, credit default swaps, bank share prices etc.

All investments in 2019/20 and 2020/21 to date were in accordance with the policy and no institutions with which investments were made had any difficulty in repaying investments and interest in full.

- 5.12 The result of the investment strategy undertaken by the Council in 2019/20 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID un compounded)
£22,017,234	0.867%	0.634%

The Council has outperformed the benchmark by 0.163% resulting in additional income to the Council of £51,300.

6.0 OTHER ISSUES

6.1 Treasury Consultants Contract

Following a tender process, the Council agreed a new contract with its treasury consultants for an initial 3 year period with 3 one year optional extensions.

7.0 LOANS FUND ADVANCES

- 7.1 Where capital expenditure is funded by borrowing (referred to as loans fund advances), the debt financing costs are paid from the Revenue Budget as loan charges comprised of the repayments of debt along with interest and expenses costs on the borrowing.
- 7.2 The Council is required to set out its policy for the repayment of loans fund advances.

For loans fund advances made before 1 April 2016 the policy will be to maintain the practice of previous years and use the Statutory Method (option 1) with annual principal repayments being calculated using the annuity method.

The same method is proposed for loans fund advances made after 1 April 2016 for the permitted 5 year transitional period. In applying the annuity method to new advances in any year, the interest rate used in the annuity calculation will be the Council's loans fund pool rate for the year (including expenses) as rounded up to the nearest 0.01%.

This policy was approved by the Full Council at its meeting on 21 February 2019.

- 7.3 The outstanding loans fund advances (representing capital expenditure still to be repaid from the Revenue Budget) are:

	2019/20
	Actual
	£000
Balance As At 1 April	244,470
Add: Loan Charge Review Adjustment (See Paragraph 7.5)	1,411
	245,881
Add: Advances For The Year	7,057
Less: Repayments For The Year	11,787
Balance As At 31 March	241,151

- 7.4 For the loans fund advances outstanding as at 31 March 2020, the liability to make future repayments (excluding debt interest and expenses) is as follows:

	£000
Year 1	12,299
Years 2-5	32,032
Years 6-10	39,576
Years 11-15	39,172
Years 16-20	35,008
Years 21-25	34,282
Years 26-30	26,985
Years 31-35	12,968
Years 36-40	4,608
Years 41-45	1,197
Years 46-50	1,032
Years 51-55	1,160
Years 56-60	338
Years 61-65	32
Years 66-70	38
Years 71-75	45
Years 76-80	54
Years 81-85	65
Years 86-90	77
Years 91-95	93
Years 96-100	90
TOTAL	241,151

- 7.5 Following Audit Scotland changes to their advice to applying Scottish Government guidance on Loan Charges earlier this year, a review was undertaken of the periods over which previous years' capital expenditure is being written-off to revenue as part of the Loan Charges budget.

The outcome of the review (as reported to the Committee in November 2019) was:

- a. A one-off £1,411,000 revenue saving in Loan Charge principal repayments for the period to 31/3/2019 (the adjustment shown in paragraph 7.3).
- b. Ongoing Loan Charge repayment savings of £400,000 per year from 2019/20 through to 2035/36. After this, the Loan Charge principal repayments will increase as a result of the extension of the write-off periods to bring those periods more in line with the asset lives.

8.0 IMPLICATIONS

Finance

- 8.1 Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £51,300. The Council utilises Treasury Management as part of the overall Financial Strategy. Officers will continue to investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

Legal

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

Human Resources

- 8.3 There are no HR implications arising from this report.

Equalities

- 8.4 There are no equalities implications arising from this report.

(a) 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 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

Repopulation

8.5 There are no repopulation implications arising from this report.

9.0 CONSULTATIONS

9.1 This report has been produced based on advice from the Council's treasury consultants (Link Treasury Services Limited).

10.0 LIST OF BACKGROUND PAPERS

10.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition
Inverclyde Council – Treasury Management Strategy Statement and Annual Investment Strategy 2019/20-2022/23

**FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2019/20 AND ACTUAL AT 31 MARCH 2020**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2019/20 and the actual as at 31 March 2020 are:

	2019/20 Estimate	2019/20 Actual At 31 March 2020
	£000	£000
Cash balances managed in-house		
- At 1 April 2019	25,000	18,915
- At 31 March 2020	19,426	29,655
- Change in year	(5,574)	10,740
- Average daily cash balances	22,213	22,017
Holdings of shares, bonds, units (includes local authority owned company)		
- At 1 April 2019	2	2
- Purchases	0	0
- Sales	0	0
- At 31 March 2020	2	2
Loans to local authority company or other entity to deliver services		
- At 1 April 2019	483	441
- Advances	0	0
- Repayments	42	42
- At 31 March 2020	441	441
Loans made to third parties		
- At 1 April 2019	2,128	2,139
- Advances	0	4
- Repayments	22	26
- At 31 March 2020	2,106	2,117
Total of all investments		
- At 1 April 2019	27,613	21,497
- At 31 March 2020	21,975	32,215
- Change in year	(5,638)	10,718

The movements in the forecast investment balances shown above are due largely to ongoing treasury management activity in accordance with the Council's treasury management strategy or, for loans made to third parties, in accordance with Council decisions made in respect of such loans.

All of the Council's cash balances are managed in-house with no funds managed by external fund managers.

The "holdings of shares, bonds, units (includes authority owned company)" are historic and relate to the Common Good.

The Loans made to third parties includes a £50,000 loan to Shared Interest Society Limited ("Shared Interest") as approved by the Policy & Resources Committee in August 2017. Shared Interest are a company that uses funds invested by individuals and organisations to allow it to provide loans to fair trade businesses around the world.

Report To:	Policy and Resources Committee	Date:	11 August 2020
Report By:	Steven McNab Head of Organisational Development, Policy and Communications	Report No:	PR/34/20/KM
Contact Officer:	Louise McVey, Corporate Policy and Partnership Manager	Contact No:	01475 712042
Subject:	Inverclyde Council Corporate Plan Annual Report 2019/20		

1.0 PURPOSE

- 1.1 The purpose of this report is to present the Corporate Plan Annual Report 2019/20 to the Policy and Resources Committee for approval.

2.0 SUMMARY

- 2.1 The Inverclyde Council Corporate Plan 2018/22 was approved by Inverclyde Council on 7 June 2018. As part of the Plan's governance arrangements it was agreed that there would be an annual review of progress. The Annual Report 2019/20 is attached as Appendix 1 for the consideration and approval of the Policy and Resources Committee.
- 2.2 The Annual Report includes the latest performance data, where this is available, for each of the Corporate Plan performance measures, along with a red / amber / green (RAG) status. The data for a number of the performance measures is obtained from the Citizens' Panel however, due to Covid-19, the Spring 2020 survey did not take place and therefore new performance information is not currently available. For the purposes of this report, the 2018 Citizens' Panel data continues to be reported (questions are repeated every 2 years). The Annual Report will be updated with the new data once the survey has been carried out. In addition, there are 3 indicators where the national data is no longer available and 4 qualitative (survey) indicators where only baseline data is available and therefore no RAG status has been allocated.
- 2.3 Of the 47 measures which have a RAG status, 26 (55%) have a green status (improved performance), 11 (23%) have an amber status (a decline in performance of less than 5%) and 10 (21%) indicators have a red status (performance has declined by 5% or more). No RAG status is available for the 7 performance measures mentioned in paragraph 2.2.
- 2.4 The Annual Report follows the same format as last year and aims to provide a rounded picture of performance through a mixture of performance information and examples of good practice, areas of investment and innovative work undertaken during 2019/20 that contribute to the delivery of the Council's organisational priorities. It also provides details of Awards won and external inspections carried out throughout the year.
- 2.5 The Corporate Plan 2018/22 supports the work and aspirations of the Inverclyde Alliance and the Inverclyde Outcomes Improvement Plan (IOIP). The Alliance Board recently approved the Inverclyde Outcomes Improvement Plan Annual Report 2019/20 which set out progress in the delivery of the IOIP and locality planning. The IOIP Annual Report 2019/20 can be found on the Community Planning Partnership section of the Council's website or by following the web link provided:

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee:

- a. Approves the Corporate Plan Annual Report 2019/20.
- b. Notes that the Inverclyde Outcomes Improvement Plan Annual Report 2019/20 has been approved by the Alliance Board and is available on the Community Planning Partnership section of the Inverclyde Council website.

Steven McNab

Head of Organisational Development, Policy and Communications

4.0 BACKGROUND

- 4.1 The Inverclyde Council Corporate Plan 2018/22 was approved by Inverclyde Council on 7 June 2018. The Corporate Plan established 10 organisational priorities for the Council, 8 of which support the delivery of the Inverclyde Outcomes Improvement Plan, with the remainder being 'enabling' priorities that focus on service delivery and our role as an employer.
- 4.2 As part of the governance and reporting arrangements for the Corporate Plan 2018/22 it was agreed that a review of progress would be carried out annually. This is the second Annual Report to be produced and covers the financial year 2019/20.

5.0 INVERCLYDE COUNCIL CORPORATE PLAN ANNUAL REPORT 2019/20

- 5.1 The Corporate Plan Annual Report 2019/20 is attached as Appendix 1 for the consideration and approval of the Committee. The Report is structured as follows:
- (i) A brief overview of some of the projects, initiatives and areas of investment made by the Council in 2019/20 under the heading of 'How Are We Doing?';
 - (ii) New data for each of the Corporate Plan performance measures where this is available;
 - (iii) The inclusion of 3 case studies for each organisational priority, setting out in more detail areas of good or innovative practice, service achievements, or where the Council is delivering major national projects in support of its organisational priorities;
 - (iv) Details of national awards that have been received and inspections that have been carried over the course of 2019/20.
- 5.2 The Annual Report includes the latest performance data for each of the Corporate Plan performance measures where this is available, along with a red / amber / green (RAG) status. The data for a number of the performance measures is sourced from the Citizens' Panel, however, due to Covid-19, the Spring 2020 Panel Survey did not take place and therefore new performance information is not currently available. For the purposes of this report, the 2018 Citizens' Panel data continues to be reported (questions are repeated every 2 years). Once this survey has been carried out the Annual Report will be updated with the latest performance data.
- 5.3 In addition, there are 3 indicators where the national data is no longer available:
- The percentage of adults receiving social care or support who rate it as good or excellent (removed from LGBF)
 - The percentage of older residents that are reporting social isolation (Health indicator from NHS Greater Glasgow and Clyde, no new data since 2015)
 - The percentage of residents that are satisfied with their nearest greenspace (removed from the Scottish Household Survey)
- There are also 4 qualitative (survey) indicators where only baseline data is available and as a result, these indicators have no RAG status.
- 5.4 Of the 47 measures for which there is new data available, 26 (55%) have a green status (improved performance), 11 (23%) have an amber status (decline in performance of less than 5%) and 10 (21%) indicators have a red status (performance has declined by 5% or more). No RAG status is available for the 7 performance measures mentioned in paragraph 5.3.
- 5.5 Examples of performance measures that improved in 2019/20 include:
- An increase in the number of people moving into Inverclyde and a decrease in the number of people leaving
 - An increase in the percentage of young people participating in education, training or employment
 - The percentage of people in Inverclyde that were assisted into work was the 8th highest in Scotland

- An increase in the average tariff score of pupils living in SIMD 1 and 2 areas
- An annual reduction in the alcohol related mortality rate per 100,000 population
- A reduction in the gap between Inverclyde and the Scottish average in relation to the percentage of workless households
- An improvement in the street cleanliness score
- A reduction in the percentage of the roads network requiring maintenance treatment
- An increase in the number of customer interactions that take place via the web / mobile.

5.6 Examples of where there was no improvement in performance in 2019/20 includes:

- The gross weekly pay for employees living in the area has fallen below the Scottish average for the first time in 3 years
- The percentage of 16-24 year olds that are in employment has fallen by 10% to 50% in 2019 according to the latest Annual Population Survey data
- There has been a small increase in the percentage of data zones that are in the 20% most deprived in Scotland compared to SIMD 2016
- There has been a decrease in attendance at cultural events from those living in the 20% most deprived areas (as measured by the Scottish Household Survey)
- There has been no improvement in the gap in life expectancy between males and females in Inverclyde and the Scottish average
- There has been a small increase (0.2 days) in the number of sickness absence days

5.7 The Plan also details some of the Council's achievements in 2019/20, including:

- The development of a 'Discover Inverclyde' website to promote the area
- The development of Locality Actions Plans for all six Inverclyde localities
- Inverclyde Council being only the second council in the UK where every school has achieved Rights Respecting School Status
- The completion of the Ocean Terminal Pontoon
- The work of the Proud2Care group and the Inverclyde Champions Board
- Developments in service provision for alcohol and drug recovery
- The conservation of the built environment
- The refurbishment and reopening of the Watt Institution
- The implementation of a new service, 'Council Tax online' to offer an enhanced service to residents
- The establishment of a Disabled Staff Forum

5.8 This Annual Report is just one element of the Council's strategic planning and performance management framework. Another element is the annual SPI / KPI report which this Committee will consider in the autumn. The SPI report will be brought to this Committee in the autumn.

5.9 Both performance reports aim to provide a range of information that enables the CMT, Elected Members and the public to make an informed judgement on the Council's progress in delivering its organisational priorities and, in turn, the delivery of improved outcomes for residents.

5.10 In addition, the Corporate Plan 2018/22 supports the work and aspirations of the Inverclyde Alliance and the Inverclyde Outcomes Improvement Plan (IOIP). The Alliance Board recently approved the IOIP Annual Report 2019/20 which set out progress in the delivery of the IOIP and locality planning. The Annual Report can be found on the Community Planning Partnership section of the Council's website or by following the web link below:

www.inverclyde.gov.uk/council-and-government/community-planning-partnership/inverclyde-outcome-improvement-plan

6.0 IMPLICATIONS

6.1 Financial Implications - One off Costs

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

Financial Implications - Annually Recurring Costs/(Savings)

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

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

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

6.4 Equalities: The Corporate Plan Annual Report 2018/19 is strategic document, therefore it is difficult to anticipate any negative impact it might have on protected characteristics.

(a) 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 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: This Annual Report sets out the progress made towards the delivery of the strategic objective of repopulation.

7.0 CONSULTATION

7.1 The Corporate Plan Annual Report 2019/20 has been approved by the CMT.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

Inverclyde Council

Corporate Plan

ANNUAL REPORT 2019/20



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Foreword

Welcome to Inverclyde Council's Corporate Plan Annual Report for 2019/20. This is our second Annual Report and aims to highlight some of the council's activities and achievements that have been made during the second year of our Corporate Plan, which was published in June 2018.

First and foremost however, it is important to acknowledge the unprecedented challenge that was faced by Inverclyde Council and the Inverclyde HSPC as a result of the Covid-19 pandemic, which began to escalate towards the end of 2019/20. The role of local government has never been more crucial than during this time, particularly at the frontline in shielding our vulnerable residents and families with the HSCP and in ensuring that no child in Inverclyde goes hungry.

We help to ensure the maintenance of good public health through the continued provision of regular cleansing and waste collection services. We are also at the forefront of supporting the community in the delivery of Scottish Government business grants. Children and their families have been supported throughout the school closures by ensuring that childcare arrangements were put in place to support frontline services and to help keep local and national infrastructure going. These are just some of the ways in which the council has helped to maintain vital services to support the safety and health and wellbeing of our residents during this very difficult time.

While Covid-19 undoubtedly dominated the agenda towards the end of 2019/20 and will continue to do so for the foreseeable future, it is important not to lose sight of the innovative work and achievements made by the council in the past year. We have huge ambition for Inverclyde and our Corporate Plan sets out our focused priorities that will deliver our vision of 'Getting it Right for Every Child, Citizen and Community'. This Annual Report aims to provide you with a snapshot of some of the activity that the council has undertaken in the past year to deliver our organisational priorities.

2019/20 continued to be a period of change with the implementation of further budget savings and the next phase of our management restructure, whilst at the same time, progressing major national initiatives such as City Deal, as well as shaping new and innovative ways of working, such as the extension of Shared Services with West Dunbartonshire Council.

This report provides details of these and highlights where particular achievements have been made in the form of case studies, as well as a range of performance information to help you assess our progress. Unfortunately, a range of performance information that we obtain from the Inverclyde Citizens' Panel is not yet available as all survey and consultation work has been postponed due to Covid-19, however this performance information will be published as soon as it becomes available. For the remaining performance indicators we have used a red, amber, green status to highlight where progress towards targets is on track (green); where there has been some slippage (amber), or where there has been significant slippage (red).

We recognise that the complex nature of our organisational priorities means that these can only be delivered in the longer term if we are to achieve the council's vision. Reviewing our progress on an annual basis helps to ensure that our priorities continue to be aligned with what our residents have told us matter to them and that they reflect new opportunities, emerging issues

or areas of need. It also helps us to measure whether we are making a positive difference in improving the lives of those living in Inverclyde.

This report is just one way in which the council strives to keep citizens' informed of how we are performing. You can find more information on performance across a wide range of service areas on our performance pages which you can find by clicking on the link below:

<https://www.inverclyde.gov.uk/council-and-government/performance>

As always, your feedback is very important to us and there are contact details at the back of this report if you would like to provide your views on any aspect of our performance or on this report.

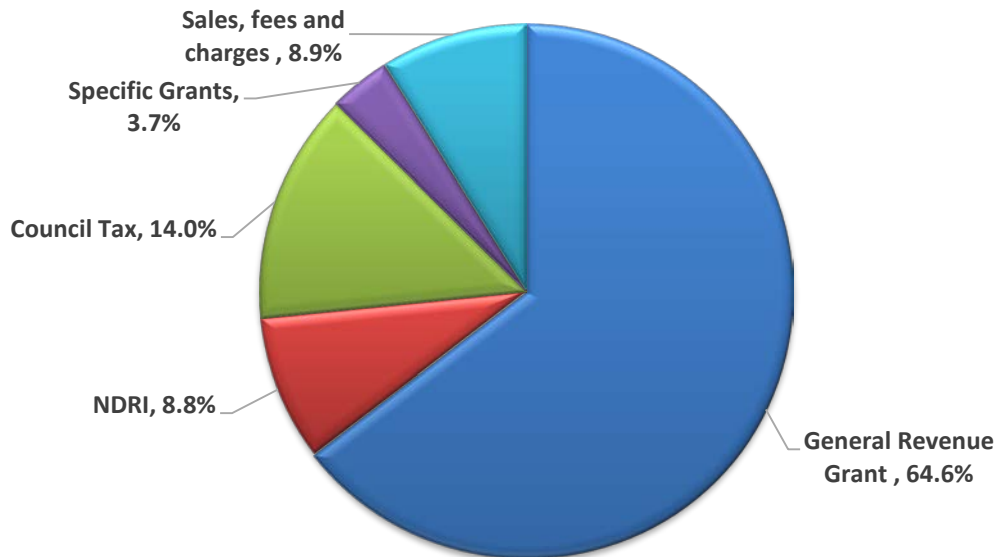
Aubrey Fawcett
Chief Executive
Inverclyde Council

Councillor Stephen McCabe
Leader
Inverclyde Council

The Council's Finances

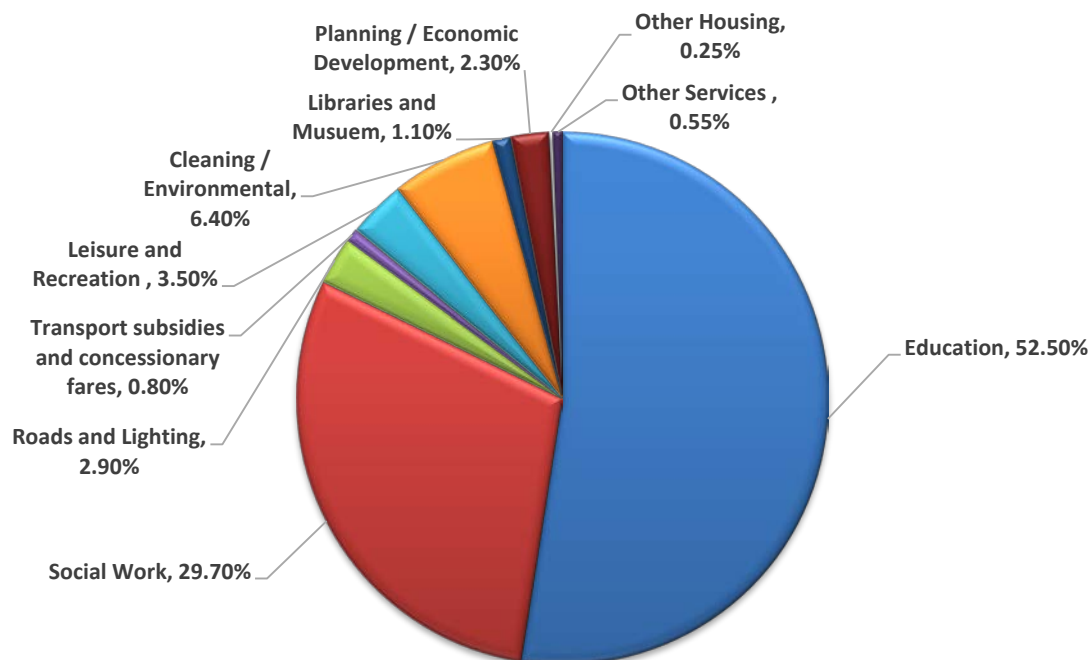
Where our money comes from

In 2019/20, approximately 86% of our funding came from Government grants / fees and charges with 14% from Council Tax.

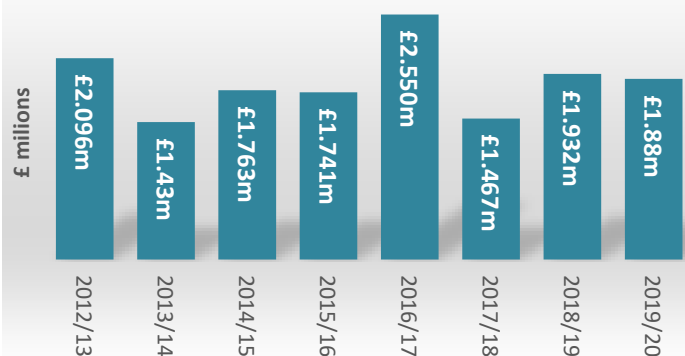


What the money was spent on (£m)

In 2019/20 the Council had a budget of £192.75million. Just over half of this budget was spent on Education Services to ensure that our children and young people have the best start in life. The next largest proportion of our budget is allocated to Social Work Services, which supports the most vulnerable residents.



Efficiency Savings 2012/13 - 2019/20
£ million



The Council delivered a further recurring efficiency saving of £1.88 million, bringing the total amount of savings to more than £23million since 2008/09.

This helps the Council to protect front line services at a time of ongoing reductions in funding.

2020/21 budget

Inverclyde Council agreed its 2020/21 budget in March 2020. Whilst many of the budget savings that were consulted on towards the end of 2019 were not taken, some savings were approved and some of this money is being reinvested to tackle poverty. Inverclyde Council funding of £750,000 has been supplemented by £250,000 funding from the Integration Joint Board. (IJB), providing a total budget of £1million to reinvest in our communities.

The budget also includes £52 million for the Integration Joint Board which is responsible for Inverclyde's health and social care services in partnership with the NHS Greater Glasgow and Clyde Health Board.

Further investment in our capital programme was also agreed including:

- £14.8 million on our schools and pre-five centres
- £3.3 million for town and village centres, on top of £700,000 previously allocated
- £7.4 million for a new state of the art hub for adults with learning disabilities

The budget also included funding for:

- £600,000 to boost local businesses and support those furthest from the labour market
- £500,000 for measures to reduce Inverclyde's carbon footprint to help address the climate emergency
- £380,000 for a range of environmental improvements

Covid-19

Responding to Covid-19

Inverclyde Council's ongoing response to Covid-19 is co-ordinated by the council's Corporate Management Team, which has responsibility for all strategic matters with tactical arrangements discussed and proposed via the Council Resilience Management Team (CRMT).

All Council, Committee and Sub-Committee meetings were suspended from 24th March and power transferred to the Policy & Resources Executive Sub Committee which at present, meets fortnightly to consider and approve the decisions taken by the CMT. To ensure that essential services continued to be delivered where possible and that the core business of the council was maintained, while at the same time ensuring the safety of both employees and the public, significant changes were quickly implemented:

- All HSCP services continued to operate throughout the pandemic, although at a reduced level, with the exception of day and respite services which were suspended.
- All schools were closed to pupils in line with national guidance with nine hub schools introduced to provide child care for key workers and vulnerable children. Planning is now underway for return of pupils in August on a full time basis.
- To ensure the safety of both employees and public as well as reflecting staffing availability, the Customer Service Centre was closed to public visitors as were libraries, public conveniences and some car parks. Collection of garden, food and other recycling initially ceased but were re-introduced when it became safe to do so.
- Roads and Property repairs are being carried out on an emergency basis with all other works suspended. Ground maintenance also ceased but resumed on a prioritised basis from mid-May.
- The council's ICT Service rapidly increased home working capacity which allowed a significant number of employees that are not delivering an essential service to work from home, helping to ensure business continuity as far as possible.

Arrangements to support our more vulnerable residents and their families were rapidly established. The Council and partners established a Humanitarian Assistance Centre which runs a helpline and is in contact with over 2,800 residents who fall into the "Shielding" category. A wide range of support is provided either directly by the council or partner organisations.

Initially free school meals continued to be provided through community hubs or delivered directly, however this was not sustainable in the longer term and was replaced with direct fortnightly payments of £25 for all / each child entitled to a free school meal / clothing grant with meals available to other families at the community hubs.

There has been a significant increase in the number of Scottish Welfare Fund applications and additionally the Council has increased awards by 20%. Extra funding from the Scottish Government has been provided to meet this increased cost.

Businesses in the Retail, Hospitality and Leisure sector have been given a 1 year Non Domestic Rate holiday with all other properties receiving a 1.6% NDR reduction. The Scottish

Government has removed £6.8m of the Council's NDR target and replaced that with Revenue Grant.

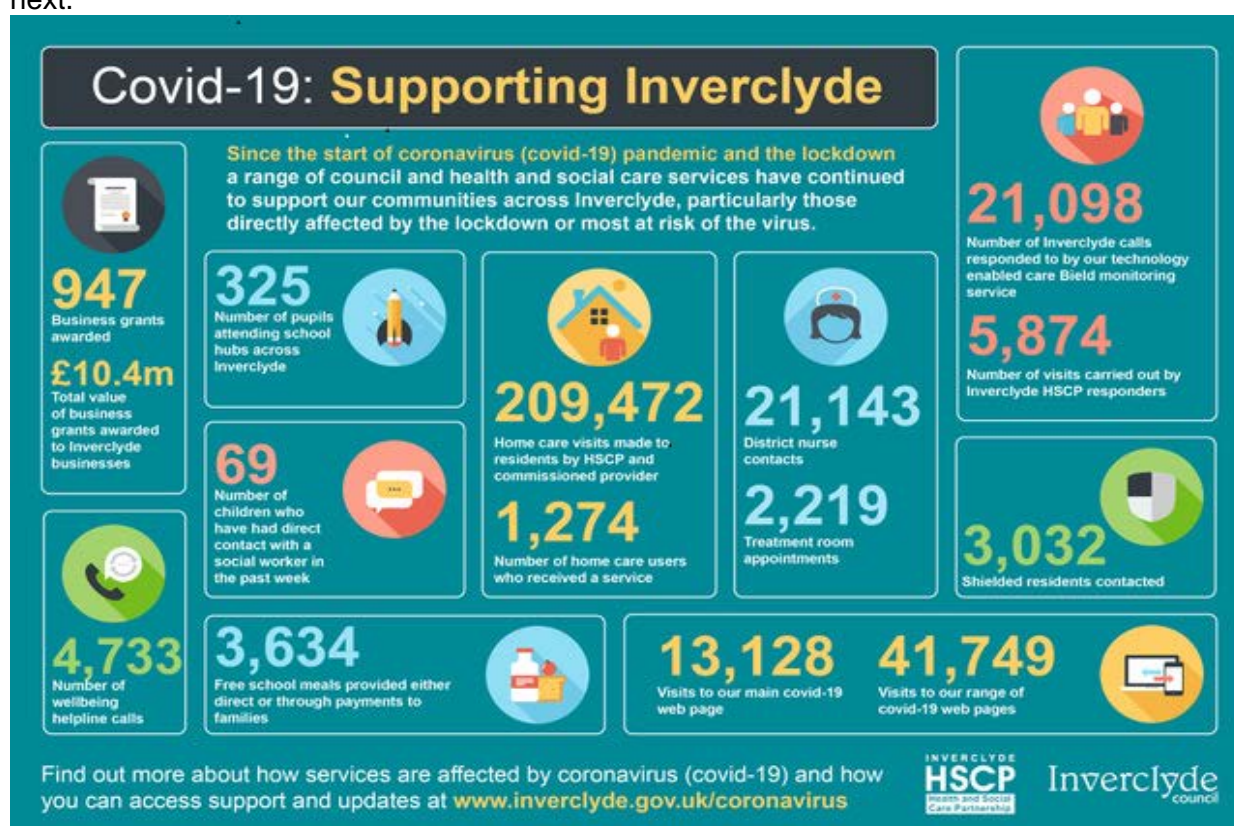
The Council and its partners are the conduit for other Scottish Government Grant / Support schemes such as support to the newly self-employed and community group grants. Responsibility for administering a scheme to provide grant payments to all small businesses, including charities, within Inverclyde also sits with the council. Businesses are entitled to grants of £10,000 from the small business grant fund or £25,000 for certain Retail, Hospitality and Leisure businesses, funded from £10.6million awarded from Scottish Government.

Recovery

The Policy & Resources Sub Committee has approved a recovery framework which will operate at an Alliance and Council level, including the HSCP. Detailed plans are being prepared with close attention being taken of emerging medical and Government advice.

While the impact on the wider economy and on key suppliers is not yet fully known, future increase in costs from suppliers may be a factor as indeed may their ability to continue to provide services and this has been identified as a key risk to the council. Depending on future funding levels the financial impact on the council is likely to be significant.

Work is ongoing to reintroduce services that stopped or were reduced as a result of the pandemic. The implementation of the office and depot recovery plan to prepare the Route Map for a phased return of employees is underway and at the present time, the expectation is that all pupils will return to school in August. The response to Covid-19 is however constantly evolving and every stage of the council's recovery strategy will be tried and tested before moving to the next.



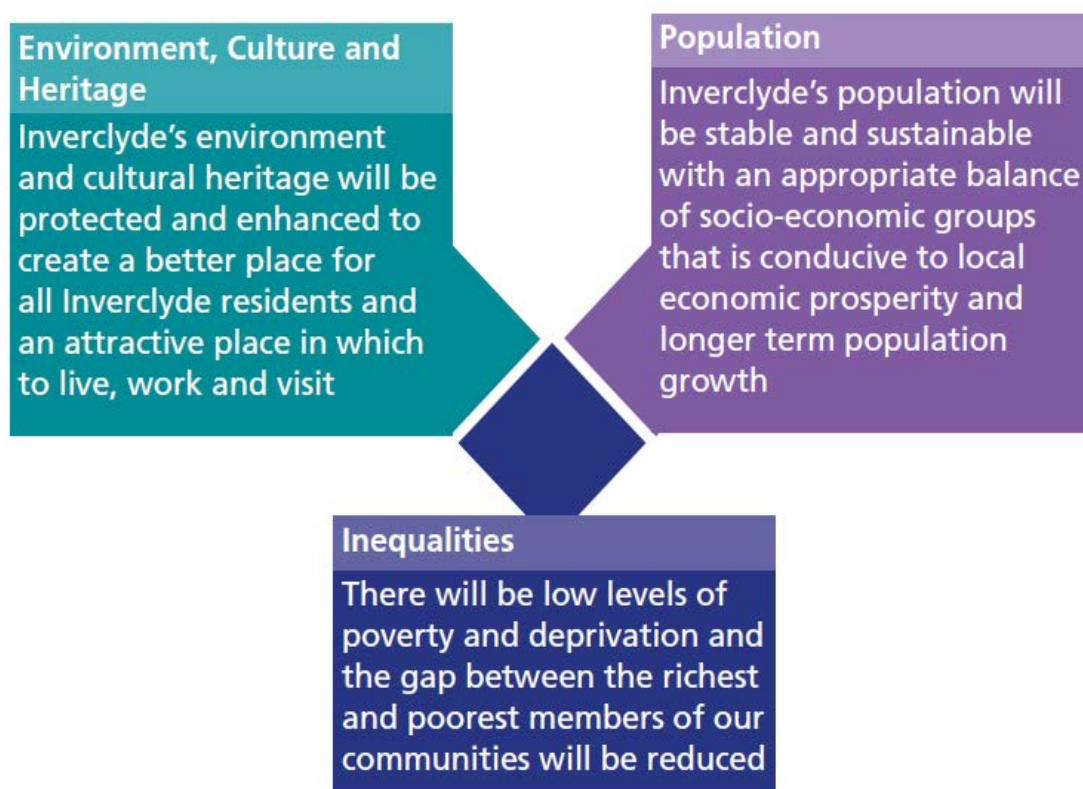
This infographic highlights some of the support provided by the council and the HSCP to support the community since the start of Covid-19

Our organisational priorities

The Council's organisational priorities are aimed at delivering improved outcomes for all residents and are underpinned by the feedback we received from our communities about the things that are most important to them. We also gathered and analysed performance data on a wide range of issues which helped us to identify particular areas of need locally.

Our priorities are ambitious and aspirational and reflect the range of challenges that face our area. We want to improve the lives of all the residents of Inverclyde however, as a Council we have a particular responsibility to our residents to tackle inequality and support those who are living in poverty and those who are vulnerable or disadvantaged.

As a key community planning partner, the Council has a central role to play in supporting the work and aspirations of the Inverclyde Alliance and this is reflected in a number of our organisational priorities. The Inverclyde Alliance has three strategic priorities, which are set out in the Inverclyde Outcomes Improvement Plan (IOIP). The IOIP is a high level, strategic Plan that describes how partners will work together to improve local outcomes and tackle inequalities. The three partnership priorities are shown below.



The diagram below shows how the Inverclyde Alliance strategic priorities and Inverclyde Council organisational priorities, which support the delivery of the Inverclyde Outcomes Improvement Plan fit together, and how the Council's service delivery acts as an 'enabler' to help deliver these priorities.



The Inverclyde Alliance has produced an Annual Report 2019/20 setting out progress in the delivery of the Inverclyde Outcomes Improvement Plan and locality planning. The report can be found on the Community Planning Partnership section of the council's website or by following the link below:
<https://www.inverclyde.gov.uk/council-and-government/community-planning-partnership/inverclyde-outcome-improvement-plan>

1. To promote Inverclyde to both residents and visitors alike, as a great place to live, work, study and visit

What do we want to achieve?

Inverclyde is regarded as a great place to invest, live, work and visit by both those who live here and those who live outwith the area

To stabilise the population of Inverclyde

To enhance the image and reputation of the area

To improve residents' satisfaction with living in the area

To reduce the number of young people leaving the area by providing more opportunities locally

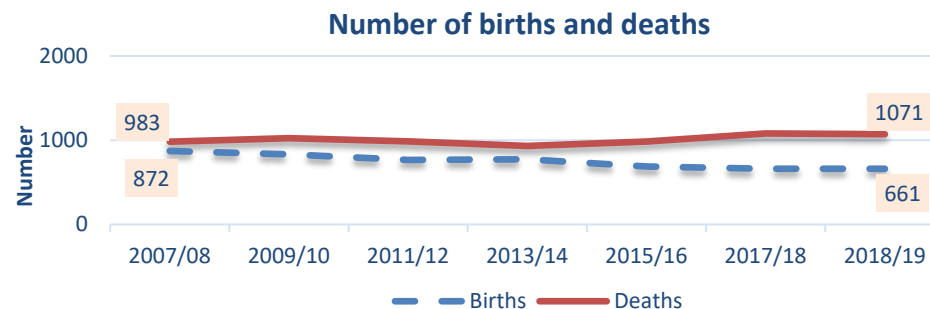
To increase a sense of civic pride



How are we doing?

The latest mid-year population figures estimate that Inverclyde's population on 30 June 2019 was 77,800, which is a 350 (-0.4%) decrease compared to 2018. Inverclyde is one of 8 Scottish council areas estimated to have a decline in population during the period mid-2018 to mid-2019.

The population decrease in Inverclyde is almost solely attributable to negative natural change due to 1,071 deaths compared to 661 births. Since 2007/08, the number of births in Inverclyde has fallen by 24% whilst deaths have increased by 9%. Scotland has also suffered from negative natural change over the past five years. An improvement in the health of the local population will help to reduce premature mortality rates and we will continue to work closely with the HSCP on this.



The Repopulation Strategy and Action Plan has completed its first year, supported by a £500,000 contribution from Inverclyde Council. There are encouraging signs of success, between 2018 and 2019 Inverclyde has had more people moving into the area than leaving (+80). The number of people moving in is at its highest level in recent years and we will continue to encourage more people to consider relocating to the area through our 'Discover Inverclyde' campaign.

Our Performance Measures

In-migration

(2019)

1,610 people moved into the area between mid 2018-2019

**Improved
green**

Out-migration

(2019)

1,520 residents left the area between mid 2018 – 2019

**Improved
green**

Place to Live

(Citizens' Panel 2018)

74% of residents are satisfied within Inverclyde as a place to live

**No change from 2016
green**

Satisfaction levels

(Citizens' Panel 2018)

36% of residents have considered leaving Inverclyde

**First year of data
no RAG status**

Quality of Life

(Citizens' Panel 2018)

47% of residents agree that their life is better than 5- 10 year ago

**First year of data
no RAG status**

Gross weekly pay

(2019)

Gross weekly pay for employees living in the area is **£543.80**, £33.90 below national average

**Declined
red**

Discover Inverclyde

In partnership with the local area tourism partnership group, 'Tourism Inverclyde', place promotion branding under the 'Discover Inverclyde' banner has been developed through a new 'Discover Inverclyde' website and Facebook page. This co-ordinated approach addresses concerns about the fragmented nature of marketing and the mixed messages from different sources to expand the focus of Inverclyde as a place to visit, live, do business and support events.

Both the website and Facebook page provide a forum for tourism, leisure, retail and arts, to help secure the future success of the area as a tourist destination for both day and short stay visitors by marketing and promoting all that is on offer. As part of this, school pupils were asked to put forward their ideas for a

Eastern Gateway

The Repopulation Partnership identified a need to have a more detailed look at housing condition, need and land use to the east of Newark in Port Glasgow. As part of this, a study of the 'Eastern Gateway' has been funded by the Partnership.

The study will look at potential future land use in the area, with a particular emphasis on housing. This includes social and private housing and will contribute to the regeneration of this part of Inverclyde. A brief has been drawn up by Inverclyde Council and partners, and is currently out to tender.

Strategic Investment Framework and Action Plan

An Inverclyde Repopulation Strategic Investment Framework and Action Plan has been developed with a particular focus on:

- ❖ Promotion of the area's many strengths and opportunities
- ❖ Attracting and retaining young people and families to live in Inverclyde
- ❖ Increase the number and quality of jobs and locally based employers
- ❖ Increase the contribution which the cultural and leisure assets in Inverclyde make to economic growth
- ❖ Maximise the potential of the workforce though engagement with young people, older workers and disadvantaged groups

strapline for the branding which would be used in the promotion of the area.

The website was ready and due to be launched on 27 March 2020 but this had to be postponed due to the Covid-19 crisis.

The approach that will be adopted will also benefit other areas of Inverclyde and it is anticipated that it will open up access to additional funding streams not yet currently available to the council, thereby contributing to the overall regeneration of Inverclyde.

❖ Increase private house building levels

The overarching goal is that through improving the employment, housing and infrastructure offer, there will be a growth in Inverclyde's population by 2025.



The Discover Inverclyde website which is due to launch www.discoverinverclyde.com

2. To work collaboratively to enable strong, connected, and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them

What do we want to achieve?

With our partners and communities, establish locality partnerships and action plans which focus on giving communities a voice, building capacity and reducing deprivation

Residents feel supported to become involved in local decision making and in shaping local priorities and services

To increase the number of residents, particularly in areas of greatest deprivation, who feel they have a sense of influence and control over their own future

To increase lifelong learning opportunities for residents, helping individuals to develop the knowledge, skills and attributes to achieve their potential

To increase levels of community participation, engagement and volunteering

To increase the number of residents who feel safe

How are we doing?



As part of our work to embed locality planning, a series of community engagement events were held during the year with partners to encourage residents to take part in conversations about how public services should be delivered in the future.

The feedback received from the public at these events has provided a better understanding of local needs, which will be used to shape priorities for the years to come and has informed the development of Locality Actions Plans for each of Inverclyde's six localities. These plans can be viewed on the council's website.

Communication and Engagement Groups have been established across all six localities in Inverclyde. These are community led groups set up to ensure that by giving people a voice, they can contribute to the planning, design and delivery of local services.

We also carried out an evaluation of the Participatory Budgeting (PB) scheme, looking at its successes as well as lessons learned and as a result we will implement a revised approach in 2020/21.

Despite severe financial pressures, we have continued to earmark funding for the Inverclyde Citizens' Panel, which is surveyed twice a year to gather views on a wide range of issues and provides valuable feedback that helps to inform service improvement as well as a range of performance information.

Our Performance Measures

Influence and Control

(Citizens' Panel 2018)

30% of residents feel they can influence decision affecting the local area, down 7% from 2016

Declined
red

Influence and Control

(Citizens' Panel 2018)

40% of residents are satisfied with the way the Council takes their views into account consideration when decision making

No change from 2016
amber

Identity and Place

(Our Place, Our Future 2017)

53% of residents are satisfied that they have an identity of place and feeling of belonging

No new data
no RAG status

Feeling safe

(Citizens' Panel 2018)

68% of residents agree that they feel safe in their neighbourhood after dark, down 5% from 2016

Declined
red

Increased capacity

(2019/20)

85.6% of community organisations in disadvantaged communities increased their capacity in the last year, up 1.3% 2018/19

Improved
green

Volunteering

(SHS 2018)

35% of the population are involved in volunteering, 10% higher than in 2017

Improved
green

Locality Action Plans

Locality Action Plans have been developed and published on the council's website for all six Inverclyde localities.

Each plan contains information on the key issues within that locality and the actions that will be taken by both Inverclyde Alliance and the local community working together to address these issues.

The Locality Action Plans reflect both the needs and aspirations of our communities and the improvement actions within them have the overall aim of reducing inequalities.

UNICEF Rights Respecting School

Inverclyde Council is only the second local authority in the UK where every school has achieved Rights Respecting School (RRS) status. The award recognises a school's achievement in putting the United Nations Convention on the Rights of the Child into practice within the school and beyond.

The UNCRC sets out what every child needs to survive, grow and thrive in order to live with dignity and achieve their potential. Teaching children about their rights encourages them to respect the rights of others, and helps children to be better informed about important issues and supports them in becoming 'active' and engaged citizens' later in life.

"Hard Edges"

An Inverclyde 'Hard Edges' event was held in October 2019 to consider in detail the Hard Edges Scotland report, which highlighted the extent of severe and multiple disadvantage (SMD) in Scotland associated with mental health, domestic abuse, homelessness, substance dependency and offending. Approximately 80 people attended the event.

As a result of the discussions and the feedback received, a Resilience Network was launched in February 2020, adopting a whole community response, which will help to improve pathways and support for people to move out of severe and multiple disadvantage.

You can find more information on locality planning in Inverclyde here: <https://www.inverclyde.gov.uk/council-and-government/community-planning-partnership/localities>

Additionally, In an approach that is unique to Inverclyde, all of our children's units are also involved in the RRS scheme and local private nurseries are also working towards achieving RRS status.

Funding has also been allocated for two 'Care Navigator' positions to advocate, mentor and support those experiencing such disadvantage, helping to build stronger communities in Inverclyde in the longer term.



An artist captured the discussions at the community engagement events

3. To grow our local economy in a way that creates opportunities for all our residents, including access to good quality jobs and lifelong learning

What do we want to achieve?

Maximise the opportunities arising from the Glasgow and Clyde Valley City Deal for the benefit of local residents and businesses

Inverclyde's workforce has the required skills and knowledge to adapt to the demands of a changing economy and meet the needs of employers

To increase the number of unemployed people who move into jobs, training or further education

To increase the number of young people participating in education, training or employment

To provide targeted support for those people who are furthest from the labour market

To increase business density and survival rate

To reduce the percentage of the population with no qualifications

How are we doing?



The Glasgow City Region City Deal continued to be a major focus of activity for Inverclyde Council over the past year, with progress being made towards the delivery of our three City Deal projects. It is anticipated that the delivery of these projects will deliver huge benefits for residents, communities and businesses in the area.

The skills level of a workforce is a key factor in economic performance and competitiveness and levels of qualification provide some measure of this. Whilst the proportion of Inverclyde's population with no qualifications remains slightly higher than the national average - 10.1% compared to 9.8% in Scotland in 2019, it is an improving trend locally and the gap between the two has reduced from 4.3% in 2016 to 0.3%.

For the seventh year in a row, Inverclyde ranked in the top quartile of all Scottish councils for the percentage of people assisted into work from council operated / funded employability programmes, according to the Local Government Benchmarking Framework.

A company restructure of Riverside Inverclyde was implemented during the year, with RI now managed by the council in terms of a Service Level Agreement. The re-structure better reflects the new direction and specific responsibilities of Riverside Inverclyde in relation to economic development priorities.

A positive transition for young people leaving school is a key priority and in 2019 Inverclyde achieved its highest ever proportion of school leavers moving into employment, training or education in 2019, 95.8%, which is 0.8% higher than the Scottish average.

Our Performance Measures

Employment Rate (2019) 50% of 16-24 year olds are in employment . This is a 10% decrease from 2018 level.	Assisted into work (2018/19) 20% of unemployed people were assisted into work from Council operated / funded employability programmes, 8 th highest performance in Scotland	Satisfaction levels (Our Place Our Future) 36.4% of residents are satisfied with work and local economy (2017)	Participation measure (2019) 91.8% of young people participated in education, training or employment (2019), up 0.2% from 2018 and above national average
Declined red	No change green	No new data no RAG status	Improved green

Small and Medium Enterprises

Small and medium enterprises can help to achieve sustainable growth and local prosperity. Recognising this, Inverclyde Council has sought to increase the level of spend with local suppliers by putting in place policies and practices to assist local suppliers in bidding for council contracts.

Figures for the previous financial year show that the council's spend with SMEs increased by 7% to 66%, while local suppliers spend increased by 2.5% to 31.5%.

Our spend with local supplier compares well with other local authorities and the area also benefits

Ocean Terminal Pontoon

Work on a giant 200 metre floating cruise berth pontoon, capable of accommodating super ships up to 340 metres long, has been completed.

The pontoon is part of a £19.2 million investment, led by Inverclyde Council. It is made up of four, 1,000 tonne, concrete caissons - each the size of a small ship and will allow cruise ship visitors to Inverclyde to step from the pontoon into a new state of the art cruise ship terminal.

The new berthing facilities will help to support the growth in cruise ship visitors to Inverclyde and the wider city region, helping to support jobs and local

Positive Destinations

Data published by the Scottish Government in February 2020 shows that Inverclyde achieved its highest ever number of school leavers moving into employment, education or training. This placed Inverclyde as the 8th best performing council relative to all 32 councils in Scotland.

694 young people left school in Inverclyde in the academic year 2018/19. Of this number, 95.8% of pupils moved into a positive destination, which includes securing a job, training or a place at university or college.

from spending money with social care providers who may have a business base outwith Inverclyde, but who employ many of their staff locally and make use of local premises.

businesses, through tourism. It is expected that this new facility will result in an increase in visitor numbers to 150,000 passengers a year, providing a £26m boost to the Scottish economy.

Additionally, Inverclyde also achieved no 'unknowns', i.e. students whose destinations are unaccounted for when they leave school, for the tenth consecutive year.



4. To reduce the prevalence of poverty in our communities, with a particular focus on reducing child poverty

What do we want to achieve?

To develop a targeted approach to tackling poverty and inequality, delivered with partners and communities, through the establishment of locality partnerships

To reduce the percentage of children living in poverty

To reduce overall levels of multiple deprivation

To close the poverty related attainment gap for children and young people

To support families to maximise their income

To decrease the proportion of workless households



How are we doing?

Inverclyde continues to suffer from significant levels of poverty and multiple disadvantage. Child poverty in Inverclyde is estimated to be around 1 in 4 children, rising to 1 in 3 in some areas.

Figures relating to levels of multiple deprivation in Scotland published in January 2020 show that there has been a significant increase in the number of Inverclyde data zones that are in the 5% most deprived in Scotland rising from 9% to 18%. To tackle this, the council earmarked £750,000 from its 2020/21 budget, supplemented by a £250,000 contribution from the Integration Joint Board, to invest in initiatives to tackle poverty in our communities.

The first Inverclyde Local Child Poverty Action Report was published in June 2019. This report focuses on a small number of set themes and sets out what action Inverclyde Council and NHS Greater Glasgow and Clyde will take to reduce child poverty in Inverclyde. The report was launched at a second dedicated Inverclyde Child Poverty Event which was attended by all partners. Work on the second Child Poverty Action Report is underway, which will set out progress in the first year of the report and the action plan for year two.

Poverty is not only associated with income and a wider approach is in place to help reduce intergenerational poverty. One example of this is teenage pregnancy which is often a cause and a consequence of social disadvantage. Reducing levels of teenage pregnancy helps to reduce the likelihood of poverty and the recurrence of poverty from one generation to the next. To take this work forward locally, an improvement plan to support the Pregnancy and Parenthood in Young People Strategy has been implemented.

Our Performance Measures

Relative Poverty

(2017/18)

25% of children and young people are living in relative poverty, down 2% from 2016/17

**Improved
green**

Tariff Scores

(2018/19)

The average tariff score of pupils living in SIMD 1 and 2 was **700**. In 2017/18 it was 683. The national average is 632.

**Improved
green**

Workless Households

(2018)

The % of workless households in Inverclyde was **19.1%**. Gap with the national average has reduced from **7%** in 2016 to

2.1%

**Improved
green**

SIMD 20% datazones

(2020)

45% of local datazones are in the 20% most deprived in Scotland, up 1% since 2016

**Slight decline
amber**

Fuel Poverty

(2016/18)

31% of the population are living in fuel poverty (2016/18), no change since 2015/17

**No change
amber**

Closing the poverty related attainment gap

The Attainment Challenge is focused on improving outcomes in literacy, numeracy and health and wellbeing with a particular focus on those children living in SIMD 1 and 2 and looked after pupils. The data gathered to date across a range of learning outcomes shows that there has been a broad increase in the attainment of pupils who reside in SIMD 1 and 2.

Improved educational outcomes have also been delivered for looked after children through the Care Experienced Young People Attainment Fund, which has funded the purchase of equipment, school holidays and tutoring. Health and Wellbeing has also been enhanced by increasing access to

Free school meals and clothing grants

Making sure that children in Inverclyde are properly fed, clothed and keeping down the cost of the school day is a key strand of the council's approach to tackling poverty. From August 2019, Inverclyde Council extended the eligibility for universal free school meal entitlement from P3 to P4, benefitting an extra 230 families across Inverclyde. The statutory requirement is to provide free school meals up to P3.

At the same time, the council also raised the earnings cap for free school meals and clothing grants from £610 a month to £915 a month, which meant that many more families in Inverclyde were able to apply for the grant. The

'Deep dive' into data

Child poverty is a complex issue, requiring input from a wide range of services all with a role to play in preventing poverty; supporting those affected and mitigating against its effects. To be effective, there needs to be an understanding of what the factors driving child poverty look like and identification of who needs to be involved to support effective planning.

Inverclyde is working closely with colleagues in NHS Health Scotland on a 'deep dive' into local and national data to identify that the right services are meeting the needs of the people living in poverty at the most appropriate times of their lives. Two partnership workshops have taken

activities such as swimming, football and music lessons.

This focused approach has delivered a number of tangible improvements across a range of areas including school inclusion, home work support, community activities, family activities and transitions.

clothing grant paid by the council, £145, is also one of the highest in Scotland and well above the minimum allowance of £100 which councils are required to pay. As a result of the enhanced policy by 30 September 2019 and additional 464 pupils received a school clothing grant and an additional 333 children in Primary 5 and above now have free school meals.

place to date, the first involved process mapping the services that are available within Inverclyde to help families living in poverty and the impact has. The second workshop looked at local data and what could be sourced to help prioritise need. Work in this area has had to be temporarily put on hold due to Covid-19 but will resume once it is safe to do so.

5. To safeguard, support and meet the needs of our most vulnerable families and residents

What do we want to achieve?

To prioritise and invest in early intervention and prevention approaches

To continue to develop inter-agency approaches to improve safety and wellbeing

To protect all our vulnerable children, young people and adults from all forms of abuse, harm and neglect

To improve opportunities and outcomes for our looked after children and young people so that they achieve their full potential

To assist our most vulnerable adults to live as safely and independently as possible in their community and have influence and control over their care and support

To ensure that our carers feel that their needs are supported

How are we doing?

The most important role that we have is to keep our residents safe, to meet the needs of our most vulnerable citizens' and as a Corporate Parent, to ensure we improve the lives of our looked after children.

During 2019 the Care Inspectorate carried out an inspection of our Justice Social Work Services and also our children's residential homes, The View and Kylesmore. The findings from all three inspections were very positive, with a range of strengths identified. Kylesmore in particular, was found to be sector leading in its approach to caring for its children.

As the Inverclyde Autism Strategy reached its mid-point in 2019, a full review of its impact on the local community was carried out. As part of this, an evaluation of progress was carried out at an event held with those representing people with Autism, parents / carers and relevant agencies. The review helped to refocus our priorities to ensure we achieve the goal of making Inverclyde a more accessible and inclusive place for people with autism to live and work.

To support children with emotional wellbeing and mental health needs, the HSCP and Education Services have commissioned a sustainable community based tier 2 service. The model focuses on early help and prevention, as well as providing a quality assured single point of access and a needs-led Tier 2 Mental Health Service for 5-18 year olds in Inverclyde.

We also reinforced our commitment to carers by becoming the first local authority in Scotland to waive charges for all residential respite in 2019/20, to ensure that Inverclyde carers are not disadvantaged by their caring role.

Our Performance Measures

Community Placements (2017/18)

86.4% of looked after children are cared for in a community setting, down 1.18% from 2016/17

**Slight decline
amber**

Number of placements (2017/18)

13.57% of looked after children had 1 or more placement in the last year, up 0.27% from 2016/17

**Slight decline
amber**

Rating of adult care

Percentage of adults receiving social care or support who rate it as good or excellent

This indicator was removed from the LGBF framework in 2018/19

Quality of Life (2017/18)

76.6% of supported at home adults agree that it was helped maintain or improve their quality of life, down 11.8% from 2015/16

**Decline
red**

Carers (2017/18)

40% of carers feel supported to continue their caring role, down 3% from 2015/16 **(biennial survey)**

**Slight decline
amber**

Adult Support and Protection

During the year we embarked on a development programme with officers who have responsibilities for undertaking statutory functions under the auspices of the Adult Support and Protection (Scotland) Act 2007.

The purpose of the development programme was to further develop and improve skills in relation to adult support and protection. Two events have been held to date in relation to chronologies and learning from audit.

A Policy and Quality Group has been established to strengthen and improve partnership working across a number of key areas, which will ultimately help to

Proud 2 Care

The Proud2Care group, which began life as a participation group in 2017 has grown in strength and influence to effect positive change for Care Experienced Young People, helping young people to recognise that they have a valuable voice and are able to influence service delivery.

The group has played a pivotal role in the establishment of an Inverclyde Champions Board. The Champions Board empowers young people to use their life experience in a positive way, providing a platform, voice and helping instil confidence to make a difference.

Developing Literacy Opportunities

The Community Learning and Development Team has developed a partnership with Parklea Branching Out to offer vulnerable adults a holistic approach to education, training and employment opportunities, while at the same time, working towards a John Muir Award.

The project involved participants being supported to achieve their personal literacy and numeracy goals through their community gardening activities at Parklea. It included a range of varied and fun activities such as multi-sensory walks; planning a pollinator garden; art and creative writing activities and developing IT

ensure that vulnerable adults are safer as a result of this activity. The 4 key areas that the group is focusing on are:

- ❖ policies and procedures
- ❖ self-evaluation
- ❖ staff learning and development
- ❖ communication engagement with vulnerable adults

The extension of 'Community Connectors' and 'Active Lives for All ' has further expanded our contact with vulnerable adults to provide clearer pathways to raise welfare and protection concerns.

In the past year:

- ❖ 224 sessions to support Champions Board involvement have been held
- ❖ There have been changes to 14 policies or practices as a result of Champions Boards
- ❖ Inverclyde Champs were involved in every stage of the Independent Care Review
- ❖ Over 40 young people have become involved with Inverclyde Champs Board so far
- ❖ The network has been expanded to include adopted young people
- ❖ The profile of Proud2Care has been raised significantly

skills through undertaking research, sharing activities, poems and thoughts via the John Muir Award eBook. As a result, nine participants from Parklea Branching Out received a John Muir Discovery Award. For some participants, this was the first time that they had ever undertaken any writing tasks and this has encouraged and motivated participants to develop their skills within ongoing CLD literacies sessions.

Additionally, the learning and skills tasks completed contributed to SQA Personal Achievement Awards being undertaken by eight individuals.



To celebrate Care Experience Week 2019 a 'Kick about with your corporate kid' event was held

6. To improve the health and wellbeing of our residents so that people live well for longer

What do we want to achieve?

Our residents have improved health outcomes

Health inequalities between our most and least deprived communities are reduced

Our residents are supported to lead active, independent and healthier lives and be more self-reliant for their own health and wellbeing

Our residents have access to the right treatment, care and support services when they need them, in ways that are effective and personalised

To further embed our Dementia Friendly Inverclyde approach

To reduce the percentage of older residents who feel that they are socially isolated



How are we doing?

The emergence of the Covid-19 pandemic early in 2020 dominated the health agenda worldwide and its impact on the health of Inverclyde's communities has been massive. Inverclyde, sadly, has suffered particularly badly with a higher number of deaths than other areas also suffering from high levels of deprivation. The reasons for this and the impact of Covid-19 on the health of Inverclyde's population will be examined in detail in the coming year.

Inverclyde may have been so badly affected by Covid-19 due to the overall health profile of the population being poorer than that of Scotland as a whole, although improvements in health have been achieved e.g. the rate of improvement in life expectancy for males is the third highest in Scotland.

Alcohol and drugs misuse continue to be significant issues locally with prevalence rates for both far exceeding the national average, which in turn has a massive impact on morbidity and mortality and this area continues to be a priority for the council and the HSCP.

Inverclyde HSCP in partnership with acute colleagues at Inverclyde Royal Hospital achieved the best performance in mainland Scotland relating to delayed discharge in 2019. This performance was underpinned by a joint commitment to our Home1st approach that ensures older people return home or to homely setting when they are fit to leave hospital. HSCP staff work alongside Acute staff to assess and plan with patients and their families for a successful return home. This joint work has been developed during the past 5 years and we will continue to identify new ways of improving our partnership approach and performance.

Our Performance Measures

Life Expectancy

(2016/18)

Life expectancy for Inverclyde males is **1.9 years** lower than the national average and **1.5 years** for females (2015/17)

**No change
amber**

Alcohol related mortality

(2018)

The alcohol related mortality rate in 2018 was **28.15** (per 100,000 population), down from 34.11 in 2016

**Improved
green**

Drug related hospital stays

(2017/18)

298.5 drug related hospital stays (rate per 100,000 population) in 2018/19, down from 341.9 in 2016/17

**Improved
green**

Social Isolation

8% of older residents reported social isolation

No new date available
No RAG status

Self Directed Support

(2017/18)

Self directed support spend on adults 18+ accounted for **5.5%** of total social work spend, down 0.9% from 2017/18

**Slight decline
amber**

Alcohol and Drug Recovery

The prevalence of alcohol and drug misuse within Inverclyde has a significant impact on morbidity and mortality. A review of alcohol and drug service provision has been carried out with the aim of developing a cohesive and fully integrated whole system approach for service users affected by alcohol and drug issues. A key outcome of the review was that a system wide approach to support, including a focus on recovery communities, is required in Inverclyde.

Funding from the CORRA Foundation is helping test new ways of working to support service users more effectively including better liaison with acute/ primary care services and out of hours with the aim of

Smarter Choices Smarter Places

Inverclyde Council has invested £0.2 million in improvement works in the cycle network with the aim of improving physical health through cycling.

The Smarter Choices Smarter Places (SCSP) programme encourages people to undertake short local journeys by active and sustainable travel modes, such as walking and cycling. In doing so, it seeks to improve health and well-being through physical activity and improving air quality through reduced car congestion / emissions.

In 2019/20, the council worked closely with two local active travel projects; The Bothy and

Focus on Dementia

In May 2019 Inverclyde HSCP submitted a successful bid to iHUB to secure Inverclyde as a national test site for developing better dementia care co-ordination across the dementia pathway. iHUB is part of Healthcare Improvement Scotland, which supports those delivering health and social care to redesign and continuously improve services to ensure they meet the changing needs of their communities.

The HSCP is working collaboratively with the Focus on Dementia team over a 2 year period to support the redesign of our dementia pathways from diagnosis to end of life and this learning will be shared across Scotland.

diverting them from emergency department presentations.

Work has commenced on building recovery communities for people affected by alcohol and drug related harm. An Inverclyde Recovery Development Group has been established and has identified the key elements of a Recovery Strategy for Inverclyde with key areas of work including commissioning to provide effective family support, meaningful activity and a volunteer peer mentor programme.

To embed recovery communities within Inverclyde in the longer term, it has been agreed to commission a large scale 3rd sector Recovery Hub for alcohol and drugs, focusing on recovery orientated system of care with the aim of promoting recovery and reducing drug related deaths.

Community Tracks, to deliver activities to local people, community groups, schools and workplaces.

- ❖ The Bothy was the first of its kind in Scotland, bringing expertise and knowledge of local walking and cycling community organisations together in one cohesive project, with the aim of encouraging more people to walk and cycle for more of their everyday journeys.
- ❖ Community Tracks offers a wide range of advice and support, including active travel maps, cycle maintenance classes, fix your own bike workshops, cycle training and riding confidence sessions and led bike rides.

In addition to the numerous health benefits, both projects also help to promote social inclusion.

The anticipated outcomes are:

- Improved services and support for people with dementia
- Timely interventions to support complex physical and health needs, reduced unscheduled hospital admission days, reduced delayed discharges and
- improve palliative and end of life care

In addition to this, Inverclyde Council has also committed £100,000 to support the continuing implementation of the Dementia Strategy in Inverclyde.

7. To protect and enhance our natural and built environment

What do we want to achieve?

With partners, continue the transformation of Inverclyde's physical environment through ongoing regeneration

To support the sustainable residential and commercial development of the local area through our Local Development Plan

Our public spaces are high quality, attractive and well maintained and meet the needs of our community

Inverclyde's transport and roads network support the needs of our residents

The housing needs and aspirations of our current and future residents are met in a planned manner

To reduce our carbon footprint, maximise recycling and minimise waste

To protect our environment through a range of regulatory and enforcement activities that ensure the health, wellbeing and safety of the residents of Inverclyde

How are we doing?

The natural and built environment both play an important role in making people feel safe, happy and healthier.

Assisted by the Scottish Government to reduce the carbon footprint and support the use of electric cars, 6 additional electric charging points have been installed in car parks across Inverclyde. Further reduction in energy consumption have also been achieved through the street lighting replacement programme with LEDs which is now 95% complete.

Investment of £3.3 million in the roads infrastructure was made during the year to improve the condition of the road network and reduce the proportion of the network that requires maintenance.

Recycling rates in Inverclyde continue to be amongst the best in Scotland. According to the LGBF data, Inverclyde is the sixth highest performing council in Scotland for household waste recycling. This is an area where performance is consistently high, with Inverclyde placing in the top ten performing councils for the past 7 years.

Investment in Greenock Town Centre, which is one of the most deprived areas in Scotland, is a priority for the council. In 2019, the council secured a Town Centre Capital Fund Award of £660,000 which has been used to finance a range of initiatives associated with the regeneration of the town.

In promoting and supporting our natural environment, the council works closely with a number of community groups that work to protect and enhance Inverclyde's natural environment and we are continually looking at ways in which we can support groups, build community capacity and strengthen our partnership working.

Our Performance Measures

CO₂ emissions (2017) CO ₂ emissions = 4.2 tonnes per capita down 0.1t from 2016 Improved green	Greenspace satisfaction Percentage of residents are satisfied with their nearest greenspace <small>The question was not asked in the Scottish Household Survey 2018</small>	Street Cleanliness (2018/19) Street cleanliness score 89.6% up 2.5% from 2017/18 Improved green	Waste Recycling (2018/19) 56% of household waste was recycled, 6 th highest recycling rate in Scotland Performance maintained green	Roads Network (2018/20) 37.3% of the overall road network requires maintenance treatment, 0.2% lower than 2017/19 Improved green	Parks and open spaces (2016/19) 88.4% of residents are satisfied with parks and open spaces, 8 th highest level in Scotland Improved green
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Public Realm Improvement

Improving the street scape of West Blackhall Street was identified as a priority project in the masterplan that emerged from an earlier Greenock town centre charrette. To progress this work, a design team was appointed to prepare a plans for public realm improvement to the street.

The final plans for the overhaul of the street were approved by the council in August 2019. The improvement project focuses on making the street as attractive as possible to shoppers, visitors and diners, to increase footfall and entice people to stay in the area for longer.

Conserving our built environment

The conservation of Inverclyde's historic buildings is a key factor in the image of the urban realm. As part of the council's budget setting process in 2019/20, £80,000 was set aside for a conservation area and listed buildings grant, aimed at helping houses that are listed on, or in, conservation areas become more energy efficient.

Additionally, in 2019 the council commissioned the production of a Quarrier's Homes Conservation Area Appraisal and a Conservation Area Management Plan for the historic village of Quarriers to help manage and protect its historic

Inverclyde Green Connections

The Green Connections project brings together the strategic priorities in the Inverclyde Alliance Local Outcomes Improvement Plan in a single project with potential to provide economic, social, and environmental benefits.

Although at an early stage, a significant funding opportunity has been identified through Sustrans 'Places for Everyone' fund to improve walking and cycling at the following six priority areas:

The project is also designed to 'future proof' the area so that it will be compatible with more sustainable forms of transport and zero-carbon targets. Other enhancements to the street include:

- ❖ Widening the pavements to create space for pedestrians and outdoor seating
- ❖ Reducing the number of car parking spaces
- ❖ Installing a 2m wide segregated cycle lane
- ❖ Planting trees to improve the street's appearance and improve air quality.

The project is funded by Inverclyde Council and Sustrans, the walking and cycling charity, who are each contributing £1.5million.

built environment. The Appraisal is the second to be completed in a programme of eight being prepared to cover all of the conservation areas in Inverclyde. It identifies the key features of the Quarrier's Homes conservation area that create its special character and appearance and assists in determining what is worthy of preservation. It also outlines the actions that are required for the continued management of the conservation area.

This brings numerous benefits, firstly it helps to inform planning policy and assist in the consideration of planning applications and appeals; it helps inform residents of the special needs and character of their area; and it will also assist developers in identifying development opportunities and formulating appropriate proposals.

- ❖ Improvements to the National Cycle Route 75,
- ❖ Greenock Central,
- ❖ Cartsburn to the riverside link,
- ❖ Port Glasgow to the riverside link,
- ❖ Improvements around Coves reservoir
- ❖ Lady Octavia Park to Greenock

The project will work with local people living next to these proposed areas to encourage participation and discussion on the best way to improve connectivity between the neighbourhoods, the town centres and the natural, cultural and historic assets of the area, with the aim of making use of available greenspace, creating safer, attractive and healthier places which in turn helps to deliver improvements in quality of life.



8. To preserve, nurture and promote Inverclyde's unique culture and heritage

What do we want to achieve?

Celebrate and promote Inverclyde's unique cultural and creative identity, past, present and future

Develop a strong sense of place and increase civic pride through cultural and heritage activity

Increase the number, and diversity of, local residents engaging with culture and heritage

Promote the positive impact cultural and heritage participation can have on health and wellbeing

Support economic development and regeneration using local culture and heritage activity as a catalyst

Continue to secure ongoing investment from national funders into our cultural and heritage assets

Empower communities to establish sustainable cultural and heritage activities

Contribute to the delivery of Inverclyde Cultural Partnership's Arts and Creativity Strategy and Heritage Strategy

How are we doing?

In 2019/20, through our involvement in the Inverclyde Cultural Partnership, the council continued to progress various cultural endeavours. The Cultural Partnership consists of a wide range of partners with an interest in arts, culture and heritage from across the Inverclyde area. This year, in order to increase the group's capacity to work jointly on projects, two sub-groups were formed, one focusing on arts and the other on heritage.

As 2019 was the 200th anniversary of the death of James Watt, the life of the son of Greenock was celebrated with a wide range of events, activities and exhibitions over the course of the year.

The inaugural Inverclyde Film Festival took place in March 2020, funded by Regional Screen Scotland and led by the Waterfront Cinema with support from various local partners including Inverclyde Council. Over the course of 3 days 19 programmed events took place, attended by around 800 people.

Inverclyde's libraries were one of only 10 public library councils to win a share of a £200,000 Public Library Improvement Fund, which helped to transform our libraries into cultural hubs through the 'Making Waves' project.

The project provided the public with a series of free, artist-led classes and workshops in libraries across the area, covering art, creative writing, song writing, comic writing, and digital storytelling, using culture and creativity as tools to get the whole community involved with the council and with each other in a way that promotes overall wellbeing.

Our Performance Measures

Libraries (2016/19) 79% of adults are satisfied with libraries, same as in 2015/18 and 9 th highest in Scotland No change from 2015/18 green	Museums (2016/19) 67% of adults are satisfied with museums, 5% lower than in 2015/18 Decline red	Attendance at events (SHS 2018) 77% of adults attended cultural events / places of culture, up 1% from 2017 Improved green	Attendance at events <i>most deprived 20% (2018)</i> 70% adults in the 20% MD areas attended cultural events / places of culture, down 1% from 2017 Slight decline amber	Cultural activity (SHS 2018) 72% of adults participated in any cultural activity, down 1% from 2017 Slight decline amber	Cultural Activity <i>most deprived 20% (2018)</i> 63% of adults in the 20% MD areas participated in any cultural activity, down 2% from 2017 Slight decline amber
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Galoshans Festival

Now in its fifth year, the *Galoshans* festival, which celebrates a unique piece of Inverclyde's intangible cultural heritage, took place again in 2019, run by RIG Arts, a local socially engaged arts charity.

The programme ran from 25 October to 1 November 2019 and consisted of over 30 listings. To commemorate the bicentenary of James Watt's death and the 250th anniversary of Watt's patent, the festival incorporated the twin themes of innovation and light.

Financial support for the festival was secured from Creative Scotland, the National Lottery Heritage Fund and Event Scotland.

Watt Institution



The Watt Institution, comprising the McLean Museum and the Watt Library, re-opened on 22 November 2019 after an extensive repair programme.

Inverclyde Council invested £1.8 million towards the refurbishment work, alongside a grant of £287,000 from Historic Environment Scotland.

Following re-opening, the Watt Institution quickly resumed its place as one of Inverclyde's best regarded heritage assets, welcoming around 8,000 visitors in its first 4 months of operation. The impressive quality of the refurbishment has resulted in the Watt Institution being shortlisted for

Inverclyde Heritage Strategy

The Inverclyde Heritage Strategy was commissioned by Inverclyde Council after securing funding from The Great Place Scheme, with responsibility for the production and delivery of the strategy lying with the Inverclyde Cultural Partnership.

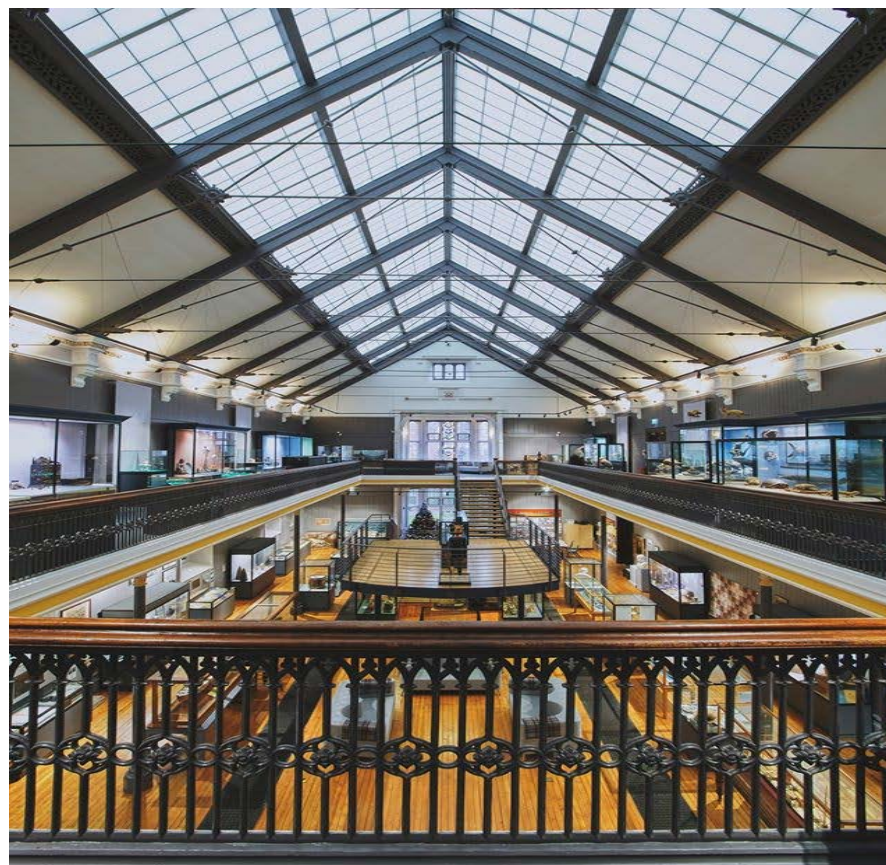
This ten year strategy aims to grow the heritage sector by supporting the development of a strong, sustainable heritage infrastructure across the public, private and third sectors.

It was formally launched alongside the refurbished Watt Institution in early 2020. Work has commenced this year on a major funding bid to the National Lottery Heritage

It was estimated that around 8,700 people participated in the festival, representing a 20% increase on the number of festival attendees in 2018.

a national architectural award from the Royal Incorporation of Architects in Scotland. The judging process however has been delayed due to the Covid -19 pandemic.

Fund to support the delivery of the Strategy Action Plan.



The refurbished Watt Institution, Greenock. Photo courtesy of © John Sinclair www.thebigsink.com

9. To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources

What do we want to achieve?

The principles of Best Value are applied to everything that we do

Our residents and communities feel actively involved in how services are designed and delivered

We have modernised the way in which we work via the implementation of our 'Delivering Differently' programme

Our services are provided in a variety of ways that meet the needs of our service users and offers flexibility

We use data more effectively for the benefit of residents and to plan for the future of services

We maximise our income stream by working more efficiently and where it is appropriate collaboratively, in the delivery of services

To modernise and rationalise our property estate

To strengthen partnership working to deliver the best possible outcomes for our residents

How are we doing?

The need across the council to do things differently, to always be looking at increasing efficiency and delivering our services as well as we can has never been more important, both in view of previous reductions in funding and now with the financial impact of Covid-19 expected to be significant.

During the year the council made further investment in the development of online services to provide our customers with greater flexibility. Online services are also cheaper to deliver and this means that resources can be diverted into maintaining vital services elsewhere.

We continued to progress our innovative approach to Shared Services with West Dunbartonshire Council, extending it to a shared management model for Internal Audit in January 2020, increasing the potential to share best practice and improve service delivery, as well as deliver efficiencies.

Community engagement and consultation is embedded in our service delivery and a new consultation hub, Citizens' Space, was launched to help manage and co-ordinate public consultations across the council.

Service performance continued to be closely scrutinised. Of the 71 indicators in the Local Government Benchmarking Framework 2018/19, Inverclyde's performance ranked in the top half of councils for two thirds of all indicators, an improvement of 7% from 2017/18 and placing Inverclyde in joint first position relative to all 32 Scottish councils. You can view all our performance information here: <https://www.inverclyde.gov.uk/council-and-government/performance/>

How are we doing?

Responsive to need Citizens' Panel (2018) 44% of residents agree that the council is responsive to customer needs, down 6% from 2015 Decline red	Service Satisfaction Citizens' Panel (2018) 69% of residents are satisfied with Council services, up 1% from 2016 Improved green	Value for Money Citizens' Panel (2018) 55% of residents agree that Council services are good value for money, down 5% from 2016 Decline red	Reputation Citizens' Panel (2018) 41% of residents feel that the Council's reputation is good, down 3% from 2015 Slight decline amber	Accommodation (2018/19) 92.4% of the Council's operational buildings suitable for current use, up 0.54% from 2017/18 Improved green	Customer Interactions (2019) 8.3% decrease in face to face 0.18% decrease in phone calls 7.45% increase increase in mobile/web /other Improved green
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Access 1st



Access 1st was introduced in 2019 to provide a single point of contact for handling requests for adult health and social care services from members of the public, stakeholders and partners.

The service is available to a wide range of people including those that feel that they need support to enable them to live a safe, healthy life; those that need support with a disability; those that need help to feel included, or those with caring responsibilities who feel that they would benefit from support.

The provision of one single point of contact has helped to make the system smoother and more

Council Tax Online

A new service 'Council Tax Online' designed to give residents more control over their Council Tax account was launched in January 2020. The new service, which is part of the council's Digital Access Strategy, sets out to improve customers' access to everyday services and improve overall business efficiency.

Council Tax Online allows local Council Tax payers to carry out a wide range of functions which they would otherwise require to contact the Customer Service Centre to deal with. It is designed to make it easier to manage money and see balance and payment history at a glance.

Technology Enabled Care

Inverclyde has an ageing population, and so the demand for technology enabled care (TEC) has increased by 5% year on year.

There are approximately 2,200 service users within Inverclyde with a community alarm service. Of this number, over 400 also have enhanced telecare packages and 60% of this number are aged over 70 years.

It is estimated that the use of mobile health monitoring using FLO, a text messaging system that also allows people to monitor their conditions at home through their mobile phone, has resulted in a saving of 1,800 face to face clinical appointments with GPs/

efficient, meaning that those with critical or substantial needs receive better up front information, signposting or providing appropriate advice.

Residents can also get a copy of their recent bill; tell the council about a house move; apply for discounts and exemptions; view property details, set up a direct debit; change an existing direct debit and make a payment.

practice nurse and pharmacy. Just as importantly, it also supports people to have greater choice, confidence and control in their own care and wellbeing, as well as promoting independence.



Awards 2019/20



★ Bookbug Hero Award



Scottish Book Trust, the national charity that aims to change lives through reading and writing, awarded its inaugural Bookbug Hero Award to Inverclyde's Senior Library Assistant for Young People's Services, Myra Mains. This Award seeks to honour someone working with Bookbug who has used the programme to make a real difference to the lives of the young children, families and communities they work with. There were over 60 nominations in the category. In her role as Senior Library assistant, Myra has helped 6,053 Bookbug Sessions to take place in Inverclyde, helping local children and parents discover the benefits of sharing songs, stories and rhymes.

★ Scottish Public Service Awards

The Scottish Public Service Awards showcase some of the most innovative and thought-provoking work being done in Scotland. At the Awards ceremony in 2019 Inverclyde was shortlisted as finalists in three categories: Leadership, the Colin Mair Award for Policy in Practice and the Campbell Christie Public Service Reform Award.

Derek Flood, HSCP Team Leader for Advice Services won Public Sector Leader of the Year award for his leadership, motivation and dedication to improve people's lives. This award is in recognition of how Derek brought together separate teams under a single vision of improving the lives of our most vulnerable citizens. The team continues to provide Social Security advice and information, Welfare Rights representation and Specialist Money Advice but this is now done in a joined-up way that minimises duplication and ensures local citizens see a long-lasting, sustainable increase in their income.

Secondly, the HSCP and Ardgowan Hospice won the Colin Mair Award for Policy for joint work with Inverclyde communities to create Compassionate Inverclyde, a social movement that helps people to cope with death, dying and loneliness.



Thirdly, Home1st, the Inverclyde HSCP team that works with adults and older people, was shortlisted for the Campbell Christie Public Service Reform Award for its work in relation to delayed discharge. Inverclyde HSCP in partnership with acute colleagues at Inverclyde Royal Hospital achieved the best performance in mainland Scotland relating to delayed discharge in 2019.

★ **NHS Greater Glasgow and Clyde Celebrating Success**

Inverclyde HSCP Advice Services were the winners of a Local Staff Award at the NHS Greater Glasgow and Clyde Celebrating Success Awards 2019 for 'Outstanding provision of money advice, benefits advice and welfare rights representation'.

★ **Education Buildings Scotland Award**

The Glenpark Early Learning Centre won the Education Scotland Buildings Scotland Award for Best Early Years Centre. The centre was also awarded two excellent grades by the Care Inspectorate.

★ **Sportscotland Gold Flag Award**

Healthy, active lifestyles begin with our children and a further three schools achieved sportscotland 'gold flags' in 2019/20. The sportscotland School Sport Award (gold, silver and bronze) is a national, Lottery funded initiative which is designed to encourage schools to constantly improve the physical education and sporting opportunities available to pupils. Eight Inverclyde schools have now achieved 'gold flag' status.

★ Food for Life Served Here

Inverclyde Council was awarded a bronze 'Food for Life Served Here' Award, in recognition of the fact our school meals are made from fresh and healthy ingredients. 3,527 children in Inverclyde are benefitting from fresh, local, sustainable produce. The programme is funded by the Scottish Government. Inverclyde Council is the 13th local authority in Scotland to achieve the Soil Association's prestigious Food for Life Served Here award.

★ APSE

Inverclyde Council won the 'Most Improved Performer' Award in the Street Lighting category at the APSE awards in December 2019, beating ten other councils from across Great Britain to win the award.

10. To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs

What do we want to achieve?

Our workforce size and the skills set of our employees meet the needs of the organisation

We have an employee driven culture of high performance, improvement and innovation

Our workforce feels valued and highly motivated

Our employees understand how their role contributes to the Council's vision

Inverclyde Council is viewed as an employer of choice

The health and wellbeing of our employees is supported through a range of health, safety and wellbeing opportunities

Employees are digitally skilled to deliver the best service to meet customer needs



How are we doing?

Inverclyde Council is one of the largest employers in the area, with approximately 4,000 employees providing a range of vital services to the public. Our Employee Survey, which we carry out approximately every three years, provides us with robust information on employee satisfaction and how we are performing as an employer.

Our Corporate Workforce Planning and Development Group has been supporting the review of Service Workforce Plans which include longer term forecasts of workforce numbers and skills and how we plan to address the challenges ahead.

A number of key HR policies have been reviewed over the past year and various learning and development initiatives have been developed and implemented to address the learning needs of our employees. A revised pay and grading structure which supports career progression and the consolidation of the Scottish Local Government Living Wage has been fully implemented.

Covid-19 resulted in tremendous change for employees towards the end of 2019/20, which will continue into 2020/21 with changes in working practices, including a significant increase in the number of employees working from home, to ensure their safety and wellbeing. Looking after employee mental health and wellbeing and ensuring that our employees feel supported is vital. Employees have access to an Occupational Health provider, including counselling provision, where employees require specific support with their mental health and wellbeing.

Our Performance Measures

Employee satisfaction (2018)

82% of employees are satisfied in their job

**Above 70% target
green**

Links to Council aims (2018)

93% of employees understand how their work contributes to the Council's aims

**Above 70% target
green**

Employee motivation (2018)

78% agree that they feel motivated to do the best job they can

**Above 70% target
green**

Perception (2018)

74% of employees agree that Inverclyde Council is a caring, supportive employer

**Above 70% target
green**

Sickness absence (2019/20)

9.2 days was the average number of sickness absence days per employee, 0.2 days higher than in 2018/19

**Slight decline
amber**

Disabled Staff Forum

As a Disability Confident Employer, Inverclyde Council is committed to the provision of equal opportunity and a safe environment for all staff.

As part of this commitment, a Disabled Staff Forum has been established to provide a platform for disabled employees, employees who care for disabled family and friends, and employees with a general interest in disability. The aim of the Forum is to:

- ❖ Achieve and maintain a positive culture towards disability

People & Organisational Development Strategy

A new People and Organisational Development Strategy for the period 2020/23 has been developed and approved by the council.

The next few years for the council will continue to be challenging and it is more important than ever to ensure that a strategy is in place that will help to ensure that employees are motivated, sufficiently trained, qualified and experienced to deliver quality services that meet current and future anticipated needs. The themes of the Strategy are:

- ❖ Organisational Development

Menopause Policy

Female employees make up 74% of the council's workforce, with the average age of employees being 47.

A new Menopause Policy and Guidance has been implemented to ensure that all female employees feel that they are treated with dignity and respect in their working environment. The policy aims to ensure that all line managers are aware and have an understanding how the menopause can affect their female employees at work, enabling them to provide guidance and support, where practicable, to those affected.

- ❖ Promote and develop a trusting environment where disability is disclosed in the workplace
- ❖ Provide networking opportunities and peer support
- ❖ Act as a platform for consultation and influence on issues impacting on the health, wellbeing and work of those with a disability in Inverclyde Council.

- ❖ Employer of Choice
- ❖ Employee Skills Development, Leadership, Succession Planning
- ❖ Fairness and equality

Each theme is supported by a range of work streams and its implementation will be monitored by the Corporate Workforce Planning and Development Group. The strategy will be reviewed in light of Covid-19.

It is also aimed at creating an environment where all women in the workplace are given information on how they can request support for issues that arise as a result of the menopause and feel confident in seeking support at work and any reasonable adjustments that may assist.

INSPECTION FINDINGS 2019/20 ~ HOW DID WE DO?

✓ The inspection of Justice Social Work Services in Inverclyde

A Care Inspectorate inspection team visited Inverclyde over July and August 2019 to carry out an inspection of Justice Social Work Services. The inspection included meetings with people subject to community payback orders and focus groups and interviews with key members of staff, partner agencies and stakeholders. The inspection report was published in December 2019 and noted numerous key strengths within the Service including:

- ✓ Leaders demonstrate a strong commitment and vision to improve outcomes for individuals
- ✓ There is a well-embedded performance management framework and access to high quality data analysis shows strong justice service performance that exceeds national targets, sometimes by a considerable margin.
- ✓ A range of positive outcomes have been achieved for individuals.
- ✓ The Service is well integrated into the Health and Social Care Partnership which strengthened governance arrangements and supported quick and easy access to services for individuals, including those aimed at addressing mental health and addiction issues.
- ✓ The unpaid work service operates effectively and plays an important role in improving outcomes for individuals while ensuring payback to communities.
- ✓ Staff demonstrate a sound value base and treat individuals with dignity and respect resulting in positive, supportive and effective working relationships.

Of the five quality indicators that the Service was assessed against, 3 were noted as 'Very Good' and 2 were 'Good'.

Quality Indicator	Rating
Improving the life chances and outcomes for people subject to a community payback order	Very Good
Impact on people who have committed offences	Very Good
Assessing and responding to risk and need	Good
Planning and providing effective intervention	Good
Leadership of improvement and change	Very Good

✓ The Inspection of Children's Residential Care Homes

The Care Inspectorate carried out two unannounced inspections of children's care homes in Inverclyde towards the end of 2019.

The first unannounced inspection was of The View's children's residential care home services on 28 October 2019. The inspection looked closely at the care and support young people receive and found significant areas of strength with only minor areas for improvement. The Care Inspectorate was completely assured that over time, young people living at The View develop meaningful and secure relationships with those caring for them. Children were found to lead positive, healthy and enjoyable lives underpinned by a robust assessment of need and risk and also benefit from a dynamic and aspirational approach to all aspects of care and support. The quality of care was assessed against two indicators:

Quality Indicator	Rating
How well do we support children and young people's wellbeing?	Very Good
How well is our care and support planned?	Very Good

The second unannounced inspection took place at Kylemore children's residential care home on 1 November 2020. Similar to the inspection of The View, the inspectors focused on the care and support young people receive and found that the young people living within Kylemore thrive as a result of the unique approach to care and support that is provided. Furthermore, Kylemore was reported as being a model of sector leading practice, setting a new standard for care homes for children and young people in Scotland. The quality of care was assessed as follows:

Quality Indicator	Rating
How well do we support children and young people's wellbeing?	Excellent
How well is our care and support planned?	Excellent

We would like to hear what you think of this Annual Report and in particular, if we can improve on the information that we provide to you.

Contact us

For further information please contact:



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Report To:	Policy and Resources Committee	Date:	11 August 2020
Report By:	Head of Legal & Property Services	Report No:	LP/070/20
Contact Officer:	Andrew Greer	Contact No:	01475 712498
Subject:	General Data Protection Regulation Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with its annual update on the implementation of the General Data Protection Regulation (GDPR) within the Council.

2.0 SUMMARY

- 2.1 GDPR came into effect on 25th May 2018. This is the second annual update report to the Committee following upon its decision in May 2018 to review regularly progress on GDPR Implementation with the Council.
- 2.2 Since the GDPR implementation date of 25th May 2018, the Information Governance Team (IGT) has continued to lead the Council's GDPR preparations, assisted by the Information Governance Steering Group (IGSG) (previously the GDPR Implementation Group which was merged with the IGSG due to progress made). The majority of actions within the GDPR Post Implementation Plan, as reported to the Committee on 21 May 2019, are now complete. A summary of the GDPR Post Implementation Action Plan is provided in the **Appendix**.
- 2.3 The GDPR Post implementation Plan has progressed well. The main completed actions of note since the previous update are as follows:-
- A new IT system has been set up to allow the Information Asset Register to be easily maintained by Services;
 - A Data Sharing Agreement Register has been created and is available on ICON;
 - Committee report templates have been updated to include reference to Data Protection Impact Assessments;
 - The Data Protection Policy has been updated;
 - Subject Access Request Guidance has been created; and
 - The Policy for the Retention and Disposal of Records Paper and Electronic has been updated.
- 2.4 The IGSG will continue to progress GDPR matters, in addition to all Information Governance matters. As the majority of the actions in the GDPR Post Implementation Plan are now complete, it is proposed that further updates to the Committee focus on reviewing, monitoring and updating on all Data Protection matters.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- (i) notes the contents of this report; and
 - (ii) notes that the annual GDPR update will be reported to future Committees as part of an annual Data Protection update.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The GDPR sets out requirements on how organisations need to handle personal data. It has enhanced the rights of individuals whose data is held (known as data subjects) and gives individuals more control over what happens to their data.
- 4.2 It also allows for financial penalties to be imposed on any organisation that breaches those rights or does not comply with the 'accountability principle'. This means that data controllers and data processors i.e. organisations and certain individuals – including Councils and Councillors, need to have technical and organisational measures in place to protect the data they hold from loss and unauthorised access, and to ensure that the rights of data subjects are protected.

5.0 GDPR IMPLEMENTATION PLAN PROGRESS

- 5.1 The Information Governance Team (IGT) continues to lead the Council's implementation of GDPR, assisted by the Information Governance Steering Group (IGSG) (previously the GDPR Implementation Group). The decision was taken in July 2019 to merge the two groups due to the significant progress made.
- 5.2 The IGSG meets once every three months. A summary of the GDPR Post Implementation Plan has been provided in the **Appendix**. This has now been incorporated in the IGSG Action Plan which covers wider Information Governance matters.
- 5.3 Training
- 5.4 The GDPR Implementation Training programme is complete.
- 5.5 Training will continue to be monitored by the IGT and the IGSG and further training will be provided on a needs basis. Training has been delivered by the IGT and therefore it is important that the IGT continue to attend courses and the GDPR Budget will assist with this. Data Protection Officer Training has been identified for 14th October 2020 which will be delivered online by the Law Society of Scotland.
- 5.6 GDPR training and awareness has been incorporated into a GDPR specific e-learning module which is mandatory for all employees who have access to a computer and process personal data. The completion rates of the GDPR e-learning module stands at 2,857 (95%) out of approximately 3,000 relevant employees.
- 5.7 Information Asset Register
- 5.8 The Information Asset Register (IAR) is a database which holds details of all the information assets held within the Council, including personal data. The GDPR compliant IAR is complete.
- 5.9 In addition, with the support of ICT, an IT system has been created to allow Services to easily maintain their respective IARs. A training session will take place on 26th August 2020 to roll this out and enable all Services to take over the maintenance for their individual Service IARs.
- 5.10 Data Sharing Agreements
- 5.11 The Council requires to have appropriate Data Sharing Agreements in place with relevant parties. In order to assist with this task, the Council's Information Sharing Protocol has been updated and amended to reflect the provisions of GDPR.
- 5.12 A Data Sharing Register has been developed and is available on ICON. This is to allow Services to view which DSAs they have in place to allow information to be shared more effectively and efficiently.
- 5.13 Privacy Notices
- 5.14 Privacy Notices inform individuals how the Council will be using their data and are a key requirement of the transparency principle of GDPR. Privacy Notice Guidance and a Template have been issued

to the GDPR Champions. To date 51 Service Privacy Notices have been completed and are available on the Council's website, which is an increase of 5 since the previous update. Services review their Privacy Notices when implementing new projects and/or at least annually via the IGSG.

5.15 Data Breaches

5.16 A data breach is the result of an event or series of events where personally identifiable information is exposed to unauthorised or inappropriate processing that results in its security being compromised. The extent of damage or potential damage caused will be determined by the volume, sensitivity and exposure of the personally identifiable information.

5.17 Table A below shows the number of data breaches between the two reporting periods to this Committee.

5.18 Table A

Reporting Period	May 2018 – April 2019	May 2019 – April 2020
Number of Data Breaches	66	57
Reported to the ICO	6	0

5.19 It is noted from Table A, that there has been a reduction in both: the number of data breaches; and those which have been reported to the ICO. This is a positive reflection on the Council's implementation plan and creating awareness of the importance of protecting individual's data.

5.20 Table B highlights the number of data breaches broken down by Directorate over the two reporting periods.

5.21 Table B

	May 2018 – April 2019	May 2019 – April 2020
Education, Communities, & Organisational Development	25	23
Education	22	16
Culture, Communities and Educational Resources	1	3
Organisational Development, Policy and Communications	1	4
Environment, Regeneration & Resources	15	15
Environmental & Public Protection Services	4	2
Finance	8	7
Legal & Property Services	1	5
Regeneration & Planning Services	2	1
Roads	0	0
Health & Social Care Partnership	26	19
HSCP - Children & Criminal Justice	17	8
HSCP - Health & Community Care	2	3
HSCP - Mental Health, Addictions and Homelessness	1	5
HSCP – Strategy and Support Services	6	3
Grand Total	66	57

5.22 It is noted that Education and HSCP Children & Criminal Justice have the highest number of data breaches. This is due, in part, to the fact that these Services manage large volumes of personal data and therefore it would be expected that they would have a higher number of data breaches compared to other Services. In addition, it should be noted that the number is reducing.

5.23 Table C identifies the nature of data breaches over the two reporting periods.

5.24 Table C

Nature of Data Breaches	May 2018 – April 2019	May 2019 – April 2020
Disclosure in Error	32	29
Employee Error	22	18
Technical Fault	4	0
Loss of Data	4	6
Theft	1	1
Malicious Data Breach	1	2
Processor Error	1	1
Breach of Confidentiality	1	0
Total	66	57

5.25 It is noted that the main data breaches are caused by Disclosure in Error (sending an email to the incorrect recipient) or Employee Error (saving a file to the incorrect Drive). These are basic mistakes, and whilst the aim will always be to try and reduce these types of data breaches, it is accepted that there will always be an element of human error. In addition, these data breaches tend to be contained within the Council, for example, sending an email to the incorrect recipient but within the Council and therefore will be mitigated.

5.26 Data Protection Impact Assessment s (DPIAs)

5.27 DPIAs are mandatory where the processing of personal data may result in a high risk to the rights and freedoms of individuals, for example, the introduction of a new CCTV system; open floor working environment; a new IT system for HSCP.

5.28 The DPIA Guidance and Template was approved by the Policy and Resources Committee on 26th March 2019 and is now available on ICON for all employees. To date 27 DPIAs have been completed.

5.29 Policies

5.30 Committee report templates have been updated to include reference to DPIAs. This is to ensure that officers consider data protection at all stages of project implementation.

5.31 The Data Protection Policy has been updated to reflect the new requirements of GDPR and the Data Protection Act 2018. This was approved by the Policy and Resources Committee on 19th November 2019.

5.32 In addition, Subject Access Request Guidance (a request by an individual for their own personal data which the organisation holds) has been created to assist Services progress these requests. This is available on ICON.

5.33 The Policy for the Retention and Disposal of Records Paper and Electronic has been updated and will be presented to the Committee on 15th September 2020.

5.34 Elected Members

5.35 GDPR implementation also has implications for Elected Members as they are individual data controllers in their own right in relation to information processed as part of their constituency work. The IGT has provided training to Elected Members and issued Guidance. The IGT will continue to provide all necessary support to Elected Members on GDPR and data protection matters.

5.36 Summary

5.37 The Council's GDPR Post Implementation Plan continues to progress well and has been incorporated into the IGSG Action Plan due to the progress made. All data protection policies and procedures continue to be reviewed and updated as necessary. All Services continue to give the appropriate focus and attention to how they are managing the implications of the GDPR and data

protection in their day to day roles. It is important that this continues to ensure that the Council continues to meet its obligations under the GDPR. The IGT will continue to support Services in this rapidly developing area of law.

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Information Governance	Training and Systems	20/21	60		

Annually Recurring Costs/ (Savings)

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

6.2 Legal

The Council requires to take the steps as identified in this report to comply with the General Data Protection Regulation.

6.3 Human Resources

HR will also be providing assistance by facilitating the launch of the Data Breach and the Data Protection Impact Assessment e-learning modules.

6.4 Equalities

Equalities

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

<input type="checkbox"/>	YES (see attached appendix)
<input checked="" type="checkbox"/>	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?

<input type="checkbox"/>	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
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X	NO
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(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**

Not applicable.

7.0 **CONSULTATIONS**

7.1 Not applicable.

8.0 **BACKGROUND PAPERS**

- 8.1 ICO's guidance "Preparing for the Data Protection Regulation – 12 steps to take now" – <https://ico.org.uk/media/1624219/preparing-for-the-gdpr-12-steps.pdf>
- 8.2 Policy and Resources Committee – 22 May 2018 - <https://www.inverclyde.gov.uk/meetings/meeting/2061>
- 8.3 Policy and Resources Committee – 21st May 2019 - <https://www.inverclyde.gov.uk/meetings/meeting/2170>

Summary GDPR Post Implementation Plan

Code	Task	Led By	Due By	Status
Accountability and Governance				
1.1	GDPR should be incorporated on each Service's risk register .	Information Governance Team/ Audit	September 2018	Green - Complete
Training Needs				
2.1	Managers GDPR Training	IGT	22 nd May 2018	Green - Complete
2.2	Customer Services GDPR Training	IGT	23 rd May 2018	Green - Complete
2.3	Elected Members re-fresher training scheduled	Information Governance Team	22 nd August 2018	Green - Complete
2.4	Data Breach Training for HSCP Team Leader and above staff	Information Governance Team	28 th August 2018	Green - Complete
2.5	Data Protection Impact Assessment Training	IGT	28 th September 2018	Green - Complete
2.6	Data Breach Training for HSCP Admin staff	IGT	28 th and 29 th November 2018	Green - Complete
2.7	Data Protection Impact Assessment Training	Information Governance Team	16 th January 2019	Green - Complete
2.8	Training for Managers unable to attend previous dates.	Information Governance Team	31 st January 2019	Green - Complete
2.9	Data Breach Training for Education Staff	Information Governance Team	June 2019	No longer required.
2.10	Data Breach e-learning module to be developed	Information Governance Team/HR	June 2019 (module created and in process of being published on Brightwave)	Green – Complete
			Date for publication – October 2020	Green – on Track
2.11	Data Protection Impact Assessment e-learning module to be developed.	Information Governance Team/HR	June 2019 (module created and in process	Green – Complete

			of being published on Brightwave)	
			Date for publication – October 2020	Green – On Track
Information that the Council Holds				
3.1	Information Asset Register (IAR) – Guidance with GDPR Champions and in final stages of completion.	Information Governance Team/ GDPR Champions	May 2019	Green – Complete
3.2	Set up system which will allow service to maintain the IAR .	Information Governance/ICT	July 2019	Green – Complete
Third Party Management				
4.1	All Services to identify any data sharing agreements/data processor agreements and send to Information Governance Team	Information Governance Team/ GDPR Champions	Ongoing	Green – Complete
4.2	Create DSA repository and share with GDPR Champions	IGT	Ongoing	Green – Complete
4.3	Ensure contracts are GDPR compliant	Procurement/ GDPR Champions/ICT/ Legal/ Information Governance	Ongoing	Green – Complete
Communicating Privacy Information				
5.1	Review of Privacy page website to make it more user friendly.	Information Governance	End of August 2018	Green – Complete
5.2	Creating awareness of Privacy Notice – letters, emails, telephone, forms, etc.	Information Governance/ GDPR Champions	Ongoing action	Green – Complete
Data Protection Impact Assessment (DPIA)				
6.1	DPIA Guidance created and approved	Information Governance	March 2019	Green – Complete

Official

6.2	Committee report templates to be revised and updated to include reference to DPIA	Information Governance	May 2019	Green – Complete
Review Policies and Procedures				
7.1	Data Protection Policy currently under review	Legal & Property Services	June 2019	Green – Complete
7.2	Update Information Sharing Protocol	Legal & Property Services	March 2019	Green – Complete
7.3	Review Subject Access Request Policy	Legal & Property Services	July 2019	Green – Complete
7.4	Review Retention and Disposal of Electronic and Paper Records	Information Governance	December 2019	Green – Review Complete
			Present to P&R Committee - 15 th September 2020	Green – On Track

Report To:	Policy and Resources Committee	Date:	11 August 2020
Report By:	Head of Legal and Property Services	Report No:	LP/036/20/PMcD
Contact Officer:	Peter MacDonald	Contact No:	2618
Subject:	Review of Community Council Grant Funding		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of feedback received from the Community Councils on proposals to change the basis of their grant funding and, having regard to that feedback, to seek the approval of the Committee of a proposed new Scheme of Funding for Community Councils.

2.0 SUMMARY

- 2.1 At the meeting of 6 August 2019, the Committee approved proposals to enter discussions with the Community Councils on the structure of Community Council grant funding, and a possible review of that structure.
- 2.2 Officers have contacted and met with the Community Councils with proposals on how the model of grant funding could be changed, and the feedback that has been received from the Community Councils is as detailed in the body of the report.
- 2.3 Having regard to this feedback, officers have prepared an “Inverclyde Council – Scheme of Funding for Community Councils” (Appendix 2) and a shorter form guide for that scheme (Appendix 3) for consideration by the Committee. Should this be approved by the Committee, recommendations on how any currently unspent balances of Community Council grant funds should then be treated are detailed in the body of the report.

3.0 RECOMMENDATIONS

It is recommended that the Committee:

- 3.1 notes the responses received from the Community Councils on proposals for changing how they are funded, as set out in the body of this report and at Appendix 1;
- 3.2 approves and adopts the “Inverclyde Council - Scheme of Funding for Community Councils” set in Appendix 2, to apply from and including 1 April 2020;
- 3.3 (continued over)

- 3.3 approves the terms of the Guide to Community Council Grants set out in Appendix 3; and
- 3.4 approves the treatment detailed in paragraphs 7.1 to 7.5 of this report of any grant funds released or to be released to the Community Councils in terms of the existing funding model.

Gerard J. Malone
Head of Legal and Property Services

4.0 BACKGROUND

- 4.1 The current Scheme for the Establishment of Community Councils in Inverclyde (the Scheme) was adopted by the Inverclyde Council on 14 April 2011 and provides that the Council may provide an Administrative Grant to Community Councils, at such level as it may from time to time determine. The current structure of such grant funding was approved at the meeting of the Regeneration Committee on 1 September 2011.
- 4.2 At the meeting of 6 August 2019, the Committee approved proposals to enter discussions with the Community Councils on the structure of the grant funding, and a possible review of that structure.
- 4.3 Following completion of the Community Council Election process at the end of September 2019, the Community Council Liaison Officer (CCLO) contacted all the Community Councils advising that a review of the structure of their grant funding was being undertaken, setting out the various options (paragraph 4.5 below) and seeking their views on the same.
- 4.4 Additionally, visits attended by the Chief Executive, officers from Culture, Communities & Educational Resources and the CCLO have been offered to all the Community Councils, to discuss a variety of matters including the present funding review. As at the date of this report, 4 of the Community Councils have taken up this offer.
- 4.5 The options highlighted in discussion with the Community Councils are as per the 6 August 2019 report, namely:
1. Leaving the funding structure entirely as is;
 2. Retain the existing budget and grant level but remove all restrictions on use;
 3. Retain the existing budget but split each grant to have part as constrained administrative grant and part to be spent as the community councils see fit; and
 4. Retain the existing budget and reduce the individual grants, leaving the remaining budget as a fund to which Community Councils can apply to fund projects; or
 5. Reduce the overall budget and the level of the grant.
- 4.6 The existing funding model bases part of the grant provided on the population levels of each of the Community Council Areas, based on SIMD data as at 2011. In preparing the funding scheme recommended in this report, officers have updated the population data to be used, basing it on 2018 small area population estimates (2011 data zone based) from National Records of Scotland.

5.0 COMMUNITY COUNCIL FEEDBACK

- 5.1 The responses received from the Community Councils are included at Appendix 1 and are drawn to the attention of the Committee. They are summarised as follows:
- Greenock West and Cardwell Bay Community Council have indicated a preference for option 1, but with a simplified process to seek consent for activities outwith the administrative grant scheme (see comments below);
 - Kilmacolm Community Council indicated a preference for option 3;
 - Port Glasgow West Community Council have indicated a preference for option 2;
 - Gourock Community Council:
 - did not favour options 1, 4 or 5;
 - expressed support for option 2 (subject to qualifiers); and
 - sought more information on option 3 (see comments below);
 - Inverkip and Wemyss Bay Community Council indicated:
 - a preference that their total grant remain the same, which excludes options 4 and 5; and
 - a wish for greater flexibility on their use of their grant, which excludes option 1 but again is support for options 2 or 3.
 - Gourock Community Council have provided an extensive response on a number of matters, which although beyond the scope of the current funding review, will be followed up in discussion with them by the CCLO.

- 5.2 Option 1 was supported by Greenock West and Cardwell Bay Community Council. As this is the current approach, it does not present any issues from a stewardship point of view, but it is the view of officers that it does not provide the added flexibility that this current review is intended to bring. The simplified process this Community Council seeks, for consent to proposals outwith the normal scope of the scheme can effectively be provided by options 2 or 3, in that consent will simply not be required.
- 5.3 Option 2 would achieve greater flexibility as sought by Inverkip and Wemyss Bay Community Council. Option 2 was also supported by Gourock Community Council and Port Glasgow West Community. It is the view of officers that whilst option 2 as set out above does provide the greatest level of flexibility for the Community Councils, what it does not provide and what should be included in any funding scheme is protection of part of the funding for necessary administrative costs. Officers have discussed this further with both Community Councils at the meetings with them, and in both cases the Community Councils have indicated that they accept a need to restrict the use of some of the grant for administrative purposes to deal with day to day running costs and ensure the sustainability of the Community Councils.
- 5.4 Option 3 was supported by Kilmacolm Community Council, with Gourock Community Council seeking more information on the model. The wish for greater flexibility sought by Inverkip and Wemyss Bay Community Council would be achieved by this option. It is the view of officers that this option strikes a balance between ensuring that part of the funding provided is constrained for necessary administrative funding, to ensure the sustainability and function of the Community Councils, whilst at the same time releasing the balance of funding for community projects
- 5.5 Were option 3 to be pursued, a suggestion came from the meeting with Gourock Community Council that each Community Council should submit a business plan for each year, indicating anticipated administrative expenditure and that the level of Administrative Grant in each case be tied to that figure. It is the view of officers however that this would add a further administrative burden on the Community Councils. The preference of officers is therefore per paragraph 6.4 to fix the Administrative Grant level. In meetings with Gourock Community Council and Port Glasgow West Community Council, both indicated a preference that this protected portion be set at as low a level as possible to maintain flexibility with the remainder of their funds.
- 5.6 It is the view of officers that the lack of support for option 4 reflects the additional administrative burden that would be placed on the Community Councils were they to be required to make specific applications for funding for individual projects. On that basis, option 4 is not favoured by officers.
- 5.7 Option 5 has received no expression of support. It is the view of officers that the overall savings gained in a reduction in budget would not sufficiently offset the reduced potential community led projects, and so this option is not favoured by officers.

6.0 PROPOSALS - THE FUNDING SCHEME

- 6.1 Whilst the views of the Community Councils are an extremely important consideration in any approach adopted for their funding, any recommendation made by Officers must balance maintaining robust and proper stewardship of the public pound whilst at the same time afford sufficient flexibility to encourage Community Councils to bring forward community led projects with community benefits.
- 6.2 Having regard both to the feedback that has been received, which demonstrates an appetite in the Community Councils for this further flexibility, and the need to ensure that at least part of the funds provided are retained for necessary day to day administration of the Community Councils, the proposal set in his report is based on option 3.
- 6.3 The proposed Scheme of Funding for Community Councils ("the Funding Scheme") recommended by officers is attached at Appendix 2. The approach taken is that the available grant budget (that is the Community Council Budget under deduction of necessary insurance and election costs) is divided per Community Council Area on the basis of: a) an initial fixed sum of £500 (as the Administrative Grant per paragraph 6.4 below); and b) the remaining

balance divided according to population (as the Project Grant per paragraph 6.5 below). An example of this calculation is included in the Funding Scheme.

- 6.4 The Funding Scheme proposes the initial fixed sum of £500 per Community Council be set as an Administrative Grant, constrained for administrative use in the much the same way as the whole of the existing grant. Whilst population sizes change materially, the sizes of the Community Councils themselves are similar, and thus likely administrative costs can for the most part be anticipated as remaining the same. A Community Council can also use sums from the remainder of the grant, the Project Grant as detailed below, for such administrative purposes should additional expenditure be required. The purpose of the constraint on this portion of the grant is to protect a core sum for day to day running costs in the course of a year, to ensure function and sustainability of the Community Councils. If by the end of a financial year, a Community Council has not spent all of the Administrative Grant released to it, the balance carried forward to subsequent years will thereafter be treated and governed as Project Grant. If a Community Council has functioned throughout the year without the need to spend all of these funds, officers do not consider it necessary to carry the restriction to future years.
- 6.5 The Funding Scheme proposes a further payment to be made to each Community Council of a Project Grant, being the balance of the grant budget following allocation of the Administrative Grant, divided among the Community Council Areas by population. The use of these funds is not constrained in the same manner as the Administrative Grant, and is intended to encourage their undertaking community led projects. Whilst maximum flexibility would be achieved by placing no restriction on the use of these funds, some restriction is required to ensure proper stewardship of the public pound. Officers are recommending that the following broad purpose be adopted for the Project Grant, namely it can be used for projects which the Community Councils feel:

“...are likely to advance, promote or improve the well-being of any part of its Community Council Area (as defined in the Scheme) and/or any person or persons resident or present within that area”.

This wording follows that used in terms of the power to advance well-being conferred on Scottish Local Authorities in terms of the Local Government in Scotland Act 2003.

- 6.6 Although the grant will now have a dedicated Project Grant element, if requested by the Community Councils, officers will continue to exercise the same flexibility that they currently do on what can be classed as promotional activity in the spending of the Administrative Grant.
- 6.7 As indicated at paragraph 4.6 above, population figures have been updated for the Community Council Areas, and these are factored in to the example calculation contained in the Scheme. Additionally, the proposed Funding Scheme reduces the initial fixed sum available for all Community Councils from the £700 provided under the current funding model to £500, and treats it as the Administrative Grant per above. This reduction is to reflect the views expressed at the meetings with Community Councils that level of grant restricted for administrative use be kept to a minimum. As a result, comparing the Funding Scheme with the existing model, there are minor variations in total grant for each Community Council. A sample calculation of grant under the existing funding model is included in Appendix 4, and the final column shows how these figures differ from those which appear under the Funding Scheme.
- 6.8 The current funding model does not contain any provision regarding the accrual of balances by Community Councils. It is however appropriate for the proper stewardship of public funds that some restriction be placed on this. This has to be balanced however with encouraging forward planning in relation to larger projects or expenditure. The Funding Scheme accordingly contains provision allowing unspent balances of grant funds to be carried forward at the end of a financial year, but that only up to a certain limit. The maximum amount that can be carried forward is the total of the Administrative Grant plus 4 x the Project Grant. If the balance carried forward exceeds that figure, there will be a commensurate reduction in the amount of Community Council Grant released. For the reasons stated at paragraph 6.4 and to simplify the accounting procedures the Community Councils will have to follow, any sums released as Administrative Grant but carried forward to subsequent years will, in those subsequent years, be treated and governed as Project Grant.

- 6.9 Whilst the Council could simply automatically release grants to the Community Councils, it is appropriate that checks are carried out to ensure basic compliance with the requirements on them in terms of the Scheme. The Funding Scheme therefore sets out what these requirements are. These provisions effectively formalise what has been the practice of officers under the existing funding model.
- 6.10 To ensure the treatment of the funding of Community Councils is consistent with the approach taken towards grant funding provision for other community groups, officers are recommending that explicit provision be made in the Funding Scheme that where all the necessary documentation and information needed to allow the release of a Community Council Grant under this Scheme for a given financial year has not been provided by the end of that financial year, then that grant will no longer be available to them. Whilst this differs from the approach currently taken (this is expanded on at paragraph 7.3), it is the experience of officers that much of the time spent in discussion on this point is clarifying whether expenditure meets with the current restrictions. It is anticipated by officers that as the Funding Scheme has less restriction on it, these discussions will be simplified and the process speeded up.
- 6.11 It is accepted by officers that the Funding Scheme is, by necessity, a complex document. To make this more accessible to the Community Councils, officers have prepared a shorter form "Guide to Community Council Grants" which is included at Appendix 3. Aspects of both this guidance and the Funding Scheme itself in part supersede guidance on Community Council Finances previously approved in 2012. If the recommendations in this report are approved, officers will ensure existing guidance is updated accordingly.

7.0 PROPOSALS – FUNDS RELEASED OR TO BE RELEASED UNDER CURRENT FUNDING MODEL

- 7.1 If the model of funding is changed, the question then arises as to how to treat any balances of grant under the existing funding model currently held by the Community Councils or yet to be released to them. As the Funding Scheme will make changes to both these elements, officers propose, should it be approved, that the Financial Years 2020/21 and 2021/22 are treated as transitional years in terms of paragraphs 7.2 to 7.5 below to allow the Community Councils to familiarise themselves with the Funding Scheme in general and these changes in particular. In considering this aspect, it is important that the Committee has an understanding of the current balances held by or further payments that may be made to the Community Councils. The table at Appendix 5 shows these figures for each active Community Council, all of whom have been contacted and asked for their current balances. The figures shown in this table are based on the most recent information held by officers.
- 7.2 The existing funding model does not contain any provision for a reduction in the grant released if balances are being accrued from year to year. The Funding Scheme proposed here, as set out above, does limit such accruals. Officers therefore propose that any balances held by the Community Councils as at 31 March 2020 or at 31 March 2021 be disregarded for the purposes of calculating the Community Council Grants respectively for year 2020/21 and 2021/22, and from those dates, such balances be treated and governed as Project Grant. This allows the Community Councils this transitional period: to familiarise themselves with the new scheme; to progress projects with those funds, free from the constraints of the existing funding model; and to reduce the balances they hold to a level that maximises their grant release in the financial year 2022/23. Any balances of grant held by the Community Councils as at 31 March 2022 will be factored into the subsequent grant release as provided for the Funding Scheme.
- 7.3 Under the existing funding model, there are various things officers require the Community Councils to produce (minutes of meetings, accounts, bank statements and possibly further information or clarification) before grant release. Recognising that the Community Councils are run by members of the community quite rightly focused on the day to day business of representing those communities, officers have historically allowed the Community Councils flexibility on this and ensured that grant is not "lost" simply because the necessary documentation has not been produced by the end of financial year. Therefore, currently the grants for financial years 2018/19, 2019/20 and 2020/21 are (if not yet claimed) still available

to the Community Councils when they meet the necessary requirements. The grants for years 2018/19 and 2019/20 will (if unclaimed) no longer be available after 31 March 2021.

- 7.4 The Funding Scheme does however, to ensure the Council approach here is consistent with other grant funding made available by the Council, provide that if all the necessary documentation for the grant to be released is not produced by the end of the financial year, then the grant for that financial year will no longer be available. In this transitional year, officers are proposing that, consistent with the current approach, the 2018/19 and 2019/20 grant will still be available for release in the course of 2020/21, and if so released be treated and governed as Project Grant. The terms of the Funding Scheme will apply to the 2020/21 grant, namely that if not released by 31 March 2021, it will no longer be available.
- 7.5 Officers will, as part of the process for release of the 2020/21 grant, review the accounts produced for financial year 2019/20 to ensure compliance with both the Scheme and the existing funding model. Consistent with the approach to 2020/21 and 2021/22 as transitional years, officers will review that spending in the 2019/20 accounts in terms of less restrictive rules of the Scheme, rather than those under the existing funding model.

8.0 IMPLICATIONS

Finance

- 8.1 The proposed changes in terms of this report are contained within existing budgets.

Legal

- 8.2 In terms of the Scheme, the Council may provide an Administrative Grant to community councils, at such level as may from time to time be determined by the Council. This can be varied by the Council **without** formal amendment of the Scheme.

Human Resources

- 8.3 None.

Equalities

- 8.4 Equalities

- (a) 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 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?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

Repopulation

8.5 None.

9.0 CONSULTATIONS

9.1 The Chief Financial Officer and the Corporate Management Team have been consulted on the terms of this report. The Community Council Champion has been consulted on the terms of the Scheme of Funding for Community Councils at Appendix 2 and the Guide to Community Council Grants at Appendix 3.

10.0 LIST OF BACKGROUND PAPERS

10.1 None.

Appendix 1 – Responses from Community Councils (in order of receipt)

A. – Greenock West and Cardwell Bay Community Council (Email of 7/1/20)

Hello Peter,

The GW&CBCC have decided that they would wish the Community Council Grant/Funding to be option 1.

Leaving the funding structure entirely as is; *but with the addition that a more simplified request/application form be available for projects out-with usual scope of the administration grant.*

Please advise if you have received this email.

Many Thanks,

Willie

Willie Stewart

Secretary

Greenock West and Cardwell Bay

Community Council

<http://www.gwcbcc.org>

Facebook @gwcbcc

Twitter @GWestCBayCC

B. – Kilmacolm Community Council (Email of 15/1/20)

Peter

Below is an extract of the Minute of the KCC Meeting of 26 November of which you have a copy. The minuted agenda item explains the KCC views on the funding options you outlined to us.

Kind regards

David

9. Community Council Scheme and Funding Review

The Secretary had, prior to the meeting, circulated copies of an email from Inverclyde Council Legal and Property Services which requested Community Councils to consider various Community Council funding options.

The option favoured by Kilmacolm Community Council was:

"Retain the existing funding budget but split each grant to have part a constrained administrative grant and part to be spent as the community councils see fit"

If a 'project fund' was to be established the KCC were opposed to it being held centrally by the Council with community councils applying for project specific funding but would support an arrangement whereby each community council would get a fixed proportion of that fund annually.

In a separate email - also circulated to members - it was advised that Inverclyde Council will contact community councils in the new year to elicit their views on the present Scheme - the statutory framework by which community councils are established and operate - and to establish whether the community councils felt such a review was needed or desired. The Inverclyde Council review of the Scheme would, amongst other things, look at the number of community councils within Inverclyde and the areas covered by those community councils,

David Goddard

Secretary

Kilmacolm Community Council

Cargill Centre

Lochwinnoch Road

Kilmacolm PA13 4LE

secretary@kilmacolmcc.co.uk

C. – Port Glasgow West Community Council (Email of 17/1/20)

Hi Peter

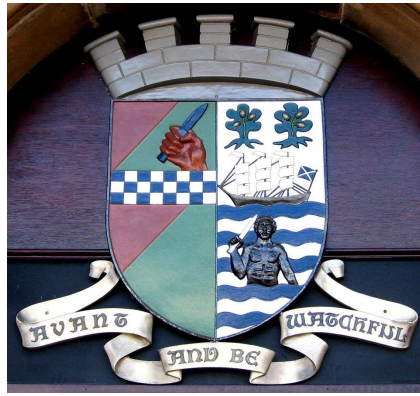
Sorry for the delay in getting back to you.

In terms of spending our allocated budget allowance, our Port Glasgow West Community Council would like to have the discretion to spend our allowance on legitimate items/projects, that may not be seen as admin spending perse', but could be a means of promoting our Community Council within our Town.

Regards

Tommy Rodger
(Secretary)

D. Gourock Community Council (Attachment to Email of 21/1/20)



GOUROCK COMMUNITY COUNCIL

Dear Peter McDonald,

Thank you for the information and for taking this response to the Committee for Education and Communities. In addition to The Scheme, Constitution and Standing Orders GCC has initially used the opportunity for some ideas to be shared on business and ideas that have been expressed over time, or recently for this reply because it is being asked.

Please point out to the Committee that towards and over Christmas a lot of people have visitors and such a lot more to do personally as well as Festive Gourock, Singing Carol's and seasonal things. The General Election added more for some of us to find time and direct energy to gather together when so much was happening. The first weeks in January before the first meeting were really to be for a very well deserved break from volunteering.

GCC believe that there could be permanent and regular ways to help CC volunteers to share tasks and ideas through summits or conventions and a formal Forum. This would save having heavy consultations over holiday times, as we have had planning so often over summer as well.

PROPOSAL FOR AN INVERCLYDE COMMUNITY COUNCIL FORUM

Please consider that the Community Councils had been prepared to stay on another year and wait for an election. CC's had a process of change and reforming with new people to get to know, all while there was a General Election on. Its a lot to ask of everyone to then look at changes, no matter how welcome some might turn out to be.

GCC wonder if there could be a way for the Community Councils to review the changes with gatherings from all of the Community Councils in Inverclyde in addition to information from individuals in the Council to help.

Setting up a Forum for the Chairs, the Secretaries and regular opportunities for every member to meet seems to be something that could help, considering new empowerment for communities and the Participatory Budgeting, and how everything ties in with the newly formed six Boards that share areas and carry forward so many of the communities needs and wishes.

AN INVERCLYDE SERVICE OF COMMUNITY COUNCILS

Representatives from each CC sent or convened regularly for single issues or education. Plus there are communities not clearly being represented or meeting that are not geographical, Equalities and also Black and Minority Ethnic people or from other protected characteristics like LGBTQIA+.

Perhaps more members would come forward with a platform for gathering and selecting representatives. There might be less of some characteristics in some areas than others, but information to share with all CC's.

Sharing rota's through all of the CC's would be possible for attending other things like Council Meetings, Regeneration, Chamber of Commerce, Rotary, even some Clubs and groups as well as the Boards from the six areas. A few hours around four times a year to share information, cascade learning to the CC's and develop networks of support and empowerment for communities. This would help with areas that have no CC and a Forum could be held a few times a year, for people to 'Have Your Say' encouraging people to consider membership of a CC, allowing Police and Wardens to report, bring in speakers or help with consulting the community. A time and place for Councillors, Ex Officio Members, Council Legal Services and Community Development Workers to make this work for communities in need of representation.

Having a central fund made up of what would have been allocated for grant funding, Participatory Budgeting and per head of population would help the administration areas with no current CC's to have their allocation. Funds could be released for projects and campaigns and projects.

There would be more awareness of needs and things needing addressed like support for the Lady Alice Bowling Club and the new Tennis initiative at Rankin Park. Some things could be shared through a Forum.

A Forum quarterly, for either Chairs or/and Secretaries then everyone could meet twice a year or for single issues or conferences as a way to help represent the CC areas that have no formal CC and still have notable Former Members, the Ex Officio Members and Associates and volunteers would have a mechanism for funding and support through the Forum. Over time each CC could have an opportunity to host, as a four year administration would be sixteen times over all, plus a few single issues, between eleven CC's. A point could be made of using places in the CC's with no members as well. Something like this needs to be guided by Council Development Workers and Council Legal Services and Council Volunteering Services.

Consensus of GCC members for this reply.

Here are some answers to the questions raised that all of Gourock Community Council have participated in concluding for now. Cardwell Bay & Greenock West CC were also consulted as members had information. A few Gourock Community Councillors stating that they have not been in the role long enough for full involvement in discussions. Everyone has been briefed, encouraged and given opportunities to share intelligence and arrive at their own answers, or express agreement with earlier draft versions.

COUNCIL LEGAL SERVICES QUESTIONS

·If you would you prefer the grant system to remain in present form **or** for the admin element to be reduced and the balance of used as a project fund?

·If a project fund is created,

-- should each community council get a fixed proportion of that fund annually, or

— should that fund be held by the centrally by the Council with community councils applying for project specific funding?

GCC ANSWERS

1. Leaving the funding structure entirely as is;

Negative Response from GCC.

2. Retain the existing funding budget and grant level but remove all restrictions on use;

GCC agree, but only to some extent as questions have been raised. Agree if reset annually taking into account the rate of inflation, provisions also made for extra funds like Participatory Budgeting being added to funds. In addition other amounts yet unforeseen or raised through donations or other means. There may always be fund-raising opportunities for CC's. Sensible restrictions of recording transactions and records of the agreement to spends would also need to continue, in addition to accounts being Audited and submitted to CLS for ratification.

3. Retain the existing funding budget but split each grant to have part as constrained administrative grant and part to be spent as the community councils see fit; and

GCC would seek more information about amounts of funds and how funding would be held and also how to secure or apply for reserved funding.

4. Retain the existing funding budget and reduce the individual grants, leaving the remaining budget as a fund to which Community Councils can apply to fund projects; or

Negative Response from GCC.

5. Reduce the overall budget and the level of the grant.

Negative Response from GCC.

GAPS IN INFORMATION FOR CURRENT REQUIREMENT OR COSTS

More information is required on relation of funding to:

Population capitation

Public Liability Payments & Insurance

Data Control & Regulations Costs

Costs for Disclosure Scotland Protection of Vulnerable Groups (PVG) membership scheme.

Council Grants availability for CC's.

PARCIPITATORY BUDGETTING

New Systems and funding for Participatory Budgeting is welcomed by GCC. Having observed the first round members have deeper understanding and information about this. GCC would lead by preparing applicants to make time for designing their own ways to divide funds fairly through innovative and imaginative challenges. A sharing of time, place and events or activities would be discussed and bring the community together where resources could be realised from sharing practical items to human talents or ability.

FUTURE

In general GCC would prefer not to be bound to this initial focus on change as a one off exercise, but prefer more conversations, input from Council Workers and time to discuss with other CC's.

A more organic and nurturing approach to the process for change is required as some of the members with the most life experience and new enthusiasm have not been in the role for long enough or are younger and working and had the least time to consider this wonderful opportunity for change.

More time and some energy is needed to ensure that the changes have a high probability of being good ones. Built in defaults for problems, dates for reviews and how long before change can be considered or enacted could also be considered as GCC are full of dedicated people who do a lot for the community in addition to GCC.

GCC will dedicate some time at each Business Meeting on visionary tasks for input to the Council and hope that the Council will be prepared to bridge the design gaps on how to reach the ideal ends.

The Constitution & Standing Orders.

PART 2

Name, Gourock Community Council are very happy with its name and the reputation build over years associated with the name.

Part 2 Review of areas. While Gourock is fairly logical, a lot of boundary mostly sticking out into the River Clyde there are some constituents on 'cusp areas' who gravitate to a preferred CC. Geographical lines do not account for infringement from one place to another with things like sound and shared problems. If this could be noted as a formal agreement to work between CC's towards good outcomes for the community, whether sharing or passing on issues or concerns. This has been going on anyway as Inverclyde is compact for a Council area and many things happening in one part have a huge effect on another. People want their geographical community logically tied in to their schools and shops or other things. A sensible approach towards individuals is required.

PART 9 (a)

Elections of Office Bearers are meant to occur in May, following an AGM and GCC has been having the AGM in June and would like this to continue and therefore Part 9 (a) should be changed to June.

PART 11 (b)

Meetings of the CC also state that the AGM is May under 11 (b) and this should also be changed to June, as AGM's have been convened for many years now on the third Monday of June.

PART 13

GCC aspire to the high standard of record keeping and information exchange outlined in the Constitution number 13 and are setting up systems for compliance with apologies for falling short of the requirements. Records are being compiled for submission.

PART 14 (a)

Control of Finance 14 (a) by consensus it is agreed that the words 'only as prescribed' should be changed with something to the effect of (but not expected to be used as they stand) 'with clear intention for the advancement and aims or projects that are agreed to by GCC, evidenced and after a clear decision making process, including allocation of funding to a Committee of GCC members and appointees who will in turn keep ordered and evidenced clear processes for decisions and spending'.

PART 14 (c)

The Signatories could be the Treasurer plus any one of two members, not necessary being Office Bearers, named for being signatories by GCC for signing cheques, voted at a meeting.

PART 16

Alterations to the Constitution should include perhaps at the end of the first paragraph something like 'and mechanisms to change these shall be designed and reviewed at a Single Issue Meeting prior to the AGM approval and adoption of the Constitution & Standing Orders'.

STANDING ORDERS

GCC have no changes to raise regarding Standing Orders at this time.

E. Inverkip and Wemyss Bay Community Council (Email of 1/3/20)

Hi Peter,

I am hoping that we already replied on this.

But we have a meeting this Thursday and I can chase our Treasurer for the amounts then.

Our opinion was that we would like to retain control of our grant but for more flexibility on what we can utilise it for.

We are very frugal in general for our admin budget, but would like to be able to contribute to local projects more easily if we have

balance of funds available. (eg Eco Projects, Supporting initiatives for School and Scouts/Guides , Hub groups etc)

We would prefer it not be a separate project fund held centrally by the Council - as we feel Inverkip & Wemyss Bay could lose out in "winning " funding for any projects we want it for.....as these things are usually weighted to areas of perceived deprivation?(that's not the correct term - apologies I cannot think of it just now). And as our villages rarely get classified as deprived areas - we can be last to get considered for project funding.

Thanks

Eileen

(Secretary Inverkip & Wemyss Bay CC)

Appendix 2 – Proposed Scheme of Funding for Community Councils

Inverclyde Council

Scheme of Funding for Community Councils

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Part 1 – Introduction

Community Councils were established in Scotland by the Local Government (Scotland) Act 1973 (referred to in this document as “**the 1973 Act**”).

Section 51 (2) of the 1973 Act provides that:

“In addition to any other purpose which a community council may pursue, the general purpose of a community council shall be to ascertain, coordinate and express to the local authorities for its area, and to public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible, and to take such action in the interests of that community as appears to it to be expedient and practicable”

Inverclyde Council (referred to in this document as the “**Council**”) has adopted a Scheme for the Establishment of Community Councils in the Inverclyde Area¹ in terms of the 1973 Act, and this scheme (or such variation or substitution of this scheme as may be in effect from time to time) is referred to in this document the “**the Scheme**”.

A community council or community councils established under the Scheme is/are referred to in this document as a “**Community Council**” and “**Community Councils**”.

The Council makes available annual operational grant funding for Community Councils. This document details the scheme under which Inverclyde Council will provide such funding from 1 April 2020. The operational grant provided in terms of this document is referred to as the “**Community Council Grant**”.

The funding scheme set out in this document was approved by the Council’s Policy and Resources Committee on [] and is referred to in this document as the “**Funding Scheme**”.

References in this document to the “**Head of Service**” are to the head of the Council’s service from time to time with operational control of the community council budget.

The Council has appointed a **Community Council Liaison Officer** who can be contacted on community.councils@inverclyde.gov.uk or using the contact details shown on the Council website at www.inverclyde.gov.uk/communitycouncils .

Any questions about this document, or more generally about Community Councils, should be directed to this officer.

Community Councils should note this document deals only with the annual Community Council Grant, and that they may be able to apply for other forms of grant funding both from the Inverclyde Council and from other sources of grant funding.

¹ As at the date of this document, the current Scheme is the Scheme approved by the Inverclyde Council on 14 April 2011.

Part 2 - The Community Council Grant

The Council approves a budget annually for the funding of Community Councils. This budget applies in a Financial Year, being the period from and including 1st April in a given year to 31st March in a subsequent year.

The Council meets various initial costs from this budget, such as

- public liability insurance arranged for the Community Councils; and
- election costs (in years where the regular 4 yearly elections for Community Councils are held).

The remaining budget is then allocated to the provision of the Community Council Grant. The Community Council Grant is made up of two parts:

- the Administrative Grant (a sum of £500.00 per Community Council); and
- the Project Grant (the remaining grant budget for that year split amongst the Community Council Areas, as defined in the Scheme, according to population²).

Table 1 – Community Council Grant – Basis of Calculation (using a previous year's budget figure as an example).

Community Council Budget		£17,310.00			
LESS deductions		£637.78			
Total budget for Community Council Grants		£16,672.22			
LESS total Administrative Grants		£5,500.00			
Total budget for Project Grants		£11,172.22			
	Community Council	Population	Administrative Grant	Project Grant	Total Community Council Grant
1	Gourock	8690	£500.00	£1,242.31	£1,742.31
2	Greenock Central	10045	£500.00	£1,436.02	£1,936.02
3	Greenock East	9051	£500.00	£1,293.92	£1,793.92
4	Greenock Southwest	5870	£500.00	£839.17	£1,339.17
5	Greenock West & Cardwell Bay	9166	£500.00	£1,310.36	£1,810.36
6	Holefarm & Cowdenknowes	2193	£500.00	£313.51	£813.51
7	Inverkip & Wemyss Bay	6239	£500.00	£891.92	£1,391.92
8	Kilmacolm	5284	£500.00	£755.39	£1,255.39
9	Larkfield, Braeside & Branchton	7000	£500.00	£1,000.71	£1,500.71
10	Port Glasgow East	7668	£500.00	£1,096.21	£1,596.21
11	Port Glasgow West	6944	£500.00	£992.70	£1,492.70
	Total	78150	£5,500.00	£11,172.22	£16,672.22

² The population figures used for the purposes of this document based on the 2018 small area population estimates from NRS.

Table 1 above is an illustration of how the total Community Council Grant is calculated under the Funding Scheme based on budget, election and insurance figures from the 2018/19 Financial Year. This shows the split between Administrative Grant and Project Grant, and among the Community Council Areas. The amount of the Community Council Grant available will vary from year to year according to the available budget and the insurance and election costs.

There is more detail on the Administrative Grant at Part 3 of this document, and on the Project Grant at Part 4 of this document.

Where a Community Council is established in an election outwith the 4 yearly cycle and in an area where, immediately prior to that, there had been no Community Council, then any costs of that election will be deducted from the Community Council grant made available to that Community Council in the Financial Year in which it is established.

Community Councils are not required to spend all of their Administrative Grant or Project Grant in the Grant Year in question, and can carry forward balances from one financial year to the next of up to 1 year's worth of Administrative Grant and 4 year's worth of Project Grant. There is more detail on this at Part 6 of this document.

Part 3 – Use of the Administrative Grant

Community Councils are expected use their Administrative Grant for the purpose of meeting reasonable and appropriate operational and administration costs, incurred by them in operating as a Community Council.

Examples of such costs are detailed below:

- Insurance
- Auditors' fees
- Production and circulation of minutes, agendas and annual reports
- Maintaining a website
- Stationery
- Photocopying
- Postage
- Travel costs
- Telephone costs
- Accommodation lets
- Affiliation fees
- Subscriptions
- Bank charges
- Advertising
- General Publicity and promotional activities.
- Consultation with the community.

As is explained below, Community Councils can, **if they so wish**, also use funds from their Project Grant to meet costs of the type detailed above.

Any unspent Administrative Grant can be carried forward at the Year End subject to the limits detailed at Part 6 of this document, and from the point it is so carried forward will be treated and governed as Project Grant.

Part 4 – Use of the Project Grant

A Community Council is entitled to use its Project Grant to fund such project or projects as it wishes within its Community Council Area which it is reasonably satisfied is or are likely to advance, promote or improve the well-being of any part of its Community Council Area and/or any person or persons resident or present within that area.

Community Councils must have regard to such guidance as the Council or the Head of Service may from time to time produce on how a Community Council should select projects to progress and assess the benefits of such projects for its community.

Community Councils may use their Project Grant for the purposes of meeting reasonable and appropriate operational and administration costs as detailed at Part 3 above, should they so wish.

Community Councils **may not** use sums released to them as Project Grant for purposes other than those set out at Part 3 above or at this Part 4.

Community Councils are not required to spend all of their Project Grant in the Financial Year in question and any unspent sum can be carried forward subject to the limits outlined at Part 6 of this document.

Community Councils should note this document deals only with the Community Council Grant, and that they may be able to apply for other forms of grant funding both from the Inverclyde Council and from other sources of grant funding.

Part 5 – Getting the Community Council Grant

A Community Council may request release of its Community Council Grant for a given Financial Year, referred to in the Scheme as the “**Grant Year**”, at any point in the Grant Year. In the Scheme “**Previous Year**” means the Financial Year immediately prior to the Grant Year.

The request should be sent to the Community Council Liaison Officer on community.councils@inverclyde.gov.uk or the using the contact details shown on the Council website at www.inverclyde.gov.uk/communitycouncils .

Following such a request, the Community Council Grant for the Grant Year will not be released until such time as the Community Council Liaison Officer has been provided with:

1. the finalised Annual Accounts of the Community Council for the Previous Year (see comments below);
2. copies of the approved minutes of at least 6 quorate ordinary meetings of the Community Council (or such other minimum number of as the Scheme may from time to time require) which took place in the course of the Previous Year;
3. a copy of the approved minute of the Annual General Meeting of the Community Council which took place in the Previous Year, and which shows that meeting as quorate;
4. a copy of the minute of the Annual General Meeting of the Community Council which took place in the Grant Year showing the Annual Accounts as being approved by the Community Council, and which shows that meeting as quorate;
5. a copy of a bank statement in respect of the Community Council’s bank account showing the balance held at the end of the Previous Year; and
6. satisfactory responses to any queries raised by the Community Council Liaison Officer in respect of any of items 1 to 5 above.

The Annual Accounts in terms of item 1 will require to comply with the terms of the Scheme and with the guidance issued by the Council from time to time as regards the form and content of such accounts³, and in particular to be counter signed and verified by two independent examiners unconnected with the particular Community Council.

In light of the funding scheme introduced by this document, it would assist the Council’s staff if Community Councils indicated against individual items or headings of expenditure on their Annual Accounts if they consider them to be Project Grant spending or Administrative Grant spending.

Where a Community Council is established in an area which previously had no Community Council, then:

- that Community Council will be entitled to release of the Community Council Grant for the Grant Year in which they are established without providing the information detailed at items 1 to 5 above; and

³ At the time of this document, the guidance in force was approved by the Council at the meeting of the Regeneration Committee on 19th January 2012

- as regards the Grant Year immediately subsequent to the first Financial Year in which they are so established, the Head of Service shall have discretion to make an appropriate reduction in the number of minutes of meetings in that First Financial Year the Community Council is required to exhibit, to take account of the fact that the Community Council was not established for the whole of that first Financial Year.

If a Community Council, for a given Grant Year, has not by the end of the Grant Year:

- requested its Grant for that Grant Year; **and**
- provided the information detailed at items 1 to 6 above to the Community Council Liaison Officer,

then the Grant for that Grant Year will no longer be available.

Where the Head of Service has reasonable grounds for believing that the a Community Council has breached either or both of the terms of the Scheme or this Scheme of Funding for Community Councils, then said Head of Service will be entitled to withhold payment of a Community Council Grant to that Community Council until such times as the Head of Service is satisfied **either:**

- that there has been no such breach; **or**
- having received an explanation as to the facts and circumstances surrounding a breach, that it is reasonable and appropriate that the Community Council Grant be paid.

Part 6 – Carrying Balances Forward

It is recognised that Community Councils may wish to carry forward surplus funds of Community Council Grant from one Financial Year to another. This is permitted as so doing encourages forward planning for larger projects or administrative outlays. Any funds so carried forward will from that point be treated as and subject to the restrictions on Project Grant, whether or not at the point of release they were Project Grant or Administrative Grant.

The Council is however obliged to ensure appropriate stewardship of public funds, and it would not be appropriate for the funding scheme set out here to permit an indefinite accumulation of grant funds.

There will therefore, in a given Financial Year, be a reduction in the available grant on the following basis.

With reference to a given Grant Year, where the balance of Community Council Grant funds (“**the Previous Balance**”) held by the Community Council at the end of the Previous Year exceeds the Permitted Balance set out below, then the amount of Community Council Grant available for that Community Council in the Grant Year shall be reduced by the difference between the Previous Balance and the Permitted Balance.

For the purposes of the last paragraph, “**the Permitted Balance**” shall be the sum of:

- a) Administrative Grant that would otherwise have been made available in the Grant Year; plus
- b) Four times the Project Grant that would otherwise have been made available for the Grant Year.

Appendix 3 – Proposed Guide to Community Council Grants

Inverclyde Council - Guide to Community Council Grants

Introduction

Each Community Council has an annual Community Council Grant available to it, calculated on the basis of:

- an Administrative Grant of £500; and
- a Project Grant, which varies from year to year and according to the population of a Community Council Area.

This is set out in the Inverclyde Council Scheme of Funding for Community Councils (the Funding Scheme) approved on 11 and this guide is a summary of that Funding Scheme.

The table below has an example of how the Community Council Grant is calculated, and the Council's Community Council Liaison Officer (CCLO) can also provide information and guidance.

The CCLO can be emailed on community.councils@inverclyde.gov.uk or contacted on using the details shown at www.inverclyde.gov.uk/communitycouncils.

Community Councils should note they may also be able to apply for other forms of grant funding both from the Council and from other funding providers.

Administrative Grant

Administrative Grant can **only** be used to meet reasonable and appropriate operational and administration costs, examples of which are:

- Insurance
- Auditors' fees
- Production and circulation of Minutes, agenda and annual reports
- Maintaining a website
- Stationery
- Photocopying
- Postage
- Travel costs
- Telephone costs
- Accommodation lets
- Affiliation fees
- Subscriptions
- Bank charges
- Advertising
- General Publicity and promotional activities.
- Consultation with the community.

A Community Council can carry forward unspent sums at the Year End as explained further at the end of this guide.

Project Grant

The Project Grant enables a Community Council to fund projects within its community which, having regard to any guidance issued by the Council, it feels are

likely to advance, promote or improve the well-being of any part of its Community Council Area or anyone living in that area.

There are a wide range of possible projects that could be undertaken, examples of which include:

- Funding installation of a community defibrillator;
- Organising a community “litter pick”;
- Organising seasonal community events; or
- Pursuing or participating in a community asset transfer.

These are only examples however, and the Project Grant could be used for a wide variety and scale of imaginative community led projects.

Depending on the nature of the project, Community Councils should take into account any future funding it might need, for example ongoing maintenance and running costs, as well as the any initial costs of setting up the project.

A Community Council can, if it wishes, use the Project Grant for operational and administrative costs in the same way as their Administrative Grant.

A Community Council can carry forward unspent balances at the Year End as explained further at the end of this guide.

Example Grant Calculation

As stated above, the Community Council Grant varies from year. The following table sets out an example of the grant calculation under the Funding Scheme and based on the 2018/19 budget.

Community Council Budget		£17,310.00			
LESS deductions		£637.78			
Total budget for Community Council Grants		£16,672.22			
		Community Council Grant			
Community Council	Population	Administrative	Project	Total	
1 Gourock	8690	£500.00	£1,242.31	£1,742.31	
2 Greenock Central	10045	£500.00	£1,436.02	£1,936.02	
3 Greenock East	9051	£500.00	£1,293.92	£1,793.92	
4 Greenock Southwest	5870	£500.00	£839.17	£1,339.17	
5 Greenock West & Cardwell Bay	9166	£500.00	£1,310.36	£1,810.36	
6 Holefarm & Cowdenknowes	2193	£500.00	£313.51	£813.51	
7 Inverkip & Wemyss Bay	6239	£500.00	£891.92	£1,391.92	
8 Kilmacolm	5284	£500.00	£755.39	£1,255.39	
9 Larkfield, Braeside & Branchton	7000	£500.00	£1,000.71	£1,500.71	
10 Port Glasgow East	7668	£500.00	£1,096.21	£1,596.21	
11 Port Glasgow West	6944	£500.00	£992.70	£1,492.70	
Total	78150	£5,500.00	£11,172.22	£16,672.22	

Getting the Grant

A Community Council should send a request for release of the Community Council Grant for a given Grant Year to CCLO, and provide the following:

1. the Community Council's finalised Annual Accounts for the previous Grant Year (complying with the Scheme and any guidance in force at the time);
2. minutes for at least 6 ordinary meetings of the Community Council in the Previous Grant Year;
3. the minute of the Annual General Meeting of the Community Council in the Previous Grant Year;
4. the minute of the Annual General Meeting of the Community Council in the Grant Year showing the Annual Accounts as being approved;
5. a copy of a current bank statement for the Community Council's bank account tying in with the year end balance in terms of the Annual Accounts; and
6. satisfactory responses to any queries raised by the CCLO in respect of any of items 1 to 5 above.

If a Community Council has not provided all of the above by the end of the Grant Year, then that Community Council will no longer be entitled to the Community Council Grant for that Grant Year. Unclaimed Grant will not be carried forward from one Financial Year to the next.

If the balance of Community Council Grant funding held by a Community Council as at 31 March is more than the total the following figure:

Administrative Grant + (4 x Project Grant)

the Community Council Grant available to the Community Council in the following Grant Year will be reduced accordingly.

Any Administrative Grant carried forward to subsequent years will thereafter be treated as Project Grant.

The CCLO can be contacted for information and guidance on the above.

Appendix 4 – Example of Grant Calculation under Existing Funding Model

Community Council		Population (2011 SIMD)	% of Grant	Basic Grant	Enhanced Grant	Total Grant	Variation in proposed scheme
1	Gourock	8600	10.61%	£700.00	£951.67	£1,651.67	£90.64
2	Greenock Central	11838	14.60%	£700.00	£1,309.98	£2,009.98	-£73.96
3	Greenock East	8217	10.13%	£700.00	£909.28	£1,609.28	£184.64
4	Greenock Southwest	6135	7.57%	£700.00	£678.89	£1,378.89	-£39.72
5	Greenock West & Cardwell Bay	11263	13.89%	£700.00	£1,246.35	£1,946.35	-£135.99
6	Holefarm & Cowdenknowes	2351	2.90%	£700.00	£260.16	£960.16	-£146.65
7	Inverkip & Wemyss Bay	5314	6.55%	£700.00	£588.04	£1,288.04	£103.88
8	Kilmacolm	5107	6.30%	£700.00	£565.13	£1,265.13	-£9.74
9	Larkfield, Braeside & Branchton	7050	8.70%	£700.00	£780.14	£1,480.14	£20.57
10	Port Glasgow East	8215	10.13%	£700.00	£909.06	£1,609.06	-£12.86
11	Port Glasgow West	6990	8.62%	£700.00	£773.51	£1,473.51	£19.20
Total		81080	100.00%	£7,700.00	£8,972.22	£16,672.22	£0.00

Total Population (per above)	81080
Enhanced Grant per capita (Remaining Budget ÷ Total Population)	£0.11

Appendix 5 – Balances of Grant presently held by or available to Community Councils

Community Council	Avail 18/19 Grant	Avail 19/20 Grant	Current Bal (See Notes)	TOTAL (if avail grants paid)	Notes (where based on annual accounts, actual current balance expected to be less)
Gourock Community Council	£1,688.79	£1,651.67	£422.15	£3,762.61	Based on accounts for year 2018/19 and further figures.
Greenock South West Community Council	£1,405.35	£1,378.89	£2,457.80	£5,242.04	Current Bal as confirmed by CC at Mar '20. This figure assumes separate external funding received by them is unspent.
Greenock West and Cardwell Bay Community Council	Paid	Paid	£3,524.46	£5,470.81	Current Bal as confirmed by CC at Feb '20 plus 19/20 grant subsequently released. All admin grant funds.
Inverkip and Wemyss Bay Community Council	Paid	£1,288.04	£4,908.17	£6,196.21	Based on accounts for year 2018/19 plus 18/19 grant subsequently released.
Kilmacolm Community Council	Paid	Paid	£4,253.09	£4,253.09	Current Bal is as at Jan '20 provided by CC. They hold additional balances by way of fund raising and grant funding provided through RI for Village Centre Improvements.
Larkfield, Braeside and Branchton Community Council	£1,510.58	£1,480.14	£1,277.24	£4,267.96	Current Bal as confirmed by CC at Mar '20.
Port Glasgow West Community Council	£1,503.68	£1,473.51	£2,500.00	£5,477.19	Current Bal estimate provided by CC as at Jan '20 - expenses to be reimbursed being finalised and accounted for.
TOTAL				£34,669.91	

Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/62/20/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Use of Anti-Poverty Funds – Remit from the Policy & Resources Executive Sub-Committee		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the approval of the Policy & Resources Committee for various Anti-Poverty initiatives to be progressed in the current financial year.

2.0 SUMMARY

- 2.1 As part of the 2020/21 Budget the Council and IJB allocated £1 million for Anti-Poverty initiatives and in March 2020 a process was agreed through the Alliance Board and the Policy & Resources Committee as to how the sum was to be allocated and the use determined.
- 2.2 The intervention of the Covid pandemic changed matters and made progression of the process to identify the use of the originally approved £1 million impossible. Additionally extra funding from the Council and Scottish Government has supported a number of interventions during the Covid period to those most vulnerable within the community.
- 2.3 The Policy & Resources Executive Sub Committee has approved a number of projects to support families and vulnerable individuals and requested that Officers present a report to the August Policy & Resources Committee indicating how support could be maintained or developed during 2020/21 to ensure that the £1million funding allocated is utilised.
- 2.4 A Senior Officer group has considered options to deliver on the remit from the Policy & Resources Committee and these are detailed within the body of the report and supporting Appendix. The proposals total £1.5million and would largely be delivered over the next 12 months.
- 2.5 It would be intended that as part of the 2021/23 Revenue Budget that a review of these proposals takes place informed by the Covid Recovery Plans to ensure that supports provided are sustainable and help drive a real reduction of levels of poverty and deprivation within Inverclyde.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves the proposals in the report for the utilisation of the Anti-Poverty £1million and other funding received from the Scottish Government.
- 3.2 It is recommended that the Committee notes that a follow up report providing more detail of the Food Insecurity, Digital Connectivity and Community Grants proposals will be presented to the Education & Communities Committee on 1 September.

4.0 BACKGROUND

- 4.1 As part of the 2021 Revenue Budget the Council and IJB allocated £1 million from the recurring revenue budget to create a resource to progress sustainable initiatives to reduce poverty and deprivation within Inverclyde. The creation of this budget was partially informed by the SMID data which was released in February which showed Inverclyde had the most deprived data zone in Scotland and had the second highest number of data zones in the bottom 20% behind Glasgow.
- 4.2 A report was presented to the Inverclyde Alliance and the Policy & Resources Committee in March which proposed a timescale and methodology for identifying projects on both a locality and Council wide basis but unfortunately due to the impact of Covid this timetable and process was unable to be progressed.
- 4.3 Throughout the Covid period the Council and partners have been delivering a wide range of supports to vulnerable individuals and families around food, direct financial, digital and humanitarian aid. The funding for these initiatives has come from a number of sources including the Scottish Government, Council and IJB and has been significantly enhanced by the involvement of Community Groups and a large number of volunteers.
- 4.4 Whilst the number of Covid cases has greatly reduced within the population, the impact of the 4 month lockdown and the gradual withdrawal of Government funding will result in a high level of need within the Inverclyde Community for some time to come.

5.0 PROPOSALS

- 5.1 A Senior Officer group has reviewed options across a number of interventions and funding streams and the proposals are included in the following paragraphs.

Officers recognise the current need to get a balance between proposals which provide a sustainable improvement in the lives of those impacted by poverty and deprivation whilst also recognising that the need for many is immediate and therefore short term interventions will also have a significant part to play. Therefore work will take place during coming months to develop proposals which capture the themes of Homelessness and Addictions which were also included in the plans approved by the Alliance in addition to the proposals around Employment/Employability and Food Insecurity included in this report.

- 5.2 **Employment Opportunities and Employability £657,000** – Young adults (16-24) in Inverclyde are less likely to have a Modern Apprenticeship compared to Scotland. Overall participation rates for 16-19 year olds are comparable to other parts of Scotland but young people in Inverclyde are less likely to be in employment and more likely to be in education.

Last year the Council developed a pre-apprenticeship pilot for twelve pupils, primarily in S4, who were not fully engaged in school who may benefit from being taken out of school for vocational training purposes. Despite the impact of COVID-19, five of the pupils in the childcare group achieved an SCQF level 4 qualification in childcare whilst the Engineering and Construction cohort all achieved SCQF level 4 units in a variety of related topics.

The Senior Officer group proposes developing a bridge between school and the success of the Council's existing modern apprenticeship programme. It is proposed to offer the pre-apprenticeship programme for a second cohort of twelve pupils from across Inverclyde between August 20 and June 21. In addition it is proposed to offer a level 2 apprenticeship to the year 1 cohort in the area of last year's development over a period of 18 months from August 2020. Finally it is proposed to offer the five modern apprentices who are due to finish on the Council's existing modern apprenticeship programme a two year contract at an entry level post to allow them time to gain further experience and enhance their job prospects.

The above is estimated to cost £532,000 (Spend in 2020 - £233k, 2021 – £299k).

It is also proposed to create an Inverclyde Furlough Scheme which would support 20 employees with 50% of their wages for 6 months in those sectors where jobs are most at risk. If approved this scheme would commence in October at a cost of £125,000. The scheme is clearly scalable should Members wish to allocate greater resources.

- 5.3 **Food Insecurity £210,000** – The Council has provided a £25 per fortnight payment to every child/young person entitled to receive free school meals throughout the Covid period. The current scheme costs approximately £80,000 per fortnight and is due to end on 28 August and has benefited approximately 3,700 children. The Senior Officer group recognises that the Christmas period puts a major financial strain on families with limited income and would propose that a one off payment made in the middle of December to each child/young person in receipt of free school meals and would allow qualifying families to buy healthier food over the Christmas period. On the basis of a one off payment of £40 this would cost approximately £150,000.

In addition to the FareShare community food initiative already being funded for a further 12 months, there is an opportunity to establish local Food Pantries across the 3 localities with the greatest inequalities. The Food Pantry organisation is offering to support local authorities and third sector organisations develop a concept and build on their framework of good practice. The Food Pantry is set out as a shop and displays a variety of good quality food, sourced from FareShare Glasgow, where members of the community can choose from a subscription and/or membership fee. The pantry model targets those on a low income and/or recovering from crisis providing fresh and healthy food at a price that is affordable.

The initial cost of membership to the Food Pantry will be £500.00 plus £60,000 start-up costs to recruit, support and facilitate and co-ordinate volunteers, costs associated with leasing premises. It would be intended to provide more detail of the proposals around this initiative and an update on use of the Food Fund at the next meeting of the Education & Communities Committee.

- 5.4 **Welfare Support £370,000** - The Scottish Government allocated £5 million as a one off sum to Councils to allow more generous Discretionary Housing Payments to be made during the Covid period. The Council received £71,000. Following analysis of the current Housing Benefit and DHP data it is proposed to award DHP up to 100% of the difference between Universal Credit Housing costs or Housing Benefit entitlement and the eligible rent capped at £200 per month with the payment being made for a period of no more than 6 months. This will provide short term help which is in line with the purpose of DHP and would allow households time to improve their circumstances by finding employment or moving to more affordable homes. This payment would be applicable in the Private Rented Sector. The estimated cost of this scheme would be capped at £150,000 with the balance of £80,000 coming from the existing DHP budget.

The Council maintained the payment of Crisis Grants throughout the Covid period and took the decision in March to increase payments by 20% to provide greater financial support to those in most need. It is recommended that the 20% enhanced payment is continued. In addition it is proposed that the Community Care Grant which assists with individuals setting up home be paid to not only high priority cases but also medium priority cases. This will allow payment to be made to more individuals and for additional items for the home including washing machines, floor coverings and additional furniture. The cost of the 2 proposals together for the period to 30 June, 2021 is approximately £220,000 and would be contained in the one off extra funding allocation by the Scottish Government for Crisis Grants.

- 5.5 **Digital Connectivity £60,000** – Community feedback has identified that digital exclusion is a significant issue which has been highlighted by the need for on-line communications during lockdown. A short life officer working group has been formed to look at how the Council could best provide support to individuals and it would be intended to report back to the Education & Communities Committee on 1 September to get approval for a locally delivered scheme. At this time the Committee is asked to agree in principle to the allocation of £60,000 to provide connectivity and support to this project.

In addition the Council has received an allocation of £433,000 from the Scottish Government to ensure that all secondary school pupils in receipt of free school meals have access to an appropriate device and connectivity. This makes significant inroads into many households suffering from digital exclusion. The Council has previously approved an £80,000 investment from the Anti-Poverty earmarked reserves to provide free Wi-Fi for a five year period in 8 Community Centres in addition to the existing infrastructure within the Council Libraries estate.

5.6 **Strengthening the Community/3rd Sector Base £200,000** – There is an opportunity to build on the excellent Community response to the Covid pandemic to improve capacity and resilience. Many groups received financial support from time limited Scottish Government schemes and it is proposed that the Council creates a fund to receive applications for support to allow projects which support the vulnerable and isolated to continue and that distribution be linked to the Covid Recovery Action Plans.

5.7 **Financial Inclusion £5000** - The Tail of the Bank Credit Union does not receive NDR relief due to the level of rateable value. NDR represents a considerable drain on resources and it is proposed to allocate £5,000 as the Council's contribution towards 100% relief from 2020/21. There are discussions regarding other actions which could be taken to support increased uptake of Credit Union services and developments will be reported to Committees as part of the regular Welfare Reforms report.

6.0 IMPLICATIONS

6.1 Finance

It would be proposed that any unspent sums from the £1million allocated to Anti-Poverty initiatives in 2020/21 at 31 March, 2021 be added to the Anti-Poverty Earmarked reserves and utilised as outlined in this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Anti Poverty Initiatives	Various	2020/21	£1.072million		£72,000 to be met from the Anti-Poverty EMR For Food Pantries
Finance	DHP/SWF	2020/21	£0.370million		
Food Fund	Various	2020/21	£60,000		

Annually Recurring Costs/ (Savings)

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

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

There are no HR implications arising from this report.

6.4 Equalities

Equalities

- (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

All these initiatives will encourage individuals and families to remain within Inverclyde and help stabilise the population.

7.0 CONSULTATIONS

- 7.1 The Corporate Management Team support the proposals in this report.

8.0 BACKGROUND PAPERS

- 8.1 None

Anti Poverty Proposals

<u>Employment/Employability</u>	Lead	Funding Source		
		£000	£1million	Other
a) Young Persons Jobs Scheme	S Jamieson	532	532	
b) Inverclyde Furlough Scheme	S Jamieson	125	125	
<u>Food Insecurity</u>				
a) Christmas Holiday Hunger	R Binks	150	150	
b) Food Pantries	R Binks	60		60
<u>Discretionary Housing Payments</u>				
a) Increased support, private rental sector tenants	A Puckrin	150		150
<u>Scottish Welfare Fund</u>				
a) Amended criteria - Community Care Grants	A Puckrin	220		220
<u>Digital Connectivity</u>				
a) Connectivity for 360 Devices for 12 months	R Binks	60	60	
<u>Strengthening Community/3rd Sector Base</u>				
a) Build on support and engagement provided by community/3rd Sector	R Binks	200	200	
<u>Financial Inclusion</u>				
a) NDR Support - Tail of the bank Credit Union	A Puckrin	5	5	
		1502	1072	430

AP/LA 14/7/20