Inverclyde
council

Municipal Buildings, Greenock PA15 1LY

Ref: CMD

Date: 10 March 2023

A meeting of the Policy & Resources Committee will be held on Tuesday 21 March 2023 at 3pm.

Members may attend the meeting in person or via remote online access. Webex joining details will be sent to Members and Officers prior to the meeting. Members are requested to notify Committee Services by 12 noon on Monday 20 March 2023 how they intend to access the meeting.

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

Please note that this meeting will be live-streamed via YouTube with the exception of any business which is treated as exempt in terms of the Local Government (Scotland) Act 1973 as amended.

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IAIN STRACHAN
Head of Legal & Democratic Services

BUSINESS

** Copy to follow

1.	**Apologies, Substitutions and Declarations of Interest**	Page
PERFORMANCE MANAGEMENT		
2.	**2022/23 Policy & Resources Committee and General Fund Revenue Budget Update as at 31 January 2023** Report by Interim Director Finance & Corporate Governance, Corporate Director Education, Communities & Organisational Development and Chief Executive	**p**
3.	**Policy & Resources Capital Budget and 2022/26 Capital Programme** Report by Interim Director, Finance & Corporate Governance	**p**
4.	**Finance Update** Report by Interim Director, Finance & Corporate Governance	**p**
5.	**Corporate Policy Update** Report by Corporate Director Education, Communities & Organisational Development	**p**
NEW BUSINESS		
6.	**Capital Strategy 2023-2033 and Treasury Management Strategy Statement & Annual Investment Strategy 2023/24-2026/27** Report by Interim Director, Finance & Corporate Governance	**p**

7.	**Council Plan and Partnership Plan 2023 and New Performance Management Strategy** Report by Corporate Director Education, Communities & Organisational Development	**p**
8. **	**Local Government Benchmarking Framework 2021/22** Report by Head of Organisational Development, Policy & Communications	**p**
9.	**Anti-Poverty Funding Update** Report by Corporate Director Education, Communities and Organisational Development	**p**
10.	**Digital Modernisation** Report by Interim Director, Finance & Corporate Governance	**p**
11.	**Energy Bills – Notice of Motion by Councillor Reynolds** Report by Head of Legal & Democratic Services	**p**
REMITS FROM COMMITTEES		
12.	**Inverclyde Council Criminal Finances Act 2017 Policy – Remit from Audit Committee** Report by Head of Legal & Democratic Services	**p**
The documentation relative to the following items has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in paragraph 1 of Part I of Schedule 7(A) of the Act.		
13. **	**Free Swimming for Under 16s – Remit from Education & Communities Committee** Report by Corporate Director Education, Communities and Organisational Development	**p**

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Enquiries to – **Colin MacDonald** – Tel 01475 712113

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Interim Director Finance & Corporate Governance and Corporate Director Education, Communities & Organisational Development, Chief Executive**	**Report No:**	**FIN/20/23/AP/AB**
Contact Officer:	**Alan Puckrin**	**Contact No:**	**01475 712090**
Subject:	**2022/23 Policy & Resources Committee and General Fund Revenue Budget Update as at 31 January 2023**		

1.0 PURPOSE AND SUMMARY

1.1 ☐For Decision   ☒For Information/Noting

1.2 The purpose of this report is to advise Committee of the 2022/23 Committee Revenue Budget projected position at 31 January 2023 and the overall General Fund Revenue Budget projection at this date. The report also highlights the position of the General Fund Reserve.

1.3 The revised 2022/23 Revenue Budget for the Policy & Resources Committee is £19,377,000 excluding Earmarked Reserves. The latest projection is an overspend of £809,000 (4%) and is almost entirely down to projected pay and non-pay inflation pressures which are being held centrally, off-set with additional Internal Resource Interest due to the increase in interest rates. This represents a decrease in projected overspend of £232,000 since the Period 8 report.

1.4 At January 2023 the General Fund is projecting an underspend of £861,000 after the one-off use of £4million of Reserves which was agreed by the Council in February 2022 when Members approved the 2022/23 Revenue Budget. Based on these figures the Council's unallocated Reserves are currently projected to be £2.081million more than the minimum recommended level of £4.0million by 31 March, 2023. Decisions on the allocation of £18.7million from Reserves were taken by the Council on 2 March 2023.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee note the current projected overspend for 2022/23 of £809,000 as at 31 January 2023 within the Committee's Budget.

2.2 It is recommended that the Committee notes the projected 2022/23 surplus of £18,340 for the Common Good Budget.

2.3 It is recommended that the Committee notes the projected underspend of £861,000 for the General Fund and the projected surplus reserves of £2.081million at 31 March, 2023.

Alan Puckrin
Interim Director
Finance & Corporate Governance

Ruth Binks
Corporate Director
Education, Communities
& Organisational Development

Louise Long
Chief Executive

3.0 BACKGROUND AND CONTEXT

3.1 The revised 2022/23 Revenue Budget for the Policy & Resources Committee is £19,377,000 excluding Earmarked Reserves. This is a decrease of £2,315,000 from the approved budget due to additional funding from the Scottish Government for the Local Pay Offer partly offset by allocations to services from the pay and non-pay inflation allowance. Appendix 1 gives more details of this budget movement.

3.2 **2022/23 Projected Outturn – Policy & Resources Committee Budget (£809,000 Overspend 4%)**

The main projected variances contributing to the net overspend are listed below –

(a) Projected underspend of £73,000 for Finance/ICT Employee costs due to exceeding turnover targets.

(b) ICT Computer Software Maintenance projected underspend £39,000.

(c) Projecting an underspend within Revenues of £75,000 due to one-off administration income relating to the Cost of Living grant payments. This underspend will be off-set with various administrative costs all under £20,000.

(d) Projecting an over-recovery of £54,000 within Income Recharges for ICT service recharges for computer equipment.

(e) Projected overspend of £50,000 for Legal Employee costs due to turnover target not yet met.

(f) Projected overspend of £1,300,000 for the Non-Pay Inflation Contingency largely due to rising utility and fuel costs and contracts linked to rates of RPI.

(g) Projected shortfall of £1,400,000 in the Pay Inflation allowance based on the 2022/23 SJC Pay Award and after netting off an additional £2.167 million recurring funding and one-off funding of £1.867 million from the Scottish Government. The projection assumes the IJB will receive £1.1 million share of this additional funding in 2022/23.

(h) Projected over-recovery of £1,800,000 from Internal Resource Interest due to current interest rates as reported as part of the December Financial Strategy.

More details are shown in Appendices 2 and 3

3.3 **Earmarked Reserves**

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to date is currently £5,314,000 largely due to the delivery of the Council Cost of Living payments. Appendix 7 gives a summary breakdown of the current earmarked reserves position. It can be seen that expenditure at 31 January was £18,909,000 which is £567,000 (3.09%) more than the phased budget and 49.94% of projected 2022/23 spend.

3.4 **Common Good Fund**

The Common Good Fund is projecting a surplus in 2022/23 of £18,340 as shown in Appendix 5 and which results in projected surplus fund balance of £124,110 at 31 March 2023.

3.5 **General Fund Budget & Reserves Position**

Appendix 6 shows that as at 31 January 2023 the General Fund is projecting a £861,000 underspend (excluding Health & Social Care) which represents 0.38% of the net Revenue Budget. This is a reduction in expenditure of £1,073,000 since P8 mainly due to £400,000 savings from Teachers strike days, £252,000 additional turnover savings from Education and Environmental Services, £86,000 additional crematorium income and £100,000 less call on the non-pay Inflation Contingency.

3.6 Appendix 8 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2023 is £6.081 million which is £2.081 million above the minimum recommended balance of £4 million. Further additions to the Reserves beyond 2022/23 have been identified as part of the 2023/25 Budget and their use was approved by the Council on 2 March 2023.

4.0 IMPLICATIONS

4.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial		x	
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

4.2 **Finance**

As has been previously reported the Council is facing financial challenges it has not faced before and decisions will need to be taken in coming months to ensure the Council's Budget, service delivery requirements and priorities remain affordable in the medium term.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

4.3 **Legal/Risk**

The approved Governance Documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event approved limits are projected to be breached.

4.4 **Human Resources**

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

4.5 **Strategic**

The current and projected financial position will require to be borne in mind when developing the forthcoming strategic plans for the Council.

5.0 CONSULTATION

5.1 The Chief Executive and Corporate Director Education, Communities and OD have been consulted in the preparation of this report.

6.0 BACKGROUND PAPERS

6.1 There are no background papers.

Policy & Resources Budget Movement - 2022/23

Period 10: 1 April 2022 - 31 January 2023

| | Approved Budget | Movements | | | | Revised Budget |
| | 2022/23 | Inflation | Virement | Supplementary Budgets | Transferred to EMR | 2022/23 |
Service	£000	£000	£000	£000	£000	£000
Finance	7,555	512	40	500	0	8,607
Legal	1,961	115	6	0	0	2,082
Organisational Development, Policy & Communications	2,115	131	23	0	0	2,269
Chief Exec	331	13	0	0	0	344
Miscellaneous	9,730	(6,425)	0	3,422	(652)	6,075
Totals	21,692	(5,654)	69	3,922	(652)	19,377

Supplementary Budget Detail   £000

Inflation
Benefit Subsidy 2022/23 Inflation	186
Finance & ICT - Inflation adjustments	16
P&R Pay Award 22/23	541
Legal: HOS Overbudgeted, transfer to Inflation Contingency	(7)
Legal - Team Lead Pay Inflation	2
HR - Occupational Health contract increase	33
Miscellaneous - Pay Inflation allocated out	(3,573)
Miscellaneous - Non Pay Inflation allocated out	(2,852)
	(5,654)

Virements
Finance (ICT): New Ways of Working	40
Legal - Additional Senior Allowances Councillors	6
HR - Corp Comms Money for Post 78069 Team Lead	23
	69

Supplementary Budgets
Revenues Redeterminations 2022/23	500
Miscellaneous - SG Local Pay Offer Allocation (Ex-HSCP)	3,422
	3,922

Total Inflation & Virements   **(1,663)**

POLICY & RESOURCES

Appendix 2

REVENUE BUDGET MONITORING REPORT

CURRENT POSITION

Period 10: 1 April 2022 - 31 January 2023

2021/22 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
8,144	Employee Costs	8,366	8,895	8,864	(31)	(0.3%)
487	Property Costs	569	569	569	0	-
905	Supplies & Services	888	901	949	48	5.3%
1	Transport & Plant	4	4	4	0	-
1,253	Administration Costs	1,295	1,303	1,222	(81)	(6.2%)
29,661	Payments to Other Bodies	39,866	37,650	38,436	786	2.1%
(26,838)	Income	(29,296)	(29,293)	(29,206)	87	(0.3%)
13,612	**TOTAL NET EXPENDITURE**	**21,692**	**20,029**	**20,838**	**809**	4.0%
	Earmarked reserves		(652)	(652)	0	
13,612	**Total Net Expenditure excluding Earmarked Reserves**	**21,692**	**19,377**	**20,186**	**809**	

2021/22 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
7,487	Finance	7,555	8,607	8,383	(224)	(2.6%)
1,353	Legal Services	1,961	2,082	2,176	94	4.5%
8,840	**Total Net Expenditure Environment, Regeneration & Resources**	**9,516**	**10,689**	**10,559**	**(130)**	(1.2%)
2,117	Organisational Development, Policy & Communications	2,115	2,269	2,289	20	0.9%
2,117	**Total Net Expenditure Education, Communities & Organisational Development**	**2,115**	**2,269**	**2,289**	**20**	0.9%
337	Chief Executive	331	344	357	13	3.8%
2,318	Miscellaneous	9,730	6,727	7,633	906	13.5%
13,612	**TOTAL NET EXPENDITURE**	**21,692**	**20,029**	**20,838**	**809**	4.0%
	Earmarked reserves		(652)	(652)		
13,612	**Total Net Expenditure excluding Earmarked Reserves**	**21,692**	**19,377**	**20,186**	**809**	

POLICY RESOURCES

REVENUE BUGET MONITORING REPORT

MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)

Period 10: 1 April 2022 - 31 January 2023

Outturn 2021/22 £000	Budget Heading	Budget 2022/23 £000	Proportion of Budget £000	Actual to 31/01/23 £000	Projection 2022/23 £000	Over/(Under) Budget £000
	Finance/ICT Services					
4,753	Employee Costs	4,879	4,090	3,940	4,806	(73)
24,407	Revenues - Benefits & Allowances	27,962	23,302	20,017	27,914	(48)
(33)	Revenues - Bad Debt Provision	0	0	15	20	20
0	Revenues - Cost of Living Award (Projected Under Spend is Funding For Admin Costs)	0	0	0	(75)	(75)
(271)	Revenues - Income - Statutory Additions	(294)	(245)	(203)	(274)	20
0	Revenues - Income- Council Tax Previous Years	(356)	(297)	0	(385)	(29)
(30)	ICT - Income - Recharges	0	0	(54)	(54)	(54)
0	ICT- Other Expenditure	40	33	0	1	(39)
	Legal Services					
1,321	Employee Costs	1,643	1,260	1,292	1,693	50
(576)	Income - Licenses	(471)	(393)	(212)	(443)	28
(10)	Income - Recharges Capital	(24)	(20)	(2)	(2)	22
	Organisational Development, Policy & Communications					
1,752	Employee Costs	1,925	1,477	1,442	1,905	(20)
	Miscellaneous Services					
1,014	Non Pay Inflation	2,927	2,007	2,007	4,227	1,300
2,816	Pay Inflation	2,876	3,573	3,573	4,276	1,400
(104)	Internal Resource Interest	(201)	0	0	(2,001)	(1,800)
35,039	**TOTAL MATERIAL VARIANCES**	**40,906**	**34,788**	**31,815**	**41,608**	**702**

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Category	Project	Lead Officer/ Responsible Manager	Total Funding 2022/23 £000	Phased Budget P10 2022/23 £000	Actual 31/01/2023 2022/23 £000	Projected Spend 2022/23 £000	Amount to be Earmarked for 2023/24 & Beyond £000	Lead Officer Update
B	Early Retiral/Voluntary Severance Reserve	Alan Puckrin	1,473	0	0	0	1,473	Significant call expected on the reserve due to 23/25 Budget gap. High likelihood that more funding will be needed.
C	Equal Pay	Steven McNab	100	0	0	0	100	Balance for equal pay which is under review on an annual basis after £100k write back.
C	Digital Strategy	Alan Puckrin	160	0	49	66	94	Project officer £70k over 2 years starting 01/10/21. £68k uncommitted. All needed for new ways of working project.
C	Welfare Reform - Operational	Alan Puckrin	117	0	63	68	49	£49k unallocated balance which will be used from 23/24 following £36k approved write back.
B	Cloud Technology	Alan Puckrin	176	0	20	20	156	Cloud Migration Analyst started 23/08/21 for 1 year before post is mainstreamed. Balance required for modernisation project.
C	Anti-Poverty Fund	Ruth Binks	1,716	758	965	1,520	196	£763k of funding relates to c/f of the recurring element of the Anti Poverty fund and £309k relates to c/f for FSM holiday payments and bridging payments all of which will be fully spent. New funding relates to an underspend of SG FSM funding (£86k) and uncommitted Anti Poverty recurring budget (£559k). It is anticipated that this funding will be spent on a number of projects agreed by P&R in November 22 with a balance of £196k uncommitted.
C	Community Facilities Digital Inclusion	Alan Puckrin	16	0	2	2	14	Budget holders have confirmed that the project is delivered except for Grieve Road CC. £16k allocated for this. Balance approved for write back.
B	Loan Charge Funding Model	Alan Puckrin	337	0	0	0	337	December Finance Strategy forecast a balance of £0.4m by 31.3.23. Council agreed to allocate £1.2million to this reserve in 2023/24to address projected deficit over 2023/25.
C	GDPR	Iain Strachan	35	15	16	18	17	Information governance system contract (Workpro) awarded (2yr+1yr+1yr). Spend committed - £10k per year. Continued corporate training programme being organised.
C	Local Government Elections	Iain Strachan	110	110	110	110	0	Cost for May 2022 Local election. £140k approved from Committee - £30k in 2021/22 & £110k in 2022/23 within overspend of £18k being reported as part of Legal Services overspend on 2022/23.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Category	Project	Lead Officer/ Responsible Manager	Total Funding 2022/23 £000	Phased Budget P10 2022/23 £000	Actual 31/01/2023 2022/23 £000	Projected Spend 2022/23 £000	Amount to be Earmarked for 2023/24 & Beyond £000	Lead Officer Update
C	Contribution from the SG Omicron Funding - £350 Payment	Alan Puckrin	500	500	500	500	0	Complete.
B	2022/24 Budget Funding Reserve	Alan Puckrin	6,000	0	0	4,000	2,000	£4.0m approved for use 22/23
B	Covid - ICT Technicians to support Digital School Inclusion	Alan Puckrin	60	0	25	36	24	2 posts to 30.6.22, mainlined thereafter (from P4 being charged to 30.4.23 but with proposals, from P6, to extend). Both posts were filled from 1.11.21, but currently only one post filled/being charged to EMR.
B	Covid - Scottish Welfare Fund -Balance From 21/22	Alan Puckrin	40	0	0	40	0	All required 22/23.
CFCR	Capital funded from Current Revenue	Alan Puckrin	4,778	0	0	1,869	2,909	Due to be fully used by 31/03/23. £1.867m to be used to fund 2022/23 pay award offset by increase in SG Capital Grant.
C	Covid - Desks and Equipment	Steven McNab	6	14	5	6	0	Support Health and Safety of employees working at home providing equipment. This EMR is linked to DSE risk assessments of employees working at home. £8k budget to be written back.
C	Covid Recovery - Increased Occ Health Provision - 24 Months	Steven McNab	36	30	30	36	0	This EMR is mainly used for counselling services and providing mental health support during the covid recovery period.
C	Covid Recovery - Additional HR Support to Services - 24 Months	Steven McNab	48	40	40	48	0	Additional HR Support during the COVID Recovery period. HR Advisor ends on 15/08/23.
C	Covid Recovery - Flu Vaccines	Steven McNab	3	5	1	3	0	This EMR will be used to secure flu jabs and offered to employees through ICON and wider communcations. This rollout will be around December 2022. Uncommited £9k budget to be written back.
C	Covid Recovery - 2x Additional ICT Service Desk Technicians - 18 Months	Alan Puckrin	63	0	10	17	46	Approved P&R 25/05/21 - Covid Recovery Plans. 1 year temp Service Desk post funded from 1.9.22 to meet increased demand during hybrid working pilot
C	Extension of Corporate Policy Post	Steven McNab	44	0	0	0	44	Budget transfer from COVID Recovery budget to fund extension of Corporate Policy Post.
B	Tenant Hardship Fund	Alan Puckrin	59	0	59	59	0	All required 2022/23
C	Additional Payroll post - 12 Months	Steven McNab	28	22	23	28	0	Cost for senior clerical assistant within payroll team. The anticipated end date of post is 31/03/23.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Category	Project	Lead Officer/ Responsible Manager	Total Funding 2022/23 £000	Phased Budget P10 2022/23 £000	Actual 31/01/2023 2022/23 £000	Projected Spend 2022/23 £000	Amount to be Earmarked for 2023/24 & Beyond £000	Lead Officer Update
C	New Ways of Working	Steven McNab	286	91	37	142	144	Ongoing to the summer of 2023. Project requires 150k employee costs alongside 150k non employee other costs. The staffing requirement has a 22.2 hour post until 03/06/23 The non-employee costs relate to expenditure in rationalising office estate with regards to hybrid working that will see office refurbishments, relocation of staff and IT Costs that improve digital capabilites. It has also been agreed, this will fund the £7.6k captial requirement for Online form solutions Victoria Forms.
C	HR Resources	Steven McNab	92	0	0	0	92	This is Monies to fund the 2 HR employees for 2023/24. 40k has been agreed from Covid Jobs Refresh, 17k moved from L Bryceland EMR above to here. 35k moved to here from Discover Inverclyde EMR.
C	Contribution to IJB budget 2022/23	Alan Puckrin	550	0	0	550	0	Budget transferred to IJB March 2023
C	Support with Energy Bill Costs - £350 Payment	Alan Puckrin	2,948	3,000	2,948	2,948	0	£52k balance forms part of the £1.46million write back approved December Council.
C	Covid Recovery - Large Outdoor Festival 2022	Ruth Binks	350	350	350	350	0	Funding supported Meliora Festival, reported to September P&R - complete.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde - 2 Years	Ruth Binks	142	82	61	71	71	The EMR supports a new temporary two year communications officer (tourism) post to support local delivery of tourism activity in partnership with the discover Inverlcyde tourism partnership working towards the key priority areas to embed the 'discover Inverclyde' theme and call to action focussing on marketing priorities (food and drink; film and TV; outdoor activities and sports cruise ships; heritage and walking. The spend for this EMR will be 22/23 and 23/24. The two year post is funded from Nov 21 to Nov 23.
	Total Category A		**0**	**0**	**0**	**0**	**0**	
	Total Category B		**8,145**	**0**	**104**	**4,155**	**3,990**	
	Total Category C to E		**7,350**	**5,017**	**5,210**	**6,483**	**867**	
	Total CFCR		**4,778**	**0**	**0**	**1,869**	**2,909**	
	Overall Total Check		**20,273**	**5,017**	**5,314**	**12,507**	**7,766**	

COMMON GOOD FUND

REVENUE BUDGET MONITORING REPORT 2021/22

Period 10: 1 April 2022 - 31 January 2023

		Final Outturn 2021/22	Approved Budget 2022/23	Budget to Date 2022/23	Actual to Date 2022/23	Projected Outturn 2022/23
PROPERTY COSTS		**72,380**	**29,000**	**23,300**	**31,610**	**35,660**
Repairs & Maintenance		47,450	9,000	7,500	10,450	11,000
Rates	1	21,720	19,000	15,800	21,160	21,160
Property Insurance		3,210	1,000	0	0	3,500
ADMINISTRATION COSTS		**15,050**	**7,700**	**1,300**	**0**	**7,700**
Sundries		8,850	1,500	1,300	0	1,500
Commercial Rent Management Recharge		2,200	2,200	0	0	2,200
Recharge for Accountancy		4,000	4,000	0	0	4,000
OTHER EXPENDITURE		**26,000**	**61,500**	**61,500**	**55,100**	**61,500**
Christmas Lights Switch On		10,500	10,500	10,500	5,890	10,500
Gourock Highland Games		0	29,400	29,400	29,400	29,400
Armistice Service		6,530	8,300	8,300	6,510	8,300
Comet Festival		0	13,300	13,300	13,300	13,300
Bad Debt Provision		8,970	0	0	0	0
INCOME		**(118,620)**	**(109,800)**	**(91,100)**	**(104,880)**	**(123,200)**
Property Rental		(158,050)	(159,000)	(132,500)	(134,700)	(159,000)
Void Rents	2	39,690	49,700	41,400	29,820	36,300
Internal Resources Interest		(260)	(500)	0	0	(500)
NET ANNUAL EXPENDITURE		**(5,190)**	**(11,600)**	**(5,000)**	**(18,170)**	**(18,340)**
EARMARKED FUNDS		**0**	**0**	**0**	**0**	**0**
TOTAL NET EXPENDITURE		**(5,190)**	**(11,600)**	**(5,000)**	**(18,170)**	**(18,340)**

Fund Balance as at 31st March 2022   105,668

Projected Fund Balance as at 31st March 2023   124,008

Notes:

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

2 Current Empty Properties are:

Vacant since:

12 Bay St	April 2015, currently being marketed
14 Bay St	November 2022, currently being marketed
6 John Wood Street	January 2019, currently being marketed
10 John Wood Street	August 2018
15 John Wood Street	June 2017

Appendix 6

Policy & Resources Committee

Revenue Budget Monitoring Report

Position as at 31st January 2023

Committee	Approved Budget 2022/2023	Revised Budget 2022/2023	Projected Out-turn 2022/2023	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	21,692	19,377	20,186	809	4.18%
Environment & Regeneration	21,424	23,275	22,989	(286)	(1.23%)
Education & Communities **(Note 1)**	99,748	98,981	98,453	(528)	(0.53%)
Health & Social Care	65,522	66,108	64,782	(1,326)	(2.01%)
Committee Sub-Total	**208,386**	**207,741**	**206,410**	**(1,331)**	**(0.64%)**
Loan Charges (Including SEMP) **(Note 1)**	11,977	16,883	16,883	0	0.00%
Identified Savings **(Note 2)**	39	39	(9)	(48)	0.00%
Saving Approved yet to be Allocated **(Note 3)**	(30)	(30)	(10)	20	0.00%
Earmarked Reserves	0	1,731	1,731	0	0.00%
Total Expenditure	**220,372**	**226,364**	**225,005**	**(1,359)**	**(0.60%)**
Financed By:					
General Revenue Grant/Non Domestic Rates	(185,285)	(189,333)	(189,561)	(228)	0.12%
Contribution from General Reserves	(4,000)	(5,944)	(5,944)	0	100.00%
Contribution to Reserves	1,858	1,858	1,858	0	100.00%
Council Tax **(Note 4)**	(32,945)	(32,945)	(33,545)	(600)	1.82%
Integration Joint Board - Contribution to Reserves	0	0	1,326	1,326	100.00%
Net Expenditure	**0**	**0**	**(861)**	**(861)**	

Note 1 - Reduction reflects SEMP loans charges

Note 2 - Identified savings to be allocated

Note 3 - Approved savings yet to be allocated (New Ways of Working)

Note 4 - Based on the most recent Council Tax Base return there is an increase in the property numbers. £600k has been allocated in the 2023/25 budget process.

Earmarked Reserves Position Statement   **Appendix 7**

Summary

Committee	Total Funding 2022/23	Phased Budget P10	Actual Spend To 31 January 2023	Variance Actual to Phased Budget	Projected Spend 2022/23	Earmarked 2023/24 & Beyond		2022/23 %age Spend Against Projected	2022/23 %age Over/(Under) Spend Against Phased Budget
	£000	£000	£000	£000	£000	£000			
Education & Communities	20,533	11,353	11,535	182	20,004	529		57.66%	1.60%
Health & Social Care	3,699	776	93	(683)	1,057	2,642		8.80%	(88.02%)
Regeneration & Environment	11,166 0	1,196	1,967	771	4,298	6,868		45.77%	64.46%
Policy & Resources	20,273	5,017	5,314	297	12,507	7,766		42.49%	5.92%
	55,671	18,342	18,909	567	37,866	17,805		49.94%	3.09%

Actual Spend v Phased Budget   **Ahead Phasing =**   **£567k**   **3.09%**

Last Update (Period P8)   **Ahead Phasing =**   **£539k**

Increase in advancement   **£28k**

Appendix 8

GENERAL FUND RESERVE POSITION
Position as at 31/01/23

	£000	£000
Usable Balance 31/3/22		3719
Available Funding:		
Share of Scottish Government one off funding £120m 2022/23	1858	
		1858
Projected Surplus/(Deficit) 2022/23	861	
Contribution to/(from) General Fund Reserves	0	
		861
Use of Balances:		
Local Elections	(140)	
Loans Charges Funding Model (December Financial Strategy)	(1200)	
IL Smoothing Reserve	(400)	
IL - Living Wage Contribution	(77)	
		(1817)
Agreed Write back of Earmarked Reserves:		
Write Back December P&R		1460
		6081

Minimum Reserve required is £4 million

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Interim Director Finance & Corporate Governance**	**Report No:**	**FIN/21/23/AP/GS**
Contact Officer:	**Matt Thomson**	**Contact No:**	**01475 712256**
Subject:	**Policy & Resources Capital Budget and 2022/26 Capital Programme**		

1.0 PURPOSE AND SUMMARY

1.1 ☐For Decision   ☒For Information/Noting

1.2 The purpose of the report is to provide Committee with the latest position of the Policy & Resources Capital Programme and the 2022/26 Capital Programme.

1.3 The Council, on 2nd March 2023 approved a revised Capital Programme which extended the Capital Programme by one year to 2025/26.

1.4 This report advises the Committee in respect of the progress of the projects within the Policy & Resources Capital Programme. The Committee's capital budget over 2022/26 is £6.769m with total projected spend on budget. The Committee is projecting to spend £0.732m in 2022/23 after advancement of £0.200m (36.83%).

1.5 The overall 2022/26 Capital Programme budget is £82.021m with projects totalling £85.057m. This represents a £3.036m (3.70%) over allocation which is within the approved 5% tolerance. It should be noted that this is based on a 4 year capital resource and the over provision will represent approximately 4.7% of the reduced, 3 year, resources of the 2023/26 programme which remains within acceptable levels. In the current year net slippage of £4.465m, 19.81% is being reported with expenditure at 31 December being £10.530m (58.26% of projected spend).

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee notes the current position of the 2022/26 Policy & Resources Capital Budget and the current position of the 2022/26 Capital Programme.

Alan Puckrin
Interim Director Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

3.1 On 2 March 2023 the Council approved the 2023/26 Capital Programme as part of the overall Budget approval factoring in additional funding to fund the shortfall in annual capital grant compared to the annual capital allocations. This report shows the current position of the approved Policy & Resources Capital Programme as well as the position of the overall extended 2022/26 Capital Programme.

3.2 The UK exit from the EU, the impact of COVID, increased global demand for materials and most recently the impact of the conflict in Ukraine continue to have a significant impact on the delivery of capital projects. This has been seen in recent tender exercises and is predicted to continue in the short to medium term with the following issues likely to be faced:

- Material availability issues will potentially extend lead-in/pre-site periods and/or site programmes.
- Price volatility may lead to contractors being reluctant to hold tenders open for the normal (120 day) period currently included in the majority of Council tenders.
- Although the market generally remains keen, there may be a move towards more selective tendering and lower number of tenders returned.
- Tender prices are likely to increase to reflect the rising cost of materials and future uncertainty/risk.

For larger/longer term projects in particular, contractors may struggle to secure pricing from supply chain partners without inflated risk and additional contract protections

2022/26 Policy & Resources Capital Position

3.3 The Policy & Resources capital budget is £6.769m. The current projection is £6.769m which means total projected spend is on budget.

3.4 The budget for 2022/23 is £0.532m and the Committee is projecting to spend £0.732m in 2022/23, advancement of £0.200m (36.83%) relating mainly to the Server & Switch Replacement Programme and Rolling Replacement of PC's. The spend as at 31 December is £0.586m (80.05%) of current projection.

3.5 PC Refresh Programme – Phase 1 of the Schools PC Refresh programme, in conjunction with the Smartboard Refresh Programme completed by Property Services as part of the SEMP, was completed in the October holiday week. 631 Whiteboard/Teacher Desktop PCs were replaced with laptops. The first tranche of Phase 2 replacement programme to refresh 240 PCs in 1 x Business Education and 1 x Computing Science suites in each of the high schools was completed in the February mid-term break. A small programme to deploy outstanding docking stations delayed by manufacturing and supply issues will complete the PC Refresh Programme by 31 March 2023. The remaining devices in suites and offices will be refreshed in Phase 2 tranche 2 during 2023/24. It has been agreed with Education that this will be scheduled during term time, working with the schools to ensure minimal disruption within the classroom and provide the fastest timeline for completion.

3.6 Server and Switch Replacement – An implementation programme to replace and expand the Corporate Network Storage system has been scoped and an order placed with suppliers to provide the services early in the new year. Final scoping is near completion and implementation is being scheduled with the supplier. Deployment of core services in support of Office 365 and replacement of Virtual Server Estate. Infill of the School and Corporate Wireless network following availability and coverage surveys completed by ICT.

3.7 ICT & Digital Strategies – As part of New Ways of Working a programme to identify systems and services to support Hybrid Meetings has been completed. Six initial meeting rooms have been equipped with equipment and are available for use to host both traditional and Hybrid Meetings; Boardroom 2 and CSC Meeting Room 4 had replacement screens and videoconferencing systems installed in January 2023. The Chief Executive, Finance, ICT and HR Meeting Rooms have all had small room systems deployed as upgrades to existing systems. Further systems will be deployed as part of the new Ways of Working in areas identified as having a further requirement.

3.8 As part of the 2023/26 budget setting process £4m has been allocated to meet potential cost increases across the full capital programme and to protect core service delivery from unexpected fluctuations in costs. This budget has been allocated to Policy and Resources and will be allocated by Committee following the receipt of relevant reports.

2022/26 Capital Programme

3.9 The 2022/26 Capital Programme reflects both the previously confirmed 2022/23 capital grant as well as the recently announced provisional 2023/24 capital grant. While the total grant for 2023/24 of £8.102m is significantly higher than previously estimated £6.0m this includes both the second year of the additional funding package for the Local Authority pay award (£1.872m) and £150,000 to fund coastal protection work, leaving a core grant of £6.079m. The estimated capital grant allocation for 2024/25 and 2025/26 remains £6.0m.

3.10 The Scottish Government provided additional Capital Grant funding for 2022/23 of £120m nationally as part of the funding package for the Local Authority pay award with Inverclyde's share of this being £1.867m. As a result of the increased grant Capital Funding the allocation to Capital from Revenue Reserves has been decreased by the same amount leaving no net impact on the Capital Programme.

3.11 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. Currently the Capital Programme is reporting a deficit of £3.036m which represents 3.70% of the 2022/26 resources. It should be noted that this is based on a 4 year capital resource and the over provision will represent approximately 4.7% of the reduced, 3 year, resources of the 2023/26 programme which remains within acceptable levels.

3.12 In terms of the overall Capital Programme it can be seen from Appendix 2 that as at 31 December 2022 expenditure in 2022/23 was 58.26% of projected spend. Phasing and projected spend has been reviewed by the budget holders and the relevant Director. The position in respect of each individual Committee is reported in Appendix 2 and in paragraph 3.12 of this report. Overall Committees are projecting to outturn on budget.

3.13 In the current year net slippage of £4.465m, (19.81%) is currently being reported. This is due to slippage within the Environment & Regeneration Committee (£3.621), Education & Communities Committee (£0.210m) and Health & Social Care Committee (£0.834m) offset by advancement within the Policy & Resources Committee (£0.200m).

3.14   The position in respect of individual Committees for 2022/23 is as follows:

<u>Policy & Resources</u>
Expenditure as at 31 December 2022 is £0.586m against an approved budget of £0.532m. Advancement of £0.200m (37.59%) is being reported at this stage within the Server and Switch Replacement Programme and Rolling Replacement of PC's.

<u>Environment & Regeneration</u>
Expenditure as at 31 December 2022 is £6.609m against an approved budget of £16.677m. Net slippage of £3.621m (21.58%) and is mainly due to slippage in the Vehicle Replacement Program (£0.815m), Port Glasgow Lower Quarter (£0.428m), Cycling, Walking and Safer Streets budget (£0.150m), SPT (£0.400m), Cremator Replacement (£0.441m), West Blackhall Street (£0.337m), Place Based Funding (£0.500m) and other minor movements across the remaining elements of the capital programme.

<u>Education & Communities</u>
Expenditure as at 31 December 2022 is £3.082m against an approved budget of £4.623m. Net slippage of £0.210m (5.41%) is being reported mainly due to the removal of the Indoor Tennis Facility (£0.503m slipped and then total remaining £0.741m removed), the Waterfront Leisure Centre Moveable Pool Floor (£0.320m) and PG New Community Hub (£0.721m) offset by advancement of Lady Alice Bowling Club (£0.130m), Leisure Pitches (£0.231m), the Lifecycle fund (£0.095m) and Gourock Primary School Extension (£0.067m) along with other minor movements across the remaining elements of the capital program.

<u>Health & Social Care</u>
Expenditure as at 31 December 2022 is £0.253m against an approved budget of £1.346m. Net slippage of £0.834m is being reported due to slippage in the New Learning Disability Facility (£0.784m), the Swift upgrade (£0.100m) and an advancement in the Crosshill Children's home replacement (£0.050m).

3.15   2022/23 continues to be another challenging year for delivery of the capital programme and while officers will endeavour to advance projects where possible to mitigate slippage it will not be possible for officers to bring slippage back within the 10% threshold.

4.0 PROPOSALS

4.1   The Committee is asked to note the progress on the Policy & Resources Capital Programme and the position of the 2022/26 Capital Programme.

5.0 IMPLICATIONS

5.1   The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)		X	
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

5.2 **Finance**

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

The approved Governance documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event an overspend is unavoidable.

5.4 **Human Resources**

There are no HR implications arising from this report.

5.5 **Strategic**

There are no Strategic implications arising from this report.

6.0 CONSULTATION

6.1 This report has been prepared based on updates to the relevant Strategic Committees.

7.0 BACKGROUND PAPERS

7.1 None.

Project Name	1 Est Total Cost	2 Actual to 31/3/22	3 Approved Budget 2022/23	4 Revised Est 2022/23	5 Actual to 31/12/22	6 Est 2023/24	7 Est 2024/25	8 Est 2025/26	9 Future Years
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environment, Regeneration & Resources									
ICT									
Storage/Backup Devices/Minor Works and Projects	25		13	25	18	0	0		0
Rolling Replacement of PC's	442		73	442	429	0	0		0
Meeting Room, Videoconferencing & Hybrid Working Equipment	60	-	30	60	6	0	0		0
Server & Switch Replacement Programme	195		26	195	133	0	0		0
Home Working Allocation	25	15	10	10		0	0		0
Annual Allocation	1,779	-	380	0		500	635	644	0
ICT Total	**2,526**	**15**	**532**	**732**	**586**	**500**	**635**	**644**	**0**
Finance									
Modernisation Fund	112	112	0	0		0	0		0
Medium Term Capital Program Support	4,000						2,000	2,000	
Cost Pressure Contingency	131	-	0	0		131	0		0
Finance Total	**4,243**	**112**	**0**	**0**	**0**	**131**	**2,000**	**2,000**	**0**

Capital Programme - 2022/23 - 2025/26

Available Resources

	A	B	C	D	E	F
	2022/23	2023/24	2024/25	2025/26	Future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	8,664	8,102	6,000	6,000	-	28,766
Capital Receipts (Note 1)	67	890	315	315	-	1,587
Capital Grants (Note 2)	4,796	3,190	-	-	-	7,986
Prudential Funded Projects (Note 3)	204	6,030	8,053	2,748	125	17,160
Balance B/F From 21/22	14,846	-	-	-	-	14,846
Capital Funded from Current Revenue	450	1,807	5,780	3,764	(120)	11,681
	29,027	20,019	20,148	12,827	5	82,026

Overall Position 2022/25

	£000
Available Resources (Appendix 2a, Column A-C)	82,021
Projection (Appendix 2b, Column B-D)	85,057
(Shortfall)/Under Utilisation of Resources	(3,036)
(Shortfall)/Under Utilisation of Resources %	(3.70)%

Note 1 (Capital Receipts)

	2022/23	2023/24	2024/25	2025/26	Future	Total
	£000	£000	£000	£000	£000	£000
Sales	15	615	315	315	-	1,260
Contributions/Recoveries	52	275	-	-	-	327
	67	890	315	315	-	1,587

Note 2 (Capital Grants)

	2022/23	2023/24	2024/25	2025/26	Future	Total
	£000	£000	£000	£000	£000	£000
Government Grant - Place Based Funding	584	-				584
Renewal of Play Parks	-	-	-		-	-
Cycling, Walking & Safer Streets	493	-	-		-	493
SPT	1,275	-	-		-	1,275
Road Safety Improvement Fund	-	-	-		-	-
Nature Restoration Fund	160	-	-		-	160
CO2 Monitors in Schools	42	-	-		-	42
Electric Vehicles	13	-	-		-	13
Sustrans	420	2,200	-	-	-	2,620
SFA Pitches	75	-	-		-	75
VDLIP - New Learning Disability Hub	-	990	-		-	990
						-
RCGF - King George VI	1,734	-	-		-	1,734
	4,796	3,190	-	-	-	7,986

Note 3 (Prudentially Funded Projects)

	2022/23	2023/24	2024/25	2025/26	Future	Total
	£000	£000	£000	£000	£000	£000
Vehicle Replacement Programme	172	314	1,314	964	-	2,764
Borrowing in lieu of VRP Reduction	-	-	636	-	-	636
Asset Management Plan - Depots	158	301	-	-	-	459
Capital Works on Former Tied Houses	15	-	110	110	125	360
CCTV	-	15	-	-	-	15
Clune Park Regeneration	276	-	-	-	-	276
Neil Street Childrens Home Replacement - CoS	13	-	-	-	-	13
Crosshill Childrens Home Replacement	242	-	-	-	-	242
New Learning Disability Facility	100	2,500	4,493	174	-	7,267
Interactive Whiteboard Replacement	28	-	-	-	-	28
Additional Prudential Borrowing to Fund Capital Programme	(1,000)	1,500	1,500	1,500		3,500
Additional Prudential Borowing to meet anticipated Cost Pressures	200	1,400	-	-	-	1,600
	204	6,030	8,053	2,748	125	17,160

Capital Programme - 2022/23 - 2025/26

Agreed Projects

Committee	A Prior Years	B 2022/23	C 2023/24	D 2024/25	E 2025/26	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2022/23 Spend To 31/12/2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	127	732	631	2,635	2,644	-	6,769	6,769	-	586
Environment & Regeneration	7,075	13,156	16,902	13,127	9,610	125	59,995	59,995	-	6,609
School Estate	2,423	2,436	1,872	3,986	4,000	1,001	15,718	15,718	-	2,085
Education & Communities (Exc School Estate)	270	1,236	1,329	324	551	-	3,710	3,710	-	997
HSCP	2,149	512	2,600	6,600	174	-	12,035	12,035	-	253
Total	12,044	18,072	23,334	26,672	16,979	1,126	98,227	98,227	-	10,530

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Interim Director, Finance & Corporate Governance**	**Report No:**	**FIN/19/23/AP**
Contact Officer:	**Alan Puckrin**	**Contact No:**	**01475 712090**
Subject:	**Finance Update**		

1.0 PURPOSE AND SUMMARY

1.1 ☐For Decision   ☒For Information/Noting

1.2 The purpose of this report is to provide an update to Committee on various matters being progressed within the Finance Service including:
- Cost of Living / Welfare Supports
- Council Tax & Annual Billing
- Accounts Commission Housing Benefit thematic study
- Non-Domestic Rates
- Recent Treasury activity

1.3 The Committee is asked to note that following the approved restructure in October 2022, from 1 April 2023 ICT, Customer Services and Registrars will move under the Head of Legal & Democratic Services with the Interim Director reverting to his Chief Financial Officer duties.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee note the contents of the report and the various updates provided.

 Alan Puckrin
 Interim Director, Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

3.1 Cost of Living & Welfare Supports

The Scottish Government announced in the September 2022 Programme for Government, an additional £5million to assist householders affected by increasing energy costs. The funding is being distributed through Scottish Welfare Fund (SWF) and Discretionary Housing (Other) Payments (DHP), topping up funding already allocated. The Council was informed in February 2023 of its shares: £53,000 for SWF taking the total allocation for 2022-23 to £960,000 and £49,000 for DHP taking the total to £281,000.
The DHP policy was amended in January 2023 to mitigate the Benefit Cap from 1 January 2023. At the date of the report being prepared, 18 of the 40 households affected by the cap had applied. The Benefits team and Advice Services continue to promote uptake with those still to apply.

3.2

The UK Government is providing two energy support schemes which will be administered by the Revenues & Benefits team. The first scheme is an Alternative Funding Grant of £400 for those who do not have electricity accounts but are liable for energy costs and was launched on 27 February. The second scheme is the Alternative Fuel Payment which provides additional funding of £200 for those who rely on an alternative fuel source for heating such as bottled gas, oil, wood or solid fuel, who did not receive a credit to their electricity account and is due to launch early March. The Department for Energy Security and Net Zero will publicise both funds which will be supported by local promotion. Applications are made online alongside a helpline for those without online access.

3.3 Council Tax

Council Tax Notices for billing year 2023-24 showing instalments starting from April 2023 are scheduled to be with council tax payers from the second week in March. In addition to the 5.3% 2023-24 Council Tax increase and 5.0% Scottish Water uplift, many of the 30,000 council tax payers living in band A-D properties who benefited from a reduction of £150 in 2022-23 from the Scottish Government Cost of Living Award will notice the absence of this one off support in increased monthly payments. A press release timed to coincide with bills being posted will signpost householders to check for entitlement to Council Tax Reduction, discounts and exemptions and to Advice Services for wider welfare benefit and money advice.

3.4

Legislation is to be introduced from April 2023 limiting exemption from council tax for persons displaced from Ukraine to those only where it is the sole or main residence of at least one person who has come to the UK under the Homes for Ukraine Sponsorship Scheme, and where the accommodation is being provided by an Approved sponsor under that Scheme. The effect is that persons displaced from Ukraine with their own tenancy agreement will become liable for Council Tax from 1 April 2023. The service with the support of HSCP colleagues will promote Council Tax Reduction with those who are affected.

3.5 Accounts Commission Thematic Study- Housing Benefits

The Accounts Commission's annual thematic study of councils' delivery of Housing Benefit focuses on how resourcing impacts service provision and performance levels. The report "Resourcing the Benefit Service" published 15 February 2023 acknowledges how councils have adapted their services by expanding their remit to retain jobs and expertise in response to reducing caseloads as a result of the transition since 2013 from Housing Benefit to Universal Credit.

3.6 The study assessed evidence of staff complement, attendance, caseloads, customer interaction and speed of processing performance covering the period from April 2020 until July 2022. The report highlights those councils operating with staff deficits and how additional Covid-19 work resulted in a significant increase in workload, placing extra pressures on the benefit service. It recommends that councils investigate and address shortfalls where services are operating below complement; investigate the reasons for above average sickness absence levels and have sufficient contingency arrangements in place to manage unexpected to staff shortages; regularly review flexible working arrangements to determine the impact on claim processing performance. A recommendation to maintain call handling and personal caller data to assess the impact on claims processing performance does not apply to Inverclyde where Housing Benefit customer contact is handled by the Customer Service Centre

3.7 Officers conclude that the increase in the length of time taken to process new claims by the end of the first quarter of 2022/23 of 20 days due to additional Covid-19 work being undertaken is in line with the national position. Performance has improved to 14 days by quarter 3 of 2022-23 which is more in line with pre-pandemic levels. The service operated with vacancies being held over to achieve planned budget savings and the level of sickness absence was higher than normal during 2020-2021 for specific reasons but has since returned to normal levels.

3.8 **Non-Domestic Rates (NDR)**

Officers from Finance and Property services have been meeting with the Assessor to review the reasons for the higher than expected increases in rateable values (RV) in the draft Valuation Roll for 1 April 2023. The discussions have been positive and highlighted a significant error in the figures calculated in addition to a number of other matters which officers have asked to be reviewed. To date the reduction totals around £0.5million and it was agreed, as part of the 2023/24 Budget, that the reduced NDR requirement be allocated to the general inflation contingency.

3.9 Inverclyde Council administers Non-Domestic Rates on behalf of the Scottish Government and must ensure reliefs are correctly applied. The Small Business Bonus Relief scheme (SBBS) allows ratepayers with properties in Scotland with a rateable value of up to £18,000 or less to claim this rates relief, subject to the cumulative rateable value of all the ratepayer's properties. Legislation was introduced from 2020 restricting SBBS to occupied properties. Covid measures placed restrictions on certain properties from March 2020 and over the following year so a review of compliance with Non-Domestic Rates relief legislation was delayed until 2022. A letter with a rates relief review form was posted to each of the 1,224 properties with SBBS in August 2022. A reminder was sent to those who did not respond in October 2022 either by post or by email where a record of the ratepayer's email address was held. Ratepayers were informed that if there was no response to the reminder that the relief will be withdrawn for 2022-23.

3.10 SBBS will be removed from 1 April 2022 from the 340 small business that did not respond, and new bills will be issued for 2022-23. Businesses can apply and relief will be applied retrospectively where satisfactory evidence of occupancy is provided. Examples of evidence includes a utility bill for the property showing consumption, advertisements or an active social media presence.

3.11 There are a number of changes to NDR reliefs to be applied from 2023/24. Software changes are being progressed and it is anticipated the changes will be in place prior to issuing the 2023/24 bills.

3.12 **Recent Treasury Management Actions**

During February the Council undertook a total of £7.5million short-term borrowing from three Scottish Councils due to projected short-term reductions in cashflow. These transactions, in addition to ensuring payments from the Scottish Government and NHS were received timeously addressed the issue but cashflow management will become an increasingly important task as the Council's reserves reduce and the impact of the increased use of non-cash backed reserves is felt. This will be monitored and reported via the regular Treasury Management reports to Committee.

4.0 PROPOSALS

4.1 There are no specific proposals within this report other than to note the latest updates.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO	N/A
Financial		x	
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)	x		
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

5.2 **Finance**

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

All Treasury Management activities are governed by legislation and approved internal policies and practice notes.

5.4 **Human Resources**

There are no HR matters arising from this report.

5.5 **Strategic**

The continued delivery of cost of living support by the Revenues and Benefits team aligns with the Council's policies and priorities.

6.0 CONSULTATION

6.1 No consultation was required.

7.0 BACKGROUND PAPERS

7.1 None.

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Corporate Director, Education, Communities and Organisational Development**	**Report No:**	**PR/07/23/MR**
Contact Officer:	**Morna Rae**	**Contact No:**	**01475 712042**
Subject:	**Corporate Policy Update**		

1.0 PURPOSE AND SUMMARY

1.1 ☐For Decision   ☒For Information/Noting

1.2 This report provides the Committee with an update on several performance and policy matters relating to:

- Equalities;
- A new approach to Best Value auditing;
- The Corporate Services' Corporate Directorate Improvement Plan Progress Report;
- The Programme for Government; and
- Use of emergency powers to approve funding for an External Review of the Human Resources & Organisational Development Team.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- Note the latest updates in relation to Corporate Policy and Performance.

Ruth Binks
Corporate Director, Education, Communities and
Organisational Development

3.0 BACKGROUND AND CONTEXT

3.1 A Corporate Policy and Performance update report is considered at every meeting of the Policy and Resources Committee.

EQUALITIES

3.2 As Members will be aware, a number of budget saving proposals were considered at the meeting of Inverclyde Council on 2 March 2023, 15 of which have related Equality Impact Assessments. All these documents, together with a Fairer Scotland Duty Statement on the Council's Revenue Budget 2023/25, are available to view on the Council's website 'Equality Impact Assessments - Inverclyde Council Budget 2023/25': https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments/equality-impact-assessments-budget-2023-25

3.3 Equality Mainstreaming Report 2023, Progress on Equality Outcomes 2021/25 and the Equal Pay Statement 2023

The Equality Act 2010 requires the Council, as a public body, to publish Equality Outcomes every four years and report on their progress via a Mainstreaming Report every two years. Reports should be published by 30 April in the relevant year.

A report has been devised which provides information on the Protected Characteristics of the Council's employees, Pay Gap 2020/21 and 2021/22 details relating to Disability, Ethnicity and Gender, together with the Council's Equal Pay Statement 2023. An update is also included regarding the delivery of the Corporate Equality Outcomes 2021/25. This report can be viewed on the Council's website: https://www.inverclyde.gov.uk/council-and-government/equality-and-diversity. Areas of note in relation to the Employee Profile include:

- During the last two reporting years, the male/female split of Inverclyde Council's employees was broadly similar: our workforce comprised just under a quarter male employees, with females making up a little over three quarters of our staff,
- Between 2020/21 and 2021/22, we saw an increase in staff aged 29 and under, the majority of the Council's employees are aged 50-59 years,
- 3.47% of employees state they are disabled,
- In terms of ethnicity Scottish people comprised the majority of staff, with a slight fall in the number of employees who chose to provide no information at all,
- Between 2020/21 and 2021/22, there was a decrease in the number of Council employees who chose to provide no information at all when asked about their Sexual Orientation, and
- When staff were asked about their Religion or Belief, the most common responses were Church of Scotland and Roman Catholic which, collectively, comprised 46.39% and 47.53% of answers to this question in 2020/21 and 2021/22 respectively.

Similar analysis in relation to recruitment, leavers, disciplinary action, grievances, flexible working requests and training is detailed in the report.

3.4 An Elected Members' Briefing on the Council's Mainstreaming Reports 2023 is scheduled for 21 March 2023.

3.5 Equally Safe at Work (ESAW)

An Elected Members' Briefing on the Council's involvement with the ESAW initiative took place on 2 February 2023. Members heard that ESAW is a world-leading employer accreditation

programme that supports local authorities to develop gender-sensitive employment practice. The initiative aims to address women's inequality at work and prevent violence against women in the workplace and in wider society. Starting in September 2022, and over the next 18 months, the Council will take part in a range of activities and develop policies and practices with the aim of becoming an ESAW-accredited employer. The Briefing was well attended by Elected Members. Future updates on the implementation of ESAW will be brought to this Committee.

NEW APPROACH TO THE AUDITING OF BEST VALUE

3.6 Best Value is concerned with ensuring good governance; the effective management of resources; focusing on improvement and delivering the best possible outcomes for local people.

3.7 The Audit Scotland six-year programme of Best Value Assurance Reports (BVAR) has now concluded and a new approach to the auditing of Best Value in Scottish Councils is being implemented. The key points relating to the new approach are:

- Best Value Audit work will be fully integrated into the wider scope of annual audit work and reported via the Annual Audit Report. This builds on the approach used in the development of Best Value Assurance Reports.

- For the first time, auditors will adopt a thematic approach to audit work in Councils. The first theme to be audited in 2022/23 will be "Leadership of the development of new local strategic priorities", recognising that Councils may have refreshed or changed their local priorities since the local government elections. A Management Report on the thematic audit will be published for each Council, with a summary of the findings included in the Annual Audit Report 2022/23.

- As part of the Accounts Commission's developing programme of work on climate change, the Annual Audit Report will also include information on a Council's approach to tackling climate change. The Commission's intention is to integrate climate change considerations into all aspects of audit work going forward.

- Whilst there will no longer be BVARs, the Commission will receive a Controller of Audit report focusing on eight Councils per year, beginning in October 2023. All 32 Councils will be the subject of a Controller of Audit report between 2023 and 2027. The Councils selected for year one are: Falkirk, Moray, Clackmannanshire, Orkney Islands, South Ayrshire, Dumfries and Galloway, West Dunbartonshire and City of Dundee.

- Due to the plans for the National Care Service, the Commission has decided not to proceed with the planned programme of Controller of Audit reports on individual IJBs. Thematic BV audit work will also not apply to IJBs. Instead, the BV focus will be on national reporting and using individual IJBs as case studies where appropriate.

3.8 The new approach represents a significant shift in practice and introduces a number of new elements to the Best Value audit. To ensure that Inverclyde Council is in a strong position to respond to this, actions are being developed to address perceived areas for development or improvement in relation to Best Value audit. Details of this will be brought to a future meeting of this Committee.

CORPORATE SERVICES CORPORATE DIRECTORATE IMPROVEMENT PLAN PROGRESS REPORT

3.9 The CDIPs are in their fourth and final year and refreshed improvement plans for 2022/23 were approved by this Committee on 21 June 2022.

3.10 This report focuses on the Corporate Services improvement actions that are being delivered by Finance and Corporate Governance and Organisational Development, Policy and Communications. It aims to provide the Committee with the opportunity to make an appropriate judgement on the progress being made and includes the most recent KPI performance data. The Environment and Regeneration Committee and the Education and Communities Committee have received separate CDIP progress reports focusing on the actions that fall within their remit.

3.11 The progress report has been generated directly from the Council's performance management system, Pentana Risk, which records completion due dates for all actions and milestones, then tracks progress using a traffic-light system against these deadlines.

3.12 Good progress continues to be made in the delivery of the majority of actions. Since the last progress report the following actions (including all sub-actions) are now fully complete:

- The review of the leisure estate and self-managed hubs is complete.
- A policy for Non-Domestic Premises has been developed and approved.
- A Communication and Engagement Strategy has been developed and approved.

The following sub-actions have an overdue status, meaning that the original timescale for delivery has passed:

- Improvement planning self-evaluation framework: The development of a three-year self-evaluation framework will now be taken forward as part of the wider Council wide activity on self-evaluation that planned to ensure a joined-up approach.
- Strategic Planning and Performance Management Framework (SPPMF): The development of a revised service planning template will be finalised once the review of the SPPMF is complete. This work is almost at an end and the new Performance Management Strategy is included elsewhere on the agenda for this Committee meeting.
- The roll out of MS Office 365 is continuing to progress with HSCP deployment required in order to complete the project. This work is scheduled for week beginning 6 March 2023.

PROGRAMME FOR GOVERNMENT

3.13 *A Stronger and More Resilient Scotland* sets out the Scottish Government's plans for 2022-23, within the wider framework of the Programme for Government, issued in September 2021. The full document is available on the Scottish Government website https://www.gov.scot/publications/stronger-more-resilient-scotland-programme-government-2022-23/. It contains a large number of ambitions in relation to policy and statutory developments.

3.14 In order that the impacts on and opportunities for Inverclyde can be understood the Corporate Management Team (CMT) have periodically considered the progress of implementation of the Programme for Government proposals. A weekly policy update is also compiled and circulated amongst Council officers to highlight national publications and developments. Examples of opportunities implemented locally include the recruitment of additional teachers, being an 'early adopter' in the design and development of community-based childcare for school-age children, securing funding for re-wilding and biodiversity projects through the Nature Restoration Fund, and implementation of trauma-informed approaches.

USE OF EMERGENCY POWERS TO APPROVE FUNDING FOR AN EXTERNAL REVIEW OF THE HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT TEAM

3.15 On 21 February 2022 the Chief Executive used their powers under the Scheme of Delegation (Officers) to approve funding up to £20k being allocated from the Council's Capacity Earmarked

Reserve to fund an External Review of the Human Resource and Organisational Development Team. This was approved by Cllrs McCabe, McCluskey and Robertson.

3.16 An External Review is proposed, rather than an internal one, in order to secure an independent external perspective on the current arrangements, and from someone who will be able to bring knowledge of how other similar organisations operate. In addition, limited staff resources would be a barrier to having such a review conducted internally, especially for it to be concluded swiftly and before the current Head of Organisational Development, Policy and Communications retires.

4.0 PROPOSALS

4.1 It is proposed that the Committee note the latest updates relating to the area of corporate policy and performance.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial			X
Legal/Risk			X
Human Resources			X
Strategic (LOIP/Corporate Plan)	X		
Equalities and Fairer Scotland Duty			X
Children and Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

5.2 **Finance**

There are no financial implications arising from this report.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

There are no legal implications arising from this report.

5.4 **Human Resources**

There are no human resources implications arising from this report.

5.5 **Strategic**

The matters referred to within this report are of relevance to the following Corporate Plan priorities:

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

Organisational Priority 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.

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

6.0 CONSULTATION

6.1 None.

7.0 BACKGROUND PAPERS

7.1 None.

APPENDIX 1: Corporate Services CDIP Progress Report 2022/23

Corporate Improvement Actions

Action	Description	Status	Due Date	Update
ECOD/CDIP020 People and OD Strategy	A detailed report, including an update and action plan on the themes and initiatives for the year ahead to be presented CMT in summer 2022.	✅	30-Sep-2022	A report has been presented to both CMT and the Policy and Resources Committee.
ECOD/CDIP021 Workforce Planning / refresh	Services require to review and update their Service Workforce Plans for 2022/23 by end April 2022. Make appropriate progress in the delivery of the Service Workforce Plans. Review end September 2022	▶	31-Mar-2023	Workforce Service plans were compiled by Services early in 2022 and were reviewed in the Autumn with some additional actions being incorporated following the Council s Annual Audit report. A meeting of the Corporate Workforce Development Group is scheduled on 23rd March 2023 to review the completion of the 2022/23 Service Workforce Plans. The recent Employee Survey results and a self-evaluation workshop on the theme of workforce held with Senior Managers on 16th February will feed into Service Workforce Plans going forward.
ECOD/CDIP022 Corporate Equalities Outcomes Improvement Plan 2021/25	Deliver the improvement actions which underpin each of the Equality Outcomes 2021/21.	▶	31-Mar-2023	Good progress has been made with the delivery of the Corporate Equalities Improvement Plan 2021/25, detailed information on which is included in the report entitled Equality Mainstreaming Report 2023, Equality Outcomes 2021/25 and the Equal Pay Statement 2023 which is included on the agenda for the meeting of the Policy and Resources Committee on 21 March 2023.
ECOD/CDIP023 New Ways of Working Project	Implement the Council's Hybrid Working Strategy.	▶	31-Mar-2023	This action is in progress. Further details are provided below.
Sub-action 023.1 Implementation of Hybrid Working Strategy	Carry out a review at key stages of the 12 month pilot period (3 month and 6 month review) by May 2023.	▶	31-Mar-2023	A review of the hybrid working strategy is now complete and is currently being fed back to the extended corporate management team. It is intended that an update will be presented to elected members as part of a wider report being submitted for May P&R Committee.
Sub-action 023.3 Campus Estate	Review of the Greenock Campus, identifying and having agreed, potential office space efficiencies by July 2022	▶	31-Mar-2023	The Policy and Resources Committee received an update in November 2022 and approved the mothballing of James Watt building. Current occupants are being relocated and we are on

Action	Description	Status	Due Date	Update
				target for mothballing James Watt building early financial year 23/24. The implications of the successful Levelling Up Fund bid on future available office space are also being taken into account.
ECOD/CDIP024 Improvement Planning	Strengthen performance management and develop a Directorate wide overview of planned self-evaluation and improvement activity.		31-Aug-2022	This majority of the work associated with this action is complete and the remaining sub-action almost complete. Further details are provided below.
Sub-action 024.1 Implementation of Pentana	Implementation of new performance management system.		31-May-2022	Pentana went 'live' on 1st June 2022.
Sub-action 024.2 Upload new plans and KPIs	Upload of initial plans and key performance data.		30-Jun-2022	CDIP improvement plans and corporate KPIs are on Pentana and updated by officers. Services have identified a range of other plans and strategies and this work is ongoing.
Sub-action 024.3 Training (phase 1)	First phase of system training for relevant members of staff delivered.		31-Aug-2022	The first phase of training completed end September with training / demos offered to all staff at team leader level and above and officers with responsibility for updating PIs and Actions.
Sub-action 024.4 Self-evaluation framework	Establish a three-year self-evaluation framework for the Directorate		31-Aug-2022	Self-evaluation activity continues across the Council. A workshop focusing on the theme of Workforce took place on 16th February 2023, attended by Service Managers, Heads of Service and the CMT. The CMT has approved the development of a Self-Evaluation Plan for the Council to ensure consistency in approach. Work on this is underway.
ECOD/CDIP025 Strategic Planning and Performance Management Framework	Streamline the SPPMF with LOIP and Council plan in place for April 2023.		31-Oct-2022	This action is in progress and nearing completion. Further details are provided below.
Sub-action 025.1 Service Planning template	Template for service planning developed and approved.		30-Sep-2022	This workstream has been incorporated into the wider review of the SPPMF which at the time of writing, is being finalised. New templates will be developed at all levels of the strategic planning framework.

Action	Description	Status	Due Date	Update
Sub-action 025.2 LOIP Development	With the Alliance Board, agree timeframes and strategic priorities for the next LOIP, including undertaking community engagement.	✅	31-Oct-2022	Community engagement exercise has been finalised and feedback analysed. The new LOIP is being finalised and will be considered by the Alliance Board at its meeting in March 2023.
ECOD/CDIP026 Health and Safety	Develop a new Health and Safety Strategy and Plan which identifies areas of priority focus across the Council.	▶	31-Mar-2023	The delivery date for the sub-actions have been re-prioritised to 31st March 2023. Further details are provided below.
Sub-action 026.1 Scoping exercise	Scoping exercise with services to determine service priorities and risk areas in relation to health and safety April / May 2022.	▶	31-Mar-2023	Risk profiles have been completed for high risk service areas, i.e. Education HSCO RESS.
Sub-action 026.2 Health and Safety Plan	Develop a three-year Health and Safety Plan to be agreed by CMT July 2022.	▶	31-Mar-2023	Draft plan has been submitted to the Corporate Health and Safety Committee. Awaiting feedback which will be collated.
ECOD/CDIP029 Gaelic Language Plan 2022/27	Implementation of the High Level and Corporate Services Aims in the Council's new Gaelic Language Plan 2022/27.	▶	31-Mar-2023	Following approval at the P&R meeting of 15th November, the revised GLP was submitted to Bòrd na Gàidhlig, in accordance with the statutory timescale. The Plan was submitted for Ministerial approval by the Board on 8th February and the Council is currently awaiting a further update. The GLP will not become 'live' until it has received Ministerial approval, nonethless some actions within the Plan are now being taken forward as a matter of good practice.
ERR/CDIP001 Budget 2023/26	Develop an approved 2023/26 Budget, balanced for at least 2023/25 Revenue Budget and a 2023/26 Capital Programme which is within funding parameters	▶	31-Mar-2023	One element of this action is ongoing whilst the other two are now complete. Further details are provided below.
Sub-action 001.1 Funding gap	Calculate funding gap by December 2022.	✅	31-Dec-2022	The Council is expected to approve a balanced 2023/24 Revenue Budget on 2nd March 2023.
Sub-action 001.2 Capital Programme 2023/26	Identify sustainable funding for the 2023/26 Capital Programme.	✅	31-Mar-2023	Programme within approved parameters to be agreed by the Council on 2nd March 2023.
Sub-action 001.3 Revenue Budget 2023/25	Revenue budget 2023/25 developed by March 2023.	▶	31-Mar-2023	The Council is expected to approve a balanced 2023/24 Revenue Budget on 2 March 2023. Work is to commence on the 2024/25 Revenue Budget in summer 2023.

Action	Description	Status	Due Date	Update
ERR/CDIP002 Channel Shift	Move customers away from traditional channels of communications to digital channels by increasing the number of channels and transactions dealt with via digital routes.	▷	31-Mar-2023	Microsoft 365 deployment nearing completion, planning in progress for next phases to maximise use of available services. Telephony Options Appraisal is being developed with report scheduled to be considered by CMT by end of February 2023. Proposals to support New Ways of Working and increase on-line service delivery will be put to Members as part of the part of the consideration of the 2023/25 Budget.
ERR/CDIP003 Information Governance	Further develop the Council's processes in relation to information governance	▷	31-Mar-2023	This action is in progress with 2 sub-actions now complete. Further details are provided below.
Sub-action 003.1 Information Governance Steering Group	Refresh the Information Governance Steering Group including refreshed Terms of Reference and membership by August 2022.	✅	31-Aug-2022	A Terms of Reference has been agreed and a refreshed group established.
Sub-action 003.2 Records Management Plan	Revised Records Management Plan for Inverclyde Council and Inverclyde Licensing Board submitted to the Keeper of the Records of Scotland by August 2022.	✅	31-Aug-2022	The Records Management Plan was submitted to the Keeper of the Records of Scotland in August 2022.
Sub-action 003.3 Website Accessibility	Accessibility guidance issued to staff and associated action plan implemented.	▷	31-Mar-2023	Website Accessibility training was held in January 2023, delivered by external trainer for approximately 70 staff (website creators/publishers) from a range of services. Presentation and recording of training shared with IGSG and Extended CMT for cascading. With service areas to take this forward, and review their areas of the website and Icon, to ensure accessibility. Updates will be provided at IGSG from service area representatives and progress monitored, with updates to CMT.
Sub-action 003.4 Archives Store at Watt Institution	Create a further archives store to house sensitive records on the ground floor of the Watt Institution.	▷	31-Mar-2023	The procurement exercise relating to shelving is complete with installation due approx. 21st March 2023.

Cross Directorate Improvement Actions

Action	Description	Status	Due Date	Update
ECOD/CDIP027 Tourism and Events	Raise the profile of tourism development in the area with Inverclyde place marketing co-ordinated around 'discover Inverclyde'.	✅	31-Mar-2023	This action is now complete. One sub-action has been cancelled
Sub-action 027.1 Marketing Campaign	Delivery of a city region or local campaign during 2022/23.	-	31-Mar-2023	The Council has taken the decision not to progress this following agreement that funding would form a budget saving.
Sub-action 027.2 Meliora	Meliora events delivered during May / June 2022.	✅	30-Jun-2022	Meliora events delivered as scheduled and a report on the activities was considered by the Policy and Resources Committee on 20 September 2022.
ECOD/CDIP028 Communications Strategy	Develop a refreshed Communications Strategy.	✅	31-Mar-2023	This action is now complete.
Sub-action 028.1 Scoping exercise	Scoping exercise and engagement with services.	✅	31 Oct-2022	New Communications and Engagement Strategy developed taking into account scoping exercise.
Sub-action 028.2 Draft Communications Strategy	Draft Communications Strategy to CMT in November 2022 and subject to agreement P&R thereafter.	✅	30-Nov-2022	The Communications and Engagement Strategy for Inverclyde Council was approved by the Policy and Resources Committee on 31st January 2023.

Finance and Corporate Governance

Action	Description	Status	Due Date	Update
ERR/CDIP004 Non-domestic rates policy, Unoccupied Premises	A policy for Non-domestic rates - Unoccupied premises to be developed following delegation of responsibility to Councils.	✅	31-Mar-2023	This action is complete. Further details are provided below.
Sub-action 004.1 NDR Policy Approval	Policy approved by Council by November 2022.	✅	30-Nov-2022	The Non-Domestic Rates Empty Property Relief Policy was approved by P&R on 31 January 2023
Sub-action 004.2 Communication	Communication of Policy with rate payers from January 2023.	-	31-Mar-2023	Following Committee agreement to replicate NDR legislation, which resulted in no change in practice, the requirement to communicate with rate payers is no longer required.

Action	Description	Status	Due Date	Update
ERR/CDIP005 Cloud Migration Strategy	Implementation of Office 365.		31-Mar-2023	This action is in progress with one sub-action showing an overdue status. Further details are provided below.
Sub-action 005.1 MS Team	Roll out of MS Team		30-Sep-2022	HSCP deployment is required for project completion, this is scheduled for week beginning 6th March 2023.
Sub-action 005.2 Telephony	Telephony decision to be taken in early 2023.		31-Mar-2023	Market test is complete. Report due to be considered by CMT by end February 2023.

Action Status			
	Overdue; original target deadline has passed		In progress, on track
	One or more sub-action has a red status		Complete
	Check progress		

KEY PERFORMANCE INDICATORS 2022/23

Performance Indicator	Q4 2021/22 Value	Q1 2022/23 Value	Q2 2022/23 Value	Q3 2022/23 Value	Target	Status
Speed of processing changes in circumstances to Housing Benefit (days)	1.74 days	4.08 days	4.5 days	3.48 days	3 days	⚠️
Council tax in year collection level	95.5%	35.2%	58.8%	83.3%	Year-end target 95%	-
Invoices paid within 30 days (%)	95.53%	97.11%	95.89%	95.88%	95.5%	✅
Speed of processing new claims for Council Tax Reduction (days)	26.47 days	24.6 days	24.66 days	18.86 days	25 days	✅

PI Status	
🔴	Alert
⚠️	Warning
✅	OK

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Interim Director, Finance & Corporate Governance**	**Report No:**	**FIN/17/23/AP/KJ/LA**
Contact Officer:	**Alan Puckrin**	**Contact No:**	**01475 712223**
Subject:	**Capital Strategy 2023-2033 and Treasury Management Strategy Statement & Annual Investment Strategy 2023/24-2026/27**		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision   ☐For Information/Noting

1.2 The purpose of this report is to request that the Committee remits to the Inverclyde Council, for the approval, the 2023-33 Capital Strategy and the Treasury Management and Annual Investment Strategy 2023/24- 2024/27 and specifically the following:

   a) Prudential Indicators and Treasury Management Indicators, Authorised Limits for 2023/27 and Treasury Policy Limits (Section 2 of Appendix 2)
   b) Policy on Environmental, Social & Governance issues for investments (paragraph 3.13 of Appendix 2)
   c) List of Permitted Investments (including those for the Common Good Fund) (paragraph 3.17 and Appendix A of Appendix 2)
   d) Policy on repayment of Loans Fund advances (Section 4 of Appendix 2).

1.3 Approval is also sought to remit to the Council for approval the clauses on Treasury Management and Treasury Management Policy Statement detailed in paragraphs 4.3 and 4.4 of the report.

1.4 The Capital Strategy highlights the significant challenges the Council will face in the medium term to fund the maintenance of the existing asset base and legislative requirements especially in relation to Net Zero. The Treasury Management Strategy incorporates the decision by the Council on 16 February to change the accounting treatment for service concessions which will have a material impact upon the Council's cashflow/ Treasury Strategy, over the medium term.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee review the Capital Strategy 2023-33, note the significant financial challenges the Council faces in maintaining the existing asset base and thereafter remits the Capital Strategy to the Full Council for approval.

2.2 It is recommended that the Committee considers the contents of the report, the Treasury Management and Investment Strategy set out in the Appendix 2 and remits the report and Treasury Management and Investment Strategy to the Full Council for approval.

  Alan Puckrin
  Interim Director, Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

3.1 Capital Strategy

The production of a Capital Strategy which is reviewed annually is a requirement of the CIPFA Prudential Code. The document requires to be considered along with the Treasury Strategy and thereafter approved by the Inverclyde Council. It is viewed as being one of the key strategic financial documents along with the Council's Financial Strategy which help govern the strategic direction for the Council's financial planning.

3.2 Over the last 15 years the Council has undertaken a significant amount of work on Asset Management Planning (AMP) and has used a combination of internal expertise and external peer review in the development of a number of AMPs. Once created, the AMPs are embedded within the Council's Corporate Directorate Improvement Plans and Capital Programme formulation process to ensure that there is a strong alignment between the Council's overarching Priorities and capital investment decisions.

3.3 The Capital Strategy emphasises the need for the Council to take a long term view when taking decisions around Capital investment and specifically to ensure that investment plans are appropriate and financially sustainable in the longer term. The annual production and updating of the Capital Strategy allied to the Treasury Strategy, Capital Programme approval and Financial Strategy will all ensure that the Council are able to take Capital investment decisions in the knowledge of these long term implications.

3.4 As at 31 March 2022 the Council owned property plant and equipment assets valued at £441million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £551million. The maintenance of such a large asset base in the context of core Capital Grant from the Scottish Government of just over £6million is not sustainable and this has been flagged during recent budget processes.

3.5 Whilst officers will continue to access capital support/grants from the Scottish Government and partner agencies, these will not be sufficient or may not be allowed, to fund core asset maintenance. Therefore, Members face a choice of either allocating significant levels of revenue resources/reserves to future capital programmes against the backdrop of the considerable revenue budget pressures, or to reduce the asset base. Officers believe that the requirements of the Net Zero agenda need to act as a catalyst for some fundamental reviews of the Council's asset base as evidenced by the recent Leisure property review and the New Ways of Working project.

3.6 Treasury Management & Investment Strategy

CIPFA revised the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management in December 2021. Inverclyde Council have adopted the Code of Practice on Treasury Management and comply with the Prudential Code.

The revised codes had an immediate requirement that Councils must not borrow to invest primarily for financial return (which this Council does not do) with the following main changes to be implemented from financial year 2023/24:
a. All investments are to be attributed to either Treasury Management, Service Purposes or Commercial Purposes.
b. The risks associated with investments for Service or Commercial Purposes should be proportionate to the Council's financial capacity.
c. Councils must not borrow to invest for the primary Commercial purpose of financial return. Where financial returns arise from a project, they should be incidental to its primary purpose.
d. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt (Inverclyde Council has no commercial investments).
e. A new prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream.
f. A new treasury indicator known as the Liability Benchmark is required.
g. The monitoring and reporting of all forward-looking prudential indicators is required at least quarterly and any significant deviations must be highlighted (this will be done as part of the regular Finance Service reporting to the Policy & Resources Committee)

h.   The knowledge and skills required by Officers and by Elected Members is to be proportionate to the size and complexity of the treasury management conducted by the Council.
i.   The Council must create new Investment Management Practices (IMP) to manage risks associated with non-treasury investments (similar to the current Treasury Management Practices - TMPs).
j.   Environmental, social and governance (ESG) issues are to be addressed within the Council's treasury management policies and practices (including in TMP1).

3.7   The Local Government in Scotland Act 2003 and supporting regulations (the Act) require the Council to 'have regard to' the CIPFA Prudential Code (the Prudential Code) and the CIPFA Code of Practice on Treasury Management (the Code) to set Prudential and Treasury Indicators for at least the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

3.8   The Act and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

3.9   It is a statutory requirement for the Council to produce a balanced budget. In particular, a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue are affordable within the projected income of the Council for the foreseeable future. The projected revenue impact of the 2023/26 Capital Programme was built into the approved 2023/24 Revenue Budget.

4.0   PROPOSALS

4.1   Capital Strategy

It is proposed that the Committee review the contents of the Capital Strategy 2023-2033 as contained in Appendix 1 and thereafter remit the Strategy to the Full Council for approval.

4.2   Treasury Management Strategy and Annual Investment Strategy

The proposed Treasury Management Strategy and Annual Investment Strategy is attached as Appendix 2 and includes:
a.   Prudential Indicators and Treasury Management Indicators, Authorised Limits for 2023/27, and Treasury Policy Limits (paragraphs 2.1 to 2.14)
b.   Policy on ESG issues for investments (paragraph 3.13)
c.   Policy on repayment of Loans Fund advances (paragraph 4.2)
d.   List of Permitted Investments (including those for the Common Good Fund) (paragraph 3.17 and Appendix A).

The Council will be requested to approve the Treasury Management Strategy and Annual Investment Strategy including indicators, policies, limits, and permitted investments.

4.3 CIPFA recommend that the following clauses from the revised Treasury Management Code are adopted by the Council:

1. This organisation will create and maintain, as the cornerstones for effective treasury and investment management:
   - a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
   - suitable TMPs setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
   - IMPs for investments that are not for treasury management purposes.

   The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code's key principles.

2. This organisation (ie full board/council) will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs and IMPs.

3. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Resources Committee, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement, TMPs and IMPs, and if they are a CIPFA member, CIPFA's Standard of Professional Practice on treasury management.

4. This organisation nominates the Policy and Resources Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

The Council will be requested to adopt the clauses in the paragraph above.

4.4 Further to 4.3 above, the Council has a formal Treasury Management Policy Statement as follows that is required to be approved by the Full Council:

1. This organisation defines its treasury management activities as: "The management of the authority's borrowing, investments and cash flows, including 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".

2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques within the context of effective risk management.

The Council will be requested to approve this Treasury Management Policy Statement.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk	X		
Human Resources			X
Strategic (LOIP/Corporate Plan)			X
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

5.2 Finance

Whilst there are no direct financial implications arising from approving the two strategies it is clear the need to maintain and fund the current asset base will be a prime consideration as part of future budget rounds.

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.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 Legal/Risk

Any borrowing or lending is done under the Council's legal powers.

The monitoring and management of risks on treasury activities (including borrowing, investments, and cash flow) is undertaken on a daily and ongoing basis in line with the Treasury Management Policy Statement approved by the Full Council and with Treasury Management Practices (TMPs) and Investment Management Practices (IMPs) produced and kept under review.

The Council has a Creditworthiness Policy (in Appendix 2) that is used to determine the types of permitted treasury investments and the criteria for investments and periods. The policy sets out the risks from each investment type (credit/counterparty risk, liquidity risk, market risk, interest rate risk, and legal and regulatory risk) and is submitted for Elected Member approval each year as part of the Treasury Strategy and Investments Strategy report.

5.4 Human Resources
None.

5.5 **Strategic (LOIP/Corporate Plan)**
None.

6.0 CONSULTATION

6.1 This report includes the latest advice from the Council's treasury consultants (Link Treasury Services Limited).

7.0 BACKGROUND PAPERS

7.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2021 Edition
CIPFA – The Prudential Code for Capital Finance in Local Authorities – 2021 Edition
Scottish Parliament – The Local Government Investments (Scotland) Regulations 2010 (Scottish Statutory Instrument 2010 No. 122)
Scottish Government - Finance Circular 5/2010 – The Investment of Money by Scottish Local Authorities
Scottish Parliament – The Local Government (Capital Finance and Accounting) (Scotland) Regulations 2016 (Scottish Statutory Instrument 2016 No. 123)
Scottish Government - Finance Circular 7/2016 - The Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 – Loans Fund Accounting
Scottish Government - Finance Circular 10/2022 – Accounting for Service Concession Arrangements, Leases and Similar Arrangements

Inverclyde council

Capital Strategy

2023 – 2033

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Appendix A – Managing Risk
Appendix B – Loan Charges Earmarked Reserve to 2032/33
Appendix C – Loan Debt & Loan Charges Projections to 2042/43

1.0 INTRODUCTION

1.1 The production of a Capital Strategy which is reviewed annually is a requirement of the CIPFA Prudential Code. The document requires to be considered along with the Treasury Strategy and thereafter approved by the Inverclyde Council. It is viewed as being one of the key strategic financial documents along with the Council's Financial Strategy which help govern the strategic direction for the Council's financial planning.

1.2 The traditional focus of Local Government budgeting tends to be on the Revenue Budget with the annual cycle of Grant settlements from the Scottish Government, the identification of savings and investment plans and the approval of the budget along with Council Tax in February/March. As part of this the Council will generally approve a three year Capital Programme. In recent years the capital budget has been a less contentious issue for Elected Members with the Council approving significant amounts of prudential borrowing as well as contributions form Revenue Reserves in order to deliver an ambitious Capital Programme

1.3 Details of the Council's asset base, borrowing and debt are included within the audited financial accounts considered by Members and attracts far less attention than the Revenue Budget and Reserve position. At the 31st March 2022 the Council owned property plant and equipment assets valued at £441million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £551million. Much of the investment in this Asset Base has been funded by borrowing over preceding decades. The Council's external borrowing as at 15th February 2023 was:-

PWLB Debt	£ 74.4 million
Market Debt	£101.3 million
	£175.7 million

The bulk of this debt is due to be repaid at the point that the loan matures with some £28.8 million of the PWLB Debt due to be repaid by 31st March 2033.

1.4 Allied to this the Council maintains a Loan Charges record which is an internal record of investment and is currently written down on annuity basis using the expected life span of the asset created/work carried out. For example a new school will generally be written off over 40 years whereas a roads resurfacing contract will be written off over 25 years. As at the 31st March 2023 the expected value of the Council's internal loan debt is £221.3 million. The repayment costs in 2022/23 are projected to be £17.0 million and these repayments include both Capital and Interest and are referred to as Loan Charges. It is Loan Charges which are funded by the Council's Revenue Budget.

1.5 Over the last ten years the Council has undertaken a significant amount of work on Asset Management Planning. The first Asset Management Plan related to the School Estate (the SEMP) which resulted in an ambitious and comprehensive new build and upgrade programme for the full School Estate. Thereafter asset plans were created in respect of the main leisure facilities, the roads assets, office and depot assets, ICT assets and most recently, open spaces. All Asset Management Plans are linked to the Corporate Directorate Improvement Plans (CDIPs) with delivery reported throughout the year as part of the cyclical Capital Programme updates.

1.6 The purpose of Asset Management Plans are to not only document and quantify all the assets held and their assessed condition but also create a sustainable investment plan which can then be factored into future years Capital Programmes. The creation of the Asset Management Plan will require in many cases decisions from Members regarding a whole estate investment approach which will potentially identify assets which the Council should no longer retain. This can lead to investment in fewer assets but to a higher quality. This has certainly been the case in respect of schools, offices and depots where the Council's property footprint has reduced considerably over the last 15 years with the sums saved from buildings no longer in existence reinvested in the remaining buildings and resulted in an improved estate.

1.7 A significant benefit of having long term Asset Management Plans is that it allows longer term Capital Planning and the Capital Strategy includes Investment Plans for the next 10 years. This allows the Council to identify whether it's longer term Capital Investment Plans are affordable and sustainable

and provides time for corrective action to be taken.

1.8 The Council is coming to the end of a period of ambitious investment. This has seen a significant increase in the Council's Loan Fund Debt over the last 15 years and projections indicate that the Loan Fund Debt will peak at approximately £230.8 million in 2024/25. On the basis of limited prudential borrowing in future years the Loan Fund debt will reduce to around £172 million by 2032/33. Therefore, there needs to be a correlation between the reduction in the Council's internal loan debt and the repayment of the Council's external borrowing to the PWLB over the next 10-15 years.

1.9 One issue which the Capital Strategy and Treasury Strategy require to demonstrate is the affordability and sustainability of the Council's Asset Management Plans, to enable Members to see the longer term financial implications of policy and investment decisions.

1.10 Much of the affordability assessment depends on the Council's Treasury Strategy and this is also presented to the Policy & Resources Committee annually prior to the 31st March each year. The period of the Treasury Strategy is currently four years and one product of the creation of a Capital Strategy will be to better align the timescales for the Treasury Strategy, Investment Strategy and Capital Programme. Based on the projected trajectory of the Council's loans fund and external borrowing then the overall Treasury Strategy is currently to borrow on a short to medium term basis. This approach is largely influenced by the significant value of market debt held by the Council much of which was borrowed at the time of the transfer of the housing stock in 2007. The latest possible maturity date for the market loans varies from 2066-2077 although, dependent on macroeconomic changes there is always the possibility that lenders may wish to trigger repayment of their loans with the Council.

1.11 The Chief Finance Officer is supported in monitoring the Council's Capital, Treasury and Investment position by both internal officers and also the Council's Treasury Advisor with whom he meets twice per year. This external support is a vital check and balance in ensuring the Council is receiving the best possible advice and support in managing the Council's considerable asset base, borrowings and future investment plans. This enables the Chief Finance Officer to provide regular reports to the Policy & Resources Committee and the Inverclyde Council on the Council's Treasury Strategy, Treasury Annual Report and Mid-Year Report as well as frequent updates on the Capital Programme.

1.12 The Capital Strategy pulls all these aspects together and aims to provide a valuable addition to Elected Members overall understanding of the Council's finances and the wider impacts on policy choices in coming years.

2.0 GOVERNANCE AND REGULATORY FRAMEWORK

Legal and Regulatory Framework

2.1 The legal framework under which treasury management operates mainly involves:
- the Local Government (Scotland) Act 1973
- the Local Government (Scotland) Act 1975
- the Local Government etc. (Scotland) Act 1994
- the Local Government in Scotland Act 2003

and
- Regulations and statutory guidance issued under powers in the above Acts.

2.2 In addition, CIPFA issued the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, both of which were last revised in December 2021.

The Prudential Code requires Councils to ensure that capital expenditure and investment plans are affordable, that borrowing and other long-term liabilities are prudent and at sustainable levels, and that treasury management and investment decisions are taken in accordance with professional good practice. The Code requires the production and monitoring of Prudential Indicators.

The Treasury Management Code includes requirements for Councils to consider the objectives of their treasury management activities and the effective risk management of those activities. The Code requires the production of a Treasury Management Practices document which sets out how the Council will seek to achieve its treasury management policies and objectives and how it will manage and control its treasury management activities. The Code also requires that, as a minimum, the following reports be submitted to the Council each year: a treasury management strategy, a mid-year review, and an annual report after the year-end.

2.3 The main regulations and statutory guidance that apply are:

a) Local Government Capital Expenditure Limits (Scotland) Regulations 2004
These require that Councils "have regard" to the Prudential Code when determining "the maximum amount which a local authority can afford to allocate to capital expenditure".

b) Local Government Investments (Scotland) Regulations 2010
Scottish Government Finance Circular 5/2010 was issued under these Regulations and requires the approval of annual Investment Strategies and Permitted Investments by Members as well as an Annual Report on Investments to Members within 6 months of the financial year-end.

c) The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016
Scottish Government Local Government Finance Circular 7/2016 was issued under these Regulations and replaced provisions for local authority borrowing, lending and loans funds that were in the Local Government (Scotland) Act 1975. The Circular includes requirements in relation to the prudent annual charging against the Revenue Budget for the cost of capital projects (Loan Charges) and permitted methods of calculating those charges.

d) Scottish Government Local Government Finance Circular 7/2018
This Guidance replaces a Finance Circular issued in 2007 that was issued under powers in the Local Government in Scotland Act 2003. The Guidance permits accounting adjustments for some types of treasury management activities, including where Councils have incurred premiums or received discounts when refinancing PWLB loans taken out by the Council.

e) Scottish Government Local Government Finance Circular 10/2022
This Guidance replaces a Finance Circular issued in 2010 that was issued to address accounting arrangements for PFI and similar arrangements. It allows a change to the accounting treatment whereby the cost of the PFI arrangement can be accounted for over

the anticipated useful life of the asset rather than the contract life.

Governance

2.4 The Capital Expenditure budget is approved by the Council and monitored by the Policy & Resources Committee with oversight of individual projects by the Strategic Committees.

2.5 For Treasury Management, officers prepare a Treasury Management and Investment Strategy for each year (including Permitted Investments for the year, the Authorised Limit for External Debt, and the Treasury Management Policy Statement), a Mid-Year Report, and an Annual Report. These reports are submitted to the Policy & Resources Committee for review and for remission to the Full Council for formal approval, in line with the regulatory requirements above. Where the Council undertakes debt rescheduling, this is reported to the Policy & Resources Committee and the Full Council in line with agreed policy.

2.6 The cost of Treasury Management activity is included in the Revenue Budget and Budget reports to Committee as Loan Charges. Loan Charges are comprised of the annual charges for the write-off of the cost of capital projects over an appropriate period along with the interest and expenses costs from borrowing and the treasury management activities.

2.7 The Chief Finance Officer has delegated authority to make the necessary arrangements for authorised borrowing, the temporary investment of funds, and specified changes to the Treasury Management Practices. This authority is also delegated to each of the 3 Finance Managers where the Chief Finance Officer is absent (as approved by the Council on 30 November 2017). Treasury Management requirements are also included in the Council's Financial Regulations.

2.8 The Treasury Management Practices ("TMPs") is an operational document that is updated at least every 3 years and that set-out the main principles under the Treasury Management Code and how the Council will comply with those principles. The TMPs were last updated in February 2023.

Risk

2.9 Given the long timescales involved in capital investment and treasury decisions, risk is a fundamental consideration for consideration. Within the Capital Strategy, Appendix A summarises the main risks identified by officers whilst a separate analysis of Treasury Management & Investment risks is included in that document.

3.0 ASSET MANAGEMENT PLANS

3.1 A number of years ago the Council identified the need to align capital investment against the policy priorities of the Council. This resulted in the creation of a number of comprehensive Asset Management Plans (AMPs). The first Asset Management Plan related to the School Estate (the SEMP) which resulted in an ambitious and comprehensive new build and upgrade programme for the full School Estate. Thereafter asset plans were created in respect of the main leisure facilities, the roads assets, office and depot assets, ICT assets and most recently, open spaces.

3.2 Over the last 15 years the Council has undertaken a significant amount of work on Asset Management Planning and has used a combination of internal expertise and external peer review in their development. Once created the AMPs are embedded within the Council's Corporate Directorate Improvement Plans and Capital Programme formulation process to ensure that there is a strong alignment between the Council's overarching Priorities and capital investment decisions.

3.3 The Asset Management Plans not only document and quantify all the assets held and their assessed condition but also create a sustainable investment plan which can then be factored into future years Capital Programmes. In addition the creation of the Asset Management Plan will lead to Members considering a whole estate investment approach which will potentially identify assets which the Council should no longer retain.

3.4 A significant benefit of having long term Asset Management Plans is that it allows longer term Capital Investment Plans for a minimum of the next five years but the capability to project this forward for a further period of time. This allows the Council to identify whether it's longer term Capital Investment Plans are affordable and sustainable and provides time for corrective action to be taken. The next part of this section provides an overview of the current position of the Asset Management Plans being progressed by the Council.

3.5 **Net Zero**

The Environment & Regeneration Committee of 28 October 2021 approved the Net Zero Strategy 2021-2045 which sets out Inverclyde Council's route map to achieving net zero greenhouse gas emissions by 2045. The Net Zero Action Plan 2022-2027 was approved at a special meeting of the Environment & Regeneration Committee on 30th November 2022 and this sought to capture and collate current activities that are funded from existing budgets and to also identify new actions which will require additional funding and/or resources. An allocation of £3.3m for 2023/26 has been approved as part of the 2023/24 budget setting process to allow a focus on the following areas of activity:

- Reducing energy use in buildings through improved data collection, controls and targeted energy audits;
- Reducing energy demand in buildings through increased building based renewable generation;
- Introduction of low/zero carbon heating within smaller scale assets e.g. Early Years Establishments;
- Offsetting (insetting) via local peatland restoration projects;
- Fleet decarbonisation through car and light commercial vehicle transition to ULEV including expansion of charge point provision.

In terms of the impact on existing assets, it is recognised that the 2045 targets for Net Zero will involve circa 80% of the buildings currently in use. Retrofitting the existing building stock is a colossal challenge in transitioning the built environment to net zero. The sheer scale of the task has been expressed in UK wide studies which indicate that it would require one building being retrofitted every 35 seconds between 2020 and 2050 in the UK.

The current Net Zero Action Plan noted that actions towards the end of the initial five-year period include low / zero carbon heating for larger facilities such as primary schools with the current market and available technology limiting the options for heat decarbonisation. It also noted that any heat decarbonisation projects require to be considered in tandem with the action plan item dealing with

feasibility studies on deep retrofit which will address the core building fabric performance and associated heat demand beyond the basic decarbonisation of the heating systems. Costs associated with retrofit and fabric upgrades are currently not included in the action plan and will be subject to further detailed feasibility studies and reports.

There are significant technical, financial and operational considerations / barriers involved in the transition to net zero emissions for each and every retained building / asset. The capital costs will broadly be proportionate to the size / type of facility with smaller facilities at the lower end of the scale and with larger highly serviced / more complex facilities at the upper end.

3.6 **School Estate Management Plan & Expansion of Early Learning & Childcare**

The Council has invested in excess of £270m on its school estate over the life of the School Estate Management Plan. The rationalisation of the estate was completed by the end of 2013. Over the period of the programme to date there has been a net reduction of 12 primary schools (from 32 to 20) and a net reduction of 2 secondary schools (from 8 to 6) with 2 of the remaining 6 secondary schools co-located within a shared community campus.

Significant progress has been made in addressing the number of Condition category C (Poor) and D (Bad) rated schools from 7 Secondary Schools and 21 Primary Schools at the start of the programme to all schools across all sectors rated A (Good) or B (Satisfactory) by 2016. In terms of Suitability there has also been significant progress made in ratings through the programme of comprehensive refurbishment and new build.

The plan prior to the COVID-19 lockdown would have seen all major projects completed in 2020 reflecting the approval of the acceleration of the School Estate Management Plan agreed as part of the budget setting process in March 2016. The St Mary's Primary School project was completed in October 2020 with completion of the final project at Gourock Primary School in December 2022 delayed due to the impact of a combination of the insolvency of the main contractor and COVID-19. The demolition of the last remaining decant facility, the former Sacred Heart Primary School, was completed in June 2022.

In addition to the projects taken forward and completed in 2014/15 to facilitate the Scottish Government commitment to the provision of 600 hours of Early Learning and Childcare, additional expenditure was approved in March 2016 to address works required to improve asset condition and suitability across the stand-alone facilities within the Early Years estate. The Council funded elements of the Early Years estate plan have now been completed with the final project to refurbish Hillend Children's Centre operational as of October 2021.

The Scottish Government plan to further increase the entitlement of early learning and childcare from 600 hours to 1140 hours has required substantial levels of investment in workforce and infrastructure to support the expansion. Inverclyde Council submitted its initial expansion plan to the Scottish Government in September 2017 and this was reported to the October 2017 Education & Communities Committee. A revised plan and financial template was submitted in March 2018, reported to a special Education & Communities Committee in June 2018. The Scottish Government confirmed a total Capital grant of £5.98m to Inverclyde Council as part of the overall 1140 hours funding for the infrastructure and capital funded elements of the expansion plan to be delivered between 2017/21. The original plan was phased from 2017/18 onwards to ensure that the required expanded capacity would be in place by 2020 however as a result of the impact of COVID-19, in April 2020 an order revoked the change to the 2014 Children and Young People's Act that requires education authorities to secure 1140 hours of ELC provision for all eligible children from August 2020. Given the progress already made within Inverclyde in the implementation of 1140 hours, it was possible to develop contingency plans to ensure that 1140 hours was still implemented across Inverclyde as of August 2020. All core 1140 hours expansion projects were completed with the final project for the new Larkfield Early Learning Centre operational as of November 2021.

The School Estate funding model also includes a lifecycle fund designed to address maintaining the condition and suitability of the revitalised estate. The fund allocations are profiled such that the initial allocation of circa £0.4million in 2014/15 increases to circa £2.5-3m per annum. The lifecycle works address the on-going requirement for investment in the estate to maintain the overall condition of the assets at a good/satisfactory level. The allocation of this funding is based on annual review of the externally procured condition surveys and physical inspection of the various properties by the Council's Property Service. The most recent external condition surveys were undertaken via Aecom during 4th Quarter 2019. These surveys and Property Services assessment inform the allocation of future lifecycle funding across the estate and this will become increasingly important in the coming years, particularly for the properties that were included early in the original programme.

A wider Learning Estate Review and strategy is now required to address the next 10+ years and future of the Learning Estate. Work has commenced on this in respect of roll projection analysis and assessment of the possible impacts of the new Local Development Plan and potential new housing provision. The strategy will require to consider the Condition of the estate from external surveys and Property Services reviews. A full review of all suitability surveys has also been progressed in conjunction with Education Services and Heads of each establishment and this information was reflected in the 2021 Core Facts return. The strategy will also consider other works streams such as the 2021/28 Education Services Digital Learning Strategy. Energy efficiency and the implications of the Inverclyde Net Zero Strategy and 2022/27 Action Plan including the National policies around net zero carbon standards for public buildings will also have to be reflected in future property asset strategies.

3.7 **Office AMP**

The Council's Office rationalisation proposals were originally presented and approved in September 2010. Linked with this was the prior approval in March 2010 for the development of a Customer Service Centre within Greenock Municipal Buildings designed to transform the way the Council communicates with its customers. The programme was part of a wider programme to modernise the Council's operations and working practices which included initiatives such as mobile and flexible working, electronic document management (EDRMS) and greater use of technology. The Offices Asset Management Plan (AMP) was taken forward on the premise that fewer desks than employees would be provided with the final projects within the Offices AMP completed in Autumn/Winter 2017. The Office Rationalisation programme resulted in a reduction of circa 40% of occupied floor space and circa 28% in terms of desk numbers with an increased potential desk space ratio through more efficient use of space across the same number of retained properties.

With the completion of the Office rationalisation programme, the majority of the Council's Operational Office space is now contained within the Greenock Municipal Buildings Campus. This is comprised of the main Municipal Buildings (including the refurbished/renovated former District Court offices), the Wallace Place Building and the James Watt Building. Property Services had undertaken studies across the Campus at the end of 2019, both internally and through external specialist space planning consultants, with a view to identifying where possibilities exist for more efficient use of space and to address improvements where existing space is less suitable for current use and/or in poorer condition. The challenges posed by COVID-19 necessitated a shift to different agile working delivery models including increased flexible, mobile and homeworking arrangements. As part of the COVID-19 Organisational Recovery Plan the Council reviewed its agile working and other key policies resulting in the development of a Hybrid Working Strategy, with a 12 month pilot currently nearing completion. As part of the Council's Delivering Differently Programme, a New Ways of Working project is also being taken forward to examine the changes to the ways offices are being used within the Campus including changes in the use of technology and the potential for increased use of Electronic Document Management processes. The previously completed space studies are being revisited as part of this work stream to assess the potential property / ICT investment implications connected with new ways of working. The November 2022 Policy & Resources Committee were advised of the plan to mothball the James Watt building from early 2023/24 with minor works undertaken across various assets to facilitate the relocation of staff and with that activity currently underway.

The potential reduction in employees arising from the 2023/25 savings exercise plus the recently

announced successful Levelling-up Funding bid which will impact the Hector McNeil House building, will influence the future direction of the New Ways of Working Project.

The future maintenance and lifecycle requirements of this element of the Council's estate strategy will now be contained / addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2.4m General Property Service capital allocation monitored through the Environment & Regeneration Committee.

3.8 **Depot AMP**

The Council's Depot rationalisation has involved the centralisation of Grounds, Waste and Transport at Pottery Street with a Gourock Civic Amenity site and the Building Service Unit (BSU) currently remaining at Devol Depot. The original Depot Asset Management Plan budget of £13m was reduced by £2.8m through a review of phasing and scope with the development of the masterplan and a refinement of the strategy / proposals. The majority of projects were completed by mid-2019 incorporating the phased works at Pottery Street including the salt barn, civic amenity site, vehicle maintenance facility / offices, fuel and vehicle wash facilities, and the refurbishment of the corner depot building / offices. The final element of the Depot AMP involving the Gourock Civic Amenity facility has been partially completed with the existing Civic Amenity facility closed at the end of January 2022 and temporarily relocated to Craigmuschat Quarry. The demolition of the existing Kirn Drive Depot building and removal of fuel tanks was completed in June 2022. Decisions in respect of the future provision were concluded as part of the 2023/24 budget setting process.

3.9 **Leisure AMP**

The Council undertook a review of its key Leisure Sites prior to 2009 which included reports covering a review of strategic sites and a pitches strategy, with a view to modernisation and reconfiguration of leisure provision within Inverclyde. Consultation was also undertaken with Sportscotland who allocated £1m in facilities grants, part funding specific projects at Parklea and Ravenscraig. A planned investment profile was presented to Committee in September 2009 with an initial implementation timescale of August 2012.

Following the implementation of the original Leisure Strategy above, a number of further projects were taken forward (Ravenscraig Activity Centre / Inverclyde Indoor Bowling / Lady Octavia Sports Centre / Boglestone Community Centre) through joint Council / Inverclyde Leisure funded projects.

In 2018 the Council agreed to allocate £120,000 annually to supplement the funding in the Leisure Repairs and Renewals Fund to meet the life cycle costs associated with the large 3G Pitch estate. The on-going requirements for major maintenance and lifecycle replacement of sports pitches across the Leisure Estate are addressed through the Leisure Pitches Strategy Asset Management Plan and capital allocations monitored through the Education & Communities Committee. Condition surveys were undertaken via external specialists in late 2019 across the Leisure and School Estate pitches to inform a review of the Asset Management Plans and lifecycle replacement allowances. This information together with data on individual pitches hours of use from Inverclyde Leisure formed the basis of a revised asset plan which was approved by the September 2020 Education & Communities Committee. A programme of rejuvenation and carpet replacement works commenced in 4th Quarter 2020 with 3 pitches completed to date and 2 further pitches completed in 2022.

The major maintenance and lifecycle replacement requirements of the buildings for the Leisure Estate remains with the Council and this element of the Council's estate strategy is addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2.4m General Property Service capital allocation monitored through the Environment & Regeneration Committee. Minor day to day maintenance and 'consumables' are the responsibility of Inverclyde Leisure in accordance with the Service Level Agreement which regulates access, standards of maintenance and division of responsibilities. The allocations through this fund will be vital in the coming years to address significant elemental renewal of ageing assets.

As part of the Council's Delivering Differently Programme, the Council and Inverclyde Leisure have undertaken a strategic review of all indoor, outdoor and community leisure facilities in Inverclyde.

This activity has been aligned with the preparation for the 2023/25 Budget recognising the Inverclyde Leisure business model pressures such as shortfalls in income, increases in utilities, and other inflationary pressures such as pay. A report was submitted to the November 2022 Education and Communities Committee outlining proposals to reduce the funding pressure addressing a potential major reduction in the Inverclyde Leisure managed estate. The proposals have been subject to public consultation and were considered as part of the budget setting process.

3.10 **Roads AMP**

The Council approved a comprehensive Roads Asset Management Strategy (RAMS) which was then utilised to develop the Roads Asset Management Plan (RAMP) and funding model in August 2012. A total of £29m was proposed for the period April 2013 to March 2018 to improve the roads infrastructure – carriageways, footways, lighting columns and structures, this included road and pavement resurfacing works, an extensive road patching and pothole repairs programme, street lighting replacement works and improvements to bridges and roads structures.

Further to this investment, a second phase of RAMP funding was allocated to the value of £15m for the period April 2018 to March 2023.. From 2023/24 the annual allowance is £2.75 million.

Over 97% of the Council's streetlights have now been upgraded to low energy LED types which has halved electrical power consumption, reduced energy and maintenance costs to the Council and has reduced the carbon footprint. Roads structural projects and programmes have delivered numerous bridge upgrades and improvements including a prioritised programme of inspection and repair.The RAMP has resulted in a reduction in the number of Inverclyde's roads, footways, street lights and road structures which require ongoing maintenance treatment while providing an increased future lifespan.

From the implementation of the RAMP in 2013 to present, the Road Condition Indicator (RCI) has continually reduced which demonstrates that the planned investment is resulting in a significant improvement to the condition of Inverclyde's road network.

The Road Condition Indictor (RCI) for carriageways as follows:

	SRMCS Survey Results			
Year	Red	Amber	Green	RCI
2011/13	13.55	35.42	51.0	**49.0**
2012/14	12.69	36.55	50.8	**49.2**
2013/15	10.80	35.47	53.7	**46.3**
2014/16	10.11	33.18	56.7	**43.1**
2015/17	8.57	31.96	59.5	**40.5**
2016/18	7.09	30.80	62.1	**37.9**
2017/19	7.44	30.02	62.5	**37.5**
2018/20	7.41	29.88	62.7	**37.3**
2019/21	5.73	29.57	64.7	**35.3**
2020/22	4.51	28.19	67.3	**32.7**
2021/23	3.39	27.77	68.84	**31.2**

During this time Inverclyde Council has received awards from The Association for Public Service Excellence (APSE) for the most improved performer in 2016 for Roads, Highways and Winter Maintenance and for Street Lighting in 2017 and again in 2019.

3.11 **Vehicle AMP**

The purpose of the Vehicle AMP is to provide the Council with an efficient, flexible method of

procuring and operating fleet items that reflects good fleet management practice plus a cyclical replacement of fleet assets over a 5 or 7 year cycle dependant on fleet category taking advantage of public sector collaborative procurement frameworks. A review of the replacement policy will be undertaken to reflect the budgetary position taking cognisance of the increased costs of vehicles, and requirement tom move towards Ultra Low Emission Vehicles (ULEVs)

In addition it led to the introduction of a dedicated Fleet Management System and Fleet Tracking System. Without a fleet asset management plan the Council would experience a return to inefficient practices including increased fleet downtime, an increase in expensive 'spot' hire vehicles, a requirement to increase workshop staff levels and an increase in both material and sub-contractor costs. Looking to the future the Vehicle AMP will continue taking advantage of the latest technological advances both in terms of vehicle and management/telematics systems driving forward efficiencies within the fleet asset management plan.

The Council have previously taken advantage of bridge funding from Transport Scotland and technological advances allowing greater battery range has allowed a significant increase in the number of ULEVs on the Council fleet. In 2017/18 there were 4 pure electric ULEVs accounting for 8% of fleet vehicles within these categories increasing to 38 (76%) by 2020/21. This figure has remained static since 2020/2021 when no further bridge funding was made available. The Council will require to identify funding for ULEVs to meet the Scottish Government target of ending the sale of new petrol or diesel cars and light vans in Scotland by 2032 and this is being considered as part of the Council's Net Zero Strategy.

The technology to further introduce ULEVs into the medium and heavy commercial fleet is developing quickly and the continued funding of the Vehicle AMP will allow the Council to take advantage of these new technologies. In conjunction with this, consideration will require to be given to significant infrastructure requirements given the power requirements to charge large commercial vehicles, particularly when being charged at the same time in one central hub such as the Pottery Street depot.

3.12 **Open Spaces AMP**

The Council has also developed an initial Open Space AMP which incorporates Burial Grounds and the Crematorium. Given the wide range and nature of the assets covered and the piecemeal nature of some of the investment, the preparation of a detailed AMP has proven to be challenging. Based on the information to date an annual capital sum of £200,000 is allocated for general lifecycle maintenance. In addition the Council will explore opportunities to attract external funding where possible.

In addition, the Council has allocated over £3.0 million over the next 2 years to expand Burial Grounds provision and replace the Council's cremators. The identification of appropriate ground for burials has been challenging for the Council in the medium to long term.

3.13 **ICT Asset Plan**

The ICT Asset Management Programme intends to provide a modern ICT infrastructure providing the most appropriate level of equipment, at best value to the Council across all of Inverclyde Council's Offices and Schools. It aims to allow staff to undertake their roles and responsibilities in as efficient and flexible a manner as possible and provide teachers and pupils with modern and sustainable learning technologies. The ICT AMP has an annual budget of £0.593m.

In line with the best practices for ICT Asset Management, the physical lifecycle of an ICT Asset has two distinct phases:

- Planning & Procurement
- Lifecycle & Disposal

The Council has adopted a policy of deploying laptops as the default device for officers unless there is a technological or configuration requirement that would require a desktop. ICT implements a four-

year desktop and laptop refresh strategy and in 2021/22 completed a full refresh across the corporate estate to allow for the introduction of Hybrid working.

In 2022/23 650 teacher/class desktops were replaced with laptops and 280 computers in two of the ICT/Business Studies suites in each high school were refreshed. Phase 2 of the School Refresh programme will see the remaining suites refreshed in FY 2023/24. Phase 3 will replace devices in administration, libraries and other classroom environments.

The total number of devices in the programme is 6116

	Desktop PCs	Notebook PCs	Tablet PCs	Total
Schools	1972	2458	45	4475
Corporate	232	1334	62	1641
Total	2204	3792	107	6116

The programme also includes provision for replacement of core ICT equipment such as network storage, servers and infrastructure and the procurement and implementation of other services to support Hybrid working such as videoconferencing equipment.

3.14 **Scheme of Assistance**

Section 72 of the Housing (Scotland) Act 2006 requires Local Authorities to prepare and make publicly available a statement which sets out the Council's approach to providing householders with advice and/or assistance on how to repair, improve, maintain or adapt their home. The 2006 Act paves the way for applications for assistance with adaptations to be treated separately from applications for assistance with repairs and includes a general duty to provide financial assistance to make a house suitable for a disabled person. All eligible adaptation works will receive a minimum of 80% grant assistance or, at the discretion of the Council, 100% grant can be awarded.

The provision of a Care and Repair/Small Repairs Service who assist eligible applicants with the grant process and progression of adaptation works. Care and Repair operate a small repairs service for plumbing, electrical, joinery and general household jobs.   The services are available to homeowners and tenants in the private sector who are either disabled or are over 60 years of age.

Year	Number of Homes Adapted	Small Repairs Provided
15/16	174	1705
16/17	181	1587
17/18	171	1701
18/19	195	1582
19/20	169	1620
20/21	133	582
21/22	162	1818

The number of adaptations came back up in 21/22 after the pandemic. Projected figures for 2022/23 are 140 adaptations and 1400 small repairs. Although the number of adaptations is likely to be lower than in 20/21 the cost of individual adaptations is greater and there have been one or two of significantly higher cost.

3.15 **HSCP Asset Management**

In addition to the regular review of HSCP properties to identify opportunities for reconfiguration of services that support co-location, work has been undertaken across the NHS Greater Glasgow & Clyde area to develop a Primary Care Property Strategy which seeks to better understand the current utilisation of property and its suitability for existing and future service provision. This strategy will assist with future business cases and inform board infrastructure investment decisions.

A number of shared service offices were addressed as part of the Offices Asset Management plan and consolidation within the Hector McNeil House building completed in 2014. Two further major

HSCP projects secured Scottish Government funding support with the new Adult and Older People Complex Care Beds facility (Orchard View) completed in summer 2017 and the new Greenock Health and Care Centre which became operational in March 2021. The completion of the new Health and Care Centre facilitated further shared service / joint working with the business case predicated on the basis that the existing NHS owned Greenock Health Centre, Boglestone Clinic, Larkfield Child & Family Centre (CAMHS) Building, and Cathcart Centre, which were not fit for purpose, would be disposed of.

Further asset areas were addressed via the phased re-provisioning of Inverclyde's Children's Residential Services with one unit (Kylemore) completed in March 2013 and a further unit (Cardross – 'the View') completed in January 2018. The progression of the final unit (Crosshill) was delayed due to the impact of a combination of the insolvency of the original main contractor and COVID-19 with completion achieved in October 2022.

The Strategic Review of Services for Adults with Learning Disabilities in Inverclyde was signed off by the Integration Joint Board in December 2016. As part of the Service redesign, a number of properties historically used by the service have been decommissioned with flats at Lynedoch Street and Hope Street vacated and released back to the relevant Registered Social Landlords. Golf Road was vacated in June 2018 and the McPherson Centre decommissioned in September 2018 with full integration into the Fitzgerald Centre following work within the Fitzgerald Centre to upgrade personal care facilities, storage and sensory areas undertaken over summer 2018. The longer term plan remains for a new Inverclyde Community Learning Disability Hub with business case approved in February 2020 and design proposals currently being developed through the hub delivery model with financial close targeted in 3rd Quarter 2023.

Two other specific property issues remain for Health & Social Care around the future of the Centre for Independent Living store and the continued lease of the Unpaid Work Unit at Kingston Industrial Estate.

Day to day investment in the HSCP buildings is funded from the general Property AMP but the funding for transformational change in service delivery requires to be funded elsewhere. For the Children's Units, funding came from a combination of prudential borrowing funded by service savings, reserves and core capital grant. The new Inverclyde Community Learning Disability Hub will also be funded by prudential borrowing.

The Scottish Government recently carried out a public consultation on its proposals for a National Care Service (NCS) to achieve changes to the system of community health and social care in Scotland. On 20th June 2022, the Scottish Government introduced the National Care Service (Scotland) Bill to the Scottish Parliament. The Bill would establish a National Care Service in Scotland, and allow Scottish Ministers to transfer responsibility for a range of social care services from local authorities to the new service. This could include adult and children's services, as well as areas such as justice and social work. New "care boards" would be responsible for delivering care locally. It is unclear what the approach to assets currently used by the proposed transferring functions will be. The uncertainty around NCS further compounds the difficulty in being able to confidently make medium and long term decisions around future asset requirements.

3.16 **City Deal**

Although not a specific Asset Management Plan the Council does have major investment plans in relation to the Glasgow Region City Deal which has a £1.13 billion Capital Infrastructure investment programme covering the 8 Local Authorities in the Glasgow City region. Inverclyde Council currently has 3 projects in various stages of development with an estimated total Capital cost of £32.5million, £22.8million of which is funded through the City Deal investment and Council contribution with the balance funded by external partners.

The Scottish and UK Government investment is due to be paid over a 20 year period ending in 2035. Due to the timing difference between the Council incurring expenditure by 2025 and the receipt of grant, the Council will require to finance the cashflow implications as well as loan charges in relation to the Council's projected £1.3 million contribution. The funding for this has been allowed for in the Council's recurring Revenue Budget and forms a specific appendix within the Financial Strategy.

3.17 **Levelling Up Fund**

Again, whilst not a specific Asset Management Plan the Council has recently received confirmation of £19.39m Levelling Up Fund grant towards a £21.6m project to redevelop Greenock Town Centre. The project will see the transformation of the town centre with demolition of the elevated A78 dual-carriageway along with Hector McNeill House and 40% of the existing Oak Mall retail centre resulting in easier access to the area for residents and visitors, with the resultant additional space having the potential for a new college campus, town centre housing and new cultural opportunities. This project has clear implications for the Office and HSCP AMPs and is being considered within the overall New Ways of Working project.

4.0 THE CAPITAL PROGRAMME

4.1 The Council traditionally approves a rolling three year Capital Programme each budget cycle. The March 2023 budget cycle brings the current Capital Programme up to 2025/26.

4.2 Annual capital budget allocations are provided for investment in the core assets identified via the Asset Management Plans with these allocations intended to maintain the existing assets to acceptable standards. The allowances do not generally allow for expansion or replacement of existing assets which would normally be addressed through specific investment proposals.

4.3 The UK exit from the EU, the impact of COVID, increased global demand for materials and most recently the impact of the conflict in Ukraine continue to have a significant impact on the delivery of the capital programme. These issues have inevitably led to both cost pressures and project delays. As a result a further annual cost pressure allowance has been included in the 2023/26 budget across those areas most impacted by the pressures.

4.3 Current annual allocations amount to £9.696m (see table below) This amount includes the increased allocation to Roads Property and Scheme of Assistance approved as part of the 2023/24 Budget.

Recurring annual Grant Allocations:

ICT	£0.593m
Roads (RAMP)	£2.750m
Zero Waste Fund	£0.060m
Parks & Open Spaces	£0.200m
Property	£2.400m
Scheme of Assistance	£0.573m
Leisure Pitches	£0.120m
School Estate	£3.000m
Total Annual allocations	£9.696m
General Capital Grant in 2023/24	£6.079m

The Scottish Government spending review in 2021 confirmed the General Capital Grant will remain at the current level until at least 2025/26 however changes in the distribution methodology have reduced Inverclyde's share of the grant to approximately £6m. The General Capital Grant in 2023/34 then is approximately £3.6million short of the ongoing Asset Maintenance requirement. The current Financial Strategy assumes that the Council will prudentially fund £1.5 million of capital investment annually from 2023/24 which will partially address this. The remaining shortfall of approximately £2.1m per year will require to be funded from either capital receipts, revenue reserves and prudential borrowing or reductions in the asset base.

4.4 Other investment includes the Vehicle Replacement Programme however this is funded via ongoing prudential borrowing and is not reliant on the General Capital Grant. In addition, specific

investment proposals are considered either as part of the budget setting process or via reports to Strategic Committees. Any such proposals would require to be funded by way of prudential borrowing and/or one off allocations from reserves.

4.5 In addition to the core capital grant the Council receives Specific Capital Grant awards from the Scottish Government plus can apply for grants from other bodies such as Strathclyde Passenger Transport and Sustrans.

4.6 In recognition of potential increase in resources or cost reductions the Council will overprovide by up to 5% against available resources. It needs to be borne in mind that if extra resources or cost reductions do not occur then savings will be required.

4.7 A summary of the proposed 2023/26 Capital Programme is shown below. This was approved by the Council in March 2023. It should be noted the Capital Grant figure for 2023/24 includes £1.872m additional funding for the Pay Award, and £0.928m allocation for Free School Meals for which additional spend has also been included.

Proposed Capital Programme 2023/2026

Expenditure/Projects by Committee	2023/24 £m	2024/25 £m	2025/26 £m	Totals £m
Policy & Resources	0.500	2.766	2.644	5.910
Environment & Regeneration	10.322	19.442	9.610	39.374
School Estate	1.897	5.287	4.000	11.184
Education & Communities	1.300	0.325	0.551	2.176
HSCP	2.550	6.600	0.174	9.324
	16.569	34.420	16.979	67.968
Financed By				
Government Grant	8.879	6.000	6.000	20.879
Sales/Contributions	0.355	0.404	0.315	1.074
Other Income	3.425	-	-	3.425
Revenue	0.682	5.780	3.764	10.226
Prudential Borrowing	5.150	9.179	2.748	17.077
Resources Carried Forward	12.250	-	-	12.250
	30.741	21.363	12.827	64.931

Shortfall in Resources	3.037
Recommended maximum overcommitment (5% of Resources)	3.247
Flexibility	(0.210)

5.0 DEBT AND FIXED ASSETS

5.1 One objective of the Capital Strategy is to demonstrate the sustainability and affordability of its capital expenditure and investment plans. Much of the affordability assessment depends on the Council's Treasury Strategy. The period of the Treasury Strategy is currently four years and one positive development arising from the creation of a Capital Strategy will be to align the timescales for the Treasury Strategy, Investment Strategy and Capital Programme.

5.2 A key requirement of the Treasury Strategy is to set the Prudential Indicators which will determine limits around borrowing, investment and affordability and thereafter feeds directly into the Revenue Budget process. The Treasury Strategy is considered by the Policy & Resources Committee in March and thereafter the Council.

5.3 There are 3 distinct areas where it is important that the inter relationships are highlighted as these are at the heart of understanding the Council's overall approach to capital investment and long term financial planning.

Loan Charges/Loan Fund Debt – Loan Charges records are the Council's internal record of capital investment. Sums incurred are currently written down on annuity basis using the expected life span of the asset created/work carried out. The Loan Charges records allocate the capital incurred against the asset created/improved.

Loan Charges are an internal calculation and no money leaves the Council but it is Loan Charges which form the charge to the Revenue Budget as a proxy for depreciation.

External Debt- To fund capital works the Council will in many cases have to borrow funds. The traditional route for local government remains to borrow from the Public Works Loan Board (PWLB) but a significant amount of borrowing has also been carried out from other lenders and this is referred to as Market Debt. Interest is paid on these loans throughout the year and these costs form the basis of the calculation of the loan charges interest rate.

Balance Sheet Fixed Assets - As part of the statutory Annual Accounts the Council prepares a Balance Sheet and the largest sum within this is the value of assets held by the Council. Assets are revalued on a rolling basis every 5 years although adjustments can be made in the interim in the event of a material impact on the assets value. Depreciation is applied to the assets prior to inclusion on the Balance Sheet. Depreciation does not form part of the revenue budget and is reversed out of the accounts when calculating the Council's available Usable Reserves.

The financial position of these three areas is explained further in the following paragraphs.

5.4 **Loan Fund Debt**

The Council is coming to the end of a significant period of ambitious investment in the School Estate, Leisure Estate, Roads Assets plus the rationalisation of the Office and Depot Estate. This has seen a significant increase in the Council's Loan Debt over the last ten years and projections indicate that the Loan debt will peak at approximately £231 million in 2024/25 but on the basis of limited prudential borrowing in future years the loan debt will reduce to around £172 million by 2032/33. Thereafter the debt gradually reduces and by 2043 there is only £93 million of the current debt outstanding. Given the current shortfall between Government Grant and annual capital requirements highlighted in section 4, it is likely that Prudential Borrowing and hence debt will need to increase over this period.

5.5 **External Debt**

The Council's external borrowing as at 15th February 2023 was:-

PWLB Debt   £ 74.4 million

Market Debt   £101.3 million
                     £175.7 million

The bulk of these loans are Maturity Loans i.e.: principal is due to be repaid at the point that the loan matures, with some £28.8 million of the PWLB Debt due to be repaid by 31st March 2033. Thereafter however there is a 25 year period where under £28 million is due to mature unless called in by the market lenders or the Council restructures its PWLB debt.

Taking 5.4 and 5.5 together then by 2037, on the basis of the Capital Expenditure plans outlined in this Strategy, the External Debt will exceed Loans Fund Debt. By 2043 the amount of External Debt would exceed Loan Charges Debt by £44 million if nothing else changes and this over borrowing would continue to grow over subsequent years.

5.6   **Balance Sheet Fixed Assets**

At the 31 March 2022 the Council owned property plant and equipment assets valued at £441million net of accumulated depreciation. Once PPP Assets and Managed Properties are included then the value of this Asset Base increased to £551million. This figure is significantly larger than the previous year due to the indexation process which was carried out on assets during the year.

The average Asset Life Outstanding as at 31st March 2022 for the different category of assets is shown in the undernoted table. From this it can be seen that for the 3 main non-PPP asset categories, the average remaining life is approximately 25.7 years. At a high level this shows a correlation between the remaining life of the main assets in the balance sheet and the Loans Fund Debt.

	Average	
	Asset Life	Asset Life Outstanding
AUC	58.89	56.00
Community Assets	36.81	29.57
Infrastructure	30.07	17.44
OLB	28.10	20.86
PPP	34.93	28.21
VPE	5.73	2.05

It should be noted that the Asset Life Outstanding is reviewed at each valuation and provided the Council is undertaking appropriate maintenance and investment then the life will be extended thus ensuring that Asset values continue to exceed Long Term Borrowing in the Balance Sheet. In tandem with this the Policy & Resources Committee approved a Loan Charges repayment Policy in 2019 which extended the write off period for some classes of capital work. The net effect has been to spread loan charge payments over a longer period.

5.7   On 16th February 2023 the Council approved the use of the flexibility offered under Finance Circular 10/2022 with regards the accounting treatment of Service Concession Arrangements, ie the Council's Schools PPP contract, from 2023/24. This in effect extends the PPP debt from 30 years to 45 years, ie to 2053/54 with the asset life being amended accordingly. The impact of this change is not reflected in the above figures.

5.8   In summary therefore, for the Council to maintain its considerable asset base, it will need to undertake capital investment over and above the projected Scottish Government Grant/Capital Receipts. This will require future borrowing whilst ensuring that the Council achieves a closer correlation between Loans Fund Debt and External Debt in the longer term. This will be achieved by ensuring that the majority of new borrowing will be carried out for short to medium term periods i.e. up to 15 years.

6.0   LONGER TERM INVESTMENT PLANS

6.1   It can be seen from Section 4 of the Capital Strategy that it is unlikely that Government Grant and estimated Capital receipts will be sufficient to meet the required investment levels for the Council to maintain its current asset base. The current Financial Strategy assumes that the Council will prudentially fund £1.5 million of capital investment annually from 2023/24. Any prudential borrowing will need to be funded from savings delivered by the investment or revenue savings. This will require the Council takes a conscious decision to disinvest in certain assets, reduce the number of assets it holds or cut day to day services.

6.2   The current annual allocations make no allowance for the transition to Net Zero. While an allocation of £3.3m has been approved for 2023/26 to allow a focus on reducing energy use in existing buildings, decarbonisation of the Council fleet and offsetting there is no allowance for retrofitting the existing building stock. Such retrofitting will be technically and operationally challenging and will involve significant additional capital investment in the period to 2045, significant funding will require to be identified to address this.

6.3   It should be noted that this level of investment takes no account of any one off Capital investment requirements not included in the core life cycle maintenance allocations. Any such investment requirements will be flagged up in the relevant Asset Management Plans and following consideration as part of the normal governance processes would be factored into future Capital Strategy reports.

6.4   Appendices B and C show the impact of this level of capital investment on the Loan Charges earmarked reserve, loan charges and loan debt for the period to 2042/43. From Appendix C it can be seen that projected Loan Charges would drop by almost £0.4 million between 2023/24 and 2032/33 whilst over the same period the Loan Debt will drop by £44.1 million.

6.5   Despite the ongoing need for prudential borrowing the Council will see a reduction in the proportion of its Revenue Budget which is spent on servicing loan charges and also a significant reduction in the ratio of loan debt to revenue budget. From Appendix C it can be seen that the Loan Debt as a percentage of Revenue Budget drops by almost 22.0% over the 2023/33 period, whilst the % of the Revenue Budget spent on Loan Charges drops by 0.49% to 6.85%.

6.6   Looking beyond 2033 involves a significant amount of uncertainty around both the funding of Local Government, the services which it will be expected to deliver and the nature of those services. However based on past investment and current service delivery then many of the assets built or significantly refurbished since local government re-organisation will become due for replacement/refurbishment. The Council will therefore require to consider how this massive investment would be funded as part of future Capital Strategies.

7.0 CONCLUSIONS

7.1 The Capital Strategy provides an opportunity for a number of related aspects of the Council's overall finances to be pulled together into a summarised document. From this it can be seen that:

   a) The Council is well advanced in its Asset Management Plan preparation and delivery with major investment in all aspects of its asset estate over the last 15 years or more.
   b) The Council keeps a long term view of its long term borrowing and funding and this informs the current Treasury Strategy.
   c) The Council has a robust governance process via the Financial Regulations, Prudential Code, Risk Management and Budget Process to ensure that Asset Management Plans and the Capital Strategy are affordable in the medium to longer term.

The current proposals within the Capital Strategy are affordable and can be met from the current Loan Charges allocation without further cost to the Council Tax payer.

7.2 The Capital Strategy emphasises the need for the Council to take a long term view when taking decisions around Capital investment and specifically to ensure that investment plans are appropriate and financially sustainable in the longer term. The annual production and updating of the Capital Strategy allied to the Treasury Strategy, Capital Programme approval and Financial Strategy will all ensure that the Council are able to take Capital investment decisions in the knowledge of the long term implications.

The area of Treasury and Capital investment requires risks to be continually managed and monitored. Part of this is covered in the Governance Section (Section 2), however the following paragraphs list other risks and how the Council manages these. The risks are shown in bold with the mitigation in normal typeface.

1/ **The Capital Strategy does not reflect the objectives set out in other strategic plans of the Council.**

The Capital Strategy provides a high level overview of the various Asset Management Plans, Financial Strategy and Treasury Strategy all of which closely link to the plans the Council has signed up to. It is acknowledged that there will inevitably be other financial investment requirements over the next 20 years not quantified at this point in time however the Capital Strategy will be updated as further information becomes available regarding these strategic plans.

2/ **The Council does not have adequate funding to fully address the Net Zero Strategy**

The Net Zero Action Plan 2022-2027 collates existing activities and seeks to identify actions which will require additional funding/resources required to fully address the Net Zero Strategy 2021-2045. While funding has been allocated as part of the 2023/24 budget process to address the Action Plan no further funding is currently available to implement the Strategy. Officers will update the Net Zero plans annually , source external funds, where possible and report to Committee to ensure that plans and funding are aligned.

3/ **The directorate planning process will identify a range of additional budget pressures over and above those currently considered in this Financial Strategy.**

The Directorate Planning Guidance identifies that Corporate Directorate Improvement Plans (CDIP) should reflect the resources allocated – the need for additional resources to achieve a particular priority should be specifically identified via the Council's approved governance processes prior to the preparation of the CDIP.

4/ **Forecasts within the Capital Strategy are not accurately determined or reviewed on a regular basis**.

The Capital Strategy will set out the expected levels of expenditure and income for the future. The forecasts are arrived at through careful consideration of historic trends and current AMP investment levels plus advice on interest rates and borrowing costs from the Council's Treasury Advisors.

Throughout the financial year, the Council regularly monitors its financial performance against its capital and treasury budgets and will revise projections and/or take action where necessary.

5/ **The Council has insufficient capital resources to sustain capital commitments**.

The combination of reduced funding and the economic position mean that the Council has to focus on maintaining key infrastructure whilst utilising prudential borrowing for specific capital projects.

Regular review of existing Asset Management Plans and Policy Priorities ensures that the Council's investment plans remain affordable. The Council is in regular contact with its Treasury Advisors to identify opportunities to reduce Treasury costs within the parameters of the Prudential Indicators.

6/ **Given the major Global Economic uncertainty the Council is exposed to major fluctuations in the financial markets**

The Council' Treasury and Investment Strategy supported by the associated Treasury Management Policies and Prudential Indicators provides a robust framework within which officers operate to ensure that the Council is not materially exposed to short term fluctuations in the financial markets.

Finance Strategy
Loan Charges

Inverclyde
council

		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000
Balance B/fwd		337	393	(202)	(688)	(972)	(921)	(588)	(340)	271	1,128	1,970
Projected Loan Charges	a	12,036	17,497	17,488	17,386	17,151	16,969	17,154	16,891	16,745	16,860	16,702
Available Budget	b	12,092	16,902	17,002	17,102	17,202	17,302	17,402	17,502	17,602	17,702	17,802
Loan Charge Surplus/(Deficit)		56	(595)	(486)	(284)	51	333	248	611	857	842	1,100
Other Adjustments: None		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
Balance at Year End		393	(202)	(688)	(972)	(921)	(588)	(340)	271	1,128	1,970	3,070
Interest Rate (Assumed):		3.84%	4.02%	3.75%	3.67%	3.71%	3.67%	3.73%	3.76%	3.81%	3.99%	4.11%

Notes   Revised projections as at Nov 2022 and excludes Loan Charges relating to funded models (City Deal, Birkmyre Trust and, for 2022/23, SEMP).
From 2018/19 onwards, general capital grant is applied to core allocations only and not to individually funded models.

a   Includes loan charges for new LD Centre based on spend between 2021/22, 2022/23, 2023/24 and 2024/25.
£100k annual cost increase from 2023/24 to reflect prudential borrowing of £1.5m.
Projected principal repayments on new projects are calculated on annuity basis.

b   Adjustments to Available Budget:
For 2022/23
Budget from 2018/19 onwards reduced by £300k annually to 2022/23 to reflect reduction in Scottish Government grant support resulting from repayment of historic debt.
£400k reduction in budget.
Budget increased by £1,130k due to budget and projected VRP loan charges now included above and not separately budgeted for.
Budget adjusted for £60k reduction in loan charges agreed in February 2022 and for Food Waste Collection saving (£14k reduced).
For 2023/24
Budget increased by £4,715k due to budget and projected SEMP loan charges now included above and not separately budgeted for.
Budget from 2023/24 onwards increased by £100k annually for annual Prudential Borrowing.
Budget adjusted for £5k reduction in loan charges for Food Waste Collection saving.

Finance Services
November 2022.

LONG TERM LOANS FUND PROJECTIONS BASED ON CAPITAL STRATEGY

	Loans Fund Debt End of Year	Total Loan Charges	Assumed Interest Rate	Revenue Stream	% of Loans Fund Debt to Revenue Stream	% of Loan Charges to Revenue Stream
	£000	£000	£000	£000		
2023/24	216,521	17,359	4.08%	236,646	91.50%	7.34%
2024/25	230,780	17,014	3.86%	238,825	96.63%	7.12%
2025/26	229,020	17,775	3.81%	240,383	95.27%	7.39%
2026/27	220,175	17,810	3.84%	241,973	90.99%	7.36%
2027/28	211,208	17,705	3.90%	242,973	86.93%	7.29%
2028/29	203,423	17,771	3.96%	243,973	83.38%	7.28%
2029/30	195,714	17,590	4.05%	244,973	79.89%	7.18%
2030/31	187,960	17,437	4.12%	245,973	76.41%	7.09%
2031/32	180,138	17,413	4.25%	246,973	72.94%	7.05%
2032/33	172,379	16,978	4.24%	247,973	69.52%	6.85%
2033/34	164,473	16,812	4.26%	248,973	66.06%	6.75%
2034/35	156,146	17,040	4.36%	249,973	62.47%	6.82%
2035/36	147,575	17,226	4.56%	250,973	58.80%	6.86%
2036/37	140,084	16,036	4.75%	251,973	55.59%	6.36%
2037/38	132,796	15,647	4.87%	252,973	52.49%	6.19%
2038/39	125,379	15,594	5.00%	253,973	49.37%	6.14%
2039/40	117,762	15,625	5.16%	254,973	46.19%	6.13%
2040/41	109,801	15,753	5.31%	255,973	42.90%	6.15%
2041/42	101,624	15,769	5.51%	256,973	39.55%	6.14%
2042/43	93,291	15,658	5.69%	257,973	36.16%	6.07%

Notes:
1. The Revenue Stream is an estimate of GRG/NDRI plus Council Tax.
2. The % of Loan Charges to Revenue Stream above excludes debt charges on PPP assets
   and so is not comparable with the Ratio of Financing Costs to Net Revenue Stream included
   in the Treasury Strategy.

Report To:	**Policy & Resources Committee**	Date:	**21 March 2023**
Report By:	**Corporate Director, Education, Communities & Organisational Development**	Report No:	**PR/08/23/MR**
Contact Officer:	**Morna Rae**	Contact No:	**01475 712042**
Subject:	**Council Plan and Partnership Plan from 2023 and New Performance Management Strategy**		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision ☐For Information/Noting

1.2 This report proposes a vision and high-level outcomes for the new Council and Partnership Plans and the adoption of an associated Performance Management Strategy.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Policy and Resources Committee:

- Agrees the vision and high-level outcomes for the Inverclyde Council Plan 2023-28 and that this forms the basis of a report to Council on 20th April;
- Endorses the vision and high-level outcomes for the Inverclyde Alliance Partnership Plan 2023-33; and
- Agrees the adoption of an associated Performance Management Framework.

Ruth Binks
Corporate Director, Education, Communities &
Organisational Development

3.0 BACKGROUND AND CONTEXT

3.1 The current Inverclyde Council Corporate Plan and Inverclyde Alliance Outcome Improvement Plan both run to 2023. There has been significant development work undertaken in relation to the creation of a new Council Plan and Partnership Plan for Inverclyde Council and Inverclyde Alliance.

3.2 Alongside the drafting of new plans there has been consideration of the most effective ways to report on, measure and scrutinise progress. To support this a new Performance Management Framework has been created.

DEVELOPMENT PROCESS FOR NEW PLANS

3.3 The development process to date has included:
- A Strategic Needs Assessment,
- Public, partner and Inverclyde Council employee consultation,
- Corporate Management Team and Extended Corporate Management Team workshops and reports,
- Workshop with Elected Members on shared priorities for Inverclyde,
- Consideration of statutory requirements and guidance,
- Alliance reports and discussion with partners,
- An Elected Member Briefing on 13th February 2022,
- Discussion with the Leader of the Council and Chair of Inverclyde Alliance, and
- Research on approaches across other areas.

STRATEGIC NEEDS ASSESSMENT

3.4 The Strategic Needs Assessment is available on the Council website via this link. It includes a wide range of information about Inverclyde, including the population profile, overview of the economy, analysis of deprivation trends, statistics on health and environment related information.

3.5 As well as giving a baseline against which we can measure progress through the implementation of the new plans the Strategic Needs Assessment identifies issues that the Council Plan and Partnership Plan can try to address.

3.6 Some of the issues highlighted include:

- An increasing concentration of older people within Inverclyde's communities, with the proportion of people aged 75+ set to increase by 55.5% over the next 20 years;
- An anticipated population reduction of 5% over the next 5 years, driven by there being fewer births than deaths;
- Emergency hospital admission and alcohol related hospital admission statistics being higher than Scottish average levels;
- Annual earnings at a lower level than the Scottish average;
- Significant deprivation issues with 45% of all datazones being in the 20% most deprived in Scotland; and
- Life expectancy for males and females sitting below Scottish average levels.

CONSULTATION

3.7 The consultation involved six different research methods over eight weeks of consultation. There were a total of 2801 participants. Elected Members will note that increasing employment and improving the quality of job opportunities was ranked highly across the different consultation methods and participants. The top themes were:

- Employment and Jobs,
- Community,
- Young People,
- Health and Wellbeing, and
- Housing.

The consultation report is available at Appendix 1.

3.8 As well as identifying key priorities respondents also suggested a wide range of ways in which they could be addressed. These will be taken into account in action planning. The consultation report will also be used to better understand public perceptions of the Council and Alliance and shape related public communication.

APPROACH USED TO DEVELOP THE PLANS

3.9 A collaborative approach has been undertaken throughout the development of the plans as outlined at para 3.3. There has been a balancing of:
- What the consultation has told us;
- The issues identified through the Strategic Needs Assessment;
- Elected Member/Council Officer/Alliance partner aspirations;
- An understanding of the resources available to deliver on the plans; and
- Statutory responsibilities of the Council and Alliance.

3.10 The Corporate Management Team have considered alternative models and best practice from elsewhere to inform the Inverclyde plans.

3.11 While the Council Plan and Partnership Plan require to be consistent in approach they serve different purposes. The Council Plan requires to reflect the range of work undertaken by the Council, across its Services. The Partnership Plan focuses on partnership work to address inequalities.

PROPOSED VISION AND HIGH LEVEL OUTCOMES

3.12 It is proposed that the same vision is used across both plans. This is "*The Inverclyde Commitment: Success For All – Getting It Right for Every Child, Citizen and Community*". There was strong support through the public consultation to continue with Getting It Right for Every Child, Citizen and Community.

3.13 The term of the Council Plan is five years, from 2023-28 and the Partnership Plan ten years from 2023-33. This will run the Council Plan into the next Council term and allow time for the establishment of the administration and the development process for a new plan. The ten year term of the Partnership Plan recognises the long term nature of inequalities to be addressed. A mid term review will be undertaken.

3.14 The structure and high-level outcomes for the Council Plan will be:

THEME 1: PEOPLE
Outcomes we will achieve:
- Our young people have the best start in life through high quality support and education;
- Gaps in outcomes linked to poverty are reduced;
- People are supported to improve their health and wellbeing;
- More people will be in employment, with fair pay and conditions; and
- Our most vulnerable families and residents are safeguarded and supported.

THEME 2: PLACE
Outcomes we will achieve:
- Communities are thriving, growing and sustainable and our strategic housing function is robust;
- Our economy and skills base are developed;
- We have a sufficient supply of business premises; and
- Our natural environment is protected.

THEME 3: PERFORMANCE
Outcomes we will achieve:
- High quality and innovative services are provided, giving value for money; and
- Our employees are supported and developed.

3.15 Subject to the Alliance's approval the structure and high-level outcomes for the Partnership Plan will be:

THEME 1: EMPOWERED PEOPLE
- Communities can have their voices heard, and influence the places and services that affect them
- Gaps in outcomes linked to poverty are reduced

THEME 2: WORKING PEOPLE
- More people will be in sustained employment, with fair pay and conditions
- Poverty related gaps are addressed, so young people can have the skills for learning, life and work
- Businesses are supported and encouraged to reduce their carbon footprint and develop green jobs

THEME 3: HEALTHY PEOPLE AND PLACES
- People live longer and healthier lives
- Supportive systems are in place to prevent alcohol and drug misuse
- Our natural capital is looked after, and we are effectively adapting and mitigating the effects of climate change

THEME 4: A SUPPORTIVE PLACE
- Vulnerable adults and children are protected and supported, ensuring they can live safely and independently
- We recognise where people are affected by trauma, and respond in ways that prevent further harm and support recovery
- Public protection and community safety are improved through targeting our resources to reduce the risk of offending and harm

THEME 5: A THRIVING PLACE
- Growth in our working age population by encouraging people to stay here, and attracting new people to settle here
- Development of strong community-based services that respond to local need
- Homes are energy efficient and fuel poverty is reduced
- Increased use of active travel and sustainable transport options
- Easy access to attractive and safe public spaces, and high-quality arts and cultural opportunities

PERFORMANCE MANAGEMENT FRAMEWORK

3.16   The current performance management arrangements have been reviewed, developed and consolidated into a Performance Management Framework. This is available at Appendix 2.

3.17   The framework helps to ensure that we:
- Set out clearly what it is we want to achieve;
- Focus resources on the right outcomes;
- Are aware of where things are going well and where improvement is needed;
- Report on progress to both internal and external audiences;
- Use performance information to drive continuous improvement;
- Demonstrate Best Value; and
- Work openly, transparently and in an accountable way.

3.18   The framework takes account of the National Performance Framework, the changing approach to Best Value auditing and the Local Government Benchmarking Framework.

3.19   It sets out a model of three Delivery and Improvement Plans aligned to Committees along with Service Delivery and Improvement Plans.

3.20   The Committee Delivery and Improvement Plans will cover the period 2023/26 and capture:
- Actions derived from the Council Plan strategic priorities, cascaded to individual Directorates / services;
- Corporate self-evaluation improvement actions;
- Priorities relating to areas of strategic service delivery;
- Improvement actions from External Audit Reports;
- Improvement actions arising from Service Review; and
- Key Performance Indicators linked to the delivery of the actions.

Although a three-year rolling plan, the delivery and improvement actions will be refreshed on annual basis with performance reports considered by the Corporate Management Team prior to every second Committee meeting, continuing with the reporting schedule established by the former CDIPs.

3.21   The new planning model includes the introduction of Service Delivery and Improvement Plans for each Head of Service. This is to ensure that there is a consistent corporate approach to service performance and improvement in place. The plan should set out its linkages to Council priorities with a focus on:
- Actions / activities for the Service for the year that are more operational in nature;
- Service self-evaluation improvement actions (PSIF);
- Lower level KPIs monitored by the Service that are not reported to Committee; and
- LGBF indicators with benchmarking data for the service.

Progress in the delivery of the Service Delivery and Improvement Plans will be monitored by Directorate Management Teams on a quarterly basis

3.22   The framework also explains the use of Pentana to record and report on progress, performance indicators and target setting, and the constituent roles within the Council in relation to scrutiny.

NEXT STEPS

3.23   The key next steps following approval of the vision, high level outcomes and Performance Management Framework include:
- Finalisation and design work on the Council Plan and Partnership Plan documents;
- Review of the delivery groups supporting the work of the Alliance;

- Developing the content of the Committee and Service Delivery and Improvement Plans, along with a workshop session for all Elected Members, followed by presentation of the Committee plans to the May round of Committees for approval; and
- Presentation of the Council Plan and Partnership Plan to the April meeting of the Council.

4.0 PROPOSALS

4.1 It is proposed that the Committee

- Agrees the vision and high-level outcomes for the Inverclyde Council Plan 2023-28 and that this forms the basis of a report to Council on 20th April;
- Endorses the vision and high-level outcomes for the Inverclyde Alliance Partnership Plan 2023-33; and
- Agrees the adoption of an associated Performance Management Framework.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial			X
Legal/Risk			X
Human Resources			X
Strategic (LOIP/Corporate Plan)	X		
Equalities and Fairer Scotland Duty	X		
Children and Young People's Rights & Wellbeing	X		
Environmental & Sustainability			X
Data Protection			X

5.2 **Finance**

There are no financial implications arising from this report.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

There are no legal implications arising from this report.

5.4 Human Resources

There are no human resources implications arising from this report.

5.5 Strategic

The issues referred to within this report will assist the Council and Alliance to respond to key strategic issues through an updating of plans and improved performance management arrangements.

5.6 Equalities and Fairer Scotland Duty

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

X	YES – Assessed as relevant and an EqIA is required.
	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, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(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?

X	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

5.7 Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

X	YES – Assessed as relevant and a CRWIA is required.
	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

6.0 CONSULTATION

6.1 There has been consultation with the public, Alliance partners, Elected Members, Council employees, the Corporate Management Team and Extended Corporate Management Team.

7.0 BACKGROUND PAPERS

7.1 None.

Inverclyde Council and Partnership Plan Consultation

Corporate Policy Team

January **2023**

inverclyde.gov.uk   **@inverclyde**   **Appendix 1**   Inverclyde Alliance   **Inverclyde** council

Executive Summary

Inverclyde Council and the Inverclyde Alliance, the Community Planning Partnership (CPP), are developing new plans that are due to run from 2023 onwards. To support the development of these plans a consultation was undertaken with residents of Inverclyde; this report details the findings from this consultation.

The consultation had six different research methods, half of which were quantitative based and the other half qualitative. Quantitively there was an online public survey, specific questions in the Citizens' Panel Autumn 2022 Survey, and a question in the Inverclyde Council Employee Survey 2022. Through these the participants were able to rank what they thought the Council and the Inverclyde Alliance should prioritise. Participants could also expand on their thoughts by commenting in textboxes. Qualitatively there were theme based digital listening events, an in-person consultation event, and focus groups with school pupils. These events were moulded around themes that are important to Inverclyde, such as depopulation, inequality, economy, and culture/heritage. A mediator would prompt discussion around these topics allowing participants to voice their thoughts and their own solutions. Through all these different research facets the consultation was able to gather findings from just over 2,800 people.

The findings from all the different research methods have a clear thread of themes connecting them. Firstly, all the quantitative methods that asked participants to rank their priorities offered similar results. The public survey showed participants ranking increasing employment and good jobs as number one and two, with 'improving health and wellbeing' as three. The Citizens' Panel respondents offered the same top two results, with number three changing to 'reducing drug and alcohol misuse'. The

Employee Survey 2022 responses offered slightly different results, rank one was to focus on the cost-of-living, two was focusing on education, and three health and wellbeing. The public survey and the Citizens' Panel questionnaire offered the chance for participants to comment on what would make the biggest difference to Inverclyde, and both sets of research offered similar resulting themes. These included jobs, employment, housing, young people and community. The golden thread through all the quantitative research was the emphasis on jobs and employment.

The qualitative side of the consultation was based on the predetermined themes of Depopulation, Economy, Inequalities, Environment, Culture and Heritage, Health, Wellbeing, Housing, Communities, and Alcohol and Drugs. Participants discussed and agreed that all these themes are issues that Inverclyde needs to tackle, however, the emphasis was again on the employment and economy side. The discussions suggested that they see tackling these two issues as a foundational to tackling the other issues that were noted. The discussions included participants' thoughts on the causes, and their own suggestions for tackling these issues. These ranged from emphasising the Council's role to stressing the role of the community, as well as other methods.

This consultation provided the Council and the Alliance Board with the opportunity to have dialogue with the communities they serve. The findings gathered from the consultation are extremely valuable and have provided the Council and the CPP with direction on the priorities of their new plans. Tantamount to any plan the Council and Partnership produce is the input of the population it is going to serve, and through this consultation this has been achieved.

6 methods of research

research method **1**

research method **2**

research method **3**

research method **4**

research method **5**

research method **6**

8 weeks of consultation

2801 participants

themes highlighted

employment and jobs

community

young people

health and wellbeing

housing

Contents

1   Introduction

Inverclyde Council and the Inverclyde Alliance are developing new Council and Partnership Plans that are due to run from 2023 onwards.

The Partnership Plan is a commitment by the Inverclyde Alliance Partners to work together towards shared aims, with a focus on tackling inequalities and the added value of partnership working. The Inverclyde Alliance includes public sector organisations, along with the voluntary sector and businesses. The Council Plan provides a strategic framework for the work of the Council services.

Vital to the development of our plans are the opinions of the community it is going to serve. With this in mind, we have consulted through various methods; surveys, focus groups and community listening events. These were coordinated by Inverclyde Council Community Learning and Development. It must also be noted that under Part Two of The Community Empowerment (Scotland) Act 2015 that it is a statutory duty for the Council and Partnership to allow and promote the involvement of the community in development of plans that relate to areas of community life.

The responses we have gathered will be presented and discussed in this report.

2   Open Public Consultation

For this consultation four different pieces of research were undertaken. Three of which were undertaken using a survey format. These were the public consultation, Citizens Panel and employee survey. There was a qualitative consultation that utilised listening events with members of the public and school groups.

The open public consultation used the SmartSurvey platform to survey residents of Inverclyde. The survey was open to all residents of Inverclyde and it generated 315 responses. The survey itself was promoted using a variety of channels. Participants were firstly able to rank seven priorities in order of what they think are of most importance.
Questions on community empowerment and 'Getting It Right for Every Child' were also asked. Then participants were invited to expand on three questions; How should we, working together, tackle your top key areas? And is there anything else that should be a key area?

2.1 Ranking 1 to 7

This part of the survey asked the participants to rank seven areas which would make the biggest difference to Inverclyde.

"Which of these do you think are the key areas in which the Council, our partners, and communities can make the biggest difference? Rank these statements from 1 to 7 (1 being the most important) Either click and drag or number in order of preference"

The highest scoring item was 'increasing employment levels', followed by 'creation of good jobs' and 'improving health and wellbeing'. These three items are arguably interlinked, and this is

highlighted further on through participants comments linking job creation to higher employment and poor health and wellbeing to Inverclyde's economic challenges.

Item	Total Score*	Overall Rank
Increasing employment levels	1512	1
Supporting the creation of good jobs with fair pay and conditions	1289	2
Improving health and wellbeing	1288	3
Having more good quality housing	1231	4
Reducing drug and alcohol misuse	1188	5
Improving our town centres and public spaces	1092	6
Increasing participation in community life	912	7

* Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is a sum of all weighted rank counts.
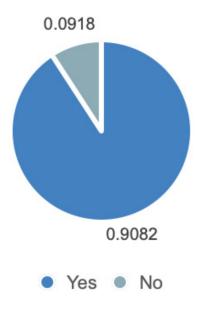
2.2 Getting Right for Every Child

Getting it right for every child (GIRFEC) is the Inverclyde Council's and the Alliance Board's commitment to provide all children, young people and their families with the right support at the right time. This is so that every resident can reach their full potential.
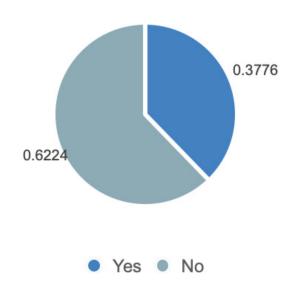
The survey asked:

"Getting it right for every child, citizen and community in Inverclyde" is a shared vision across Inverclyde Council and Inverclyde Alliance so that we have a consistent approach. Do you agree with this vision?

2.3 Community Empowerment

The survey asked:

Would you like to be more involved in your local community, for example, have your say on you local priorities and how funding is allocated?

2.4 What one thing matters to you the most, that would make a difference to Inverclyde over the next 10 years?

Theme	Mentions	Context
Community/ies	32	This was the most commonly used word. However, the use of it is quite varied due to how the broadness of its meaning. Participants used the word in relation to safety, policing, and wellbeing. More specific to communities though were the themes of community regeneration, community events, keeping a 'sense' of community, togetherness, centres/ groups, and inclusivity. What can be sensed through these themes is the desire for a strengthened community, as well as opportunities for communities to bond and flourish.
Jobs	27	As expected, the other most popular theme was that of Jobs. Participants noted the need for long-term and permanent jobs in the area, as well as being 'well paid' jobs. There was also the call to attract employers and investors to the area in order to create jobs. The common thread throughout participants comments was that there needs to be investment in the area to create a long-term jobs that are able to retain a population. The sense that this should stem from new infrastructure and industrialisation was apparent in their comments. This bolsters the idea that residents want long term and not precarious employment.
Employment	20	'Employment', much as the same as above was in relation to long term investment to create sustainable jobs. Attracting employment opportunities was the thread here, and this touches on the fact that the participants do not see the current labour market in Inverclyde as one that can grow. Instead, they see the need for something new to happen, rather than building on the existing. Employment opportunities for young people was also mentioned and this again touches on retaining the younger population in order to combat the ongoing depopulation that Inverclyde faces.
Young People	20	'Young People' was a theme that was cross cutting and linked into the broader issues Inverclyde faces. Participants comments explicitly and inexplicitly saw the interlinked nature of these issues and their direct relation to young people. However, there was not just one main issue participants linked to young people, but a handful of the ones such as poor job opportunities, poor recreational opportunities, and the ageing and declining population. Participants could see that young people are the future of Inverclyde and making sure that the area that can retain young people will help tackle the inter-linked issues facing the Inverclyde. One issue that did reoccur was that there should be an increase in youth club provision. Participants saw this as a way of engaging younger people and keeping them away from anti-social behaviour.

Theme	Mentions	Context
Housing	18	Housing comments were quite broad and mainly related to the belief that there is poor housing and not enough of an affordable supply. Comments were also made about both young and old people, and that these should be a priority demographic to get housing. Building more social housing that can accommodate larger families was also noted. Other than this, participants were not too specific. The overarching consensus was that the condition and supply of affordable houses needs to be increased.
Roads/Pavements	15	Comments on 'Roads' related both to the condition of the roads as well as traffic. 'Pavement' comments were mainly concerned with the condition as well as overgrown foliage. When traffic was mentioned, it mostly was in relation to congestion and there being no alternative routes.
Bus	14	Whilst Transport in general was mentioned, comments relating to Busses were high. When participants elaborated further, they mentioned wanting 'more buses', affordability, and making sure routes reach new and future developments.
Shops	14	Shops were mentioned in relation to both attracting people into the area and for employment opportunities. Participants referred to current shops in Inverclyde as needing regenerated as well as being insufficient. 'Better shops' was the general consensus, whilst this is vague other participants stated that they would like to see affordability prioritised. From the comments, participants made it clear that shops do not just fulfil the purpose of being a store where locals can purchase things, they see them as a means of attracting visitors as well as potential new residents. Dismay at the current selection of shops and the need for 'regeneration' also shows that locals have pride in their locality and want to see it revamped and flourishing.
Regeneration	14	The broader comments regarding regeneration were concerned with specific areas of Inverclyde, or things such as opportunities for activities. Participants comments were varied, however, the general thread connecting them was that they wanted Inverclyde to show off its beauty in a modern way that remains in touch with the history of the area. For example, one participant suggested that the empty buildings should be used "creatively". Another participant emphasized that Inverclyde should be a place where you would want to spend time. This rhetoric shown by participants displays the civic pride they have in the area, and it highlights that the Council can do more to expand this amongst the general population.
Education	13	Comments on education were quite broad. However, some comments tied education to employability in the local area and others linked it to keeping young people away from crime.

Theme	Mentions	Context
Greenock	13	Greenock was the most mentioned locality. Again, reference to Greenock was in relation to regeneration and the town centre was the main area that participants wanted to see 'improvement'. All the comments seem to acknowledge the potential of Greenock Town Centre, but also dismay at its current state. With Greenock being the most populous area in Inverclyde it is not unforeseen that this would be the most mentioned locality. With it also being the historic centre of Inverclyde, as well as the most deprived, it is the locality that often garners the most attention in the public sphere.
Transport	11	Transport in general was mentioned in reference to both travelling into Inverclyde, commuting in/out, and the overall provision. Some participants felt that increased provision could help attract people to visit the area, as well as move to the area and commute out from it. Other participants stated that the current provision of transport was unsatisfactory and hardly meets the needs of the current population in Inverclyde. Overall, there was a general sense of dissatisfaction with the transport infrastructure and the feeling that any improvement could greatly benefit the area.
Drug(s)	11	Participants main concern was reducing/tackling the amount of drug use. They suggested that this would benefit the area's health and wellbeing, and also the way Inverclyde is portrayed.
Poverty	11	Again, participants noted that tackling/decreasing the level of poverty in the area would benefit it in the next 10 years.
Crime	10	Crime was often mentioned next to anti-social behaviour and drug use. General comments on 'reducing' crime was the rhetoric amongst participants.
Traffic	9	Participants comments on Traffic related mainly to congestion. The participants who mentioned traffic just generally felt that reduction of congestion would help the area.
Gourock	8	Gourock was mentioned by participants in comparison to Greenock and other areas in Inverclyde. Participants noted that other areas in Inverclyde sometimes get more attention than Gourock, and that that should not be the case. Another noted the provision for public transport outside of Port Glasgow and Greenock is 'terrible'. Comments relating to regeneration were quite general but referred to the sea front and more street cleaning.
Sustainable	7	Sustainable was solely mentioned in relation to employment. The participants who mentioned it talked about making sure that the employment was sustainable in the sense that the opportunities were long-term and could hold skilled workers in the area.
Schools	6	Comments relating to schools revolved around funding and making sure that young people have equal opportunities to gain qualifications.
Mental Health	6	Comments made around mental health related to making sure that there was enough accessible provision and resources around to help tackle it.

2.5 How should we, working together, tackle your top key areas?

Theme	Mentions	Context
Community/ies	46	Participants when mentioning Community in relation to this question were calling for the Council to work closer with, or to empower communities to undertake work. Participants noted things like "involving" the community, "educating" community members to participate, promoting "involvement" in the community, and "communication" with the community. Participant reaction to this question highlights that they think the Council needs to collaborate more with the community in the first instance. The fact that this question was about 'working together' and the majority of the replies were about how Council and Community need to work together suggests that there is a gap in the Council's existing relationship with the community.
Attract	21	'Attract' was mentioned in reference to attracting employers/businesses and people into the area, both often being inter-linked.
Employment	19	Much the same as has been previously mentioned, is that participants want to see sustainable/long-term employment in the area.
Housing	19	The comments here mainly referred to the supply of housing, whether that be "social" or "appropriate" housing.
Drugs	14	Again, comments on this were aimed at reducing the amount of illegal drugs consumed in Inverclyde.
Listen	14	This ties to the theme of Community mentioned above. Participants comments were aimed at the Council and how the communities need to be listened to, and feel listened to.
Funding	14	Funding was a theme that was quite broad as participants asked for extra funding in a variety of different areas; housing, vulnerable people, older people, education, health, green spaces, the community.
Education	13	Education was quite broadly mentioned. However, a lot of the comments suggested that there needs to be "better" education on issues like drug use. They suggested that this would aid the prevention of usage.
Shops	11	References to shops by participants was that the area should have "better" shops. This is linked, again, to employment and both retention and growing the population.
Police	7	Police were mentioned as a way to reduce crime.

2.6 Is there anything else that should be a key area?

Theme	Mentions	Context
Young People	17	Comments here were mainly made in reference to both education and "activities" for young people.
Community	16	Again, Community was mentioned by participants in reference to supporting existing communities/groups or working more closely in the first place.
Improve	15	The phrase 'Improve' was used in reply to this question. However, it was used in reference to a broad range of things such as CCTV, transport, built environment and a range of the other topics that have been previously mentioned. What is interesting about the use of the word 'improve' is that it shows that participants believe that there is a base that can be worked upon, rather than a desire to have something different/new. This is a positive position as it shows that the basis is there for the Council and Alliance.
Support	14	Comments regarding Support were mainly made in reference to vulnerable groups such as low-income families, people with health conditions, and people with Additional Support Needs.
Education	10	Much the same sentiment as has already been expressed by participants was shown here.
Transport	9	Similar comments on transport as outlined above were repeated here.

2.7 Summary of Findings

What is perceptible from the findings are the reoccurring issues of Jobs and Employment, with interlinked mentions of housing and young people. There was also the overarching sentiment of strengthening the 'community'. These are the main areas that participants wanted to draw Inverclyde Council and Alliance Board's attention to.

Since the deindustrialisation of Inverclyde, the area has had challenges in relation to an economic base that could provide and sustain the area with well-paying and steady employment. The participants could see that from having a strong economic base there is a 'trickle down' effect in the sense that an employed and well-paid population will improve housing demand and thus stock/condition. As well as this it will retain the population (young people) to stay in Inverclyde. From there high street footfall increases and this all circulates and benefits Inverclyde.

Other areas that participants pointed to were education, crime, drug use, and transport. Education and crime were often mentioned together as participants stated that 'better' or 'more' education could lead to less crime. This 'better education' referred to education on the effects of drug use and the criminal aspects of it. As well as this education was discussed as a means of providing people with the skills to achieve and create new opportunities. Reducing crime, which was often drug use, was an issue that kept cropping up. Participants see this a priority issue that needs to be tackled and the fact that education was referenced shows that they do not consider just policing as a means to tackling it.

Transport was generally mentioned due to perceptions of how poor the service is and its affordability. Busses and trains were both mentioned, and the general sentiment was that these services need improvement locally as well as their links to Glasgow.

There were a number of mentions regarding community. The positive aspect is that there is real hunger for the community to be strengthened and empowered to do things of their own accord. Participants comments alluded to the fact the that community participation and involvement are routes to tackling some of the issues that the region faces. This gives the council and its partners direction and impetus to bolster the empowering of Inverclyde's communities to tackle their local issues. This will benefit everyone as Inverclyde's communities know themselves better than anyone else does, and that means they may know how to tackle their issues best.

gourock
bus drug mental
regeneration people community
communities
greenock housing roads transport
employment jobs
shops education
schools young crime
poverty
traffic pavements
sustainable health

3   Listening Events

The listening events were based around three different research methods. There were digital listening events, a physical listening event and focus groups with secondary school pupils.

Each of the digital listening events were centred on specific topics that are seen as key issues in Inverclyde; Inequalities, Local Economy and Repopulation. Keeping the individual listening events focused on these specific topics kept the participants discussion detailed and in-depth, allowing for greater data to be collected. The format was based around two questions. Firstly, participants were asked Do you think (insert issue) should remain a priority for the Council and its partners? Then they were asked What are the key issues we need to tackle to (insert issue)?

The focus groups with the young participants were centred on all these topics as well as the addition of 'Environment, Heritage and Culture'.

The in-person consultation took place in Post Glasgow Town Hall. The themes in this event differed slightly to the previous events. The themes included Health and Wellbeing, Economy, Housing, Population, Alcohol and Drugs, and Communities.

3.1 Digital Listening Events

3.1.1 Topic 1: Inequalities

Responses - Do you think reducing inequalities should remain a priority for the Council and its partners?
The response to this question was unanimously in favour of keeping Inequalities as a priority.

Participants put emphasis on helping those who "are most in need" and that the council and partners need to promote how those people can access help.

Responses - What are the key issues we need to tackle to reduce inequalities?
A variety of things were mentioned in response to this question such as education attainment, fuel poverty, low income, employment, communication and "warm banks".

Education was mentioned in reference to the attainment gap and that those from different backgrounds may be disadvantaged going forward.

Fuel poverty, spurred by the current energy crisis, was centred on the fact that Inverclyde has high fuel prices. Participants stated that "pressure" should be put on suppliers to lower costs, as they see the high prices as "greed".

Low income was discussed with reference to childcare and how the cost is unsustainable for low-income families and single parents. Breakfast clubs were mentioned in relation to this and that they should run five days a week. In a similar vein, employment was mentioned and the need for more opportunities as well as the council helping smaller businesses. Foodbanks were mentioned and the fact that it is "appalling" that they must exist.

There was considerable mention of "warm banks. This may be partly because around the period of researching there were news articles proposing them. However, participants attitudes towards them were mixed: both a disbelief that they have to exist and an acceptance that they might be necessary due to the rising price of energy. Participants

proposed that they should be marketed differently such as being a social event where community members can come to meet.

3.1.2 Topic 2: Repopulation

Do you think tackling population decline should remain a priority for the council & its partners? Why?
Participants comments on repopulation shifted focus to the conditions of Inverclyde and the perceived lack of infrastructure and facilities for the current population. The consensus was that there is not enough to sustain the current population so repopulation will be difficult. This is where maybe the wording comes into play, is it Depopulation or Repopulation that is the priority? Tackling depopulation can be done in various ways such as improving existing infrastructure and sustaining and then growing the current population base. Whereas Repopulation is connotated with bringing new people into the area specifically.

What do you think are the key issues that should be tackled to encourage people to stay in Inverclyde?
Participants comments on encouraging people to stay in Inverclyde revolved around employment, amenities/infrastructure, and the cost. Employment was mentioned in reference to attracting employers and industry to the area. Participants acknowledged the need to build up an economic base in order for Inverclyde to sustain, attract and grow the population.

The amenities and infrastructure of Inverclyde were noted by participants. Regarding amenities, participants discussed the lack of them as well as the quality of the existing ones. Participants linked better quality amenities as a way to attract people as well as improve

employment. Infrastructure was generally mentioned as being poor, and that improving the infrastructure, whether that be housing or high streets, would have knock on benefits such as population retention and growth.

Cost was an important factor at the time of research due to the prevalence of the cost-of-living crisis and this is echoed in the participants discussions. Mentions of business rates being unaffordable and the general high price of leisure activities were all stated as something that should be reduced. Participant's discussions linked the fact that lowering these costs could be a way to attract more people and businesses to Inverclyde.

3.1.3 Topic 3: The Local Economy

Do you think the local economy should remain a priority for the Council and its partners? Why?
Participants comments were all unanimously in favour of keeping the Local Economy as a priority. Reasons why were similar; they discussed the fact that growing the local economy ultimately provides Inverclyde with a solid base for local business to flourish. Participants noted that developing the local economy is a way to tackle the other priorities, i.e., one participant noted that growing the local economy could have the knock-on effect of tackling inequality as more employment opportunities would be created.

Entrepreneurship was mentioned by a few participants. Comments regarding this were concerned with providing 'support' to local entrepreneurs and 'encouragement'. Participants who mentioned this suggested that developing local entrepreneurship would stimulate the local economy into a position that can sustain Inverclyde.

What are the key issues we need to tackle in order to improve the local economy?

There was an overwhelming number of comments on transport. Participants percieved that that "transport links" were poor as well the road network. It is interesting that participants see that improving transport would improve the local economy. This potentially stems from the fact that footfall is low and if transport were better, it would provide more people with the opportunity to visit. Arguably the call for better transport can be linked to depopulation, as it is an almost implicit call for more people to be in the area.

What are the key barriers our communities face to accessing employment?

The comments participants made regarding this were:
• Good transport links are vital.
• There needs to be support for people who are working.
• Felt this was a long-term national issue.

Again, transport is mentioned. This time participants could be referring to the difficulties in commuting around Inverclyde and out of it. In the wider survey that was completed, participants noted the cost of transport as a detriment to them using it. This could be a factor that is feeding the prevalence of transport as a reoccurring issue regarding the local economy. Referring to the survey again, there was a consensus that transport links/public transport was poor in the area. So, it is not surprising to see transport mentioned here as something that is detrimental to the local economy, especially since the local economy can be seen as the most encompassing issue in Inverclyde.

There were comments on supporting people in work as the wage levels and hours cannot provide a good quality of life. Research has shown that in-work poverty is at an all-time high, and the people who are living under these conditions are only just surviving. The comments regarding this might speak to the fact that there is a prevalence of in-work poverty, and this will only have been heightened by the cost-of-living crisis.

3.2 Summary

Participants confirmed that these issues should remain a priority for the council and its partners. The topics that arose in these discussions are in line with what was found in the survey that was undertaken. Participants overwhelmingly noted the issues with the local economy and connected the poor economy, i.e. employment and wages, with tackling the other priorities. The current climate has also played a role, as the cost-of-living-crisis' effects are being felt, as well as the energy crisis. The anxiety caused by these crises is conveyed through the comments where participants displayed both disbelief and anger. Participants noted the council alone cannot solve these issues and pointed to partnership working with the third sector as wellas community groups. They also the acknowledged the difficulties regarding funding for local government.

As mentioned, it was noted that participants saw the interlinked nature of these issues and the fact the local economy was the foundation to tackling them. To tackle depopulation participants noted the need for better paying jobs and opportunities, and on top of this the need for better housing and transport. Again, this was echoed in methods of tackling inequalities. Participants acknowledged that a better local economy would provide people with the tools to tackle the inequalities that exist both in their own lives and their local community.

3.3 Young People - Focus Groups

3.3.1 Topic 1: Repopulation

Do you think tackling this issue should remain a priority for the Council and its partners?
All the groups answered yes to this question.

What do you think are the key things that should be looked at/improved/changed to encourage people to stay in Inverclyde?
Shopping opportunities was an area two of the three groups commented on. They suggested that more shopping opportunities would encourage people into area. One group also noted that that these opportunities must come with better wages for shop workers as well as lower rents for the shops. This comment arguably stems from the view that current shopping opportunities in Inverclyde are not sustainable for both the employees and the longevity of businesses.

Group one noted that they would like to see the swimming pool upgraded as well as keeping the gym/swim free. Keeping public facilities free/affordable in their eyes is way to help repopulate the area. In this same vein, another group asked for trains to be "free". With national entitlement cards busses are currently free for under 22s, so applying that to trains is something that they see would benefit repopulation.

Green spaces, and more social and recreational activities were mentioned. Another group felt that "most things are aimed" towards the older generation.

It was commented that welcoming more refugees would help repopulation.

Drugs were mentioned. Group members noted that supporting people with addiction and preventing drug dealers would make the streets safer. They suggested that through safer streets the area would be more lucrative for newcomers as well as the current population.

Are there other things you think are important to make Inverclyde a better place to live, learn, work and enjoy?
"Nicer" and more affordable housing were mentioned in reference to this question.

Better promotion of Inverclyde was mentioned as a means to attract non-residents to move into the area and stimulate the tourism industry. Having more 'attractions' in Inverclyde was also noted regarding tourism.

Other things mentioned were:
• Reduced cost of living
• Make council website user friendly
• Deal with the addiction/drink and drugs culture
• Reduce crime

Who can help make these things happen?
All the below were mentioned in reference to this question.
• Government/ local Council/ local business
• Inverclyde Council – more Community Wardens
• Inverclyde Council – look to put more focus and funding into things for young people to do

• More police patrols.
One group also mentioned pedestrianizing West Blackhall St.
Any other points to note:
Holding more community events such as the Farmers Market in Battery Park and having bands play were mentioned.

Youth clubs aimed at the young people aged 16-21 was discussed as they stated there are "no places" catering to this demographic. They suggested that better advertisement through social media should be utilised.

3.3.2 Topic 2: Reducing Inequalities

Do you think tackling this issue should remain a priority for the Council and its partners?

All groups answered yes.

What do you think are the key things that should be looked at/improved/changed to help local people and families who are affected by poverty and deprivation?

Wages were discussed in detail. One group stated that "even student jobs are very low paid in Inverclyde compared to other areas". The need for better paid jobs has been a constant theme throughout this consultation, and the younger participants already see this as an issue that feeds into the broader inequalities of Inverclyde.

Access to cheaper food and free school meals were discussed. In general, the discussion revolved around making things free and accessible. Rising prices were mentioned in relation to this and can be seen as a direct result of the current cost-of-living crisis. Specific costs such as bills and fuel were mentioned and the general need to make things affordable.

Increasing voluntary opportunities was also mentioned.

Are there other things you think are important to make Inverclyde a better place to live, learn, work and enjoy?

Again, better wages and more free activities was discussed. A general comment on improving education was also made. Other comments included refurbishing the Ice Rink, school uniform/blazer provision, more ESOL classes and better integration within schools for asylum seekers.

Who can help make these things happen?

The main organisations mentioned here were the Council, Voluntary organisations, the Government, schools, and younger volunteers. Another comment was made suggesting that help should be given to parents with cooking such as providing them with ingredients.

3.3.3 Topic 3: Environment Heritage and Culture

Do you think this issue should remain to be a priority for the Council and its partners?

All participants agreed.

What are the key things we need to do to improve the environment for communities including children and young people?

The main issue that arose here was of various facilities and public places that need upgrading or developed. Participants felt that there are areas with no or old play parks, restricted access to football pitches, high price to use indoor courts, poor skate parks, lack of indoor entertainment venues, and a lack of general areas for young people to go.

Combating the alcohol and drug culture by creating alcohol free social spaces/venues was discussed. Further comments on extending national entitlement to trains was mentioned as this would make traveling around Inverclyde easier.

How do we get more local people involved in culture?

The general comment here were that young people were unaware of what "culture is available". Participants noted that they did not know of McLean Museum or Newark Castle. They were also unaware if the Galoshaions Festival was still taking place. Other comments stated that more local history should be taught in schools.

Are there other things you think are important to make Inverclyde a better place to live, learn, work and enjoy?

Comments made here revolved around both improving facilities and infrastructure. One discussion centred on the look of Inverclyde. They stated that "Inverclyde needs to be cleaner, grass needs cut, bushes cut and tidy", and they also discussed the need for more bins in areas where there is a lack of them.

Who can help make these things happen?
Groups mentioned the council, government, third sector and the local community. Another group discussed that younger people should be mobilised, and that this should be done via social media advertising as well as flyers in schools.

Any other points to note:
Comments on parking were made here. They noted that more people shop in Port Glasgow as parking is free, whilst it is also easier to access shops. Regeneration of Oak Mall was noted, participants stated that it needs new shops if it wants to stay "relevant".

3.3.4 Topic 4: Economy
Do you think this issue should remain a priority for the Council and its partners?
All groups answered yes.

What do you think are the key things that should be looked at/improved/changed to improve the local economy?

A variety of comments were made in response to this. Groups discussed the need for more shops, however, they also noted the need for rent and business rates to be lowered. This is a theme that has echoed through all the responses, and its origin is likely due to the perceived low survival rate of businesses in Inverclyde. The condition of shops on certain high streets will also have had an effect here, previous comments noted that shops in Inverclyde need improved.

Free parking was noted. This ties to the comments in the previous section where it was stated that Port Glasgow has free parking, suggesting that that attracts more shoppers to the area.

More young enterprise projects were noted as something that is needed. Again, the consensus from the younger participants was that they want to be empowered to help their local area.

Are there other things you think are important to make Inverclyde a better place to live, learn, work and enjoy?
Only two themes arose here; more shops and more enterprise projects.

Who can help make these things happen?
The same organisations as mentioned before were discussed (Council, Government etc.) The Oak Mall was also mentioned as a hub that has potential to help the area.

Any other points to note:
A few different comments were made here. School laptops and computers were mentioned and described as requiring improvement.

Other points made were somewhat similar to previous sections:
- Improve the hospita
- Access to free dentists
- Build a mosque in Inverclyde
- More school trips
- Promote Inverclyde better to outside Inverclyde

3.4 Summary of Findings

The discussions with younger residents were engaging and enabled Inverclyde Council and Alliance Board to capture the ideas of the younger people of Inverclyde. The younger participants all agreed that the priorities put forward to them should remain as priorities for the council and its partners. The main issues that were raised correspond to the previous issues highlighted in the survey and the listening events. However, more attention was given to things such as shops and youth orientated events/facilities. The main themes that arose with younger people correspond to their interests, this can be seen in the prevalence of the theme regarding facilities aimed at younger people.

The broader themes that arose were linked to the local economy, transport and the condition of Inverclyde. The local economy was present in discussions regarding the lack of "good" shops and other private/public facilities that are available.

With bus travel being free participants suggested that they would like to see this extended to trains. They noted this would make travelling around Inverclyde easier for them, as well making fast travel accessible to those on lower incomes. Participants noted the general condition of streets as well the perceived neglected areas. They suggested that improving this would aid tackling depopulation as it would encourage people to both stay and move to the area.

The way the council and partners communicate with younger people was noted. They stated that using social media effectively would engage younger people in local issues and events. As the discussions unveiled that some younger people do not know how to help Inverclyde, what the area has to offer, or the history of the area. They stated that using social media to tackle these issues would educate younger people as well as making them prouder of the area.

3.5 In-Person Listening Event - Port Glasgow Town Hall

Participants were asked to identify the issues surrounding several different themes, and then to offer an action to tackle the theme. The themes included health and wellbeing, economy, communities, population, housing, and alcohol and drugs.

3.5.1 Health and Wellbeing
The issues that were raised surrounding health and wellbeing related to things such as alcohol and drugs misuse, diet, exercise, poor mental health, poor health facilities, access to health services, walking/footpath maintenance and general a lack of resources.

The actions participants suggested were quite varied, but mainly revolved around expanding infrastructure and resources. Health and fitness provision was mentioned, and this referred to increasing and maintaining the number of gym facilities, providing volunteer personal trainers, community exercise events, fitness programmes with dedicated teams in each locality, and the making sure that current fitness centres are affordable and accessible. These actions relating to health and fitness stem from participants trying to tackle the issue head on. However, other participants noted that tackling systemic issues surrounding health and wellbeing would have greater effect. These actions came in the form of better education and communication around health and wellbeing, better advertisement of what facilities/opportunities are available, and easier access to GPs. Another action, that ties into 20-minute-neighbourhoods, was that participants noted that getting around by foot was difficult due poor pavements and routes. They also felt that walking at night is dangerous as the streetlighting is poor. They suggested that fixing this could lead to more enthusiasm surrounding walking and general outdoor fitness during the darker months and nights.

3.5.2 Economy
The issues identified regarding the economy were fairly similar to what was found in the survey. The issues noted were the lack of jobs, lack of sustainable opportunities, and having mainly low paying opportunities. Some participants perceived a lack of available land and resources, as well as bigger businesses getting contracts rather than local companies. The actions participants noted were all mainly around stimulating the economy. For example, they stated that there needs to be more a "innovative" use of space for new businesses and others emphasised the need to give local business priority to utilise the vacant spaces in the area. Young people were also mentioned, this was in reference to building up their work/employability skills and providing them with the opportunity to use them in the local area.

3.5.3 Communities

One of the main issues identified relating to communities was communication. Participants felt that the communication within the community is poor, as well as the communication from community groups. They explained that sometimes they only find out there are community events on until the day of the event. Participants noted some actions to tackle the communication void, these included better advertisement of community projects, greater involvement from the council in a facilitator role, and expanding 'Community Conservations' to make sure community engagement is high. Other actions included utilising local assets to increase local pride, better access to community facilities, adult learning classes as a means to bring people together, and community newsletters. There were also discussions surrounding transparency with funding. Participants suggested that the council should be more open with decisions surrounding this.

3.5.4 Population

Comments on population were almost all connected to employment. Participants noted that there needs to be an increase in work/employment opportunities and an expansion of locally based business. To tackle this, participants emphasised making the employment opportunities in Inverclyde more sustainable. They suggested that this should be done through lower rates and easier routes for local entrepreneurs to set up. The interconnected nature of population and employment is evident here. This has been something that has appeared throughout the consultation process, and it highlights that Inverclyde's residents see the route to tackling depopulation must come through economic means.

3.5.5 Housing

The issues raised surrounding housing were generally aimed at the perception that the current housing stock is not meeting the needs Inverclyde's current communities. Other comments reported the maintenance of the existing stock was poor, and with there being an ageing population this could be hazardous. Lack of disabled housing options was also mentioned, as well as anti-social behaviour appearing in certain pockets. Actions to tackle the housing issues varied. To tackle the poor condition of stock participants suggested that the Council and Housing Associations should be doing more to help tenants. Other participants suggested that tenants should have the onus and be giving more tools to undertake the upkeep themselves. Other comments noted that there should be more consultation with residents about housing and that their views should be considered when new developments arise.

3.5.6 Alcohol and Drugs

Participants noted the perceived ease of access to drugs and alcohol, especially for young people. The main way participants suggested to tackle this was through early intervention. Early intervention through schools was one of the main talking points. Other participants noted the need to have more recreational facilities for young people, they suggested that these can combat the routes into antisocial behaviour. Sport and leisure facilities were mentioned as key institutions.

3.5.7 Summary

Port Glasgow Town Hall event was fruitful in two ways. Firstly, it was a productive data gathering session that has provided the consultation with rich findings. Secondly, it allowed the Inverclyde Council, Alliance Board and the public to have a face-to-face meeting. This meeting has also highlighted the willingness to collaborate and listen to the public. Developing this type of relationship is important as it can show the public that engaging with Inverclyde Council and Alliance Board can have results.

The findings gathered from this event delved into different themes of importance for Inverclyde and has shown that there is consensus throughout the consultation. The main themes of this event were independently identified in other areas of this consultation. The root causes of these issues such as poor employment opportunities, lack of investment, and deprivation are consistent with what has been raised already. However, this event also offered the chance for participants to suggest how to tackle these issues. Whilst again, there are some similarities with other areas of the consultation, the participants of this event emphasised some different areas. The role of the council was more a prominent answer at this event, with participants suggesting that the council needs to facilitate and aid commugity Groups more. The Health and Wellbeing theme prompted a discussion that offered different suggestions. The participants focused on tackling Health issues on the community level, this manifested in suggestions such as deploying teams to localities to undertake fitness/wellbeing classes. This shows participants believe issues like this can be tackled from the ground up rather coming from above.

groups early space
vacant education
localities street poor
pavements
community opportunities
condition facilities
council fitness lighting
housing rates
walking centres stock business
intervention
employment innovative

4   Citizens Panel

The Citizens' Panel was established in 2007 to enable Inverclyde Council to regularly consult with Inverclyde residents on a wide range of issues. The Panel comprises around 1,000 local residents, with membership refreshed annually by one third.
Membership is almost evenly split between males and females and just under half (426) of respondents live in the most deprived 15% of datazones in Inverclyde.

The responses to the Autumn 2022 survey totalled 616, this is around 62% of the total membership of the Panel which is a very good response rate for a questionnaire of this type.

4.1   What key policy areas do you think the council, our partners and communities should develop to make the biggest difference in Inverclyde?

	Total
Increasing employment levels	67%
Supporting the creation of good jobs with fair pay and conditions	47%
Reducing drug and alcohol misuse	42%
Having more good quality housing	40%
Improving health and wellbeing	37%
Improving our town centres and public spaces	37%
Increasing participation in community life	22%

4.2 What key policy areas do you think the council, our partners and communities should develop to make the biggest difference in Inverclyde?

Total	1	2	3	4	5	6	7	Ticked, not ranked
Increasing employment levels	25%	30%	12%	12%	7%	5%	6%	4%
Having more good quality housing	14%	8%	18%	13%	16%	19%	9%	3%
Reducing drug and alcohol misuse	11%	11%	20%	13%	12%	14%	15%	4%
Increasing participation in community life	4%	9%	9%	13%	21%	20%	23%	2%
Improving health and wellbeing	11%	11%	15%	20%	18%	10%	12%	3%
Improving our town centres and public spaces	17%	8%	12%	15%	10%	18%	15%	4%
Supporting the creation of good jobs with fair pay and conditions	17%	19%	11%	10%	13%	9%	17%	3%

4.3 **Getting it right for every child, citizen and community in Inverclyde is a shared vision across the council and the Inverclyde Alliance. Do you agree with this vision?**

	Total
Yes	86%
No	14%

4.4 Comments

4.4.1 What one thing would make the biggest difference to Inverclyde over the next 10 years?

Theme	Mentions	Context
Employment/ Jobs	29	The thread that appears throughout this consultation is that of jobs and employment. Participants in the Citizen Panel echo what has been said before. They believe that better employment and job opportunities can make the most difference to Inverclyde over the next 10 years. The reasons they gave were familiar, they noted that jobs and employment would retain people in the area which would have knock on effects to the wider economy. These effects include larger footfall in town centres which would benefit local businesses and the 'face' of Inverclyde. They all suggest that having a strong economic base through good jobs/employment would allow stronger foundations to be built which would benefit tackling the broader existing issues such as population decline, deprivation and crime.
Town Centre	22	A common topic that appeared in this Citizens Panel was the 'town centre', overwhelmingly Greenock town centre. The participants comments revolved around issues like 'regeneration', 'upgrade', 'clean', 'improve', and 'invest'. The consensus was that the town centre is in need of upgrading. However, the participants noted the potential of the town centre and ultimately want the area to be fully utilised for local business and as an attraction for tourists. This is interlinked with jobs and employment as participants noted that for town centres to flourish there needs to be local businesses who can sustain employees whilst attracting enough customers.
Investment	20	Investment was a common term mentioned by participants. This mainly, as mentioned above, was concerned with providing the area with jobs/employment and funding for regeneration. The comments provided highlight that the area is lacking something, and the participants see that further investment would be a way to add to the area.
Shops	17	Shops were mentioned as having a dual purpose. Participants acknowledged that 'better' shops bring larger footfall which will benefit the high streets and town centres. This would then help sustain the local economy. The other purpose of shops is as an employer. Participants noted more shops would mean more jobs and again they saw this as a way to help sustain the local economy and help Inverclyde thrive.

Theme	Mentions	Context
Road/s	17	Roads were mentioned mainly in relation to needing improved or better maintained. Participants comments relating to improvement were emphasising that improved road networks would attract more people to the area due to ease of access, as well as improving the ease of traveling for locals. Comments on maintenance were concerned with potholes and overgrown areas, they noted that these were hazardous and make it harder to travel as well as giving off a bad image.
Children/ Young/sters	14	Participants comments on children and young people were mainly concerned with support and providing opportunities. The comments surrounding support were mainly aimed at helping children in poverty. Participants noted that providing free school meals, as well as affordable leisure activities were key ways to help support them. Comments on opportunities were aimed at teenagers, and these consisted of things like providing opportunities to work, leisure activities and clubs. Participants comments all stemmed from their perception that children/young people in Inverclyde have less opportunities, and by providing them with these outlets it will keep them away from anti-social/ criminal behaviour. As well as this, participants saw that investing in children will help Inverclyde in the long-term as they are the future of the area.
Houses/ing	13	Comments regarding Houses and Housing revolved around the need for 'better' housing options and affordability. The comments surrounding 'better' or 'improved' housing mainly related to family homes. Participants noted that they wanted to see families have better homes as this would help the raising of families. It was suggested that this would also help promote younger couples to have families as they would see that the housing options were suitable for this. Affordability also related to families as the cost of housing could be a deterrent to starting a family. Comments on affordability were generally suggesting that housing options were expensive.
Business	12	Comments surrounding business tie into the comments on jobs/employment. Participants comments revolved around 'attracting' and 'helping' businesses in the area. Participants see businesses as a route to tackling low employment and providing the area with jobs. Participants noted that the area needs to try and attract more businesses as well as help develop homegrown enterprises.
Clean/er/ing	10	Comments regarding the cleanliness of Inverclyde referred to both litter and the 'face' of Inverclyde. Comments on litter were generally concerned with there being more effort to make the area tidier. Participants noted this would make the area more attractive for tourists and local residents. Comments on the 'face' of Inverclyde referred to improving the high streets and town centres. This stems to earlier comments on getting more shops and businesses as participants see the perceived dereliction as something that makes the area untidy.
Community	9	Comments on community related to increasing the 'sense' of community as well as funding community spaces. The comments surrounding the 'sense' of community relate to community empowerment and the fact that participants do not feel like they are part of a cohesive community. However, it shows that participants see being part of a community is important, and that through community participation Inverclyde will get some form of benefit. Comments on funding and community spaces were vague but they inferred that the Council should take a more active role and provide community organisation with more funding so that they can effectively operate.

4.4.2 Are there any other policy areas you think should be a priority in the local area? Please state.

Theme	Mentions	Context
Road/s	11	The quality of roads was the main concern here. Participants noted that the quality of roads is important as it can deter people from coming to the area and leave a bad impression.
House/ing	8	Affordability and the quality of houses were mentioned again.
Town Centre	8	'Revamping' was mentioned in relation to town centres. Accessibility was also mentioned. The accessibility referred to parking and the need to make town centres more accessible to both residents and non-residents.
Community	8	Supporting the community was the main theme in the comments. The comments were aimed at the Council and suggested that the Council should be supporting communities further through funding and promoting engagement.
Young/sters	7	Providing 'spaces' and 'activities' were the main comments here. Again, the comments imply that this will keep young people away from anti-social behaviour.
Business	5	Support for local businesses was the reoccurring theme here. Again, this points to the perception that businesses in Inverclyde need support and this stems to deep rooted issues in the economy of the area.
Drug/s	5	Comments relating to Drugs were centred on tackling their misuse.

4.4.3 How should the Council, working with the local community, tackle your top priorities?

Theme	Mentions	Context
Groups	11	Working with local groups was the main theme that was mentioned. Participants noted that working with, funding and encouraging the existing groups in Inverclyde should be a priority.
Listen	9	The word Listen was mentioned by participants. It shows that participants are willing to be involved in their community and highlights the desire for more governance over their own communities.
Engage/ment	8	Similar to the above, the participants seek further engagement from the Council and Partnership. Again, this highlights the desire for community empowerment.
House/ing	8	Comments on housing here noted that Partners should look at refurbishing old housing stock as well creating more affordable and quality stock.
Young/sters	8	Participants here noted that they would like to see more work done with young people, such as capturing their views and opinions and trying to cater towards them. Working with groups that focus on young people was also a theme that arose, and it ties to the previously mentioned reasons.
Business	7	Comments here echo previous statements about working with, encouraging existing and attracting new businesses.

4.4.4 What do you think should be the shared vision for the Inverclyde area?

Theme	Mentions	Context
Employment/Jobs	13	Participants put emphasis on jobs and making sure that there are secure and varied opportunities that retain and attract people into the area.
Child/ren	13	Supporting and helping children was the main thread throughout these comments. There was an emphasis on children who live in poverty and making sure that they have 'equal access' to amenities, education and leisure.
Health/y	13	Comments on health revolved around improving health and making sure people have access to health enhancing facilities.
Safe/ty	10	Being safe and safety all referred to community safety and making sure that areas are made safe.
Live	8	Comments regarding 'Live' almost all centred-on participants wanting Inverclyde to be a place where people come and can currently 'live'. This links to the depopulation of the area as participants can see that this is an issue that needs combated.
Improve/ing	8	Improvement was a phrase that participants commonly noted. Areas they noted were in quality of life, standard of living, local image, lifestyles and services.
Education	7	Comments on education noted that there needs to be better quality as well as access.
Drugs	7	Comments on drugs link to the sections on safety and health. Participants noted that they want to see drug abuse tackled as this would lead to safer streets.

4.5 Summary of Findings

The responses gathered from Inverclyde's Citizen Panel are similar to what other participants have said in our other consultations. However, one noteworthy theme that arose more frequently was that of the town centres, and mainly Greenock Town Centre. Participants in the citizens panel displayed concern over the current state of the town centre, reference to the closed shops, quality of shops, and the overall cleanliness were discussed. They linked the regeneration of town centres as a path to creating an economic base that could provide the area with more employment. They also acknowledged that this would make the town centres attractive for people who may move into the area. Participants believed that having a thriving town centre would help tackle the systemic issues that Inverclyde faces in the form of deprivation, low employment and depopulation. Other than this theme, the issues noted by participants can be seen in every facet of the consultation and this bolsters the common threads that the council and partnership need to focus on.

5 Employee Survey

The Inverclyde Council employee survey is carried out every three years. Most recently it took place from August until October 2022. Employees were asked a range of questions regarding their employment. However, there was the addition of a question on Inverclyde Council and its partners priorities. The question asked employees "What should the council and its partners priorities be over the next five years?". A total of 1,737 employees responded to this question.

5.1 Findings

The respondents indicated that the most important issues in Inverclyde that the council, and its partners, should focus on over the next five years are as follows:

1. Cost of living crisis/poverty

2. Education

3. Health and wellbeing

4. Staff morale and wellbeing

5. Council budget

5.2 Summary

There are outlying answers in this section; 'staff morale and wellbeing' and 'council budget'. The inclusion of these as answers will stem from the nature of who was being surveyed. However, the inclusion of 'council budget' as an answer has larger implications than employees' personal job security. The implication is that a reduction in the council's budget may negatively affect the provision of council services.

The top two answers to this question are more in line with what has been raised throughout the consultation. Number two was education, and this can correspond to various issues in Inverclyde. Throughout the consultation education has been linked to tackling health outcomes, alcohol and drug use, and as a source of creating new employment opportunities. The encompassing nature of education is a reason why it constantly appears as a source to tackling various issues. The cost of living and poverty was selected as the top priority. The direct inclusion of this as a priority is not surprising as the current economic climate, stemming from energy prices, has inflated the cost of living in almost every regard.

6   Conclusion

6.1 Summary and the Golden Thread

The Council Plan and Partnership Plan should align to Inverclyde's residents needs and wants. This consultation has allowed these needs and wants to become articulated and has provided the Council and Partnership with direction and insight into Inverclyde's residents priorities. It must be noted that it is a statutory responsibility for the Council to engage with residents and make sure that their views are incorporated into the planning of the area.

This consultation was undertaken in a meaningful environment, giving residents a platform to influence their community. Close to t2000 different attitudes and desires have been captured. Common threads arose through the different methods of research, and these specific themes were highlighted as areas that should be prioritised. The sections below highlight these common themes.

6.1.1 Employment and Jobs

The highest ranking and recurring issue that arose was employment and jobs. Participants highlighted the lack of jobs, the pay of the existing jobs and the sustainability of long-term employment in the area. Participants acknowledged that this is an issue that cannot be resolved quickly, however, they could see the long-term benefits of having a stronger employment base. A range of participants discussed how building an employment base will have knock on effects that help tackle the issues the area faces. They noted that depopulation, deprivation and poorer health and wellbeing can be linked to the erosion of Inverclyde previous manufacturing base.

6.1.2 Community

Another theme that arose in comments was surrounding community. Participants emphasised their desire that the Council and Partners work closer with communities and the already existing community groups. This highlights that there is a desire amongst Inverclyde's communities to be empowered and undertake more responsibility.

6.1.3 Young People and Children

The theme of young people arose in relation to several issues; employment opportunities, housing, leisure activities/facilities, and anti-social behaviour. The consensus amongst the participants was that there was a lack of employment opportunities and leisure facilities for younger people and this void has pushed them to engage in anti-social behaviour. Participants comments acknowledged that these people are the future of Inverclyde, but the area has challenges regarding the infrastructure to retain these people. This ties into the comments on housing where participants reported that there was a lack of access to housing for young people. The comments on young people show that the participants are concerned about the future of Inverclyde which will stem from the depopulation that the area is facing.

Comments on children often revolved around supporting those children that are living in poverty. The comments were aimed at providing these children with 'equal access' to things such as school meals, uniforms and other activities that they may not be able to take part in due to their socio-economic situation.

6.1.4 Housing

Housing was an issue that cropped up in every consultation. The comments predominately focused on difficulty of accessing housing due to affordability. Certain comments were also concerned with the quality of housing and the suitability of it for families. The clear thread through the comments on housing were orientated towards the future. Again, arguably stemming from the depopulation the area faces the participants emphasised the need to ensure that the current population has affordable housing so that they are retained in the area. However, other participants suggested that better housing opportunities would also attract new people into the area. Thus, the narrative of these comments was generally concerned about population retention and attraction.

6.1.5 Health and Wellbeing

The theme of Health and Wellbeing was interlinked to a wide range of issues. Participants suggested that improving the general health and wellbeing of residents should be a priority as this can have long-term effects regarding life expectancy, hospital admissions and overall life fulfilment. They also noted the negative effects that alcohol and drug consumption can have on health and wellbeing. The lack of, and closure of leisure/fitness facilities was also suggested as being a source of poor mental and physical health and wellbeing. Much like the other main themes, poor health and wellbeing was viewed as a symptom of deep-rooted issues in the area such as a deprivation and economic stagnation. However, participants did suggest some direct actions on how to improve the general health and wellbeing in the area. The most illuminating suggestions came from the in-person consultation in Port Glasgow. The participants suggested deploying locality tailored health and wellbeing teams into communities to get residents involved in different classes and events. The suggestion of community led action highlights that Inverclyde's residents have a desire to tackle issues on the community level.

6.3 Next Steps

Now that the findings from the consultation have been analysed, they will be used to inform both the Council and Partnership Plans. In order for this to happen the findings will be shared with Inverclyde's Elected Members and the Alliance Board membership. The public perceptions and ambitions for Inverclyde will be considered alongside the Strategic Needs Assessment (SNA), the National Performance Framework, and the Council and Alliance resources in order to develop local priorities.

6.3.1 Inverclyde Council and Partnership Plan

The two plans that the findings will inform are the Council Plan, and the Partnership Plan. Whilst there are similarities between the plans, there are significant differences in regard to their purposes.

The Partnership Plan is a commitment by Inverclyde Alliance partners to work together towards shared aims, with a focus on tackling inequalities and the added value of partnership working. Inverclyde Alliance includes public sector organisations, along with voluntary section and businesses. Whereas, the Council Plan explains how Inverclyde Council will operate, what its priorities will be, and how it will support delivery of the Partnership Plan.

Inverclyde Council and Partnership Plan Consultation

Corporate Policy Team

January **2023**

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Inverclyde Alliance

Inverclyde council

Inverclyde Council Performance Management Framework

CORPORATE POLICY, PERFORMANCE AND PARTNERSHIPS TEAM

Contents

1. Introduction and purpose

This Performance Management Framework (PMF) sets out the arrangements by which we plan, deliver, review and improve on what we aim to achieve, both as a Council and in partnership through the delivery of the Inverclyde Alliance Partnership Plan 2023/33, the Inverclyde Council Plan 2023/28 and the Committee Delivery and Improvement Plans 2023/2026.
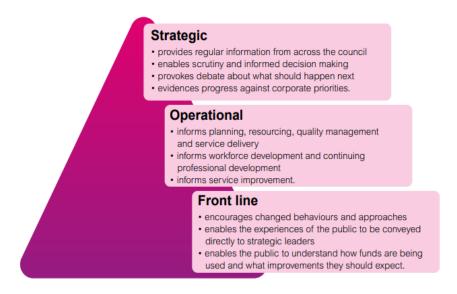
The core purpose of the framework is to drive continuous improvement and deliver improved outcomes so that we deliver our **Vision of Success for All: Getting it right for every child, citizen and community**. The framework helps to ensure that as a Council we:

- Set out clearly what it is we want to achieve;
- Focus resources on the right outcomes;
- Are aware of where things are going well and where improvement is needed;
- Report on progress to both internal and external audiences;
- Use performance information to drive continuous improvement;
- Demonstrate Best Value; and
- Work openly, transparently and in an accountable way.

1.1 What is Performance Management and why is it important?

Effective performance management focuses on improvement and change and comes from a clear idea of where we want to be, the impact that we want to have and how this will be achieved. As resources tighten and demand for services increase, it is essential that the Council is able to assess whether it is delivering its services effectively and whether positive progress is being delivered. Elected Members, the public and external scrutiny bodies also require meaningful information to allow them to assess performance through a balance of quantitative and qualitative information, recognising that numbers alone do not tell the full story and that the context is equally important.

The diagram below, taken from the Local Government Association's "Performance Management Guide for Local Authority Officers", shows how performance management can influence improvement and progress at various levels of a Council.

Strategic
- provides regular information from across the council
- enables scrutiny and informed decision making
- provokes debate about what should happen next
- evidences progress against corporate priorities.

Operational
- informs planning, resourcing, quality management and service delivery
- informs workforce development and continuing professional development
- informs service improvement.

Front line
- encourages changed behaviours and approaches
- enables the experiences of the public to be conveyed directly to strategic leaders
- enables the public to understand how funds are being used and what improvements they should expect.

Source: "Performance Management Guide for Local Authority Officers", Local Government Association

2. National Context

This section provides information on the national context that provides the overarching umbrella under which our performance management framework operates.

2.1 National Performance Framework

The Sottish Government's National Performance Framework aims to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress

The framework has informed the development of the Inverclyde Alliance Partnership Plan 2023/33 and the Council Plan 2023/28.

2.2 Best Value

Best Value is a statutory duty set out in the Local Government (Scotland) Act 2003 and applies to all public bodies in Scotland. Its purpose is to ensure that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.

A new approach to Best Value auditing will be implemented in 2023, which includes the integration of Best Value fully into annual audit activity. The inspection process will also, for the first time, include a thematic approach to audit work focusing on the themes in the Best Value guidance. The Best Value statutory guidance, published in March 2020, can be downloaded here: https://www.gov.scot/publications/best-value-revised-statutory-guidance-2020/

Another aspect of the new approach is the introduction of a Controller of Audit report, covering all 32 Councils over the four-year period 2023 to 2027. These reports will include a focus on the pace and depth of continuous improvement in the Council and will be considered by the Accounts Commission.

Statutory Performance Indicator (SPI) Direction 2021

The Accounts Commission has a statutory power to define the performance information that Councils must publish for performance comparison and benchmarking purposes. This is done through the publication of a Statutory Performance Indicator (SPI) Direction. The current Direction was published on 21 December 2021 and takes effect from 2022/23.

Whilst broadly setting out the areas that Councils should report on, the Direction is not prescriptive in specifying which performance indicators meet the requirements of Best Value, leaving this to a Council's discretion to improve the range of information that it publishes in a

way that reflects the local context and improvement. The range of performance information a Council reports is also subject to audit.   The Direction schedule is provided below:

Each Council will report a range of information covered by the following 2 indicators   **SPI 1: Improving local services and local outcomes**
• Its performance in improving local public services, both provided by itself and in conjunction with its partners and communities.   • Progress against the desired outcomes agreed with its partners and communities.   The Commission expects the Council to report such information to allow comparison (i) over time and (ii) with other similar bodies (thus drawing upon information published by the Local Government Benchmarking Framework and from other benchmarking activities).   The Commission expects the council to, in agreeing its outcomes with its partners and communities, report on how it has engaged with, responded to and helped to empower its communities, including those who require greater support.
SPI 2: Demonstrating Best Value
Its assessment of how it is performing against its duty of Best Value, including   • its self-assessments and service review activity, and how it has responded to this assessment.   • Audit assessments (including those in the annual audit) of its performance against its Best Value duty, and how it has responded to these assessments.   • Assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.   In satisfying the requirements set out in this schedule, the Commission expects the council to take cognisance of current statutory guidance on Best Value requirements, and in particular to ensure: • Balance in reporting areas of improvement that have been achieved and not achieved.   • This is undertaken in a timely manner.   • Easy access to its performance information for all of its citizens and communities, with such information presented in an accessible style

2.3   The Local Government Benchmarking Framework

The Local Government Benchmarking Framework is a benchmarking tool designed to encourage Councils to examine and understand why variations in cost and performance occur.

To facilitate more useful learning and improvement Councils are arranged in 'family groups' to allow comparison between those that are similar in terms of the type of population that they serve (e.g. relative deprivation/affluence) and the type of area in which they serve them (urban, semi-rural, rural).
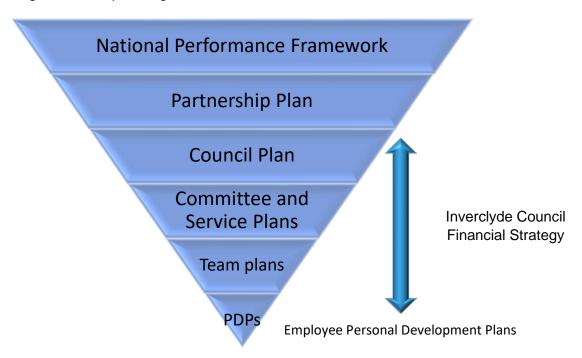
Publication of the LGBF forms part of each Council's statutory public performance reporting. A report on our performance in relation to the LGBF is considered by both CMT and the Policy and Resources Committee annually and performance reported via the Council's website here: https://www.inverclyde.gov.uk/council-and-government/performance/statutory-performance-indicators/lgbf. More information on the LGBF can be found on the Improvement Service website: https://www.improvementservice.org.uk/benchmarking/home

3. Local Context

The Council's performance management framework includes the strategies, plans, PIs, targets and standards that enable the performance of the Council to be monitored to ensure the best possible outcome for customers, residents and communities.

The Council's strategic plans and how they fit together is shown in the strategy map below and is often referred to as the 'golden thread'. The 'golden thread' is a way of describing how each element links together, from the National Performance Framework to team and individual objectives.

Diagram 1: The planning framework "The Golden Thread"

National Performance Framework

Partnership Plan

Council Plan

Committee and Service Plans

Team plans

PDPs

Inverclyde Council Financial Strategy

Employee Personal Development Plans

3.1   Partnership Plan 2023/33

The Inverclyde Alliance brings together the Community Planning partners for Inverclyde. The Partnership Plan sets out the shared commitment by Inverclyde Alliance partners to work together towards their collective aims, with a particular focus on tackling inequalities and the added value of partnership working. A new Partnership Plan was approved in early 2023 and covers the period 2023/2033. The Partnership Plan focuses on the following key themes:

Theme 1:   Empowered People
Theme 2:   Working People
Theme 3:   Healthy People and Places
Theme 4:   A Supportive Place
Theme 5:   A Thriving Place

3.2   Council Plan 2023/28

The Council's purpose, priorities and values are set out in the Council Plan 2023/28. It also shows how Inverclyde Council contributes to the strategic priorities for the area, as set out in the Inverclyde Alliance Partnership Plan 2023/33.

The Council Plan reflects various environmental factors, including the drive to achieve Net Zero, economic climate, demographics and local need. It has been driven by robust community consultation where local priorities were identified by residents. The following key themes have been developed based on this feedback:

Theme 1:   People

- Our young people have the best start in life through high quality support and education;
- Gaps in outcomes linked to poverty are reduced;
- People are supported to improve their health and wellbeing;
- More people will be in employment, with fair pay and conditions; and
- Our most vulnerable families and residents are safeguarded and supported.

Theme 2:   Place

- Communities are thriving, growing and sustainable and our strategic housing function is robust;
- Our economy and skills base are developed;
- We have a sufficient supply of business premises; and
- Our natural environment is protected.

Theme 3:   Performance

- High quality and innovative services are provided, giving value for money
- Our employees are supported and developed

3.3   Committee Delivery and Improvement Plans 2023/26

In March 2023, the Council approved a new model for Directorate and service planning to support the new Council Plan. The new model sets out more explicitly the linkages between actions, strategic priorities and local outcomes as well as reflecting the new approach to Best Value.   The Plan reporting structure is shown in the table below:

Plan Name	Scope	Reporting to:
Environment and Regeneration Delivery and Improvement Plan	• Property Services • Regeneration, Planning and Public Protection • Roads and Environment	Environment and Regeneration Committee
Education and Communities Delivery and Improvement Plan	• Communities and Educational Resources • Education Services	Education and Communities Committee
Policy and Resources Delivery and Improvement Plan	• Finance • Legal and Democratic Services • Organisational Development, Policy and Communications	Policy and Resources Committee

The Delivery and Improvement Plans cover the period 2023/26 and capture:

- Actions derived from the Council Plan strategic priorities, cascaded to individual Directorates / services
- Corporate self-evaluation improvement actions
- Priorities relating to areas of strategic service delivery
- Improvement actions from External Audit Reports
- Improvement actions arising from Service Review
- Key Performance Indicators linked to the delivery of the actions

Although a three-year rolling plan, the delivery and improvement actions will be refreshed on annual basis with performance reports considered by the CMT prior to every second Committee meeting, continuing with the reporting schedule established by the former CDIPs.

3.4   Service Delivery and Improvement Plans

The new planning model includes the introduction of Service Delivery and Improvement Plans for each Head of Service. This is to ensure that there is a consistent corporate approach to service performance and improvement in place. The plan should set out its linkages to Council priorities with a focus on:

- Actions / activities for the Service for the year that are more operational in nature
- Service self-evaluation improvement actions (PSIF)
- Lower level KPIs monitored by the Service that are not reported to Committee
- LGBF indicators with benchmarking data for the service

Progress in the delivery of the Service Delivery and Improvement Plans will be monitored by Directorate Management Teams on a quarterly basis.

3.5   Inverclyde Health and Social Care Partnership Strategic Plan 2019/24

The Health and Social Care Partnership Strategic Plan 2019/24 is the equivalent to the Council's Committee Delivery and Improvement Plans, however it includes all health and social care services. The Plan sets out the 6 Big Actions to be delivered over its lifetime:

- Reducing inequalities by building stronger communities and improving physical and mental health
- A nurturing Inverclyde will give our children and young people the best start in life
- Together we will protect our population
- We will support more people to fulfil their right to live at home or within a homely setting and promote independent living, together we will maximise opportunities to provide stable, sustainable housing for all.
- Together we will reduce the use of, and harm from, alcohol, tobacco and drugs
- We will build on the strengths of our people and our community.

The HSCP Strategic Plan can be downloaded from the Council's website here:
https://www.inverclyde.gov.uk/health-and-social-care/strategies-policies-and-plans
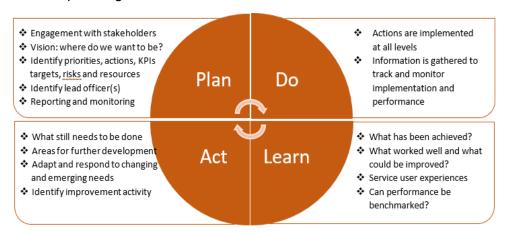
An Outcomes Framework has been developed in order to show how the plan contributes to the national outcomes. A suite of key local indicators has been developed to support progress and reporting of these Big Actions, alongside the national indicators. The Integration Joint Board (IJB) receives an Annual Performance Report which includes progress on the Strategic Plan actions providing accountability and strong governance. This report is submitted to the Scottish Government. In addition, a six monthly report has been developed for the IJB

detailing both Strategic Plan progress and a performance update. Regular reports will also be presented to the NHS Board and the Council, and, in addition, the Annual Performance Reports will be published on the HSCP and Council websites.

4. Planning for Improvement
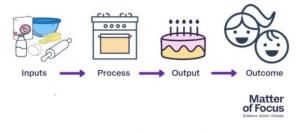
4.1 Plan, Do, Learn, Act

Our approach to performance management is based on a continuous cycle of 4 activities: **Plan, Do, Learn, Act**. This cycle ensures an integrated approach to performance management and planning.

4.2 Measurable outcomes

Outcomes based approaches have been promoted in Scottish policy over a number of years with the aim of improving public services by focusing on the concerns of individuals. An outcome is the change that it is hoped will be achieved by delivering a project or initiative, i.e. the difference that will be made and should include words such as increase, decrease, reduce and improve.

When measuring outcomes, it is important to use qualitative assessment through engagement with customers and stakeholders, however this is often not enough and demonstrating achievement of outcomes through use of data and performance measures helps to provide a factual evidence base. Proxy measures may also need to be used to evidence delivery of outcomes. Outcomes should not be confused with inputs, like staff time, resources, or outputs and activity. The diagram below, produced by Matter of Focus, shows the relationship between inputs, process, output and outcome:

An outcome is the end result of a chain of events that starts with inputs and processes, leads to an output (in this case, the birthday cake) which then leads to an outcome (happy children). What we're talking about when we're focusing on the outcome is the happy child, not the cake.

Source: [What are outcomes?, Matter of Focus home of OutNav (matter-of-focus.com)](matter-of-focus.com)

4.3 Developing Key Performance Indicators

Key performance indicators (KPIs) are central to a good performance management framework. KPIs must be fit for the purpose of strategic planning to ensure that the Council is measuring the right things, delivering meaningful outcomes and has a direct line of sight to the activities that are underway. When identifying performance measures, it is vital to link strategically to the Council's overall aims and intended outcomes. This means linking these measures to the Council Plan and understanding how they fit into the Council's broader vision.

As data influences decisions that are taken at all levels it must be robust, accurate and reported in a timely manner. Data which is partial, incomplete or inconsistent does not allow for proper consideration of risk and learning.

KPIs should be:

- Linked to vision, strategy and actions
- Comparable over time and be able to be benchmarked wherever possible
- Informed by national and local priorities
- From a reliable data source

4.4 Setting targets

Setting targets allows us to work towards improving our services and achieving our goals. The target is the level of achievement expected over the period being reviewed, i.e. what you are aiming for. Targets can:

- Promote accountability
- Help manage a service
- Stretch performance
- Enable self-improvement

When setting targets, comparable past and present performance data and trends, benchmarking with similar services and Councils and national trends should be considered in order to achieve continuous improvement.

Targets must be set at the outset of the Plan or project / initiative and approved by the Head of Service. They should also be reviewed annually in light of recent performance, any new policy developments and national benchmarks to ensure that they remain relevant and challenging. All proposed changes to targets need to be signed off by the CMT as part of their scrutiny of the year end performance reporting.   The KPI data submission pro-forma (Appendix 1) should be used to record and advise of changes to the annual targets.

Thresholds

Target setting enables performance reports to be produced with a RAG status (red, amber, green). In addition to RAG status, the Council also monitors direction of travel in the short and long-term using the performance management system, Pentana Risk (referred to as Pentana). The icons used by Pentana to report performance are shown below. More information on Pentana can be found in section 5.1.

Thresholds are used to calculate the status of an indicator, i.e. red, amber or green with a percentage variance or deviation from the target value to determine RAG status. Broadly, for the majority of the Council's indicators a 5% tolerance level will be applied. This means that where the value is more than 0% but below 5% of the target value, then the status will be amber and if the value deviates from target by 5% or more then the status will be red.

It will not be appropriate to set a 5% tolerance range for every PI, depending on the nature of what is being measured and based on performance trends, it may require to be lower or higher, however an explanation of why the 5% tolerance level has not been applied will be required.

For all indicators however, targets and tolerance levels should be specific and realistic.

Table of symbols used by Pentana

PI Status	
🔴	Performance is adrift of target by 5% or more
⚠️	Performance is below target, but is within a set tolerance level (between 0%-5%)
✅	Performance is at target level or higher
📈	Performance is being monitored but no target has been set (data only PI)
Short term and long-term trend status	
⬆️	Improving performance (short term = annual change, long term = 5 years)
➖	No statistical change in performance
⬇️	Performance has declined (short term = annual change, long term = 5 years)

Peer Review of Targets

As an additional performance management check, targets set by services will be reviewed by a peer group of officers to ensure that they are set at an appropriate level. This will provide an additional level of quality assurance and help to maintain performance standards.

4.5   The importance of being SMART

When setting actions and indicators, it is important that these are **SMART**. This provides a clear, structured approach to meeting objectives and goals.

SMART

⇒ **Specific**: The PI or action indicates exactly what result is expected do that performance can be judged accurately

⇒ **Measurable:** Progress can be gauged through measurable goals or for PIs, data is available or is collected relatively easily

⇒ **Achievable:** Reasonable expectations are set, not aspirational

⇒ **Relevant:** The action or measure is important to the intended audience and is clearly related to the service being measured

⇒ **Timely:** Information or data is available frequently enough to have value in making decisions and information is available at times when it is needed

4.6   Challenge and Review

Challenge and review occurs at all levels of the organisation and includes self-assessment, reviewing past performance, benchmarking and listening to the customer experience.

Self-assessment allows organisations to challenge existing performance, and to identify strengths, spot gaps and areas for improvement to inform planning. Performance monitoring, customer surveys, external and internal inspection and review all provide a service with valuable information on 'where you are now' and can help to identify where improvement or further development is required as you go towards 'where you want to be'.

Integral to the process of self-assessment is the requirement that performance is evaluated against sound evidence, which can include:

- **Performance Information**
  Accurate, reliable KPIs provides the basis for making objective assessments and informed judgements about service performance and the prospects for improvement.

- **Customer Expectations**
  Planning should be driven by what serves residents and customers best. Consultation and engagement should be integral to planning and self-evaluation.

- **Audit and Inspection**
  Details of any recent audit and inspection reports, whether internal or external, should also be used along with any areas for service improvement identified.

- **Self-assessment frameworks**
  All services of the council use a self-evaluation tool that best suits need. The Council has a corporate commitment to driving quality and delivering excellence using the Public Service Improvement Framework. Services that do not have a formal self-evaluation framework in place are required to undertake a PSIF assessment at least once every 3 years and develop an Improvement Plan based on an evaluation of service strengths and areas for improvement.

- **Strategic Needs Assessment**

  An SNA brings together a wide range of demographic, social and economic data on Inverclyde's population and helps to inform business planning by highlighting the most critical areas to focus on.

b)   Benchmarking

Benchmarking performance with other local authorities, or those that deliver the same or a similar service is a key part of the performance management framework. Benchmarking enables an organisation to identify its strengths and encourages a continuous review of progress in target areas. Core elements of benchmarking include:

- A systematic process that needs to be planned, resourced and carried out with a degree of rigour
- A learning process where the core purpose is to understand why current performance levels are where they area, how well others perform in the same service area and why some services or organisations achieve better results
- Supporting change and improvement within a service or organisation based on the knowledge of what constitutes achievable best practice.

Details of Inverclyde Council's performance in relation to the Local Government Benchmarking Framework, published by SOLACE and The Improvement Service, is published on the Council's website here:

A wide variety of benchmarking activity takes place across the Council in addition to the Local Government Benchmarking Framework, including, but not limited to:

- APSE
- The Society of Chief Officers of Transportation in Scotland (SCOTS)
- CIPFA
- The West Partnership
- Scottish Local Authority Economic Development Group
- Validated self-evaluation

c) Capturing the Citizen's Voice

Understanding the needs of users, citizens and the wider environment is of vital importance to performance management and it is equally important to gather in depth qualitative insight from citizens, alongside standardised KPI data.

There is a wealth of detailed feedback from specific surveys and consultation exercises available. Inverclyde Council uses a variety of citizen consultation and engagement approaches including:

- Inverclyde Citizens' Panel
- Communication and Engagement Groups
- Listening Events
- Budget Consultation
- Compliments, Complaints and Comments data

4.7   Managing Risk

Risk Management is a key part of an organisation's strategic management and is complementary to performance management. It is the process whereby organisations methodically address the risks attached to their activities to achieve sustained benefit within each activity and across the portfolio of all activities. Effective risk management will allow the Council to:

- Have increased confidence in achieving its desired outcomes.
- Contain threats to an acceptable level.
- Take informed decisions about exploiting opportunities.

Inverclyde Council has a Risk Management Strategy and a Risk Assessment and Prioritisation Framework and these should be followed when identifying and managing risk and mitigating actions.

For further information and support in relation to risk management please contact Inverclyde Council's Chief Internal Auditor, Andi Priestman.

5.   Performance monitoring and management

5.1   Pentana Risk

Inverclyde Council recently implemented a new online performance management system, Pentana Risk (referred to as Pentana), a cloud-based performance management software

system which is accessible remotely and from any device. The Council has 50 Pentana user licences.

Pentana supports the Council's performance management framework in the specific areas of managing Actions; KPIs and Risk and links these together to track the work being undertaken and the resulting impact. Performance reports can be generated at scheduled intervals or as required for review at team or management meetings, as well as Committee meetings. Reporting of progress should include a narrative against objectives and performance indicators to give a holistic view of the progress made. As the roll out of Pentana continues, the use of portals will be extended to minimise the needs for paper reports to be produced at operational level.

Data stored on the system must be underpinned by robust metadata to ensure data quality and integrity. Metadata provides detail of what data is being collected, from what source and how / when it is calculated. Appendix 1 contains a pro-forma where metadata information can be recorded. The protocol to be followed in the use of Pentana is set out in Appendix 2.

The roll out across Inverclyde Council is led by the Corporate Policy, Performance and Partnerships team, supported by colleagues in the Directorates. If you would like to more information on Pentana please contact the Corporate Policy Team at the following email address: corporate.policy@inverclyde.gov.uk

5.2   Roles and Responsibilities

The Council is ultimately accountable to the public for its performance and defined roles, responsibilities and accountabilities are important to ensure effective performance monitoring and management. These will vary across the Council and are set out below:

Role	Responsibility
Full Council	Agree the vision and direction of the Council.
Elected Members, Committees	Responsible for making decisions, and approving, reviewing and scrutinising delivery and performance within a given service/subject area.
Corporate Management Team	Strategic responsibility for managing and challenging performance in relation to the Council's priorities, including the Committee Delivery and Improvement Plans. Sets the culture and organisational practice and drives continuous improvement activity by embedding the Performance Management Framework. Ensures corrective action is taken to deal with areas of poorer performance and risk. Responsible for supporting and advising Councillors.
Directorate and Senior Management Teams	Responsible for the management and delivery of Service Plans. Set objectives, performance indicators, milestones and targets for their Service. Accountable for operational performance and ensuring that their service contributes to the Council's overall strategic priorities. Heads of Service and Service Managers, supported by their data officers, should undertake quality assurance of their data throughout the year and track and report on performance to the CMT and Committee. Support colleagues to understand the performance management framework and their role in it. Promote corporate and service improvement via Pentana.

Role	Responsibility
Team Leaders	Support the Senior Management Team in delivering the Service objectives. Create and deliver team plans and manage performance. Reinforce the link between organisational and individual objectives to team members. Use performance improvement methods to support improvements in service delivery.
Employees	Contribute to the delivery of Plans through the completion of tasks allocated to them as agreed through their appraisal process and service / teams plans. Understand how their work contributes to the delivery of the Council's key priorities. Take responsibility for individual performance and development. Employees should feel able to contribute to performance improvement activity.
Citizens' and Service Users	The Council is ultimately accountable to the public for its performance and has a mechanism for providing feedback on performance and use of Council services. The public can express its views on how the Council operates via participation in partnership and Council led consultation and engagement exercises.

6.   Scrutiny

6.1   Elected Member Scrutiny

Enhancing Elected Member scrutiny and oversight of performance is pivotal to the success of the new Performance Management Framework. Elected Members have a key role to play in scrutinising improvement activity through the committee process including:

- Approving the Council Plan, Financial Strategy and other high-level strategies and annual reports;
- The scrutiny of performance reports; and
- The approval and scrutiny of action plans developed in response to inspection or audit actions.

6.2   Management Scrutiny

Pentana allows us to create scorecards, trend dashboards and performance portals, aligned to our strategic priorities. Performance scorecards and trend dashboards on the Council Plan and Committee Delivery and Improvement Plans will be monitored and actioned by the CMT at appropriate intervals depending on the nature of the Plan, whilst Service Plan performance will be monitored by the Senior Management Team on a quarterly basis.

The CMT will review and approve performance reports prior to their submission to Council Committees.

Managers will also receive a wide range of service specific management and operational information reports on a weekly and monthly basis.

6.3   Public Performance Reporting

Inverclyde Council is committed to ensuring that accountability, transparency and openness is embedded throughout the organisation and in our public performance reporting. The Council

strives to continuously improve the quality of information that it publishes to the public. All information should be easy to find, accessible and easy to read.

A wide range of performance information is published on the Council's website which can be found here: https://www.inverclyde.gov.uk/council-and-government/performance

All reports relating to Best Value and external annual audit reports should also be made available to the public on the Council's website.

The annual performance reporting calendar for the Council's high-level plans and progress reports is provided on the next page.

6.4　Performance Reporting Calendar

Report	Committee / Board	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Partnership Plan Annual Report	Inverclyde Alliance Board							■					
Partnership Plan progress reports	Inverclyde Alliance Board			■				■		■			■
Local Children Poverty Action Annual Report	Inverclyde Alliance Board								■				
Council Plan Annual Report	Policy & Resources Committee								■				
Council Plan progress reports	Policy & Resources Committee	■						■					
Financial Strategy – 6 monthly report	Policy & Resources Committee			■						■			
Workforce Information and Activity Report	Policy & Resources Committee						■						
People and OD Strategy Action Plan update	Policy & Resources Committee												■
Inverclyde Council Annual Complaints Report	Policy & Resources Committee								■				
Local Government Benchmarking Framework	Policy and Resources Committee												■
Freedom of Information Annual Report	Policy & Resources Committee								■				
Annual Procurement Report	Environment & Regeneration Committee							■					
Economic Regeneration Strategy Progress Report	Environment & Regeneration Committee			■				■					
Climate Change Strategy Annual Report	Inverclyde Council			■									

7. Reviewing the Performance Management Framework

This Performance Management Framework will be reviewed to ensure that it continues to reflect the needs of the Council. A review will be carried out at the mid-point in Council and Partnership plan lifespan.

The review will include consulting with the CMT, DMTs and Elected Members on the effectiveness of the framework.

8. Further information and support

For more information on anything contained within this Framework, please contact the Corporate Policy, Performance and Partnership team, e-mail: corporate.policy@inverclyde.gov.uk

Appendix 1: KPI data submission pro-forma

Service name:			
PI title:			
Performance data:	2020/21	2021/22	2022/23
Target: *Please advise of annual target*	2020/21	2021/22	2022/23
Rationale for target: *If the target has changed please provide the rationale for this:*			
Has the change in target been approved by the Head of Service		**Yes,** the new target has been approved by the Head of Service	
		No, the new target has not been approved by the Head of Service	
Data Source: *Provide details of the data source for audit purposes*			
Explanation of performance: *Provide details of performance,* ***particularly where performance has declined***			
Has the data been approved for submission by the Head of Service?		**Yes**, the data has been checked and approved for submission	
		No, the data has not been approved prior to submission	
Pro-forma completed by: *Provide name and contact details of officer completing the pro-forma*			
Date:			

Appendix 2: Pentana protocols

A)   <u>Roles</u>

In Pentana, 4 'roles' have been set up, each with varying levels of permission, n.b. the 'All User' permission is the default permission allocated by Pentana to all system users.

Site Administrator	The user has unrestricted access to Pentana, including the ability to create and manage user accounts and assign new users to an appropriate role. Site Admin are also responsible for maintaining an accurate record of the number of licences issued and general housekeeping of the system.
Advanced User	Advanced User responsibilities include the creation of Actions, PIs and Risks on the system, including assigning responsibilities; setting up triggers and schedules; create and run reports, develop scorecards and strategy maps, queries and development of portals. Advanced Users should ensure that the correct visibility is set for Actions, Risks and PIs. Advanced Users **cannot** add new users to Pentana. The number of advanced users on the system is currently restricted.
Actions, Risk or PI Update	This permission will be held by the vast majority of Pentana licence holders. Users are restricted to updating Actions, Risks and PIs that are assigned to them or managed by them. Any changes to an Action, Risk or PI that are required other than basic editing/ updating should be referred to an Advanced User. The process for this is shown below.
All staff view only	This permission assigns the user **view only** access to the Actions, Risks and PIs on the system. Users can only view data where the visibility is designated as 'All Staff View Only'. <u>This role is a basic 'view only' role for HSCP and Council employees only</u> (does not include Elected Members, Board Members Partners etc.). All Staff View Only should be the default visibility setting for all new Actions, PIs and Risks.
All users	Pentana automatically assigns all new users to the system to the default 'All User' role. Users cannot be removed from this role and whilst no permissions are allocated to this role, any Action, Risk or PI where visibility is set to 'All Users' rather than 'All staff view only" on the system will be visible to everyone. Management of user permissions should be via roles 1-4 described above.

B)   Adding and changing Actions, PIs and Risks

New actions or PIs can only be added to Pentana by site admin or advanced users who have received the appropriate training. The contact details are provided below:

- Karen McCready, Corporate Policy, Performance and Partnership Team
- Ryan Macsween, Corporate Policy, Performance and Partnership
- Ross Scullion, Community Safety and Resilience
- Anne Doak, Library Support Officer
- Suzanne Black, Data Analyst, Public Protection

From time to time it may be necessary to amend the information on Pentana to reflect changing circumstances. The procedure to be followed for the most likely changes is set out below:

Action:	Procedure:
Request to have a new Action Plan, KPIs or Risk to be added to Pentana.	Contact Corporate Policy team in the first instance to discuss requirements, timescales, reporting schedule set up, licences required and roles etc.
Changes to action delivery date.	Requests to change delivery dates must be emailed from the Team Leader (indicating that they have Service Manager approval) to the Corporate Policy Team with an explanation. A note will be added to Pentana to explain the reason for the change in date. Dates on the system will then show the original due date and the new due date.
Cancelling or postponing an action	An action should only be cancelled or postponed with the agreement of the line manager (who should also be the person responsible for managing the action). To have an action cancelled or postponed contact the Corporate Policy Team with the reason for cancelling or postponing. If it is postponed, please state when it will be taken forward. It is the responsibility of the service to ensure that it is incorporated in the relevant plan for the new date.
Setting and changing PI targets	Targets must be set by the service and signed off by the Head of Service. Annual targets set for future years must be reviewed to ensure they remain challenging but realistic. They should be revised where necessary and an explanation recorded in the note field.
Changes to Risks	As the Risks on Pentana are directly linked to other plans and strategies, changes to Risks can only be made with the approval of the Chief Internal Auditor.

Corporate Policy, Performance and Partnerships Team,

Organisational Development, Policy and Communications,

Municipal Buildings, Greenock

PA15 1LY

Inverclyde council

Report To:	**Policy and Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Corporate Director Education, Communities and Organisational Development**	**Report No:**	**PR/09/23/TM**
Contact Officer:	**Tony McEwan**	**Contact No:**	**01475 712828**
Subject:	**Anti-Poverty Funding Update**		

1.0   PURPOSE AND SUMMARY

1.1   ☒For Decision   ☒For Information/Noting

1.2   The purpose of this report is to update the Policy and Resources Committee with the financial position of the Anti-poverty recurring budget and position of the anti-poverty ear-marked reserve (EMR).

1.3   At its meeting in December 2022, Council agreed a £600k saving from the £0.83m recurring anti-poverty budget leaving a core recurring budget of £230k. As part of the saving it was also agreed that funding for various education initiatives in relation to anti-poverty, totalling £259k, should also be added to the recurring anti-poverty budget giving a total available recurring budget of £0.489million.

1.4   The Anti-Poverty Strategic Group is recommending using the recurring anti-poverty budget to continue to fund a number of previously agreed initiatives. Further details on these proposals can be found in Appendix 1 to this report.

1.5   Appendix 2 provides detail on the current commitments within the anti-poverty EMR and officers recommend that a future report will be submitted to this committee evaluating the current initiatives and proposals for the unallocated budget.

2.0   RECOMMENDATIONS

2.1   It is recommended that the Policy and Resources Committee:

- notes the changes to the recurring anti-poverty budget detailed in the report;
- agrees to the allocation of the recurring anti-poverty budget shown in Appendix 1;
- notes the position of the anti-poverty ear marked reserve in Appendix 2; and
- agrees that a report on the evaluation of current initiatives and proposals for the unallocated EMR is brought to a future meeting of this committee.

Ruth Binks
Corporate Director, Education, Communities and Organisational Development

3.0 BACKGROUND AND CONTEXT

3.1 At its meeting in December 2022, Council agreed a £600k saving from the £1.08m recurring anti-poverty budget leaving a recurring budget of £230k from 2023/24. It was also agreed that funding for various education initiatives in relation to anti-poverty, totalling £259k, should also be added to the recurring anti-poverty budget. Education Initiatives include:

- enhanced Free School Meal Eligibility Criteria (£50k);
- enhanced Clothing Grant Eligibility Criteria (£92k);
- £30 uplift on Primary School Clothing Grants (£42k); and
- 1-2 mile FSM Secondary Transport Grants (£75k).

3.2 As part of the same saving it was agreed that the Integration Joint Board (IJB) would oversee the allocation of the previous £250k contribution to the recurring Anti-poverty budget. Officers from the Council and HSCP will continue to work closely to ensure best use of the overall resources allocated.

3.3 In addition, an Anti-Poverty Ear Marked Reserve has been set aside. The known commitments approved by P&R in this EMR total £754,100 are made up of the following:

- FSM holiday payments and bridging payments for 2022/23 (£355k)
- FSM meal payments for pupils affected by teacher industrial action (£19k);
- iHeat funding (£70k);
- Warm Grants (£100k);
- Additional Scottish Welfare Fund Contribution (£50k);
- SWF Crisis Grants 40% uplift (£60k); and
- Food insecurity initiatives (100k)

3.4 Taking into account the £800k allocated from reserves as part of the 2023/25 budget and the identified underspends from Anti-poverty Initiatives leaves an unallocated budget of £1.148m. More detail on the EMR is provided in Appendix 2 to this report.

3.5 Appendix 3 provides the Policy and Resources Committee with the updated position in relation to the progress against spend of the current anti-poverty initiatives. An update on the evaluation of these initiatives will be submitted to a future meeting of this committee.

3.6 The Anti-poverty initiatives are currently implemented and monitored by an officer working group drawn from across Council services and the HSCP. The work of the officer working group is overseen by an Anti-poverty Strategic Group which consists of members of the Corporate Management Team and several officers from the working group. From April 2023, the officer working group will report progress on anti-poverty initiatives directly to the Corporate Management Team with the Corporate Director for Education, Communities and OD continuing to report progress to the Policy and Resources Committee.

4.0 PROPOSALS

4.1 The Anti-Poverty Strategic Group recommends that the £489k recurring anti-poverty budget is used as set out in Appendix 1. This leaves £52k unallocated. A further report will be brought back to P&R detailing how this funding could be used.

4.2 In terms of the unallocated Anti-Poverty EMR, proposals for using the remaining budget will be considered at a future meeting of the committee.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)	x		
Equalities & Fairer Scotland Duty		x	
Children & Young People's Rights & Wellbeing		x	
Environmental & Sustainability		x	
Data Protection		x	

5.2 **Finance**

Based on the proposals in this report £52,000 from the recurring budget remains to be allocated whilst £1.148million remains in the earmarked reserve. Officers will report back on proposals regarding both sums.
One off Costs

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

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Anti Poverty	Other Expenditure	2023/24	£0.437 million		Allocated sums will be allocated to the relevant service budgets

5.3 **Legal/Risk**

None

5.4 **Human Resources**

None

5.5 **Strategic**

Tackling poverty and reducing inequalities in Inverclyde is a key priority for the Council and HSCP. This report provides recommendations which are in line with this key priority.

5.6 **Equalities and Fairer Scotland Duty**

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
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, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(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 – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

5.7 **Children and Young People**

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.8 **Environmental/Sustainability**

None

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.9 **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 – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 Consultations have already been carried out in relation to the initial budget and also as part of the Council's 2023/25 budget exercise.

7.0 BACKGROUND PAPERS

7.1 None.

Anti Poverty Recurring Budget 2023/24

Funding 2023/24:

Base Budget	£1,080,000
Budget transferred from Education	£259,000
HSCP element to be retained by HSCP	(£250,000)
Budget Saving	(£600,000)
	£489,000

Proposed Uses:

FSM Holiday Payments	£103,000
Tail o' the Bank Credit Union NDR	£3,000
Food Insecurity - 2* Fare Share Subscriptions	£32,000
Crisis Grants 20% uplift on SG rates	£40,000
Enhanced Free School Meal Eligibility Criteria	£50,000
Enhanced Clothing Grant Eligibility Criteria	£92,000
£30 uplift on Primary School Clothing Grants	£42,000
1-2 mile FSM recipients transport - Secondary	£75,000
	£437,000

Balance Remaining Unallocated	(£52,000)

Anti-Poverty EMR - Projected Balance 31/03/23

EMR Opening Balance 01/04/22		£309,000
Additional Budget		
SG Funding for Bridging Payments projected underspend		£86,807
Winter Support Fund Contingency underspend		£3,000
Anti Poverty Recurring budget unallocated funding:		
Uncommitted Anti Poverty Recurring budget to 31/03/23	£164,500	
Further underspend - Employability and Business Start Up	£355,500	
Underspend School SWs	£39,000	
ADP funding	£145,000	
		£704,000
Allocation from Reserves for period 2023/25		£800,000
		£1,902,807
Known Commitments		
FSM Holiday Payments & Bridging Payments 22/23		£355,374
FSM - further 2 strike days projected		£18,726
iHeat Funding		£70,000
Warm Grants - Sept 22 P&R		£100,000
Additional Scottish Welfare Fund Contribution		£50,000
SWF Crisis Grants - maintain 40% uplift (P&R Exec Sub 10/03/22)		£60,000
Further food insecurity initiatives		£100,000
		£754,100
Anti Poverty EMR Unallocated - Projected 31/03/23		**£1,148,707**

Anti Poverty Recurring Budget 2021/23

Intervention	Original Estimated Total Cost	Revised Estimated Total Cost	Actual 21/22	Approved Budget 2022/23	Revised Estimate 2022/23	Actual to 20/02/23	Estimate 2023/24
Dedicated Team Leader	£72,000	£72,000	£27,000	£36,000	£38,000	£32,130	£7,000
Employment	£1,037,000	£616,500	£36,500	£518,500	£143,537	£110,537	£436,463
School Linked Social Workers	£202,000	£112,500	£31,500	£101,000	£81,000	£85,613	£0
Business Start Up	£167,000	£87,000	£1,000	£133,600	£53,600	£23,965	£32,400
Food Insecurity	£124,000	£124,000	£25,000	£62,000	£62,640	£55,140	£36,360
Fuel Insecurity	£200,000	£200,000	£100,000	£100,000	£100,000	£83,330	£0
Financial Fitness	£60,000	£60,000	£30,000	£30,000	£30,000	£22,500	£0
Starter Packs	£74,000	£74,000	£37,000	£37,000	£37,000	£27,747	£0
Early Intervention Support & Mentoring for Families	£104,000	£104,000	£26,000	£52,000	£52,000	£39,000	£26,000
Tail o' the Bank Credit Union	£8,000	£6,000	£3,000	£3,000	£3,000	£3,000	£0
Contingency - Transferred to Anti-Poverty EMR	£112,000	£704,000	£0	£164,500	£704,000	£0	£0
	£2,160,000	£2,160,000	£317,000	£1,237,600	£1,304,777	£482,962	£538,223
Employment - IRISE ADP Funding				£145,000	£0	0	£145,000

Report To:	**Policy & Resources Committee**	Date:	**21 March 2023**
Report By:	**Head of Legal & Democratic Services**	**Report No:**	**LS/029/23/IS**
Contact Officer:	**Iain Strachan**	**Contact No:**	**01475 712710**
Subject:	**Digital Modernisation Programme**		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision ☐For Information/Noting

1.2 Following the approval of the Council's Revenue Budget for 2023/24, and the agreement that £1M of reserves be utilised towards digital modernisation, the purpose of this report is to advise the Committee as to how the Council's Digital Modernisation Programme is to be taken forward, the principles it will adopt and the governance arrangements.

1.3 This report provides an overview of the strategic and operational benefits that the Council can achieve through a structured programme of digital modernisation, and the reasons for the approach that is being taken.

1.4 This report also gives an indication of some of the projects that are intended to form part of the Digital Modernisation Programme.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee note that, following a review of the business case for the corporate roll out of EDRMS, it is not intended to progress with the project, in particular due to the estimated level of resourcing that would be required, as outlined in this report.

2.2 It is recommended that the Committee notes the content of this report and that a Digital Modernisation Project Board has been established, chaired by the Chief Executive, to oversee delivery of the Council's Digital Modernisation Programme.

2.3 It is recommended that the Committee notes the projects that are intended to form part of the Digital Modernisation Programme, as referred to in paragraph 4.6, subject to the provision of suitable business cases and with approval of the Committee being required for the use of the Digital Modernisation Reserves.

2.4 It is recommended that the Committee notes that updates on the progress of the Programme will be reported to the Committee.

Iain Strachan
Head of Legal & Democratic Services

3.0 BACKGROUND AND CONTEXT

The Council's Digital Strategy

3.1 The Committee previously approved the Council's Digital Strategy (2021 – 2024), which recognised the need to increase and promote the range of digital services available to employees and customers, and to exploit the opportunities that digital services can achieve by:-

- improving user experience and interaction with Council services;
- reducing cost to deliver services via channel shift opportunities; and
- improving efficiencies and productivity of services.

Use of EDRMS

3.2 Strategic, policy and legal requirements strongly support increased use of digital approaches within the Council. In relation to an Electronic Records and Document Management System (EDRMS) these can be summarised as follows:

- They would enable the Council to ensure that its business processes support compliance with legislative duties in respect of information governance. This regulatory framework includes data protection, but also the Freedom of Information regime and statutory duties around records management. A failure to comply with such regulations exposes the Council to notable risks, being operational, legal and financial, but also to its reputation.
- They would support the introduction of more efficient and effective business processes, including (i) multiple staff being able to create, access and review a single copy of a document, (ii) the removal of the need for officers to retrieve/copy/distribute hard copy documents/files, (iii) the creation of standardised workflow processes to direct and improve service delivery, including timescales for the same, together with standardised reports and outputs and deletion of duplicated tasks and (iv) improved resilience to emergency situations/disaster recovery (such as risk to information from fire/flood);
- They would support the move to more flexible workstyles, and the New Ways of Working Project, with the associated rationalisation of the Council's estate. Linked to this, the current reliance on paper records and manual filing is not sustainable and carries excessive risk. This risk is partially in terms of compliance, as noted above, but also operationally, if officers cannot easily and safely access the information and records needed to carry out their work and enable the Council to provide its services in an efficient and effective manner;

3.3 The Council's 2022/23 Delivering Differently programme included the refresh of the existing business case for the potential wider adoption of EDRMS across the Council. EDRMS, through the platform used by the Council, is already extensively used in Revenues and Benefits and the IHSCP, and there was the possibility of a wider adoption across the Council, an expansion that could support service areas in replacing some current processes that are manual and resource heavy, resulting in more efficient and effective systems.

3.4 This business case refresh was dealt with by the Corporate Management Team's (CMT) consideration of it on 21 December 2022. Subsequent to that, the Members Budget Working Group (MBWG) considered a proposal from officers that the Council does not implement a single multi-service roll out of EDRMS, but that officers instead develop a medium term Digital Modernisation Programme which would consist of projects focused on opportunities identified by service areas for the digitalisation of specific elements of their work and which meet the criteria set out in paragraph 4.3 of this report.

3.5   So that the Committee are aware, despite the justifications for increased adoption of EDRMS, there would be a number of specific barriers and challenges to such a roll out which also had to be considered. These include the difficulty in successfully implementing a single "big bang" approach across multiple service areas, with a system that might not necessarily be the most appropriate approach for each service. The biggest challenge, however, was the need for suitable resourcing, both financial and non-financial. The indicative costs for a wider roll-out of EDRMS across several back-office functions costs were approximately £300K, but were accepted as only representing a proportion of the costs and excluding the costs of back scanning paper files, and also the direct/indirect costs of key staff from service areas being taken off current duties and allocated to the project. Any decision to proceed with a significant expansion in the use of EDRMS would represent a major commitment, which would require full buy-in from the Council and likely take several years to effectively implement.

3.6   By way of wider context, it is important to recognise that, outside of EDRMS, several processes and systems have been implemented by the Council over the years that provide a range of platforms to create new and innovative ways for members of the public to engage with the Council's services. However, these have generally been tactical requirements that did not require a full EDRMS but still demonstrate the value of using suitable, currently available tools to deliver valuable services at reasonable cost. In addition, these have been implemented on a piecemeal basis without any more strategic assessment being undertaken on a Council-wide basis.

EDRMS Business Case

3.7   Taking all the above into account, in particular the resource requirements, the large change management piece that would be necessary, and coming also at a time of notable challenge and change for the Council, the CMT agreed that at this time the proposal to implement EDRMS as a single project across a wider range of Council service areas (including HR & OD, Legal & Democratic Services, Environmental Services and wider Education) should be rejected. Instead, the CMT agreed that a more tactical approach implementing projects better aligned to specific service requirements, but also aligned to wider strategic objectives, such as the use of the systems highlighted below, should be considered.

3.8   The MBWG supported this approach, and as part of the approval of the Council's Revenue Budget for 2023/24, on 2 March 2023, it was agreed that £1M of reserves be utilised towards digital modernisation. Specifically, it was agreed that these reserves are to fund investment in digital modernisation within the Council, including increased officer capacity, to improve both internal service processes/efficiency and access to services for the public, with the use of the reserves to be as agreed by the Committee.

4.0   PROPOSALS

Digital Modernisation Project Board

4.1   Further to the Council's Budget-setting on 2 March, the CMT have agreed the establishment of a cross-service Digital Modernisation Project Board (DMPB), together with its Terms of Reference. The DMPB will be chaired by the Chief Executive, meeting bi-monthly, and its purpose will be to provide support and challenge and ensure that momentum is maintained in the delivery of individual digital modernisation projects.

4.2   The DMPB will include representation from the 3 Directorates plus Legal, Finance and HR. This Board will review Business Cases, provide support and challenge and ensure that momentum is maintained in project delivery.

4.3 In considering the projects that might be included in the Digital Modernisation Programme, relevant service areas will need to prepare business cases, supported by the ICT Team, which would then require approval from the DPMB/CMT and it will also be a requirement that the business cases can demonstrate the following:-

- That there is full service area support for the project, with a commitment to make suitable officer resources available;
- That the project will support delivery of the Council's wider strategic objectives, including its Corporate Plan, its Digital Strategy, its ICT strategy and the New Ways of Working Programme;
- That the project will improve regulatory compliance in respect of information governance;
- That the project has a clear timescale for delivery;
- That any anticipated efficiency savings are identified; and
- That the project will help deliver improvements in service delivery for the benefit of citizens and other service users.

4.4 In addition, the Committee will need to approve specific projects being able to access the Digital Modernisation Reserves.

4.5 A facilitated session has been arranged with relevant senior managers, from which a programme of potential projects will be developed for delivery over the period 2023/26.

4.6 A Digital Modernisation Programme is in the course of being prepared, however, through the work conducted to date, it is envisaged that the Programme will include some of the following projects:-

Project	Purpose
Complaints System	Replacement of existing complaints handling system
HR System*	Transfer of existing manual processes to electronic forms
Customer Service System	Improve processes within Customer Service Centre and Services. Expand availability of processes for "self" service by members of the public.
Microsoft 365	Enable use of services and functionality included within M365 to allow staff to work collaboratively and efficiently.
Service Desk	Introduce self-service to allow support during the wider hybrid working envelope. Provide a centralised service desk function across all aspects of the Council beyond ICT, in areas such as building services and facilities management
Schools Catering	Replacement of existing catering system which is at end of contract. Provide wider functionality for students, parents and staff. Reduce waste.
Licensing Database	Creation of electronic civic/alcohol licensing database

As noted above, this is just an indicative list of potential projects. Reports on overall progress will be presented to the Policy & Resources Committee.

*In addition, it is to be noted that the HR system project is already underway and will not be funded from the Digital Modernisation Reserves.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk	X		
Human Resources	X		
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection		X	

5.2 **Finance**

It is clear that the Council requires to allocate one off and potentially recurring resources to develop systems and processes which support hybrid working and digital service delivery. There is approximately £150k unallocated from existing ICT reserves which could be used as an initial contribution to the proposals, in addition to the use of the Digital Modernisation Reserves, as noted above.

ICT has already used an existing vacancy to create a permanent Project Officer post to support the Project Team Leader who reports directly to the ICT & Customer Services Manager. In addition, it is planned to create a second Project Officer post on a temporary basis funded from the new Earmarked Reserve.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Reserves	Digital Modernisation	From 2023/24	£1.0million		In addition to the £150k (est) currently unallocated within existing EMR

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

The adoption of new digital ways of working, such as EDRMS or similar such approaches, will help the Council ensure compliance with its regulatory duties, in particular around information governance and records management and help mitigate the risk to operational delivery that is posed by some current working practices. There are, naturally, risks associated with the adoption of new systems. These risks would need reviewed, and suitable mitigations put in place. However, the Council also needs to consider the risks of not progressing such initiatives, including with information governance compliance but also staff retention and recruitment.

5.4 **Human Resources**

There are clear capacity issues within services and ICT which are holding back the development and implementation of the modernisation and digitalisation agenda. There is a need to increase understanding and awareness of opportunities and thereafter ensure that appropriate resources are available to allow these opportunities to be grasped. The funding approved as part of the Budget-setting, and the creation of the Digital Modernisation Programme, will help address this.
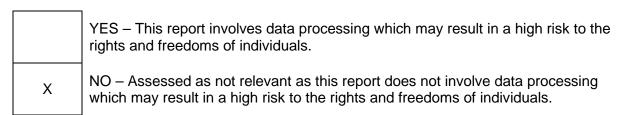
The Trade Unions have been made aware of this report, and where appropriate will be consulted on projects that are taken forward under the Programme.

5.5 **Strategic**

A step change in the development and roll out of modernisation and digitalisation projects will support a number of key strategic and policy directions of the Council. It is also to be noted that the Council's new management structure, which brings ICT & Customer Services together with Legal & Democratic Services, will help support delivery of this programme.

5.6 **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 – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

Although a DPIA was not required for this report, adoption of certain digital solutions will assist the Council in ensuring it is meeting its obligations around the storage and use of personal data. A DPIA would also be required prior to adoption of certain solutions, to ensure that any personal data was suitably protected, such as employee records.

6.0 CONSULTATION

6.1 The CMT have been consulted on this report.

7.0 BACKGROUND PAPERS

7.1 Inverclyde Council 2 March 2023 – Approval of 2023/24 Budget.

Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**21 March 2023**
Report By:	**Head of Legal & Democratic Services**	**Report No:**	**LS/027/23**
Contact Officer:	**Colin MacDonald**	**Contact No:**	**01475 712113**
Subject:	**Energy Bills – Notice of Motion by Councillor Reynolds**		

1.0 PURPOSE AND CONSIDERATIONS

1.1 ☒For Decision ☐For Information/Noting

1.2 The purpose of this report is to advise the Policy & Resources Committee of the receipt of a Notice of Motion by Councillor Reynolds relative to energy bills.

1.3 The terms of the Notice of Motion are set out in appendix 1 to the report.

2.0 RECOMMENDATION

2.1 The Policy & Resources Committee is asked to consider the Notice of Motion by Councillor Reynolds.

Iain Strachan
Head of Legal & Democratic Services

In recent weeks we have seen fuel and energy companies, including British Gas, Shell, Centrica, EON, National Grid, announce obscene profits at a time when many families are struggling to make ends meet. Together, these companies in 2022 made a total of almost £64 billion in profit, over £15 Billion more than the entire Scottish Government's 2021/22 budget.

Most aspects of energy policy are reserved to Westminster and after plans for the energy cap to rise yet again on April 1st, it is now expected the Chancellor will at least freeze the Energy Price Guarantee in the Budget, for the next 3 months.

It is the UK government who have the power to provide substantial support to consumers to help reduce their energy bills or to cap how much households are charged. They have chosen not to do so, but instead decided to subsidise the energy supply companies by paying a relatively small amount towards our energy bills, which goes straight back into these companies' coffers (while playing at imposing windfall taxes which does nothing to directly help to pay these bills in the short term, while families are choosing between heating and eating). The support provided to households and businesses by the UK government falls far short of what is needed.

Meanwhile, to try to mitigate the rising costs of energy, The Scottish Government and Scottish Local Authorities, including Inverclyde, have provided funds, but given our finite budgets we cannot continue to do so. The New Annual Scottish Government Winter Heating Payment is now being rolled out which will automatically help 400,00 people towards paying their heating bills.

Our MP and MSP have held Cost of Living Advice Days in Inverclyde in the past couple of months which included Energy Advice available from Home Energy Scotland, a Scottish Government initiative where vouchers are also available for eligible households.

We believe the UK government should require energy companies to lower their present high standing charges which hit consumers hard, even when economising to save energy. This would be a small step towards ensuring that no one is forced to choose between heating and eating. It is abhorrent in an energy rich country like Scotland, with a vast renewable energy potential, that people are finding themselves unable to pay soaring energy bills.

Recently, some of the most vulnerable households have been converted to prepayment meters by these fuel and energy companies who are making record profits. Ofgem has now stated that this needs to stop, but we believe further action needs to be taken to stop energy companies sending debt collection companies to the homes of vulnerable people, demanding money.

Committee is asked to instruct the appropriate Officer to write to the Secretary of State for the Department for Energy Security and Net Zero to outline how much of an impact, rising energy costs are placing on Inverclyde residents and businesses, and demand that the UK Government uses its powers to reduce the prices energy companies are charging their customers, and suspend debt collection actions related to energy bills.

Proposed by: Cllr Sandra Reynolds

Report To:	Policy & Resources Committee	Date:	21 March 2023
Report By:	Head of Legal & Democratic Services	Report No:	LS/028/23
Contact Officer:	Emma Peacock	Contact No:	01475 712710
Subject:	Inverclyde Council Criminal Finances Act 2017 Policy – Remit from Audit Committee		

1.0   PURPOSE AND SUMMARY

1.1   ☒For Decision   ☐For Information/Noting

1.2   The purpose of this report is to request the Committee to consider a remit from the Audit Committee regarding the Inverclyde Council Criminal Finances Act 2017 Policy.

1.3   The Audit Committee meeting held on 21 February 2023, after consideration of a report by the Head of Legal and Democratic Services on the Inverclyde Council Criminal Finances Act 2017 Policy, agreed to:

   (i)   Note the requirement for the Council to have in place adequate prevention procedures in relation to tax evasion offences in terms of the Criminal Finances Act 2017, and
   (ii)   remit the proposed Criminal Finances Act 2017 policy to the Policy & Resources Committee for its subsequent approval and implementation.

1.4   The Criminal Finances Act 2017 ("the CFA") came into force on 30 September 2017 and amended the Proceeds of Crime Act 2002. The CFA creates a corporate offence whereby a corporate body, or a person associated with a corporate body, facilitates the commission of a tax evasion offence.

1.5   In terms of the CFA, it will be a defence for the corporate body to prove that, where the tax evasion facilitation offence was committed, the corporate body had in place reasonable prevention procedures, or where the corporate body can prove that it was not reasonable in the circumstances for the said body to have any prevention procedures in place.

1.6   The development and agreement of a suitable policy on behalf of the Council, will help ensure that the Council takes the appropriate prevention procedures in relation to the facilitation of tax evasion in terms of the CFA. A copy of Inverclyde Council's proposed CFA policy is attached as Appendix 1. This purpose of this report is to request the Committee to approve the proposed CFA policy which will then be implemented by officers.

2.0   RECOMMENDATIONS

It is recommended that the Committee:

2.1   Note the requirement for the Council to have in place adequate prevention procedures in relation to tax evasion offences in terms of the Criminal Finances Act 2017, with the Committee being asked to approve the proposed Criminal Finances Act 2017 policy attached as Appendix 1, and to then remit it to the Head of Legal and Democratic Services and the Chief Financial Officer to take all necessary action to implement the same.

Iain Strachan
Head of Legal & Democratic Services

3.0 BACKGROUND AND CONTEXT

3.1 The CFA provides that a corporate body, such as the Council, is guilty of an offence if a person associated with the Council commits a tax evasion facilitation offence when acting in the capacity of a person associated with the Council. A person acts in the capacity of a person associated with the Council if that person is:
- An employee of the Council, or acting in the capacity of an employee of the Council;
- An agent of the Council acting in the capacity of an agent of the Council; or
- Any other person performing services for or on behalf of the Council acting in the capacity of a person performing such services.

3.2 The offence created by the CFA relates to both UK tax evasion and foreign tax evasion.

3.3 UK tax evasion facilitation means:
- being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of tax by another person,
- aiding, abetting, counselling or procuring the commission of a UK tax evasion offence, or
- being involved art and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

3.4 Foreign tax evasion facilitation means conduct which:
 - amounts to an offence under the law of a foreign country,
 - relates to the commission by another person of a foreign tax evasion offence under that law, and
 - would, if the foreign tax evasion offence were a UK tax evasion offence, amount to a UK tax evasion facilitation offence.

3.5 The Council could face an unlimited fine along with significant reputational damage were it to be found guilty of the offence of tax evasion facilitation.

3.6 It would be a defence for the Council, were any associated persons to be found guilty of tax evasion facilitation, if the Council can prove that it had reasonable prevention procedures in place to prevent the criminal facilitation of tax evasion by an associated person. The UK Government has issued guidance to corporate bodies in relation to the prevention procedures. The Guidance states that prevention procedures put in place by relevant bodies to prevent tax evasion from being committed on their behalf should be informed by the following six principles:

- Risk assessment
- Proportionality of risk-based prevention procedures
- Top level commitment
- Due diligence
- Communication (including training)
- Monitoring and review.
  Corporate offences for failing to prevent criminal facilitation of tax evasion - https://www.gov.uk/government/publications/corporate-offences-for-failing-to-prevent-criminal-facilitation-of-tax-evasion

3.7 The development of a CFA policy by the Council will facilitate the compliance of the Council, and its associated persons, with the requirements of the CFA. It will also support the Council's implementation of appropriate prevention procedures. A draft policy would have been brought forward by officers before now, but this was delayed pending a review as to how other authorities were approaching the CFA, coupled with the impact of the covid pandemic and the retiral of the former Head of Legal & Property Services.

3.8 The following list contains some examples of potential red flag areas which may arise during the course of Council work and which may raise concerns in relation to tax evasion. The list is non exhaustive and is for illustrative purposes only:

• Council officers become aware, in the course of their work, that a third party has made or intends to make a false statement relating to tax, has failed to disclose income to HMRC, or has deliberately failed to register for VAT (or failed to account for VAT);
• A third party requests payment in cash and/or refuses to provide an invoice or receipt for a payment made;
• A Council officer becomes aware, in the course of their work, that a third party working for the Council as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions; or
• A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business; or a Council officer becomes aware that the Council has been invoiced for fee payment that appears too large or too small, given the service stated to have been provided.

Audit Scotland have published some guidance on potential risk areas which can be accessed via the following links:

https://www.audit-scotland.gov.uk/uploads/docs/um/fraud_red_flags_procurement.pdf

https://www.audit-scotland.gov.uk/uploads/docs/report/2020/briefing_200723_covid.pdf

4.0 PROPOSALS

4.1 The Committee is asked to approve the proposed CFA policy and to then remit it to the Head of Legal and Democratic Services and the Chief Financial Officer to take all necessary steps to implement the policy. The CFA policy sets out the definition of the facilitation of tax evasion; the various prevention procedures the Council may undertake; the obligations of the Council and its associated persons in terms of the CFA and potential risk scenarios. The policy will also apply to Council staff working for the Inverclyde Health & Social Care Partnership.

4.2 It is to be noted that whilst the adoption of the policy will not, of itself, require any notable resources, there will be a need for more detailed cross-service work to carry out the necessary risk assessments, subsequent policy/procedure updating and associated staff training. It is, however, considered that this work is required, given the CFA. Where required, further consultation with the Trades Unions may also be needed.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk	X		
Human Resources	X		
Strategic (LOIP/Corporate Plan)			X
Equalities & Fairer Scotland Duty		X	
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X

Data Protection			X

5.2 **Finance**

As noted above, whilst the adoption of the policy will not, of itself, require any notable resources, there will be a need for more detailed cross-service work to carry out the necessary risk assessments, subsequent policy/procedure updating and associated staff training. As matters stand, it is envisaged that all this would, however, be contained within existing resources. The policy would also assist in mitigating the risk of the Council facilitating tax evasion, or being said to do so.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 **Legal/Risk**

The adoption of a CFA policy will assist the Council to ensure compliance with its duties in terms of the CFA and mitigate the risk of the Council, or its associated persons, being found guilty of tax evasion facilitation.

5.4 **Human Resources**

There are Human Resources implications if the Council decides to adopt the CFA policy, in particular the requirement for staff to undertake training in relation to preventing the facilitation of tax evasion and the requirement for all Council employees to comply with the policy. There would also be a need for relevant staff to be involved in the risk assessment that would be needed, together with any updating of policies and procedures. Where required, further consultation with the Trades Unions may also be needed.

5.5 **Strategic**

N/A

5.6 **Data Protection**

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

X	YES – Assessed as relevant and an EqIA has been carried out and can be accessed via the following link https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments/equality-impact-assessments-2023
	NO

(b) <u>Fairer Scotland Duty</u>

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 – Assessed as not relevant under the Fairer Scotland Duty.

6.0 CONSULTATION

6.1   The Interim Director of Finance & Corporate Governance, Corporate Procurement Manager, Head of OD, HR and Communications and Chief Internal Auditor have all been consulted on this report.

7.0 BACKGROUND PAPERS

7.1   N/A

Inverclyde
council

Criminal Finances Act 2017 Policy

Produced by:
Legal & Democratic Services

January 2023

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DOCUMENT CONTROL

Document Responsibility

Name	Title	Service
Head of Legal & Democratic Services	Criminal Finances Act 2017 Policy	Legal & Democratic Services

Change History

Version	Date	Comments
0.1	4/11/2022	
0.2	19/01/23	

Distribution

Name/ Title	Date	Comments
	-	-
Corporate Management Team	18 January 2023	Approved with comments
Audit Committee	21 February 2023	-

Distribution may be made to others on request

Policy Review

Review Date	Person Responsible	Service
This policy will be the subject of review no less than three years after it has come into force.	Head of Legal & Democratic Services	Legal & Democratic Services

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Criminal Finances Act 2017 Policy

1. Policy Statement

1.1 The Council is committed to ensuring probity in its commercial dealings and requires the same from its employees, agents, advisers and any supplier, provider or other party with which it engages or transacts.

1.2 The purpose of this Policy is to put measures in place to ensure that the Council and any associate person complies with the requirements of the Criminal Finances Act 2017. As awareness and practice matures, further iterations of this Policy will be submitted to Committee for approval.

1.3 There are eight main types of taxes in the UK which are:
- Income tax;
- National Insurance Contributions;
- Value Added Tax (VAT);
- Corporation Tax;
- Excise Duty;
- Stamp Duty;
- Council Tax;
- Business Rates

1.4 The Council has a zero tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees of the Council (including the Inverclyde Health & Social Care Partnership (IHSCP)), its agents and contractor associates must not undertake any transactions which cause the Council to commit a tax evasion offence or facilitate a tax evasion offence by a third party.

1.5 At all times, Council business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.

2. Background

2.1 The Criminal Finances Act 2017 ("the CFA") came into force on 30th September 2017. The CFA amends the Proceeds of Crime Act 2002 and includes provision to create corporate offences for cases where a person associated with a body corporate or partnership facilitates the commission by another person of a tax evasion offence and for connected purposes.

3. Purpose & Scope

3.1 Local Government has not been identified as a high risk sector by His Majesty's Revenue & Customs (HMRC). However, the broad nature of Council activities combined with its diverse locations and workforce, may bring the Council, its Officers, Elected Members and associates into contact with other parties who may contemplate conduct which constitutes an offence under the CFA. Offences under the CFA are not about the Council itself avoiding, evading or underpaying tax, but about it facilitating, or failing to prevent an associated person from facilitating the evasion of tax by a third party.

3.2   Under the CFA, an associated person is a person (including a corporate body) who is:

a) an employee of the Council who is acting in the capacity of an employee;

b) an agent of the Council who is acting in the capacity of an agent; or

c) any other person who performs services for or on behalf of the Council who is acting in the capacity of a person performing such services.

3.3   For the Council this would include employees, contractors and other organisations performing services for the Council.

3.4 The CFA provides that whether a person is an associated person will be determined by reference to all relevant circumstances.

3.5 Offences under the CFA will be committed where the Council fails to prevent an associated person criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country. The CFA aims to overcome the difficulties in attributing criminal liability to 'relevant bodies' for the criminal acts of employees, agents or those that provide services for or on behalf of a relevant body.

3.6 There are a number of duties required by the Council as the body corporate, but equally of its Officers, Elected Members and those associated with the Council. The development and agreement of a suitable policy represents the Council's initial endeavours and commitment to discharge these requirements.

4. **What is the facilitation of tax evasion?**

4.1 Tax evasion means the offence of cheating the public revenue or fraudulently evading UK tax. This is a criminal offence. The offence requires an element of fraud which means that there must be deliberate action or omission with dishonest intent.

4.2   Foreign tax evasion is the evasion of tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. An element of fraud is required as stated above.

4.3 Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax by another person, or aiding abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence where carried out deliberately and dishonestly.

5. What persons associated with the Council must not do

5.1. Persons associated with the Council, as referred to above, must not:
- engage in any form of tax evasion;
- aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- fail to promptly report (i) any request or demand from any third party to facilitate the fraudulent evasion of tax or (ii) any suspected fraudulent evasion of tax by another person in accordance with this policy;
- engage in any other activity that might lead to a breach of this policy; or
- threaten or retaliate against another individual who has refused to commit or to facilitate a tax evasion offence or who has raised concerns under this policy.

6. Prevention Procedures

6.1 In order to safeguard the Council and those associated with it, there are a number of prevention procedures which require to be put in place to prevent tax evasion from being committed or facilitated. These procedures are guided by the following six principles which are not prescriptive, but are designed to be flexible and outcome focused given the variety of circumstances that they are intended to cover. This Policy, which is intended to discharge the requirements of the CFA is based around these principles:

- Risk assessment;

- Proportionality of risk-based prevention procedures;

- Top level commitment;

- Due diligence;

- Communication and training; and

- Monitoring and review.

6.2 Risk Assessment
The Council will assess the nature and extent of its exposure in relation to the CFA including the risk relating to those who act in the capacity of a person associated with the Council and the potential for them criminally facilitating tax evasion offences. An initial risk assessment questionnaire will be issued to all Council Services, the Inverclyde Health and Social Care Partnership, Inverclyde Leisure

and Riverside Inverclyde. The questionnaire will prompt reflection and consideration of the types of services provided, along with processes and procedures. It is intended that this will identify areas of potential risk or vulnerability in terms of the CFA.

The responses to the questionnaire will be used to assess risk and create an initial CFA risk register. This, in turn, will prioritise further workstreams to manage and mitigate these risks and refine the CFA risk register. This will be kept under review in accordance with the Council's established governance arrangements in relation to risk assessments and will feed into Service Area, Directorate and the Corporate Risk Register(s).

6.3 Proportionality of Risk-based Prevention Procedures

The Council has a suite of existing procedures to prevent fraud, irregularity and criminality. The existing Policy base is reasonable and proportionate however consideration is being given to the requirements of the CFA on their scope and application and includes:

- Procurement Policy;
- Whistleblowing, Anti- Fraud and Corruption, Anti-Bribery and Money Laundering Policies;
- Policies dealing with the reimbursement of expenses;
- Financial Regulations;
- Annual Related Party Transaction;
- IR35 Monitoring in relation to the off-payroll working rules;
- Employee Code of Conduct; and
- Officer Gifts and Hospitality and Conflict of Interest reporting requirements.

This work will be included as part of the ongoing review of the Council's policy base and specified to prevent persons acting in the capacity of a person associated with the Council from criminally facilitating tax evasion. The risk assessment will consider factors such as opportunity, motive and means, with it:

- Being proportionate to the risk the Council faces;
- Considering the nature, scale and complexity of the Council's activities;
- Recognising the reasonableness of existing prevention procedures; and
- Recognising that this work will not require the Council to undertake excessively burdensome procedures in order to eradicate all risk.

6.4 Top Level Commitment

There is a requirement for Senior Officers and Elected Members to be committed to the implementation of the CFA. This commitment will initially be demonstrated through the provision of training, with the aim of raising awareness of behaviours or arrangements which may constitute tax irregularity, increasing confidence and skills to challenge such behaviours or proposals and in doing so, further fostering a culture within the Council where fraud, irregularity and evasion is never acceptable and risks are minimised.

6.5 Due Diligence

The Council will continue to apply suitable due diligence procedures, taking an appropriate and risk based approach. Additional focus will be given to persons who perform or will perform services on behalf of the Council, in order to mitigate identified risks. In addition, where the service questionnaire referenced above identifies areas of potential vulnerability then processes, procedures, guidance and skills will be reviewed and bolstered to support compliance.

6.6 Communication & Training

The Council will ensure that this, and associated Policies and procedures are communicated, embedded and understood. The development and agreement of this Policy, will be embedded through internal and (where relevant) external communication, including training. This will include more detailed training in higher risk areas or where officers are best placed to identify potentially criminal acts or behaviours e.g. Legal and Democratic Services, Finance, Property, Procurement and so on. This is proportionate to the risk to which the organisation assesses that it is exposed to and where risk is most likely to manifest.

6.7 Monitoring & Review

The Council will monitor and review its preventative procedures, along with this Policy, and make improvements where necessary. It is anticipated that the nature of the risks faced by the organisation will change and evolve over time. This may be as a natural result of external developments, changes to other seemingly unrelated policies and procedures, implementation of new legislation or service demands. This will require the Council to review, and update, its procedures in response to the changes in the risks that it faces.

7. **Penalties Under the Act**

7.1 Where the Council, Elected Members, Officers or associates are successfully prosecuted under the Act the sanctions may lead to:

- An unlimited fine;

- A public record of conviction; and

- Significant reputational damage and adverse publicity.

7.2 The purpose of this Policy, its further development and other steps identified, is to protect the Council both from a reputational and financial perspective.

8. Obligations of Employees & Other Associated persons

8.1 Should employees or other associated persons become concerned that a fellow employee or associate is, or might be, facilitating a third party's tax evasion, they should immediately contact either:

For concerns relating to the Council either

- the Chief Financial Officer (Section 95 Officer); or

- the Head of Legal & Democratic Services (Monitoring Officer); or

For concerns relating to the IHSCP either

- the Head of Finance, Planning & Resources for the IHSCP; or

- the Head of Legal & Democratic Services (Monitoring Officer).

8.2 Employees should not proceed with any business or transactions that they know or suspect to be related to tax evasion but should immediately seek advice from the above Officers. In addition, the above Officers should be contacted if an employee knows or suspects that a third party is in some way utilising or planning to utilise the Council to facilitate tax evasion. An employee who raises concerns with the above Officers may be asked to complete the form set out in the Appendix to this Policy.

8.3 Guidance will be provided to Services to ensure that the Council's advisers, contractors and other Associated Persons are aware of their obligations under the CFA. Where applicable and proportionate, this will be reinforced with appropriate terms and conditions in new contracts, award letters and other contractual agreements going forward.

8.4 As noted above, the Council has a number of processes and policies, which will ensure that steps are taken to prevent the facilitation of tax evasion by its employees and associates. These cover the following subjects:

- Procurement Policy, including tender documentation and contracts awarded as a consequence;

- Other contractual and other agreements (including funding agreements, grant awards etc);

- Whistleblowing, Anti- Fraud and Corruption, Anti-Bribery, and Anti-Money Laundering Policies;

- Reimbursement of Expenses or outlays;

- Financial Regulations;

- Annual Related Party Transaction;

- IR35 Monitoring in relation to the off-payroll working rules;

- Employee Code of Conduct; and

- Purchase Orders and associated payment arrangements.

8.5   The Council is also an active participant in the National Fraud Initiative and has an internal audit function to provide ongoing assurance over the Council's financial and non-financial systems.

8.6   In addition to the above, and recognising that tax evasion is a criminal offence, any employee who breaches this policy may face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

9. Responsible Officer

9.1 The Council has nominated the Chief Financial Officer as the key officer responsible for the CFA within the organisation.

9.2 The Council has also nominated the Head of Legal & Democratic Services as the officer responsible for information, training and general queries on the CFA, who is known as the 'point person'

APPENDIX
TEMPLATE TAX EVASION REPORT FORM

CONFIDENTIAL

TAX EVASION REPORT FORM

Please complete all relevant boxes.

Give as much detail as possible, a full report is crucial to ensuring a proper investigation into the matter disclosed is undertaken. Include details such as:-

- When/where ay transactions took place
- The exact nature of the transaction, if possible provide documentary evidence
- Whether the suspected activity has happened, is ongoing or is imminent
- Why you believe the activity to be suspicion

Please DO NOT DISCLOSE the matter to anyone other than the Chief Financial Officer, the Head of Finance, Planning & Resources for the Inverclyde Health & Social Care Partnership, or the Head of Legal and Democratic Services. There is a section in this form to be filled out if anyone other than the Chief Financial Officer, the Head of Finance, Planning & Resources for the Inverclyde Health & Social Care Partners or the Head of Legal and Democratic Services has been informed, but you must give good reason as to why such a disclosure was made.

Once the form has been completed please email it to the following:

For concerns relating to the Council either

- The Chief Financial Officer (Alan.Puckrin@inverclyde.gov.uk), or
- the Head of Legal and Democratic Services (Iain.Strachan@inverclyde.gov.uk)

For concerns relating to the Inverclyde Health & Social Care Partnership either

- the Head of Finance, Planning & Resources for the Inverclyde Health & Social Care Partnership (Craig.Given@inverclyde.gov.uk), or
- the Head of Legal and Democratic Services (Iain.Strachan@inverclyde.gov.uk)

DISCLOSURE UNDER CRIMINAL FINANCES ACT POLICY

ABOUT YOU	
Name	
Department	
Contact Number	
Contact Email	
ABOUT YOUR CONCERN	
Nature of Suspicious Activity	
Name, address and any contact details of person(s) you think may be involved. If a company or other body please include details of nature of business	
Nature/Value and timing of activity or transaction involved (e.g. cash)	
Please give any other information you think is relevant	

Have you informed anybody of your suspicions already?	Yes	See below	No

If "yes" please give name and contact details of person.	
If "yes" please say why you felt a disclosure was necessary.	

Do you have a good reason for this matter not to be disclosed to HMRC (e.g. you are a lawyer and wish to claim legal professional privilege)	Yes	See below	No

If "yes" please give details.	

Signed:
Name:
Date: