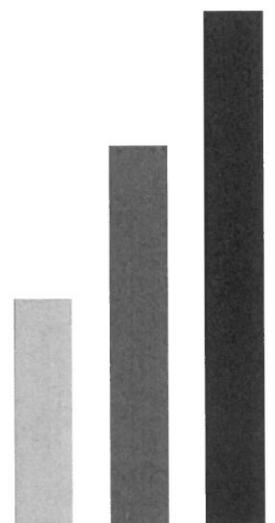


## Agenda 2014

# Policy & Resources Committee

For meeting on:

23	September	2014
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**A meeting of the Policy & Resources Committee will be held on Tuesday 23 September 2014 at 3pm with the Municipal Buildings, Greenock.**

GERARD MALONE  
Head of Legal & Property Services

## **BUSINESS**

1. **Apologies, Substitutions and Declarations of Interest**

## **PERFORMANCE MANAGEMENT**

2. **Policy & Resources Capital Programme – (2013/14 – 2015/16) – Progress Report**  
Report by Acting Corporate Director Environment, Regeneration & Resources and Head of Finance
3. **Capital Programme 2014/16**  
Report by Acting Corporate Director Environment, Regeneration & Resources
4. **Policy & Resources Committee 2014/15 Revenue Budget – Period 4 to 31 July 2014**  
Report by Chief Executive, Acting Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Head of Finance
5. **General Fund Revenue Budget 2014/15 as at 31 July 2014**  
Report by Acting Corporate Director Environment, Regeneration & Resources
6. **Procurement Update**  
Report by Acting Corporate Director Environment, Regeneration & Resources
7. **Modernisation Programme/PSN/SWAN Update**  
Report by Acting Corporate Director Environment, Regeneration & Resources
8. **Repopulation Outcome Delivery Group – Update as at August 2014**  
Report by Acting Corporate Director Environment, Regeneration & Resources
9. **Corporate Services Performance Report**  
Report by Corporate Director Education, Communities & Organisational Development and Acting Corporate Director Environment, Regeneration & Resources

10. **Treasury Management - Annual Report 2013/14**  
Report by Acting Corporate Director Environment, Regeneration & Resources
11. **Debt Recovery Performance 2013/14**  
Report by Acting Corporate Director Environment, Regeneration & Resources
12. **Audit Scotland: Benefits Performance Audit Annual Update 2013/14**  
Report by Acting Corporate Director Environment, Regeneration & Resources

#### **NEW BUSINESS**

13. **Results from the Citizens' Panel Spring 2014 Survey**  
Report by Corporate Director Education, Communities & Organisational Development

#### **REMITTS FROM COMMITTEES**

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

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources and Head of Finance</b>	<b>Report No:</b>	<b>FIN/42/14/AP/MT</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>Policy &amp; Resources Capital Programme – (2013/14 - 2015/16) - Progress Report</b>		

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## 1.0 PURPOSE

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

## 2.0 SUMMARY

- 2.1 This report advises Committee in respect of the progress and financial status of the projects within the Policy & Resources Capital Programme.
- 2.2 It can be seen from the table in 6.4 that the projected spend is £6.043m, which means that the total projected spend is on budget.
- 2.3 Expenditure at 31<sup>st</sup> July is 25.48% of 2014/15 projected spend, net advancement of £0.039m (4.94%) is being reported. Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage, mainly within Storage/Backup Devices and Minor Works & Projects (£0.037m) and Whiteboard/Projector Refresh (£0.036m).
- 2.4 Slippage in 2013/14 outturned at 32.5%. The Council position was 13.04% across total capital programme and an outturn report has been presented to Policy & Resources Committee detailing material slippage on individual capital projects. The detail relating to the Policy & Resources Committee is presented in Appendix 2.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee note current position of the 2014/16 Capital Programme and the progress on the specific projects detailed in Appendix 1.
- 3.2 That the Committee note the level of slippage in 2013/14 and the action being taken to improve matters in future years.

Alan Puckrin  
Acting Corporate Director  
Environment, Regeneration & Resources

Jan Buchanan  
Head of Finance

## **4.0 BACKGROUND**

- 4.1 In February 2013 the Council agreed the 2013/16 Capital Programme and further reviewed this in February 2014, no additional budgets were allocated to Policy & Resources Committee at that time.

## **5.0 PROGRESS**

- 5.1 Modernisation – Princes Street Office and Hector McNeil House are now open, EDRMS & flexible working arrangements (Laptops, Hot Desks and Unified Comms) are in place for service staff.
- 5.2 Customer Service & Digital Access. Work agreed as part of the Council's Digital Access Strategy is progressing. This work breaks down into a number of project workstreams.
- Web Site Redesign. ICT is working with Corporate Communications and other services to draft a range of design approaches for consideration
    - Kana/Lagan Developments
    - Citizen record data cleansing
    - Upgrade to Lagan Enterprise 14R1
    - Procurement of Kana Self-Service Portal and Employee/Citizen Smartphone Reporting applications.
  - Prioritisation of service requirements and business process redesign
- ICT are working with Environmental and Commercial Services to map business processes in relation to Roads and Lighting Fault Reporting, in advance of introducing mobile reporting and recording of faults.
- 5.3 EDRMS Implementation – The new EDRM solution is now live in Revenues, Benefits and Customer Services. Supplementary work is now progressing that will allow integration between the EDRMS and the Council's eForms solution and Atlas. The roll out of EDRMS in CHCP is progressing along with the office accommodation moves.
- 5.4 The annual PC refresh programme for the year is complete and a further tranche of work to migrate from Windows XP to Windows 7 for Corporate users is also complete.
- 5.5 Flexible Working – This work aims to improve staff productivity, reduce office accommodation requirements and minimise travel time and costs by giving staff the ability to work from a number of locations around the Council, so that staff have access to email, calendars, telephony services and the normal range of network access to files, folders and records.

### **Education**

- Educational Psychologists
- Bring Your Own Device Trial in Clydeview Academy – Pupils and Teachers
- Education – 'More Choices More Chances' tablet use trial and Virtual School database development

### **CHCP**

- CHCP – Children & Families at Port Glasgow
- CHCP – Welfare Rights at Port Glasgow
- CHCP – Laptops for Hector McNeil House staff

### **Corporate**

- Corporate – Management tablet use trial

## **6.0 FINANCIAL IMPLICATIONS**

### **Finance**

- 6.1 The figures below detail the position at 31<sup>st</sup> July 2014. Expenditure to date is £0.211m (25.48% of the 2014/15 projected spend).
- 6.2 The current budget is £6.043m. The current projection is £6.043m which means the total projected spend is on budget.

- 6.3 The approved budget for 2014/15 is £0.789m. The Committee is projecting to spend £0.828m with net advancement from future years of £0.039m (4.94%). Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage, mainly within Storage/Backup Devices and Minor Works & Projects (£0.037m) and Whiteboard/Projector Refresh (£0.036m).
- 6.4 Slippage in 2013/14 outturned at 32.5%, an analysis of material slippage on individual capital projects relating to the Policy & Resources Committee is presented in Appendix 2.

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Capital	Policy & Resources Capital	2014/16	£6,043	n/a	On budget.

#### Annually Recurring Costs/ (Savings)

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

## 7.0 CONSULTATION

### 7.1 Legal

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

### 7.2 Human Resources

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

### 7.3 Equalities

There are no equalities implications in this report.

### 7.4 Repopulation

There are no repopulation implications in this report.

## 8.0 LIST OF BACKGROUND PAPERS

### 8.1 None.

**Appendix 1**

**COMMITTEE: POLICY & RESOURCES**

	1	2	3	4	5	6	7	8
<u>Project Name</u>	<u>Est Total Cost</u>	<u>Actual to 31/3/14</u>	<u>Approved Budget 2014/15</u>	<u>Revised Est 2014/15</u>	<u>Actual to 31/07/14</u>	<u>Est 2015/16</u>	<u>Est 2016/17</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Environment, Regeneration &amp; Resources</u></b>								
<b><u>ICT</u></b>								
Storage/Backup Devices/Minor Works & Projects	340	225	115	78	14	37	0	0
Mobile Technology	47	32	15	6	0	9	0	0
Rolling Replacement of PC's	2,924	2,401	115	443	152	80	0	0
Whiteboard/Projector Refresh	440	344	66	30	0	66	0	0
Server & Switch Replacement Programme	529	446	3	83	2	0	0	0
2013/15 Indicative Allocation	533	0	450	0	0	483	50	0
Data Centre Remedial Works - complete on Site	2		2	2	0			
<b><u>ICT Total</u></b>	<b>4,815</b>	<b>3,448</b>	<b>766</b>	<b>642</b>	<b>168</b>	<b>675</b>	<b>50</b>	<b>0</b>
<b><u>Finance</u></b>								
Modernisation Fund	1,228	823	23	186	43	219	0	0
<b><u>Finance Total</u></b>	<b>1,228</b>	<b>823</b>	<b>23</b>	<b>186</b>	<b>43</b>	<b>219</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL</u></b>	<b>6,043</b>	<b>4,271</b>	<b>789</b>	<b>828</b>	<b>211</b>	<b>894</b>	<b>50</b>	<b>0</b>

## Capital Slippage Summary 2013-2014

## Appendix 2

	<u>Approved Budget 2013/14 £000's</u>	<u>2013/14 Final Position £000's</u>	<u>Slippage from Approved Budget £000's</u>	<u>Slippage from Approved Budget %age</u>	<u>Comments</u>
<b><u>Policy &amp; Resources</u></b>					
Storage/Backup Devices	132	68	(64)	(48.5)%	Primarily this budget is used for network storage and backup upgrades. This spend needs to be phased over a number of years as there is an ongoing requirement for additional storage.
Minor Works & Projects	81	30	(51)	(63.0)%	This is a budget line that was consolidated from several others a number of years ago. It is used to support small projects throughout the year that require ICT input (eg Network infrastructure) as well as the annual ICT health check for PSN etc. The spend needs to be phased over a number of years.
Rolling Replacement of PC's	502	425	(77)	(15.3)%	The original estimate is based on indicative figures. The actual spend varies with annual price changes as well as differences highlighted in site audits.
2013/15 Indicative Allocation	89	0	(89)	(100.0)%	This was from 13/14 Core Allocation due to timing of refresh project.
Modernisation Fund	117	62	(55)	(47.0)%	Budget was a general estimate which was not achieved.
Various Projects	286	230	(56)	(19.6)%	
<b>TOTAL Policy &amp; Resources</b>	<b>1,207</b>	<b>815</b>	<b>(392)</b>	<b>(32.48)%</b>	



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director, Environment Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/50/14/JB/MT</b>
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2014/16 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2014/16 Capital Programme.

## 2.0 SUMMARY

- 2.1 In February 2013 the Council agreed a 3 year Capital Programme covering the period 2013/16, in February 2014 the Council further agreed to return £0.5m of SEMP monies to the General Fund as well as approving a number of further projects funded from Revenue Reserves. It should be noted that 2015/16 General Capital Grant has now been confirmed and is greater than anticipated.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that the estimated surplus in resources is £1.302 million over the 2014/16 period, this is a significant improvement on the £1.135m shortfall previously reported. In the longer term it is anticipated that annual capital requirements will continue to exceed the General Capital Grant and this will be addressed through the budget process.
- 2.3 It can be seen from Appendix 2 that as at 31<sup>st</sup> July 2014 expenditure was 18.57% of projected spend. Phasing and project spend has been reviewed by the Senior Officer (CAMS) Group and the relevant Corporate Director.
- 2.4 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall Committees are projecting to outturn on budget. Budgetary slippage of 10.27% is being reported, this compares with a slippage outturn of 13.04% in 2013/14.
- 2.5 The reasons for the increase in slippage in 2013/14 were considered by the Committee in August based on the unaudited accounts and highlighted slippage of 14.45%. Adjustments highlighted during the audit have reduced this figure to 13.04%.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2014/16 Capital Programme and previous decision that any surplus on the 2014/16 Capital Programme be considered as part of the February 2015 budget process.

## **4.0 BACKGROUND**

- 4.1 On 14<sup>th</sup> February 2013 the Council agreed a 2013/16 Capital Programme which included significant additional funding to increase the Roads Asset Management Plan with further amounts set aside from available Revenue Reserves to fund a number of further Capital Projects and to reduce the overall funding shortfall.
- 4.2 On 4<sup>th</sup> February 2014 Policy & Resources Committee agreed to return £500,000 unused contingency within the School Estate to the General Fund, reducing the funding shortfall accordingly.
- 4.3 On 20<sup>th</sup> February 2014 confirmed the existing Capital Programme to 2015/16. In addition a number of additional projects, funded from Revenue Reserves, were approved. These projects are reflected in this report.
- 4.4 Scottish Government have now confirmed the General Capital Grant allocation for 2015/16 which is significantly more than the estimate included when agreeing the budget in February 2013. As a result the previously reported shortfall in resources of £1.135m has been replaced by a surplus in resources of £1.302m.
- 4.5 The Policy & resources Committee agreed to defer any decision on the surplus resources to the February 2015.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 2 year period there is a projected surplus in resources of £1.302 million.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

No slippage is being reported and there is no spend to date.

### Environment & Regeneration

Net slippage of £1.728m (9.57%) is being reported with spend being 22.8% of projected spend for the year. Slippage relates mainly to the Asset Management Plan (£1.267m), the Sea Wall element of the Gourock Pier & Railhead Development (£0.25m) and Coronation Park (£0.2m) as well as other minor areas of slippage. Where possible projects are being advanced from future years and are partly offsetting the slipped projects.

### Education & Communities

Slippage of £1.435m (12.6%) is being reported with spend being 11.4% of projected spend for the year. The slippage relates mainly to Inverkip Community Facility (£1.112m) and Primary School Pitch Upgrading (£0.27m).

Within SEMP no net slippage is being shown.

### Policy & Resources

Net advancement of £0.039m (4.94%) is being reported with spend being 25.48% of projected spend for the year. Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage, mainly within Storage/Backup Devices and Minor Works & Projects (£0.037m) and Whiteboard/Projector Refresh (£0.036m).

- 5.3 Overall in 2014/15 it can be seen that expenditure is 18.57% of the projected spend for the year and that slippage from the programme agreed in February 2014 is currently £3.124 million (10.27%).

## 6.0 SCHOOL ESTATE MANAGEMENT PLAN

- 6.1 The position of the School Estate finances is shown separately in Appendix 2. A report to the Education & Lifelong Learning Committee on 5<sup>th</sup> November 2013 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable and an update will be reported to the Education & Lifelong Learning Committee on 4<sup>th</sup> November 2014.
- 6.2 £0.5 million was transferred from the SEMP to the core capital programme as part of the approval of the 2014/16 Budget. In addition £1.1m of further investment in MUGA's within the Primary School estate was approved.

## 7.0 CONCLUSIONS

- 7.1 Slippage in 2013/14 outturned at 13.04%, this compared with an outturn of 9.34% in 2012/13 and a report was submitted to both the CMT and this Committee on the reasons for this. It should be noted these reports were based on the unaudited accounts and highlighted slippage of 14.45%, adjustments highlighted during the audit have reduced this figure to 13.04%. Whilst slippage levels of 10.27% in 2014/15 are currently being reported, projections have been robustly reviewed by Officers with the intention of highlighting slippage at an early stage.

While it is likely that there will be addition slippage reported later in the year Officers are working to advance projects from future years where practical. It is expected therefore that slippage levels should not rise significantly from that currently reported.

- 7.2 The Council's Capital Programme for 2014/16 is showing a surplus in resources of £1.302 million.
- 7.3 Overall Service Committees have spent 18.57% of the 2014/15 projected spend as at 31<sup>st</sup> July 2014.

## 8.0 CONSULTATION

- 8.1 This report has been approved by the Corporate Management Team.

## 9.0 IMPLICATIONS

### Finance

#### 9.1 Financial Implications

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

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

## **Legal**

- 9.2 There are no legal implications.

## **Human Resources**

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

## **Equalities**

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

## **Repopulation**

- 9.5 The report has no impact on repopulation.

Capital Programme - 2014/15 - 2015/16Available Resources

	A	B	C	D	E
	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	8,251	10,585	-	-	18,836
Less: Allocation to School Estate	(4,713)	(4,722)			(9,435)
Capital Receipts (Note 1)	561	999	-	-	1,560
Capital Grants (Note 2)	610	371	-	-	981
Prudential Funded Projects (Note 3)	8,160	20,393	5,818	2,833	37,204
Balance B/F From 11/12 (Exc School Estate)	3,049	-	-	-	3,049
Capital Funded from Current Revenue (Note 4)	6,493	9,976	1,576	-	18,045
	22,411	37,602	7,394	2,833	70,240

Overall Position 2013/16

	£000
Available Resources (Appendix 1, Column E)	70,240
Projection (Appendix 2, Column B-F)	68,938
(Shortfall)/Under Utilisation of Resources	1,302

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Sales	441	772	-	-	1,213
Contributions/Recoveries	120	227	-	-	347
	561	999	-	-	1,560

Note 2 (Capital Grants)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	125	121	-	-	246
SPT	167	-	-	-	167
Sustrans	77	250	-	-	327
Sports Scotland/SFA	18	-	-	-	18
Electric Vehicle Charging Points	73	-	-	-	73
Zero Waste Scotland	150	-	-	-	150
	610	371	-	-	981

Notes to Appendix 1Note 3 (Prudentially Funded Projects)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	68	104	-	-	172
Vehicle Replacement Programme	861	2,198	-	-	3,059
Greenock Parking Strategy	41	232	-	-	273
Asset Management Plan - Offices	1,806	4,105	1,519	133	7,563
Asset Management Plan - Borrowing in Lieu of Receipts	920	-	-	-	920
Asset Management Plan - Depots	2,397	7,229	1,334	59	11,019
Capital Works on Former Tied Houses	60	60	60	420	600
Leisure & Pitches Strategy	346	161	-	-	507
Broomhill Community Facility	-	500	-	-	500
Kylemore Childrens Home	(85)	-	-	-	(85)
Neil Street Childrens Home Replacement	-	675	83	-	758
Crosshill Childrens Home Replacement	-	-	1,622	-	1,622
Modernisation Fund	186	219	-	-	405
Watt Complex Refurbishment	-	-	700	2,221	2,921
Gourock One Way System	-	2,000	500	-	2,500
Roads Asset Management Plan	1,350	2,850	-	-	4,200
Kerbside Glass Collection	150	-	-	-	150
Surplus Prudential Borrowing due to project savings	60	60	-	-	120
	8,160	20,393	5,818	2,833	37,204

Notes to Appendix 1

Note 4 (Capital Funded from Current Revenue)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	106	150	-	-	256
Play Areas	587	350	-	-	937
Coronation Park, Port Glasgow	50	200	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	50	-	-	50
Gourock Walled Garden, Toilet Provision	40	-	-	-	40
Port Glasgow Health Centre Car Park	40	-	-	-	40
Hillend Respite Unit	80	-	-	-	80
Scheme of Assistance	433	433	-	-	866
Aids & Adaptations (Earmarked Reserve)	100	-	-	-	100
Flooding Strategy	305	168	776	-	1,249
Greenock Parking Strategy	165	-	-	-	165
Roads Asset Management Plan	2,968	2,189	-	-	5,157
Broomhill Community Facility (Community Facility Fund)	27	352	-	-	379
Inverkip Community Facility	88	1,211	-	-	1,299
Neil Street Childrens Home Replacement	-	1,100	-	-	1,100
Primary School MUGA's - various	-	1,100	-	-	1,100
Port Glasgow Town Centre, Town Hall Refresh	60	34	-	-	94
Watt Complex Refurbishment	100	553	300	-	953
Community Facilities Investment	-	400	-	-	400
Blaes Football Parks	529	270	-	-	799
Ravenscraig Sports Barn	-	600	-	-	600
Broomhill Regeneration	50	200	-	-	250
Lower Port Glasgow Regeneration	-	100	250	-	350
East Central Greenock Regeneration	-	250	250	-	500
Central Gourock	-	150	-	-	150
Completion of SV Comet Canopy	-	116	-	-	116
Various Projects - moved to complete on Site	7	-	-	-	7
Use of General Fund Reserves	758	-	-	-	758
	6,493	9,976	1,576	-	18,045

Capital Programme - 2014/15 - 2015/16Agreed Projects

Committee	A Prior Years	B 2014/15	C 2015/16	D 2016/17	E Future	F Total	G Approved Budget	H (Under)/ Over	I 2014/15 Spend To 31/7/14
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	4,271	828	894	50	-	6,043	6,043	-	211
Environment & Regeneration	32,197	16,332	29,356	4,689	612	83,186	83,186	-	3,725
Education & Communities (Exc School Estate)	389	2,052	6,713	1,516	2,221	12,891	12,891	-	200
CHCP	1,156	195	1,775	1,705	-	4,831	4,831	-	-
Sub -Total	38,013	19,407	38,738	7,960	2,833	106,951	106,951	-	4,136
School Estate (Note 1)	676	7,902	9,169	5,837	6,286	29,870	29,870	-	934
Total	38,689	27,309	47,907	13,797	9,119	136,821	136,821	-	5,070

Note 1Summarised SEMP Capital Position - 2014/17

	2014/15	2015/16	2016/17
Capital Allocation	4,713	4,722	4,300
Scottish Government School Grant (estimate)	-	801	803
Surplus b/fwd	4,904	3,539	393
Prudential Borrowing	1,824	500	-
Prudential Borrowing - In Lieu of Receipts			
Prudential Borrowing - Accelerated Investment			
CFCR	-	-	-
Available Funding	11,441	9,562	5,496
<u>Projects</u>			
Ex-Prudential Borrowing	6,078	8,669	5,837
Prudential Borrowing	1,824	500	-
CFCR	-	-	-
Total	7,902	9,169	5,837
Surplus c/fwd	3,539	393	(341)



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Chief Executive, Acting Corporate Director Environment, Regeneration &amp; Resources, Corporate Director Education Communities &amp; Organisational Development and Head of Finance</b>	<b>Report No:</b>	<b>FIN/49/14/JB/AE</b>
<b>Contact Officer:</b>	<b>Angela Edmiston</b>	<b>Contact No:</b>	<b>01475 712143</b>
<b>Subject:</b>	<b>Policy &amp; Resources Committee 2014/15 Revenue Budget – Period 4 to 31 July 2014</b>		

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## **1.0 PURPOSE**

- 1.1 To advise Committee of the 2013/14 Revenue Budget out-turn and the 2014/15 projected out-turn for the Policy & Resources Committee as at Period 4 (31 July 2014).

## **2.0 SUMMARY**

- 2.1 In 2013/14 the underspend was £734,000, 4.95% of the total 2013/14 budget, details of which are shown in Section 5 of the report.
- 2.2 The major variances making up this underspend are as follows:
- a) Early achievement of savings £28,000
  - b) Additional turnover savings £30,000
  - c) Inflation contingency underspend returned to reserves £184,000
  - d) Over-recovery of benefit subsidy £121,000
  - e) Over-recovery of prior year Council Tax £58,000
  - f) IRI Over-recovery £104,000
  - g) Various underspend totalling £209,000 all of which are under £50,000.
- 2.3 The total revised Committee budget for 2014/15 is £17,439,000. This excludes Earmarked Reserves of £2,391,000.
- 2.4 The latest projection, excluding Earmarked Reserves, is an underspend of £1,331,000.
- 2.5 The main reasons for this underspend are:
- a) A one-off £1,000,000 underspend due to a significant reduction in calls on the non-pay inflation contingency.
  - b) Projected underspend of £168,000 within Finance Employee costs mainly due to turnover savings.
  - c) A £60,000 underspend within Benefit Subsidy based on mid-year return produced in August 2014.
  - d) £33,000 projected underspend within Organisational Development, HR & Communications due to additional turnover savings.

- 
- 2.6 The Earmarked Reserves for 2014/15 totals £2,391,000 of which £812,000 is projected to be spent in the current financial year. To date expenditure of £228,000 (28%) has been incurred which is £54,000 over the phased budgeted spend to date. It is to be noted that Earmarked Reserves reported in appendix 3 excludes Earmarked Reserves for Asset Plans and Strategic Funds.
- 2.7 The Common Good Fund is projecting a deficit fund balance at 31 March 2015 of £21,910. This reflects the potential that a receipt from the sale of the former filling station at Port Glasgow Road will not be realised. It is proposed that £150,000 of planned Common Good spend be met from the General Fund Reserve.

### **3.0 RECOMMENDATIONS**

- 3.1 The Committee note the 2013/14 Revenue Budget out-turn and the 2014/15 projected underspend of £1,331,000 for the Policy & Resources Committee as at Period 4 (31 July 2013).
- 3.2 The Committee note the projected deficit fund balance of £21,910 for the Common Good Fund and approve usage of underspend detailed in this report to replace the £150,000 contribution from the Common Good for the Port Glasgow Regeneration projects.

John Mundell  
Chief Executive

Jan Buchanan  
Head of Finance

Patricia Cassidy  
Corporate Director  
Education, Communities &  
Organisational Development

Alan Puckrin  
Acting Corporate Director  
Environment, Regeneration &  
Resources

## 4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2014/15 budget as well as the 2013/14 outturn and to highlight the main issues contributing to the underspend of £734,000 in 2013/14 and projected underspend of £1,331,000 in 2014/15.

## 5.0 2013/14 OUTTURN

- 5.1 The main variations from budget in 2013/14 were:

	Revised Budget 2013/14	Out-turn 2013/14	Variance to Budget	Variance to Budget	Movement since P11 Projection
	£000	£000	£000	%	£000
Finance	4,805	4,587	(218)	(4.54)	(27)
ICT	2,177	2,080	(97)	(4.46)	(37)
Legal & Democratic Services	1,741	1,680	(61)	(3.5)	(40)
<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>8,723</b>	<b>8,347</b>	<b>(376)</b>	<b>(4.31)</b>	<b>(104)</b>
Organisational Development, Human Resources & Communications	1,914	1,879	(35)	(1.83)	(8)
Corporate Policy	179	178	(1)	(0.56)	(1)
<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>2,093</b>	<b>2,057</b>	<b>(36)</b>	<b>(2.75)</b>	<b>(9)</b>
Chief Executive	368	365	(3)	(0.82)	(5)
Miscellaneous	3,629	3,310	(319)	(8.79)	(117)
<b>Total Net Expenditure (Excluding Earmarked Reserves)</b>	<b>14,813</b>	<b>14,079</b>	<b>(734)</b>	<b>(4.95)</b>	<b>(235)</b>

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

### **Finance - £218,000 Underspend, increase in underspend £27,000**

Employee Costs: An underspend of £35,000, a minor decrease in spend of £8,000 since last reported to Committee.

Property Costs: Out-turn is an underspend of £19,000 mainly due to a reduction in Office Accommodation charges at year end.

Other Expenditure: Out-turn is an overspend of £57,000 an increase in spend of £61,000 since period 11 report to Committee mainly due to an increase in Bad Debt provision of £69,000.

Income: An over-recovery of £237,000 which is an increase in income of £58,000 since last reported to Committee mainly due to a £51,000 over-recovery within Benefits Subsidy.

### **ICT – £97,000 Underspend, increase in underspend £37,000**

Employee Costs: An underspend of £10,000 within employee costs which is an increase of £6,000 since the last Committee due to additional turnover savings being achieved.

Property Costs: Out-turn is an underspend of £11,000 mainly due to a reduction in Office Accommodation charges at year end.

Supplies and Services: An underspend of £29,000 which is an increase in underspend of £17,000 since last reported to Committee. This additional underspend is mainly due to reduction in costs over various budget lines.

Income: Final out-turn is an over-recovery of £43,000 which is a minor increase in recovery of £7,000 since last reported to Committee.

### **Legal & Democratic Service – £61,000 Underspend, increase in Underspend £40,000**

Property Costs: Out-turn is an underspend of £20,000 mainly due to a reduction in Office Accommodation charges at year end.

Administration Costs: Final out-turn is an underspend of £49,000 which is a £12,000 further decrease in cost since period 11 report to Committee. This additional underspend has been mainly due to minor underspends over various budget lines.

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

### **Organisational Development, Human Resources & Communications - £35,000 Underspend, increase in underspend of £8,000**

Employee Costs: An underspend of £19,000 mainly due to additional turnover savings and savings within other employee costs. This is an increase in underspend of £1,000 since last reported to Committee.

Payments to Other Bodies: An underspend of £13,000 for Occupational Health costs which is an increase in the underspend reported to the last Committee of £3,000.

### **5.4 Miscellaneous - £319,000 Underspend, increase in underspend £117,000**

Inflation Contingency: After all inflationary pressures were addressed in 2013/14; a saving of £184,000 was achieved which was returned to reserves.

Internal Resources Interest: Internal Resources Interest out-turned at an under-recovery of £84,000 since last reported to Committee.

Bad Debt Provision: Out-turned at £20,000 underspend due to spend being incurred against BVACOP.

## **6.0 2014/15 CURRENT POSITION**

- 6.1 The current projection is an underspend of £1,331,000. The following are the material variances:

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

**Finance - £230,000 Underspend**

Employee Costs: Projected underspend of £168,000 mainly due to turnover savings. A review is being carried out to move temporary employees funded from earmarked reserves to core budget which will reduce this underspend. This will be reported in the next Committee report.

Income: Current projection is an over-recovery of £60,000 within Benefit Subsidy based on the mid-year return produced in August 2014.

**ICT - £32,000 Underspend**

Supplies & Services: Projected underspend of £23,000 mainly due to a £14,000 projected underspend within Computer Software maintenance resulting from a change in contract and a £7,000 underspend within White Board maintenance based on prior year out-turn.

**Legal & Democratic Service – £12,000 Underspend**

Employee Costs: An underspend of £10,000 is projected mainly due to additional turnover savings being achieved.

- 6.3 The following material variance relate to the Education & Communities Directorate:

**Organisational Development, HR & Communications – £49,000 Underspend**

Employee Costs: Projected underspend of £33,000 mainly due to additional turnover savings.

- 6.4 The following material variance relates to the Miscellaneous budget:

**Miscellaneous – £1,000,000 Underspend**

Inflation Contingency: A £1,000,000 projected reduction in spend due to a significant reduction in calls on the non-pay inflation contingency.

**7.0 VIREMENT**

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

**8.0 EARMARKED RESERVES**

- 8.1 Appendix 3 gives a detailed breakdown of the current earmarked reserves position. Total funding is £2,391,000 of which £812,000 is projected to be spent in 2014/15 and the remaining balance of £1,579,000 to be carried forward to 2015/16 and beyond. It can be seen that expenditure of £228,000 has been achieved which is £54,000 over the phased budgeted spend to date and represents 28.08% of the annual projected spend.

**9.0 COMMON GOOD FUND**

- 9.1 Appendix 3 shows a projected overspend of £1,500 in the Common Good Fund as at 31 July 2014. This results in a projected available fund balance at 31 March 2015 of £223,090 however with the commitments to fund the Shop Front improvements and one off Regeneration projects within Port Glasgow totalling £245,000 the available fund moves to a deficit balance of £21,910.

- 9.2 The £150,000 Port Glasgow Town Centre regeneration investment was intended to be funded from the sale of the former filling station at 74 Port Glasgow Road. The Environment, Regeneration & Resources Committee has recently agreed to re-advertise the site for a second time and there is the potential that a receipt of £150,000 will not be realised.

- 9.3 It is therefore proposed that the £150,000 Port Glasgow Town Centre revenue be met from the proposed 2014/15 underspend detailed in this report.

## **10.0 IMPLICATIONS**

### **10.1 FINANCE**

All financial implications are discussed in detail within the report above.

One off Costs:

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

### **10.2 LEGAL**

There are no specific legal implications arising from this report.

### **10.3 HUMAN RESOURCES**

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

### **10.4 EQUALITIES**

There are no equality issues arising from this report.

### **10.5 REPOPULATION IMPLICATIONS**

There are no repopulation issues arising from this report.

## **11.0 CONSULTATIONS**

- 11.1 The Acting Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and the Head of Finance have been consulted in the preparation of this report.

## **12.0 BACKGROUND PAPERS**

- 12.1 There are no background papers for this report.

**POLICY & RESOURCES**

Appendix 1

**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 4: 1st April 2014- 31st Jul 2014**

Service	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000
Finance	6,054	6,054	5,824	(230)
ICT	2,206	2,166	2,134	(32)
Legal & Democratic Services	1,731	1,719	1,707	(12)
<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,991</b>	<b>9,939</b>	<b>9,665</b>	<b>(274)</b>
Organisational Development, Human Resources & Communications	1,877	1,877	1828	(49)
Corporate Policy	183	183	175	(8)
<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>2,060</b>	<b>2,060</b>	<b>2,003</b>	<b>(57)</b>
Chief Executive	356	356	356	0
Miscellaneous	5,638	5,084	4,084	(1,000)
<b>TOTAL NET EXPENDITURE</b>	<b>18,045</b>	<b>17,439</b>	<b>16,108</b>	<b>(1,331)</b>
Earmarked reserves				
<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>18,045</b>	<b>17,439</b>	<b>16,108</b>	<b>(1,331)</b>

**POLICY & RESOURCES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 4: 1st April 2014 - 31st Jul 2014**

Outturn 2013/14 £000	Budget Heading	Budget 2014/15 £000	Proportion of Budget £000	Actual to 31/07/14 £000	Projection 2014/2015 £000	Over/(Under) Budget £000
	<b><u>Finance</u></b>					
3,897	Employee Costs	3,877	1,285	1,263	3,709	(168)
(36,088)	Income	(35,969)	(11,990)	(11,990)	(36,029)	(60)
	<b><u>Organisational Development, HR &amp; Communications &amp; Events</u></b>					
1,574	Employee Costs	1,547	513	496	1,514	(33)
	<b><u>Miscellaneous</u></b>					
2,677	Inflation Contingency	3,164	1,055	554	2,164	(1,000)
	<b><u>ICT</u></b>					
448	Supplies & Services -computer software maintenance	462	153	287	415	(47)
	<b><u>Legal &amp; Democratic Services</u></b>					
1,692	Employee Costs	1,270	421	474	1,260	(10)
<b>(29,697)</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>(29,526)</b>	<b>(9,848)</b>	<b>(10,179)</b>	<b>(30,676)</b>	<b>(1,318)</b>



# **EARMARKED RESERVES POSITION STATEMENT**

Appendix 3

COMMITTEE: Policy & Resources

# **EARMARKED RESERVES POSITION STATEMENT**

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget To Period 4 2014/15</u>	<u>Actual To Period 4 2014/15</u>	<u>Projected Spend 2014/15</u>	<u>Amount to be Earmarked for 2015/16 &amp; Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	
Modernisation Fund	Alan Puckrin	514	45	64	153	361	Largely funding extra staff for development and backscanning. £302k unallocated.
Procurement Development Fund	Jan Buchanan	79	16	16	47	32	Funding additional Procurement Officer until March 2015.
Workforce Development Fund	S McNab	20	2	6	14	6	Sum set aside for Finance Development Capacity Plan courses £5k and setting up the new Port Glasgow Training suite £15k. £14k spend expected to be incurred by year end.
Welfare Reforms - Operational	Jan Buchanan	336	44	35	209	127	Approved by Committee to carry forward operational impact of Welfare Reform.
Implementation of Saving Workstreams	Alan Puckrin	79	0	0	30	49	Proposed to use this fund to assist in the development and delivery of the 2015/18 Budget. Subject to P&R Committee approval. No spend incurred to date.
Protection of Vulnerable Groups	S McNab	146	24	7	72	74	PVG expenditure is phased over 3 years starting from November 2012. Spend expected to be incurred throughout the year. A Grade C 18.5 hrs post and a Grade C 25 hrs post is being funded through this budget.

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget To Period 4 2014/15</u>	<u>Actual To Period 4 2014/15</u>	<u>Projected Spend 2014/15</u>	<u>Amount to be Earmarked for 2015/16 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
2013/16 Revenue Contingency	Alan Puckrin	528	25	65	173	355	Sum set aside for unforeseen items over the 3 year budget 2013/16. 2013/14 commitments totalled £167,000 of which £22k was spent as at 31/03/14 and £51k has been spent in 2014/15 to date. 2014/15 commitments made up of £5k for the Toll Boys Memorial, £14k for the Queens Baton Relay, £10k for Race 2 the Games, £17k for new polling booths and an additional £7k for City Deal. The Queen's Baton Relay of £14k has been fully spent. £330k unallocated.
Increased Officer Capacity - Equalities Officer	Wilma Bain	41	8	8	41	0	Equalities Officer currently working 0.6fte will revert to 1.0fte from 1/8/14. As a result of saving of £25k being removed in Feb 2014 there is now a funding shortfall of £9k. Service is currently working towards identifying alternative funding for shortfall in 2015/16.
Increased Officer Capacity - Communications Assistant	S McNab	34	10	9	26	8	New Grade F post for 2 year period to support Communications Officer (Media). Post started 28 May 2013.
Discretionary Housing Payments / Welfare Reform - Policy	Jan Buchanan	613	0	18	46	567	Funding to support Policy impacts arising from Welfare Reform changes.
Civica Hospitality (Inverclyde Music Festival)	Gerard Malone	1	0	0	1	0	Spend expected by summer 2014.
<b>Total Category C to E</b>		<b>2,391</b>	<b>174</b>	<b>228</b>	<b>812</b>	<b>1,579</b>	

**COMMON GOOD FUND**

**APPENDIX 4**

**REVENUE BUDGET MONITORING REPORT 2014/15**

**PERIOD 4 : 1st April 2014 to 31st July 2014**

	<b>Final Outturn 2013/14</b>	<b>Approved Budget 2014/15</b>	<b>Budget to Date 2014/15</b>	<b>Actual to Date 2014/15</b>	<b>Projected Outturn 2014/15</b>
<b><u>PROPERTY COSTS</u></b>	<b>16,560</b>	<b>5,000</b>	<b>1,600</b>	<b>7,850</b>	<b>5,000</b>
Repairs & Maintenance	530	4,000	1,300	420	4,000
Rates	12,210			9,820	0
Property Insurance	2,900	1,000	300	(2,390)	1,000
Marketing Costs	920				
<b><u>ADMINISTRATION COSTS</u></b>	<b>11,200</b>	<b>8,500</b>	<b>100</b>	<b>1,980</b>	<b>10,700</b>
Sundries	3,000	300	100	1,980	2,500
Commercial Rent Management Recharge	2,200	2,200	0		2,200
Recharge for Accountancy	6,000	6,000	0		6,000
<b><u>OTHER EXPENDITURE</u></b>	<b>113,390</b>	<b>133,000</b>	<b>43,700</b>	<b>1,710</b>	<b>131,600</b>
Christmas Lights Switch On	10,130	10,500	0		10,500
Christmas Dinners/Parcels	17,990	18,000	0		18,000
Christmas Decorations	35,400	35,400	0		35,400
Gourock Highland Games	29,400	29,400	29,400		29,400
Armistice Service	7,990	8,300	0	360	8,300
Comet Festival	13,300	13,300	13,300		13,300
Fireworks	12,600	12,600	0		12,600
Contingency for future Community Events		2,400	0	600	1,000
Society of the Innocents Rent Rebate	3,000	3,100	1,000	750	3,100
Bad Debt Provision	(16,420)	0	0		0
<b><u>INCOME</u></b>	<b>(117,950)</b>	<b>(146,500)</b>	<b>(48,100)</b>	<b>(54,170)</b>	<b>(145,800)</b>
Property Rental	(116,650)	(164,150)	(54,700)	(54,130)	(164,150)
Void Rents		19,650	6,600		19,650
Internal Resources Interest	(1,300)	(2,000)	0	(40)	(1,300)
<b><u>NET ANNUAL EXPENDITURE</u></b>	<b>23,200</b>	<b>0</b>	<b>(2,700)</b>	<b>(42,630)</b>	<b>1,500</b>
<b><u>EARMARKED FUNDS</u></b>	<b>0</b>	<b>245,000</b>	<b>0</b>	<b>0</b>	<b>245,000</b>
John Wood St/Bay St Shop Improvemnts		95,000			95,000
Contribution to Regeneration Projects, Lower Port Glasgow		150,000			150,000
<b><u>TOTAL NET EXPENDITURE</u></b>	<b>23,200</b>	<b>245,000</b>	<b>(2,700)</b>	<b>(42,630)</b>	<b>246,500</b>

Fund Balance as at 31st March 2014

224,590

Projected Fund Balance as at 31st March 2015

**(21,910)**

**Notes:**

**1 Rates (Empty Properties)**

Rates are currently being paid on empty properties, the Assessor has been contacted with a view to obtaining empty Property relief on these properties, it is hoped that 100% relief will be obtained but this is yet to be confirmed and there may be some cost to the Common Good.

**2 Current Empty Properties are:**

Vacant since:

15 John Wood Street  
74 Port Glasgow Road

December 2012  
September 2012

**3 Contribution to Regeneration Projects, Lower Port Glasgow**

On 20th February 2014 Council agreed a contribution of £150,000 from the Common Good to part fund £500,000 of Regeneration projects within Lower Port Glasgow.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 23 September 2014
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b> FIN/41/14/JB/CM
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b> 01475 712223
<b>Subject:</b>	<b>2014/15 General Fund Revenue Budget as at 31<sup>st</sup> July 2014</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 31<sup>st</sup> July 2014 and to update Committee in respect of the position of the General Fund Reserves and Workstream Savings.

## 2.0 SUMMARY

- 2.1 The Council approved a three year Revenue Budget in February 2013 and confirmed the 2014/15 budget in February 2014. The budget incorporated a planned contribution to the General Fund Reserve of £1.777 million.
- 2.2 It can be seen from Appendix 1 that as at the 31<sup>st</sup> July 2014 the General Fund is projecting a £1.372 million underspend which represents 0.71% of the net Revenue Budget. This is mainly due to:
- Projected significant under utilisation of non-pay inflation allowance.
  - Additional turnover savings across Committees.
  - Early achievement of planned savings across Committees.
  - Partially offset by increased client commitment costs within Older People Services and ASN Services.
  - Over recovery in benefit subsidy.
- 2.3 From Appendix 1 it can be seen that 2 Service Committees are currently projecting underspends for the current year. Education & Communities Committee is projecting an overspend mainly due to increased costs associated with provision of ASN services. Health & Social Care Committee is projecting an overspend primarily due to increased client commitments costs within Older People Services.
- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Strategic Funds, it can be seen that as at 31<sup>st</sup> July 2014 expenditure totalled £1.633 million which equates to 18.73% of the projected spend in 2014/15. It can also be seen from Appendix 2 that as at the 31<sup>st</sup> July 2014 actual expenditure is 5.06% behind phased spend.
- 2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at the 31<sup>st</sup> March 2015 is £6.049 million which is £2.249 million greater than the minimum recommended balance of £3.8 million. Committee has already agreed to defer the decisions on the use of surplus reserves until the 2015/18 budget is considered.

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- 2.6 Appendix 4 and Appendix 5 give an update in respect of the Savings Workstreams. From this it can be seen that as at the 31<sup>st</sup> July 2014 84.28% of the projected savings in 2014/15 has been fully delivered.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the latest position of the 2014/15 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee note the 2013/16 Workstream Savings position.

Jan Buchanan  
Head of Finance

## 4.0 BACKGROUND

- 4.1 The Council confirmed the 2014/15 General Fund Revenue Budget in February 2014. In the process the Council agreed a contribution to the General Fund Reserve of £1.777 million.

## 5.0 POSITION AS AT 31 JULY 2014

- 5.1 It can be seen from Appendix 1 that as at the 31<sup>st</sup> July 2014 the General Fund is projecting an underspend of £1.372 million which equates to 0.71% of the net General Revenue Fund Budget and is mainly due to the following.

It is projected that approximately £1 million of the £2.13 million allowance for non-pay inflation will not be required in 2014/15. This has largely come about due to lower than anticipated inflationary pressures around utilities, fuel, PPP contract indexation, Social Care and Waste Contracts. The amount allocated in 2014/15 is the lowest for many years. Whilst officers have reduced the non-pay inflation allowance for future years, pressures are building and the signs are that contract costs are increasing when retendered.

In addition there are additional turnover savings across all Directorates, early achievement of planned savings and over recovery of benefit subsidy offset by increased costs in Older People Services and ASN Services.

- 5.2 It can also be seen from Appendix 1 that 2 of the Service Committees are currently projecting underspends, however Education & Communities Committee and Health & Social Care Committee are projecting overspends.

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

Policy & Resources Committee – Projected underspend of £1,371,000 mainly due to a significant projected under utilisation of the non-pay inflation contingency plus additional employee cost turnover savings in Finance Services and Organisational Development & Human Resources, over recovery of benefit subsidy and a projected underspend within ICT line rental costs.

Environment & Regeneration – Projected underspend of £131,000 mainly due to excess turnover savings projected due to early achievement of planned savings, a projected underspend in vehicle fuel costs offset by increased subcontractors and material costs due to increased RAMP spend and a shortfall in special catering income.

Education & Communities - £40,000 projected overspend mainly due to increased costs for ASN services, partially offset by additional turnover savings and early achievement of planned savings.

Health & Social Care – Projected overspend £164,000. This is mainly due to increased client commitment costs within Older People Services partially offset by additional turnover savings.

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

- 5.5 It can be seen that as at 31<sup>st</sup> July 2014 the Council has spent £1.633 million against a phased budget target of £1.720 million. This represents a shortfall of 5.06% against target and 18.73% of the projected spend of £8.719 million for the year. Performance in respect of Earmarked Reserves is reviewed on a monthly basis by the Corporate Management Team and reported in detail to each Service Committee.

5.6 Appendix 3 shows the projected General Fund Reserves position as at 31<sup>st</sup> March 2015. The projected balance at this date is shown as £6.049 million which is £2.249 million greater than the minimum reserve balance of £3.8 million recommended and approved via the Reserves Strategy.

5.7 Proposals in respect of the use of the excess General Fund Reserves have been deferred for consideration when the 2015/18 budget is considered.

## **6.0 WORKSTREAM SAVINGS**

6.1 An update on the delivery of each of the approved workstream savings is detailed at Appendix 4, the financial information is detailed at Appendix 5 where it can be seen that £488,000 of the £579,000 target has been achieved. In addition the 2015/16 Workstreams now reflect the targets agreed at the February, 2014 Council meeting.

## **7.0 CONSULTATION**

7.1 This report has been produced in consultation with the Corporate Management Team.

## **8.0 IMPLICATIONS**

### **8.1 Finance**

One off Costs

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report £000</b>	<b>Virement From</b>	<b>Other Comments</b>

Annually Recurring Costs

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

### **8.2 Legal**

None

### **8.3 Human Resources**

None

### **8.4 Equalities**

None

### **8.5 Repopulation**

None

## **9.0 BACKGROUND PAPERS**

9.1 None

**Policy & Resources Committee****Revenue Budget Monitoring Report****Position as at 31st July 2014**

Committee	Approved Budget 2014/2015	Revised Budget 2014/2015	Projected Out-turn 2014/2015	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	18,045	17,439	16,108	(1,331)	(7.63%)
Environment & Regeneration	23,022	21,556	21,425	(131)	(0.61%)
Education & Communities <b>(Note 1)</b>	87,698	80,803	80,843	40	0.05%
Health & Social Care	49,062	49,184	49,348	164	0.33%
<b>Committee Sub-Total</b>	<b>177,827</b>	<b>168,982</b>	<b>167,724</b>	<b>(1,258)</b>	<b>(0.74%)</b>
Loan Charges (Including SEMP)	13,346	17,756	17,756	0	0.00%
Unallocated Savings	(34)	(34)	(34)	0	0.00%
Contribution to General Fund Reserve	1,777	1,777	1,777	0	0.00%
One off contribution to Reserves <b>(Note 2)</b>	0	114	0	(114)	0.00%
Earmarked Reserves	0	4,321	4,321	0	0.00%
<b>Total Expenditure</b>	<b>192,916</b>	<b>192,916</b>	<b>191,544</b>	<b>(1,372)</b>	<b>(0.71%)</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(165,173)	(165,173)	(165,173)	0	0.00%
Council Tax	(33,138)	(33,138)	(33,138)	0	0.00%
Council Tax Reduction Scheme	5,395	5,395	5,395	0	0.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,372)</b>	<b>(1,372)</b>	

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

**Note 2 - Relates to one off early achievement of planned savings**



Earmarked Reserves Position StatementAppendix 2Summary

<u>Committee</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget to 31 July 14</u>	<u>Actual Spend To 31 July 14</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2014/15</u>	<u>Earmarked 2015/16 &amp; Beyond</u>	<u>2014/15 %age Spend Against Projected</u>	<u>2014/15 %age Spend Against Phased Budget</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Education & Communities	4,176	134	133	(1)	2,403	1,773	5.53%	99.25%
Health & Social Care	3,005	431	866	435	2,693	312	32.15%	200.90%
Regeneration & Environment	4,155	981	406	(575)	2,811	1,344	14.44%	41.39%
Policy & Resources	2,391	174	228	54	812	1,579	28.08%	131.03%
	13,727	1,720	1,633	(87)	8,719	5,008	18.73%	94.94%

Actual Spend v Phased Budget

(£87k)

(5.06%)

**Appendix 3**

**GENERAL FUND RESERVE POSITION**  
**Position as at 31/07/14**

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/14		20095
Projected Surplus/(Deficit) 2014/15	1372	
Contribution to General Fund Reserve 2014/15	1777	
Use of Reserves approved February 2013 ( <b>See Undernote</b> )	(9992)	
Use of Reserves approved September 2013 ( <b>See Undernote</b> )	(1500)	
Use of Reserves approved February 2014 ( <b>See Undernote</b> )	<u>(5703)</u>	(14046)
Projected Unallocated Balance 31/03/15		<u><u>6049</u></u>

**Minimum Reserve required is £3.8million**

### Appendix 3

#### **GENERAL FUND RESERVE POSITION** **Position as at 31/07/14**

##### Approved Usage February 2013:

Roads Asset Management Plan (2013/16)	(5900)	
Repopulating/Promoting Inverclyde	(1000)	
Community Facilities - Capital Investment	(750)	
Community Grants	(52)	
Play Areas/MUGA's	(300)	
Blaes Football Park Replacement	(830)	
Employment Support	(330)	
Broomhill Area	(250)	
PG Town Centre	(250)	
Creative Scotland - Match Funding	(250)	
Greenock Town Centre - Extra Police	(80)	
		(9992)

##### Approved Usage September 2013:

Joint Equipment Store	(50)	
Support for Young Carers	(65)	
Extend Hillend Respite Provision	(80)	
Employability Initiatives	(150)	
Grnk Municipal Bldgs Tourism Initiative	(150)	
Play Areas	(200)	
Improvement in Parks & cemeteries	(100)	
Shopfront Improvement Grants	(50)	
Aids and Adaptations	(100)	
Contribution to Match Funding for Second I Youth Zone	(75)	
Expansion of Summer Playschemes	(30)	
Regeneration of Clune Park Area	(200)	
Discretionary Housing Payments / Welfare Reform	(250)	
		(1500)

##### Approved Usage February 2014:

Increased expenditure on Roads Defects and Drainage over 14/16	(500)	
Increased Funding for Regeneration Projects:		
Lower Port Glasgow	(500)	
East Central Greenock	(500)	
Central Gourock	(150)	
Employability	(400)	
Commonwealth Flotilla Event	(250)	
Play Area Investment	(150)	
Birkmyre Park, Kilmacolm, Rugby Pitch / Drainage improvements	(100)	
Broomberry Drive Walled Gardens - provision of modular toilet	(40)	
Further investment in I Zone (Port Glasgow & Gourock)	(213)	
Ravensraig Sports Barn	(600)	
SEMP - increase investment in MUGAs within Primary School Estate	(1100)	
Create Loan Charge EMR to meet spike in Loan Charges from 16/17	(1200)	
		(5703)

Workstream Updates as at: **18/08/14**

<u>Lead Officer</u>	<u>Workstream Saving</u>		<u>Update</u>	<u>Target</u> <u>(2013/16)</u> <u>£000</u>
G Malone	1	Utility Cost Reductions/Energy Management	Report on proposals to November Finance CMT approved. This details the proposals which will achieve £29,450 savings in 2013/14 and £113,000 in 2014/15. The shortfall of £7,500 will be met from top slice to Office Accommodation utilities budgets. Savings have been applied to 2014/15 budgets. <b>SAVING COMPLETE</b>	150k
A Puckrin	2	SEMP Model	SEMP Model has been adjusted to reflect the £190k saving and is showing a net surplus throughout the SEMP timescale.  <b>SAVING COMPLETE</b>	190k
A Puckrin	3	AMP	2013/14 saving to be achieved by taking £1.0million from the accumulated balance. This was done as part of the 2012/13 year end accounts.  £100k 2014/15 saving applied to the revised AMP model in the June Finance Strategy Update. Further £33k achieved from the NDR Appeals Process. Model still in surplus overall. <b>SAVING COMPLETE</b>	160k  <b>Over achieved by 33k.</b>

**Appendix 4**  
(Page 2 of 5)

J Buchanan	4	Procurement	<p>£40,000 Multi-Function Devices saving identified and being allocated. Additional savings which will be attributable to the Services due to rationalising the devices is being calculated. Procurement and ICT are liaising with Head of Service and savings will be included as part of the next budget round.</p> <p>Further £18,000 realised from recently negotiated Greenlight contract.</p> <p>Saving being quantified within new Roadstone contract.</p>	<p>313k</p> <p>To be achieved: 2014/15 16k 2015/16 78k</p>
B Moore	5	Homecare	<p>£125k achieved in 13/14 from</p> <ul style="list-style-type: none"> <li>• £64k internal staff savings – impact of CM2000 with 5 posts deleted.</li> <li>• £36k external from review of cases not achievable based on reviews to date, alternative identified and two posts deleted.</li> <li>• £25k from part year CM2000 external met from within bottom line.</li> </ul> <p>The remaining £75k from external implementation of CM2000 external equivalent will be achieved by a one year inflation uplift to providers linked to use of CM2000, incorporating revised band times for visits. Evergreen, Carewatch and Confident Care are live. Implementation with remaining providers ongoing (with usage linked to 2% uplift), with the exception of Cottage Care who has declined to use CM2000.</p>	<p>200k</p> <p>To be achieved: 2014/15 75k</p>

			Development of management information continues, with templates designed to capture month on month changes – implementation of CXAir reporting tool scheduled for September. A monthly overview takes place. Work continues on developing a framework agreement for providers, with expected implementation for April 2015.	
CMT	6	2015/16 Operational Saving	CMT have agreed to split the savings equally over the 3 Directorates. Proposals to go to P&R Committee in Autumn. Total target now £950,000 to take into account £200,000 from Modernisation.	950k  To be achieved: 2015/16 950k
J Mundell	7	Shared Services	The Roads Shared Service Project Steering Group have finalised their report which incorporates Trade Unions input. A shared roads service between the three Councils is recommended. The report now needs to be considered by the respective Chief Executives and Leaders.  Additional service areas have been identified for consideration as possibilities for shared provision between the three Councils and options will be developed in due course. Savings expected beyond 2016.	Target 0k
A Puckrin	8	Charging	Council agreed target of £470k.  Intention is to report to CMT in September and thereafter to P&R Committee in November.	Target 470k  To be achieved: 2015/16 470k

**Appendix 4**  
(Page 4 of 5)

A Puckrin/ R Stoakes	9	Modernisation	<p>Opportunities to be channelled initially via the Modernisation CIG.</p> <p>CHCP – Early discussions regarding implementing a single point of access to CHCP services. CHCP Management considering implementation options.</p> <p>EDRMS in CHCP live for services at PG Office. Services moving to Hector McNeil House live from 12 August. Flexible working arrangements now in place for PG Office and HMM staff.</p> <p>Environmental &amp; Commercial Services – Roads and Lighting Fault Reporting business processes have been documented for discussion with the service, prior to implement web-based self-service and mobile app reporting of faults. Business case presented to CIG – follow up meeting to be held 18<sup>th</sup> Aug to progress work.</p> <p>HR/Payroll – high level proposal in progress for EDRMS implementation.</p> <p>Kana upgrade purchased. Kana Project Manager appointed – formal project engagement commenced 23 July. Draft project plan in development. On-line and self-service payment options being developed for a range of services.</p> <p>Agreed to add this target to Directorates £750k target for 2015/16.</p>	<p>Target 0k</p> <p>To be achieved: 2015/16 0k</p>
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**Appendix 4**  
(Page 5 of 5)

I Moffat	10	Social Transport	<p>CMT received a report in January providing rationale and breakdown of the proposed savings.</p> <p>Report submitted to September Environment and Regeneration Committee.</p>	<p>Target 50k</p> <p>To be achieved: 2015/16 50k</p>
S McNab	11	Terms & Conditions	<p>Council agreed a target of £30,000 and a report to be submitted to Committee later in 2014.</p> <p>Report submitted and approved by P&amp;R Committee on 20 May 2014 to recommend savings of around £30k from discontinuation of Excess Travel Scheme.</p>	<p>Target 30k</p> <p>To be achieved: 2015/16 30k</p>
S McNab	12	Sessional Budgets	<p>Target proposed to be a top slice of £15k from Teaching Supply Budget and a reduction of £15k from CHCP Sessional Budget. Discussed and Agreed at CMT and JBG. Working group no longer need to meet as operational system changes are in place and work will continue with each service as necessary.</p>	<p>Target 30k</p> <p>To be achieved: 2015/16 30k</p>
S McNab	13	Travel and Subsistence	<p>Proposals to be developed around work of the Energy Saving Trust.</p> <p>Chief Executive has agreed (through SOLACE) to take up a free offer of assistance from the Energy Savings Trust on how we can reduce mileage. Chief Executive arranging visit over next couple months. Trust has met with Patricia Cassidy/Barbara McQuarrie and report is being prepared for CMT in August.</p>	<p>Target 20k</p> <p>To be achieved: 2015/16 20k</p>



## Savings Workstreams - 31/08/14

## Appendix 5

(Page 1 of 2)

Lead Officer	Savings Achieved	Target	2013/14	2014/15	2015/16	Total 2013/16	Over/(Under) Recovery
		£000	£000	£000	£000	£000	£000
G Malone	1/ Utility Cost Reductions/Energy Management	150	29	121	0	150	0
A Puckrin	2/ SEMP Model	190	0	190	0	190	0
A Puckrin	3/ AMP	160	60	133	0	193	33
A Puckrin	4/ Procurement	313	173	44	2	219	0
	Disposal of ICT Equipment	0	11	0	0	11	
	Waste Disposal	0	138	0	0	138	
	Northgate Systems	0	2	3	2	7	
	Vodafone	0	15	4	0	19	
	SPT School Transport	0	7	3	0	10	
	PPE	0	0	16	0	16	
	Greenlight	0	0	18	0	18	
B Moore	5/ Homecare	200	125	0	0	125	0
A Puckrin	6/ 2015/16 Operational Savings	950	0	0	0	0	0
	<b>Workstreams - Targets to be allocated</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
J Mundell	7/ Shared Services	0	0	0	0	0	
A Puckrin	8/ Charging	0	0	0	0	0	
A Puckrin	9/ Modernisation	0	0	0	0	0	
I Moffat	10/ Social Transport	0	0	0	0	0	
S McNab	11/ Terms & Conditions	0	0	0	0	0	
S McNab	12/ Sessional Budgets	0	0	0	0	0	
S McNab	13/ Travel & Subsistence	0	0	0	0	0	
Sub-Total		2563	387	488	2	877	33

## Savings Workstreams - 31/08/14

## Appendix 5

(Page 2 of 2)

<u>Lead Officer</u>	<u>Savings Planned</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>Total 2013/16</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
G Malone	1/ <b>Utility Cost Reductions/Energy Management</b>	0	0	0	0
A Puckrin	2/ <b>SEMP Model</b>	0	0	0	0
A Puckrin	3/ <b>AMP</b>	0	0	0	0
A Puckrin	4/ <b>Procurement</b>	0	16	78	94
	Unidentified	0	16	78	
B Moore	5/ <b>Homecare</b>	0	75	0	75
A Puckrin	6/ <b>2015/16 Operational Savings</b>	0	0	950	950
	<b><u>Workstreams - Targets to be allocated</u></b>				
J Mundell	7/ Shared Services	0	0	0	0
A Puckrin	8/ Charging	0	0	470	470
A Puckrin	9/ Modernisation	0	0	0	0
I Moffat	10/ Social Transport	0	0	50	50
S McNab	11/ Terms & Conditions	0	0	30	30
S McNab	12/ Sessional Budgets	0	0	30	30
S McNab	13/ Travel & Subsistence	0	0	20	20
Sub-Total		0	91	1628	1719
Sub-Total (page1)		387	488	2	877
Total		387	579	1630	2596

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/45/14/JB/BH</b>
<b>Contact Officer:</b>	<b>Brendan Hurrell</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Procurement Update</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of the report is to update Committee on the progress being made with Procurement since the last report in May.

## **2.0 SUMMARY**

- 2.1 The Policy and Resources Committee previously approved a Strategic Procurement Framework (SPF) with the target of achieving, "conformance status", against the McClelland report. This was achieved in December 2011. The Policy and Resources Committee agreed a refreshed SPF for 2012 to 2014 and this is contained in Appendix 1 with updates on progress.
- 2.2 The Procurement Work stream savings achieved for 2010/13 of £1.027million have been "banked" and a new target of £313,000 for 2013/16 has been agreed. £219,000 has been secured with a further £94,000 to be achieved.
- 2.3 The Policy and Resources Committee approved a proposal contained within the February 2013 Procurement Update report to pay Inverclyde based suppliers within 20 days rather than 30 days. Since approval was given to proceed with this proposal, 90% of payments to Inverclyde based suppliers have been made within 20 days.
- 2.4 The proposal to adopt the weighting of 5% for Community Benefits was accepted by the Policy and Resources Committee in May. Since then the 5% weighted question on Community Benefits has been incorporated in 2 tenders. Reports on progress as a result of this work will be reported to the Environment and Regeneration Committee.
- 2.5 The Council has recently written to existing suppliers seeking confirmation that they pay the Living Wage to employees and where this is not the case to ask them detail their plans to achieve this aim.

## **3.0 RECOMMENDATIONS**

- 3.1 That Committee note progress on the Strategic Procurement Framework.
- 3.2 That Committee note the progress made in savings delivery.
- 3.3 That Committee endorse the work undertaken to encourage payment of the Living Wage by organisations delivering services on behalf of the Council.

Jan Buchanan  
Head of Finance

## 4.0 BACKGROUND

- 4.1 There are 4 performance standards identified within the McClelland report on Public Procurement in Scotland; Non Conformance, Conformance, Improved Performance and Superior Performance.
- 4.2 The work completed on the SPF has contributed to a further improvement in the annual Procurement Capability Assessment (PCA) from Scotland Excel with a score of 54% being achieved in the most recent assessment in October 2013. This means that the Council is now in the 'Improved' performance standard.
- 4.3 The 2013 score places Inverclyde Council well when the return on investment in Procurement resources is compared to PCA scores and savings delivered, at all Scottish Local Authorities.
- 4.4 The Scottish Government are using a Procurement Capability Assessment as a means to measure each of the 32 Local Authorities Procurement performance. There are 8 procurement sections assessed as part of the PCA. The section and standards, as found at the most recent PCA, are listed below and compared to the 2012 assessment in each case.

PCA Section	2012 Score	2013 Score
Procurement Leadership and Governance	Conformance	Improved
Procurement Strategy and Objectives	Improved	Improved
Defining the Supply Need	Conformance	Improved
Project Strategies and Collaborative purchasing	Improved	Improved
Contract and Supplier Management	Conformance	Conformance
Key Purchasing Processes and Systems	Conformance	Conformance
People	Improved	Superior
Performance Measurement	Conformance	Conformance
Overall Value of Results	47%	54%
Overall Status	Conformance	Improved

## 5.0 COMMUNITY BENEFITS

- 5.1 A pilot involving the use of weighted tender questions on Community Benefit has been completed. Two tenders, Kerb Maintenance and Ardgowan Primary refurbishment, have been returned and evaluated using a 5% weighting as part of the pilot agreed at Policy and Resources Committee in November 2012.
- 5.2 The Policy Resources Committee agreed to adopt the weighting of 5% in all future construction tenders with a value above £1,000,000, in May 2014. Progress on the targeted recruitment and training and employment that will be delivered as result of this will be tracked in regular reports by Economic Development colleagues to the Environment and Regeneration Committee.

## **6.0 RECENT PROGRESS**

- 6.1 The Strategic Procurement Framework, with updates against each work item, is contained in Appendix 1.
- 6.2 As shown in Appendix 1 the bulk of the workload on the current SPF has been completed. The remainder of the work is focused towards improving Purchase to Pay and Management Information as well as further work on supplier management.
- 6.3 Officers from Finance have considered and agreed a number of developments to the Finance Management System (FMS) and associated processes which will improve both the efficiency of the current processes and the quality of management information. Any direct costs associated with these changes are minimal and will be contained within the Procurement earmarked reserve.
- 6.4 Contract and Supplier Management continues to be a major focus. This is an area of Procurement that has traditionally been neglected across all Local Authorities in Scotland. Officers previously undertook this activity but it was not monitored or standardised. Supplier Management ensures that the Council manages its priority suppliers and addresses performance issues as they arise rather than dealing with larger problems at a later date.
- 6.5 These supplier meetings are conducted using a scorecard to rate supplier performance. Reviews are scheduled quarterly and suppliers are rated on quality, service, delivery and cost.

The suppliers currently part of this process are as follows:

William Tracey and Greenlight, Waste Management  
BSS, Printing  
Tarmac, Roadstone  
Brakes, Catering  
Northgate, ICT Software  
Pride of the Clyde, Schools Transport  
GT Roofing, General Builders Works

- 6.6 In May 2011, the Committee approved a framework for monitoring the governance of key external organisations with whom which the Council has a significant financial relationship. The purpose of this framework was to provide a formal mechanism for feeding back to the relevant Committee on the organisations' performance and to highlight any issues in respect of governance, financial stability and overall performance.
- 6.7 After almost two years, the process has become embedded in most areas of the Council and the Corporate Procurement Team have been keeping an overview of compliance with the framework and provider performance issues. This should also be recognised as a Supplier Management process but one which is tailored towards organisations which require a separate form of scrutiny from standard goods and services contracts.

## **7.0 PROCUREMENT SAVINGS**

- 7.1 Appendix 2 shows the position in respect of savings planned during 2014/15. From this it can be seen that £44,000 full year savings have been achieved. These savings are as a result of renegotiation of rates on Mobile phones and Northgate software as well as better contract rates as a result of tenders for school transport, PPE and Waste Recycling. A recent tender exercise for Multi Function Devices (large printers) will see further savings but these have not been applied as yet. It should also be noted that the tender for Multi Function Devices has resulted in a rationalisation of the number of these machines required within the Council. The subsequent drop in the number required will result in a further saving for Services.

- 7.2 In addition, Scotland Excel have recently awarded a framework for the supply of roadstone which entitles the Council to vary its supply of material on a project by project basis. The subsequent increase in competition could realise a saving. The Corporate Procurement team and colleagues from services continue to look for possible opportunities for more local collaborative contracts with neighbouring Councils.

## **8.0 SUPPLIER PAYMENT**

- 8.1 The Policy and Resources Committee approved a proposal contained within the February 2013 Procurement Update report to pay Inverclyde based suppliers within 20 days rather than 30 days. Since approval was given to proceed with this proposal, 90% of payments to Inverclyde based suppliers have been made within 20 days. This is a slight reduction in performance since last reported and Finance Service is working with the Services to improve this performance.

## **9.0 LIVING WAGE**

- 9.1 Following discussions at the Joint Budget Group on the Council's Procurement Policy to support the extension of the living wage to organisations delivering services on behalf of the Council, the Procurement Manager sought clarification on this matter from the Scottish Government. The Scottish Government confirmed that it is not possible, as part of a procurement process to force contractors to pay their employees a living wage, set higher than the UK's National Minimum Wage. If public bodies wish to encourage contractors to pay their employees a living wage through procurement processes, this is possible and is in line with Inverclyde Council's current approach.
- 9.2 Further to this, the Scottish Government has advised that the Procurement Reform (Scotland) Act 2014 will allow Ministers to issue statutory guidance for public bodies on how workforce related matters, including living wage and terms of engagement, should be considered when selecting bidders and awarding public contracts, where such matters will affect the quality of service that the bidder may provide.
- 9.3 Until the new procurement Regulations and supporting guidance are issued and come into force, Inverclyde Council will continue with its current policy on the living wage with respect to Procurement. In support of this position, the Acting Corporate Director Environment, Regeneration & Resources has recently written to suppliers strongly encouraging them to progress towards paying the living wage if they are not already doing so. The Procurement Manager will report back to this Committee in due course with the outcome of this exercise. A copy of the letter and the current policy is included at Appendix 3.

## **10.0 IMPLICATIONS**

### **10.1 Finance**

One off Costs

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

## Annually Recurring Costs/(Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact £000</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
Savings Work streams	Procurement	2013/16	£313,000	-	£94k remains to be achieved.

### 10.2 Legal

Legal Services have been consulted on the content of this report.

### 10.3 Human Resources

None

### 10.4 Equalities

None

### 10.5 Repopulation

Procurement has a key role to play in the Council's drive to stabilise and grow the Inverclyde population. Engagement with Economic Development and making Council contracts more accessible to local businesses are viewed as key requirements and as such are an integral part of the Strategic Procurement Framework.

## 11.0 LIST OF BACKGROUND PAPERS

### 11.1 None

## Appendix 1

### Strategic Procurement Framework 2012/14

#### 1. Resources, skills and capacity

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Employees engaged in the procurement process shall possess the necessary knowledge, skills and capacity to support strategic and operational needs in line with agreed policies and practises.	Complete a skills gap analysis for all Corporate Procurement Officers, Designated Procurement Officers and Procurement Practitioners in Services	Corporate Procurement Manager	Complete with ongoing training to be delivered via Corporate Procurement	Complete
	Plan, design and deliver a Learning & Development Plan for Procurement Officers and Designated Procurement Officers.	Corporate Procurement Manager	Ongoing and on target.	Ongoing

#### 2. Management Information and Systems

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
The adoption and corporate use of one integrated & electronic approach for tendering, Purchase to Pay transactions and contracts planning.	Undertake good practice review of P2P in other public/private sector organisations and Scottish Government recommendations. Use best practice from Clyde Valley and interface with Councils who show an interest.	Procurement Project Officer.	Complete	Complete
	Assess detailed current state of P2P in the Council create business case detailing change required	Procurement Project Officer.	Complete	Complete
	Implement changes to P2P	Procurement Project Officer.	Project officer working with services and suppliers to implement changes to purchase to pay processes and systems.	December 2014



### **3. Procedure, Processes and Performance**

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Rationalise and standardise procurement processes consistently across the Council.	Trial of e-tendering element of Public Contracts Scotland.	Corporate Procurement Manager/ Head of Legal and Democratic Services	Complete	Complete
	Implement increased use of e-tendering if approved.	Procurement Project Officer.	Trial evaluated. Use to be incorporated in new Standing Orders from November 2014 if trial is successful.	From November 2014
Deliver council business priorities through commodity/category strategy	Engage with Directors and Heads of Service - determine business requirements to facilitate creation of enhanced tender workplan	Corporate Procurement Manager/ Procurement Board	Now embedded	Ongoing & embedded
	Undertake detailed spend analysis to identify further savings opportunities, Develop strategies, including a risk register and devise reporting process.	Corporate Procurement Manager	Contract Strategy now being used and includes a risk register	Complete
Commit to Corporate Social Responsibility	Review internal objectives in plans/strategies taking into consideration Scottish Government and national reform agenda for Corporate Social Responsibility ambitions.	Procurement Team Leader and Designated Procurement Officer network	Corporate Social Responsibility Group established and reported to Procurement Board.	Complete
	Establish a working group on the Corporate Social Responsibility agenda for procurement and develop a resourced and scheduled work plan. Agree measures and reporting schedule with the procurement board	Procurement Team Leader and Designated Procurement Officer network	Complete	Complete

#### 4. Contracts & Collaboration

What we want to achieve	How will we achieve it?	Responsible	Update	Timescale
<p>Maximise buying opportunities through collaboration (internal &amp; external) while minimising the need to undertake single client contracts.</p> <p>Collaboration for category C commodities with other local authorities.</p>	Identify potential partners for collaboration - councils and other public sector	Corporate Procurement Manager	Ongoing activity with West of Scotland Councils discussed at Quarterly reviews with Scotland Excel.	Ongoing but embedded.
	Agree scope, remit and approach of each collaboration group	Procurement Team Leader	Ongoing	Ongoing
	<p>Review council's tender workplan to identify potential areas for future collaborative opportunities</p> <p>Formal workplan for the group is agreed with a clear approach and responsibilities</p>	Procurement Board./Corporate Procurement Manager/ Designated Procurement Officers	2012/13 Plan Reviewed at March Procurement Board	Complete

## **5. Supplier Strategy and Relationship Management**

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Promote Economic Development in contracts where appropriate	Analyse current economic development activity, carry out stakeholder engagement, review tender workplan and establish opportunities.	Head of Regeneration & Planning / Corporate Procurement Manager	Ongoing Committee agreed reduction in supplier terms to 20 days for Inverclyde suppliers.	Ongoing
	Develop framework of activities for delivery of Procurement Improvement Plan and implement.	Head of Regeneration & Planning/ Corporate Procurement Manager	Ongoing work with Economic Development and Legal Services	Ongoing
Improved understanding of contract management process and appropriate levels of contract management.	Review current contract and supplier management processes and related information on service by service basis	Procurement Project Officer.	Phase 1 completed June 2012. Procurement Board have now agreed plans to expand	Complete
	Develop and agree an appropriate level of supplier management with Procurement Board	Corporate Procurement Manager	To be reviewed at the next Procurement Board meeting	Ongoing review
	Develop governance, process, roles and responsibilities, training and communication for implementation	Procurement Project Officer	Dependant on outcome of above	Ongoing review
	Implement plan for supplier and contract management	Procurement Project Officer	Dependant on outcome of above	Ongoing review

## Appendix 2

Commodity	New Supplier	Start Date	Annual Spend/ (Income)	Achieved or Planned	New Projected 2014/15 Savings	Full Year Savings
Software	Northgate	01/04/14	£85,000	A	£3,000	£3,000
Mobile Phones	Vodafone	01/04/14	£70,000	A	£4,000	£4,000
School Transport	SPT	01/08/14	£160,000	A	£3,000	£3,000
PPE	Parker Merchant	01/04/14	£46,000	A	£16,000	£16,000
Waste Recycling	Greenlight	01/07/14	£154,000	A	£18,000	£18,000
Multi Function Devices	Konica	01/06/14	£400,000	P	£30,000	£40,000

Total Achieved and Planned  
Total Workstream Target 14/15

£74,000  
£70,000

<u>Savings Summary (2014/16)</u>	£
Savings Achieved	44,000
Savings Target	<u>138,000</u>
Savings to be Achieved	94,00

Our Ref:

Your Ref:

Date:

**Environment, Regeneration & Resources**

Acting Corporate Director: Alan Puckrin

Municipal Buildings

Clyde Square

Greenock

PA15 1LY

Tel: 01475 712764

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Dear

**The Living Wage**

Inverclyde Council pays the Living Wage and encourages all suppliers to do the same. In December 2013 Inverclyde Council approved a policy to include the attached appendix within its future tenders. Inverclyde Council are keen to widen the impact of this policy and will work within the current legislative framework to encourage contractors to pay the Living Wage.

I am writing to you as a supplier to Inverclyde Council who may not have tendered recently for business with the Council and as such may not be aware of the policy.

Please note that complying or not complying with this policy will not impact on your current contract with Inverclyde Council. However, I would advise that the Council is keen to ensure that not only its own employees but also those employed by its Suppliers are remunerated appropriately and as such are examining ways to further factor this into the overall procurement process.

In light of this I would be grateful if you could confirm that you currently pay the Living Wage to all your employees and if this is not currently the case I would strongly encourage you to examine how you can progress towards this goal in the near future.

Any Enquires on this letter can be made by e-mail to [procurement.helpdesk@inverclyde.gov.uk](mailto:procurement.helpdesk@inverclyde.gov.uk)

Yours sincerely

**Alan Puckrin**

**Acting Corporate Director Environment, Regeneration & Resources**

cc

Brendan Hurrell (Corporate Procurement Manager)

## **The Living Wage**

Inverclyde Council pays all its employees the Living Wage and encourages all suppliers to do likewise.

### ***What is a Living Wage?***

Living Wage is a term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition for a person for an extended period of time (lifetime). This standard generally means that a person working full time, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health care, and recreation.

### ***Does this apply only to Council staff?***

No. The idea behind the Living Wage is to encourage employers to raise their own rates of pay – and those of contract staff – to at least £7.50.

### ***Why £7.50 an hour?***

This figure is based on research carried out by the **Joseph Rowntree Foundation** which looked at developing a formula for calculating a minimum income standard. For their purposes, a Living Wage could be defined as the level of income needed to provide an acceptable standard of living in Britain to ensure good health, adequate child development and social inclusion.

### ***Will the Council only award work to contractors who pay the Living Wage?***

The Council is keen to widen the impact of the policy and will work within the current legislative framework to encourage contractors to pay the Living Wage. It is important that companies who benefit from public money can demonstrate that they are putting something back into their communities and we intend to use our procurement to raise standards of pay.

### ***What benefits do the employers receive?***

Paying a Living Wage offers clear benefits to employers.

The payment of a Living Wage can have a positive impact of value for money and service delivery. Feedback from suppliers who have implemented the Living Wage has identified benefits including:

Easier recruitment and retention, reducing recruitment costs

- Higher quality staff
- Better attendance
- Better productivity, motivation and loyalty
- Better quality of service

Report To:	Policy and Resources Committee	Date:	23 September 2014
Report By:	Acting Corporate Director Environment, Regeneration and Resources	Report No:	ICT 23-9-14 Modernisation Update
Contact Officer:	Robert Stoakes	Contact No:	2765
Subject:	Modernisation Programme/PSN/SWAN Update		

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## 1.0 PURPOSE

- 1.1 The purposes of this report are to update Members on:-
- a) the status of the Council's ongoing Modernisation Programme,
  - b) progress with the Council's annual PSN accreditation, and
  - c) the status of The Scottish Wide Area Network programme.

## 2.0 SUMMARY

**Modernisation Programme.** The Council's Modernisation Programme consists of:-

- Office Rationalisation
  - Electronic Document Records Management System (EDRMS) Implementation
  - Customer Service and Digital Access Developments
  - Flexible Working Developments
- 2.1 Princes Street Office and Hector McNeil House are now open. EDRMS is implemented and flexible working arrangements (Laptops, Hot Desks, Touchdown Areas and Unified Communications) are in place for service staff. Work on Wallace Place Library progressing.
- 2.2 The new EDRM solution is now live in Revenues, Benefits and Customer Services. The NDR Team are looking to implement EDRMS + workflow automation. Initial discussions are underway with HR/OD regarding the feasibility of introducing EDRMS in that service.
- 2.3 EDRMS implementation is live in Children and Families Service – teams are now located at Princes St and Hector McNeil House. Work is progressing with Criminal Justice, Home Care and Community Care with a view to all work being completed by end of the year.

- 2.4 Work on the Kana/Lagan upgrade and web site redesign is progressing. ICT have engaged with the Improvement Service regarding the MyAccount national authentication system and the On Line Schools Payment project.
- 2.5 BYOD pilot in Clydevview Academy – The pilot evaluation report has been submitted to CMT, recommending further roll out of BYOD facility to schools upon request. Tablet devices are being trialled in Education Services. Summary feedback is positive with many issues being identified and progressed in the early stages.
- 2.6 Princes Street Office and Hector McNeil House moves completed and flexible working arrangements are now in use. Ultra-Portable Laptops have been deployed to relevant flexible workers in both locations.

#### **PSN Accreditation Update**

- 2.7 The Public Services Network provides the Council with secure access to a number of services provided by National and Regional Government departments. The Council is accredited annually against a code of connection. ICT continue to work through the compliance action plan and a significant number of the actions identified have now been completed. It is expected that all remaining actions will be completed prior to the re-accreditation date of 1st December 2014.

#### **Scottish Wide Area Network**

- 2.8 The Scottish Wide Area Network (SWAN) Programme will deliver a single public service network available for use by any public sector organisation within Scotland. Initially, SWAN will deliver core network infrastructure and connectivity services. i.e. The basic network infrastructure and local circuits required to connect users to the Council's network.
- 2.9 The SWAN contract was awarded in early 2014 and following this, ICT engaged with NHS National Services Scotland (as contract managers) and Capita to initiate discussions on the Council's migration to SWAN. At present, dialogue between ICT and Capita is proceeding at a detailed level and exact circuit requirements and prices are being refined on a like for like basis.
- 2.10 Current discussions with SWAN and Capita indicate a significant increase in costs, compared to the Council's existing WAN contract, in the main caused by the annual NSS shared service and management charges. A budget pressure report has been submitted to CMT.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the good progress being made on the ICT initiatives covered in this report.

**Robert Stoakes**  
**Transitional Head of ICT**



## **4.0 BACKGROUND**

4.1 **Modernisation Programme.** The Council's Modernisation Programme consists of:-

- Office Rationalisation
- Electronic Document Records Management System (EDRMS) Implementation
- Customer Service and Digital Access Developments
- Flexible Working

### **4.2 Office Rationalisation.**

4.3 Princes Street Office – Now Open – EDRMS implemented & flexible working arrangements (Laptops, Hot Desks and Unified Comms) in place for service staff.

4.4 Hector McNeil House - Now Open – EDRMS implemented & flexible working arrangements (Laptops, Hot Desks, and Unified Comms) in place for service staff.

4.5 ICT support staff are on site for post implementation support.

4.6 Work on Wallace Place Library progressing – Education, Libraries, E&CS moves likely during October/November 2014.

### **4.7 EDRMS Implementation.**

4.8 **Corporate.** The new EDM solution is now live in Revenues, Benefits and Customer Services. Final additional integration work is now progressing between the EDRMS and Atlas.

4.9 The NDR Team is looking to implement EDRMS + workflow automation.

4.10 Initial discussions underway with HR/OD regarding the feasibility of introducing EDRMS in that service.

4.11 **CHCP.** EDRMS implementation in CHCP is progressing well. Live in Children and Families Service – teams located at Princes St and Hector McNeil House.

4.12 Work is progressing with Criminal Justice, Home Care and Community Care with a view to all work being completed by end of the year. This includes office moves and all live files being managed electronically. All closed files with long retention periods will have been scanned and physical records destroyed.

4.13 Work is also progressing to identify suitable storage locations for the temporary storage of CHCP paper files that have a short retention period, until they reach their destruction date.

4.14 Back scanning of Criminal Justice files is complete.

### **4.15 Customer Service & Digital Access.**

4.16 **Web Site Redesign.** Work on the web site redesign with Web Labs progressing. A new core web team has been agreed and content authors in services are being identified. Initial meetings have been held to start the migration of content from the existing web pages.

- 4.17 **Kana/Lagan Upgrade.** The new software has been installed on virtualised servers and a copy of existing live database has been restored for setup/testing purposes.
- 4.18 SVC data cleansing work is now close to meeting expected quality targets.
- 4.19 Weekly project meetings are being held with Kana via telephone conference to monitor progress.
- 4.20 Roads Fault Reporting – Ongoing meetings with service to document existing processes and develop an approach.
- 4.21 ICT have engaged with the Improvement Service regarding the MyAccount national authentication system and On Line Schools Payment project.
- 4.22 **Flexible Working.**
- 4.23 Flexible working aims to improve productivity, reduce office accommodation requirements and minimise travel time and costs by allowing employees to work from a number of Council locations, by giving access to email, calendars, telephony services and the normal range of network access to files, folders and records from any office on the network.
- 4.24 **Education.** Educational Psychologists have been working flexibly for over a year. Live scanned records have now been migrated fully to a locally developed Sharepoint solution, so that the unsupported Opentext system can be decommissioned.
- 4.25 BYOD in Clydevue Academy – Full pilot evaluation report has been submitted to CMT, recommending further roll out of BYOD facility to all primary, secondary and ASN establishments in Inverclyde upon request.
- 4.26 Tablet devices being trialled by 'More Choices More Chances'. Summary feedback is positive with many issues being identified in the early stages. The teams have worked together to resolve these issues. Access to SEEMIS is problematic, as it does not currently support Windows 8.1 devices.
- 4.27 Educational Psychologists have two tablets on trial. Feedback generally good. Some issues with user familiarity and network access from some areas.
- 4.28 **CHCP.** Port Glasgow move completed. EDRMS implemented and flexible working arrangements in use.
- 4.29 Hector McNeil House move completed bar Criminal Justice service – planned for mid/late September. EDRMS implemented and flexible working arrangements in place.
- 4.30 100 Ultra-Portable Laptops deployed to flexible workers moving to Hector McNeil House.
- 4.31 **Corporate.** Tablet device trials - Corporate Management.
- 4.32 Tablet devices issued on trial by Chief Executive & PA, 1 Corporate Director, Head of ICT, 1 Service Manager.
- 4.33 **PSN Accreditation Update**
- 4.34 The Public Services Network provides the Council with secure access to a number of services provided by National and Regional Government departments.
- 4.35 All public bodies that wish to access PSN services require to be accredited by The Cabinet Office. The Council was awarded its PSN Accreditation on 31st July 2013.

- 4.36 In April 2014, as part of an exercise to smooth their own workload, the Cabinet Office advised the Council that their re-accreditation date was to be revised from 1st August to 1st December 2014.
- 4.37 ICT developed a compliance action plan and a significant number of the actions identified have now been completed. It is expected that all remaining actions will be completed prior to the re-accreditation date of 1st December 2014. Progress against the detailed action plan is reported to CMT.
- 4.38 It should be noted that the ICT Technical Team Leader, as lead officer for the work, and the Information Governance Group continue to play critical roles in ensuring the Council meets its compliance requirements.
- 4.39 **Scottish Wide Area Network**
- 4.40 **Inverclyde Council Wide Area Network Contract** - The Council's existing wide area network contract with Virgin Media commenced in June 2006. The original contract duration was 5 years with options to extend for 3 additional years.
- 4.41 Policy & Resources Committee (19 November 2013 - ICT 11-13 WAN Contract) approved a request to extend the Virgin Media contract for up to 18 months beyond the original 8 years, due to the imminent award, at that time, of the national Scottish Wide Area Network (SWAN) contract.
- 4.42 A 12 month extension was agreed with Virgin Media and this is due to expire at the end of May 2015, although the Committee approval allows for a further 6 months if required.
- 4.43 **What Is SWAN?** The Scottish Wide Area Network (SWAN) Programme will deliver a single public service network available for use by any public sector organisation within Scotland.
- 4.44 Initially, SWAN will deliver core network infrastructure and connectivity services. i.e. The basic network infrastructure and local circuits required to connect users to the Council's network.
- 4.45 Ultimately, savings will be generated across a range of council services by the nationwide sharing opportunities that will be offered across the SWAN infrastructure.
- 4.46 Inverclyde Council's position regarding SWAN has always been supportive, assuming acceptable pricing, and ICT engaged with the SWAN Project Team at a very early stage, signing the SWAN Expression of Interest document in April 2013.
- 4.47 **Current Position with the SWAN Contract.** The SWAN contract was awarded to the Capita/Updata consortium in early 2014. Following the award of contract, ICT engaged with NHS National Services Scotland (as contract managers) and Capita to initiate discussions on the Council's migration to SWAN.
- 4.48 At present, dialogue between ICT and Capita is proceeding at a detailed level and exact circuit requirements and prices are being refined iteratively, on a like for like basis. Capita are also in negotiation with Virgin Media regarding gaining access to their existing exchanges within the Inverclyde area.
- 4.49 **SWAN Pricing.** The proposed SWAN costs break down into three areas.
- a) One-Off Implementation/Transition Costs
  - b) Annually Recurring Circuit Rental Charges

c) Annually Recurring NSS Shared Service and Management Charges

- 4.50 Current discussions with SWAN and Capita indicate a significant increase in costs, compared to the Council's existing WAN contract, in the main caused by the annual NSS shared service and management charges. A budget pressure report has been raised at CMT.
- 4.51 It has become apparent that Inverclyde and the four other councils contracted with Virgin Media for WAN services will be unlikely to make any immediate savings on the network infrastructure itself and will be faced with increased annual charges.
- 4.52 **High Level Options.** Through due diligence, there are a number of alternatives to consider at this time, although SWAN adoption remains the most likely choice. A further report will be developed for CMT by the end of October.

## 5.0 IMPLICATIONS

### Finance

#### Financial Implications:

##### One-Off Costs

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

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

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

### Legal

- 5.1 There are no known legal implications.

### Human Resources

- 5.2 There are no known HR implications.

### Repopulation

- 5.3 There are no known repopulation implications.

## 6.0 EQUALITIES

- 6.1 Has an Equality Impact Assessment been carried out? **YES** **NO** ☒

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

## **7.0 CONSULTATIONS**

7.1 Relevant detailed reports have been submitted to CMT.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>2014/P&amp;R/15/AP</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>712764</b>
<b>Subject:</b>	<b>Repopulation Outcome Delivery Group – Update as at August 2014</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to update Committee in respect of the work of the Repopulation Outcome Delivery Group (ODG) which is charged with the delivery of the Repopulation Outcome included within the Single Outcome Agreement.

## **2.0 SUMMARY**

- 2.1 The Policy & Resources Committee allocated £1million towards initiatives to help arrest the depopulation of the area and to attract individuals to move into the area.
- 2.2 The Repopulation ODG reports to the Inverclyde Alliance and is currently chaired by the Acting Corporate Director Environment, Regeneration & Resources and meets on an approximately six weekly basis. The Group receives updates from Lead Officers and has wide representation from Community Planning Partners.
- 2.3 The main areas of progress to highlight to Committee are:
- a) Launch of Council Tax Reduction / Relocation Grant schemes which are administered and promoted by the Relocation Officer;
  - b) Highly successful attendance at two exhibitions to promote the Kilmacolm Self-Build plot which has been the subject of a separate report to the Environment & Regeneration Committee;
  - c) Launch of the Inverclyde Living Website and promotions / advertisements via STV Glasgow, Evening Times and Commonwealth Games Preview Guide;
  - d) Extra fast trains commenced on the Gourock line from May. Extra early morning train commenced on the Wemyss Bay line.
- 2.4 There have been delays in a couple of areas.
- a) Resignation of Relocation Officer has resulted in a readvertisement. An appointment is due to be made imminently;
  - b) No further graduates from outwith Inverclyde to work within Inverclyde. Discussions taking place with West of Scotland College whilst Officers are developing proposals for a graduate employment scheme which will be the subject of a report to a future Committee.
- 2.5 The Council has received replies from both the Scottish Government and Improvement Service following requests for the Council's future population projections to be reviewed. Both replies state satisfaction with the current model and that a variance of 2% between projected and actual population levels is not unreasonable.

- 2.6 In a related issue the latest household statistics have been published and show Inverclyde as one of only three mainland Councils with a projected decline in households in the period to 2037.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the progress being made in respect of promoting Inverclyde and developing strategies to repopulate the area.
- 3.2 It is recommended that the Committee agree that Officers should prepare a proposal as part of the 2015/18 budget process for a further one-off sum to be allocated to the Repopulation Outcome.

**Alan Puckrin**  
**Acting Corporate Director Environment, Regeneration & Resources**

## **4.0 BACKGROUND**

- 4.1 Repopulation has been identified as a key priority for the Council and its Partners and as such was afforded a specific outcome within the Single Outcome Agreement.
- 4.2 The Repopulation Outcome Delivery Group is currently chaired by the Acting Corporate Director Environment, Regeneration & Resources and has membership from a number of Council Services in addition to Police Scotland, Chamber of Commerce, River Clyde Homes, Oak Tree Housing Association, CVS and West of Scotland College.
- 4.3 A budget of £1million was allocated by the Policy & Resources Committee to this initiative and the funding was spread over nine specific workstreams and is due to be fully utilised no later than March 2016.

## **5.0 CURRENT POSITION**

- 5.1 The latest update in respect of the nine workstreams is detailed in Appendix 1.
- 5.2 Good progress has been made in most areas and specifically the Committee is asked to note the following progress since the last report to Committee in March 2014:

### **a. Relocation Support Grants**

Five applications for support with Council Tax approved to date.

### **b. Sites for Self Build**

Successful presentation at the Self Build Exhibition and the Modern Homes Exhibition with a high level of interest. There were 81 expressions of interest at the exhibitions which rose to 127 after the exhibition.

Project passed to Riverside Inverclyde to progress. The tender for the Kilmacolm Self Build Consultant Team was advertised on Public Contracts Scotland. Six Architectural Consultants were invited to submit tenders for the site enabling works and five bids are expected. Once the submissions have been evaluated, a tender report will be prepared recommending the appointment of the preferred Design Team.

### **c. Relocation Service**

Relocation Officer resigned from post and new Officer is being appointed.

Inverclyde Living website now operational. Four households have now relocated. Financial support of up to £3000 for new migrants relocating to Inverclyde now being offered. Support includes assistance with legal fees, stamp duty, removal costs, etc.

### **d. Additional Express Trains**

Enhanced service now running from Gourock and extra early morning train on the Wemyss Bay line.

### **e. Mid Market Housing & Other Housing Related Opportunities**

Work completed on the Mid-Market Rent Housing study. A presentation on the outcomes and key findings of the research was delivered in April 2014 which all members of the Repopulation Group were invited to.

Housing Options Guide: Short Life Working Group formed, interest from housing providers, eg, estate agents, Letting agents, GSPC.



**f. Graduate Entry Programme**

There has been no further progress on recruiting graduates from outside Inverclyde. Consideration to be given to Council Graduate Programme whilst engagement is taking place with West of Scotland College.

**g. Grant Assistance for Local Businesses (Start-Ups & Growth)**

Good progress in awarding grants under the five interventions and to date there is potential for forty nine new jobs to be created.

**h. Tourism Business Liaison**

Riverside Inverclyde have taken on ownership of this action.

Subject to minor changes SLA will be signed off soon and a list of thirty two tasks has been developed which have been split across Economic Regeneration Services, Corporate Communications and RI. The Lead Officer for this action at RI attended the Discover Inverclyde Board meeting advising them of the proposals and that matters were moving forward in a positive direction. The Chamber will be formally advised of the SLA proposals.

**i. Promotional Campaign**

Significant activity ongoing including the attendance at the Exhibitions, advertisements on STV Glasgow, promotional activity within the Evening Times and the Commonwealth Games Preview Guide. There was an eight page spread on Inverclyde in the Evening Times.

- 5.3 There has not been the expected take-up in respect of the graduate programme whereby local businesses were provided with a financial incentive to attract graduates from outwith the area. Following discussions between the Head of Regeneration & Planning and the Head of OD, HR & Communications, it is proposed that a scheme is developed whereby the Council and local businesses are being provided part-funding to make a commitment to take on graduates, whether based in Inverclyde or from outwith the area, and to support their development and where appropriate progression towards a professional qualification. Such an initiative will complement the existing Modern Apprentices Scheme and other employment/employability schemes led by the Regeneration Service.

**6.0 POPULATION PROJECTIONS**

- 6.1 Committee will recall a report was presented to the May meeting advising that the most recent population projections which will be used to allocate Grant funding over the medium to long term. These were viewed as being overly pessimistic especially in light of the 2000 person "correction" made by the NRS to 2012 figures which used the same trends.
- 6.2 The Council Leader wrote to the Scottish Government requesting a review but received a reply indicating confidence in the model and that there was no desire to revisit the latest projections as this would have implications for all thirty two Councils.
- 6.3 A request was also made to the Improvement Service to review the projections. Whilst the Improvement Service confirmed that it was clear that Inverclyde's population had been understated, they believed a tolerance of "2% is within acceptable parameters" and as such they could not support a review of the latest projections.
- 6.4 These responses are disappointing as Officers clearly believe that the latest projections are unduly pessimistic and it is almost inevitable that the Council will be underfunded between now and the next census in 2021. These population statistics also drive the latest household

statistics and the latest information in this regard is detailed below.

- 6.5 The Scottish Government's latest National Registers of Scotland (NRS) projections for population and households were published in May and July 2014, respectively, which serve as a timely reminder of the continuing importance of the actions and initiatives being pursued through the Repopulation SOA1 ODG.

The latest 2012-based projections for both population and households show Inverclyde with the largest projected declines of all the 32 local authorities in Scotland, with a decline over 25 years to 2037 of 19% and 10% respectively. For comparison, Scotland is projected to increase by 8.8% and 17%, respectively, and the largest projected increases are in the cities of Edinburgh and Aberdeen (28% and 39% and 28% and 35% respectively). Glasgow City's population is projected to increase by 15% and its households by 24%. The greater changes affecting households is due to the continuing trend towards people living in smaller (one and two person) households.

Only two other local authorities are projected to have a decline in their number of households: North Ayrshire (- 1%) and Argyll and Bute (- 6%), while West Dunbartonshire is + 1%.

- 6.6 The projections for Inverclyde indicate a substantial population decline from the 2012 estimate of 80,680 to 65,000 by 2037, while the number of households would decline from 37,300 to 33,670 over the same period. The rate of decline is projected to increase beyond 2024 due to the continuing ageing of the population (i.e. more deaths than births). This together with projected net losses through migration (albeit lower in recent years) emphasises the challenge facing the Council and its partners in addressing depopulation from Inverclyde.
- 6.7 In publishing these projections, NRS do stress that they are 'trend based' and do not take into account the likelihood of changes to these projections, particularly over the medium to longer term, through policy interventions at a national, regional or local level.

The work that is ongoing on the Glasgow and the Clyde Valley Housing Need and Demand Assessment (GCVSDPA & GCV HMP), includes a set of assumptions around a 'plan for sustained growth' outlining a more optimistic view of recovery from recession and the potential to justify a higher level of new house building for Inverclyde over the period to 2030.

- 6.8 NRS publish projections every two years so it will be important for the SOA1 ODG to keep a watching brief on these and to make representations on their accuracy at each consultation round.

## **7.0 IMPLICATIONS**

### **Finance**

- 7.1 The overall position of phasing and expenditure in respect of the repopulation initiative is shown in Appendix 2.

It can be seen from Appendix 2 that the full £1million is scheduled to be spent no later than March 2016 and, given the priority which this initiative has, it is proposed that as part of the 2015/18 budget process Officers develop a proposal for Members to consider as part of the budget to provide a further one-off sum to continue those initiatives which have proven to be the most successful. It is envisaged that this request will be submitted to Committee for consideration at the November meeting.

### Financial Implications:

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

### **Legal**

- 7.2 There are no Legal implications arising from this report.

### **Human Resources**

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

### **Equalities**

- 7.4 There are no Equalities implications arising from this report.

### **Repopulation**

- 7.5 The allocation of £1million and the delivery of the nine agreed workstreams will provide key information in respect of the initiatives the Council could choose to invest in future to reverse the population decline and begin to grow Inverclyde's population. It is recognised, however, that there is no quick fix to this issue and continued investment in the most successful initiatives will be required to ensure continued progress.

## **8.0 CONSULTATIONS**

- 8.1 This report has been produced in consultation with the Repopulation Outcome Delivery Group and the Interim Chief Executive of Riverside Inverclyde.

## **9.0 LIST OF BACKGROUND PAPERS**

- 9.1 None.



Inverclyde Alliance

# **Repopulation Outcome Delivery Group**

## **Action Plan Progress Report**

**August 2014**

<b>Local Outcome:</b>	Repopulation
<b>Covering Period:</b>	May 2014 – August 2014
<b>Lead Officer:</b>	Alan Puckrin, Acting Corporate Director, Environment, Regeneration and Resources

### **Summary of progress since last report:**

(A short concise summary of the progress made during the reporting period)

The Repopulation Outcome Delivery Group met on the 12<sup>th</sup> of August. The group reviewed progress in regard to the actions set out in the outcome delivery plan, as well as a subgroup meeting taking place regarding population statistics and a variety of issues with the Migration assumptions issued by the National Records of Scotland. Progress on some of the actions includes:

**Relocation Support Grants/Council Tax reduction:** This has been launched and there have been five applications approved so far.

**Self Build Sites:** Successful presentation at the Self Build Exhibition and the Modern Homes Exhibition with a high level of interest. There were 81 expressions of interest at the exhibitions which rose to 127 after the exhibition. Project passed to Riverside Inverclyde to progress. RI will sell the plots, install the necessary infrastructure and commence the plot development elements of the action plan

**Mid-Market Rent Study:** Work completed on Mid-Market Rent study and presentation on the final report was given, to which all members of the Repopulation ODG were invited. MMR study will also feed into the Masterplan for the regeneration of the Broomhill area of Greenock.

**Relocation Service:** Inverclyde Living website now operational. 4 households have now relocated. Financial support of up to £3k for new migrants relocating to Inverclyde now being offered. Support includes assistance with legal fees, stamp duty, removal costs etc. With target of 30 individuals/families it is anticipated that spend will total £90,000.

**Promotional Campaign:** Significant activity ongoing including the attendance at the Exhibitions, advertisements on STV Glasgow, promotional activity within the Evening Times and the Commonwealth Games Preview Guide. There was an 8 page spread on Inverclyde in the Evening Times.

## Membership of group

Organisation	Name
Inverclyde Council (Lead Officer)	Alan Puckrin
Stepwell/Chamber of Commerce	Steve Watson
OakTree Housing Association	Nick Jardine
River Clyde Homes	Kevin Scarlett
Police Scotland	Allan O'Hare
Inverclyde Council, Legal & Property Services	Alan McClintock
Inverclyde Council, Housing Strategy	Ronny Lee
Inverclyde Council, Education	Elizabeth Robertson
Inverclyde Council, Planning	Fergus McLeod
Inverclyde Council, Economic Development	Jackie Hill / Will Nisbet
Inverclyde Council, ICT	Gregor Gillespie
Inverclyde Council, Corporate Communications	George Barbour
Inverclyde Council, Safer and Inclusive Communities	Drew Hall
Inverclyde Council, Corporate Policy and Partnership	Miriam McKenna
Inverclyde CHCP, Planning, Health Improvement and Commissioning	Andrea Connolly
Riverside Inverclyde	Neil Lochiel

**Affiliated groups/Groups reporting to Outcome Delivery Groups: N/A**

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1. Relocation Support Grants				
Name: Liz Brown		Contact Email: <u><a href="mailto:liz.brown@inverclyde.gov.uk">liz.brown@inverclyde.gov.uk</a></u>		
Description of Proposed Action: Council Tax Reduction (over 2 years) for Owner-Occupiers moving into Inverclyde				
Progress:  Scheme is in place and operating. 5 applications approved.				
Indicator	Target	Current Performance 12/08/14	Status (BRAG)	Commentary
Launch of Council Tax Reduction for New Owner Occupiers	April 2014	Launched	Blue (complete)	Policy agreed
No. of new residents applying for reduction from budget of £30,000	Up to 30 reductions of £1,000 awarded	5 Applications approved to date	Green	5 applications have been approved and process is operating relatively smoothly.

2. Identify Sites for Self Build	
Name: Alan McClintock	Contact Email: <a href="mailto:alan.mcclintock@inverclyde.gov.uk">alan.mcclintock@inverclyde.gov.uk</a>
<b>Description of Proposed Action:</b> Support the development of self build sites as part of the housing development strategy of the Local Development Plan. Possibility of three sites with around 12 to 15 homes created. Funding will cover detailed site assessment, site particulars, appointment of planning consultants, architectural services and promotion of self build sites. Funding would not include site infrastructure work at this stage. <ul style="list-style-type: none"> <li>• Can be subsumed into Local Development Plan (2014 for fully adopted plan)</li> <li>• Could create a Developer Forum, to sell the message that 'Inverclyde is Open for Business' to housebuilders</li> <li>• Can 'market' to people the identified sites in the LDP on the 'Self Build Scotland' forum/site</li> <li>• Could also develop Homesteading approach, where people are given opportunities to bring sub standard housing up to scratch with either grant aid or low cost/no cost for property (link to Empty Homes Initiative)</li> <li>• Potential to support self builders to establish a self build housing co-operative</li> <li>• Possible focus on self build green homes.</li> </ul>	



**Progress:**

Successful presentation at the Self Build Exhibition and the Modern Homes Exhibition with a high level of interest. There were 81 expressions of interest at the exhibitions which rose to 127 after the exhibition. Project passed to Riverside Inverclyde to progress. RI will sell the plots, install the necessary infrastructure and commence the plot development elements of the action plan

Project passed to Riverside Inverclyde to progress. The tender for the Kilmacolm Self Build Consultant Team was advertised on Public Contracts Scotland on Tuesday 29<sup>th</sup> July 2014, with a closing date of midday 12 August 2014. 6 Architectural Consultants were invited to submit tenders for the site enabling works and five bids were expected. Once the submissions have been evaluated, a tender report will be prepared recommending the appointment of the preferred Design Team.

Other sites that have been identified are different – part of developments anticipated to be private sector development, therefore infrastructure will be provided by the company developing the site.

Indicator	Target	Current Performance 12/08/14	Status (BRAG)	Commentary
Identify Sites for Self Build	Identify sites	Complete	Blue	The Council undertook a masterplanning exercise for 5 sites identified across Inverclyde. Leperston in Kilmacolm is the initial focus.
<b>Leperston Drive in Kilmacolm</b>				
Appoint Consultant	November 2013	Complete	Blue	Consultant appointed
Mid term report with budget costs	February 2014	Complete	Blue	Study completed
Submit Report	April 2014	Complete	Blue	Study submitted
Project Presentation	May 14 Exhibition	Complete	Blue	
Sell Plots	March 2015	Not Commenced	Amber	R.I. to progress.
Install infrastructure	August 2015	Not Commenced	Amber	R.I. to progress.
Plot Development Commencement	August 2015	Not Commenced	Amber	R.I. to progress.
<b>Second Development</b>				
Progress further Schemes	Dependent on success of Leperston Drive Project	Not started	Amber	Potential sites for next phase being identified.

### 3. Relocation Service/Inverclyde Migration Service

**Name:** Jackie Hill **Contact Email:** Jackie.hill@inverclyde.gov.uk

**Description of Proposed Action:**

Development of a Relocation Service which provides a personalised support package for people moving into the area / investigating the area as a place to live. This service could provide substantial follow-up to web portal requests, where people note their interest in moving to Inverclyde.

Support to “clients”, based on self-indicated areas of interest:

- Discussion of options
- Personalised Information gathering for / on behalf of clients
- Supporting / organising “Reconnaissance Visits” to the area
- Linking in with local provisions / services / groups / individuals as relative to client needs – start to build picture of the client's community
- Legwork on behalf of the client – facilitating practical aspects of investigation / move
- Distribution of free legal fees
- Engagement with local ‘champions’ who can help to sell the area to prospective migrants.

Bearing in mind the demographic groups we are trying to target into Inverclyde, this service may be attractive in appealing to young professionals as an aspirational / lifestyle service, and to young families as a consolidative / timesaving service.

Clear link with Housing Options Guide development by Strategic Housing Team. Will require to link with this to reduce duplication.

Link with Corporate Communications on developing the website to promote Inverclyde.

#### **Progress:**

Relocation officer resigned from post and new officer in the process of being appointed. Recruitment of Relocation Officer put on hold after being advertised externally. Potential redeployment to post did not go ahead but delay resulted in some candidates withdrawing applications. Interview process now underway. Interviews held in July/August.

Inverclyde Living website now operational. 4 households have now relocated. Financial support of up to £3k for new migrants relocating to Inverclyde now being offered. Support includes assistance with legal fees, stamp duty, removal costs etc. With target of 30 individuals/families it is anticipated that spend will total £90,000.

<b>Indicator</b>	<b>Target</b>	<b>Current Performance 12/08/14</b>	<b>Delivery Dates</b>	<b>Status (RAG)</b>	<b>Commentary</b>
Appoint Relocation Officer for second time	Interviews – July/August	0	End August/Start September	Amber	Interviews being held to recruit another person into the post.
No. of Clients Relocating to area	Up to 10 families per annum	4		On track	£96k – Relocation Support Costs

#### 4. Lobby for and Promote Additional Express Train Services

**Name:** George Barbour

**Contact Email:** [george.barbour@inverclyde.gov.uk](mailto:george.barbour@inverclyde.gov.uk)

**Description of Proposed Action:**

Lobby for Additional Express Train Services.

**Progress:**

Complete. Enhanced service now running from Gourock and extra early morning train on the Wemyss Bay line.

#### 5. Analysis of potential for Mid-Market Rent Housing and other housing related opportunities

**Name:** Ronny Lee

**Contact Email:** [Ronny.Lee@inverclyde.gov.uk](mailto:Ronny.Lee@inverclyde.gov.uk)

**Description of Proposed Action:**

Analysis of the potential uptake of mid-market rent (MMR) housing in the Inverclyde Council undertaken to inform future investment decisions by the council and by key partners in RSLs. The research also considered the potential for converting existing RSL stock for use as MMR housing following recent Scottish Government approval of a pilot project by an RSL.

**Progress:**

Work completed on the Mid-Market Rent Housing study. A presentation on the outcomes and key findings of the research was delivered in April 2014 which all members of the repopulation group were invited to. The MMR study will also feed into the Masterplan for the regeneration of the Broomhill area of Greenock and into the forthcoming Housing Need and Demand Assessment 2 report being collated by the Glasgow and the Clyde Valley Strategic Development Planning Authority.

Housing Options Guide: Short life working group formed, interest from housing providers, e.g. estate agents. Letting agents, GSPC. Progressing with short life working group to produce a draft housing options guide, draft web pages, access and linkages. Relocation Officer attending meetings.

Landlord accreditation scheme: £2000 used to join a nation-wide Landlord Accreditation Scotland scheme in April 2014, for one calendar year. Private landlords to receive training beginning late June 2014 – March 2015. Will tie in with Housing Options Guide (above). Slow response from landlords to date.

Indicator	Target	Current Performance 12/08/14	Status (RAG)	Commentary
<i>Undertake analysis of potential for Mid Market Rent Housing in Inverclyde from budget of £25,000.</i>	Delivery of Final Report	Final Report received January 2014	Blue	Final Report completed on target Cost £8,000
<i>Future use of Mid Market Rent Research</i>	HNDA2 to be produced by autumn 2014	On target	Green	Research findings to inform production of HNDA2, due for completion by autumn 2014
<i>Develop Housing Options Guide (HOG) for the Inverclyde Council area from budget of £25,000.</i>	Develop HOG by late 2014	On target	Green	Being developed as part of LHS Action Plan. Short life working group in place to lead development, on target for completion by late 2014
<i>Establish Landlord Accreditation Scheme (LAS) in Inverclyde Council area from budget of £25,000.</i>	Commence LAS within IC area	LAS commenced April 2014 – on target	Green	Registration and commencement of scheme from 1 April 2014
<i>LAS training for Private Landlords</i>	June 2014 – March 2015	On target	Green	Training events to be provided on LAS for private landlords during first year of LAS membership (April 2014 – March 2015)

Note: HNDA = Housing Need and Demand Assessment produced for the Glasgow and the Clyde Valley area conurbation and for the Inverclyde Council area.

## 6. Graduate Entry Programme

**Name:** Jackie Hill

**Contact Email:** Jackie.hill@inverclyde.gov.uk

### Description of Proposed Action:

The National Data hub has been developed by Scottish Government and Skills Development Scotland to support post 16 transitions in Scotland. This is a means of tracking young people after they leave school, in order to keep routes open for continued support if / when needed.

The data hub will essentially provide a means of communication with all Inverclyde young people, post 16. For the purposes of this proposed development, we would be particularly interested in those who have accessed Further and Higher education.

It will be possible to identify those young people who are approaching the end of their studies (and which courses they have studied) in order to resume actual contact to support them in making positive transitions post-university. At this point, analysis could be done to consider promotion of available careers options locally, and to promote the return to Inverclyde with local(ish) job prospects to start their careers. It will be possible to build up contact lists of graduates to market local jobs to them which match their areas of study.

This proposal is entirely in line with the Scottish Government publications relating to Post 16 Transitions “Data Practice Framework” and “Revised Policy & Practice Framework” which outline the relationships that Universities and Community Planning Partnership will have / could have in supporting young people as much as possible as they leave tertiary education. *Refer to pg 11 of the Data Practice Framework and to pg 29 of the Policy & Practice Framework for examples of this.*

The Council's Employability Pipeline Graduate Programme has recently been extended allowing suitable candidates to be placed in private sector business for a period of 12 months. It is proposed to extend this programme to allow a further seven places to be created for a period of two years per graduate at 50% intervention, in line with state aid guidelines. The candidates will be required to demonstrate that they have moved into Inverclyde for the period of employment.

### Progress:

There has been no progress on recruiting graduates from outside Inverclyde. However, a balance has to be struck between bringing in graduates and retaining our local pool of graduates. Consideration to be given to a Council Graduate Programme. No increase in the number of external graduates moving to the area. Allan Dick advised that he and Liz Connelly had met with Elizabeth Robertson to discuss how the 1,400 students who travel into Inverclyde to attend the West of College Scotland could be targeted with a view to attracting them to live within Inverclyde.

Indicator	Target	Current Performance	Delivery Dates	Status (RAG)	Commentary
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		<b>12/08/14</b>			
£150,000 to Graduate Programme:  No. of businesses engaged in Graduate Programme	Up to 8	1	31 March 2015	Amber	SE Account Managers informed. EE Unit working with employers. Bus Dev't Team engaging with local businesses
No. of Graduate places offered	Up to 8	1	31 March 2015	Amber	Budget - £150k. Up to £16k @ 50% intervention for up to 2 yrs

## 7. Grant Assistance for Local Business Start Ups and Growth

**Name: Jackie Hill**

**Contact Email: [jackie.hill@inverclyde.gov.uk](mailto:jackie.hill@inverclyde.gov.uk)**

### **Description of Proposed Action:**

**Provide grant assistance for local businesses.**

### **Progress:**

Under the New Marketing grant in this financial year we have to date received 11 formal commitments with anticipated spend of around £10k. The Informal Training grant this financial year to date we have 5 formal commitments, anticipated spend is £3.5k. Under the Young Company Development Fund to date we have supported 3 businesses & budget spend is £23k. 3 businesses have been supported with the New Start Growth Fund totalling £2.8k. Investment Fund remains at £10k but it is anticipated that budget will be fully utilised. Through these interventions there is potential for 49 new jobs to be created helping to retain or attract people to Inverclyde.

<b>Indicator</b>	<b>Target</b>	<b>Current Performance 12/08/14</b>	<b>Delivery Dates</b>	<b>Status (RAG)</b>	<b>Commentary</b>
<i>No. of businesses accessing grants or loans from budget of £100,000 of which:</i>  <ul style="list-style-type: none"> <li>£50,000 match funding to ERDF Project</li> </ul>	- Up to 10 Start Up Grants of up to £1,000  - Up to 14 grants from Young Company Development Fund averaging £6,000 @ 50% intervention rate	3 businesses have been supported totalling £2.8k  3 businesses have been supported totalling £23K.	31 March 2015  31 March 2015	Green	

£50,000 to business support of which:	- 2 Interest Free Loans of up to £5,000 each	Nil	31 March 2015		
<ul style="list-style-type: none"> <li>£25k to Marketing Grants</li> </ul>	- Up to 25 Marketing Grants of up to £1,000 @ 50% intervention rate	11 formal commitments with anticipated spend of around £10k	31 March 2015	Green	Ongoing
<ul style="list-style-type: none"> <li>£25k to Informal Training Grants</li> </ul>	- Up to 25 Informal Training Grants of up to £1,000 @ 50% intervention rate	5 formal commitments, anticipated spend is £3.5k	31 March 2015	Green	Ongoing

## 8. Tourism Business Liaison

**Name:** Neil Lochiel

**Contact Email:** [neil.lochiel@riversideinverclyde.com](mailto:neil.lochiel@riversideinverclyde.com)

### Description of Proposed Action:

Riverside Inverclyde will work with Inverclyde Council Economic Regeneration and Corporate Communications, Discover Inverclyde and the Chamber of Commerce to promote Inverclyde as a tourism destination. The key focus is to co-ordinate and support Inverclyde's businesses and tourism organisations in order to contribute to the wider economic growth agenda for the area.

### Progress:

Riverside Inverclyde have taken on ownership of this action.

Budget for business tourism events is not defined by year but can be utilised as we determine at any time over the 3 year period. On profile spend, the initial dependencies are conclusion of the SLA (no major issues anticipated) and a response from Scottish Enterprise on the potential for business events. As the spend of £75,000 is over 2014/15, 2015/16 and 2016/17, the intent is to ensure that it is the correct sub-sector focus that is targeted. That being the case, a preliminary profile of the spend strategy would be 2014/15 = £0; 2015/16= £50,000 (the main focus period); and 2016/17 = £25,000. Subject to minor changes the SLA will be signed off soon and a list of 32 tasks has been developed which have been split across Economic Regeneration Services, Corporate Communications and RI. The Lead officer for this action at RI attended the Discover Inverclyde Board meeting advising them of the proposals and that matters were moving forward in a positive direction. The Chamber will be formally advised of the SLA proposals.

Indicator	Target	Current Performance 12/08/14	Delivery Dates	Status (RAG)	Commentary
Indicators to be developed.					

## 9. Promotional Campaign

**Name:** George Barbour **Contact Email:** [george.barbour@inverclyde.gov.uk](mailto:george.barbour@inverclyde.gov.uk)

### Description of Proposed Action:

1. Create an overall campaign to promote Inverclyde which incorporates developing an annual activity which would bring people in to visit the area e.g. a river festival and build on existing activity, especially events we're not currently engaged with.
2. Change/update the signage for the area, especially on entry to Inverclyde.

### Progress:

Significant activity ongoing, including attendance at the Exhibitions, advertisements on STV Glasgow, promotional activity within the Evening Times and the Commonwealth Games Preview Guide. There was an 8 page spread on Inverclyde in the Evening Times.

Indicator	Target	Current Performance 12/08/14	Status (RAG)	Commentary
Attendance at national events	Attend two national events – Ideal Home Show and Scottish Homebuilding Show	The council took a stand at both the Ideal Home Show Scotland (23 – 26 May 2014) Scottish Homebuilding and renovating Show show (17 – 18 May 2014) to showcase Inverclyde as a place to live and to launch new self build opportunities	Blue	The launch of eight self-build plots resulted in the plots being oversubscribed with over 100 applications in the first few weeks of launch.
Create social media and e-newsletter presence to promote Inverclyde	Create and maintain social media and e-newsletter presence	Facebook profile created with 2500 followers as a platform to build in 2014. E-newsletter to be created after appointment of relocation officer.		
Increase profile of Inverclyde through advertising and	Identify 'opportunities to	Campaign advertising taken		<b>M8 Banner – 3 month</b>



Indicator	Target	Current Performance 12/08/14	Status (RAG)	Commentary
promotion	see' for each advertising and promotional mechanism	on a range of mechanisms. See opportunities to see potential audience for each mechanism in commentary opposite.		<p>campaign, potential audience 9m.</p> <p><b>STV Glasgow</b> – 3 month campaign. 350 x 30 second adverts and web advertising. First month TV audience figures – 575,000; web digital impressions 150,000 and mobile digital impressions 150,000.</p> <p><b>Commonwealth games</b> – Page adverts in Glasgow 2014 preview guide; opening ceremony programme and all 11 daily guides. Audience of 395,000.</p> <p><b>Queen's Baton relay features</b> – An eight page supplement and web take over with The Evening Times and a web take over on The Herald website.</p>

**Repopulation & Promoting Inverclyde**

Updated As at 08/08/14

**Appendix 2**

		<b>2013/14</b>							
		<b>Original</b>	<b>Spend</b>	<b>Planned Spend</b>	<b>Spend to</b>	<b>Planned Spend</b>	<b>Planned Spend</b>	<b>Total Planned</b>	
<b>Project</b>		<b>Budget</b>	<b>£000</b>	<b>2014/15 £000</b>	<b>Date £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>Spend £000</b>	
1	Assistance with Council Tax	30	0	5	3	25	0	30	
2	Mid-Market Housing Initiatives	25	8	9	0	8	0	25	
3a	Graduate Entry Programme	150	3	8	5	139	0	150	
3b	Ongoing Business Support	100	41	59	4	0	0	100	
3c	Development of Tourism	150	0	25	0	75	50	150	
3d	Relocation Service	155	3	46	4	98	8	155	
4	Self-Build Housing	250	0	28	18	222	0	250	
5	Promotional Campaign	140	59	81	23	0	0	140	
		1,000	114	261	57	567	58	1,000	

**Report To: Policy and Resources Committee**

**Date: 23 September 2014**

**Report By: Corporate Director, Education, Communities  
and Organisational Development**

**Report No: PR/116/14/PC/KB**

**Acting Corporate Director, Environment,  
Regeneration and Resources**

**Contact: Miriam McKenna, Corporate Policy and  
Partnership Manager**

**Contact No: 01475 712042**

**Subject: Corporate Services Performance Report**

## 1. PURPOSE

- 1.1 The purpose of this report is to update Committee on the achievement of key objectives by the Council's Corporate Services, as detailed in the Education, Communities and Organisational Development Corporate Directorate Improvement Plan 2013/16 and the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16.
- 1.2 The report focuses on improvement actions that sit within the following Services: Finance; ICT; Legal and Property; Corporate Policy, Education; and Organisational Development, Human Resources and Communications.

## 2. SUMMARY

- 2.1 This is third Corporate Services Performance Report. Details are provided in the Appendices. APPENDIX 1  
APPENDIX 2
- 2.2 The current status of improvement actions is:

blue – complete	red – significant slippage	amber – slight slippage	green – on track
21	0	8	21

## 3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- a. note the progress made by Corporate Services in delivering improvement actions outlined in their respective Corporate Directorate Improvement Plans 2013/16; and
  - b. agree to consider the fourth progress report at its meeting on 3 February 2015.

**Patricia Cassidy  
Corporate Director, Education,  
Communities and Organisational  
Development**

**Alan Puckrin  
Acting Corporate Director,  
Environment, Regeneration and  
Resources**

## 4. BACKGROUND

4.1 Corporate Directorate Improvement Plans (CDIPs) are a key component of the Council's Strategic Planning and Performance Management Framework. They are the principal vehicle for managing and delivering the strategic outcomes in the Single Outcome Agreement 2013/16 and the Council's Corporate Statement 2013/17, as well as the well-being outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected and Responsible and Included (SHANARRI).

4.2 The Council's CDIPs 2013/16 were approved in 2013. The Education, Communities and Organisational Development and the Environment, Regeneration and Resources CDIPs have improvement actions that are of a corporate nature. A separate Corporate Services progress report is therefore submitted to every second meeting of the Committee. The remaining CDIP improvement actions are reported to every second meeting of the appropriate Committee.

Min Ref  
E&C  
Ctee  
7.5.13  
Para  
363

Min Ref  
P&R  
Ctee  
21.5.13  
Para  
384

4.3 As detailed in Appendix 1, improvement actions have been allocated a 'BRAG' status:

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

4.4 The CDIPs also contain key performance indicators, comprising statutory performance indicators and local performance indicators. These indicators provide an important measure of how Corporate Services contribute to the Council's strategic aims. While information on indicators is gathered monthly or quarterly, full year details for 2013/14 are now available and are outlined in Appendix 2, together with comparator information for 2012/13.

## 5. PROGRESS

5.1 This is the third progress report on the Corporate Services CDIP's improvement actions. The last report was approved by the Policy and Resources Committee in March 2014. The current status of the CDIP's improvement plan is as follows:

Min Ref  
P&R  
Ctee  
25.3.14

blue – complete	red – significant slippage	amber – slight slippage	green – on track
21	0	8	21

5.2 During the last six months, good progress has been made in delivering most of the improvement actions, examples of which include:

- the Risk Management Action Plan is being implemented and progress was reported to the Audit Committee in August 2014;
- a self-service module has been procured to support delivery of the Digital Access Strategy; and
- the PSIF improvement action is being progressed, with a new round of assessments underway.

5.3 There has been slight slippage with a number of improvement actions, including the following:

- due to space restrictions, it was not possible to use the most recent edition of InView to provide performance information to local residents;

- development of the content and design of the new website has been delayed; and
- expanding the use of HR21 has been held up by delays caused by the software provider.

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

5.5 Appendix 2 provides information on the Corporate Services performance indicators, the status of which is:

performance improved	maximum performance maintained	performance declined*
8	1	1

\* Changes have been made to how the absence rate is calculated. Historically, Services collated information manually and submitted it to HR. Figures are now extracted from the HR/Payroll System. The SPI uses the number of full-time equivalent (FTE) employees in its calculation; previously headcount was used which did not comply with SOLACE requirements. By extracting data from Chris 21, a more accurate FTE figure is achievable. As this is lower than the headcount figure, it accounts for the rise in the absence rate.

## 6. IMPLICATIONS

6.1 There are no direct financial implications arising from this report.

Financial implications – one-off costs:

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

Financial implications - annually recurring costs/(savings):

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

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

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

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

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

## **7. CONSULTATION**

- 7.1 Updates on progress with the CDIPs' implementation have been provided by the lead officers of each improvement action.

## **8. BACKGROUND PAPERS**

- 8.1 Education, Communities and Organisational Development CDIP 2013/16.  
Environment, Regeneration and Resources CDIP 2013/16.

## **9. CONCLUSION**

- 9.1 The third progress report on progress made by Corporate Services in delivering improvement actions outlined in their respective CDIPs is presented for Committee's approval with the recommendation that the fourth report is submitted to the Policy and Resources Committee's meeting on 3 February 2015.

## Corporate Services Performance Report – August 2014

	Safe				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
ER&R	<u>Data protection</u>  The Council's approach to data protection is fully developed	Develop training, policies and procedures	●	complete	
ER&R	<u>Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA)</u>  Implement recommendations regarding improvements to be made at the last inspection by the Surveillance Commissioner	Carry out actions required to meet recommendations and report to the Council on progress	●	on track	A positive report with only minor recommendations has been received from the Commissioner following the update inspection on 27 February 2014.  The action points arising and outstanding from this report are: <ol style="list-style-type: none"> <li>1. Policy on the Use of Mobile Cameras/Devices; and</li> <li>2. Guidance Note on the Use of Social Media.</li> </ol>
ER&R	<u>Risk management</u>  Implement and embed risk	Develop a Risk Management Action Plan by 31 August 2013	●	complete	

	Safe				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
	management in key business/management processes				
		Action Plan fully implemented by 31 March 2015	●	on track	Annual report on risk management activity will be submitted to the Audit Committee on 26 August 2014 and will include action plan progress.
ER&R	<u>Software asset management</u>  Be confident that all software deployed on the network is fully licensed and all asset records are accurate	Working with Services and suppliers to ensure compliance	●	complete	

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
ER&R	<u>Service accountancy</u>  Improve the budget management by budget holders whilst managing a reduction in accountancy staff by 4 FTE's	Improve systems and associated management information. Improve budget holder knowledge and increase self-reliance.	●	slight slippage	Resources being identified with work commencing in October 2014 to improve the MIS to support budget holders. This is being progressed in line with the budget 2015/18 exercise.



	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
ER&R	<u>Finance-related systems</u>	Pilot implemented by March 2013; full roll-out programme during 2013/14	●	on track	Several successful modules rolled-out in 2013/14 with the remainder to be implemented during 2014/15.
	Implementation of SWIFT finance module				
	Full on-line payment capability 24 hour access	Upgrade systems and implement new procedures	●	complete	
	Reduction in face-to-face payments				
ER&R	<u>Digital Access Strategy</u>	By working with ICT and Corporate Communications to ensure effective systems and processes are in place to facilitate channel shift. Progress will be tracked through the Customer Services Action Plan.	●	on track	The upgraded version of LAGAN which includes the self-service module has been procured. ICT are working with the supplier on implementation which is expected to be complete by 31 January 2015.
ER&R	<u>Customer Services Centre (CSC) development</u>	Migration of appropriate services into the Customer Services Centre for front-facing and telephony contact with customers. Progress will be tracked through the Customer Services Action Plan and the Corporate Improvement Group	●	on track	Since November 2013, new services delivered by the CSC are Education Services ASN applications and iHEAT referrals. Further Education services are being scoped. A Veterans' Advisor has also been appointed.
	Expand the range of customer service enquiries at first point of contact				

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
					The CSC Hub opened in Port Glasgow on 15 May 2014.
ER&R	<u>Welfare Reform Agenda</u>  Introduce and deliver the Council Tax Reduction Scheme, the Scottish Welfare Fund and the changes to Housing Benefit legislation from April 2013 and manage the impact of the move to Universal Credit	Oversight from the Project Board with regular reports to Committee on key milestones	●	on track	April 2013 schemes are in place. A revised Discretionary Housing Payment Policy was approved in May 2014. Despite a delay by the DWP to introduce Universal Credit, work has commenced through the Welfare Reform Project Board and the Financial Inclusion Partnership to prepare for the impact.
ER&R	<u>Procurement Framework</u>  Deliver strategic Procurement Framework and achieve improved Procurement Capability Assessment (PCA) performance	Monitored via the Procurement Board and regular committee updates	●	complete	The PCA in 2013 achieved improved performance.
EC&OD	<u>Competitiveness</u>  Effective processes are in place to ensure challenge and improvement  These are consistently used across Services	Enhancement of self-evaluation guidelines and processes regarding competitiveness and challenge	●	on track	The Local Government Benchmarking Framework continues to roll out. Inverclyde has been involved in 2 family group pilots and has volunteered to lead on Looked-After

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
					Children for the next round of family groups to assess performance and deliver across family councils.
EC&OD	<u>Self-evaluation</u> Self-evaluation is embedded into everyday performance and management and planning processes	Training rolled out across Services and guidance distributed across the Council by December 2014	●	complete	A new round of PSIF assessments is underway.
EC&OD	<u>Strategic Planning and Performance Management Framework</u> All employees are aware of the Council's vision, outcomes and values and these are embedded in service planning Integration of the well-being outcomes across all planning and performance management across the Council and Inverclyde Alliance partners	Information to be readily accessible on Icon	●	complete	
		Develop information packs	●	complete	
		Provide further training sessions	●	complete	
		Provision of drop-in sessions to support Services in the development of plans and strategies	●	complete	
EC&OD	<u>Public performance reporting (PPR)</u> PPR is easily accessible to members of the public	Improve information on the Council's website from all Services	●	on track	We are reviewing Audit Scotland's report on compliance with PPR requirements.

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
	All Services play a role in making performance information accessible	Provide information in varying formats	●	on track	No requests for alternative formats have been received. Financial implications mean that alternative formats will only be provided on request.
		Work with libraries to assess demand and to facilitate access via the web to members of the public	not yet started		
		Utilise InView as a means of providing performance information to all households	●	slight slippage	Information was submitted to Corporate Communications but, due to requirements to have other content, PPR information was not included in the Summer 2014 issue of InView.
		Provide information in different formats to ensure that it is meaningful at all levels of the organisation	●	on track	Content on Icon and the website is being reviewed in light of the new website's development.
EC&OD	<u>Inverclyde Performs</u>  Inverclyde Performs is used:  to record and report all performance	Further training for Inverclyde Performs users	●	on track	Demonstrations and training continue to be provided to groups of employees across the Council.

	<b>Achieving</b>				
<b>Directorate</b>	<b>Where do we want to be?</b>	<b>How will we get there?</b>	<b>Status August 2014</b>		<b>Commentary August 2014</b>
	across the Council  for both performance management and on-going self-evaluation by managers, officers and Councillors	Work with DMTs and EMTs to establish training needs and develop a training plan	●	on track	Training continues to be provided to Services as information is uploaded to the System.
		Work with Services to identify which plans, strategies and projects should be developed on Inverclyde Performs	●	on track	This is improvement action is on-going. Recent plans to be added to the System include the Inverclyde Libraries Service Plan 2014/15 and the LGBF 2012/13 indicators.
EC&OD	<u>HR21</u>  The maximum number of employees are able to use HR21 to manage their personal information requests for leave, employee development, etc  Sickness absence recording and statistics drawn from Chris 21  Pensions auto-enrolment  Real-time information from HMRC	HR21 to be rolled-out to Education Services and the CHCP in 2013 and to Environmental and Commercial Services and Property Assets and Facilities Management in March 2014	●	complete	All pilots complete. HR 21 version 3 will be going live week commencing 1 September 2014.
		Pilot for compiling statistics from Chris 21 in OD, HR and Communications in September 2013. Extend Chris 21 pilot to other Services in parallel with self-service in April 2014.	●	complete	All statistics for absence reporting being drawn from Chris 21.

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
		Software installation and process review to ensure compliance; liaison with the Pensions Regulator, the SPFO and the SPPA by May 2013	●	slight slippage	Appropriate software has not been installed due to supplier failure. Manual workarounds are in place to ensure compliance.
		Software installation and process review to ensure compliance; liaison with the HMRC and BACS software provider	●	complete	
EC&OD	<u>Recruitment portal</u>  Recruitment portal to be upgraded. On/Grasp software.	Training/e-learning/development of new recruitment handbook for managers	●	on track	Awaiting software from COSLA.
		Move to Talent Link	●	on track	Awaiting information from COSLA.
EC&OD	<u>Workforce Development Plan</u>  To deliver the 4 themes as outlined in the Workforce Development Plan: <ul style="list-style-type: none"> <li>organisational development</li> <li>leadership, succession planning and skills development</li> <li>employer of choice</li> <li>grading and pay</li> </ul>	Implement the actions as identified within the 4 work streams in the Plan	●	on track	The Plan is in full progress.

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
EC&OD	<u>Corporate Communications Strategy</u> To have an agreed Corporate Communications Strategy	Development of a Communications Strategy, working with Services and the CMT	not yet started		
EC&OD	<u>Social media</u> Use of social media as a co-ordinated means of communication and customer contact across the organisation	Creation of social media guidelines for use across the Council and schools	●	complete	
EC&OD	<u>Website</u> Review and design a new Council website including on-line services	Review content of the website via a cross-departmental content review team	●	slight slippage	Timelines now established.
		Draft a new design and agree with CMT	●	slight slippage	Timelines now established.
EC&OD	<u>Events</u> Carry out reviews of certain events – Fireworks, Gourock Highland Games and Christmas Lights switch-on  Improved events listing on website	Cross-Service events group to be set up and to report to the CMT	●	on track	Council events are on-going.
EC&OD	<u>Press and media</u> Conduct a review of the Media Relations Protocol	Prepare a draft media relations protocol and issue to the CMT and senior Councillors by end June 2013	●	complete	

	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
		Carry out media training for key Council staff by end December 2013	●	slight slippage	Looking at alternative media training.
EC&OD	<u>InView</u> Review the design, layout and frequency of publication of InView	Create reader survey to assess readership views of InView by November 2013	●	complete	
EC&OD	<u>SOA</u> New, revised SOA available with new approaches developed to meet Scottish Government expectations, including preventative and early intervention work and policy and resources across the Partnership	Hold workshops with all partners	●	complete	
		Sub-groups set up to deal with resource development and measurement	●	on track	Pilot approach being taken with a health inequalities project to identify how to map resources and quantify the time required to do so. Questionnaire to be distributed to partners.
EC&OD	<u>Absence management</u> Reduce the absence rate across the Council to below 4.75%	Continuation of the automation of processes (links to HR21 development)	●	slight slippage	Quarter 1, 2014: 2.7 workdays lost per full-time equivalent.
	Consider standardised reporting to align with the SOLACE indicators	New HR interventions/pilots to assist management and reduce absence level	●	slight slippage	Rankings not yet known. However, expect slight slippage.
		Report to the CMT and the Policy and Resources Committee on the	●	complete	KPI and SPI are now standardised to 'days per FTE'.



	Achieving				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
		standardisation of KPIs			
ER&R	New action: <u>Self-evaluation</u>  Self-evaluation is embedded into the Environment, Regeneration and Resources Directorate's everyday performance and management and planning processes	By conducting a Public Service Improvement Framework (PSIF) assessment for the Environment, Regeneration and Resources Directorate and devising an action plan by June 2015  By implementing the action plan during 2015/18	not yet started		New action

	Respected and responsible				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
ERR	<u>FOI publication scheme</u>  New scheme in place for implementation by 31 May 2013	Develop and populate new Scheme, liaising with Services, as required	●	complete	
ERR	<u>Community councils liaison</u>  Updated and established processes	Develop a suite of guidance materials for use by the Service and community	●	complete	A Handbook on the operation of community councils under our Scheme

	Respected and responsible				
Directorate	Where do we want to be?	How will we get there?	Status August 2014		Commentary August 2014
	and procedures in place to reflect best practice	councils			for the Establishment of Community Councils has been completed and published on the Council's website.
EC&OD	<u>Public Information Notices Portal</u>  Council public notices published on-line	Redevelopment of the Council website and public notices published on the Public Information Notices portal	●	complete	
EC&OD	<u>Policy development</u>  Remaining corporate policies to be updated and brought in to line with current legislation, case law and guidance/good practice	Identify priority policies based on legislative need, risk to the Council and information gaps	●	on track	Respect at Work policy on-going, Attendance Management on-going, Equality and Diversity Policy, Infection Control and First Aid at Work.
EC&OD	<u>Gender equality</u>  The % of female employees in the top 2% of earners is increased	Monitor application of the Council's equal opportunity policies by Services	●	on track	Top 5% has increased. Top 2% no longer required as a SPI measurement.
		Link with the Corporate Equalities Officer to include as part of the overall Equality Strategy for the Council	●	on track	Collaborative working is on-going.

10 September 2014

### Corporate Services Performance Report – August 2014

The Council's Corporate Services have key performance indicators that help demonstrate performance in terms of strategic and operational objectives. These indicators include statutory performance indicators and local performance indicators.

Full year figures for 2013/14 and are shown below, together with 2012/13 comparator information:

Key performance measure	Target 2013/14	2013/14 performance	2012/13 performance	Commentary August 2014	Frequency of monitoring
Creditor payments: number of invoices paid within 30 calendar days of receipt as a % of all invoices paid	96.5%	96.3%	96.03%	Performance improved	monthly
Council Tax in-year collection	94%	94.51%	94.2%	Performance improved	monthly
Speed of Benefits processing – average number of days per case to process:					
<ul style="list-style-type: none"> <li>new Housing Benefit/Council Tax Benefit claims</li> </ul>	23 days	22 days	23 days	Performance improved	monthly
<ul style="list-style-type: none"> <li>Housing Benefit/Council Tax Benefit claim changes of circumstances</li> </ul>	8 days	5 days	6 days	Performance improved	monthly
Incident resolution times: the responsiveness of the ICT Service Desk to reported	85%	95.37%	92.46%	Performance improved	monthly

Key performance measure	Target 2013/14	2013/14 performance	2012/13 performance	Commentary August 2014	Frequency of monitoring
incidents, against service level agreements					
Service request resolution times: % of reported ICT service requests resolved within targets defined in service level agreements	85%	94.96%	93.13%	Performance improved	monthly
Network availability: the availability of the network and access to ICT services required by departments in their day-to-day activities	99.5%	99.97%	99.94%	Performance improved	monthly
Key applications availability: the availability of key applications required by service departments	99.5%	100%	100%	Maximum performance maintained	monthly
Corporate absence rate* - sickness absence rate for all employees:					
<ul style="list-style-type: none"> <li>as a %</li> <li>number of days lost</li> </ul>	4.75% 9 days	4.88% 10.9 days	4.90% 10.2 days	Performance improved Performance declined	quarterly quarterly

\* The target for this indicator was changed in April 2014 from a % sickness absence to number of days lost

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/44/14</b>
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>TREASURY MANAGEMENT – ANNUAL REPORT 2013/14</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise members of the operation of the treasury function and its activities for 2013/14 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

## **2.0 SUMMARY**

- 2.1 As at 31 March 2014 the Council had debt (excluding PPP) of £220,111,474 and investments of £48,108,524. This compares to debt (excluding PPP) of £224,411,117 and investments of £67,314,005 at 31 March 2013.
- 2.2 The average rate of return achieved on investments during 2013/14 was 1.20% which exceeds the benchmark return rate for the year of 0.39% by 0.81% and resulted in £496,500 of additional interest on investments for the Council.
- 2.3 During 2013/14 the Council did not undertake any debt restructuring and operated within the required treasury limits and Prudential Indicators for the year set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices. In 2014/15 to date, the Council has remained within its limits apart from as explained in paragraph 4.10.
- 2.4 From 2013/14 onwards the Council is required to compare its Gross External Debt (£291.875m including PPP) to its Capital Financing Requirement (£303.766m). The Gross External Debt at 31 March 2014 was £11.891m (3.9%) less than the Capital Financing Requirement and so the Council was in an underborrowed position (and remains so, having undertaken no borrowing so far in 2014/15).

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee notes the contents of the annual report on Treasury Management for 2013/14 and the ongoing work to ensure the delivery of financial benefits for the Council and homologates the exceeding of Council limits in 2014/15 as explained in paragraph 4.10.
- 3.2 It is also recommended that the Annual Report be remitted to the Full Council for approval.

Jan Buchanan  
Head of Finance

## 4.0 BACKGROUND

- 4.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013/14.

### Annual Report for 2013/14

- 4.2 Treasury Management in this context is defined as: "The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 4.3 This annual treasury report covers:
- the Council's treasury position as at 31<sup>st</sup> March 2014;
  - performance measurement;
  - the strategy for 2013/14;
  - the wider economy and interest rates in 2013/14;
  - the borrowing outturn for 2013/14;
  - debt rescheduling;
  - compliance with treasury limits and Prudential Indicators in 2013/14;
  - investment strategy and outturn for 2013/14;
  - other issues.

Treasury Management is a complex area with its own terminology and acronyms and so a Glossary of Terms is attached as Appendix 1.

### 4.4 Treasury Position As At 31<sup>st</sup> March 2014

The Council's debt and investment position was as follows:

	31st March 2014		31st March 2013	
	Principal	Rate	Principal	Rate
	£000		£000	
Fixed Rate Funding:				
- PWLB	117,168		121,468	
- Market *	55,000		56,000	
	<u>172,168</u>	3.99%	<u>177,468</u>	3.97%
Variable Rate Funding:				
- PWLB	0		0	
- Market *	47,900		46,900	
- Temporary	43		43	
	<u>47,943</u>	4.97%	<u>46,943</u>	5.04%
<b>Total Debt</b>	<b>220,111</b>	<b>4.21%</b>	<b>224,411</b>	<b>4.19%</b>

\* - Market Loans are shown as variable when they have less than 1 year to go until their next call date. The total value of Market Loans has not changed between 2012/13 and 2013/14, just the split between fixed and variable.

	31st March 2014		31st March 2013	
	Principal	Return	Principal	Return
	£000		£000	
Investments:				
- External	32,500	1.02%	57,500	2.51%
- Deposit Accounts	15,609	0.50%	9,814	0.58%
<b>Total Investments</b>	<b>48,109</b>	<b>0.85%</b>	<b>67,314</b>	<b>2.23%</b>

#### 4.5 Performance Measurement

One of the key changes in a previous revision of the Code was the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide.

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

Year	Loans Fund Pool Rate
2009/10	3.805%
2010/11	4.300%
2011/12	4.208%
2012/13	3.811%
2013/14	3.831%

#### 4.6 Strategy For 2013/14

The Council's borrowing strategy for 2013/14 was based on the following information:

- The Bank Rate was expected to remain at 0.50% until Quarter 1 of 2015 when it would increase to 0.75% then to 1.00% in Quarter 2 of 2015.
- PWLB rates were expected to increase during the year by around 0.10% to 0.20% with PWLB rates on shorter period loans expected to be significantly lower than longer term PWLB rates.
- The difference between short term and longer term borrowing rates was expected to give significant opportunities to generate savings by switching from long term debt to short term debt. These savings were, however, to be considered in the light of their short term nature and the likely cost of refinancing those short term loans, once they matured, compared to the current rates of longer term debt in the Council's debt portfolio.
- Growth prospects were considered to be weak and consumer spending, the usual driving force of recovery, was thought likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The challenging and uncertain economic outlook had several key treasury management implications:

- The Eurozone sovereign debt difficulties provided a clear indication of high counterparty risk;
- Investment returns were likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continued to be attractive and possibly remain relatively low for some time. The timing of any borrowing needed to be monitored carefully;
- There was expected to remain a possible cost of carry, with any borrowing undertaken resulting in an increase in investments that could incur a revenue loss between borrowing costs and investment returns.

Officers, in conjunction with the treasury consultants, were to continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- If it were felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings would be postponed, and potential rescheduling from fixed rate funding into short term borrowing would be considered.
- If it were felt that there was a significant risk of a much sharper rise in long and short term rates than that forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would be re-appraised with the likely action that fixed rate funding would be drawn whilst interest rates were still relatively cheap.

Against this background, and with regard to the level of Council investments, caution was to be adopted with the 2013/14 treasury operations. The Chief Financial Officer was to monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the Policy & Resources Committee.

#### 4.7 The Wider Economy and Interest Rates In 2013/14

The original expectation for 2013/14 was that Bank Rate would not rise during the year and for it only to start gently rising from quarter 1 2015 and this remains the case. Economic growth (GDP) in the UK was virtually flat during 2012/13 but surged strongly during the year. Consequently there was no additional Quantitative Easing during 2013/14 and the Bank Rate ended the year unchanged at 0.5% for the fifth successive year. While CPI inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9% and then fell further to 1.7% in February. It is also expected to remain slightly below the target rate for most of the two years ahead.

Gilt yields were on a sharply rising trend during 2013 but volatility returned in the first quarter of 2014 as various fears sparked a flight to quality. The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.

The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth led to a cumulative, in the Autumn Statement and the March Budget, reduction in the forecasts for total borrowing, of £97bn over the next five years, culminating in a £5bn surplus in 2018-19.

The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the European Central Bank statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. This is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.



#### 4.8 Borrowing Outturn For 2013/14

The Council undertook no borrowing during the year.

#### 4.9 Debt Rescheduling

Rescheduling Strategy – As with 2012/13, the Council's treasury consultants started the year with the expectation that PWLB rates were expected to rise but that rates were more difficult to predict given that the rates are based on volatile UK gilt yields. Short term borrowing rates were expected to be considerably cheaper than longer term rates with significant opportunities to generate savings by switching from long term debt to short term debt. Moving from long term to short term debt would, however, mean taking on a greater risk exposure to having to re-borrow longer term in later years at considerably higher rates.

Rescheduling Outturn For 2013/14 – The Council undertook no debt restructuring in 2013/14.

#### 4.10 Compliance With Treasury Limits and Prudential Indicators in 2013/14 and 2014/15 To Date

During the financial year the Council operated within the required treasury limits and Prudential Indicators for 2013/14 set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.

From 2013/14 (as included in Appendix 2), the Council is required to compare its Gross External Debt to the Capital Financing Requirement (previously the requirement was to compare the Net External Debt). For 2013/14 the Gross External Debt of £291.875m was £11.891m (3.9%) less than the Capital Financing Requirement at 31 March 2014 of £303.766m and so the Council was in an underborrowed position (and remains so, having not borrowed so far in 2014/15).

During 2014/15 to date the Council has operated within the treasury limits and Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices except for the Counterparty Limit with the Bank of Scotland. For 2 days in July 2014 the £60m limit was exceeded by a maximum of £0.6m. This was due to funds being transferred to the Bank of Scotland temporarily following a reduction in investment rates from another counterparty.

The Council is requested to homologate the exceeding of the limit as explained above.

#### 4.11 Investment Strategy and Outturn for 2013/14

Investment Policy – The Council's investment policy is governed by Scottish Government Investment Regulations, which was implemented in the annual investment strategy approved by the Council on 11 April 2013. This policy sets out the approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

Investment Strategy – The Bank Rate had been unchanged at 0.50% since March 2009. It was forecast to commence rising in Quarter 1 of 2015 and then to rise gently from thereon. Bank Rate forecasts for financial year ends (March) were as follows (compared to the latest position):

	Forecast Per 2013/14 Strategy	Actual/Latest Forecast	
2013/14	0.50%	0.50%	(Actual)
2014/15	0.75%	0.75%	(Forecast)
2015/16	1.75%	1.25%	(Forecast)

The forecast increases in interest rates may well be delayed if the recovery from the recession proves to be weaker and slower than expected.

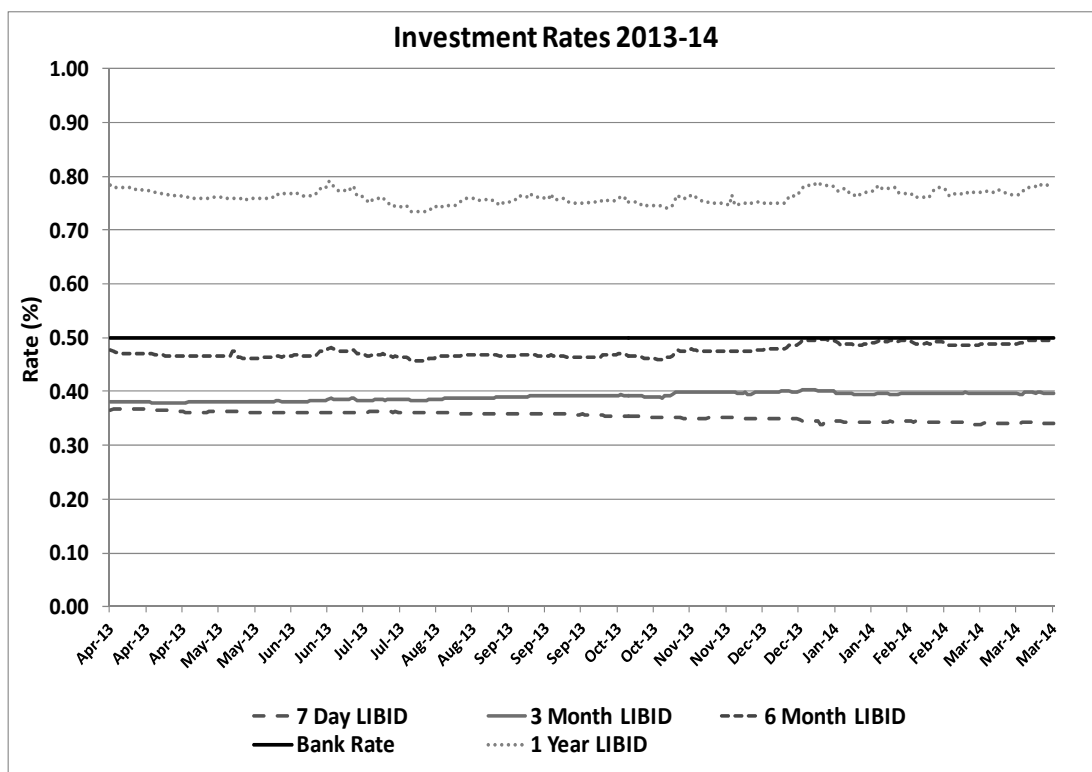
Investment Rates and Outturn for 2013/14 –The Bank Rate remained at its historic low of 0.50% throughout the year, the same level it has been at since March 2009.

Deposit rates remained at low levels during the year, largely due to the Funding for Lending Scheme.

The Council's investment policy is governed by Scottish Government investment regulations which have been implemented in the annual investment strategy approved by the Council on 11 April 2013. The policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, etc.).

All investments were in accordance with the policy and no institutions with which investments were made had any difficulty in repaying investments and interest in full during the year.

The result of the investment strategy undertaken by the Council in 2013/14 is as follows:



Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID uncompounded)
£61,300,000	1.20%	0.39%

The Council have outperformed the benchmark by 0.81% resulting in additional income to the Council of £496,500.

This performance is due to the Council undertaking fixed term investments at interest rates that were well above the benchmark with a counterparty which has high creditworthiness (the Bank of Scotland) and in accordance with the Council's investment strategy.

The level of Deposit Rates during the year means that the Council will not achieve similar performance against the benchmark in future.

## **5.0 IMPLICATIONS**

5.1 Legal: None. Any borrowing or lending is done under the Council's legal powers.

Finance: Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £496,500. The Council utilises Treasury Management as part of the overall Financial Strategy and Officers will continue to investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

Human Resources: None.

Equalities: None.

## **6.0 CONSULTATIONS**

6.1 This report has been produced based on advice from the Council's treasury advisers (Sector Treasury Services Limited, trading as Capita Asset Services).

## **7.0 LIST OF BACKGROUND PAPERS**

7.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2011 Edition  
Inverclyde Council – Treasury Management Strategy 2013/14.

**TREASURY MANAGEMENT**  
**GLOSSARY OF TERMS**

**Affordable Capital Expenditure Limit**

The amount that the Council can afford to allocate to capital expenditure in accordance with the requirements of the Local Government in Scotland Act 2003 and supporting regulations.

**Authorised Limit for External Debt**

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

**Bank of England**

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

**Bank Rate**

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

**Call Date**

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

**Capital Expenditure**

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

**Capital Financing Requirement**

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

**CDS Spread**

A CDS Spread or “Credit Default Swap” Spread is the cost of insuring against default by a Counterparty. Increases in the CDS Spread for a Counterparty may indicate concerns within the market regarding a Counterparty.

**Certificates of Deposit**

Certificates of Deposit (or CDs) are a form of investment and similar to Fixed Term Deposits in that the investment is with a named Bank or Financial Institution, matures on a set date, and is repaid with interest on the maturity date. Unlike a Fixed Term Deposit, a CD can also be traded in the market prior to maturity.

**CIPFA**

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

**Consumer Prices Index**

The Consumer Prices Index (“CPI”) is a means of measuring inflation (as is the Retail Prices Index or “RPI”). The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try to keep CPI at or close to the target set by the Government (currently the target is 2%). The calculation of the CPI includes many items of normal household expenditure but the calculation excludes some items such as mortgage interest payments and Council Tax.

**Counterparty**

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

### Credit Ratings

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

The highest credit rating is AAA.

### European Central Bank

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

### Eurozone

This is the name given to the countries in Europe that have the Euro as their currency. Interest rates in the Eurozone are set by the European Central Bank. The Eurozone is comprised of the following 18 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

### Fed Rate

This is the interest rate for the US. Rates for the US are set by the Federal Reserve (the central bank for the US and the equivalent of the Bank of England).

### Federal Reserve

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

### Fixed Rate Funding/Investments

This term refers to funding or investments where the interest rate that applies to payments or receipts of interest on the funding or investments is fixed and does not change.

### Fixed Term Deposit

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

### Flat Yield Curve

A flat yield curve occurs where the yield for long-term investments is the same or similar to the yield for short-term investments – the period of the investment makes no or little difference to the yield on the investment.

### G7/G8/G20

These are forums for discussions by the governments of large world economies.

The G7 is comprised of Canada, France, Germany, Italy, Japan, the UK, and the USA. The G8 is the G7 plus Russia (with the European Union also attending). The G20 is comprised of 19 countries (including the G7 and Russia) plus the European Union.

### Gilt Yields

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

### Gilts

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

### Gross Domestic Product

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

### Growth

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

### IMF

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

### Incremental Impact of Capital Investment Decisions

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

### Inflation

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

### Inverted Yield Curve

An inverted or negative yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).

### Investment Regulations

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

### LIBID

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

### LIBOR

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

### LOBO

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

### Money Market Fund

A Money Market Fund (or MMF) is a highly regulated investment product into which funds can be invested. An MMF offers the highest possible credit rating (AAA) whilst offering instant access and the diversification of risk (due to the MMF's balances being investing in selected and regulated types of investment product with a range of different and appropriately credit-rated counterparties).

### MPC

The MPC or Monetary Policy Committee is a committee of the Bank of England that meets each month (in a meeting over 2 days) to set the Bank Rate for the UK.

### Negative Yield Curve

A negative or inverted yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).

### Net Borrowing Requirement

This is the difference between the Council's net external borrowing and its capital financing requirement. Under the Prudential Code the Council's net external borrowing should not, except in the short term, exceed its capital financing requirement. The Net Borrowing Requirement should therefore normally be a negative figure.

### Operational Boundary

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

### Positive Yield Curve

A positive yield curve shows long-term investments having higher yields than short-term investments (an investor gets a higher rate yield for investing for longer).

### Prudential Code

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

### Prudential Indicators

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

### PWLB

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

### PWLB Certainty Rates

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

### PWLB Rates

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

### Quantitative Easing

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

### Ratings

Ratings are indicators produced by a ratings provider (such as Fitch, Moody's or Standard & Poor's) that aim to give an indication of the financial or operational strength of entities including financial institutions and even countries. Ratings are not guarantees – they are opinions based on investigations and assessments by the ratings providers and they are regularly reviewed and updated. The Council makes use of credit ratings to determine which counterparties are appropriate or suitable for the Council to make deposits with.

### Repo Rate

This is another name for the Bank Rate as set by the Monetary Policy Committee.

### Retail Prices Index

The Retail Prices Index ("RPI") is a means of measuring inflation (as is the Consumer Prices Index or "CPI"). The calculation of the RPI includes most of the same items as the CPI as well as some items not included in the CPI such as mortgage interest payments and Council Tax whilst excluding items that are in the CPI such as charges for financial services.

### Sector

Sector Treasury Services Limited who are the Council's treasury management advisers and who use Capita Asset Services as a trading name.

### Treasury Management Code

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

### Treasury Management Indicators

These are Prudential Indicators specifically relating to Treasury Management issues.

### Treasury Management Practices (TMPs)

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

### Variable Rate Funding/Investments

Funding or investments where the interest rate that applies to payments or receipts of interest on the funding or investments varies on an agreed basis.

### Yield

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

### Yield Curve

A graph showing the yield on investments plotted against the maturity period for investments:

- A positive yield curve shows long-term investments having higher yields than short-term investments (an investor gets a higher rate yield for investing for longer).
- A negative or inverted yield curve shows long-term investments having lower yields than short-term investments (an investor gets a better yield by investing for a shorter period).
- A flat yield curve occurs where the yield for long-term investments is the same or similar to the yield for short-term investments – the period of the investment makes no or little difference to the yield on the investment.



## PRUDENTIAL/TREASURY INDICATORS AND COUNCIL POLICY LIMITS

	<u>Estimate For 2013/14</u>	<u>Actual For 2013/14 To 31/3/2014</u>	<u>Within Limits</u>	
	<u>£million</u>	<u>£million</u>		
PI 7 - Authorised Limit for External Debt (Excluding PPP)	266.000	220.111	Yes	
PI 8 - Operational Limit for External Debt (Excluding PPP)	258.800	220.111	Yes	
PI 10 - Compliance with CIPFA code			Yes	
	<u>%</u>	<u>%</u>		<u>Comment</u>
PI 11 - Upper limit on fixed interest rate exposure	150.000%	100.096%	Yes	See Note
PI 12 - Upper limit on variable interest rate exposure	40.000%	-0.096%	Yes	See Note
PI 13 Borrowing fixed rate maturing in each period (LOBOs included based on call dates rather than maturity dates)	<u>Upper</u>	<u>Lower</u>	<u>Actual As At 31/3/2014</u>	<u>Within Limits</u>
Under 12 months	40%	0%	0.000%	Yes
12 months and within 24 months	40%	0%	3.366%	Yes
24 months and within 5 years	40%	0%	35.839%	Yes
5 years and within 10 years	40%	0%	28.028%	Yes
10 years and within 30 years	40%	0%	9.534%	Yes
30 years and within 50 years	40%	0%	23.233%	Yes
50 years and within 70 years	40%	0%	0.000%	Yes
TOTAL			100.000%	
	<u>Limit For 2013/14 £</u>	<u>Maximum In Period £</u>	<u>Within Limit</u>	<u>Comment</u>
PI 14 - Upper limit on sums invested for periods longer than 364 days	10,000,000	0	Yes	---
	<u>CFR At 31/3/2014</u>	<u>Gross External Debt At 31/3/2014</u>	<u>Gross External Debt Below CFR?</u>	
	<u>£million</u>	<u>£million</u>		
Gross External Debt Compared To Capital Financing Requirement (Including PPP)	303.766	291.875	Yes	
<b><u>Council Policy Limits</u></b>				
	<u>Limit per Council Policy</u>	<u>Actual As At 31/3/2014</u>	<u>Within Limits</u>	
Maximum proportion of borrowing at variable interest rates	40%	21.782%	Yes	
Maximum proportion of debt restructuring in any one year	30%	0.000%	Yes	
Maximum proportion of debt repayable in any one year	25%	18.173%	Yes	

**Note**

The value for PI 12 (Upper Limit on Variable Interest Rate Exposure) is negative whilst the value for PI 11 (Upper Limit on Fixed Interest Rate Exposure) is above 100%. This is due to the indicators being calculated by taking the Council's borrowing less the Council's investments for each type of interest rate taken as a percentage of the Council's total net borrowing. The reason for the unusual indicator figures is that the Council's investments and deposit accounts are at variable interest rates.

**PRUDENTIAL INDICATORS**

	<b>2012/13</b>	<b>2013/14</b>
	<b>Actual</b>	<b>Actual</b>
<b>Capital Expenditure (Indicator 5)</b>	£000	£000
Non - HRA #	48,578	32,096
HRA ##	0	0
<b>TOTAL</b>	<b>48,578</b>	<b>32,096</b>
<b>Ratio of financing costs to net revenue stream (Indicator 1)</b>		
Non – HRA	11.93%	12.50%
HRA ##	0.00%	0.00%
<b>Net borrowing requirement (Indicator 4)</b>	£000	£000
As At 31 March	-66,005	-60,000
<b>Capital Financing Requirement as at 31 March (Indicator 6)</b>	£000	£000
Non - HRA #	296,906	303,766
HRA ##	0	0
<b>TOTAL</b>	<b>296,906</b>	<b>303,766</b>
<b>Upper limit for total principal sums invested for over 364 days (Indicator 14)</b>	£000	£000
	0	0
# - The Indicator includes PPP schools, as required by the accounting rules. ## - The Council undertook Housing Stock Transfer during 2007/08.		

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 23 September 2014
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b> FIN/47/14
<b>Contact Officer:</b>	<b>Fiona Borthwick</b>	<b>Contact No:</b> 01475 712904
<b>Subject:</b>	<b>Debt Recovery Performance 2013/2014</b>	

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise Committee of the Council's Debt Recovery performance during 2013/2014 and of future plans. The Financial Regulations stipulate that a report on Debt Recovery performance for the preceding financial year be submitted annually to the Policy & Resources Committee.

## **2.0 SUMMARY**

- 2.1 The current contract with Alex M Adamson LLP took effect from 01 October 2012 initially for 18 months with the option to extend on a yearly basis up until 31 March 2017.
- 2.2 The contract with Alex M Adamson is for the recovery of Council Tax and Non Domestic Rates, although they will undertake other Debt Recovery Work on an ad-hoc basis. The main focus of the In-house Debt Recovery Team continues to be Council Tax, however more rigorous activity is being applied to the recovery of Sundry Debts (including Commercial rents) as well as Housing Benefit Overpayments.
- 2.3 Collection levels for 2013/14 in respect of accounts passed to the Council's Debt Partners increased by £37,000. A breakdown of the categories of debt can be seen at appendix 2. Alex M Adamson LLP continue to be very effective partners both in terms of their collection results to date and also in the ease of communication with them. They continue to operate an office in Cathcart Street where individuals can make payments and basic enquires.
- 2.4 Despite another challenging year due to the continuing difficult economic climate the Council Tax In year Collection level increased by 0.3% to 94.5% which is a significant achievement and can be attributed to the hard work of the Council's Revenue Services.
- 2.5 Payment by Direct Debit continued to rise in 2013/14 with 74.8% of in year receipts being received by this method of payment compared to 74.0% in 2012/13.
- 2.6 The collection level for Non Domestic Rates was 95.95%, a decrease of 1.1% from 2012/13. Full details can be seen at Appendices 1 and 2.

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the Council's continued good performance in the area of Debt Recovery in 2013/14 and that the Council has extended the contract of Alex M Adamson to 31 March 15.

## **4.0 BACKGROUND**

- 4.1 The current contract with Alex M Adamson LLP took effect from 01 October 2012 initially for 18 months with the option to extend on a yearly basis up until 31 March 2017.

## **5.0 2013/14 DEBT PARTNERSHIP PERFORMANCE**

- 5.1 The Revenues Management Team meet regularly with Alex M Adamson as well as regular communications by telephone and email to ensure that there are clear lines of responsibility and that income maximisation as well as customer service aspects are as clear and productive as possible. Operational meetings and discussions also take place at team leader level and below as and when required.
- 5.2 Alex M Adamson LLP are proving to be very effective partners both in terms of their collection results to date but also in the ease of communication with them. They continue to operate an office in Cathcart Street where individuals can make payments and basic enquires.
- 5.3 Despite the difficulties with the economic climate, changing debt partner and the effects of the BAD Act, (which means that the £76.45 charge for payment needs to be recovered before the Council receives any monies) Inverclyde Council's In year collection level rose to 94.5%.
- 5.4 The Debt Recovery Team based in the Municipal Buildings improved their in year collection figure from 2012/13, increasing collections by £7000. Considering the difficult economic climate, this is a commendable effort and along with the Revenues Team this achievement contributed to achieving the best ever In Year collection level by processing exemptions, discounts effectively and managing the billing process well.
- 5.5 Prior year collection is difficult to collect and becomes increasingly difficult with the passage of time. In 2013/14 however, the best to date prior year collection was achieved bringing in £1.067m compared to £955,000 in 2012/13. This is attributable to the hard work of both the new Debt Partners Alex M Adamson LLP and the in-house Debt Recovery Team.
- 5.6 There were three sequestration actions raised in 2013/14; these were raised for a combination of council tax, rates and commercial rent. These sequestrations have resulted in payments of £25,000 being made. 2014/15 will see more accounts identified and sequestration proceedings raised against debtors that are in a position to pay but refuse to do so.
- 5.7 Cases identified for sequestration are carefully selected to ensure that emphasis continues to be on those debtors who through the use of technology such as Experian Citizen view show that they have clear equity on their homes and should be in a position to pay. It should be noted that the current economic climate has resulted in less equity being available due to the drop in the market value of property.
- 5.8 Direct Debit uptake has risen again in 2013/14 from 74% of in year receipts in 2012/13 to 74.8% in 2013/14. Following the success of previous campaigns, a leaflet promoting Direct Debit was once again enclosed with the annual Council Tax bills.
- 5.9 Officers are aware of the social and financial inclusion issues in Inverclyde and continue to work closely with Money Matters with the view to facilitate as many arrangements with debtors before it reaches the stage that diligence is applied. Benefit take up is also encouraged as much as possible to ensure that entitlement is maximised as far as possible.

- 5.10 This year, the Debt Recovery Team have set up 349 arrangements with a total debt value of £247,897 and continue to increase these arrangements to avoid passing debtors across to the Sheriff Officer. This protects the individuals from future 'charges for payment' and saves the Council commission charges.
- 5.11 A statement of the Debt Partnership performance is set out in Appendix 1 and Appendix 2. The Debt Partners collected approximately £2.2 million in council tax.
- 5.12 The Debt Recovery Team has continued to work closely with the DWP to manage direct deductions from benefits for customers with arrears who are in receipt of certain benefits. This has resulted in a £139,000 increase in Council Tax income with a total of £480,991 being received in 2013/14 compared to £341,091 in 2012/13.

## **6.0 OVERALL POSITION OF COUNCIL DEBT AS AT 31 MARCH 2014**

- 6.1 The gross debt as at 31 March 2014 is £22.329 million as shown in Appendix 3. There is a bad debt provision of £17.342 million, leaving net collectable debt of £4.987 million. This is an increase of £0.15million since 2012/13
- 6.2 Appendix 4 provides more detail behind the figures and highlight new debts raised, payments received and debts written off. All Bad Debt provisions have been calculated in accordance with Council policies.
- 6.3 It should be noted that the above figures reconcile to the 2013/14 Accounts.

## **7.0 PLANS FOR 2014/15**

- 7.1 Work will continue consolidating the improvements made and liaison will continue Alex M Adamson LLP to generate more robust statistical information from the Debt Partners which will help forward planning for debt recovery.
- 7.2 The In-house Debt Recovery team continues to pursue Sundry Debt (including Commercial Rents) and Housing Benefit overpayments. If further action or diligence is required for these categories of debt, ad hoc agreements will be made with Alex M Adamson LLP or a third party company who can demonstrate initiative and low cost.
- 7.3 The Council's Revenues Management and Debt Recovery Team together with the Council's Debt Management Partner will continue to pursue the special initiatives that are in place along with conventional recovery methods to ensure that resources are appropriately directed to specific areas of debt ensuring income maximisation.

## **8.0 IMPLICATIONS**

- 8.1 Financial – The Debt Partners' performance is critical for the recovery of debt for the Council therefore it is encouraging to see that despite another difficult year due to the ongoing difficult economic climate that the Council has managed to improve both its In Year and Prior Year collection levels.
- 8.2 Legal – None.
- 8.3 Human Resources – None.
- 8.4 Equalities - Debt Recovery Processes are designed to achieve adherence to the Equalities agenda by ensuring close liaison between Debt recovery officers and the Benefits section. In addition by providing a wide range of payment methods and choice of payment dates this makes it easier for everyone to make payments to the Council.
- 8.5 Repopulation – there are no repopulation issues arising from this report.

## **9.0 BACKGROUND PAPERS**

9.1 None.

**ANALYSIS OF DEBT PARTNER PERFORMANCE 2013/14****Appendix 1****Council Tax**

<b>Financial Year</b>	<b>Payments Received</b>
	<b>£000's</b>
1993/94	2
1994/95	1
1995/96	2
1996/97	3
1997/98	6
1998/99	9
1999/00	14
2000/01	17
2001/02	18
2002/03	20
2003/04	17
2004/05	19
2005/06	28
2006/07	33
2007/08	48
2008/09	55
2009/10	78
2010/11	112
2011/12	163
2012/13	508
2013/14	1075
<b>Total</b>	<b>2228</b>

**Non Domestic Rates**

<b>Financial Year</b>	<b>Payments Received</b>
	<b>£000's</b>
1993/94	0
1994/95	0
1995/96	0
1996/97	0
1997/98	0
1998/99	0
1999/00	0
2000/01	0
2001/02	0
2002/03	0
2003/04	0
2004/05	0
2005/06	0
2006/07	0
2007/08	2
2008/09	3
2009/10	0
2010/11	2
2011/12	17
2012/13	131
2013/14	152
<b>Total</b>	<b>307</b>

## Appendix 2

### Debt Recovery Partnership Performance Comparison 2012/13 & 2013/14

	2012/13 £000	2013/14 £000	Difference £000	%
Council Tax	2068	2228	160	7.74%
Non Domestic Rates	430	307	-123	-28.60%
<b>Total</b>	<b>2498</b>	<b>2535</b>	<b>37</b>	<b>1.48%</b>



**Appendix 3**

	Position 31/03/2014 £'000	Position 31/03/2013 £'000	Movement £'000
<b><u>Council Tax</u></b>			
Gross Debt	16,154	15,779	375
Less: Bad Debt Provision	14,123	13,773	350
Net Debt	<u>2,031</u>	<u>2,006</u>	<u>25</u>
<b><u>Sundry Debt</u></b>			
Gross Debt	1,111	917	194
Less: Bad Debt Provision	356	325	31
Net Debt	<u>755</u>	<u>592</u>	<u>163</u>
<b><u>Industrial &amp; Commercial Rent</u></b>			
Gross Debt	106	121	(15)
Less: Bad Debt Provision	52	57	(5)
Net Debt	<u>54</u>	<u>64</u>	<u>(10)</u>
<b><u>Statutory Additions</u></b>			
Gross Debt	2,811	2,713	98
Less: Bad Debt Provision	2,811	2,713	98
Net Debt	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Long Term Debtors</u></b>			
Gross Debt	2147	2,175	(28)
Less: Bad Debt Provision	0	0	0
Net Debt	<u>2,147</u>	<u>2,175</u>	<u>(28)</u>
<b><u>Overall Totals</u></b>			
Gross Debt	22,329	21,705	624
Less: Bad Debt Provision	17,342	16,868	474
Net Debt	<u>4,987</u>	<u>4,837</u>	<u>150</u>

**2013/14 Debtor Movements**

**Appendix 4**

	Opening Position £'000	Additions £'000	Payments/ Reliefs £'000	Net Write-Offs £'000	Closing Position £'000
<b><u>Council Tax</u></b>					
Gross Debt	15,779	34,138	(33,555)	(208)	16,154
Less: Bad Debt Provision	13,773	558		(208)	14,123
Net Debt	2,006	33,580	(33,555)	0	2,031
<b><u>Sundry Debt</u></b>					
Gross Debt	917	6,867	(6,634)	(39)	1,111
Less: Bad Debt Provision	325	70	0	(39)	356
Net Debt	592	6,797	(6,634)	0	755
<b><u>Industrial &amp; Commercial Rent</u></b>					
Gross Debt	121	842	(857)	0	106
Less: Bad Debt Provision	57	0	(5)	0	52
Net Debt	64	842	(852)	0	54
<b><u>Statutory Additions</u></b>					
Gross Debt	2,713	366	(268)	NA	2,811
Less: Bad Debt Provision	2,713	366	(268)	N/A	2,811
Net Debt	0	0	0	<sup>2</sup> 0	0
<b><u>Long Term Debtors</u></b>					
Gross Debt	2,175	14	(42)	0	2,147
Less: Bad Debt Provision	0				0
Net Debt	2,175	14	(42)	0	2,147
<b><u>Overall Totals</u></b>					
Gross Debt	21,705	42,227	(41,356)	(247)	22,329
Less: Bad Debt Provision	16,868	994	(273)	(247)	17,342
Net Debt	4,837	41,233	(41,083)	<sup>1</sup> 0	4,987

**Notes:**

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

<sup>2</sup> Statutory additions are not written off in year but cancelled. Closing position reflects live statutory addition balance as at 31st March 2014.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 23 September 2014
<b>Report By:</b>	<b>Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b> FIN/48/14/JB/TB
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b> 01475 712764
<b>Subject:</b>	<b>Audit Scotland: Benefits Performance Audit Annual Update 2013/14</b>	

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide an update to Committee on the findings of the Account Commission's Benefits Performance Audit Annual Update. Committee is asked to note the findings, the comparisons with Inverclyde's performance and the proposals to adopt good practices identified within the report.

## **2.0 SUMMARY**

- 2.1 The Accounts Commission took over the responsibility for auditing Housing Benefit (HB) services in Scotland in April 2008 from the Department for Work and Pensions' (DWP) Benefit Fraud Inspectorate (BFI). This work is carried out by Audit Scotland and is known as the benefits performance audit.
- 2.2 Benefit Services are selected for audit according to a variety of risks. Audit Scotland's 2013/14 Annual Update reports the key risks identified as well as areas where improvement and good practice was evidenced. Audit Scotland also carried out 2 thematic reviews across all 32 Councils. The report was published in July this year, the full report is contained as Appendix 4 of this report.

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the key risks, areas where improvement and good practice were evidenced by Audit Scotland and the comparison with Inverclyde's benefits service.
- 3.2 That the Committee note the proposals in Appendix 2 to adopt good practice identified within the Accounts Commission report.

Jan Buchanan  
Head of Finance

## **4.0 BACKGROUND**

- 4.1 In April 2008 The Accounts Commission took over responsibility from the Department for Work and Pensions' (DWP) Benefit Fraud Inspectorate (BFI) for auditing housing and council tax benefit (HB/CTB) services in Scotland. This work is carried out by Audit Scotland and is known as the benefits performance audit.
- 4.2 The main objective of the benefit performance audit is to help councils improve their benefit services but it also holds councils to account for any failing services.
- 4.3 Benefit Services are selected for audit according to a variety of risk factors and in 2013/14 10 Councils were visited with 64 risks identified. Inverclyde's most recent audit was completed in March 2012. There is no indication of Inverclyde being selected as part of the 2014/15 programme.
- 4.4 Audit Scotland's 2013/14 Annual Update notes the key risks identified across the 10 Councils as well as areas where improvement and good practice was evidenced. Audit Scotland also carried out 2 thematic reviews across all 32 Councils. These were the extent to which the housing benefit customers are using council web services; and the second analysed the 2012/13 housing and council tax benefit subsidy claims to provide insight into the extent to which Local Authorities lost subsidy from the Department for Work and Pensions.
- 4.5 The Commission raises specific concerns about the performance of the 10 benefits services audited and their capability to deliver improvements. These are the impact of the loss of experienced staff particularly due to the uncertainty about the DWP's roll out of Universal Credit; and concerns around the delivery of services to claimants being adversely affected for extended periods during times of change such as the implementation of new systems.

## **5.0 KEY ISSUES FROM 2013/14 RISK ASSESSMENTS – GOOD PRACTICE IDENTIFIED**

- 5.1 The report identified 6 main areas of Good Practice across the audit period.
- 5.2 Target setting for all operational areas:  
Inverclyde's Benefits service measures and monitors more than 20 areas of benefit administration, 16 areas relating to fraud investigation, 8 related to Discretionary Housing Payment administration and all Benefit assessors attend monthly performance meetings with their supervisor. Audit Scotland acknowledged at the audit in 2011 that the recommendations around fraud investigation target setting received at the 2008 audit were adopted.
- 5.3 Counter Fraud Activity  
Inverclyde has a strong relationship with local DWP investigators with a default position to opt for joint investigations for relevant cases.  
There are concerns that the transfer of Council employees to the Single Fraud Investigation Service may deprive Councils of important skills. Inverclyde is considering requirements and options for a corporate fraud investigation function.
- 5.4 Speed of Processing  
Housing Benefit claim records are updated by automated transfer to Local Authority systems. This is in place in Inverclyde and is automated as far as possible. Work is progressing to integrate directly to the Electronic Document and Records Management System to further streamline the process.
- 5.5 Accuracy  
Inverclyde has a risk based quality checking protocol and there are plans to make further refinements. Audit Scotland commended the process during the 2011 audit of the service.
- 5.6 Interventions: Proactive steps taken to ensure accurate payment is made to customers.

Inverclyde's approach mirrors the good practice identified in the report.

- 5.7 Delivering Outcomes:  
Visiting staff are available if needed for housebound customers in Inverclyde.

## **6.0 KEY ISSUES FROM 2013/14 RISK ASSESSMENTS – AREAS FOR IMPROVEMENT**

- 6.1 The report noted 7 key risks and areas for improvement across the 10 Councils subject to audit. These are summarised and compared with Inverclyde's position at appendix 1.

## **7.0 SPECIFIC GOOD PRACTICE**

- 7.1 Particular good practices were identified and appendix 2 notes areas that could be considered for future development of Inverclyde's benefits service.

## **8.0 WELFARE REFORM**

- 8.1 The report acknowledges customer engagement activities and despite tight deadlines Scottish Councils successfully implemented within their benefits services:
- I. Scottish Welfare Fund systems
  - II. Council Tax Reduction
  - III. The administration of significantly increased DHP budgets

Audit Scotland offered advice to Councils regarding the management of Welfare Reforms and this is summarised at Appendix 3.

## **9.0 THEMATIC STUDIES: AUDIT OF ALL 32 SCOTTISH COUNCILS**

- 9.1 Online Services: checking entitlement and applying online.
- 9.2 The range and variety of web functionality across Scotland was reported. The main points were that Housing Benefit information appears on the home page of 17 sites and 8 council areas offer an online HB application.
- 9.3 While Inverclyde does not offer either of these, an online claim form can be downloaded as well as offering a wide range of information about entitlement and eligibility. The report recommends tracking and recording the use of the website. This will be done as part of the corporate web refresh programme.
- 9.4 The report also recommends offering services already planned through Financial Inclusion Partnership funded projects specifically providing customers with digital training and offering locations where customers can access pcs and broadband to access the council website; complete online applications and to obtain advice and guidance.
- 9.5 Recovery of Benefit Subsidy

A review of HB subsidy claims was undertaken focusing on the level of HB paid to customers in error. Certification of 2012/13 subsidy claims by external auditors identified errors which if DWP decide to reclaim will result in a further £500,000 to be met from council budgets. To date Inverclyde's claim has not been qualified.

It was acknowledged that councils may seek recovery of some overpayments but at a cost, principally staff time. Audit Scotland acknowledged Inverclyde's good performance in terms of error prevention and overpayment recovery during the 2011 performance audit. Quality assurance measures, early identification and subsidy classification checks etc. are in place.

The review also focused on HB spending that was not fully funded by DWP subsidy principally due to statutory homelessness duties. Inverclyde's Homelessness and Supported Accommodation spend is monitored and reported.

## **10.0 FINANCIAL IMPLICATIONS**

### **10.1 One off Costs**

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

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

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

There are no financial implications arising from this report.

### **10.2 Legal**

There are no specific legal issues arising from this report.

### **10.3 Human Resources**

There are no specific HR issues arising from this report.

### **10.4 Equalities**

There are no new strategies or policies contained in this report therefore no Equalities Impact Assessment is required.

### **10.5 Repopulation**

Efficient and effective Benefit administration will have a positive impact on those who rely on Benefits and therefore help retain people in the area supporting the Council's Repopulation strategy.

## **11.0 LIST OF BACKGROUND PAPERS**

### **11.1 None**

**Accounts Commission: Benefits Performance Audit Annual Update 2013/14**  
**Key Risks and Areas for Improvement**

	<b>Risk Identified</b>	<b>Inverclyde position</b>
1	Staff retention	Generally not an issue through relatively good succession planning through staff development
2	Lack of effective planning ICT systems	The migration to a new EDRMS is a good example of a recent successful system implementation within the service
3	Weaknesses in business planning and performance reporting	No apparent issues: Planning demonstrated by: Welfare Reform Project Board and WR Operations group; planned staff/ budget strategy; monthly Benefits senior staff meetings and development meetings; liaison with RSLs/ DWP etc
4	Reduction in effective intervention activity & analysis	Outcomes monitored monthly and reviewed annually
5	Lack of targets and analysis of overpayments raised	Quality assurance measures are in place including overpayment prevention and early identification, subsidy classification checks etc. The causes of overpayments are analysed and where possible corrective actions are put in place
6	A decline in the speed of processing performance	Performance has remained unchanged
7	A decline in accuracy and accuracy checks not being completed correctly	Accuracy levels and checking processes have not changed

**Accounts Commission: Benefits Performance Audit Annual Update 2013/14**  
**Good Practice Highlighted in the Council's subject to Audit in 2013/14**

	<b>Area of Good Practice</b>	<b>Proposal - Inverclyde</b>
1	Volunteers in the community trained to identify customers who could be entitled to benefit	Refer to the "Universal Support Delivered Locally" (Local Support Services Framework) group. This group reports to the Welfare Reform Project board
2	Customer Services provide front facing Benefits service with 98% of forms arrive fully completed at the back office.  Text reminders are sent to remind customers about HB application appointments	The viability to deliver this is under consideration.  A text messaging service to remind customers to provide documents to complete claims is being progressed.
3	Risk Based Verification integrated with online claim form in place in a number of authorities delivering efficiencies	Unlikely to bring economies of scale in Inverclyde. Consider instead exploring options for further officer based risk verification rather than system lead decisions



**Accounts Commission: Benefits Performance Audit Annual Update 2013/14**  
**Advice Offered by Audit Scotland**

	Area	Audit Scotland Recommendation	Inverclyde position
1	Single Fraud Investigation Service	Councils should review their counter fraud resources to ensure their investigative capacity remains in councils for non-benefit related fraud	Officers are assessing the need for a corporate fraud provision
2	Universal Credit migration planning	Be aware of timescales: <ul style="list-style-type: none"> <li>• DWP plan to migrate working age claimants to UC during 2016 and 2017 (no detailed plans in place)</li> <li>• HB customers in receipt of ESA migrate in 2018</li> </ul>	Universal Credit migration is tracked though the Welfare Reform Project Board with update reports to Policy and Resources Committee
3	Universal Support Delivered Locally (USDL) (formerly known as Local Support Services Framework)	Funding and details are still subject to discussion although indications are that Community Planning Partnerships will be responsible for delivery	USDL is tracked though the Welfare Reform Project Board with update reports to every Policy and Resources committee and where appropriate the Alliance Board.

# Benefits Performance Audit Annual Update 2013/14



Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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# Purpose

1. In April 2008, the Accounts Commission took over the responsibility for auditing housing and council tax benefit (HB/CTB) services in Scotland from the Benefit Fraud Inspectorate. This work is known as the benefits performance audit and this paper invites the Accounts Commission to note the outcome of Audit Scotland's benefits performance audit work for 2013/14.

# Key messages

2. Audit Scotland has found that well managed benefit services can deliver high quality services for claimants in a time of increasing workloads, reduced funding and uncertainty.
3. However, having sufficient, experienced staff continues to be a significant issue for a number of councils. A lack of effective planning and management of major projects such as IT system implementations has led to significant disruptions to normal service levels and significant time delays in returning to target service performance levels in some councils.
4. During 2013/14 we visited 10 councils and identified 64 risks to continuous improvement with councils accepting all but one of these risks. We found 86% of risks identified at previous risk assessments had been either fully or partially addressed. Council feedback on the audit process is positive.
5. Looking forward, UK Government welfare reforms continue to have a significant impact on councils. The majority of HB claims are due to migrate to Universal Credit (UC) during 2016 and 2017. Once HB is fully migrated, it will end the devolved administration of HB to councils. There remains uncertainty around the specific timing of the migration of HB to UC, specifically for claimants who have reached the qualifying age for Pension Credit, and the on-going role councils will play in the delivery of UC.

# Background

6. The Accounts Commission's responsibility for auditing HB/CTB under these arrangements continued until 31 March 2013 when CTB was replaced by the Scottish Council Tax Reduction scheme (CTRS). The CTRS is audited as part of the annual audit of each council. From April 2013, the benefit performance audit only covers HB.
7. In Scotland, one in five households received financial support to help pay for their rent during 2013/14 in the form of means tested HB. Scottish councils paid out £1.78 billion in HB awards in 2013/14. This represents a 1% decrease from 2012/13 in HB awards paid out. Councils received £40.83 million in funding from the Department for Work and Pensions (DWP) to

deliver HB services in 2013/14. This consisted of £38.92 million in administration grant plus an additional £1.91 million of funding due to the economic downturn.

8. The main objective of the benefit performance audit is to help councils improve their benefit services but it also holds councils to account for any failing services. The audit has two phases:
  - a risk assessment phase that identifies risks to continuous improvement
  - a focused audit phase that examines the service, or parts of it in more detail if a council is unable, or unwilling to address key risks identified in phase one.
9. Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions with associated timescales that they will take to address identified risks. These reports are also copied to the DWP to provide assurances over how Scottish councils are performing.
10. When a focused audit is required the Controller of Audit prepares a report to the Accounts Commission. Focused audit reports are provided to council Chief Executives and are also copied to the DWP and published on the Audit Scotland website.

## Work carried out during 2013/14

11. The current round of risk assessments commenced in June 2013. We revised our risk based model to ensure that the councils representing what we considered to be the highest risk were assessed first.
12. Ten risk assessment visits were planned and completed during 2013/14. Appendix A contains the details of the councils visited during 2013/14.
13. Following receipt and review of council improvement plans to address the risks identified in our risk assessment reports, progress reports were requested from six councils. Three of these progress reports relate to risk assessment reports issued in 2012/13. The details are in appendix B.
14. To date, progress reports have been received from all councils with the exception of Perth & Kinross Council which is due to be received in July 2014. Due to further improvement being required by Aberdeen City Council, and to review the impact of improvement activity underway with the DWP, a further update has been requested by the end of July 2014. A further update has also been requested from South Ayrshire Council to ensure the recent improvement activity has the planned impact on performance. Action taken to address risks was considered to be satisfactory in all other updates received.

# Thematic studies

15. In line with Audit Scotland's objective of identifying and sharing good practices, two thematic studies have been undertaken.

## Claiming housing benefit online

16. A review was undertaken in order to establish to what extent HB customers are using council web services to determine entitlement and make applications online. The report highlighted areas of concern as well as areas of good practice that could be used by councils to improve access for customers to the HB claim process.
17. The key findings were as follows:
- on average, a customer would have to click three links from the council "home" page to access an HB application form
  - only 17 (53%) councils provided customers with direct access to HB information from the website homepage
  - five (16%) councils did not provide customers with a facility to download an HB application form
  - only eight (25%) councils had a fully automated online HB claims process
  - 28 (88%) councils provided customers with access to a benefit calculator.
18. In order to increase the number of HB claims that are made digitally, and to help customers with the transition in an efficient and effective manner, there were a number of actions identified that councils could take to improve the user experience. These include:
- having a direct link to HB information on the council homepage
  - providing customers with an easy to access benefit calculator
  - having a facility to complete an application for HB online, or to download an HB application form for offline completion
  - ensuring that councils are able to track the number of HB applications being made electronically, including the ability to record and monitor the number of times the benefit calculator is used and other HB information pages are accessed
  - providing customers with free online training, or assistance at council offices, on how to complete an online application for HB, and helping customers to set up an email account so that councils can provide electronic updates in respect of the progress of their claim
  - having a number of locations where customers that do not have access to a personal computer, or who are in an area with limited access to broadband, are able to access the council website, complete an online application, and receive advice and guidance, if required.

## Review of recovery of benefits subsidy in 2012/13

19. A review was also undertaken of the HB/CTB subsidy claims of all 32 Scottish councils for 2012/13 to provide insight into the extent to which local authorities lost subsidy. The review focused on errors identified by councils and auditors as well as spending by local authorities which was not fully funded by the DWP and was therefore a direct cost to local authority budgets.
20. It was established that during 2012/13, Scottish councils paid out £2.17 billion in HB and CTB awards. The DWP contributed £2.12 billion to this expenditure through subsidy payments, with the balance of £50 million being met directly from local authority budgets.
21. Our review identified that there was a significant variance in terms of the percentage of expenditure recovered from the DWP in respect of HB for properties rented from local authorities and properties rented from private landlords or housing associations. For HB on properties rented from local authorities, known as rent rebates, the percentage of HB expenditure recovered from DWP varied between 72.4% and 99.1%. The percentage of HB expenditure recovered for properties rented from private landlords or housing associations, known as rent allowances, ranged from 96.4% to 99.2%. The lower rent rebate recovery rate for some councils is due mainly to the loss of subsidy on expenditure to discharge local authorities' statutory homeless duty.
22. The main areas where local authorities lost subsidy and incurred cost included:
  - £32.4 million of expenditure on HB and CTB overpayments
  - £11.2 million of expenditure for benefit claimants housed in temporary board and lodging, leased or licensed accommodation to discharge councils' homeless duties
  - £4.3 million on rent allowance claims administered under the rules which were in force up to January 1996.
23. The certification of the 2012/13 subsidy claims by auditors identified errors which, if the DWP decide to reclaim subsidy, will result in a further £0.5 million to be met from local authority budgets.
24. Councils may be able to seek recovery of some overpayments from claimants, where appropriate, but there are costs involved in doing so, principally staff time.

# Key issues from 2013/14 Risk Assessments

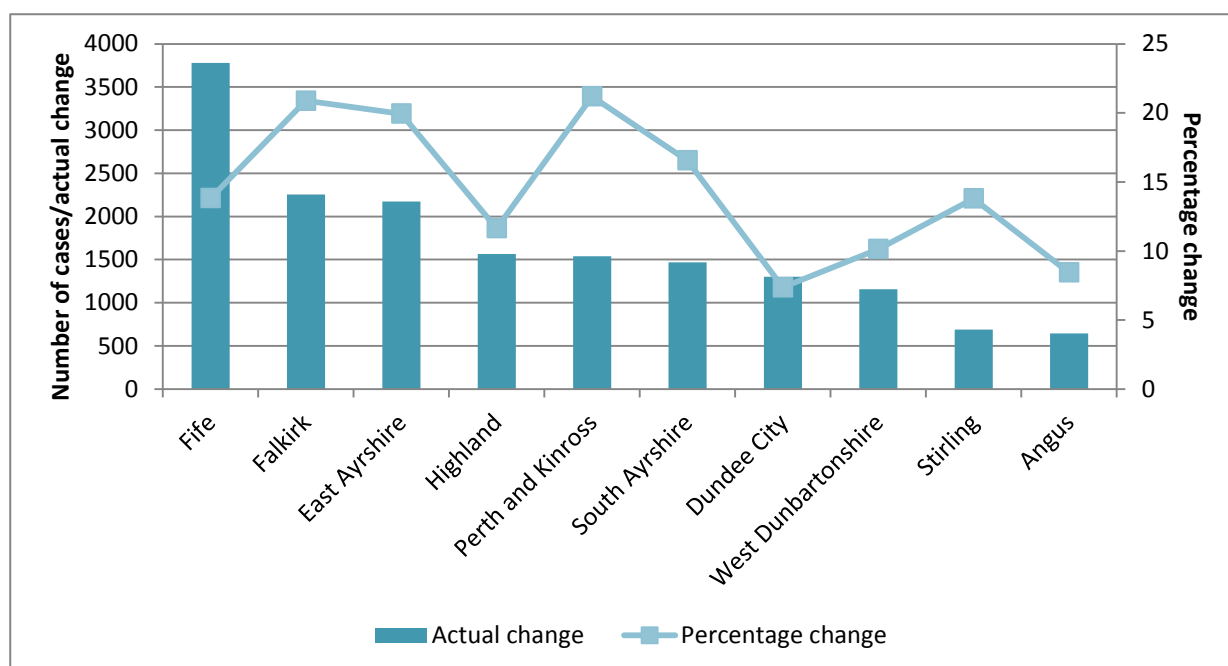
## Outcomes of the risk assessments

25. Audit Scotland identified 64 risks to continuous improvement (129 in 2012/13) in the ten risk assessment visits carried out in 2013/14. We are pleased to report that no risks to continuous



improvement were identified in Angus Council. Our work identified that 86% (134 out of 155) of previously agreed actions had been either fully or partially implemented.

26. Improvement plans have been received from all councils visited with the exception of East Ayrshire Council which currently is in the process of preparing its action plan. Analysis of the risks identified shows that:
  - 98% (100% in 2012/13) of the identified risks were fully accepted by councils
  - 33% (21/64) of these risks were carried forward from previous risk assessments, with ten of these risks carried forward in East Ayrshire Council.
27. Councils have cited increased workload, staffing issues and welfare reform pressures as reasons why not all agreed actions have been implemented. In two councils, East Ayrshire Council and Falkirk Council, the benefit IT system was upgraded during 2012/13 which resulted in these councils being unable to process benefit claims for a minimum of four weeks. This had a detrimental effect on the time taken to process new claims in both councils. At the peak, Falkirk Council was processing claims in an average of 64 days, while East Ayrshire Council was taking an average of 75 days. To put this into context, the Scottish average for processing new claims at this time was 30 days.
28. The same system upgrade occurred in another three Scottish councils. However in these councils, DWP performance statistics show that performance did not decline as much during the implementation phase. The speed of processing performance has improved in both East Ayrshire Council and Falkirk Council with 32 days and 28 days reported respectively for processing new claims in January 2014.
29. Between November 2008 and November 2013, there has been a 12.75% (53,432) increase in HB claims in Scotland. The exhibit below details the caseload increase for the ten councils we visited.

**Exhibit 1: Change in caseload between November 2008 and November 2013**

30. It is clear from our work that where benefit services are well managed they can deliver value for money and high quality services for claimants in difficult economic circumstances although the availability of sufficient experienced and skilled staff continues to have a significant effect on performance in some councils.

## Good practices identified

31. A number of innovative initiatives and areas of good practice have been identified in Scottish benefit services during 2013/14. Many of these can be tracked back to the actions taken by councils to address the risks identified in our first round of risk assessments. The initiatives and areas of good practice identified during our visits include:

### Business planning and reporting

- Angus Council sets targets for all operational areas, and senior managers within the benefit service meet regularly to review service performance, discuss any variances and agree any appropriate action. In addition, key performance information, including speed of processing, overpayments, complaints and costs, is reported to senior officers and made available to the public on the council's website. Regular feedback on processing and accuracy performance is provided to staff to ensure that each member of staff fully understands how their individual performance impacts the overall service performance and delivery. The council has also introduced daily processing targets. Performance is evaluated daily by the benefit service management team and used to agree priorities for the next day. This effective management of productivity on a daily basis has improved overall performance across all areas of the service.

- In Perth and Kinross Council, a working group of processing staff developed and recommended the implementation of individual productivity and accuracy targets. Individual performance is now routinely measured and evaluated.

### **Delivering outcomes**

- Stirling Council provides a visiting service for housebound customers, and has also introduced an initiative whereby volunteers from the community are provided with training to identify customers that might be entitled to benefit, or who might be affected by the changes arising from the welfare reform agenda. These volunteers known as 'spotters/referrers' help customers to contact the appropriate department for more information, guidance and support.
- In Fife Council, a Local Services Network (LSN) is in place to provide the customer facing aspect of the benefit service. A service level agreement is in place setting out roles and responsibilities and key performance indicators. A timed appointment system and a text reminder service have increased the percentage of customers that have attended appointments from 70% to 90%. Since April 2013, the LSN has delivered 98% of application forms fully completed to the benefit service.

### **Speed of processing**

- Stirling Council has consistently been one of the top performing Scottish councils for the speed of processing new claims, and changes of circumstances. This is partially due to:
  - the recruitment of higher skilled staff to replace officers that had left the service
  - managing to retain high levels of knowledge and experience in the benefit service
  - making good use of the DWP's Electronic Transfer of Data, and Automated Transfer to Local Authority Systems (ATLAS) to automate processes, where possible
  - providing each member of staff with training in a specialism, for example homelessness claims, and reviewing this annually. This has provided staff with greater experience and confidence to make decisions across a number of areas of the business.
- The introduction of DWP's ATLAS notifications resulted in a significant increase in the number of changes all benefit services receive. This has been problematic for a number of councils. The Highland Council limited the impact of this by initially implementing ATLAS in only one of its eight area offices. This allowed the benefit service to clear all ATLAS notifications on a daily basis, and with the remaining seven area offices concentrating on processing claims, backlogs of work were avoided. This controlled implementation allowed the service to fully test and review working practices before a wider roll out across the service.
- Similarly, Angus Council maintained its strong speed of processing performance by fully testing and refining its processes for dealing with ATLAS notifications and avoided any significant backlog of work.

- A number of Scottish councils are considering or have implemented risk based verification (RBV) where more intense verification activity is focussed on claims more prone to fraud and error. RBV can also deliver efficiencies in processing times. In a number of cases, RBV is being introduced in conjunction with an integrated online claim form which again should help deliver efficiencies.

### **Accuracy**

- Angus Council's quality checking regime targets more complex and higher risk claims, in particular cases involving self-employed income, tax credits and earned income. Performance reports to management detail the outcome of the checking activity and inform decisions on where future checking will be focused. A summary of each member of staff's performance is also compiled and discussed with individuals.

### **Interventions**

- Stirling Council's structured approach to interventions yields a high return in terms of the percentage of changes identified. An annual programme of targeted intervention activity targeting a different type of claimant each calendar month is in place to focus activity on high risk areas.
- South Ayrshire Council reviewed its risk based intervention programme in light of the change notifications it now receives through ATLAS. As a result it only includes those cases which include elements not notified through this source, such as earned income. Analysis of results shows that while the number of interventions carried out during 2013/14 significantly reduced they have been effectively targeted.

### **Counter-fraud**

- Fife Council has an excellent relationship with the DWP's Fraud and Investigation Service (FIS), and referrals where a DWP benefit is in payment are referred to FIS and a joint investigation carried out. This approach has been particularly successful for the council, and in 2012/13 it was the top performer in Scotland in respect of the number of joint sanctions carried out with FIS.
- Dundee City Council identified a potential risk in that it could lose invaluable knowledge and experience when the DWP's Single Fraud Investigation Service (SFIS) takes over responsibility for the investigation of HB fraud from local authorities from 2014/15. The council has taken a proactive approach to address this risk by putting a Corporate Fraud and Corruption Policy and a Corporate Fraud Action Plan in place which adopt the National Fraud Authority's (NFA) 'Fighting Fraud Locally' strategy. This allows the counter-fraud team to carry out investigations in specific high-risk pilot areas such as the Scottish CTRS, housing tenancies, and blue badges.

## **Areas for improvement**

32. Audit Scotland has identified the following as the key areas of risk during 2013/14:

- Having sufficient, experienced staff is a significant issue for a number of councils. Experienced officers have left many benefit services and councils have had difficulty in some instances in replacing these officers. Where staff have been replaced, the incoming officers have required significant training before becoming fully effective.
- A lack of effective planning and management of major projects such as IT system implementations. In particular not planning effectively for the disruption to normal service levels and returning to target service performance levels.
- Weaknesses in business planning and performance reporting.
- A reduction in effective intervention activity and limited analysis of intervention outcomes to help identify trends and patterns which could help deliver a more effectively targeted intervention approach.
- A lack of targets for the recovery of overpayments and a lack of analysis of overpayments raised to determine the cause with a view to identifying any necessary changes to processes that could minimise overpayments occurring.
- A decline in speed of processing performance.
- A decline in accuracy performance and accuracy checks not being completed effectively.

## Welfare reform

33. Scottish councils continue to work with partners to implement changes to help deliver the UK government's welfare reform agenda. During 2013/14 Scottish councils have:
- Been involved in piloting and testing various aspects of welfare reform. This includes the UC pathfinder in the Inverness area, a digital inclusion pilot in Dumfries and Galloway, a budgeting and financial support pilot in North Lanarkshire and an employability project in West Dunbartonshire.
  - Carried out significant customer engagement to ensure welfare reform changes are communicated.
  - Despite being faced with tight deadlines, successfully implemented systems to issue community care grants and crisis payments from the Scottish Welfare Fund from 1 April 2013.
  - Implemented the Scottish CTRS to replace CTB from 1 April 2013.
  - Awarded a significantly increased volume and value of Discretionary Housing Payment (DHP) awards. The administration of DHP budgets was especially challenging due to the original DWP funding allocation at the start of the financial year being revised several times due to additional rural funding, a DWP error, additional transitional funding and bid funding. The total DWP funding for DHP in 2013/14 was £18.1m with the Scottish Government providing an additional £20 million. In addition, there was uncertainty around the DHP overall spending limit formula which was 2.5 times the initial DHP award at the beginning of the financial year from DWP. The formula did not take account of any of the additional funding which became available during the year. The DWP announced on 24

March 2014 its intention to amend the Discretionary Housing Payments (Grants) Order 2001 to allow the spending formula to include additional DWP funding provided during the year. The effect of this change was that the Scottish councils' overall DHP spending limits increased by £7m one week before the financial year ended. The final overall spending limit for DHP in Scotland in 2013/14 was £40.7million which is a 288% increase on the £10.5million limit for 2012/13. The late change to the spending limit has resulted in a number of councils not being able to spend up to their DHP limit.

34. Looking forward, in May 2014, the UK Government proposed, to devolve the setting of DHP spending limits to the Scottish Government. This will allow the Scottish Government to increase their funding for DHP.
35. The next significant welfare reform change is the transfer of council fraud investigators to the SFIS from the summer of 2014. East Ayrshire Council will transfer first. The DWP plan to have all fraud investigators transferred over by March 2016. Councils should be reviewing their counter fraud resources to ensure sufficient investigative capacity remains in councils to investigate non benefit fraud such as council tax reduction fraud, tenancy fraud and other corporate fraud.
36. Other uncertainties remain which make it difficult for councils to plan effectively. In particular, the migration timeline from HB to UC is uncertain, as is the level of support councils are expected to provide to customers in the future.
37. The latest information from the DWP states that the majority of the HB caseload will migrate to UC during 2016 and 2017 although no detailed migration plans are in place. This planned migration will not include HB claims for customers who have reached the age to qualify for Pension Credit, HB customers in receipt of Employment Support Allowance (ESA) or customers living in supported or specified accommodation. These customers will remain with councils until after 2017. The ESA customers are expected to migrate to UC in 2018, a "local scheme" is in the very early stages of development for customers in supported or specified accommodation and no date has been announced for the planned migration of customers who have reached the Pension Credit qualifying age.
38. The level of support councils will be expected to offer claimants in the future is being discussed between the DWP, the Scottish Government and council representatives. A high level DWP local support services framework is in place but discussions continue around the funding for support services and the details of how these services will be delivered. Indications are that community planning partnerships will be the bodies responsible for the delivery of local services.

## Stakeholder feedback

39. Feedback questionnaires are issued to benefit managers after each risk assessment. The questions are designed to gain assurances over whether the audit methodology and documentation are effective and to look for areas which can be improved. During 2013/14, we received replies from eleven councils.

40. Overall the responses were positive and provided assurance that the audit methodology is fit for purpose and proportionate. The following comments help illustrate these responses:
- The auditor was extremely knowledgeable and understood the business and current pressures and challenges.
  - The auditor was very professional, knowledgeable and helpful during the site visit. Due to ill health and annual leave Audit Scotland worked with the council to agree a more suitable time for the audit which was very much appreciated.
  - Communication was professional throughout with the on site visit carried out in an effective and efficient way, focussing only on any areas where further clarification was required.
  - The 'emerging findings' meeting was extremely helpful as it clearly outlined Audit Scotland's position and gave us the opportunity to articulate our position directly on any areas where we felt it necessary.
  - The approach was appropriate. It was obvious that efforts to reduce the burden of the self assessment have been made although it's inevitable that a considerable amount of staff time is still required to facilitate. The council welcomes all efforts by Audit Scotland to minimise the impact that the risk assessment can have on the delivery of the services now being delivered by the benefits unit.
  - The audit was carried in a professional manner and the auditor showed a detailed understanding of the current issues within benefit administration. The report concentrates on significant areas of risk whilst accepting the reduced resources employed to deliver the service. As a result of the risks identified in our interventions we are now looking at introducing "Risk Based Verification" and also how we tackle our own high risk caseload.
41. Whilst the majority of the responses were positive not every council found the process to be so. Particular concerns raised were:
- While I agree that we were given sufficient notice of the risk assessment, the timing of it could have been better. Given that we were in the throws of implementing significant benefit changes and in the process of year end it was a significant challenge to complete the request for information. Given the pressures, Audit Scotland were flexible with the dates.
  - It would be helpful if the risk assessment process had a formal linkage /referral to the DWP's Performance Development Team.
  - The DWP have challenged the council's benefit processing statistics, but did not appear to be aware of the recent risk assessment work undertaken by Audit Scotland.
  - Whilst appreciating less information was requested in comparison with the previous risk assessment exercise, there was still quite a lot of collation required, when faced with competing and ongoing welfare reform workloads.
42. Audit Scotland has taken these comments on board in the planning and delivery of risk assessments. We give councils as much notice as possible of risk assessments. Our risk assessments are included in the annual assurance and improvement plans issued to councils

at the start of each audit year. We continue to share copies of all our risk assessment plans and reports with DWP.

43. We will also continue to monitor our approach going forward in conjunction with the DWP.



# Appendix A – The 2013/14 risk assessment programme

Date on site	Council	Date reported
May 2013	Stirling	August 2013
June 2013	Angus	July 2013
August 2013	South Ayrshire	October 2013
August 2013	West Dunbartonshire	November 2013
September 2013	Highland	December 2013
October 2013	Fife	January 2014
November 2013	Perth & Kinross	February 2014
December 2013	Dundee City	February 2014
February 2013	East Ayrshire	Report issued to Chief Executive in April 2014. Currently awaiting the council's improvement plan
February 2013	Falkirk	June 2014

# Appendix B – Progress reports requested during 2013/14

Council	Date progress report received or expected	Conclusion on action taken to address risks
City of Edinburgh Council	July 2013 December 2013 April 2014	Updates received and satisfactory progress made. A full risk assessment is planned for 2014/15.
South Lanarkshire Council	July 2013	Update received and satisfactory progress made.
Aberdeen City Council	October 2013 July 2014	Update received and a further update has been requested by July 2014
West Dunbartonshire Council	April 2014	Update received and satisfactory progress made.
South Ayrshire Council	April 2014	Update received and a further update has been requested by January 2015 to ensure recent actions have the planned impact on performance.
Perth & Kinross Council	July 2014	

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Corporate Director, Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/117/14/PC/KB</b>
<b>Contact:</b>	<b>Miriam McKenna, Corporate Policy and Partnership Manager</b>	<b>Contact No:</b>	<b>01475 712042</b>
<b>Subject:</b>	<b>Results from the Citizens' Panel Spring 2014 Survey</b>		

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## 1. PURPOSE

- 1.1 The purpose of this report is to inform Committee of the headline results from the Spring 2014 Citizens' Panel Survey.

## 2. SUMMARY

- 2.1 The Survey focused on the following topics:

- community safety
- Scottish Fire and Rescue Service
- InView newspaper
- access to e-mail and the internet
- public transport.

- 2.2 Throughout this report, commentaries on the results, shown in italics, are included from the appropriate Council Service or community planning partner.

- 2.3 A number of positive results emerged from the Spring 2014 Survey:

- just under three quarters (72%) of respondents said they are fairly or very satisfied with Inverclyde as a place to live;
- almost all people (95%) said their experience of the Scottish Fire and Rescue Service was a positive one;
- the majority of respondents think that InView is either good (46%) or fair (35%);
- three quarters (75%) of respondents currently have access to e-mail or the internet from home; and
- almost two thirds (63%) of respondents said they are either fairly or very satisfied with public transport provision in Inverclyde.

## 3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee:

- a. note the main findings from the Spring 2014 Citizens' Panel Survey; and
- b. agree that the feedback from Panel members is taken into account when reviewing service delivery, as appropriate.

**Patricia Cassidy**  
**Corporate Director, Education, Communities and Organisational Development**

#### 4. BACKGROUND

- 4.1 The Citizens' Panel was established in 2007 to enable the Council to regularly consult with Inverclyde residents on a wide range of issues and to obtain feedback to improve and develop services to meet the needs of local people. The Panel comprises 1,000 local residents, with membership refreshed annually by one third.
- 4.2 The return rate of 65% for the Spring 2014 Survey is broadly in line with previous questionnaires.
- 4.3 The respondent profile of the 650 Panel members who submitted a questionnaire is:

<u>Gender</u>	<u>%</u>
male	47
female	53

<u>Age</u>	<u>%</u>
16-24	10
25-34	13
35-44	15
45-54	18
55-64	19
65-74	17
75+	8

<u>Employment status</u>	<u>%</u>
employed	58
not employed	42

<u>Datazone</u>	<u>%</u>
0-30% datazone	31
elsewhere in Inverclyde	69

#### 5. SURVEY TOPIC: COMMUNITY SAFETY WITH COMMENTARY FROM THE SAFER AND INCLUSIVE COMMUNITIES SERVICE

- 5.1 A set of questions about community safety was asked in the Citizens' Panel Surveys in 2014, 2011 and 2009 to allow the Council to obtain trend information and track our progress in addressing issues.
- 5.2 In the 2014 questionnaire, just under three quarters (72%) of respondents said they are fairly or very satisfied with Inverclyde as a place to live. This figure is consistent with the 2011 and 2009 Surveys. Since the 2011 and 2009 Surveys, there has been a slight increase in the number of people who are neither satisfied, nor dissatisfied with Inverclyde as a place to live (16% in 2014, compared to 14% in 2011 and 15% in 2009).
- 5.3 When respondents were asked to consider a variety of crimes and state how worried they were about each of them, three crimes generated the most responses in each of the three Surveys. The crime that the largest number of people were worried about was 'having your car damaged by vandals' (48% in 2014, down from 54% in 2011 and 65% in 2011). While 'being the victim of property crime (not car related)' was the second most common concern in 2014 and 2011, there was a reduction in the number of people worried about it (42% in 2014 and 50% in 2011). In 2009, the second most worrying crime was 'being assaulted or pestered by anybody while in the street or any other public space' (54%); in 2014 and 2011, this was the third crime which caused the most concern (37% in 2014 and 47% in 2011).
- 5.4 In both the 2014 and 2011 Surveys, the main crime that people felt they are either fairly or very likely to be a victim of was 'having your car damaged by vandals' but the number of people who were concerned reduced (37% in 2014, down from 45% in 2011 and 51% in

2009). This was followed by 'being assaulted or pestered by anybody while in the street or any other public space' which also saw a reduction (24% in 2014 from 31% and 37% in 2011 and 2009 respectively). 'Having things stolen from your car' was the next main concern in the 2014 and 2009 Surveys (23% and 32% respectively), while in the 2011 Survey, the third crime that people feel they are either fairly or likely to be the victim of was 'being the victim of property crime (not car related)' (28%).

- 5.5 Respondents were then asked to look at a variety of different issues and to state how much of a concern these are in their neighbourhood. The most common issue in each of the three Surveys was 'rubbish or litter lying around' (34% in 2014 and 35% in 2011 and 2009). This was followed by 'people using or dealing drugs' which was a concern of 23% of respondents in 2014, compared to 20% in 2011 and 22% in 2009. The third most common concern in 2014 and 2011 was 'vandalism, graffiti or other deliberate damage to property' (17% and 16% respectively), while in 2009, the third issue which caused concern was 'people hanging around on the streets' (14%).
- 5.6 When asked if they had noticed a reduction in vandalism in their neighbourhood in the last 12 months, 14% of Panel members in 2014 and 2009 said they had, while in 2011, the figure was 12%. When responding to the 2014 questionnaire, 62% of Panel members said vandalism is not an issue in their neighbourhood, compared to 60% in 2011 and 59% in 2009.
- 5.7 In the 2014 Survey, 13% of respondents said they had noticed a reduction in anti-social behaviour in their neighbourhood in the last 12 months, compared to 10% and 11% in 2011 and 2009 respectively. The number of people who had noticed no reduction in anti-social behaviour was the same at 30% in both 2014 and 2009 while in 2011 the figure saw a slight increase at 32%. Additionally, more than half the Panel members said anti-social behaviour is not an issue in their neighbourhood (57% in 2014, 58% in 2011 and 60% in 2009).
- 5.8 In the 12 months prior to all Surveys, there were three main crimes that people had experienced within the Panel. The first one - 'had your car or vehicle damaged by vandals' - saw a significant reduction to 5% in 2014 from 19% in 2011 and 35% in 2009. Panel members' experience of the second crime - 'been verbally abused or assaulted' - also reduced (to 4% in 2014 from 14% in 2011 and 29% in 2009). Having 'your house or property damaged by vandals' was the third most common crime, experienced by a smaller number of Panel members (3%) in the 12 months prior to the Spring 2014 Survey, compared to 11% in 2011 and 21% in 2009.
- 5.9 With regard to making people feel safer in their area, while 45% of respondents to the 2014 Survey stated that high profile police patrols would be most likely to achieve this, this figure has dropped from 71% in 2011 and 66% in 2009. 'Improved lighting on streets, back courts etc' is the second measure that would help people feel safe in their area (36% in 2014, 38% in 2011 and 44% in 2009), followed by 'more facilities for young people' (35% in 2014 and 41% in both 2011 and 2009).
- 5.10 Panel members' awareness was consistent of the freephone Inverclyde Anti-Social Behaviour Helpline number to report anti-social behaviour (0800 01 317 001), with figures of 43% in 2014, 44% in 2011 and 42% in 2009.
- 5.11 *We recently completed the Inverclyde Anti-Social Behaviour Strategy and feedback from the Citizens' Panel will be used to inform the development of agreed actions in the Strategy. The document is currently progressing for approval at the September 2014 Education and Communities Committee and will be presented to the Inverclyde Alliance thereafter.*
- 5.12 *Reconfiguration of anti-social behaviour services within the Safer and Inclusive Communities Service is currently underway. Specific responses from the Spring 2014 Citizens' Panel Survey in relation to neighbourhoods noticing a reduction in anti-social behaviour and an awareness of the Anti-Social Behaviour Helpline number to report anti-social behaviour, will be focussed on within the reconfiguration.*
- 5.13 *The Community Safety Partnership has ratified proposals to make changes to the current arrangements of the Multi-Agency Tasking and Co-ordinating Group to focus on more*

*community safety-orientated issues rather than anti-social behaviour. This should allow both the Partnership and the Council to respond to the wider issues raised by the Citizens' Panel.*

**6. SURVEY TOPIC: SCOTTISH FIRE AND RESCUE SERVICE WITH COMMENTARY FROM THE SCOTTISH FIRE AND RESCUE SERVICE (SFRS)**

- 6.1 Just under a quarter (24%) of respondents said they had received or experienced a service from the SFRS, for example, an emergency incident or a home fire safety visit.
- 6.2 Most people (95%) said their experience of the SFRS was a positive one. A quarter of all respondents who had not previously had a home fire safety visit said they would wish to request one.
- 6.3 Just under three quarters (72%) of respondents said they were either fairly or very satisfied with the SFRS provision in Inverclyde. Seventy-two per cent of respondents also said they are either fairly or very satisfied with the quality of service provided by the SFRS in Inverclyde.
- 6.4 *The SFRS was pleased to have the opportunity to include questions in the Citizens' Panel Survey.*
- 6.5 *It is encouraging that 95% of people said their experience of the SFRS was a positive one and that 72% of respondents said they were fairly or very satisfied with fire and rescue service provision in Inverclyde.*
- 6.6 *Only 24% of respondents have received or experienced fire and rescue services. SFRS will continue to deliver home fire safety visits in order to reduce dwelling fires. The Service's aim is to increase preventative service provision to the public whilst reducing the emergency service provision caused by fires and other emergencies.*
- 6.7 *The findings of the Citizens' Panel Survey will be reviewed by the SFRS Local Senior Officer to further improve service efficiency and also to improve service provision to individual communities based on assessment of risk.*

**7. SURVEY TOPIC: INVIEW NEWSPAPER WITH COMMENTARY FROM CORPORATE COMMUNICATIONS**

- 7.1 The Council's InView newspaper is published twice a year and delivered to every home in Inverclyde and published on the Council's website.
- 7.2 Just under two thirds (63%) of respondents said they received the publication. *While this is a decrease on previous Survey results, the proportion of residents who say they do not read it at all has significantly decreased from 46% in a previous Survey to only 5% in the Spring 2014 questionnaire.* The top three articles that people are most likely to read are 'news updates' (51%), 'what's on' (32%) and 'features' (31%).
- 7.3 Most respondents (96%) said they received InView by post through the door at home. Additionally, just over half (52%) of respondents who receive InView through the door said they read selected articles in it and a further 43% said they read it cover to cover.
- 7.4 The majority of respondents think that InView is either good (46%) or fair (35%). At either end of the quality spectrum, 6% think it is excellent and 5% stated it was poor.
- 7.5 Just under half of respondents (48%) said they thought InView was well-written, with a further 47% having no opinion. Four per cent of respondents thought it was poorly written.
- 7.6 On the frequency of publication, 43% of respondents said they felt InView should be circulated four times a year. A further 23% thought it should be published monthly and 20% preferred its current frequency, twice-yearly.

- 7.7 Just over half (57%) of respondents liked the newspaper style of InView, while a further 29% of respondents said they would prefer it as a magazine. Smaller numbers of respondents said they would prefer it to be online (7%) or as an e-newsletter (5%).

## **8. SURVEY TOPIC: ACCESS TO E-MAIL AND THE INTERNET WITH COMMENTARY FROM ICT SERVICES**

- 8.1 Three quarters (75%) of respondents said they currently have access to e-mail or the internet from home. The most common device through which people access the internet from home was a personal computer/laptop (78%), followed by a tablet device such as an Ipad, Kindle etc (31%) and a mobile/smart 'phone (22%). *These figures are broadly in line with national level statistics.*
- 8.2 The majority of people who have access to the internet stated they had a broadband internet connection (88%). This is followed by cable (9%) and mobile internet (3G/4G) (7%). *The figure of 88% is high and may reflect the fact that Inverclyde has excellent fibre-optic infrastructure throughout most of the area. This is possibly as a result of Virgin Media's WAN services contract with the Council. The company laid a huge amount of fibre-optic infrastructure as a result of winning the contract in 2006. As a result, it has a very visible presence which would have had the spin-off effect of lifting their broadband retail sales in Inverclyde.*
- 8.3 Most people said the speed of their internet access was either adequate (42%) or good (31%). *Again, this probably reflects the area's high quality fibre infrastructure.* At either end of the speed scale, 12% said it was excellent and 15% said it was poor. Just over half (52%) of respondents said they rated the cost of internet in their area as being moderate. A further 27% thought it was high and 5% stated it was low. (Sixteen per cent of respondents said they did not know).
- 8.4 Just over half (52%) of respondents said they have access to e-mail or the internet for personal use outside the home. The three most common places that people used e-mail or the internet outside the home were 'on the move with a smart 'phone/tablet device' (48%), at 'work' (37%) and in a local library (13%).
- 8.5 The top three aspects that people use the internet for were 'e-mail' (86%), 'finding information about goods or services' (77%) and 'buying clothes, books, dvds etc' (68%). *These figures are also in line with national trends. The development of the Council's Digital Access Strategy aims to meet the growing demand for more on-line access to Council services.*
- 8.6 Twenty-one per cent of respondents do not have access to e-mail or the internet either in their home or outwith their home. The main reasons that people gave for not using the internet were 'I don't need it' (42%), 'I don't have a PC' (34%), 'it does not interest me' (20%) and 'I would be worried about confidentiality/security' (17%). Developments that would encourage people to use the internet in the future are 'free internet access' (27%), 'cheaper internet access' (25%), 'free or cheap tuition' (20%), 'cheaper computers' (19%) and 'increased knowledge of what is on the internet' (17%). *There may be a message here for the Council to widen public access to internet/IT tuition. Currently, Libraries offer training and PC access to the public. Excellent ICT facilities also exist in our educational establishments and consideration could be given to better utilising them for the benefit of the local community.*
- 8.7 While 75% of respondents said they currently have access to e-mail or the internet from home, this rose to 77% among respondents from the Rest of Inverclyde and dropped to 71% among people living in the Worst 15% of Datazones. Respondents aged 35-44 years are most likely to have access to e-mail or the internet from home, with 89% stating this compared to 52% among respondents aged over 75 years.
- 8.8 Just over half (52%) of respondents rated the cost of internet access in their area as moderate. A further 27% thought it was high while 5% stated it was low (16% said they did not know). *It is encouraging that twice as many people rate the cost of their internet access*

*as low/moderate compared to those who think it is high.*

- 8.9 *Much of the above information demonstrates that the Council is right to be developing a Digital Access Strategy that will allow the public to make use of the internet (at home, at work or from a mobile) to access Council services. If people can interact or request services via e-mail, text or the internet, then the load on front-line facing staff should decrease. This type of access also effectively extends much of the Council's service availability, as the public can contact the organisation whenever it suits them.*

**9. SURVEY TOPIC: PUBLIC TRANSPORT WITH COMMENTARY FROM STRATHCLYDE PARTNERSHIP FOR TRANSPORT (SPT)**

- 9.1 *Eighty-five per cent of respondents said they have access to a bus stop within five minutes walk of their home. Almost two thirds (64%) of respondents said they have access to a train station within 10 minutes walk from their home. SPT said the fact that access is rated highly is very encouraging as there has been a considerable amount of investment from the rail industry in access schemes in the last few years. The Inverclyde area does fairly well regarding the number of stations and the frequency of service.*
- 9.2 *Just under half (45%) of respondents said they had travelled by public transport, either bus or train in the last week. A further 11% had done so between one and two weeks ago and 9% had done so between three and four weeks ago. Just over a quarter (27%) said they last travelled by public transport in Inverclyde over four months ago and 7% said they had never travelled by public transport in Inverclyde.*
- 9.3 *Of those people that travel by public transport, 13% said they did so most days per week, with a further 15% doing so several days a week and 11% on at least one day per week. Twenty per cent of respondents travelled by public transport between one day a fortnight and one day per month. Forty per cent of respondents said they travelled by public transport less often than once a month.*
- 9.4 *Train service: The top three elements of the train service that respondents were most likely to be satisfied with were 'ease of access' (85%), 'journey times' (84%) and 'frequency of the train service' (84%). In contrast, the two elements which people are most likely to be dissatisfied with were 'cost of train fare' (39%) and 'value for money of the train fare' (35%). While SPT is unable to do too much about price and general cost issues other than administering the Concession Fares Scheme on behalf of local authorities and some ticketing products, it should be noted that costs are substantially supported by central government via the rail franchise.*
- 9.5 *Bus service: The top three elements of the bus service that respondents were most likely to be satisfied with were 'ease of access' (74%), 'provision of bus stops' (71%) and 'frequency of the bus service' (70%). In contrast, the two elements which people are most likely to be dissatisfied with were 'cost of bus fare' (33%) and 'value for money of the bus fare' (26%).*
- 9.6 *The main way people obtained information about bus and train service departures was through the internet (36%). This was followed by 'on-street/in-station printed display' (31%) and then 'turn up and wait' (24%).*
- 9.7 *Satisfaction with various elements of public transport information in Inverclyde is generally quite high. For the most part, in the region of between a half and two thirds of all respondents are satisfied with the availability, amount, clarity, sources and accuracy of information. Approximately a third of respondents are neither satisfied nor dissatisfied and between 7% and 9% are dissatisfied.*
- 9.8 *The improvement that most people who are regular bus users have noticed is the quality of bus stop facilities with the provision of raised kerbs, new shelters and timetable (display) cases. Thirty-two per cent of respondents said there has been a lot of improvement with these issues and 53% said a little improvement. It is gratifying to note that the provision of improved bus infrastructure is acknowledged, particularly regarding raised kerbs etc.*



*Infrastructure, bus station and information are all seen as important to Panel members and SPT will continue to work towards meeting the majority of local aspirations.*

- 9.9 Twenty-two per cent of respondents said there has been a lot of improvement regarding 'personal security at those locations where lighting has been improved', with a further 50% saying there has been a little improvement. Finally, 20% of respondents said there has been a lot of improvement regarding 'the level and quality of bus services', with a further 50% saying there has been a little improvement. *SPT says that the issues of cost, comfort, cleanliness and courtesy of staff raised by Panel members are areas which the public transport industry strives to address. For example, cleanliness and punctuality form part of SPT's Quality Regime which aims to ensure that specific standards of passenger service quality are maintained.*
- 9.10 The top three issues that prevent people from using public transport more often are 'I have a car' (53%), 'it is too expensive' (20%) and 'public transport does not go where I want it to go' (17%).
- 9.11 The main things that would encourage people to use public transport more often included 'cheaper bus and train fares' (45%), 'more frequent buses and trains' (29%) and 'faster more direct bus routes' (25%). *The additional hourly Gourock-Glasgow train service from Summer 2014 should be seen as a positive for the area.*
- 9.12 Overall, 63% of respondents said they are either fairly or very satisfied with public transport provision, both bus and train in Inverclyde. A further 28% said they were neither satisfied nor dissatisfied and 9% were dissatisfied.

## **10. IMPLICATIONS**

### **10.1 Finance**

There are no direct financial implications arising from this report.

Financial implications – one-off costs:

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

Financial implications – annually recurring costs/(savings):

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

### **10.2 Legal**

There are no direct legal implications arising from this report.

### **10.3 Human resources**

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

### **10.4 Equalities**

Membership of the Panel is representative of Inverclyde's population by gender, age, employment status, housing tenure, ethnic origin and geographic location.

Potentially extending the use of ICT facilities in educational establishments for the benefit of the community would ensure that more Inverclyde residents have the opportunity to utilise ICT equipment in their local area. This would complement the Adult Learning Service provided in the Council's library facilities.

#### 10.5 Repopulation

It is encouraging to note that almost three quarters of Panel members are fairly or very satisfied with Inverclyde as a place to live.

The additional hourly Gourock-Glasgow train service from Summer 2014 supports delivery of the Council's repopulation agenda.

### 11. CONSULTATION

- 11.1 The appropriate Council Services and community planning partners were consulted in the development of the Spring 2014 Citizens' Panel Survey and the results have been disseminated to ensure that action is taken to address issues, as appropriate.

### 12. CONCLUSION

- 12.1 The results of the Spring 2014 Citizens' Panel Survey are presented for the Committee's consideration, with the suggestion that they are taken in account when service delivery is reviewed, as appropriate.

**INVERCLYDE COUNCIL  
POLICY AND RESOURCES COMMITTEE**

**AGENDA AND ALL PAPERS TO:**

Councillor MacLeod	1
Councillor McCabe	1
Councillor Wilson	1
Councillor McCormick	1
Provost Moran	1
Councillor Clocherty	1
Councillor McEleny	1
Councillor McIlwee	1
Councillor Loughran	1
Councillor Nelson	1
Councillor Rebecchi	1

All other Members (for information only) 9

**Officers:**

Chief Executive	1
Corporate Communications & Public Affairs	1
Corporate Director Community Health & Care Partnership	1
Head of Children & Families & Criminal Justice	1
Head of Community Care & Health	1
Head of Planning, Health Improvement & Commissioning	1
Head of Mental Health & Addictions	1
Corporate Director Education, Communities & Organisational Development	1
Head of Education	1
Head of Inclusive Education, Culture & Corporate Policy	1
Head of Safer & Inclusive Communities	1
Head of Organisational Development, HR & Communications	1
Acting Corporate Director Environment, Regeneration & Resources	1
Property Services Manager	1
Head of Legal & Property Services	1
Head of Finance	1
S Lang, Legal & Property Services	1
R McGhee, Legal & Property Services	1
Chief Internal Auditor	1
File Copy	1

**TOTAL 40**

**AGENDA AND ALL NON-CONFIDENTIAL PAPERS TO:**

Community Councils	10
<b>TOTAL</b>	<b><u>50</u></b>