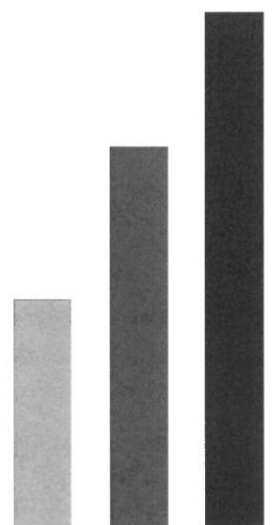


## Agenda 2015

# Policy & Resources Committee

For meeting on:

24	March	2015
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**A meeting of the Policy & Resources Committee will be held on Tuesday 24 March 2015 at 3pm within the Municipal Buildings, Greenock.**

GERARD MALONE  
Head of Legal & Property Services

## **BUSINESS**

1. <b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
<b>PERFORMANCE MANAGEMENT</b>	
2. <b>Policy &amp; Resources Capital Programme 2014/18 - Progress Report</b> Report by Chief Financial Officer and Corporate Director Environment, Regeneration & Resources	<b>p</b>
3. <b>2014/18 Capital Programme</b> Report by Chief Financial Officer	<b>p</b>
4. <b>Policy &amp; Resources Committee 2014/15 Revenue Budget – Period 10 to 31 January 2015</b> Report by Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	<b>p</b>
5. <b>2014/15 General Fund Revenue Budget as at 31 January 2015</b> Report by Chief Financial Officer	<b>p</b>
6. <b>Corporate Performance Report</b> Report by Head of Inclusive Education, Culture & Corporate Policy	<b>p</b>
7. <b>SOLACE Improving Local Government Benchmarking Framework 2013/14</b> Report by Corporate Director Education, Communities & Organisational Development	<b>p</b>

8.	<b>Welfare Reforms Update</b> Report by Chief Financial Officer and Corporate Director Inverclyde Community Health and Care Partnership	p
9.	<b>Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 – 2017/18</b> Report by Chief Financial Officer	p
10.	<b>Corporate Charging Policy</b> Report by Chief Financial Officer	p
11.	<b>Information Governance and Management Update</b> Report by Corporate Director Inverclyde Community Health and Care Partnership	p
12.	<b>Equality Mainstreaming Report and Progress against Equality Outcomes</b> Report by Corporate Director Education, Communities & Organisational Development	p
13.	<b>Audit Scotland Report: Community Planning – Turning Ambition into Action</b> Report by Corporate Director Education, Communities & Organisational Development	p
14.	<b>Update – Audit Scotland Report: Major Capital Investment in Councils</b> Report by Head of Legal & Property Services	p
<b>NEW BUSINESS</b>		
15.	<b>Records Management Policy</b> Report by Corporate Director Inverclyde Community Health and Care Partnership	p
16.	<b>Mileage Allowance Payments (MAPs) for Teachers</b> Report by Head of Organisational Development, Human Resources & Communications	p
<b>REMITTS FROM COMMITTEES</b>		
<b>The documentation relative to the following items has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in the paragraphs of Part I of Schedule 7(A) of the Act whose numbers are set out opposite the heading to each item.</b>		
<b>NEW BUSINESS</b>		
17.	<b>Former Tied Housing Employees</b> Report by Head of Organisational Development, Human Resources & Communications on the formal consultation period with the Trades Unions in relation to the implementation of revised rent arrangements for employees in former tied houses and outlining the potential next steps for consideration	Paras 1, 11 and 12  p



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/20/15/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 2014/18 - Progress Report</b>		

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## **1.0 PURPOSE**

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

## **2.0 SUMMARY**

- 2.1 This report advises Committee in respect of the progress and financial status of the projects within the Policy & Resources Capital Programme.
- 2.2 It can be seen from the table in 6.3 that the projected spend is £6.942m, which means that the total projected spend is on budget.
- 2.3 Expenditure at 31<sup>st</sup> January is 61.23% 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).

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the current position of the 2014/18 Capital Programme and the progress on the specific projects detailed in Appendix 1.

Alan Puckrin  
Chief Financial Officer

Aubrey Fawcett  
Corporate Director  
Environment, Regeneration  
& Resources

## **4.0 BACKGROUND**

- 4.1 On February 19<sup>th</sup> 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18.

## **5.0 PROGRESS**

- 5.1 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.
- CRM Upgrade and customer data cleansing work is ongoing
    - Kana/Lagan Developments
    - Citizen record data cleansing
    - Upgrade to Lagan Enterprise 14R1
  - Web Site Redesign. A new website design and layout has been agreed and is being developed by the Council's Web Developers and ICT. Content for the new site is being produced by all Council Services.
  - Prioritisation of service requirements and business process redesign.
  - ICT is in discussion with The Improvement Service regarding on-line school payments and the national MyAccount project.
  - ICT are working with Environmental and Commercial Services to map business processes in relation to Roads and Lighting Fault Reporting. A mobile reporting and fault recording tool has been commissioned and is ready for pilot testing by the service.
- 5.2 EDMS Implementation – The new EDMS solution is live in Revenues, Benefits and Customer Services and further work is underway in NDR. It has been deployed to around half of the services in the CHCP and implementation is continuing to the remaining services. A business case has been produced for EDMS implementation in HR/Payroll service.
- 5.3 PC Refresh Programme - The annual PC refresh programme for the year is now complete. 1,346 devices were replaced (819 Desktops and 142 laptops were replaced in Schools and nurseries and 297 desktops and 88 laptops were replaced in Corporate Services). All PCs have now been updated with Windows 7 and Office 2010.
- 5.4 Infrastructure Refresh Programme. ICT are continuing their programme of upgrading core Network Infrastructure Equipment in support of the migration to the Scottish Wide Area Network (SWAN). Additional Network Storage has been implemented in support of the Virtualised Infrastructure Environment and in anticipation of additional capacity requirements.
- 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. The mezzanine within the Customer Service Centre is one area where employees can hot desk.

### **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> January 2015. Expenditure to date is £0.507m (61.23% of the 2014/15 projected spend).
- 6.2 The current budget is £6.942m. The current projection is £6.942m 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).

#### One off Costs

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

#### Annually Recurring Costs/ (Savings)

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

## 7.0 CONSULTATION

### 7.1 Legal

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

### 7.2 Human Resources

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

### 7.3 Equalities

There are no equalities implications in this report.

### 7.4 Repopulation

There are no repopulation implications in this report.

## 8.0 LIST OF BACKGROUND PAPERS

- 8.1 None

COMMITTEE: POLICY & RESOURCES

	1	2	3	4	5	6	7	8	9
Project Name	<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 31/01/15</u>	<u>Est 2015/16</u>	<u>Est 2016/17</u>	<u>Est 2017/18</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>	<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	75	37	0	0	0
Mobile Technology	47	32	15	6	0	9	0	0	0
Rolling Replacement of PC's	2,924	2,401	115	443	332	80	0	0	0
Whiteboard/Projector Refresh	572	344	66	30	0	40	92	66	0
Server & Switch Replacement Programme	529	446	3	83	13	0	0	0	0
2013/15 Indicative Allocation	977	0	450	0		333	347	297	0
Scottish Wide Area Network	323	0	0	0	0	0	323	0	0
Data Centre Remedial Works - complete on Site	2	0	2	2	0	0	0	0	0
<b><u>ICT Total</u></b>	<b>5,714</b>	<b>3,448</b>	<b>766</b>	<b>642</b>	<b>420</b>	<b>499</b>	<b>762</b>	<b>363</b>	<b>0</b>
<b><u>Finance</u></b>									
Modernisation Fund	1,228	823	23	186	87	109	110	0	0
<b><u>Finance Total</u></b>	<b>1,228</b>	<b>823</b>	<b>23</b>	<b>186</b>	<b>87</b>	<b>109</b>	<b>110</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>6,942</b>	<b>4,271</b>	<b>789</b>	<b>828</b>	<b>507</b>	<b>608</b>	<b>872</b>	<b>363</b>	<b>0</b>



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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/19/15/JB/MT</b>
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b>	<b>01475 712225</b>
<b>Subject:</b>	<b>2014/18 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2014/18 Capital Programme.

## 2.0 SUMMARY

- 2.1 On February 19<sup>th</sup> 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18.
- 2.2 As part of the approved Capital Programme it was agreed to return the existing surplus in Capital Resources to Revenue Reserves. As a result it can be seen from Appendix 1 that the previously reported surplus in resources of £1.302 million has been reduced to a break-even position. In the longer term it is anticipated that annual capital requirements will continue to exceed the General Capital Grant and this requires to be addressed through the budget process.
- 2.3 It can be seen from Appendix 2 that as at 31<sup>st</sup> January 2015 expenditure in 2014/15 was 64.08% of projected spend. Phasing and project spend has been reviewed by the budget holders 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 15.22% is being reported, this compares with a slippage outturn of 13.04% in 2013/14.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the initial position of the 2014/18 Capital Programme.
- 3.2 It is recommended that the Committee note the current projected level of capital slippage in 2014/15.

## **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 The Scottish Government General Capital Grant allocation for 2015/16 is significantly more than the estimate included when agreeing the budget in February 2013. As a result the previously reported shortfall in resources was replaced by a surplus in resources.
- 4.3 On February 19<sup>th</sup> 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18. As part of this process minor underspends in 2 projects, SV Comet and Kylemore Children's Home, were removed and the previously reported surplus was reduced to a break-even position and a total balance of £1.261m returned to Revenue Reserves.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 2014/18 period the Capital Programme is in a break-even position.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

Slippage of £0.025m is being reported with spend being 63.5% of projected spend for the year. The slippage in fact relates to an underspend within Kylemore Childrens Home.

### Environment & Regeneration

Net slippage of £2.550m (14.25%) is being reported with spend being 62.7% of projected spend for the year. Slippage relates mainly to the Asset Management Plan (£1.886m). Where possible projects are being advanced from future years and are partly offsetting the slipped projects.

### Education & Communities

Slippage of £1.988m (18.34%) is being reported with spend being 66.8% of projected spend for the year. The slippage relates mainly to Inverkip Community Facility (£1.112m) and Primary School Pitch Upgrading (£0.35m) as well as slippage within the SEMP (£0.625), mainly relating to St John's Primary Refurbishment and Early Years partly offset by the advancement of spend on Primary School MUGAs (£0.234m).

### Policy & Resources

Net advancement of £0.039m (4.94%) is being reported with spend being 61.2% of projected spend for the year. Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage in some ICT investment (£0.073m).

- 5.3 Overall in 2014/15 it can be seen that expenditure is 64.08% of the projected spend for the year and that slippage from the programme agreed in February 2014 is currently £4.524 million (15.22%). After allowing for a budget correction due to an anomaly identified during the audit of the 2013/14 accounts which was reported to Council in December 2014, this is an increase in slippage of £0.769m (0.91%) from the last Committee.

## **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 4<sup>th</sup> November 2014 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable.

- 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 MUGAs within the Primary School estate was approved.

## 7.0 CONCLUSIONS

- 7.1 As can be seen in paragraph 5.3, projected slippage is currently 15.22%; this compares with slippage of 13.04% in 2013/14. Officers are working to maximise spend 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 2014/18 is showing a break-even position.
- 7.3 Overall Service Committees have spent 64.08% of the 2014/15 projected spend as at 31<sup>st</sup> January 2015.

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

## **10.0 BACKGROUND PAPERS**

- 10.1 None.

Appendix 1

Capital Programme - 2014/15 - 2015/16

Available Resources

	A	B	C	D	E	F
	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	8,937	11,180	7,300	7,300	-	34,717
Less: Allocation to School Estate	(5,399)	(5,317)	(4,300)	(4,300)	-	(19,316)
Capital Receipts (Note 1)	561	773	133	385	-	1,852
Capital Grants (Note 2)	535	514	160	-	-	1,209
Prudential Funded Projects (Note 3)	7,200	12,005	18,751	11,368	360	49,684
Balance B/F From 12/13 (Exc School Estate)	3,049	-	-	-	-	3,049
Capital Funded from Current Revenue (Note 4)	6,408	5,699	6,732	333	-	19,172
	<u>21,291</u>	<u>24,854</u>	<u>28,776</u>	<u>15,086</u>	<u>360</u>	<u>90,367</u>

Overall Position 2013/16

	£000
Available Resources (Appendix 1, Column E)	90,007
Projection (Appendix 2, Column B-E)	<u>90,007</u>
(Shortfall)/Under Utilisation of Resources	<u>-</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Sales	441	746	83	385	-	1,655
Contributions/Recoveries	120	27	50	-	-	197
	<u>561</u>	<u>773</u>	<u>133</u>	<u>385</u>	<u>-</u>	<u>1,852</u>

Note 2 (Capital Grants)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	125	121	-	-	-	246
SPT	132	75	-	-	-	207
Sustrans	37	140	150	-	-	327
Sports Scotland/SFA	18	-	-	-	-	18
Electric Vehicle Charging Points	73	-	-	-	-	73
Big Lottery Fund	-	178	10	-	-	188
Zero Waste Scotland	150	-	-	-	-	150
	<u>535</u>	<u>514</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>1,209</u>

## Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	68	78	92	66	-	304
Vehicle Replacement Programme	861	1,254	900	1,481	-	4,496
Greenock Parking Strategy	-	273	-	-	-	273
Asset Management Plan - Offices	1,881	1,293	3,756	133	-	7,063
Asset Management Plan - Borrowing in Lieu of Receipts	920	-	-	-	-	920
Asset Management Plan - Depots	1,503	3,015	4,599	393	-	9,510
Capital Works on Former Tied Houses	20	-	160	60	360	600
Waterfront Leisure Complex Combined Heat and Power Plant	25	175	50	-	-	250
Leisure & Pitches Strategy	261	48	198	-	-	507
Broomhill Community Facility	-	-	500	-	-	500
Kylemore Childrens Home	(85)	-	-	-	-	(85)
Neil Street Childrens Home Replacement	-	-	675	83	-	758
Crosshill Childrens Home Replacement	-	-	601	1,021	-	1,622
Modernisation Fund	186	109	110	-	-	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	4,600	4,600	-	13,400
Kerbside Glass Collection	150	-	-	-	-	150
Surplus Prudential Borrowing due to project savings	60	60	60	60	-	240
Reduction in Prudential Borrowing, ICT Annual allocation	-	(150)	(150)	(150)	-	(450)
Additional Prudential Borrowing to Support annual allocations	-	1,000	1,400	1,400	-	3,800
	7,200	12,005	18,751	11,368	360	49,684

Note 4 (Capital Funded from Current Revenue)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	30	476	250	-	-	756
Play Areas	457	276	204	-	-	937
Coronation Park, Port Glasgow	50	100	100	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	-	200	-	-	200
Gourock Walled Garden, Toilet Provision	12	28	-	-	-	40
Port Glasgow Health Centre Car Park	40	-	-	-	-	40
Hillend Respite Unit	80	-	-	-	-	80
Scheme of Assistance	433	433	333	333	-	1,532
Aids & Adaptations (Earmarked Reserve)	100	-	-	-	-	100
Flooding Strategy	360	113	1,726	-	-	2,199
Greenock Parking Strategy	90	75	-	-	-	165
Roads Asset Management Plan	2,968	2,189	-	-	-	5,157
Broomhill Community Facility (Community Facility Fund)	54	73	252	-	-	379
Inverkip Community Facility	88	896	315	-	-	1,299
Neil Street Childrens Home Replacement	-	775	325	-	-	1,100
Primary School MUGA's - various	234	611	255	-	-	1,100
St John's MUGA - transfer to SEMP	-	(138)	-	-	-	(138)
Port Glasgow Town Centre, Town Hall Refresh	60	-	34	-	-	94
Watt Complex Refurbishment	100	53	800	-	-	953
Community Facilities Investment	-	100	300	-	-	400
Blaes Football Parks	479	75	245	-	-	799
Ravenscraig Sports Barn	-	400	200	-	-	600
Broomhill Regeneration	8	172	570	-	-	750
Central Gourock	-	-	150	-	-	150
Scottish Wide Area Network	-	-	323	-	-	323
Rankin Park Cycle Track	-	-	150	-	-	150
Asset Management Plan - Depots	-	137	-	-	-	137
Various Projects - moved to complete on Site	7	-	-	-	-	7
Use of General Fund Reserves	758	(1,145)	-	-	-	(387)
	6,408	5,699	6,732	333	-	19,172

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

Committee	A Prior Years	B 2014/15	C 2015/16	D 2016/17	E 2017/18	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2014/15 Spend To 31/01/15
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	4,271	828	608	872	363	-	6,942	6,942	-	507
Environment & Regeneration	32,206	15,350	18,965	24,359	10,682	360	101,922	101,922	-	9,621
Education & Communities (Exc School Estate)	389	2,124	2,751	6,401	3,054	-	14,719	14,719	-	899
CHCP	1,156	170	775	1,601	1,104	-	4,806	4,806	-	108
Sub -Total	38,022	18,472	23,099	33,233	15,203	360	128,389	128,389	-	11,135
School Estate (Note 1)	676	6,726	6,851	12,750	5,164	-	32,167	32,167	-	5,013
Total	38,698	25,198	29,950	45,983	21,471	360	160,556	160,556	-	16,148

Note 1Summarised SEMP Capital Position - 2013/17

	2014/15	2015/16	2016/17	2017/18
Capital Allocation	5,399	5,317	4,300	4,300
Scottish Government School Grant (estimate)	100	1,120	1,953	100
Surplus b/fwd	4,904	4,126	3,850	(1,823)
Prudential Borrowing	449	-	824	-
Prudential Borrowing - In Lieu of Receipts				
Prudential Borrowing - Accelerated Investment				
CFCR	-	138	-	-
Available Funding	10,852	10,701	10,927	2,577
<u>Projects</u>				
Ex-Prudential Borrowing	6,277	6,713	11,926	5,164
Prudential Borrowing	449	-	824	-
CFCR	-	138	-	-
Total	6,726	6,851	12,750	5,164
Surplus c/fwd	4,126	3,850	(1,823)	(2,587)

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Executive, Corporate Director Environment, Regeneration &amp; Resources, Corporate Director Education Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/16/15/AP/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 10 to 31st January 2015</b>		

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2014/15 projected out-turn for the Policy & Resources Committee as at Period 10 (31st January 2015).

## 2.0 SUMMARY

- 2.1 The total revised Committee budget for 2014/15 is £17,812,000. This excludes Earmarked Reserves of £2,353,000.
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £2,038,000 which is a further decrease in spend of £508,000 since last reported to Committee.

The main reasons for this underspend are:

- a) One-off £1,400,000 underspend due to a significant reduction in calls on the non-pay inflation contingency. This is an increase in underspend of £300,000 since last reported to Committee.
  - b) Projected underspend of £157,000 within Finance Employee costs, an increase in underspend of £28,000 since period 8 report to Committee, mainly due to extra turnover savings.
  - c) £60,000 projected underspend within Benefit Subsidy based on mid-year return produced in August 2014 due to a reduction in Housing Benefits caseload.
  - d) £150,000 projected over-recovery of prior year council tax income which is an increase of £50,000 since last reported to Committee.
  - e) Since last reported to Committee a further £71,000 income is projected arising from a revised SLA with Scottish water for the collection of water and sewerage income.
  - f) £41,000 projected underspend within Organisational Development, HR & Communications due to additional turnover savings.
- 2.3 The Earmarked Reserves for 2014/15 total £2,353,000 of which £854,000 is projected to be spent in the current financial year. To date expenditure of £650,000 (76.11%) has been incurred which is £123,000 over the phased budgeted spend to date. It is to be noted that Earmarked Reserves reported in appendix 3 exclude Earmarked Reserves for Asset Plans and Strategic Funds.
- 2.4 The Common Good Fund is projecting a fund balance at 31 March 2015 of £90,490. This is below the minimum level of reserves of £100,000 recommended and action to address this was agreed as part of the 2015/17 budget.



### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the 2014/15 projected underspend of £2,038,000 for the Policy & Resources Committee as at Period 10 (31 January 2015).
- 3.2 That the Committee note the projected fund balance of £90,490 for the Common Good Fund.

John W Mundell  
Chief Executive

Alan Puckrin  
Chief Financial Officer

Patricia Cassidy  
Corporate Director  
Education, Communities &  
Organisational Development

Aubrey Fawcett  
Corporate Director  
Environment, Regeneration &  
Resources

## **4.0 BACKGROUND**

- 4.1 The purpose of this report is to advise Committee of the current position of the 2014/15 budget and to highlight the main issues contributing to the projected underspend of £2,038,000.

## **5.0 2014/15 CURRENT POSITION**

- 5.1 The current projection is an underspend of £2,038,000. This is an increase in underspend of £508,000 since period 8.
- 5.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

### **Finance - £441,000 Underspend**

Employee Costs: Projected underspend of £157,000, a decrease in spend of £28,000 since last reported to Committee mainly due to additional turnover savings being achieved.

Supplies & Services: Projected overspend of £19,000, an increase in spend of £12,000 since last reported to Committee mainly due to additional telephony software being purchased for the Customer Service Centre.

Other Expenditure: Current projection is an underspend of £60,000 within Benefit Subsidy based on the mid-year return produced in August 2014. There has been no changes to projections since last reported to Committee.

Income: Current projected over-recovery is £238,000, an increase in income of £128,000 since last reported to Committee. This increase has been mainly due to an additional £50,000 projected over-recovery of prior year Council tax income based on current recovery levels and a £71,000 projected over-recovery for Water and Sewerage SLA. Both these over-recoveries have been factored into the 2015/17 budget.

### **ICT - £53,000 Underspend**

Supplies & Services: Current projection is an underspend of £19,000 a minor decrease in spend of £1,000 since last reported to Committee.

Administration Costs: Current projection is an underspend of £13,000, a decrease in spend of £8,000 since last reported to Committee. The reduction in spend is mainly due to further minor projected underspends within Telephone and Line Rental budgets.

Income: Current projection is an over-recovery of £8,000, a reduction of £7,000 since last reported to Committee mainly due to a reduction in projected income from sale of PCs.

### **Legal & Democratic Service – £44,000 Underspend**

Employee Costs: Current projection is an underspend of £20,000. There has been no change in projections since last reported to Committee.

Administration Costs: An underspend of £20,000 is being projected which is an increase in underspend of £14,000 since last reported to Committee mainly due to minor underspend projected over various budget lines such as Printing & Stationery, Training Courses, Conference Courses, Telephones & Legal Expenses.

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

**Organisational Development, HR & Communications – £92,000 Underspend**

Employee Costs: Projected underspend of £41,000 mainly due to additional turnover savings which is a minor increase in underspend of £5,000 since last reported to Committee.

Other Expenditure Costs: Projected underspend of £30,000, an increase in underspend of £5,000 since last reported to Committee mainly due to an underspend projected within the Events budget.

Administration Costs: An underspend of £14,000 is being projected which is an increase of £11,000 since period 8 report to Committee. The underspend is mainly due to an £8,000 projected underspend within training budgets based on current spend profile.

5.4 The following material variance relate to the Miscellaneous budget:

**Miscellaneous – £1,400,000 Underspend**

Inflation Contingency: A £1,400,000 projected reduction in spend due to a significant reduction in calls on the non-pay inflation contingency arising from the historically low levels of inflation. This is an increase of £300,000 since last reported to Committee.

**6.0 VIREMENT**

6.1 There are no virements to report in period 10.

**7.0 EARMARKED RESERVES**

7.1 Appendix 3 gives a detailed breakdown of the current earmarked reserves position. Total funding is £2,353,000 of which £854,000 is projected to be spent in 2014/15 and the remaining balance of £1,499,000 to be carried forward to 2015/16 and beyond. It can be seen that expenditure of £650,000 has been achieved which is £123,000 over the phased budgeted spend to date and represents 76.11% of the annual projected spend.

**8.0 COMMON GOOD FUND**

8.1 Appendix 3 shows a projected overspend of £24,100 in the Common Good Fund as at 31 January 2015. This results in a projected available fund balance at 31 March 2015 of £90,490. This is below the minimum level of reserves of £100,000 recommended and has been addressed as part of the 2015/17 budget.

**9.0 IMPLICATIONS**

**9.1 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

## **9.2 LEGAL**

There are no specific legal implications arising from this report.

## **9.3 HUMAN RESOURCES**

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

## **9.4 EQUALITIES**

There are no equality issues arising from this report.

## **9.5 REPOPULATION**

There are no repopulation implication issues arising from this report.

## **10.0 CONSULTATIONS**

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

## **11.0 BACKGROUND PAPERS**

- 11.1 There are no background papers for this report.

**POLICY & RESOURCES**

Appendix 1

**REVENUE BUDGET MONITORING REPORT**

**CURRENT POSITION**

**PERIOD 10: 1st April 2014- 31st Jan 2015**

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	6,382	5,941	(441)
ICT	2,206	2,166	2,113	(53)
Legal & Property Services	1,731	1,719	1,675	(44)
<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,991</b>	<b>10,267</b>	<b>9,729</b>	<b>(538)</b>
Organisational Development, Human Resources & Communications	1,877	1,876	1784	(92)
Corporate Policy	183	183	175	(8)
<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>2,060</b>	<b>2,059</b>	<b>1,959</b>	<b>(100)</b>
Chief Executive	356	368	368	0
Miscellaneous	5,638	5,118	3,718	(1,400)
<b>TOTAL NET EXPENDITURE</b>	<b>18,045</b>	<b>17,812</b>	<b>15,774</b>	<b>(2,038)</b>
Earmarked reserves				
<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>18,045</b>	<b>17,812</b>	<b>15,774</b>	<b>(2,038)</b>

**POLICY & RESOURCES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)****PERIOD 10: 1st April 2014 - 31st Jan 2015**

Outturn 2013/14 £000	Budget Heading	Budget 2014/15 £000	Proportion of Budget £000	Actual to 31/01/15 £000	Projection 2014/2015 £000	Over/(Under) Budget £000
	<b><u>Finance</u></b>					
3,897	Employee Costs	4,179	3,309	3,192	4,023	(156)
24	Computer Software Upgrade	9	8	9	23	14
0	Council tax income Prior Year	(100)	(83)	0	(250)	(150)
36,407	Benefits & Allowances	36,957	30,798	30,712	36,897	(60)
(268)	Statutory Additions	(240)	(200)	(150)	(252)	(12)
(228)	Water SLA	(227)	(189)	(298)	(298)	(71)
	<b><u>Organisational Development, HR &amp; Communications &amp; Events</u></b>					
1,574	Employee Costs	1,570	1,002	967	1,534	(36)
85	Administration Costs	65	50	33	51	(14)
228	Other Expenditure	265	247	189	235	(30)
	<b><u>Miscellaneous</u></b>					
2,677	Inflation Contingency	3,231	2,692	633	1,831	(1,400)
	<b><u>ICT</u></b>					
30	Supplies & Services -Computer Hardware - Maint	24	20	52	38	14
448	Supplies & Services -computer software maintenance	462	385	505	437	(25)
496	Admin costs	421	351	338	408	(13)
	<b><u>Legal &amp; Property Services</u></b>					
1,081	Employee Costs	1,265	1,002	981	1,245	(20)
280	Admin costs	301	238	80	281	(20)
<b>46,731</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>48,182</b>	<b>39,628</b>	<b>37,243</b>	<b>46,203</b>	<b>(1,979)</b>

**EARMARKED RESERVES POSITION STATEMENT**
**Appendix 3**
**COMMITTEE: Policy & Resources**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget To Period 10 2014/15</u>	<u>Actual To Period 10 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	131	181	255	259	Largely funding extra staff for development and backscanning. Ahead of phased budget due to increase in cost of CHCP Backscanning. £179k unallocated.
Procurement Development Fund	Alan Puckrin	79	40	34	47	32	Funding additional Procurement Officer until March 2015. £10k write back agreed, February 2015.
Workforce Development Fund	S McNab	20	7	8	9	11	£5k set aside for Finance Development Capacity Plan - budget training for teachers which is now expected to be incurred in 2015/16. Remaining £15k is for setting up the new Port Glasgow Training suite. £9k spend expected to be incurred by year end. £6k write back agreed, February 2015.
Welfare Reforms - Operational	Alan Puckrin	336	127	172	172	164	£172k spend relates to Scottish Welfare fund carry forward from 2013/14. No further spend expected in 2014/15.
Budget Development	Alan Puckrin	150	30	8	30	120	New EMR Created from previous Workstream Delivery EMR of £79k and £71k from Revenue Contingency. Proposed to use this fund to assist in the development and delivery of the 2015/18 Budget. To date, £13k has been committed to be spend on budget consultation by Feb 15. £30k write back agreed, February 2015.
Protection of Vulnerable Groups	S McNab	146	60	43	56	90	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. £25k write back agreed, February 2015.

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget To Period 10 2014/15</u>	<u>Actual To Period 10 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	
2013/16 Revenue Contingency	Alan Puckrin	457	90	138	155	302	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 £75k has been spent in 2014/15 to date. 2014/15 commitments made up of £5k for the Toll Boys Memorial, £19k for the Queens Baton Relay, £10k for Race 2 the Games, £17k for new polling booths, an additional £7k for City Deal and £10k for Ebola Appeal. The City Deal, Queen's Baton Relay, Race 2 the Games, Polling Booths and Ebola Appeal have been fully spent. £244k remains uncommitted. Note that EMR has been reduced by £71k to create new Budget Development EMR. £100k write back agreed, February 2015.
Increased Officer Capacity - Equalities Officer	Wilma Bain	50	20	27	35	15	Equalities Officer reverted to 1.0fte on 1/8/14 with additional funding of £9k allocated to fund the extra hours (not included in original phasing)
Increased Officer Capacity - Communications Assistant	S McNab	34	22	21	27	7	New Grade F post for 2 year period to support Communications Officer (Media). Post started 28 May 2013.
Discretionary Housing Payments / Welfare Reform - Policy		566	0	17	67	499	Further £50k allocated to projects at P&R Committee and £100k allocated for increased clothing grants as part of the Feb 2015 budget leaving £349k unallocated. £60k write back agreed, February 2015.
Civic Hospitality (Inverclyde Music Festival)	Alan Puckrin Gerard Malone	1	0	1	1	0	Complete.
<b>Total Category C to E</b>		<b>2,353</b>	<b>527</b>	<b>650</b>	<b>854</b>	<b>1,499</b>	



**REVENUE BUDGET MONITORING REPORT 2014/15****PERIOD 10 : 1st April 2014 to 31st January 2015**

		<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>PROPERTY COSTS</b>		<b>16,560</b>	<b>5,000</b>	<b>4,100</b>	<b>16,980</b>	<b>9,000</b>
Repairs & Maintenance	1	530	4,000	3,300	5,480	8,000
Rates	2	12,210			13,890	0
Property Insurance		2,900	1,000	800	(2,390)	1,000
Marketing Costs		920				
<b>ADMINISTRATION COSTS</b>		<b>11,200</b>	<b>8,500</b>	<b>2,500</b>	<b>8,030</b>	<b>14,200</b>
Sundries	3	3,000	300	300	5,830	6,000
Commercial Rent Management Recharge		2,200	2,200	2,200	2,200	2,200
Recharge for Accountancy		6,000	6,000	0		6,000
<b>OTHER EXPENDITURE</b>		<b>113,390</b>	<b>133,000</b>	<b>130,100</b>	<b>128,980</b>	<b>135,600</b>
Christmas Lights Switch On		10,130	10,500	10,500	10,500	10,500
Christmas Dinners/Parcels		17,990	18,000	18,000	18,000	18,000
Christmas Decorations		35,400	35,400	35,400	35,400	35,400
Gourock Highland Games		29,400	29,400	29,400	29,400	29,400
Armistice Service		7,990	8,300	8,300	6,930	8,300
Comet Festival		13,300	13,300	13,300	13,300	13,300
Fireworks		12,600	12,600	12,600	12,600	12,600
Contingency for future Community Events			2,400	0		0
Society of the Innocents Rent Rebate		3,000	3,100	2,600	2,250	3,100
World War 1 Centenary	4				600	5,000
Bad Debt Provision		(16,420)	0	0		0
<b>INCOME</b>		<b>(117,950)</b>	<b>(146,500)</b>	<b>(120,400)</b>	<b>(108,890)</b>	<b>(134,700)</b>
Property Rental		(116,650)	(164,150)	(136,800)	(108,810)	(164,150)
Void Rents	5		19,650	16,400		30,750
Internal Resources Interest		(1,300)	(2,000)	0	(80)	(1,300)
Donations						0
Lease Premium						0
Disposal of Land	6					0
<b>NET ANNUAL EXPENDITURE</b>		<b>23,200</b>	<b>0</b>	<b>16,300</b>	<b>45,100</b>	<b>24,100</b>
<b>EARMARKED FUNDS</b>	7	<b>0</b>	<b>95,000</b>	<b>0</b>	<b>71,450</b>	<b>110,000</b>
John Wood St/Bay St Shop Improvemnts			95,000		71,450	95,000
Port Glasgow Road - Demolition						15,000
<b>TOTAL NET EXPENDITURE</b>		<b>23,200</b>	<b>95,000</b>	<b>16,300</b>	<b>116,550</b>	<b>134,100</b>

Fund Balance as at 31st March 2014

224,590

Projected Fund Balance as at 31st March 2015

90,490

**Notes:****1 Repairs & Maintenance**

Additional Repairs costs have been incurred in respect of 17 John Wood St to bring this property to an adequate condition to allow the property to be let out. The property is now under offer.

**2 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.

**3 Sundries**

Additional Legal Fees of £2,700 have been incurred in respect of a dispute over unpaid rent. The dispute is ongoing and may result in further additional costs and/or a write-off of bad debt. A provision has previously been made for bad debt which will partly offset any write-off.

**4 World War 1 Centenary**

World War 1 Centenary includes purchase of commemorative benches and attendance at Drumhead Service.

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

4 John wood Street	May 2010
15 John Wood Street	December 2012
17 John Wood Street	March 2014 (currently under offer)
74 Port Glasgow Road	September 2012

**6 Land at Port Glasgow Road**

Following a marketing exercise of the site at Port Glasgow Road, Greenock, no satisfactory offers were received. The site will now be re-marketed and the remaining buildings demolished to make the site more marketable.

**7 Approved Projects**

In addition to the annual budget highlighted above committee have previously approved funding for Improvements to Shops in Bay St/John Wood St, Port Glasgow.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 24 March 2015
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b> FIN/17/15/AP/AE
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b> 01475 712223
<b>Subject:</b>	<b>2014/15 General Fund Revenue Budget as at 31 January 2015</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> January 2015 and to update Committee in respect of the position of the General Fund Reserves, Earmarked 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 31<sup>st</sup> January 2015 the General Fund is projecting a £3.224 million underspend which represents 1.65% of the net Revenue Budget. This is an increase of £979,000 and is mainly due to:
- Additional underspends in Service budgets of £814,000 mainly due to further release of non-pay inflation contingency, a projected underspend within costs of adult care packages, an underspend in Water SLA, an underspend in school transport and further underspends within utility costs and increased prior years Council Tax income.
  - Extra Redetermination monies contained in the General Revenue Grant of £165,000.
- 2.3 From Appendix 1 it can be seen that all 4 Service Committees are currently projecting underspends. Overall, this is an improvement since the last report to Committee of £814,000.
- 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> January 2015 expenditure totalled £5.160 million which equates to 74.02% of the projected spend in 2014/15. It can also be seen from Appendix 2 that at 31<sup>st</sup> January 2015 actual expenditure is 13.36% behind phased budget.
- 2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31<sup>st</sup> March 2015 is £7.867 million which is £4.067 million greater than the minimum recommended balance of £3.8 million and is £0.979 million more than the position reported to the 19<sup>th</sup> February 2015 Council meeting. At the full Council meeting, decisions were taken on the use of free reserves. Included in this decision was the decision to use part of the reserves to balance the 2016/17 budget as a temporary measure. Appendix 3 does not reflect the decisions made at the meeting on the 19<sup>th</sup> February 2015 and these will be included in the next report to Committee.
- 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 31<sup>st</sup> January 2015 100% of the projected savings in 2014/15 have been fully delivered.

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### **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 that 100% of the 2014/15 Workstream savings have been delivered.
- 3.3 It is recommended that the Committee note the increase in General Fund Reserves arising since the 19<sup>th</sup> February 2015 budget meeting and agree that the utilisation of any surplus reserves are considered by the Members Budget Working Group during 2015/16 in the context of the remaining 2016/17 savings target.

Alan Puckrin  
Chief Financial Officer

## **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 30 JANUARY 2015**

- 5.1 It can be seen from Appendix 1 that as at 31<sup>st</sup> January 2015 the General Fund is projecting an underspend of £3.224 million which equates to 1.65% of the net General Revenue Fund Budget. This represents an increase in underspend of £979,000 since the previous report and from the position reported to the 19<sup>th</sup> February 2015 Council meeting.
- 5.2 It is projected that approximately £1.4 million of the £2.13 million allowance for non-pay inflation will not be required in 2014/15; this is an increase of £0.3 million since last reported. 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 required 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 contracts and costs are increasing when retendered.
- 5.3 In addition there are additional employee turnover savings across all Directorates, early achievement of planned savings and over recovery of prior year Council Tax income and additional monies received through the redetermination of the GRG announced in December 2014.
- 5.4 It can be seen from Appendix 1 that all 4 Service Committees are currently projecting underspends which represents an improved position from the last report to Committee. In line with previous years, there is a possibility that the underspend could increase once the 2014/15 final accounts are closed.
- 5.5 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £2,038,000 mainly due to the 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, prior year Council Tax income and Water SLA income.

Environment & Regeneration – Projected underspend of £63,000 mainly due to excess turnover savings projected due to early achievement of planned savings and the partial recharge of the Corporate Directors salary from Riverside Inverclyde, a projected underspend in Roads Client lighting maintenance offset by a shortfall in special catering income and planning income. A one off cost to create an earmarked reserve to cover the costs of the City Deal project management office for a 3 year period has been included in projected underspend.

Education & Communities - £591,000 projected underspend mainly due to increased turnover savings, early achievement of planned savings, reduction in Early Years costs due to nurseries not running at capacity and reduction in Utility costs, transport costs and ASN placements.

Health & Social Care – Projected underspend of £181,000 mainly due to a reduction in projected costs in relation to Adult care packages.

- 5.6 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing 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 relate to Assets Plans or Strategic Funds.
- 5.7 It can be seen that as at 31<sup>st</sup> January 2015 the Council has spent £5.160 million against a phased budget target of £5.956 million. This represents slippage of 13.36% against target and 74.02% of the projected spend of £6.971 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.
- 5.8 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 £7.867 million which is £4.067 million greater than the minimum reserve balance of £3.8 million recommended and approved via the Reserves Strategy. This is an increase of £0.979 million from the reserves position reported to Members as part of the 2015/17 budget.
- 5.9 Proposals in respect of the use of the excess General Fund Reserves have been agreed by full Council on 19<sup>th</sup> February 2015. The Council decided to allocate part of the General Fund Reserves balance as interim funding to balance the 2016/17 budget pending clarification of a number of key issues such as the 2016/14 grant settlement and pay awards. Decisions taken at the meeting on 19<sup>th</sup> February 2015 on the use of reserves will be reflected in the report to the next Committee

## **6.0 WORKSTREAM SAVINGS UPDATE**

- 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 the £579,000 target has been fully achieved. In addition the 2015/16 Workstreams reflect the targets agreed at the February 2014 Council meeting.

## **7.0 OTHER FINANCIAL MATTERS**

- 7.1 The Scottish Government released an updated settlement for 2015/16 on 5<sup>th</sup> February 2015 which is in line with the 2015/16 budget approved on 19<sup>th</sup> February 2015. It was approved at this meeting that the Members Budget Working Group will continue to meet throughout 2015/16 to develop proposals to balance the 2016/17 budget with the stated aim of eliminating the use of reserves.
- 7.2 The Scottish Government recently reapplied the conditions around teacher numbers to Local Authorities for 2015/16. In order to receive the Council's share of additional funding of £10 million, the Council will have to maintain teacher numbers at the 2014/15 levels. If numbers are not maintained then the Scottish Government will withhold the Council's share of £41 million currently built into the 2015/16 settlement. At the full Council meeting on 19<sup>th</sup> February, the Council agreed to these new terms.

## **8.0 CONSULTATION**

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

## 9.0 IMPLICATIONS

### 9.1 Finance

One off Costs

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

Annually Recurring Costs

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

### 9.2 Legal

None

### 9.3 Human Resources

None

### 9.4 Equalities

None

### 9.5 Repopulation

None

## 10.0 BACKGROUND PAPERS

10.1 None

**Policy & Resources Committee****Revenue Budget Monitoring Report****Position as at 31st January 2015**

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	17,812	15,774	(2,038)	(11.44%)
Environment & Regeneration	23,022	20,680	20,617	(63)	(0.30%)
Education & Communities <b>(Note 1)</b>	87,698	81,628	81,037	(591)	(0.72%)
Health & Social Care	49,062	49,119	48,938	(181)	(0.37%)
<b>Committee Sub-Total</b>	<b>177,827</b>	<b>169,239</b>	<b>166,366</b>	<b>(2,873)</b>	<b>(1.70%)</b>
Loan Charges (Including SEMP)	13,346	17,756	17,756	0	0.00%
Unallocated Savings	(34)	0	0	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	5,389	5,389	0	0.00%
<b>Total Expenditure</b>	<b>192,916</b>	<b>194,275</b>	<b>191,288</b>	<b>(2,987)</b>	<b>(1.54%)</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(165,173)	(167,880)	(168,067)	(187)	0.11%
Council Tax	(33,138)	(33,138)	(33,188)	(50)	0.15%
Council Tax Reduction Scheme	5,395	6,743	6,743	0	0.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(3,224)</b>	<b>(3,224)</b>	

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

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

# Earmarked Reserves Position Statement

# Appendix 2

## Summary

<u>Committee</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget to 31 January 15</u>	<u>Actual Spend To 31 January 15</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2014/15</u>	<u>Earmarked 2015/16 &amp; Beyond</u>	<u>Confirmed Accruals / Year End Charges</u>	<u>2014/15 %age Spend Against Projected</u>	<u>2014/15 %age Over/(Under) 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	4,110	931	1,043	112	1,489	2,621	0	70.05%	12.03%
Health & Social Care	2,708	1,741	1,577	(164)	1,880	828	0	83.88%	(9.42%)
Regeneration & Environment	4,172	2,757	1,911	(846)	2,669	1,503	0	71.60%	(30.69%)
Policy & Resources	2,353	527	650	123	854	1,499	0	76.11%	23.34%
	13,343	5,956	5,181	(775)	6,892	6,451	0	75.17%	(13.01%)

**Actual Spend v Phased Budget**

**(£775k)**

**(13.01%)**



**Appendix 3**

**GENERAL FUND RESERVE POSITION**  
**Position as at 31/01/15**

	<u>£000</u>	<u>£000</u>
Balance 31/03/14		20211
Projected Surplus/(Deficit) 2014/15	3224	
Contribution to General Fund Reserve 2014/15	1777	
Contribution to Common Good Approved P&R 23 Sept 2014	(150)	
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>	(12344)

Projected Unallocated Balance 31/03/15

7867

**Minimum Reserve required is £3.8million**

**Decisions on use of Reserves taken at Council Meeting on the 19th February 2015 are not reflected in the above figures.**

### Appendix 3

#### **GENERAL FUND RESERVE POSITION** **Position as at 31/01/15**

##### 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)	
Ravenscraig 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: **17/02/15**

<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	<b>SAVING COMPLETE</b>	150k
P Cassidy	2	SEMP Model	<b>SAVING COMPLETE</b>	190k
A Fawcett	3	AMP	Further £33k achieved from the NDR Appeals Process. Model still in surplus overall.  <b>SAVING COMPLETE</b>	160k  <b>Over achieved by 33k.</b>
A Puckrin	4	Procurement	£75,000 Multi-Function Devices saving approved and being allocated. . Additional savings will be attributable to the Services due to rationalising the devices.  No update.	313k  To be achieved:  2015/16 19k
B Moore	5	Homecare	£125k achieved in 13/14 from <ul style="list-style-type: none"> <li>£100k internal staff savings – impact of CM2000 with 7 posts deleted..</li> <li>£25k from part year CM2000 external met from</li> </ul>	200k

			<p>within bottom line.</p> <p>£75k achieved 14/15 from external implementation of CM2000.</p> <p>Work continues on finalising a framework agreement for providers, with mandatory use of CM200, simplified hourly rate structure, simplified bandings etc. The review and analysis of tender responses is ongoing with recommendations to February committee cycle, with expected implementation for April 2015.</p> <p><b>SAVING COMPLETE</b></p>	
CMT	6	2015/16 Operational Saving	<p>CMT agreed to split the savings equally over the 3 Directorates. Proposals approved at September 30<sup>th</sup> P&amp;R Committee subject to further report on Supported Study to go to E&amp;C Committee in November. Supported Study saving agreed. Total saving £950,000 to take into account £200,000 from Modernisation.</p> <p><b>SAVING COMPLETE</b> and delivery to be tracked along with all other approved savings.</p>	<p>950k</p> <p>To be achieved: 2015/16 950k</p>
J Mundell	7	Shared Services	<p>Discussions are ongoing with the three Council Leaders and Chief Executives on the Roads Shared Service Project and on the possibility of including other service areas. A further meeting in January should give clarity on the agreed way forward. Savings expected beyond 2016.</p> <p>Confirmed that Renfrewshire and East Renfrewshire do not wish to participate in Roads Shared Service project.</p>	Target 0k

			Report to go to Committee.	
A Puckrin	8	Charging	<p>Council agreed target of £470k.</p> <p>Report approved by CMT September 2014 and submitted to P&amp;R Committee in November. Will form part of the overall budget consultation proposals. MBWG approving £140k leaving a £330k shortfall.</p> <p>Budget agreed - £330k shortfall.</p>	<p>Target 470k</p> <p>Under achieved: 2015/16 £330k</p>
I Moffat	9	Social Transport	<p>Saving approved at September Environment and Regeneration Committee.</p> <p><b>SAVING COMPLETE</b> aside from adjustments to relevant budgets.</p>	<p>Target 50k</p> <p>To be achieved: 2015/16 50k</p>
S McNab	10	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><b>SAVING COMPLETE</b> subject to relevant budget adjustments.</p>	<p>Target 30k</p> <p>To be achieved: 2015/16 30k</p>
S McNab	11	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</p>	<p>Target 30k</p> <p>To be achieved: 2015/16 30k</p>

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

			each service as necessary.  <b>SAVING COMPLETE</b> subject to relevant budget adjustments.	
S McNab	12	Travel and Subsistence	Report agreed at CMT January 2015 subject to saving being based on mileage spend 2013/14.  <b>SAVING COMPLETE</b> subject to relevant budget adjustments.	Target 20k  To be achieved: 2015/16 20k

## Savings Workstreams - 31/01/15

## Appendix 5

(Page 1 of 2)

<u>Lead Officer</u>	<u>Savings Identified</u>	<u>Target</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>Total 2013/16</u>	<u>Over/(Under) Recovery</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
G Malone	1/ <b>Utility Cost Reductions/Energy Management</b>	150	29	121	0	150	0
A Puckrin	2/ <b>SEMP Model</b>	190	0	190	0	190	0
A Puckrin	3/ <b>AMP</b>	160	60	133	0	193	33
A Puckrin	4/ <b>Procurement</b>	<b>313</b>	<b>173</b>	<b>60</b>	<b>61</b>	<b>294</b>	<b>0</b>
	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	
	MFD/Printers	0	0	16	59	75	
B Moore	5/ <b>Homecare</b>	200	125	75	0	200	0
A Puckrin	6/ <b>2015/16 Operational Savings</b>	950	0	0	950	950	0
	<b><u>Workstreams</u></b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>270</b>	<b>270</b>	<b>(330)</b>
J Mundell	7/ Shared Services	0	0	0	0	0	
A Puckrin	8/ Charging	0	0	0	140	140	
I Moffat	9/ Social Transport	0	0	0	50	50	
S McNab	10/ Terms & Conditions	0	0	0	30	30	
S McNab	11/ Sessional Budgets	0	0	0	30	30	
S McNab	12/ Travel & Subsistence	0	0	0	20	20	
Sub-Total		2563	387	579	1281	2247	(297)

## Savings Workstreams - 31/01/15

## Appendix 5

(Page 2 of 2)

<u>Lead Officer</u>	<u>Savings to be Identified</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>	<b>0</b>	<b>0</b>	<b>19</b>	<b>19</b>
	Unidentified	0	0	19	
B Moore	5/ <b>Homecare</b>	0	0	0	0
A Puckrin	6/ <b>2015/16 Operational Savings</b>	0	0	0	0
J Mundell	7/ Shared Services	0	0	0	0
A Puckrin	8/ Charging	0	0	0	0
I Moffat	9/ Social Transport	0	0	0	0
S McNab	10/ Terms & Conditions	0	0	0	0
S McNab	11/ Sessional Budgets	0	0	0	0
S McNab	12/ Travel & Subsistence	0	0	0	0
Sub-Total		0	0	19	19
Sub-Total (page1)		387	579	1281	2247
Total		387	579	1300	2266



<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Angela Edwards, Head of Inclusive Education, Culture and Corporate Policy</b>	<b>Report No:</b>	<b>PR/126/15/PC/KB</b>
<b>Contact Officer:</b>	<b>Karen Barclay, Corporate Policy Officer</b>	<b>Contact No:</b>	<b>01475 712065</b>
<b>Subject:</b>	<b>Corporate Performance Report</b>		

## 1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the achievement of key objectives by the Council's Corporate Services, as detailed in the Education, Communities and Organisational Development Corporate Directorate Improvement Plan 2013/16 and the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16.

## 2.0 SUMMARY

- 2.1 This is the fourth Corporate Performance Report on the implementation of the two Corporate Directorate Improvement Plans (CDIPs). Details are provided in the Appendices. Appendix 1  
Appendix 2

- 2.2 The current status of the CDIPs' improvement actions, together with the status at the last report, is:

Status	blue - complete	red - significant slippage	amber - slight slippage	green - on track
Current	45	3	14	88
November 2014	43	0	23	82.

## 3.0 RECOMMENDATIONS

It is recommended that the Committee:

- notes the performance information outlined in this report; and
- agrees to consider the fifth progress report at the first meeting of the Committee following the Summer 2015 recess.

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

## 4.0 BACKGROUND

- 4.1 Improving corporate and service performance is a key priority for Inverclyde Council. Information is given to key stakeholders to allow them to evaluate and make informed judgements about performance and the achievement of key objectives.
- 4.2 Progress regarding delivery of the Council's two Corporate Directorate Improvement Plans (CDIPs) is reported to every second meeting of the relevant Service Committee. This report provides Members with a summary of progress with the CDIPs' implementation and aims to give Committee and officers the opportunity to make appropriate judgements on where performance across the Council is improving, good or starting to decline, in line with the well-being outcomes adopted in the Council's Corporate Statement 2013/17.
- 4.3 This report comprises information extracted from the fourth round of CDIP progress reports which were presented to the Education and Communities Committee, the Policy and Resources Committee and the Environment and Regeneration Committee. The improvement actions are grouped under the well-being outcomes which are Safe, Healthy, Achieving, Nurtured, Active, Respected and Responsible and Included (SHANARRI).
- 4.4 As detailed in Appendix 1, improvement actions have been allocated a 'BRAG' status:
- blue - complete; red - significant slippage; amber - slight slippage; green - on track.
- 4.5 The report also contains key performance indicators, comprising statutory performance indicators and local performance indicators. These indicators provide an important measure of how Directorates contribute to the Council's strategic aims. Full year figures for 2013/14 are shown in Appendix 2, together with 2012/13 comparator information and Quarter 1 and 2 details for 2014/15 (where available).
- 4.6 Performance information for the CHCP is reported separately to Members, principally through the Integrated Performance Improvement Exceptions Reports, the most recent of which was submitted to the CHCP Sub-Committee in August 2014.

## 5.0 PROGRESS

- 5.1 This is the fourth progress report rolling up the CDIPs' improvement actions. The last Corporate Performance Report was approved by the Policy and Resources Committee in November 2014. The current status of the CDIPs' improvement actions, together with the status at the last report, is:

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18.11.14  
Para 723

Status	blue - complete	red - significant slippage	amber - slight slippage	green - on track
Current	45	3	14	88
November 2014	43	0	23	82.

- 5.2 The status of the improvement actions, grouped under the well-being outcomes, is:

Well-being outcome	blue - complete	red - significant slippage	amber - slight slippage	green - on track
Safe	4	-	5	5
Healthy	-	2	-	5
Achieving	26	-	6	48
Nurtured	2	1	0	16

Active	4	-	1	2
Respected and Responsible	5	-	2	6
Included	4	-	-	6.

5.3 Since the last report in November 2014, examples of progress with improvement actions that contribute to the delivery of the well-being outcomes are outlined in sections 5.1.1-5.3.7 of this report.

#### 5.3.1 Safe:

- implementation of the risk management action plan is progressing, with completion expected by the end of March 2015
- the Roads Asset Management Plan is generally being delivered to programme.

There has been slight slippage with a number of improvement actions including data protection, devising of the anti-bullying policy and the implementation of actions under the Regulation of Investigatory Powers (Scotland) Act 2000.

#### 5.3.2 Healthy:

- a new planning policy for affordable homes has been established through the Local Development Plan 2014
- following approval of a report by the Education and Communities Committee on the development of IYouthzones, facilities for young people will be established in the former Gamble Nursery in Gourock, and in the former library building at Dubbs Road, Port Glasgow.

There has been significant slippage with two Housing investment improvement actions. One Strategic Local Programme project will now commence in the new financial year, due to unforeseen difficulties on site. There are also delays with the 2012/15 programme.

#### 5.3.3 Achieving:

- the Central Library opened in its new premises on 29 January 2015
- prior to the launch of the new website, a cross-Service review of its content is being led by ICT Services.

A number of actions have been allocated 'amber' status. For example, it was not possible to include performance information in the Winter 2014 edition of InView, given that the main focus of the publication was the budget consultation exercise.

#### 5.3.4 Nurtured:

- in terms of the Children and Young People (Scotland) Act 2014, a multi-disciplinary team of managers is progressing plans to ensure that the GIRFEC aspects of the Act are in place by August next year
- the number of archived items in the libraries service continues to increase.

One improvement action under the 'Nurtured' well-being outcome has significant slippage: the initiative to introduce Kidzcards in Inverclyde. However, following a system update, it is planned to begin the pilot later this year.

#### 5.3.5 Active:

- the Community Sports Hub in Gourock is now fully operational
- the remaining six actions under this heading are either complete or on track.

While there has been slight slippage with the improvement action regarding the Inverclyde Sports Framework, it can now be launched. The vision of the Framework is to inspire a sporting way of life for all in Inverclyde.

#### 5.3.6 Respected and Responsible:

- an introductory document on the work of community councils has been published on the Council's website, together with a detailed community council handbook
- the Council's revised Infection Control Policy was approved by the Policy and Resources Committee on 3 February 2015.

There has been slight slippage with the development of a teenage pregnancy strategy and with the delivery of the Council's Carbon Management Plan 2011/16.

#### 5.3.7 Included:

- the Council's competence in terms of the equality agenda is increasing
- in St Columba's High School, S5 and S6 pupils are taking part in a pilot project regarding the Scottish Qualification Authority's *Personal Finance Award*.

All the improvement actions under the 'Included' well-being outcome are either complete or on track.

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 performance indicator information.

## 6.0 IMPLICATIONS

6.1 Financial Implications - one-off costs:

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

Financial implications - annually recurring costs/(savings):

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

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

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

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

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

## 7.0 CONSULTATION

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



## **8.0 CONCLUSION**

- 8.1 The fourth progress report on the delivery of the Council's agreed outcomes is presented for Members' approval with the recommendation that the fifth report is submitted to the first meeting of the Committee following the Summer 2015 recess

## **9.0 LIST OF BACKGROUND PAPERS**

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




## Corporate Performance Report






Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>Data protection</u>  All close circuit television (CCTV) installations and deployment controlled by the Council should operate to the same standards, be appropriately specified and maintained and should have a consistent approach and regard for privacy and data protection  Develop an overall corporate approach to image retention, maintenance, procurement and use	An overall review of all the Council's installations and deployments of cameras will be carried out in 2013/14 and a set of common standards agreed and implemented by April 2015		amber - slight slippage	Discussions have commenced and we are awaiting feedback from the data governance group. In the meantime, the Safer and Inclusive Communities Service is consulting with ICT Services on the long-term strategy for the provision of public space CCTV.
2.	<u>Tackling violence and knife culture</u>  Further reduction in the incidences of violence, knife crime and bullying  Mentors in Violence Prevention (MVP) embedded in all secondary schools	Roll out MVP to other secondary schools		green - on track	The MVP development day on 5 December 2014 was attended by 100 MVP mentors from Port Glasgow, St Stephen's and St Columba's High Schools. The event was arranged within the <i>16 Days of Activism to Eliminate Violence Against Women</i> initiative to raise awareness of the campaign. Also in attendance were a

Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					number of local services who delivered short workshops to pupils to assist them in developing their skills to deliver the MVP programme to younger pupils in their schools.
		Violence Prevention Programmes including No Knives Better Lives developed and sustained	●	green - on track	Violence reduction continues to be a high priority for the Inverclyde Community Safety Partnership. The community safety campaign <i>No Knives Better Lives</i> , sponsored by the Scottish Government, has commenced. The Safer and Inclusive Communities Service, along with other community safety partners, has started a public resilience/ reassurance programme in central Greenock. The MVP programme in our




Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					schools continues.
		Anti-bullying policy fully implemented	●	amber - slight slippage	The policy is currently with chief officers for final approval and will be complete soon.
3.	<u>Health protection/food safety</u>  All businesses where there is a risk to food safety arising from cross-contamination will have processes and procedures in place to eliminate or adequately control the risk in line with the guidance	Fully implement the Food Standards Agency's Cross-Contamination Guidance across businesses in line with the programme detailed in the Official Feed and Food Services Plan by March 2015	●	blue - complete	
4.	<u>Health and safety</u>  The enforcement priorities of Inverclyde Council should be clear and understandable to local employers and those likely to be affected by their actions, both employees and others	Develop a new Health and Safety Strategy and Enforcement Policy for Inverclyde	●	amber - slight slippage	The plan is to submit an enforcement strategy to the Education and Communities Committee meeting on 10 March 2015.



Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	Enforcement will be consistent with national policies but at the same time will give maximum protection to the community and maximum support to local businesses	Annual review to ensure it remains consistent with national policy		amber - slight slippage	A new enforcement strategy is being developed with the intention of presenting it to the Education and Communities Committee meeting on 10 March 2015.
5.	<u>Anti-social behaviour</u>  Anti-social behaviour (ASB) and community safety services are aligned with current needs and are able to quickly react to changing circumstances  Match resources to community needs	Carry out a full review of anti-social behaviour which will cover strategy and partnership working; a reassessment of priorities and any reconfiguration of services required. Review to be carried out by April 2014 with recommendations implemented over 2014/15, if approved.		green - on track	A review of anti-social behaviour has been completed and the new ASB Strategy 2014/18 was approved by the Education and Communities Committee on 9 September 2014. It will now be submitted to the Inverclyde Alliance for approval. Implementation of the Strategy continues.
6.	<u>Data protection</u>  The Council's approach to data protection is fully developed	Develop training, policies and procedures		blue - complete	




Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
7.	<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		amber - slight slippage	Due to staff absence, these actions have not yet been progressed. This work will be prioritised for completion by 31 March 2015.
8.	<u>Risk management</u>  Implement and embed risk management in key business/management processes	Develop a Risk Management Action Plan by 31 August 2013		blue - complete	
		Action Plan fully implemented by 31 March 2015		green - on track	Good progress is being made in implementing the action plan which will be complete by 31 March 2015.
9.	<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		blue - complete	
10.	<u>Roads network</u>  Maintain and improve the quality of the roads network infrastructure	Proposed programme of projects undertaken in 2014/16 using Roads Asset Management Plan (RAMP)/capital funding		green - on track	The RAMP investment is being delivered substantially to programme. Lighting progress is taking account of the outline





Safe					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					business case/final business case for lanterns and column replacement to achieve energy, carbon and maintenance savings; a detailed report on the Street Lighting Investment Strategy was considered by the Environment and Regeneration Committee on 5 March 2015.

Healthy					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014-February 2015
1.	<u>School Health and Alcohol Reduction Project (SHAHRP)</u>  Increase understanding of the impact of alcohol misuse across S2/3  Fewer pupils involved in alcohol misuse	Implement a teacher training pack with young people through guidance and PSE teachers with S2 cohort. First part of the research to be completed by 2014.		green - on track	Research is continuing in 3 establishments and is in year 2. The 3 secondaries that are part of the research are continuing to run PSE activities using the SHAHRP materials. The research is still in progress.
2.	<u>Housing investment</u>  Adequate funding is available to meet affordable housing needs	SLP project completion by 31 March 2015 to be achieved in partnership with Registered Social Landlords (RSLs)		red - significant slippage	The slippage is largely due to unforeseen difficulties on site with one SLP project which will now not commence until 2015/16. Another project has commenced but will not be completed until October 2015.
		Contributions in-kind (Inverclyde Council) and new innovative funding proposals (registered social landlords) will be developed		green - on track	A strategic sites group has been established and direction given in relation to proposed affordable housing sites. A new planning policy for affordable homes has been established through the recently-approved Local

Healthy					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014-February 2015
					Development Plan 2014.
		Regular project team meetings and monitoring by HSD	●	red - significant slippage	Regular programme meetings continue to be held with the HSD and RSLs. However, there is significant slippage in the 2012/15 programme. Liaison with RSLs and the HSD on the forthcoming Strategic Housing Investment Plan (SHIP) 2015/20 is ongoing as part of the regular monitoring and forward planning process. The SHIP 2015/20 was approved by the Education and Communities Committee on 20 January 2015.
3.	<u>Health and well-being of young people</u>  Develop a similar facility to IYouthzone for young people in Port Glasgow and Gourrock  Improved outcomes for young people of Port Glasgow and Gourrock	Identify suitable premises	●	green - on track	A report on the development of IYouthzones was approved by the Education and Communities Committee on 4 November 2014. Facilities will be established

Healthy					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014-February 2015
					in the former Gamble Nursery, King Street, Gourock and the former library building, Dubbs Place, Port Glasgow
		Develop funding package for refurbishment and running costs	●	green - on track	A co-production contract with CVS is being used to help young people prepare funding applications.
		Establish new facility with a range of programmes to meet the needs of young people of Port Glasgow and Gourock	●	green - on track	In November 2014, the Education and Communities Committee approved the locations in Port Glasgow and Gourock for the development of new IYouthzone facilities.



Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>External Funding Group</u>  Establish development sessions for managers to support funding applications  Work in closer partnership with the community and voluntary sector	Development group and funding officer to be more proactive in setting up training sessions/events		blue - complete	
2.	<u>Literacy</u>  National Literacy Action Plan is in place and able to evidence improved practice and outcomes for literacy across all establishments and sectors	Use of evidence-based approaches which lead to key improvements in literacy skills for all		green - on track	The Reciprocal Teaching initiative is being trialled in every primary school and some establishments may include it in their future planning cycles.
3.	<u>Learning communities</u>  Improve joint planning with partners including schools to create a network of learning communities with increased community use in schools	Pilot learning community in one identified area. Set process in place in line with Education Scotland (Her Majesty's Inspectorate of Education) advice and guidance.		green - on track	Learning communities will form the basis of Community Learning and Development's 3 year plan. Proposals are being developed for submission to the Education and Communities Committee on 10 March 2015.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
4.	<u>Employability</u>  Youth Employment Action Plan implemented and able to evidence improved practice and outcomes for employability across partner providers and partnerships  Employability component of Adult Learning and Literacy Action Plan integrated within Working for Growth: Refreshed Employability Framework	Implementation and robust evaluation of Inverclyde Youth Employment Activity Plan		amber - slight slippage	The updated Plan will be submitted to the Community Planning Partnership and the Inverclyde Regeneration and Employment Group.
		Implementation and robust evaluation of employability component of Adult Learning and Literacy Action Plan integrated within Working for Growth refreshed employability framework		green - on track	Will report in June 2015.
5.	<u>Continuous Improvement Team</u>  Embed core functions of continuous improvement work: professional dialogue, development and pastoral support  Ensure a more collective approach to continuous improvement and to improving outcomes for all learners further  Consistent approach to self-evaluation	Fully implement Continuous Improvement Team guidelines		blue - complete	
		Implement plans to further develop and share an understanding of excellent practice across establishments and learning communities		green - on track	There is ongoing self-evaluation of the effectiveness of the Continuous Improvement Team.





Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	A shared vision of what excellent self-evaluation looks like	Better partnership working regarding self-evaluation	●	green - on track	A programme of school reviews involving members of the Continuous Improvement Team is embedded to validate the outcome of a school's self-evaluation process. Self-evaluation is also a standing item on the agenda for all Heads of Establishment meetings.
6.	<u>Curriculum for Excellence</u>  Curriculum for Excellence is being fully and effectively embedded across all educational establishments by confident staff who are delivering all pupil entitlements, providing high quality learning experiences, developing children and young people as Successful Learners, Confident Individuals, Effective Contributors	Work in partnership with Education Scotland to support and develop the confidence of staff to effectively deliver the Curriculum for Excellence across all sectors and establishments	●	green - on track	Our partnership working with Education Scotland is ongoing. We have a new Education Scotland Link Officer who will be meeting regularly with senior Education staff and will also be seeking opportunities to visit Inverclyde schools in the near future.
		Work in partnership with the SQA to support secondary teachers with delivery of the new National Qualifications	●	green - on track	Some subject networks (including the sciences, mathematics and English) have had






Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					support from the Scottish Qualifications Authority in presenting the new qualifications.
		Fully embed the principles from the national 'Building the Curriculum' documents to deliver better outcomes for all children and young people	●	green - on track	Reflection on success to date with the implementation of Curriculum for Excellence continues at establishment and authority levels. Education Scotland's <i>Increased Expectations</i> paper has been shared with all Heads of Establishment and will be a focus for professional dialogue at future Heads of Establishment meetings.
		Review our interim Senior Phase Model involving extensive consultation with all stakeholders	●	blue - complete	All S4 pupils are studying for 8 national qualifications; S5 and S6 pupils are studying for 5 qualifications.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Providing training and advice to primary and secondary teachers to enable them to support pupils with the production of P7 and S3 profiles		blue - complete	
7.	<u>Developing leadership in teachers</u>  Schools and early years establishments are supported with the implementation of the recommendations from 'Teaching Scotland's Future' (Donaldson Report)	Take steps to improve leadership capacity across all establishments		green - on track	There are examples of leadership development opportunities that have been made available to existing school managers. For example, we have a seconded a depute head teacher to Education Headquarters as a SEEMIS Development Officer until February 2015. We have also provided leadership development opportunities for head teachers by asking them to cover head teacher absences in other schools; this has provided depute head teachers with the opportunity to take on an acting head teacher role

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					for an interim period.
		Develop a new partnership with the university where there is a shared responsibility for key areas of teacher education	●	green - on track	Clydeview Academy and Port Glasgow High School and their cluster primary schools are involved in the Strathclyde partnership arrangements. This is the second year and evaluations are currently being gathered. Anecdotal evidence shows a high level of satisfaction from students and teachers. This partnership includes joint observations, post observation discussions and joint assessment. The secondary tutor has also been modelling practice for students.
		Review our PRD process to ensure that it needs the needs of all staff and will focus on professional needs	●	blue - complete	

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
8.	<u>Teacher employment</u>  Implement recommendations and advice from national reviews relating to teachers' terms and conditions of service	Working closely with HR and teacher trade unions to ensure a smooth implementation of recommendations based on advice received from the Scottish National Council for Teachers	●	blue - complete	
		Ensure planned changes are the focus of work of the informal Local Negotiating Committee for Teachers	●	blue - complete	
9.	<u>General Teaching Council (GTC) Requirements</u>  Clear guidelines and procedures in place to support teachers within the GTC's requirement for professional update	Set up a working group to produce guidance material to support teachers with the professional update process	●	green - on track	From August 2014, engagement in the professional update process is a requirement of all teachers fully registered with the GTC for Scotland. Teachers in Inverclyde are being supported to engage in the process through a range of guidance and advice documents which were produced by an authority working group

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					last session. These documents can be accessed via the Glow website, Icon and school staff shared sites. In addition, there is a wealth of information on the GTC for Scotland website ( <a href="http://www.gtcs.org.uk">www.gtcs.org.uk</a> ) for teachers (promoted and unpromoted) and this is updated on a regular basis. After the October 2015 break, the professional review and development programme for all Inverclyde head teachers will begin.
10.	<u>Virtual school</u>  Establish a 'virtual school' for pupils who have proved more challenging to track in terms of progress and outcomes  These pupils will be regularly tracked and monitored through the ASN monitoring forum	Create a 'virtual school' which will be managed by a 'virtual team' at the centre		blue - complete	
		Identify pupils in out-of-authority placements		green - on track	Awaiting developments of the datahub to support our virtual school.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Improved tracking and transition planning		amber - slight slippage	We are working with partners to progress this.
		Better support provided for pupils identified		green - on track	We are continuing to develop support for pupils.
11.	<u>New libraries</u>  Improved library facilities in Central Greenock and Inverkip	Full refurbishment of ground floor of Wallace Plan to house Greenock Central Library (by end 2014)		green - on track	The Greenock Central Library opened in the Wallace Place building on 29 January 2015.
		Inclusion of library space within new community centre planned for Inverkip (by 2015/16)		green - on track	A planning application is to be submitted.
12.	<u>Adult learning service</u>  A modern and innovative digital participation hub utilising new technology and wi-fi to get people online with a particular focus on employability	Innovative adult learning delivery and extension of partnerships with organisations such as Job Centre Plus and Skills Development Scotland		green - on track	Classes are taking place at libraries (Android classes at the Central; iPad classes at the Central, Kilmacolm, Inverkip and Wemyss Bay; European Computer Driving Licence at the Central). CLD classes are also taking place in libraries (basic laptop and basic computing at the


Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					Central; basic laptop at Gourock; basic computing at Kilmacolm; and basic mobile 'phone at the South West branch). Job clubs have also been run at the Central Library. Six college classes (ranging from basic computing to intermediate 1 and 2) took place across four branches from August to September 2014 with six more arranged for December 2014 to March 2015.
		Development of outreach techniques	●	green - on track	We are currently working in partnership with Inverclyde Council on Disability to plan outreach sessions for learners with visual impairments. We are also working with CLD to deliver digital skills at Branchton Community Centre as well as the Six





Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					Book Challenge to adult literacies learners (visiting individual sessions).
13.	<p><u>Library services for young people, learners and readers</u></p> <p>Build on and extend success of Bookbug in Inverclyde</p> <p>More engagement with the 12-15 age group</p> <p>More and better school/group visits focussing on information literacy and the Curriculum for Excellence</p> <p>Build links with partners to improve the range of classes available</p> <p>Further development and promotion of the e-Library and training of staff</p>	Detailed information for this improvement action is available in the Inverclyde Libraries Service Plan 2014/15	●	green - on track	The Bookbug Borrowers' Club will launch in 2 Inverclyde libraries in early 2015 to link attendance at Bookbug sessions with an increase in library book borrowing. Libraries will host Bookbug Pirate Parties for invited early years establishments by the end of March 2015 to develop the impact of the Bookbug Pirate Pack gifting initiative. Library staff have delivered Bookbug Sessions to young parents and promoted library membership through the Six Book Challenge in partnership with IYouthzone. Fifty 12-15 year olds recently



Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					attended two author sessions in libraries. 75 pupils from 2 Inverclyde primaries participated in 4-week information literacy courses directly linked to Curriculum for Excellence outcomes. There has been an increase in visits to schools to promote libraries and library membership.
14.	<u>Environmental Health/Trading Standards</u>  We are able to benchmark the services against those provided by both neighbouring and more comparable Scottish authorities to ensure that the services are performing as well as they can within the financial and structural circumstances they operate under	Work with APSE and other Scottish Environmental Health and Trading Standards to develop a more meaningful basket of KPIs for these services to allow meaningful benchmarking. Initial key performance indicators (KPIs) to be agreed by March 2014.	●	green - on track	The environmental health key performance indicators have been agreed and the first benchmarking report issued. However, there is still an issue with trading standards benchmarking.
15.	<u>Adult learning</u>  All adult learning provision is mapped  Processes are in place to ensure no learner	Map all adult learning provision, process developed and agreed with providers receiving public funding to support continued engagement	●	green - on track	Figures will be reported in June 2015.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	completes a programme without being encouraged to continue their learning				
16.	<u>Service accountancy</u>  Improve the budget management by budget holders whilst managing a reduction in accountancy staff by 4 full-time equivalents	Improve systems and associated management information. Improve budget holder knowledge and increase self-reliance.	●	green - on track	Work is ongoing to review the systems and develop better management information.
17.	<u>Finance-related systems</u>  Implementation of SWIFT (social work) finance module  Full on-line payment capability 24 hour access  Reduction in face-to-face payments	Pilot implemented by March 2013; full roll-out programme during 2013/14	●	green - on track	Implementation is ongoing. The original timescales are now revised with continued roll-out in 2014/15.
		Upgrade systems and implement new procedures	●	blue - complete	

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
18.	<u>Digital Access Strategy</u>  Greater on-line and telephone contacts, speeding up service delivery and making efficiencies	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.		amber - slight slippage	<p>Customer relationship management (CRM): the new hardware platform is in place; the latest version of the CRM software testing is close to completion and the CRM data cleansing exercise is progressing.</p> <p>Web site development: the new design has been agreed and the Content Management System upgraded. A web ownership strategy has been drafted. Existing content has been reviewed and migrated to the new website.</p> <p>Channel shift: Services are engaged and requirements have been identified. Software has been procured for citizen and employee self-service. Roads maintenance has been</p>

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					<p>identified as an initial priority service for employee self-service.</p> <p>Electronic document and records management system: a new solution has been implemented in the Customer Services Centre and in Revenues and Benefits, Educational Psychology, More Choices More Chances; and Social Care finance. The electronic document and records management system has been implemented in the majority of the CHCP. We are progressing the roll-out to the rest of the CHCP and to Organisational Development and Human Resources.</p>

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
19.	<u>Customer Services Centre (CSC) development</u>  Expand the range of customer service enquiries at first point of contact	Migration of appropriate services into the CSC for front-facing and telephony contact with customers. Progress will be tracked through the Customer Services Action Plan and the Corporate Improvement Group		green - on track	Front-line Customer Services Representatives now answer enquiries in respect of the Renfrewshire Valuation Joint Board, Support for Veterans and increasingly more detailed enquires for Education Services. Work is in progress to further expand on Education Service enquiries.
20.	<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		green - on track	Regular reports are submitted to the Policy and Resources Committee and processes are working as planned. We are awaiting confirmation as to when the Universal Credit roll-out is to commence in 2015.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
21.	<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		blue - complete	
22.	<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		green - on track	In partnership with the Improvement Service, Inverclyde Council is leading on a pilot benchmarking initiative on the subject of looked-after children which aims to assess performance and deliver improvements across 8 councils. The first meeting of the family group was held on 20 November 2014. Additionally, we are participating in another family group on the subject of Council Tax, together with 7 other local authorities. The first meeting of this group took place on 28 October

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					2014.
23.	<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	●	blue - complete	
24.	<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	●	blue - complete	
		Develop information packs	●	blue - complete	
		Provide further training sessions	●	blue - complete	
		Provision of drop-in sessions to support Services in the development of plans and	●	blue - complete	







Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		strategies			
25.	<u>Public performance reporting (PPR)</u>  PPR is easily accessible to members of the public  All Services play a role in making performance information accessible	Improve information on the Council's website from all Services	●	green - on track	Key performance information with service commentaries has been uploaded to the Council's website as part of our ongoing PPR requirements.
		Provide information in varying formats	●	green - 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 by March 2016	●	green - on track	This is being reviewed as part of the implementation of the Council's new website.
		Utilise InView as a means of providing performance information to all households	●	amber - slight slippage	Information was submitted to Corporate Communications for inclusion in the Winter 2014 edition of InView.



Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					However, the publication was heavily focused on the budget consultation process and it was therefore not possible to include the performance information.
		Provide information in different formats to ensure that it is meaningful at all levels of the organisation	●	green - on track	Content on the Council's intranet and website is being reviewed in light of the new website's development.
26.	<u>Inverclyde Performs</u>  Inverclyde Performs is used:  to record and report all performance across the Council  for both performance management and on-going self-evaluation by managers, officers and Councillors	Further training for Inverclyde Performs users	●	green - on track	This is an ongoing action dictated by the demand from Council Services. System developers have received training on how to compile performance dashboards to make information easier to interpret.
		Work with Directorate Management Teams (DMTs) and Extended Management Teams to establish training needs and develop a training plan	●	green - on track	Demonstrations of additional system functionality such as briefing books and performance dashboards

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					have been given to service managers in the Education, Communities and Organisational Development Directorate. Meetings with other DMTs are also planned.
		Work with Services to identify which plans, strategies and projects should be developed on Inverclyde Performs	●	green - on track	The Human Resources and Organisational Development Service has identified a range of performance information to be uploaded to Inverclyde Performs. Discussions have also taken place with the CHCP regarding using the system as a performance management tool. Additionally, system developers received training from North Lanarkshire Council on how to create performance dashboards to make performance information easier to

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					interpret.
26.	<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 Her Majesty's Revenue and Customs (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	●	blue - complete	
		Pilot for compiling statistics from Chris 21 in Organisational Development, Human Resources and Communications in September 2013. Extend Chris 21 pilot to other Services in parallel with self-service in April 2014.	●	blue - complete	
		Software installation and process review to ensure compliance; liaison with the Pensions Regulator, the Strathclyde Pension Fund Office and the Scottish Public Pensions Agency by May 2013	●	amber - slight slippage	Appropriate software has not been installed due to supplier failure. Manual workarounds are in place to ensure compliance.




Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Software installation and process review to ensure compliance; liaison with the HMRC and Bankers' Automated Clearing Services software provider		blue - complete	
28.	<u>Recruitment portal</u>  Recruitment portal to be upgraded. On/Grasp software.	Training/e-learning/ development of new recruitment handbook for managers		green - on track	Operational and managers' handbooks are available in draft format. Training days will be arranged.
		Move to Talent Link		green - on track	The Talent Link recruitment portal is now available for use.
29.	<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		green - on track	Implementation of the Plan is in full progress.




Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
30.	<u>Corporate Communications Strategy</u>  To have an agreed Corporate Communications Strategy	Development of a Communications Strategy, working with Services and the CMT	●	green - on track	The timescales for delivery have been revised and a draft Strategy developed by Corporate Communications. The next stage will be a review by Services and examination of linkages with partners and national changes such as health and social care integration prior to CMT examination.
31.	<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	●	blue - complete	
32.	<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	●	green - on track	ICT Services are leading a cross-Service content review of the Council website prior to re-launch of the new design.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Draft a new design and agree with CMT		green - on track	The design was developed by ICT Services in partnership with the web content developer and web-labs and agreed at the Corporate Quality Improvement Group.
33.	<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		green - on track	Council-wide events are being delivered by Corporate Communications including the fireworks display on 1 November 2014 and the Christmas lights switch-on events in December 2014.  An Events Group has been set up under the auspices of the Local Area Tourism Partnership with representation from Council Services including Corporate Communications and Economic Development.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					The events listing improvements are on hold pending the outcome of the new design for the Council website.
34.	<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	●	blue - complete	
		Carry out media training for key Council staff by end December 2013	●	blue - complete	The Media and Social Media Protocol was agreed by the Policy and Resources Committee in December 2013. Original plans to develop a local partnership for media training are no longer available and plans are on hold. Media advice and guidance is available from Corporate Communications to key Council staff.
35.	<u>InView</u>  Review the design, layout and frequency of	Create reader survey to assess readership views of InView by November 2013	●	blue - complete	



Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	publication of InView				
36.	<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		blue - complete	
		Sub-groups set up to deal with resource development and measurement		green - on track	The results of a questionnaire that was distributed to partners were analysed and presented to the Alliance Board on 15 December 2014. The recommendation is to focus on 2 priority locality planning areas with all partners to jointly plan and resource work.
37.	<u>Absence management</u>  Reduce the absence rate across the Council to below 4.75%  Consider standardised reporting to align with the SOLACE indicators	Continuation of the automation of processes (links to HR21 development)		green - on track	In Quarter 2 of 2014/15, 2.2 work days were lost per full-time equivalent (FTE) employee, down from 2.7 days in Quarter 1 of 2014/15. The target is 2.25 work days per FTE per quarter.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		New HR interventions/pilots to assist management and reduce absence level		amber - slight slippage	A number of interventions have been implemented to support managers and employees to reduce absence levels including additional absence management training and targeting resources so that support is directed to those areas where it is required. The difference between absence levels in 2012/13 and 2013/14 was small i.e. an increase of 0.66 days.
		Report to the CMT and the Policy and Resources Committee on the standardisation of KPIs		blue - complete	The unit of measurement for the absence key performance indicator and the statutory performance indicator is now standardised to 'days per FTE employee'.
38.	<u>Self-evaluation – Environment, Regeneration and Resources Directorate</u>  Self-evaluation is embedded into the Environment, Regeneration and Resources	By conducting a Public Service Improvement Framework (PSIF) assessment for the Environment, Regeneration and Resources Directorate and devising an action		green - on track	This improvement action has not yet started as the timescale is April-June 2015.

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	Directorate's everyday performance and management and planning processes	plan by June 2015  By implementing the action plan during 2015/18			
3.	<p><u>Property Estates Management</u></p> <p>Reduce the number of buildings; refurbish and improve the efficiency of those remaining</p> <p>The Asset Management Plan includes the refurbishment of Greenock Municipal Buildings, the Central Library offices and Wallace Place; and the creation of a new Port Glasgow office</p> <p>Closure of Cathcart House, the West Stewart Street office, Newark House, the Strone office and others</p>	Asset Management Plan agreed, implemented and on-going with funding in place. Projected completion by October 2014 with the exception of the District Court offices in the Greenock Municipal Buildings	●	green - on track	The Hector McNeil House and Wallace Place buildings are now operational. The District Court office design stage is being progressed.
40.	<p><u>School Estates Management Plan (SEMP)</u></p> <p>The School Estates Management Plan is complete with all schools replaced or fully-modernised</p>	Complete current projects and complete the primary school refurbishment programme	●	green - on track	The SEMP is on track. Refurbishment projects are being progressed with contractors on site at Ardgowan and St John's Primary Schools. St Patrick's and Kilmacolm Primary Schools are being progressed through

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					the design stage.
41.	<u>Grounds Asset Management</u>  Fully-developed Land Asset Plan to include open spaces, cemeteries, strategies and play area provisioning	Continue phased play area development  Identify cemeteries, implement the next phase of investment in 2014/15  On-going site-by-site condition assessment to inform budget-setting priorities	●	green - on track	A surveyor has been appointed and the first tranche of 13 surveys are now complete.  Further site conditions are being undertaken.
42.	<u>Tourism</u>  All available tourism opportunities are maximised	Utilisation of current Tourism Action Plan	●	green - on track	14 offers of grant assistance have been made to tourism businesses. The following tourism development projects are underway: Greenock Cut access improvements; increased brown tourist signage; Galt fountainhead replacement; delivery of the Heritage Inverclyde Coastal Train

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					(publications, website and launches); more visitor publications; development of a local leaflet distribution service; increasing numbers of visitors to Inverclyde; and continuation of support to the Inverclyde Tourist Group and Discover Inverclyde.
43.	<u>Building Standards</u>  Compliance with nationally-agreed Local Authority Building Standards Scotland and the Scottish Government Building Standards Division Continuous Improvement Plan	Undertake procedural changes identified as Key Performance Outcomes (KPO), completion dates staged	●	blue - complete	
44.	<u>Development Management</u>  Compliance with targets set in the Planning Service Improvement Plan	Encourage use of the e-planning system  Work with customers to deliver faster planning decisions  Review the Planning Enforcement Charter	●	blue - complete	68% of planning applications validated in the first three quarters of 2014/15 were submitted through the ePlanning system.  In the third quarter of 2014/15, the average

Achieving					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					time to determine all local planning application categories reduced.
45.	<u>Riverside Inverclyde</u>  Deliver the Operating Plan	On-going monitoring and review against Riverside Inverclyde milestones	●	green - on track	Progress on key projects was reported to the Environment, Regeneration and Resources Committee in January 2015.
46.	<u>Repopulation</u>  Stabilise the population within Inverclyde	Develop and implement an action plan	●	green - on track	The Action Plan is being delivered and progress reported to every second meeting of the Policy and Resources Committee.

Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>Pupil support</u>  Complete a reconfiguration of support staff infrastructure, making a more efficient use of resources and teaching so that pupils' needs are more effectively met	This will be taken forward by the Review Reference Group and sub-groups and will include:  a. a full audit including a survey and consultation with all stakeholders  b. development of model options based on the proposed direction	●	green - on track	A meeting with representatives from support services has taken place. Education Scotland personnel have provided input and advice on models from a national perspective.
2.	<u>Volunteering</u>  Opportunities for volunteering are co-ordinated and quality-assured  Number of opportunities increased  Numbers gaining accreditation for volunteering increased	Co-ordinate planning for volunteering across establishments, CLD, the Youth Employment Action Plan and voluntary sector and identify opportunities for accreditation	●	green - on track	A survey has been circulated to heads of establishments and service managers. We are awaiting further responses prior to carrying out collation and analysis of the results.
3.	<u>Strategic guidance for community learning and development (CLD)</u>  Implementation Plan in place  Progress made in realising outcomes of CLD strategic guidance, specifically:	Develop implementation plan using process agreed at Education Committee with emphasis on Single Outcome Agreement Delivery Groups  Establish priorities and baseline for measuring progress towards	●	green - on track	The CLD Strategic Implementation Group met in October 2014 and agreed a programme for delivering a 3-year plan in line with regulations.



Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	<p>a. improved life chances for people of all ages, including young people in particular, through learning, personal development and active citizenship</p> <p>b. Stronger, more resilient, supportive, influential and inclusive communities</p>	achievement of outcomes			
4.	<p><u>Children and Young People (Scotland) Act 2014</u></p> <p>Fully implement GIRFEC model and use of well-being outcomes. GIRFEC champions continue to provide support for education staff regarding implementation</p> <p>Business processes across the Education, CHCP and partners to support the implementation of the Act</p> <p>A training strategy, both single and multi-agency, is in place</p> <p>Fully implement by 2016 additional extra years hours</p>	Implementation of getting it right for every child (GIRFEC)	●	green - on track	<p>A core team of social work, health and education service managers are progressing the plans for ensuring that culture systems and practice related to the implementation of the GIRFEC aspects of the Children and Young People (Scotland) Act 2012 for August 2016.</p> <p>A GIRFEC steering group has been set up with from representatives the SOA 6 Best Start in Life outcome delivery group. The first meeting will</p>



Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					took place in January 2015. Thereafter, GIRFEC implementation sub-groups will be set up with representation across the partnership to develop the detail regarding single planning processes, named person service and learning and development.
		Training strategy delivered by April 2016	●	green - on track	A training programme to implement the Children and Young People (Scotland) Act 2012 will be devised and implemented during the 2014/15 session.
5.	<u>Early Years/Nurturing Collaborative</u>  We are delivering tangible improvements in outcomes and reducing inequalities in	Establishment of the Nurturing Collaborative	●	blue - complete	


Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	vulnerable children in Inverclyde	Engagement in the Early Years Collaborative (EYC) learning sessions run by the Scottish Government	●	green - on track	22 officers attended EYC learning session 4 in October 2014. At the event, officers from Inverclyde spoke at three sessions and on the main stage at the SECC, highlighting the good work that is taking place locally.
		Development of an action plan focused on early intervention and prevention in relation to the EYC 'stretch aims'	●	green - on track	23 projects have been identified, the majority of which are at the discussion stage. 7 projects have a project charter.
6.	<u>Museum accreditation</u>  Maintain McLean Museum accredited status under the Arts Council in England/Museum and Galleries in Scotland scheme	Fulfil the requirements of the ACE/MGS Scheme in the areas of organisational health; collections; users and their experiences	●	blue - complete	
7.	<u>New cultural hub for Inverclyde</u>  This requires successful Round 1 HLF bid, plus development funding for Round 2. If the bid is unsuccessful, an alternative plan must	Complete Round 1 bid and submit by March 2013. Round 2 bid submitted by September 2014.	●	green - on track	We are examining our options and will report to the Education and Communities Committee in 2015.


Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
	be put in place.				
8.	<u>Archives</u>  Improved collections management  Improved access and inclusion  Improved management policies and procedures  Better community engagement and learning opportunities	Further cataloguing of records	●	green - on track	We have increased our cataloguing of archival records to 10,850 records.
		Increasing finding aids available on-line	●	green - on track	Findings have all been updated and now include all historic burghs and parish councils, including the Burgh of Greenock.
		Conducting at least 3 class visits within the Watt Museum	●	green - on track	10 school visits have taken place at the Watt Library.
		Creation of a disaster plan and other management policies	●	green - on track	A disaster plan, access policy and security policy have been created.
		Take part in the McLean Museum's World War 1 commemorations and involvement in Greenock Philosophical Society's bid for	●	green - on track	We contributed to the World War 1 commemorations through the creation of

Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Heritage Lottery Funding to digitise archives			World War 1 burgh databases and volunteer programmes.  The Greenock Philosophical Society Heritage Lottery Fund bid may not proceed as they are currently looking at alternative means to secure funding.
9.	<u>Community councils</u>  All community representatives are skilled and confident in meeting the challenges of their changing role	Enhanced programme of training and support for community representatives, including embedding of training in on-going activities and meetings		green - on track	A series of cluster meetings took place in November 2014 to take forward recommendations from committee report.
10.	<u>Young Scot cards</u>  Young Scot card system extended to include Kidzcards for all children aged between 4 and 11 resident or attending school in Inverclyde	Negotiate with Young Scot to introduce Kidzcards in Inverclyde		red - significant slippage	The Kidzcards are available for use. However, because the system requires to be updated, the pilot will not begin until later in 2015.




Nurtured					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Establish systems and quality assurance procedures	●	green - on track	A recent external audit highlighted good practice.
		Develop Young Scot to be part of the Cashless Catering System	●	green - on track	We are continuing to use the cards as part of the Cashless Catering System in secondary schools.

Active					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>Community sports hubs</u>  A minimum of 3 community sports hubs will be established and fully operational in Inverclyde	First hub fully operational by August 2013	●	blue - complete	
		Second hub fully operational by April 2014	●	blue - complete	
		Third hub fully operational by April 2015	●	blue - complete	The Gourrock Community Sports Hub is fully operational. A constitution has been devised and a committee elected. A development plan has also been agreed and is being implemented. The first community sports hub coach education sessions are also complete.
2.	<u>PE provision</u>  100% of primary schools achieving two periods per week of quality PE	PE Co-ordinator recruited by May 2013	●	blue - complete	
		PE Plan implemented	●	green - on track	A strategic meeting took place in September 2014 with Education

Active					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					Scotland, sportscotland and the Corporate Director, Education, Communities and Organisational Development. A PE implementation plan has been completed and approved. Budget and spend is also complete and has been approved. The PE implementation plan has commenced with a completion date of June 2016. PE champions have been identified in every school. We have also identified 6 primary schools that we will initially work with to reduce the amount of schools not meeting the 2 hours of quality PE per week target.
		Number of schools providing minimum 2 hours PE to be increased by June 2014		green - on track	Five primary schools are not achieving the 2 hours of quality PE per




Active					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					week target. We have identified 2 schools to work with until February 2015 when the Scottish Healthy Living Survey is conducted. By February 2015, we plan to reduce the number of schools not meeting the target from 5 to 3. The PE implementation plan is in place to address the remainder of the primary schools.
3.	<u>Sports Framework</u>  Sports Framework will be drafted, consulted on and finalised. Group established to monitor implementation.	Draft for consultation prepared by April 2013 with final Plan reported to Committee and launched in August/September 2013  Annual review of implementation from May 2014		amber - slight slippage	The delay was caused by uncertainty over the sportscotland strategic plan; this issue has now been resolved. We will formally launch the Framework and convene the first meeting of implementation group.



Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>Teenage pregnancy</u>  Teenage pregnancy is below national average in target areas  Supports in place to continue education if pregnant  Effective and meaningful self-assessment which informs planning/delivery to successfully support young people	Health and Well-being Programme universally available  Produce a teenage pregnancy strategy		amber - slight slippage	There has been slight slippage in developing a teenage pregnancy strategy.
2.	<u>Housing repairs enforcement</u>  Homeowners take on their responsibilities with the appropriate information and guidance available to them for common properties etc which assists in leading to reduced levels of disrepair  Minimum formal enforcement role for the Council in the future	Review Housing Enforcement Policy		blue - complete	The new Private Sector Housing - Repair and Maintenance Strategy was submitted to the Education and Communities Committee in November 2014.
		Provide a range of information and signposting via various formats to householders to inform, advise and guide them in attending to matters of disrepair to their property		green - on track	The proposed layout of the web-based information service has been outlined. Financial support is being sought from other partners including the Scottish





Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					Government and private property agents.
3.	<u>Home energy efficiency (private)</u>  Better take-up of grants by private owners  More use of new available measures for 'difficult to treat' houses	Promote grant availability and improved energy efficiency to owners	●	green - on track	The tendering process is complete and the delivery partner (The Wise Group) re-appointed. Approximately 340 homes have recently received energy efficient measures from the 2013/14 funding. The Scottish Government has awarded significant funding to Inverclyde for 2014/15 and the new insulation programme has commenced.
		Continue to target 'difficult to treat' houses for investment	●	green - on track	Phase 1 of the central Greenock Home Energy Efficiency Programme (HEEPS) for Scotland Area-Based Scheme is complete. Phase 2 has started; funding for



Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					2014/15 has been awarded by the Scottish Government. Major HEEPS projects have been agreed with registered social landlords. We are continuing with the targeted improvement of 'difficult to treat' houses based on areas with the highest SIMD scores.
4.	<u>Parking management and enforcement</u>  Parking is decriminalised and enforcement transferred to the Safer and Inclusive Communities Service	Transfer of enforcement following decriminalisation with fully-trained team in place, likely to commence in August 2014	●	blue - complete	The enforcement staff are now operational.
5.	<u>Freedom of Information publication scheme</u>  New scheme in place for implementation by 31 May 2013	Develop and populate new Scheme, liaising with Services, as required	●	blue - complete	
6.	<u>Community councils liaison</u>  Updated and established processes and procedures in place to reflect best practice	Develop a suite of guidance materials for use by the Service and community councils	●	blue - complete	Two documents have been completed and published on the Council's website: a

Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					short introductory document 'Your community council - getting involved'; and a detailed community council handbook.
7.	<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		blue - complete	
8.	<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		green - on track	The Council's revised Infection Control Policy was approved by the Policy and Resources Committee on 3 February 2015.
9.	<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		green - on track	In terms of the % of the highest paid 5% of our employees who are women (excluding teachers), our ranking increased from 20th in 2012/13 to 15th in 2013/14 (out of the 32 Scottish local authorities).

Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					The % of Inverclyde Council female employees (excluding teachers) who are in the top 5% of earners improved from 47% in 2012/13 to 50% in 2013/14.
		Link with the Corporate Equalities Officer to include as part of the overall Equality Strategy for the Council	●	green - on track	Collaborative working is ongoing.
10.	<u>Carbon management</u>  Reduction in the Council's carbon emissions which are monitored from the following sectors: energy use in buildings, street lighting, fleet transport, business travel, water and waste	Implement the Council's Carbon Management Plan 2011/16	●	amber - slight slippage	This is reported annually, therefore, there is no change to the previous update which highlighted that the Council revised its reported carbon emission figures to use Department of Environment Food and Rural Affairs/Department of Energy and Climate Change carbon dioxide



Respected and responsible					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					equivalent conversion factors for waste and water. Overall, a reduction of 0.8% has been achieved.

Included					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
1.	<u>Corporate Equalities Group</u>  Requirements of the General Duty and Specific Duties are embedded in service delivery across all Directorates  Service delivery better meets the needs of people with protected characteristics	Continue to provide appropriate guidance and support to Directorates		green - on track	Organisational competence is increasing.
		Appoint an Equalities Officer to progress the Council's commitment to equalities consistently across all Services to ensure better outcomes		blue - complete	
		Increase representation on the Corporate Equalities Group to include a wide range of people with protected characteristics		green - on track	Work on developing a community planning partnership sub-group is well underway. Details will be submitted to a future meeting of Single Outcome Agreement Programme Board.
2.	<u>Welfare Reform Bill</u>  All educational establishments to have full understanding and be prepared for the potential impact of the Bill  Range of community-based learning programmes available to meet needs identified	Continue implementation of financial learning component of Financial Inclusion Strategy		green - on track	The Scottish Qualifications Authority's <i>Personal Finance Award</i> course is being piloted with S5 and S6 pupils in St Columba's High School.

Included					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		Liaise with Registered Social Landlords regarding the impact of Welfare Reform		blue - complete	
3.	<u>Engagement with young people</u>  Young people across Inverclyde have a range of co-ordinated opportunities to be involved in decision-making affecting their schools, services for young people and communities  Young people's voices are heard and their issues taken into consideration in service development and delivery	Incorporate Young Citizens' Panel within the Youth Participation Strategy identified in SOA 6		green - on track	Ongoing development is taking place via the Youth Participation Strategy Development Group. Additionally, an Inverclyde Alliance conference will be held in March 2015 which will involve young people from secondary schools who will plan, present and facilitate at the event. The conference follows on from the Health and Well-Being Survey which was conducted in secondary schools in Inverclyde and will highlight what young people in the area have developed in response to the results from the



Included					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
					Survey.
4.	<p><u>Communication-friendly schools</u></p> <p>Signage in and around the Port Glasgow Shared Campus will accommodate the communication needs of all learners</p> <p>Learners and adults in the new Campus will have access to good quality information relating to the diversity of need across the Campus</p> <p>All children and young people will be appropriately prepared for transition to the new Campus. Cross-Campus events will be a regular occurrence and these will also involve the local community</p>	<p>An action plan will be formulated by the Communication-Friendly Working Group based on a needs analysis of the developments required to take forward the aims identified</p>	●	blue - complete	
5.	<p><u>Looked-after and accommodated children (LAAC)</u></p> <p>Reduce the number of LAAC exclusions</p> <p>Improved attainment for LAAC</p>	<p>Roll out Positive Relationships and Positive Behaviour Policy</p> <p>Proportionate visits to specific educational establishments by Head of Service and Principal Education Psychologist are</p>	●	green - on track	<p>Visits are in progress on a proportionate basis.</p> <p>Also, in partnership with the Improvement Service, the Council is</p>

Included					
	Where do we want to be?	How will we get there?	Status November 2014- February 2015		Commentary November 2014- February 2015
		planned to continue to highlight LAAC			leading on a benchmarking initiative on the subject of looked-after children which aims to assess performance and deliver improvements across 8 family councils.
6.	<u>Museum services for young people (16-24)</u>  Work in partnership with the National Museum of Scotland (NMS) on a project for this age group entitled 'Scotland Creates' with the theme 'A Sense of Place'	Liaise with the NMS Project Manager and Steering Group to create exhibitions/event programmes in Greenock by August/September 2013 and in Edinburgh by July/December 2014		blue - complete	
7.	<u>Outreach activities for ethnic minorities</u>  Barriers to participation in English for speakers of other languages and adult learning programmes are overcome	Enhanced programme of outreach and engagement developed and in place		green - on track	Figures will be reported in June 2015.

2 March 2015

### Performance Indicators

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

Full year figures for 2013/14 are shown below, together with 2012/13 comparator information and Quarter 1 and 2 details for 2014/15:

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
Creditor payments: number of invoices paid within 30 calendar days of receipt as a % of all invoices paid	Demonstrates the efficiency and effectiveness of the arrangements for paying creditors	100%	Quarter 1: 98.01%  Quarter 2: 97.06%	96.3%	96.03%	Performance improved by 0.27%
Council Tax in-year collection <sup>1</sup>	Measures the efficiency and effectiveness of Council Tax billing and collection processes	Annual target: 94.5%  Quarter 1 target: 27.7%  Quarter 2 target: 54.4%	Quarter 1: 27.6%  Quarter 2: 54.4%	94.51%	94.2%	Despite another challenging year due to the continuing difficult economic climate, the Council Tax in-year collection level increased by 0.31% which is a significant achievement

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

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
Speed of Benefits processing - average number of days per case to process: <ul style="list-style-type: none"> <li>new Housing Benefit/ Council Tax reduction claims</li> </ul>	Demonstrates the effectiveness of the quality assurance measures in place within the Benefits service	23 days	Quarter 1: 23 days Quarter 2: 24 days	22 days	23 days	Performance improved
<ul style="list-style-type: none"> <li>Housing Benefit/ Council Tax Benefit reduction claim changes of circumstances</li> </ul>		6 days	Quarter 1: 5 days Quarter 2: 5 days	5 days	6 days	Performance improved
Incident resolution times	Demonstrates the responsiveness of the ICT Service Desk to reported incidents, against service level agreements	80%	Quarter 1: 91.11% Quarter 2: 89.63%	95.37%	92.46%	Performance improved

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
Service request resolution times	% of reported ICT service requests resolved within targets defined in service level agreements	80%	Quarter 1: 90.49%  Quarter 2: 93.08%	94.96%	93.13%	Performance improved
Network availability	Demonstrates the availability of the network and access to ICT services required by departments in their day-to-day activities	99.5%	Quarter 1: 100%  Quarter 2: 99.91%	99.97%	99.94%	Performance improved
Key applications availability	Demonstrates the availability of key applications required by Services	99.5%	Quarter 1: 100%  Quarter 2: 99.74%	100%	100%	Maximum performance maintained
Corporate absence rate: the average number of working days per full-time equivalent employee lost through sickness absence for:	High levels of attendance lead to higher levels of service provision, heightened morale and, for the purposes of Best Value, the provision					

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
<ul style="list-style-type: none"> <li>teachers</li> </ul>	of competitive and effective services	Annual target: 9 days  Quarterly target: 2.25 days	Quarter 1: 1.5 days  Quarter 2: 0.6 days	7.6 days	8.3 days	The number of days lost for teachers reduced by 0.7 days
<ul style="list-style-type: none"> <li>all other local government employees</li> </ul>		Annual target: 9 days  Quarterly target: 2.25 days	Quarter 1: 3.1 days  Quarter 2: 2.7 days	11.9 days	10.7 days	The number of days lost for all other local government employees increased by 1.2 days
<ul style="list-style-type: none"> <li>all employees</li> </ul>		Annual target: 9 days  Quarterly target: 2.25 days	Quarter 1: 2.7 days  Quarter 2: 2.2 days	10.9	10.2	The overall number of days lost to the Council increased by 0.7 days
Health and safety incident rates: <ul style="list-style-type: none"> <li>number per 1,000 employees</li> </ul>	Examples of incidents include animal exposure, building/masonry faults, contact with electricity, road traffic accidents and a slip, trip or fall	50.7	Quarter 1: 17  Quarter 2: 21.7	55.7	44.4	There was a substantial increase in the number of incidents reported in 2013/14; this was not unexpected given the roll-out of the Council's new incident reporting system which has
<ul style="list-style-type: none"> <li>average time</li> </ul>		0.5 days	Quarter 1:	2.1 days	3.3 days	

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
lost (in days) to the Council per incident			1.8 days Quarter 2: 1.5 days			made it easier to report incidents. The amount of lost time following incidents reduced by 1.2 days.
Waste management: refuse recycling	% of household waste composted and recycled	57.4%	Quarter 1: 61% Quarter 2: 57%	55.4%	54.1%	Our recycling rate increased by 1.3%
Traffic light repairs	% completed within 48 hours	98%	Quarter 1: 88.89% Quarter 2: 75%	89.3%	95.8%	There are only a small number of traffic lights and variations are largely due to the small statistical sample size
Street lighting repairs	% completed within 7 days	83.56%	Quarter 1: 82.02% Quarter 2: 94.32%	78.6%	98.4%	The reduction is due to issues with the last lighting maintenance contractor. The new contractor is now achieving target figures.
Potholes:						Performance improved across all

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
<ul style="list-style-type: none"> <li>category 1 – emergency/urgent</li> </ul>	Make safe/repair within 24 hours of identification	90%	Quarter 1: 92% Quarter 2: 100%	94.3%	70%	three categories of pothole repairs.
<ul style="list-style-type: none"> <li>category 2 – high risk</li> </ul>	Make safe/repair within 7 days of identification	80%	Quarter 1: 49% Quarter 2: 55%	41.9%	26%	
<ul style="list-style-type: none"> <li>category 3 – medium risk</li> </ul>	Make safe/repair within 28 days of identification	90%	Quarter 1: 68% Quarter 2: 68%	79.6%	14%	
Property enquiries	% fulfilled within 28 days	100%	100%	100%	100%	Maximum performance maintained
Planning applications: <ul style="list-style-type: none"> <li>% of all applications decided in under 2 months</li> </ul>	Processing time for planning applications	80%	Quarter 1: 90.9% Quarter 2: 97.5%	84%	81%	There is an overall trend of improved performance based on a fairly consistent number of applications year-on-year



## Performance Indicators

<b>Key performance measure</b>	<b>Relevance</b>	<b>Target 2014/15</b>	<b>2014/15 performance</b>	<b>2013/14 performance</b>	<b>2012/13 performance</b>	<b>Commentary on change between 2012/13 and 2013/14</b>
<ul style="list-style-type: none"> <li>% of householder applications decided in under 2 months</li> </ul>		90%	Quarter 1: 92.5%  Quarter 2: 100%	90%	93.5%	
Building warrants: % assessed within 20 working days of registration	Processing time against target for assessment of building warrants	100%	Quarter 1: 98%  Quarter 2: 100%	91%	87%	Maximum performance achieved
Community Wardens:	Demonstrates the response times of the Community Warden service	95%	Quarter 1: 95.3%  Quarter 2: 95.4%	96.45%	95.97%	Performance is consistently high
<ul style="list-style-type: none"> <li>high priority calls - % responded to within 30 minutes</li>   <li>medium priority calls - % responded to within 60 minutes</li> </ul>		95%	Quarter 1: 97%  Quarter 2: 100%	100%	100%	Maximum performance maintained
Library visits: number of actual and virtual	Demonstrates the use of Inverclyde's	4,182	details are compiled	4,873	4,462	The number of library visits increased by

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
visits per 1,000 population	libraries		annually			more than 9%
Library issues: number per 1,000 population	Demonstrates the number of items issued from Inverclyde's libraries	2,897	details are compiled annually	2,759	2,702	There was a slight increase in the number of library issues
Computer facilities in libraries: number of users per 1,000 population	Demonstrates the use of computer facilities in libraries	125	details are compiled annually	119	94	The number of people using computer facilities in libraries increased by 26%
Adult learners in libraries	Demonstrates the number of adult learners attending classes in libraries	2,564	details are compiled annually	2,442	1,277	Adult learners in libraries increased by 91%
McLean Museum: <ul style="list-style-type: none"> <li>number of visits in person per 1,000 population</li> <li>number of visits to/use of</li> </ul>	Measures the footfall at the McLean Museum	504	details are compiled annually	501	486	There has been an increase in both these indicators: 3% and 11% respectively
		811	details are compiled	808	721	

## Performance Indicators

Key performance measure	Relevance	Target 2014/15	2014/15 performance	2013/14 performance	2012/13 performance	Commentary on change between 2012/13 and 2013/14
Council-funded or part-funded museums per 1,000 population			annually			

11 March 2015

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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Patricia Cassidy Corporate Director, Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>PR/124/14/PC</b>
<b>Contact Officer:</b>	<b>Miriam McKenna, Corporate Policy and Partnership Manager</b>	<b>Contact No:</b>	<b>01475 712042</b>
<b>Subject:</b>	<b>SOLACE Improving Local Government Benchmarking Framework 2013/14</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with details of the publication of the 2013/14 Local Government Benchmarking Framework (LGBF) data and in particular, to highlight Inverclyde Council's performance across the range of benchmarking indicators.

## 2.0 SUMMARY

- 2.1 The Improvement Service released the 2013/14 LGBF data on Friday 30 January, and this was supplemented by a national report. The information is available for access by the public here <http://www.improvementservice.org.uk/benchmarking/index.html> and here <http://scotland.myllocalcouncil.info/test/Default.aspx?lang=en-GB>.
- 2.2 In line with Public Performance Reporting requirements the information will be made available on Inverclyde Council's website here <http://www.inverclyde.gov.uk/council-and-government/performance/statutory-performance-indicators/> where the LGBF indicators are merged with all the indicators the Council has to report on as directed by Audit Scotland's SPI Direction.
- 2.3 A total of 55 LGBF indicators have been established across 7 service areas. Inverclyde Council reports on 50 of these indicators (excluding housing). These indicators are intended to act as a corporate 'can opener' i.e. it should help Councils identify issues that merit further investigation, share good practice across authorities and drive forward improvement.
- 2.4 Information is not currently available for three of the indicators:
- The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week
  - The Gross Cost of "Children Looked After" in a Community Setting per Child per Week
  - Balance of Care for looked after children: % of children being looked after in the Community

These indicators are obtained from national data which is published by the Scottish Government, and should be available in the near future.

- 2.5 Information is also no longer available for two attainment indicators:

- % of Pupils Gaining 5+ Awards at Level 5
- % of Pupils from Deprived Areas Gaining 5+ Awards at Level 5 (SIMD).

Information regarding the % of pupils gaining 5+ Awards at Level 5 has not been published in the 2013/14 framework. The parameters for sitting level 5 exams have changed compared to previous years so any information that will be released cannot be readily compared to the previous published figures.

These five indicators have not been included in the table identifying placement of indicators in quartiles.

2.6 The table below provides an overview of the 45 indicators for which we have 2013/14 information for, in each category and where Inverclyde ranks in terms of quartiles. Quartiles do not necessarily equate to 'good' or 'bad' performance, but where the Council ranks against the other 31 Councils in Scotland. A full description of all the indicators, performance in 2010/11 - 2013/14, our national ranking (0-32), quartile placement and commentary on performance is provided as an Appendix to this report.

2.7

<b>2013/14</b>					
Indicator Group	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile	<b>Total</b>
Children's services	2	3	-	2	<b>7</b>
Corporate services	3	2	1	2	<b>8</b>
Adult social care	2	1	1	1	<b>5</b>
Culture and leisure	2	2	3	1	<b>8</b>
Environmental services	6	-	3	5	<b>14</b>
Corporate assets	-	1	1	-	<b>2</b>
Economic development	1	-	-	-	<b>1</b>
<b>Total</b>	<b>16</b>	<b>9</b>	<b>9</b>	<b>11</b>	<b>45</b>

2.6 Inverclyde ranks in the top two quartiles of all Scottish local authorities for 55.5% of indicators, (25/45). 35.5% of all indicators lie in the top quartile, whilst 24.4% of indicators lie in the fourth quartile.

2.7 In interpreting the data, it is vital to remember that there will be legitimate variations in performance based on local policy choices, demographic profile, social and economic conditions and other local factors. Council policies and priorities, the structure and business processes of the Council and service user expectations will also have an impact. The performance achievement of councils may therefore differ, not because they are better or worse performers, but because they may have different priorities for communities, demands and pressures are different or the council simply operates in a different way.

2.8 Data on costs should be considered alongside outcome and performance data, i.e. understanding the spend data within major service areas and the context that those services operate within and how those factors affect spend, e.g. levels of deprivation.

2.9 It is also important to note, that the improvement plan developed around the 3<sup>rd</sup> and 4<sup>th</sup> quartile indicators agreed last year, will not have had an impact on the indicators reported in this 2013/14

framework, due to the time lag in regard to these indicators. Changes between the 2013/14 to the 2014/15 indicators will indicate any impact of the actions agreed.

### **3.0 RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:

- a. note that the LGBF data for 2013/14 was published on 30 January 2015;
- b. approve the action plan for the Corporate Management Team at Appendix 2
- c. agree that the service commentary is used to form the basis of the Council's public performance reporting on the LGBF;

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

## 4.0 BACKGROUND

4.1 The SOLACE Benchmarking Project 'Improving Local Government' was developed in order to:

- Support SOLACE to drive improvement in local government benchmarking
- To develop a comparative performance support framework for Scottish local government
- To support councils in targeting transformational change in terms of areas of greatest impact – efficiency, costs, productivity and outcomes
- Focus on the 'big ticket' areas of spend plus corporate services

4.2 In developing the indicators the key criteria applied was that any one of the indicators must be able to be collected on a comparable basis across all 32 Councils. Each indicator also had to materially improve the cost information of service delivery on a comparative basis for major service areas as well as corporate services

4.3 In reviewing the LGBF the Improvement Service have removed three indicators from this year's framework:

- Gross cost of waste collection per premise;
- Gross cost of waste disposal per premise;
- Combined cost of trading standards and environmental health per 1,000 population.

These indicators were amended to 'Net Cost' to provide a more meaningful measure which takes account of income generated. Using Gross Costs only does not provide a true assessment of the overall cost of providing waste collection and/or disposal services. It fails to recognise that waste management has the potential to generate significant income for councils, and that councils' performance in this area is equally as important in managing its costs.

Guidance has been agreed which applies to the Local Financial Return to ensure consistency in relation to the calculation of income generated.

The net costs of waste collection and disposal now feature in the framework, as do the separate costs of trading standards and environmental health.

4.4 There are 50 indicators in total which Councils reports on. The focus of the indicators is on costs, outputs and customer satisfaction across the following broad areas:

- Children's Services
- Corporate Services
- Social Work
- Culture and Leisure Services
- Environmental Services
- Housing (*not applicable to Inverclyde Council*)
- Corporate: Assets and Property
- Economic Development

4.5 There is no up to date information provided in the published LGBF framework document for five indicators. These feature in the Children's Services theme and are:

- The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week
- The Gross Cost of "Children Looked After" in a Community Setting per Child per Week
- Balance of Care for looked after children: % of children being looked after in the

#### Community

- % of Pupils Gaining 5+ Awards at Level 5
- % of Pupils from Deprived Areas Gaining 5+ Awards at Level 5 (SIMD).

The indicators regarding Looked After Children are obtained from national data which is published by the Scottish Government, and should be available in the near future.

Information regarding the % of pupils gaining 5+ Awards at Level 5 has not been published in the 2013/14 framework. The parameters for sitting level 5 exams have changed compared to previous years so any information that will be released cannot be readily compared to the previous published figures.

- 4.6 Where the indicator is a measure of the service cost, the principal data source is the Local Financial Return (LFR), which each Council submits to the Scottish Government. The Scottish Government then passes this information on to the Improvement Service. The LFR has been used because it is regarded as the most robust source of comparable data on council expenditure currently available. The financial data is then compared with service usage statistics to derive a unit cost.
- 4.7 Finance colleagues have flagged that there are variations in the methods that Councils use to collect the financial data for the Local Financial Return (LFR), which has implications for comparing data. This should be borne in mind when considering the data. Further work is still required around the definitions of what should be included in each LFR category to ensure Councils are comparing like with like in regard to cost. Some of this will be addressed through the family groups, although the Improvement Service has asked that the family groups focus more on service improvement rather than how the LFR returns are calculated.
- 4.8 As with previous years, indicators that relate to customer satisfaction have been sourced from the Scottish Household Survey (SHS). SOLACE and the Improvement Service recognise that there are issues with this data in terms of its robustness, particularly for smaller Councils, however it is currently the only source of comparable customer satisfaction information that is available for all Scottish Councils. The sample size for this data at the local authority level is not statistically robust, with the Council's own Citizens' Panel providing a greater response rate. The Improvement Service has been investigating what alternative sources of customer satisfaction measures could be used that are more robust at a local authority level.
- 4.9 The Council is using its current Citizens' Panel questionnaire to gather the same information as set out in the LGBF from the Scottish Household Survey. This will be reported to a future committee and will inform our Public Performance Reporting information.

## **5.0 Local Government Benchmarking Framework Indicators 2013/14**

### **5.1 Children's Services**

Whilst the costs of preschool education have decreased nationally, Inverclyde remains one of the most expensive authorities in terms of cost per Pre-School Education registration (although costs have reduced from 2010/11 to 2013/14). Costs per pre-school registration place can change each year depending on the uptake of pre-school education, whilst the staff costs remain relatively fixed. Also, in the pre-school sector, 0-2 years staffing ratios are different from 2-3 years ratios, which are also different from 3-5 years ratios. Not all authorities have 0-2 years services (as Inverclyde Council does), so this will differ immediately from council to council. The costs will be higher for areas that have 0-2 years services at a 1:3 ratio (as opposed to a 1:10 ratio in 3-5 years work).



The national report from the Improvement Service sets out that Councils have managed to increase the number of pre-school places whilst reducing costs, but the increase in pre-school places is as a result of a policy decision by the Scottish Government and have been funded by the government. Councils are now providing pre-school places for all 2 year olds from workless households, and will be providing places for all 2 year olds from families who qualify or would qualify for free school meals, from August this year. Costs will likely increase for all local authorities over the next year.

The costs per pupil in primary and secondary have reduced nationally, and Inverclyde compares well with this, with both figures being lower than the Scottish average, and the costs per primary school pupil among the five lowest in Scotland. However, it may be that having the lowest cost per primary school pupil is not a positive indication, given the need to invest in children services, and with the continued drive for early intervention and preventative spend.

More pupils are achieving 5+ awards at SQA level 6 nationally. In Inverclyde there was a 2.33% drop in those achieving 5 or more awards at level 6. Overall more young people are entering positive destinations post school, and Inverclyde at 94% remains above the Scottish average in this, even though this has been increasing year on year as each authority 'catches up' and improves their positive destinations. There is a 7.5% variation between the top and bottom figures for positive destinations, with the top-performing council achieving 97.2% while the bottom local authority's figure is 89.7%.

There has been a slight increase nationally in the number of children from deprived areas (top 20% most deprived SIMD datazones) who are achieving 5+ awards at SQA level 6. Inverclyde has seen a slight drop of 0.64%. However, Inverclyde is still performing well against its virtual comparators e.g. councils with similar demography, levels of deprivation etc.

Satisfaction with schools has reduced by 2.1% nationally since 2010/11, from 83.1% to 81%. Inverclyde has seen a drop of 3% between 2012/13 and 2013/14. As with all of the satisfaction indicators this is based on the Scottish Household Survey which is not the most statistically robust survey at a local authority level. The Council has completed the renewal and refurbishment of the entire secondary and additional support needs estate with the primary school refurbishment ongoing. This programme of works, combined with closure of a significant number of poor quality buildings, has resulted in a significant improvement in the condition of the school estate. As this progresses, we would expect satisfaction with the school estate to increase from 84% in 2013/14.

## 5.2 Corporate Services

Corporate and support costs account for 5% of total gross revenue spend for local government across Scotland, with a 9.1% decrease in spend on the democratic core since 2010/11. Inverclyde Council compares relatively well with most of the indicators in the Corporate Services theme, with support services as a % of total gross expenditure being the 2nd lowest in Scotland. However sickness absence rates are quite high in comparison to the picture nationally with Inverclyde 29<sup>th</sup> nationally. The range for this indicator is 7.4 days to 11.38, with Inverclyde's figure at 10.9. There are a number of initiatives underway to address sickness absence in the Council including the provision of 'frequently asked questions' sessions for managers to assist them to deal with absence cases more effectively. In addition, Our Absence Management Policy is being reviewed and a new Supporting Employee Attendance policy is being developed, together with appropriate training.

Nationally the cost per dwelling of collecting council tax has reduced by 16.7% over the four year period. Inverclyde sits 22<sup>nd</sup> when ranked against other councils with a reduction in cost year on year. The range for this indicator is £5.45 to £23.20, suggesting that councils may be counting this cost differently. Further investigation

might be warranted to identify if the LGBF is comparing like with like in this instance. However, it should be noted that the cost of collection represents just 2.2% of the revenue collected. While a reduction in costs would reduce the cost of collection per dwelling, it is also likely to have a far greater detrimental effect on revenue. It is therefore not practical to reduce costs further.

At the same time as a reduction in unit costs, the percentage of income due from Council Tax received at the end of the year remains high nationally at 95.2%, increasing from 94.7% in the base year (2010/11). Inverclyde sits at 25<sup>th</sup> (94.51%) in this indicator, but the range is from 92.66% to 98.46%, indicating that most councils are performing at a similar level for collection. Additionally, despite the challenging economic climate, the Council achieved an increase of 0.3% in the Council Tax collection rate between 2012/13 and 2013/14. The Council may be in the 4<sup>th</sup> quartile but significant investment to raise this percentage would not be logical, to raise performance by only 4 percentage points. The Council will always work to increase collection rates, but performance in this indicator should not give rise to concern.

There has been continued national improvement in relation to ensuring equal pay opportunities across genders, with an increase in % of women in the top 5% earners in councils, from 46% to 51% between 2010/11 to 2013/14. Inverclyde Council has increased the percentage of women in the top 5% of earners to 50% which improved our ranking from 20<sup>th</sup> to 15<sup>th</sup>. However, the rate of 50% does not match the gender make up of council employees (73.88% female to 26.12% male).

### 5.3 Adult Social Care

Nationally, across adult social care, there has been a reduction in real costs in relation to home care unit costs and residential care unit costs while in relation to the balance of care, there has been an increase in % of people with intensive needs cared for at home and % of social work spend allocated to Self-directed support.

Inverclyde has some of the lowest home care costs per hour despite rising slightly over the last year and the costs of residential care have come down over the last year. Inverclyde's percentage of people 65+ with intensive care needs cared for at home has dropped slightly (by 2.93%) and is 2.14% lower than the Scottish average. The range for this indicator is 49.27% to 21.03%.

Self Directed support is rolling out across all 32 Councils, although there has been a national project in Glasgow to drive increases in Direct Payments and it has already assessed all of its under 65 clients under SDS meaning that its figures are significantly higher than other authorities at 31.48%, which skews the national average. The next closest figure is 5.99% for Edinburgh. Inverclyde sits at 1.15% among a number of authorities with similar percentages.

The % of adults satisfied with social care/work services has decreased nationally year on year since 2010/11. Satisfaction has dropped from 62% in 2010/11 to 55% in 2013/14 which represents the lowest of the satisfaction measures included in the framework. Inverclyde sits at 73% and 5<sup>th</sup> in Scotland. The Council's Autumn 2012 Citizens' Panel Survey asked respondents to rate how satisfied they were with the services provided by the Council. Social Care Services ranked 6<sup>th</sup> top in terms of satisfaction of all Council services, with a satisfaction level of 74%.

### 5.4 Culture and Leisure Services

Across culture and leisure services at a Scotland-wide level, costs per visit/attendance have reduced. Significant increases in visitor numbers for sports (17.3%), libraries (26.6%) and museums (25.8%) have been achieved against a backdrop of reductions in gross expenditure.

In Inverclyde cost per attendance at sports facilities has increased by £0.33, but still sits within the 2<sup>nd</sup> quartile. Cost per library visit has reduced year on year but the cost still sits above the Scottish average. It is difficult to influence this cost in smaller local authority areas as footfall will be limited and will never match that of larger city authorities and those with large tourist numbers passing through. The same can be said of museums. Inverclyde's cost per museum visit sits at 20<sup>th</sup> when ranked nationally, despite costs having reduced from 2011/12. However, it is pleasing to note that Inverclyde's libraries saw a 15% increase in visits in 2012/13 with a further 11.2% increase in 2013/14. This should further decrease the visit cost per person.

Despite the cost of parks and open spaces per 1000 population in Inverclyde having reduced by just over £5000 the national ranking has remained largely unchanged from 2010/11. Parks and open spaces is a priority improvement for the Council. A Parks and Open Space Asset Management Plan is being developed. Service improvement efficiencies will continue to be introduced to further reduce costs.

Customer satisfaction rates for all culture and leisure facilities, except parks, have fallen in the last 12 months nationally. Satisfaction with libraries has increased for Inverclyde, as has museums. Satisfaction levels with leisure facilities and parks and open spaces have dropped by 7% and 3% respectively. The latter figure should be viewed in the context that a large percentage of Inverclyde's open spaces are now with registered social landlords and therefore the Council has not had a role to maintain them for more than two years.

## 5.5 Environmental Services

Recycling rates continue to improve across Scotland from 41% in 2011/12 to 42.2% in 2013/14 as efforts are made to achieve Scotland's Zero Waste 60% household waste recycling target by 2020.

Nationally net costs for collection and disposal have reduced by 0.7% in the past year. Inverclyde performs exceptionally well in regard to the waste indicators, sitting in the first quartile for both these indicators (1<sup>st</sup> and 7<sup>th</sup> respectively) as well as for % of waste arising that is recycled with a ranking of 5<sup>th</sup>. Inverclyde sits first for % of adults satisfied with refuse collection at 95% which is 12% above the national figure and an increase of 8% from 2012/13.

Street cleaning costs per 1,000 population continue to reduce at an increasing rate across Scotland, while the cleanliness score and satisfaction rates continue to improve.

In Inverclyde the net cost of street cleaning per 1000 population sits at 24<sup>th</sup>, (despite a reduction of £295.09 in costs) but if you look at the best performing councils these tend to be the more affluent and more rural councils. More urban areas with denser populations tend to have higher costs for street cleaning.

The cleanliness score for Inverclyde has improved by 10 places in the national ranking, despite only rising by 3.2% to 95.8%. The range for this indicator is 100.00% (Western Isles and Orkney) to 87.4% (Renfrewshire), so despite being in the third quartile for this indicator, the impact of significant investment in this area would not affect a major change in performance for Inverclyde. Inverclyde sits 4<sup>th</sup> for % satisfied with street cleaning at 83% which is 9% higher than the national average and an increase of 6% on the previous year.

Overall costs for roads maintenance per km have reduced nationally in real terms by 21.2% since 2010/11. The majority of the change appears to be due to lower winter maintenance expenditure during this period. 2010/11 was a particularly bad winter, with £120 million of additional costs and the much milder winters recently have led to lower

associated expenditure.

Inverclyde has chosen to invest significantly in its roads, and this is reflected in the framework as the highest cost nationally.

The condition of the roads network in terms of Class A, Class B and unclassified roads continues to improve nationally. Inverclyde sits with a high percentage of its roads requiring maintenance treatment, which is the reason for the investment taking place. Investment was targeted in 2012/13 while further significant investment began in 2013/14. However, this investment has led to the increase in costs from £17,618.79 in 2012/13 to £25,959.71 in 2013/14. Over time as the roads asset management plan is rolled out, the indicators will reflect the improved condition of Inverclyde's roads.

Inverclyde performs well in relation to the costs of trading standards per 1000 population, ranking 2<sup>nd</sup> in Scotland. The cost of environmental health per 1000 population has reduced now that the Wardens costs have been removed, meaning that Inverclyde has moved 9 places in the national ranking to 22<sup>nd</sup>. The Council participated in an APSE benchmarking exercise in 2012/13, comprising 16 Scottish local authorities, the outcome of which was a better 'like for like' cost of £11,180 calculated for Inverclyde's cost of environmental health per 1,000 population. The figure compares favourably with the average cost in the benchmarking exercise of £12,080 per 1,000 population. The aim is to encourage every council in Scotland to participate in future APSE benchmarking work to be carried out in 2014/15.

## 5.6 Corporate Assets

Inverclyde Council has improved year on year the proportion of operational buildings that are suitable for their current use (an increase of 14.33% since 2010/11) and the proportion of internal floor area of operational buildings in satisfactory condition (an increase of more than 20% since 2010/11), reflecting the delivery of the asset management plan for council buildings.

## 5.7 Economic Development

In the last 12 months the Scottish average for % of unemployed people assisted into work from council funded/operated employability programmes rose from 9.6% to 12.6% of total unemployed. There is a considerable range across councils, from 2.3% to 34.8%, and work is prioritised nationally in the year ahead to improve the robustness of this measure and provide reliable data on the progression of these people into employment.

Inverclyde sits at 3<sup>rd</sup> in the national ranking with 22.31% unemployed people assisted into work from council operated / funded employability programmes, an increase of 5.62% on the previous year.

5.8 Further commentary from services on each indicator is set out in Appendix One. A short action plan summarising what action will be taken to improve a number of the more poorly performing indicators is set out in Appendix Two.

## 6.0 IMPLICATIONS

### 5.1 Financial Implications - One off Costs

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

n/a					
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#### Financial Implications - Annually Recurring Costs/ (Savings)

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

5.2 Human Resources: None

5.3 Legal: The Council requires to publish the LGBF indicators as part of its statutory obligation for Public Performance Reporting.

5.4 Equalities: None

5.5 Repopulation: None

### **6.0 Consultations**

6.1 All relevant services have been asked to check the figures set out in the LGBF as well as asked to provide a commentary in regard to service performance.

### **7.0 Conclusions**

7.1 Inverclyde Council's performance across the whole spectrum of indicators varies, depending on a variety of factors, from levels of deprivation, investment and policy decisions to population density. Each service has considered the relevant indicators and will use these as part of broader self-evaluation processes they undertake to inform future improvement planning.

7.2 The Council will continue to be involved in the various family groups which use the indicators to start a dialogue, in order that Council services can learn from other Councils and work towards best value and continuous improvement.

### **8.0 List of Background Papers**

8.1 SOLACE Improving Local Government Benchmarking Framework 2012/13  
CMT report 17 April 2014

SOLACE Improving Local Government Benchmarking Framework 2012/13  
Policy and Resources Committee 20 May 2014

## LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS CHILDREN'S SERVICES

<b>Indicator CHN1</b>	Cost per primary school pupil
<b>Indicator CHN2</b>	Cost per secondary school pupil
<b>Indicator CHN3</b>	Cost per pre-school education registration
<b>Indicator CHN4</b>	% of pupils gaining 5+ Awards at Level 5 – no update for 13/14
<b>Indicator CHN5</b>	% of pupils gaining 5+ Awards at Level 6
<b>Indicator CHN6</b>	% of pupils from deprived areas gaining 5+ Awards at Level 5 – no update for 13/14
<b>Indicator CHN7</b>	% of pupils from deprived areas gaining 5+ Awards at Level 6
<b>Indicator CHN8a</b>	The gross cost of 'children looked after' in residential-based services per child per week – no update for 13/14
<b>Indicator CHN8b</b>	The gross cost of 'children looked after' in a community setting per child per week – no update for 13/14
<b>Indicator CHN9</b>	Balance of care for looked after children: % of children being looked after in the community – no update for 13/14
<b>Indicator CHN10</b>	% of adults satisfied with local schools
<b>Indicator CHN11</b>	Proportion of pupils entering positive destinations

<b>Children's Services (12)</b>	<b>1st Quartile</b>	<b>2nd Quartile</b>	<b>3rd Quartile</b>	<b>4th Quartile</b>
	<b>2</b>	<b>3</b>	<b>0</b>	<b>2</b>

## Appendix One

There are several indicators of performance in relation to education costs that should be considered together:

**Indicator CHN1** Cost per primary school pupil  
**Indicator CHN2** Cost per secondary school pupil  
**Indicator CHN3** Cost per pre-school education registration

<b>Indicator CHN1: Cost per primary school pupil</b>							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£4,278.44	5th	£4,749.59	1st	1 (4th)	£4,279.48	£4,248.05	£4,738.44

<b>Indicator CHN2: Cost per secondary school pupil</b>							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£6,357.92	12th	£6,426.89	2nd	2 (10th)	£6,252.12	£6,386.75	£6,445.31

<b>Indicator CHN3: Cost per pre-school education registration</b>							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£4,521.71	31st	£2,998.58	4th	0	£4,922.71	£4,195.86	£5,009.35

## What the data tells us

The data shows that our cost per primary school pupil in 2013/14 is similar to costs in 2012/13 and higher than in 2011/12. Costs per secondary school pupil have increased over the 2012/13 to 2013/14 period but are still lower than the Scottish average. Our costs per pre-school place fell significantly between 2010/11 and 2011/12 and increased in 2012/13 but dropped again in 2013/14. Despite this, Inverclyde's national ranking has remained at 31, meaning we are the second most expensive authority for pre-school registration.

## Contextual information

In 2011/12, the Council reclassified the costs relating to additional support needs (ASN) staff. All ASN support staff costs were centralised under ASN schools when the structure of Education changed; prior to this, the costs were recorded against primary and secondary schools. Following reclassification, costs per primary school and secondary school fell, whilst there was a corresponding increase in ASN costs of 27%. School amalgamations have also taken place, which would also have an impact on the costs per pupil. At the end of 2013, Inverclyde's entire secondary estate had undergone refurbishment and/or rebuild.

Costs per pre-school registration place can change each year depending on the uptake of pre-school education, whilst the staff costs remain relatively fixed. In 2012, there were three nurseries that were not included in School Census, therefore the actual number of nursery places in 2012/13 was in fact higher than what is shown below. If these nurseries had been included in the Census, our costs in 2012/13 would have been lower than reported. The table below shows how the expenditure costs and uptake of places has changed over the period.

Year	Expenditure	Places	Cost per place
2010/11	£6,963,000	1,390 places	£5,009
2011/12	£6,084,000	1,450 places	£4,196
2012/13	£6,276,000	1,268 places	£4,949
2013/14	£6,384,000		£4,521

Best Value is continually being monitored; for example, the Council has changed some 52-week establishments to term-time establishments to maintain cost effectiveness. Also, in the pre-school sector, 0-2 years staffing ratios are different from 2-3 years ratios, which are also different from 3-5 years ratios. Not all authorities have pre-3 services, so this will differ immediately from council to council. The costs will be higher for areas that have 0-2 years services at a 1:3 ratio (as opposed to a 1:10 ratio in 3-5 years work). There have also been some estate movements and developments in the pre-5 sector during this period.



### **Next steps**

The school estate is a high priority for the Council and consequently there has been huge investment in this area. Early Years is also a strategic priority with Early Years Framework/Collaborative etc. The Council has also dedicated support for GIRFEC implementation, vulnerable under 3's and is also planning ahead for the additional expansion of hours in August 2015. Policy direction is in investment/early intervention, and in resource heavy areas. This will not lower per placement costs. There are additional future implications as a result of the implementation of the Children and Young People (Scotland) Act 2012, which will draw in additional funding but will also have an impact on costs in the Early Years sector.

## Appendix One

There are several attainment indicators that can be considered together:

**Indicator CHN4** % of pupils gaining 5+ Awards at Level 5 – **There is no update for this indicator for 2013/14**

**Indicator CHN5** % of pupils gaining 5+ Awards at Level 6

Indicator CHN4: % of pupils gaining 5+ Awards at Level 5 NO UPDATE						
Inverclyde 2012/13	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/12 - 2012/13	2011/12	2010/11
37.41%	22nd	39.28%	3rd	1 (21st)	33%	36%

Indicator CHN5: % of pupils gaining 5+ Awards at Level 6							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
23.95%	28th	28.08%	4th	17 (11th)	26.28%	24%	22%

### What the data tells us

Information regarding the % of pupils gaining 5+ Awards at Level 5 has not been published in the 2013/14 framework as yet. The parameters for sitting Level 5 exams have changed compared to previous years so any information that will be released cannot be readily compared to the previous published figures.

(The data for 12/13 shows that the percentage of S4 pupils who attained five or more Awards at Level 5 for standard grade increased by 4.4% in 2012/13; however, despite this, our national ranking fell by two places. The percentage is close to the rate for Scotland.)

There has been a reduction of 2.3% in the percentage of S6 pupils that attained five or more Awards at Level 6 for higher grade. This has resulted in a significant drop in our national ranking from 11th place (2nd quartile) to 28th place (4th quartile).

### Contextual information

The attainment of our young people is a fundamental, ongoing priority for Inverclyde Council. Below this high level indicator there are additional priority areas for our local attention in attainment (i.e. attainment of looked after young people).

The percentages are broadly similar. Differentiations exist year-on-year with such measures as cohorts differ in ability levels.

## Appendix One

Detailed local analysis at school/stage level has identified areas and subjects where additional support is required to build on the previous results at Standard Grade. Performance in this area is both monitored and benchmarked and this will continue.

Each school has a set of comparator schools and Inverclyde has a number of comparator authorities against which attainment levels are benchmarked. This is a longstanding element of post-examination analysis and self-evaluation in the authority. Inverclyde performs well against its comparator authorities in terms of attainment.

### **Next steps**

Establish benchmarking and measures of attainment/achievement in the context of the new national qualifications.

## Appendix One

There are two attainment indicators about pupils from deprived areas that can be considered together:

**Indicator CHN6**      % of pupils from deprived areas gaining 5+ Awards at Level 5 – **There is no update to this indicator for 2013/14**  
**Indicator CHN7**      % of pupils from deprived areas gaining 5+ Awards at Level 6

Indicator CHN6: % of pupils from deprived areas gaining 5+ Awards at Level 5 – NO UPDATE						
Inverclyde 2012/13	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/12 - 2012/13	2011/12	2010/11
23.86%	4th	19.52%	1st	-4 (8th)	19.62%	20.15%

Indicator CHN7: % of pupils from deprived areas gaining 5+ Awards at Level 6							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
11.89%	14th	12.59%	2nd	8 (6th)	12.53%	11.45%	9.97%

### What the data tells us

The performance data shows that, in terms of the attainment of children who live in the 20% most deprived areas, Inverclyde is one of the best performing authorities in Scotland. As above, information regarding the % of pupils gaining 5+ Awards at Level 5 has not been published in the 2013/14 framework as yet. The parameters for sitting Level 5 exams have changed compared to previous years so any information that will be released cannot be readily compared to the previously published figures. Performance for the % of pupils from deprived areas gaining 5+ Awards at Level 6 has decreased slightly from 2013/14 (0.64%) levels, which has resulted in a drop of eight places in the national rankings.

### Contextual information

The provision of high quality, needs-based education for young people in our establishments is a clear priority for the Council and community planning partners and it is pleasing to note that there has been a narrowing in the gap between the most deprived and least deprived for attainment of higher grades over the years 2010/11-2013/14.

## Appendix One

Inverclyde consistently performs well in terms of educational attainment, given the socio-economic context of the area. 24% of our children are living in relative poverty, but they attain well.

Allocation of support staffing across schools is now done on the basis of a weighted, multi-variable analysis, to ensure that, across a number of relevant factors, support is placed where there is greatest need. The Scottish Index of Multiple Deprivation (SIMD) is a significantly weighted factor in this exercise.

Each school has a set of comparator schools and Inverclyde has a number of comparator authorities against which attainment levels are benchmarked. This is a longstanding element of post-examination analysis and self-evaluation in the authority.

SIMD analysis is also interrogated, alongside SIMD profiling of school populations.

### **Next steps**

Establish benchmarking and measures of attainment/achievement in the context of the new national qualifications.

## Appendix One

There are a number of indicators about looked after children that should be considered together:

<b>Indicator CHN8a</b>	The gross cost of 'children looked after' in residential-based services per child per week
<b>Indicator CHN8b</b>	The gross cost of 'children looked after' in a community setting per child per week
<b>Indicator CHN9</b>	Balance of care for looked after children: % of children being looked after in the community

There is no update as yet for these indicators for 2013/14

Indicator CHN8a: The gross cost of 'children looked after' in residential-based services per child per week						
Inverclyde 2012/13	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/12 - 2012/13	2011/12	2010/11
£2,907.41	12th	£2,928.15	2nd	-9 (21st)	£3,063.66	£3,108.56

Indicator CHN8b: The gross cost of 'children looked after' in a community setting per child per week						
Inverclyde 2012/13	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/12 - 2012/13	2011/12	2010/11
£99.00	1st	£250.00	1st	-2 (3)	£101.00	£93.88

Indicator CHN9: Balance of care for looked after children: % of children being looked after in the community						
Inverclyde 2012/13	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/12 - 2012/13	2011/12	2010/11
90%	14th	91%	2nd	-2 (16th)	90.3%	89.12%

### What the data tells us

The data for 2012/13 shows that the gross cost of children looked after in residential-based services in Inverclyde had declined steadily over the three years tabled at CHN8a. This cost has reduced from £3,108.56 in 2010/11 to £2,907.41 in 2012/13 which placed us in the 2nd quartile nationally, and ranking 12th in Scotland.

## Appendix One

CHN8b data tells us that the gross cost for each child looked after in a community setting on a weekly basis over the three years was the lowest in Scotland, placing Inverclyde in the 1st quartile and ranking 1st in Scotland. It should be noted here that the service management for looked after and accommodated children has serious reservations in relation to this calculated cost and wishes to explore the mechanisms of how this is arrived at. Although we are confident about the activity data used as the source is the Children Looked After Survey (CLAS) upload to Scottish Government, we are unclear about the combinations used with the financial data from the Local Financial Return 3 which arrives at the figure of £99.00. Discussions at the Looked After Children Benchmarking Family Group has highlighted that not all authorities attribute the same costs to the budget line that is considered in the LFR, therefore this indicator is not comparing like with like.

The data for the indicator CHN9 told us that in 2012/13 the balance of care for the majority of our looked after children was in community-based settings, placing us in the 2nd quartile nationally and ranking 14th in Scotland.

The activity data used to calculate these measure is the annual CLAS return to Scottish Government which reports on looked after and accommodated children for the academic years. The 2013/14 data is presently undergoing quality checks by the statistical team at Scottish Government and is due to be published in February 2015.

### **Contextual Information**

The ideal outcome for our looked after children is that they are looked after at home or in other community-based settings as opposed to in a residential establishment. The balance of care for looked after children in Inverclyde is closely monitored and a local target is set to ensure the standard does not slip. This is done through regular quarterly performance service reviews attended by the Head of Children's Services along with the senior management team.

### **Next steps**

Inverclyde Council volunteered to lead on looked after children as part of a national SOLACE benchmarking exercise, therefore these measures are subject to benchmarking family group analysis. A number of meetings have taken place and progress will continue during 2014/15. In particular, we wish to examine how the costs are calculated and what is being included or excluded by other local authorities.

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**Indicator CHN10**      % of adults satisfied with local schools

<b>Indicator CHN10: % of adults satisfied with local schools</b>						
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2011/12 - 2012/13</b>	<b>2012/13</b>	<b>2010/11</b>
<b>84%</b>	<b>14th</b>	<b>81%</b>	<b>2nd</b>	<b>3 (11th)</b>	<b>87%</b>	<b>79%</b>

### What the data tells us

The data is sourced from the Scottish Household Survey (SHS) and shows that there has been a slight drop in the satisfaction level with schools in Inverclyde. It has been acknowledged by both the Improvement Service and SOLACE that the SHS data has its limitations, particularly for smaller councils where the results are less reliable due to the small sample numbers. The highest satisfaction score was 96% (Orkney Islands) and the lowest satisfaction score was 65% (Dundee City Council). Inverclyde remains above the Scottish average for satisfaction with local schools but has dropped three places in the ranking.

### Contextual information

Inverclyde Council has a £270 million schools programme which is delivering new and refurbished schools across the entire school estate. Our schools have received praise at a national and international level, for example:

- The Scottish Government included two new build schools on their School Estate Project Case Study material highlighting these as good practice.
- Newark Primary School was shortlisted for the Scottish Design Awards for Best Public Building.
- Inverclyde Academy was the first UK school to have a 50kw wind turbine to help reduce energy costs and CO2 emissions. The Scottish Government praised the school for good practice in consultation and its innovative design.
- The architects of Inverclyde Academy won two prizes in the International Green Apple Awards.
- The Port Glasgow Community Campus is currently in line to receive an award or commendation as part of the 2015 Civic Trust Awards.

We measure how satisfied Inverclyde citizens are with Council services through our Citizens' Panel surveys. The question about satisfaction with local schools was last asked in a Panel survey carried out in Autumn 2012. The results of the survey showed that education and schools ranked in the top five of all Council services.

### Next steps

The Council has completed the renewal and refurbishment of the entire secondary and additional support needs (ASN) estate with the primary school refurbishment programme ongoing. This programme of works, combined with the closure of a significant number of poor quality buildings, has resulted in a significant improvement in the condition of the school estate. As this progresses, we would expect satisfaction with the schools estate to increase.



**Indicator CHN11** Proportion of pupils entering positive destinations

<b>Indicator CHN11: Proportion of pupils entering positive destinations</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>94%</b>	<b>6th</b>	<b>92.3%</b>	<b>1st</b>	<b>2 (4th)</b>	<b>94.9%</b>	<b>94.8%</b>	<b>88.4%</b>

**What the data tells us**

In 2013/14, there were 796 school leavers, 65 fewer than in 2012/13. The data shows that there has been a slight reduction (0.9%) in the percentage of Inverclyde pupils who entered a positive destination (for example, further or higher education, employment or training) after leaving school. Inverclyde remains one of the best performing authorities in Scotland; however, we have dropped four places in the national ranking as a result of the 0.9% drop in percentage. It remains above the Scottish average which has been increasing year-on-year as authorities become better at assisting their school leavers into positive destinations.

**Contextual information**

This is a priority improvement area for the Council. In 2003, Inverclyde ranked 31 out of 32 authorities for positive destinations and there has been a year-on-year improvement since then. 2013/14 was the fifth consecutive year in which Inverclyde's School Leaver Destination Result (SLDR) statistics once again showed no 'unknown' young people. This means that all school leavers are known to Skills Development Scotland, who will continue to track and provide further support to them. We are the only local authority area in Scotland to have reported no 'unknowns' in all SLDR exercises and in all SLDR follow-up exercises since 2009/10.

<b>Inverclyde Council SLDR 2013/14 (Initial Destination Percentages)</b>											
<b>School</b>	<b>Total Leavers</b>	<b>Higher Education (%)</b>	<b>Further Education (%)</b>	<b>Training (%)</b>	<b>Employment (%)</b>	<b>Voluntary Work (%)</b>	<b>Activity Agreements (%)</b>	<b>Unemployed Seeking (%)</b>	<b>Unemployed Not Seeking (%)</b>	<b>Unknown (%)</b>	<b>Total Positive (%)</b>
<b>Inverclyde Council</b>	<b>796</b>	36.9	30.7	3.8	21.1	0.5	1.0	5.4	0.6	0.0	<b>94.0</b>
<b>Scotland</b>	<b>51,876</b>	38.6	26.3	4.1	21.7	0.4	1.1	6.3	1.1	0.3	<b>92.3</b>
<b>Difference LA to Scotland</b>		-1.7	4.4	-0.3	-0.6	0.1	-0.1	-0.9	-0.5	-0.3	3.7

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The success and improvement that has been achieved in this measure is rooted firmly in successful partnership working and the establishment, then maintenance, of relationships and processes that facilitate effective working between partners in support of young people. In 2012/13 and 2013/14, support was provided by community wardens who played a significant part in the early identification of young people; they also assisted Skills Development Scotland not only to find everyone, but to draw alongside a number of young people who indicated that they were not yet in positive destinations, and provide them with support to help them take up opportunities they were previously unaware of.

The percentage of leavers who are unemployed seeking is 5.4%, 0.9% higher than in 2012/13, however this is still 0.9% lower than the national average.

In September 2013, Inverclyde Council won an Association for Public Service Excellence award for its successful partnership working and the results achieved in relation to positive school leaver destinations.

### **Next steps**

2014 saw the introduction by the Scottish Government of Insight, a new online tool for secondary schools and local authorities to benchmark and improve the performance of pupils in the senior phase. Insight will use the school leaver destinations provided by SDS to SGEAS but will use a slightly different methodology for defining which school leavers Insight include within their measured school leaver cohort.

For this transitional year, Skills Development Scotland used in December 2014 the same reporting methodology as used in previous years. By retaining this they were able to report in a consistent method, familiar to users of their reports, and to provide year to year trend analysis on a like for like basis which was then used in the LGBF.

During this transitional phase it is important that users of the School Leavers Destination Results are aware that when data about leavers is released on Insight in February 2015, and published by the Scottish Government in June 2015, there will be differences in the data, arising from the differences in methodology used to define who is a school leaver. These changes are anticipated to be minor at a national level, although individual schools may see greater variations depending on the effects of the changes made by Insight to their definition of the leaver cohort.

## LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

### CORPORATE SERVICES

<b>Indicator CORP 1</b>	Support services as a % of total gross expenditure
<b>Indicator CORP 2</b>	Cost of democratic core per 1,000 population
<b>Indicator CORP 3b</b>	% of the highest paid 5% of employees who are women
<b>Indicator CORP 4</b>	The cost per dwelling of collecting Council Tax
<b>Indicator CORP 5b2</b>	(Domestic Noise) Average time (hours) between time of complaint and attendance on site, for those requiring attendance on site
<b>Indicator CORP 6</b>	Sickness absence days per employee
<b>Indicator CORP 7</b>	% of income due from Council Tax received by the end of the year
<b>Indicator CORP 8</b>	% of invoices sampled that were paid within 30 days

**Corporate Services  
(8)**



**Indicator CORP 1** Support services as a % of total gross expenditure

**Indicator CORP 2** Cost of democratic core per 1,000 population

Indicator CORP 1: Support services as a % of total gross expenditure							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
3.16%	2nd	5.13%	1st	-2 (4)	2.76%	2.68%	2.48%

Indicator CORP 2: Cost of democratic core per 1,000 population							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£28,003.98	13th	£32,076.88	2nd	-1 (14th)	£29,995.04	£32,062.61	£22,677.70

### What the data tells us

The performance data shows that, in relation to central support costs as a percentage of total gross expenditure, Inverclyde has amongst the lowest costs in Scotland. Our central support costs increased very slightly in 2013/14 from 2012/13 but even so, the Council increased its national ranking by two places and remains above the Scottish average.

Our core democratic costs per 1,000 population decreased in 2013/14, resulting in an improved national ranking of 13th position, up one from 2012/13.

### Contextual Information

**Central support costs:** Central support costs are classed as overhead costs for services such as ICT, HR, Legal and Finance. An efficient organisation aims to keep overheads to a minimum. Concerns were raised by Finance Services colleagues that the gross expenditure for the years 2010/11 and 2011/12 may not be comparable: 2010/11 possibly included capital charges and International Accounting Standards (IAS) 19 adjustments, whilst from 2011/12 onwards, the gross expenditure figure is from the Local Finance Return and excludes capital charges and IAS 19 adjustments. This makes it difficult to comment when comparing our central support costs with other councils. However, we have been working to clarify how the financial information is captured to provide a

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consistent approach and enable comparisons to be more meaningful. Benchmarking takes place in support areas such as CIPFA accountancy benchmarking and the Society of IT Managers (for ICT issues).

**Core democratic costs:** These costs are viewed as overhead costs for supporting the democratic process within the Council. The costs include the proportion of officers' time spent specifically supporting the democratic process, for example, preparing for and attending meetings, presentations and civic occasions. The costs also include elected members' salaries, allowances and support costs. A lower cost arguably reflects a more efficient democratic process within the organisation. There appears to be a significant increase in the Council's core democratic costs between 2010/11 and 2011/12; however, there was an error in the 2010/11 figure which was understated by approximately £671,000. If the revised figure were to be used, this would give a cost per 1,000 of £31,090, which is comparable to the 2011/12 figure of £32,063 which would have minimised the change in rank.

Costs have reduced over the last three years, and the Council is now below the Scottish average for core democratic costs.

### Next steps

We will continue to look for ways to improve efficiency in our support services as part of ongoing self-evaluation and continuous improvement with the aim of reducing overheads overall.

**Indicator CORP 3b** % of the highest paid 5% of employees who are women

<b>Indicator CORP 3b: % of the highest paid 5% of employees who are women</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>50%</b>	<b>15th</b>	<b>50.7%</b>	<b>2nd</b>	<b>-5 (20th)</b>	<b>46.99%</b>	<b>47.59%</b>	<b>47.59%</b>

### What the data tells us

The data shows that the percentage of employees in the highest 5% of earners that are female has increased slightly; the 3% increase has resulted in our national ranking rising by 5 places to 15th. The percentage of female employees at Inverclyde Council that are in the highest 5% of earners is now only 0.7% below the national average.

### Contextual information

In 2013/14, there were 154 employees in the top 5% of earners within Inverclyde Council; of these, 77 were female. This information is drawn directly from the Council's electronic HR/Payroll management system.

The Council has robust equality management procedures in place. In addition, recruitment and selection procedures are equality impact-assessed to ensure that equality standards are met.

Recruitment and selection procedures are subject to rigorous re-evaluation at regular intervals to ensure equality standards are maintained.

The gender split of council employees is 73.88% female to 26.12% male. There is a disproportionate number of women working for the Council compared to the wider population of Inverclyde, which is 52% female and 48% male.

There continues to be occupational segregation within the Council (as occurs across the country) with more women in primary teaching, caring posts, cleaning and catering posts, which tend to be in lower grades. There could be a lack of equal opportunities for progression in the organisation.

### Next steps

The Council has an Equalities Officer who will continue to work with services to further embed equalities within the day-to-day activities of the Council. The Equalities Officer will deliver face-to-face training across Council Services, focussing initially on impact assessment. Training is currently being developed on

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religion and belief. Targeted guidance for Council Services is also being developed to assist particular service areas to respond to changes to legislation etc. Equality training is promoted amongst managers and employees and a new on-line e-learning equality module is available.

Further assessment is required by Human Resources and Organisational Development of the split by gender of grades/salary, access to training opportunities and progression within the Council, to help to establish what is happening in regard to occupational segregation and identify ways in which to tackle it.

**Indicator CORP 4** The cost per dwelling of collecting Council Tax  
**Indicator CORP 7** % of income due from Council Tax received by the end of the year

Indicator CORP 4: The cost per dwelling of collecting Council Tax							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£14.05	22nd	£12.13	3rd	0	£15.47	£15.05	£16.61

Indicator CORP 7: % of income due from Council Tax received by the end of the year							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
94.51%	25th	95.16%	4th	-1 (26th)	94.18%	94.23%	94.03%

### What the data tells us

**Cost per dwelling of collecting council tax:** The data shows that the cost of collecting Council Tax per dwelling decreased slightly in 2013/14 by 1.42%, however our national ranking remained at 22. The costs for this indicator range from £5.45 in Fife to £23.20 in Eilean Siar. The cost is fairly reflective in terms of the level of resource that is required in order to collect Council Tax, particularly due to the demographics in the area combined with the high benefit caseload.

**Percentage Council Tax collected:** The percentage of income from Council Tax that was received by the end of the year increased very slightly by 0.33% from 2012/13 levels meaning our national ranking went up by one place to 25th position. The percentages for this indicator range from 98.46% in Perth and Kinross to 92.66% in Dundee City. This indicates that all councils have largely a similar percentage for this indicator, with only a 5.8% difference between the best and worst performing councils.



## Contextual Information

**Cost per dwelling of collecting council tax:** This is a key area for the Council as it involves revenue for the Council so we have to measure the collection levels against the cost. The cost of collection represents just 2.2% of the revenue collected. Due to the demographics of the area, officers need to ensure that the Debt Recovery Team is appropriately staffed. Whilst reductions in cost would reduce the cost per dwelling, it would likely have a far greater detrimental effect on revenue.

Cost per dwelling of Council Tax collection is a very small area of cost and savings have already been achieved. It is felt that it is not practical to reduce costs further. The Finance Service is confident that the indicator in relation to Inverclyde is accurate and has shown real term reductions in costs over the last few years.

Inverclyde Council's position in the rankings remains level with last year. As stated in previous years, it remains difficult to see how some councils can have such significantly lower costs. One possible explanation is that not all councils are submitting the same detail of costs. For example, if we did not count management costs and central support allocation then our costs would dramatically reduce. Therefore, there requires to be more inspection of the detail behind each council's calculation in order to ensure that a like-for-like comparison is made.

This is an indicator which is reviewed annually by the Directors of Finance and the consistency of reporting costs has been a matter of concern with the Chief Financial Officer and has been raised, but not resolved, amongst his peers.

While there is no formal benchmarking, the Directors of Finance statutory performance indicators are looked at each year and the Finance Service continually looks at best practice and reviews what areas are being charged to this measure. This area is therefore under constant review.

**Percentage of Council Tax income received by end of year:** This is an area that is constantly monitored and is reported in the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16 progress reports. Whilst there is no formal benchmarking, the Chief Financial Officer receives monthly briefings on this area of performance which has been benchmarked since 1993. Performance is regularly reviewed with the Council's debt management partner. A good practice guide issued by the Directors of Finance has been reviewed to identify areas of possible improvement. Previous detailed comparison with a number of councils with higher overall collection shows that Inverclyde out-performs these councils on a Band-by-Band basis and that housing tenure/values are a key influence on this measure.

It should also be noted that some councils report Council Tax collection levels using a methodology which inflates collection levels by 1-2% due to the way water and sewerage monies are allocated. While this is a truer way of reporting, if Inverclyde Council was to report in this way, we would show a higher collection figure. The Council's Chief Financial Officer continues not to adopt this approach in order to be consistent with prior years.

## Appendix One

Despite the continuing difficult economic climate, in-year Council Tax collections rose by 0.3%. This is testament to the hard work and commitment of the Council's revenue services and effective partnership working with the Council's debt management partner, Alex M and Company.

It was noted last year that Inverclyde was involved in the pilot scheme for water deductions with the Department of Work and Pensions. The scheme proved to be successful and is now available for all Scottish councils to participate in.

Performance is consistently under review and fresh initiatives implemented where it is identified that collection levels could be improved. Finally, the current economic climate continues to make the collection of Council Tax a difficult task.

### **Next steps**

The cost of collecting Council Tax is reviewed annually through Directors of Finance performance indicators. There is also ongoing monitoring to ensure efficiencies in processes are in place to drive costs down.

With regard to Council Tax collection rates, despite being fairly resource intensive, participation in the Water Direct Scheme with the Department of Work and Pensions will continue. This measure is monitored on a monthly basis. We will also continue to monitor and review performance and look for ways to maximise Council Tax income while keeping costs down.

Both indicators are monitored and reported through performance reporting on the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16.

## Appendix One

**Indicator CORP 5b2** (Domestic Noise) Average time (hours) between time of complaint and attendance on site, for those requiring attendance on site

<b>Indicator CORP 5: (Domestic Noise) Average time (hours) between time of complaint and attendance on site, for those requiring attendance on site</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>0.7 hours</b>	<b>7th</b>	<b>80.73 hours</b>	<b>1st</b>	<b>-12 (19th)</b>	<b>16.6 hours</b>	<b>25.5 hours</b>	<b>46.1 hours</b>

### What the data tells us

The data shows that there was a further significant improvement in the average time between a complaint and attendance on site, for those complaints that required attendance on site. This resulted in a national ranking of 7th, taking the Council into the first quartile for this indicator.

Previously, the indicator was inflated by our inclusion of appointments made to suit the complainant where an immediate response was not required. We are now only including those where a quick response is required.

### Contextual information

It is unlikely that further significant improvements can be made to this indicator without disproportionate expenditure.

### Next steps

We will work further with the Association for Public Service Excellence to ensure that interpretations of the indicator are as consistent as possible.

**Indicator CORP 6**      Sickness absence days per employee

<b>Indicator CORP 6: Sickness absence days per employee</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>10.9 days</b>	<b>29th</b>	<b>9.24 days</b>	<b>4th</b>	<b>8 (21st)</b>	<b>10.24 days</b>	<b>10.49 days</b>	<b>10.41 days</b>

**What the data tells us**

The data shows that the number of days lost due to sickness absence increased very slightly by 0.66 days between 2012/13 and 2013/14. This together with other authorities improving attendance levels has resulted in a drop in national ranking from 21st place in 2012/13 to 29th place in 2013/14. Overall, the Council's absence rate is higher than the Scottish average by 1.66 days.

**Contextual information**

Employee costs form a large proportion of the Council's budget and it is recognised that high levels of absence represent a significant cost that the Council must reduce. Through robust absence management procedures, the Council is endeavouring to support employees and reduce the level of absence. Although guidelines are available to all councils as to how data is collected and analysed, we continue to seek information to ensure we are comparing like-for-like as some councils operate manual absence recording systems and others electronic data collection.

The Council's Absence Management Strategy is under constant review to determine patterns of absence and ensure that resources are directed to areas where more support is required.

Whilst the Council was disappointed in the lack of improvement between 2012/13 and 2013/14, this was expected as the move from using 'head count' to 'full-time equivalent' would result in an increase in absence rate. The increase of 0.66 days was significantly less than estimated. The reasons for absence were analysed and, through working with colleagues in Council Services, targeted interventions were put in place. In 2013/14, a series of absence 'frequently asked questions' sessions were arranged to assist managers to deal with absence cases more effectively.

## Appendix One

The Council is committed to reducing the absence rate. As well as being an external statutory performance indicator, absence is an internal key performance indicator which is analysed quarterly and reported to the Policy and Resources Committee. Absence statistics are also submitted to service committees by all Council Services to allow scrutiny to be undertaken at a service committee level.

The Council works closely with its occupational health provider to ensure that absent employees are given the necessary support to enable them to return to work as soon as possible. Musculoskeletal issues and mental health-related illness represent the largest percentage of absence within the Council. Strategies are now in place to have employees with these issues fast-tracked to HR so that support can be provided as quickly as possible. We now have an on-line attendance management form which has made the escalation of absence cases to HR more efficient and easier for Council Services.

Council Services that have higher than average absence rates are targeted with HR support, as required. In addition, the Absence Management Policy is being actively promoted within Services with higher levels of absence.

As a Council, we have moved to electronic data collection and pull all statistics from the Council's HR/Payroll management system. A challenging absence rate of nine work days per full-time equivalent has been set and the Council will continue to work to improve absence rates. Council Services have been given access to absence reports which will allow them to monitor absence on a continuous basis, ensuring Services take ownership of absence. Directorates are also sent quarterly absence information as part of their quarterly Workforce Information Activity reports.

Collation and reporting of absence data has been changed to bring it into line with the SOLACE indicator to enable continuous monitoring against the expected targets.

### **Next steps**

The Council's Absence Management Policy is being reviewed and a new policy entitled 'Supporting Employee Attendance' is in development in consultation with the trades unions. This new document will also include detailed guidance for managers and employees on the application of the Policy. Appropriate training will be provided.

**Indicator CORP 8**     % of invoices sampled that were paid within 30 days

Indicator CORP 8: % of invoices sampled that were paid within 30 days							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
96.3%	3rd	91.93%	1st	0	96.03%	95.59%	94.37%

### What the data tells us

The performance data shows that Inverclyde remains one of the top performing authorities for this measure. The percentage of invoices that were paid within 30 days increased slightly by 0.27%. Our national ranking remained unchanged. Performance is 4.37% above the Scottish average.

### Contextual information

The Council is constantly looking to see where it can improve efficiency and this is an area where the Council has made significant efficiencies in the past. The team has reduced in size as Council Services and Finance work together to maintain performance.

Like all areas within Finance, officers are constantly looking to see where efficiency can be improved.

This information is reviewed annually through the Directors of Finance performance indicators. Performance is also monitored on a monthly basis and reported through the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16 progress reports.

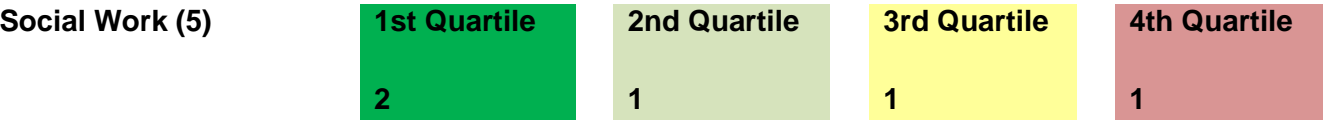
### Next steps

Our focus is to maintain performance and look to see where we can improve payment times to our local suppliers to 20 days rather than the statutory 30 days. Whilst this will not make a difference to this indicator, it will improve cash flow to local businesses.

LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

ADULT SOCIAL CARE

Indicator SW 1	Older persons (over 65) home care costs per hour
Indicator SW 2	Self-directed support spend on adults 18+ as a total of social work spend on adults 18+
Indicator SW 3	% of people 65+ with intensive needs receiving care at home
Indicator SW 4	% of adults satisfied with social care or social work services
Indicator SW 5	Cost of residential care for older adults (65+) (average weekly cost per resident)



**Indicator SW 1** Older persons (over 65) home care costs per hour

<b>Indicator SW1: Older persons (over 65) home care costs per hour</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>£17.32</b>	<b>6th</b>	<b>£20.25</b>	<b>1st</b>	<b>1 (5th)</b>	<b>£15.57</b>	<b>£16.35</b>	<b>£19.37</b>

**What the data tells us**

The data shows that home care costs per hour (for those aged 65 and over) rose slightly in 2013/14; however, Inverclyde's home care costs per hour are amongst the lowest in Scotland.

**Contextual information**

Home care is a priority area for the Council to enact a shift in the balance of care and the move to rehabilitation and meeting the intensive needs of the client base. The number of people aged 65+ receiving home care has shown a steady rise over the three years reported, from 1,096 in 2012/13 to 1,177 in 2013/14.

The Activity Data used is identifiable local data reported for the Home Care Annual Census for the Scottish Government. Although we are continually improving the IT system and processes used to collect our home care data, the ultimate reported data is validated during the process of reporting by performance staff and signed off by the Home Care Head of Service prior to submission.

Benchmarking continues to take place via the National Community Care Benchmarking Network and quarterly performance service reviews.

**Next steps**

We will continue to monitor performance through quarterly performance service reviews.



**Indicator SW 2** Self-directed support spend on adults 18+ as a total of social work spend on adults 18+

<b>Indicator SW 2: Self-directed support spend on adults 18+ as a total of social work spend on adults 18+</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>1.15%</b>	<b>29th</b>	<b>6.4%</b>	<b>4th</b>	<b>0</b>	<b>0.95%</b>	<b>0.8%</b>	<b>0.6%</b>

**What the data tells us**

The performance data shows self-directed support (SDS) spending on adults aged 18+ as a percentage of total social work spend on adults 18+ increased slightly in 2013/14. Despite this, our national ranking has not changed at 29th. SDS spending in Inverclyde is quite far below the Scottish average, although many authorities are in the first stages of rolling this out.

There has been a national project in Glasgow to drive increases in Direct Payments and it has already assessed all of its under 65 clients under SDS meaning that its figures are significantly higher than other authorities at 31.48%, which skews the national average. The next closest figure is 5.99% for Edinburgh. Inverclyde sits at 1.15% among a number of authorities with similar percentages.

**Contextual information**

This is a priority area for the Council in that the SDS Bill requires local authorities to offer people four choices on how they can get their social care. There has been a slow uptake in SDS in Inverclyde to date. The focus has been on the development of processes to ensure that people have been made aware of the options and that this is supported with fair and equitable access to services. Staff training is currently being undertaken to tie outcome-based assessments with the options for SDS. Robust resource allocations are being developed along with public information and briefing sessions for providers. Performance is monitored through quarterly performance service reviews and the SDS Steering Group.

**Next steps**

The next step is further implementation of the legislation. Work will be undertaken to update the contract for option one and to develop an individual service framework for option two. Systems will be developed to capture activity information to track service changes to ensure they form a baseline for developing a commission planning process.

**Indicator SW 3**      % of people 65+ with intensive needs receiving care at home

<b>Indicator SW 3: % of people 65+ with intensive needs receiving care at home</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>32.6%</b>	<b>22nd</b>	<b>34.74%</b>	<b>3rd</b>	<b>5 (17th)</b>	<b>35.53%</b>	<b>34.48%</b>	<b>37.87%</b>

**What the data tells us**

The performance data shows that the percentage of people aged 65+ with intensive needs receiving care at home has decreased slightly from 2012/13 levels. Our national ranking has therefore slipped from 17th place to 22nd out of the 32 Scottish local authorities.

**Contextual information**

This is another priority area for the Council, to enact a shift in the balance of care and the move to rehabilitation and meeting the intensive needs of the client base. One concern highlighted in making comparisons with other councils is that the national population-based vulnerable profile is set at age 75+. In Inverclyde, this population is relevant at a lower age compared with the national age of 75+.

The intensive needs of home care clients will cause a shift in the balance of care because of the changes of service at this time. In the annual census of 2014, 1,228 of people aged 65+ were in receipt of 10,507 hours of personal care. This is an increase from 1,181 people from the previous year, however there was a slight increase in the number of hours (10,598 hours of personal care).

Performance is monitored through quarterly performance service reviews. Some benchmarking has been undertaken on the Procedures National Community Care Benchmarking Network. A number of actions have been identified as part of the LGBF Improvement Plan for indicators that had fallen into the 3rd and 4th quartiles which, for this indicator, are outlined below:

- focus on assessing the needs of clients and better target those needs into Re-enablement Services or increase intensive care at home to reduce the number and costs of care home placements
- work closely and collaboratively with community nursing and health colleagues at this client group has a range of complex health needs. Continue to develop and improve links with primary care as we move towards our health and social care arrangements.

## Appendix One

### **Next steps**

To continue monitoring through quarterly performance reviews and focus on the action plan measures, as noted above.

**Indicator SW 4**      % of adults satisfied with social care or social work services

Indicator SW 4: % of adults satisfied with social care or social work services							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
73%	5th	55%	1st	-3 (8th)	66%	-	67.1%

**What the data tells us**

Satisfaction data is extracted from the Scottish Household Survey. Satisfaction levels in 2013/14 rose from 2012/13 levels by 7%, with an improvement in our national ranking, from 8th to 5th position. Satisfaction levels in Inverclyde are higher than the Scottish average.

**Contextual information**

There are concerns about the limitations of the data extracted from the Scottish Household Survey (SHS), particularly for smaller councils. This has been recognised by SOLACE and the Improvement Service who advise that the use of SHS survey data is a short term measure.

The Council's Autumn 2012 Citizens' Panel Survey asked respondents to rate how satisfied they were with the services provided by the Council. Social Care Services ranked 6th top in terms of satisfaction of all Council services, with a satisfaction level of 74%.

**Next steps**

**Indicator SW 5** Cost of residential care for older adults (65+) - average weekly cost per resident

<b>Indicator SW 5: Cost of residential care for older adults (65+) (average weekly cost per resident)</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>£351.73</b>	<b>10th</b>	<b>£367.96</b>	<b>2nd</b>	<b>1 (9th)</b>	<b>£355.67</b>	<b>£361.06</b>	<b>£350.91</b>

**What the data tells us**

The indicator was introduced into the Local Government Benchmarking Framework in 2011/12. The data shows that our net cost of residential care for older adults (65+) per week fell slightly in 2012/13 but this still meant a drop of one place in our national ranking. Inverclyde's costs are amongst the lowest in Scotland and lower than the Scottish average.

**Contextual information**

This comes from, and is linked to, the other priority indicators in this set of Adult Social Care indicators which is to positively impact and 'shift the balance of care' for this area of the population and to allow them to be cared for at home or in other community-based settings as opposed to permanent residential care settings.

**Next steps**

Explore this further and conduct further in-depth analysis and benchmarking of the data.

## LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

### CULTURE AND LEISURE SERVICES

<b>Indicator C&amp;L1</b>	Cost per attendance at sport facilities
<b>Indicator C&amp;L2</b>	Cost per library visit
<b>Indicator C&amp;L3</b>	Cost of museums per visit
<b>Indicator C&amp;L4</b>	Cost of parks and open spaces per 1,000 population
<b>Indicator C&amp;L5a</b>	% of adults satisfied with libraries
<b>Indicator C&amp;L5b</b>	% of adults satisfied with parks and open spaces
<b>Indicator C&amp;L5c</b>	% of adults satisfied with museums and galleries
<b>Indicator C&amp;L5d</b>	% of adults satisfied with leisure facilities

**Culture and Leisure  
Services (8)**

**1st Quartile**

**2**

**2nd Quartile**

**2**

**3rd Quartile**

**3**

**4th Quartile**

**1**

## Appendix One

There are two indicators that should be considered together in relation to sport and leisure facilities:

<b>Indicator C&amp;L1</b>	Cost per attendance at sport facilities
<b>Indicator C&amp;L5d</b>	% of adults satisfied with leisure facilities

Indicator C&L1: Cost per attendance at sport facilities							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£2.66	12th	£3.84	2nd	7 (5th)	£2.33	£2.11	£1.72

Indicator C&L5d: % of adults satisfied with leisure facilities							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
86%	7th	78%	1st	5 (2nd)	93%	-	85%

### What the data tells us

The cost per attendance at sport facilities data shows that, whilst costs increased by 33p between 2012/13 and 2013/14, our costs per attendance at sports facilities remain under the Scottish average. However, the Council has moved from the 1st quartile to the 2nd quartile in the national ranking. Costs have increased year-on-year from 2010/11. As these costs are largely set in consultation with Inverclyde Leisure, they are not solely in the Council's control.

Satisfaction data has been sourced from the Scottish Household Survey. The percentage of adults that are satisfied with leisure facilities is also amongst the highest in Scotland. This reflects the significant investment in facilities in Inverclyde.



### **Contextual information**

Leisure services in Inverclyde are managed by Inverclyde Leisure on behalf of Inverclyde Council. Leisure facilities have benefitted from significant investment over the past five years which may have resulted in the high rates of satisfaction. In 2008, Inverclyde Council pledged £23 million over five years to deliver new and refurbished leisure facilities across Inverclyde which include a £6 million community stadium at Parklea in Port Glasgow and a £1.8 million refurbishment of Ravenscraig Stadium.

### **Next steps**

The service will continue to look for opportunities to provide better value for money and deliver efficiencies on an ongoing basis.

## Appendix One

There are two indicators that should be considered together in relation to libraries:

**Indicator C&L2**      Cost per library visit  
**Indicator C&L5a**    % of adults satisfied with libraries

Indicator C&L2: Cost per library visit							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£3.55	19th	£2.71	3rd	-2 (21st)	£3.89	£4.13	£4.65

Indicator C&L5a: % of adults satisfied with libraries							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
87%	9th	81%	2nd	-10 (19th)	82%	-	90.3%

### What the data tells us

The data shows that the cost per library visit has fallen every year from 2010/11 and fell again in 2013/14, with our national ranking going up by two places. Satisfaction data has been extracted from the Scottish Household Survey. Satisfaction levels with libraries locally have risen by 5%, which has lifted our national ranking from 19th position to 9th.

### Contextual information

While the cost of running Inverclyde libraries compares well to all other authorities, our national ranking does not reflect this because of the relatively low number of visits which can be attributed to a variety of reasons: lower number of libraries than the Scottish average; smaller libraries than the Scottish average; all our libraries are stand-alone (many other authorities have them in schools, sports centres etc); and comparatively low levels of literacy in Inverclyde. In addition, we do not have a mobile library service.

## Appendix One

Some costs are static and common to all authorities regardless of the size of the authority or service, for example, economies of scale. All of the councils with high costs per visit are small ones. Visitor figures include 'virtual' visits; however, as there is no standard definition of this, different authorities may be counting different things.

Inverclyde's library service continues to work hard to increase its visits figure and is pleased to see that the 15% increased visits in 2012/13 continues through 2013/14 with a further 11.2% increase in visits. This further decreases the costs per person.

The Council's Citizens' Panel survey showed that there are high positive satisfaction rates with Inverclyde libraries. In the Autumn 2012 survey, Libraries and the McLean Museum and Art Gallery topped the list of Council services that respondents were either satisfied or very satisfied with (87%).

### **Next steps**

Inverclyde Council's libraries service undertakes robust self-evaluation and each library has a service improvement plan in place. The libraries service also undertakes benchmarking with similar-sized authorities across the central belt of Scotland.

## Appendix One

There are two indicators which should be considered together in relation to museums:

**Indicator C&L3** Cost of museums per visit

**Indicator C&L5c** % of adults satisfied with museums and galleries

<b>Indicator C&amp;L3: Cost of museums per visit</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>£5.12</b>	<b>20th</b>	<b>£3.72</b>	<b>3rd</b>	<b>-2 (22nd)</b>	<b>£5.44</b>	<b>£5.51</b>	<b>£4.13</b>

<b>Indicator C&amp;L5c: % of adults satisfied with museums and galleries</b>							
<b>Inverclyde 2013/14</b>	<b>Ranking</b>	<b>Scotland</b>	<b>Local Authority Quartile</b>	<b>Change in rank 2012/13 - 2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
<b>85%</b>	<b>7th</b>	<b>76%</b>	<b>1st</b>	<b>-2 (9th)</b>	<b>81%</b>	<b>-</b>	<b>75%</b>

### What the data tells us

The data shows that the cost per visit to the Museum fell in 2013/14, increasing the national ranking by two places. Satisfaction data has been extracted from the Scottish Household Survey. The percentage of adults satisfied with museums and galleries increased from 81% to 85% which resulted in an improved ranking of 7th place relative to all other Scottish councils.

### Contextual Information

The Museum provides a comprehensive service over a number of disciplines including fine art, local history and world cultures to local users and tourists along with providing extensive on-line collections information. The high quality collections include items of national and international importance. The Museum is one of Scotland's largest outwith the cities. Cities have a higher potential visiting population, so costs per visit for the McLean are relatively higher given the smaller local population which it serves directly. Inverclyde is not yet a fully developed tourist destination so the potential number of tourists visiting the area remains low. Given these influencing factors, a ranking of 20th out of 32 authorities for the cost per museum visit is reasonable.

## Appendix One

The Museum is a large Victorian standalone building but some museum services are housed within other Council buildings so the costs of looking after these buildings may not show up in their museum budgets; similarly some budgets used to fund certain museum services will be held centrally in some authorities. The population in Inverclyde is declining although the rate of decline has slowed. The Museum currently does not have disabled access to the upper floors and this reduces potential audiences; a refurbishment programme is planned to address this issue and other access barriers throughout the building. The project also aims to modernise and improve all aspects of the service by working closely with library and archives colleagues and utilising digital platforms to the maximum. The upgraded facility will also take account of sustainability issues.

More explicit and unambiguous guidance as to how to count virtual visits is required. Inverclyde Council counts web sessions for collections pages but some authorities may be counting web hits, which will give an inflated figure.

No benchmarking is planned in this area as there are very few local authority services of similar size and ambition to the Museum run by Inverclyde Council. Those venues where the comparison is closest are organised, managed and funded in different ways from the Museum, such as being one venue in a large service as opposed to being run from a single venue as the museum service is in Inverclyde.

### **Next steps**

As part of the McLean's service plan, there has been considerable investment of time and effort in expanding the on-line presence of the Museum's collections, giving access to enquirers worldwide. This effort is ongoing. A new on-line catalogue, developed with funding support from Museums and Galleries Scotland was launched in May 2014 and now contains more than 7,000 illustrated records.

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There are two indicators that should be considered together in relation to parks and open spaces:

**Indicator C&L4** Cost of parks and open spaces per 1,000 population  
**Indicator C&L5b** % of adults satisfied with parks and open spaces

Indicator C&L4: Cost of parks and open spaces per 1,000 population							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£40,555.35	26th	£30,785.70	4th	-2 (28th)	£45,624.69	£46,225.70	£45,831.77

Indicator C&L5b: % of adults satisfied with parks and open spaces							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
83%	24th	86%	3rd	7 (17th)	86%	-	78.4%

### What the data tells us

The performance data shows that the cost of parks and open spaces per 1,000 population decreased significantly by £5,069.34 between 2012/13 and 2013/14 resulting in a higher national ranking of two places to 26th. However, the indicator remains in the 4th quartile and is £9,769.65 higher than the Scottish average. Satisfaction data has been extracted from the Scottish Household Survey (SHS). Satisfaction with parks and open spaces decreased slightly over the same period by 3%, which is only 3% below the Scottish average.

### Contextual information

Parks and open spaces is a priority improvement area for the Council, particularly the provision of refurbished play areas. Inverclyde also has declining population whilst the parks establishment remains static, which helps account for increasing costs. A significant percentage of open spaces maintenance is now with registered social landlords and, since January 2013, Inverclyde Council no longer carries out maintenance on behalf of the largest registered social

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landlord, River Clyde Homes. A Citizens' Panel survey in Autumn 2012 found that 70% of respondents were either satisfied or very satisfied with parks and open spaces. This is lower than the Scottish Household Survey (SHS) findings.

### **Next steps**

A Parks and Open Space Asset Management Plan is being developed. Service improvement efficiencies will continue to be introduced to further reduce costs.

## LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

### ENVIRONMENTAL SERVICES

<b>Indicator ENV 1</b>	Net cost per waste collection per premises
<b>Indicator ENV 2</b>	Net cost per waste disposal per premises
<b>Indicator ENV 3a</b>	Net cost of street cleaning per 1,000 population
<b>Indicator ENV 3c</b>	Cleanliness score (% acceptable)
<b>Indicator ENV 4a</b>	Cost of maintenance per kilometre of roads
<b>Indicator ENV 4b</b>	% of A class roads that should be considered for maintenance treatment
<b>Indicator ENV 4c</b>	% of B class roads that should be considered for maintenance treatment
<b>Indicator ENV 4d</b>	% of C class roads that should be considered for maintenance treatment
<b>Indicator ENV 4e</b>	% of unclassified roads that should be considered for maintenance treatment
<b>Indicator ENV 5a</b>	Cost of trading standards per 1,000 population
<b>Indicator ENV 5b</b>	Cost of environmental health per 1,000 population
<b>Indicator ENV 6</b>	% of total waste arising that is recycled
<b>Indicator ENV 7a</b>	% of adults satisfied with refuse collection
<b>Indicator ENV 7b</b>	% of adults satisfied with street cleaning

Environmental Services  
(17 )

1st Quartile

6

2nd Quartile

0

3rd Quartile

3

4th Quartile

5



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There are several indicators that can be considered together in relation to waste management:

<b>Indicator ENV 1</b>	Net cost per waste collection per premises
<b>Indicator ENV 2</b>	Net cost per waste disposal per premises
<b>Indicator ENV 6</b>	The % of total waste arising that is recycled
<b>Indicator ENV 7</b>	% of adults satisfied with refuse collection

Indicator ENV 1: Net cost per waste collection per premises							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£37.14	1st	£61.29	1st	-5 (6th)	£42.97	new indicator for 2012/13	

Indicator ENV 2: Net cost per waste disposal per premises							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£72.81	7th	£91.80	1st	3 (4th)	£72.37	new indicator for 2012/13	

Indicator ENV 6: % of total waste arising that is recycled							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
55.46%	5th	42.2%	1st	0	54.1%	41.95%	31.45%

Indicator 7: % of adults satisfied with refuse collection							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
95%	1st	83%	1st	-14 (15th)	87%	-	85.6%

### What the data tells us

The net cost of waste collection reduced and we are now ranked 1st nationally, an improvement of five places. This means we have the lowest costs in Scotland and are well below the Scottish average.

The net cost per waste disposal per premises increased slightly, but we remain in the 1st quartile, ranking 7th. Again, this means our costs are amongst the lowest in Scotland and below the Scottish average. It should be noted that the increase in the level of service provision for new food waste services required under legislation has increased our collection costs accordingly.

Our recycling performance improved by 1.36% in 2013/14, keeping Inverclyde 5th in the rankings and 13.26% better than the national average. Reducing landfill tonnages and increasing recycling tonnages increases performance and also costs less as landfill is charged at a higher rate than other processing.

Satisfaction with refuse collection data has been sourced from the Scottish Household Survey. There has been an increase in the satisfaction rate of 8% with the recycling service, improving our national ranking to 1st position. The satisfaction rate is also 12% higher than the Scottish average.

### Contextual performance

Inverclyde's costs are traditionally low compared to other local authorities. The cost of waste collection is determined by the types of services offered and the geographical spread of households (urban or rural). The population trend in Inverclyde is decreasing and this impacts on the number of premises. Waste disposal costs on the other hand are centralised and not subject to the location and proximity of premises.

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Following the introduction of the Council's Vehicle Tracking System, we carried out a route optimisation exercise which resulted in the reduction of two front-line collection vehicles: one refuse collection vehicle and one food waste vehicle. This in turn has reduced the net cost of refuse collection, improving our Scottish ranking to 1st.

The introduction of new services in 2012/13, for example, our food waste collection service to domestic and commercial premises, had the desired effect of reducing the amount of waste sent to landfill and, in conjunction with that, we were experiencing a decline in overall waste arisings. In 2013/14, we saw this decline reverse with both residual and recycling tonnages increasing. This has had an adverse effect on the cost of disposal as residual waste rose at a higher rate than recycling.

The Council has continued to promote its domestic recycling and waste reduction messages and the response to this has been shown in the continued performance increase from 54.1% in 2012/13 to 55.46% in 2013/14 for household waste. The Council recently implemented a new segregated glass collection service from the kerbside and is hopeful that this will enhance our performance. Early results are encouraging with more than 79 tonnes of glass diverted from landfill since the service was introduced in December 2014.

Performance information in relation to waste management is regularly monitored. Trend analysis is carried out internally and reported through the Council's website. Investment in the redevelopment of our recycling centres is underway with our Pottery Street Recycling Centre recently benefiting from a £1 million refurbishment; the improved facilities at the Recycling Centre include a new access road for cars and vans and a one-way loop providing access to a series of designated recycling bays and bins.

Through intensive communication work and investment in the food waste service, along with the new segregated glass collection service and the refurbished Pottery Street Recycling Centre, we have seen the levels of customer satisfaction increase, as predicted in 2012/13, putting Inverclyde Council at the top of the rankings in Scotland. The satisfaction levels published by the Scottish Household Survey reflect positively on the service and will be influenced by high levels of service, good quality of communication, responsiveness to customers, helpful staff and consistent services.

### **Next steps**

The service will re-structure routes and identify improvements in capacity, where possible. In 2015/16, we will review our existing residual and Materials Recycling Facility contracts with a view to identifying improvements in service delivery and opportunities to improve our recycling performance accordingly.

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In partnership with the Improvement Service, Inverclyde Council is currently participating in a pilot benchmarking initiative on the subject of waste. The project aims to assess performance and deliver improvements across a number of councils.

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There are several indicators of performance in relation to street cleaning which should be considered together:

**Indicator ENV 3a** Net cost of street cleaning per 1,000 population

**Indicator ENV 3c** Cleanliness score (% acceptable)

**Indicator ENV 7b** % adults satisfied with street cleaning

Indicator ENV 3a: Net cost of street cleaning per 1,000 population							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£16,735.15	24th	£15,617.06	3rd	2 (22nd)	£17,030.24	£18,098.70	£18,904.35

Indicator ENV 3c: Cleanliness score (% acceptable)							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
95.8%	20th	96.1%	3rd	-10 (30th)	92.6%	93.3%	90.4%

Indicator ENV 7b: % of adults satisfied with street cleaning							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
83%	4th	74%	1st	-10 (14th)	77%	-	73.7%

### **What the data tells us**

The performance data shows an improvement across all the street cleaning indicators. The cost of street cleaning fell by £295.09 between 2012/13 and 2013/14, although this resulted in a drop in national ranking of 2 places to 24th. The overall cleanliness index score improved by 3.2%, which resulted in an improved ranking of 10 places from 30th to 20th. The range for this indicator is 100.00% (Western Isles and Orkney) to 87.4% (Renfrewshire), so despite being in the third quartile for this indicator, the impact of significant investment in this area would not affect a major change in performance for Inverclyde.

Inverclyde sits 4<sup>th</sup> for % satisfied with street cleaning at 83% which is 9% higher than the national average and an increase of 6% on the previous year

### **Contextual information**

Inverclyde suffers from a declining population whilst streets establishment is static or, in some instances, increasing. The efficiencies and operational measures introduced to date have already improved the street cleaning service's performance and these will continue to be developed with the expectation that further improvements will be achieved in future years.

### **Next steps**

Benchmarking already takes place through the Local Environmental Audit and Management System and service efficiencies are being introduced to further reduce costs.

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There are several indicators in relation to roads maintenance which should be considered together:

<b>Indicator ENV 4a</b>	Cost of maintenance per kilometre of roads
<b>Indicator ENV 4b</b>	% of A class roads that should be considered for maintenance treatment
<b>Indicator ENV 4c</b>	% of B class roads that should be considered for maintenance treatment
<b>Indicator ENV 4d</b>	% of C class roads that should be considered for maintenance treatment
<b>Indicator ENV 4e</b>	% of unclassified class roads that should be considered for maintenance treatment

Indicator 4a: Cost of maintenance per kilometre of roads							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£25,959.71	32nd	£6,058.42	4th	2 (30th)	£17,618.79	£11,757.32	£13,754.82

Indicator 4b: % of A class roads that should be considered for maintenance treatment							
Inverclyde 2012/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/13 - 2012/14	2011/13	2010/12	2009/11
37.81%	30th	28.7%	4th	6 (24th)	32.70%	30.74%	29.66%

Indicator 4c: % of B class roads that should be considered for maintenance treatment							
Inverclyde 2012/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2011/13 - 2013/14	2011/13	2010/12	2009/11
43.37%	30th	35.2%	4th	1 (29th)	44.3%	41.96%	38.41%

Indicator ENV 4d: % of C class roads that should be considered for maintenance treatment							
Inverclyde 2012/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2011/13	2010/12	2009/11
49.12%	30th	36.6%	4th	2 (28th)	47.4%	50.67%	49.73%

Indicator ENV 4e: % of unclassified roads that should be considered for maintenance treatment							
Inverclyde 2010/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2009/13 - 2010/14	2009/13	2008/12	2007/11
50.77%	28th	39.4%	4th	2 (26th)	51.1%	48.96%	47.2%

### What the data tells us

The performance data shows that there was a significant increase in the cost per kilometre of road maintenance in 2013/14, reflecting the investment made via our Roads Asset Management Plan. As the roads condition indicators are averaged over a two year rolling period (with four years for unclassified roads), it takes time for the effect of investment to feed into the indicators. The percentages of A and C class roads requiring maintenance treatment have increased slightly. Meanwhile, the percentage of B and U class roads requiring maintenance treatment fell slightly, but this still resulted in a fall in ranking by one and two places respectively.

### Contextual information

While there is a relationship between costs and performance, other factors are subject to constraints outwith the direct control of the Council; for example, winter maintenance costs are affected by winter weather conditions.

The inclusion of winter maintenance costs will skew the data according to the severity of the winter period in question; the costs are also skewed in terms of a comparison to other councils, for example, by the geographical location of each council in Scotland. The winter of



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2011/12 was less severe than that of 2010/11 and this would have had the effect of reducing the winter element of the cost per km of road for 2011/12.

In addition, the indicator is further affected by the severe winters of 2009/10 and 2010/11 as the conditions resulted in an increased number of defects in the road surface and the costs associated with their repair. The defects may not appear immediately and this can have an effect on subsequent years.

Data relating to roads maintenance treatment is considered robust as it is calculated from machine-based surveys; the vehicles are calibrated to meet a defined specification and all 32 councils' surveys are carried out by the same contractor. Investment levels and costs of maintenance treatments impact on overall roads condition and deterioration rates vary depending on various factors, for example, weather conditions, traffic flows and age profile.

Roads maintenance is a priority for the Council with investment targeted in 2012/13 and further significant three year investment which commenced in 2013/14. The Council prepared and implemented an asset investment strategy and allocated £17 million over three years as the first phase in dealing with the maintenance backlog on the four main asset groups (carriageways, footways, lighting and structures); a strategy and works programme is also being delivered. The Council would always seek to ensure that expenditure is made on a Best Value basis in line with specified service requirements.

Recent investment in roads has led to an increase in costs as the Council is now able to carry out more preventative or resurfacing work rather than solely responding to emergency pothole repairs or patches to roads.

A slight increase (i.e. a worsening condition) in the road condition indicator is to be expected given recent severe winters and prior funding levels.

### **Next steps**

Benchmarking already takes place via the Society of Chief Officers of Transportation in Scotland Group and the Association for Public Sector Excellence.

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The following trading standards and environmental health indicators should be considered together:

**Indicator ENV 5a** Cost of trading standards per 1,000 population  
**Indicator ENV 5b** Cost of environmental health per 1,000 population

Indicator ENV 5a: Cost of trading standards per 1,000 population							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£1,992.28	2nd	£5,584.59	1st	0	£1,908.78	new indicator for 2012/13	

Indicator ENV 5b: Cost of environmental health per 1,000 population							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
£20,408.42	22nd	£18,301.71	3rd	-9 (31st)	£36,316.31	new indicator for 2012/13	

### What the data tells us

The data shows that the cost of trading standards in Inverclyde is amongst the lowest in Scotland, ranked 2nd, whilst the cost of environmental health is in the 3rd quartile, ranked 22nd. However, the environment health costs have reduced by £15,907.89, but this is due to an evaluation of how the indicator has been calculated. The rank for this indicator has improved to 22nd from 31st out of the 32 Scottish local authorities.

### Contextual information

**Trading Standards:** The cost of the service is based on the service's own estimates of costs for 2013/14 as agreed with Finance Services. These costs include management allocations. Inverclyde's costs for trading standards are very low, reflecting the relatively small staff

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complement. We are however working to ensure that the service punches well above its weight by joint working initiatives with community safety and the anti-social behaviour/wardens teams to maximise impact.

**Environmental Health:** The Safer and Inclusive Communities Service comprises a number of services in addition to environmental health which are currently reported through the Environment Local Finance Return (LFR). These services include community safety, public space CCTV, landlord registration and general administration for the Service. The current environmental health LFR submission includes some of those services in addition to what would properly be described as environmental health. The reduction from 2012/13 is as a result of the community wardens being reassigned from the environmental health LFR to housing, in line with improved guidance from the Scottish Government.

There remains an issue regarding a number of other services which are still reported through the environmental health LFR. Unfortunately, there is still no natural home for these in the LFR scheme.

Since 2012/13, we have been engaged in benchmarking with the Association for Public Service Excellence (APSE) for environmental health. This involved initially reaching agreement on what services we would properly categorise as environmental health. In 2013/14, 16 of the 32 authorities engaged in the first round of benchmarking. Inverclyde's cost per 1,000 population for environmental health under the benchmarking exercise was £11,180. Although this was still in the 3rd quartile in the exercise, the range of costs was far tighter with the average cost coming in at £12,080 per 1,000.

### **Next steps**

Further work will be done on the APSE benchmarking. It is hoped that almost all the 32 local authorities will participate in 2014/15.

LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

CORPORATE: ASSETS AND PROPERTY

**Indicator Corporate Asset 1:** Proportion of operational buildings that are suitable for their current use  
**Indicator Corporate Asset 2:** Proportion of internal floor area of operational buildings in satisfactory condition

Corporate Services: Asset Management and Property (2)	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
	0	1	1	0

<b>Indicator Corporate Asset 1</b>	Proportion of operational buildings that are suitable for their current use
<b>Indicator Corporate Asset 2</b>	Proportion of internal floor area of operational buildings in satisfactory condition

Indicator Corporate Asset 1: Proportion of operational buildings that are suitable for their current use							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
87.23%	12th	78.21%	2nd	-9 (21st)	80.26%	78.38%	72.9%

Indicator Corporate Asset 2: Proportion of internal floor area of operational buildings in satisfactory condition							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
83.53%	22nd	80.92%	3rd	2 (20th)	82.32%	77.13%	62.61%

### What the data tells us

The performance data shows that there has been a year-on-year improvement in both the proportion of operational buildings that are suitable for current use and the proportion of the internal floor area of operational buildings that are in a satisfactory condition. Performance is now above the Scottish average for both indicators. The proportion of operational buildings that are suitable for their current use has gone up nine places in the national ranking. However, the ranking for the indicator 'Proportion of internal floor area of operational buildings in satisfactory condition' has dropped two places in the national ranking despite getting better.

The difference between Inverclyde's performance and the top performer for proportion of operational buildings that are suitable for their current use is 7.12%. The difference between Inverclyde's performance and the top performer for Proportion of internal floor area of operational buildings in satisfactory condition is 15.87%.

## **Contextual performance**

The range for the proportion of operational buildings that are suitable for their current use is 94.35% in South Lanarkshire and 57.02% in Edinburgh City. The range for the proportion of internal floor area of operational buildings in satisfactory condition is 99.4% in North Ayrshire to 32.31% in Moray. However, there appears to be no correlation between the suitability of buildings and those regarded as in satisfactory condition.

Moray has 93.66% of its buildings that are suitable for their current use, but only a 32.31% rating for the proportion of internal floor area of operation buildings in satisfactory condition. North Ayrshire has a satisfaction rating of 99.4% with 88.59% of its buildings suitable for their current use.

Edinburgh City has only 57.02% of its buildings suitable for their current use, but 84.04% of internal floor area of operational buildings is deemed to be in satisfactory condition. On the flip side, South Lanarkshire is rated 1<sup>st</sup> for proportion of operational buildings that are suitable for their current use, yet the proportion of internal floor area of operational buildings in satisfactory condition is rated only 2.45% higher than Edinburgh City at 86.49%.

The suitability of operational accommodation is measured through the use of questionnaires. Questionnaires were issued to all occupiers, as they are best placed to advise on the suitability of the property for their Council Service. The questionnaires are broken down into sections which analyse a number of factors and Council Services are asked to grade each question. All properties receiving an overall 'A' or 'B' rating are considered suitable; those with a 'C' or 'D' rating are not. Once all questionnaires are returned from service users, the appropriate overall percentage of properties suitable for use is calculated. New questionnaires are issued every five years, or earlier if there has been a significant change to the property or if the service user changes. The questionnaires were compiled following discussion with other Scottish councils therefore all returns should be on roughly the same basis. Results are benchmarked at the Association of Chief Estates Surveyors' meetings.

Condition surveys on our main properties were carried out in 2008/09. The surveys were broken down into the 11 elements required by Audit Scotland. The surveys and the identified necessary repairs were analysed and each building was given a rating. In the following years, all improvement works or items requiring repair were noted and the grading against each element of each building changed accordingly, as did the overall score. The requirement for condition surveys is that they should be undertaken every five years. New surveys were therefore carried out in 2013/14 by external consultants Watts Limited. Watts' report provided a grading for each property and also included a spreadsheet which detailed all required works, broken down into a traffic light system. Surveys for our smaller properties were carried out by the Council's

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building surveyors, following the same criteria as Watts. Internal floor areas had already been measured for a number of previous survey reports and these were used to calculate the appropriate percentages for this indicator.

In 2011/12, two new secondary schools were finished which helped to improve performance in relation to these indicators. Further improvements were achieved in 2012/13 as other properties undergoing refurbishment were completed, such as Whinhill and St Andrew's Primary Schools, Binnie Street Nursery, Gourrock Pool and Ravenscraig Stadium. In December 2013, a major new community campus was opened, replacing one secondary and two additional support needs schools, with a fully refurbished secondary school and a fully refurbished additional support needs school.

Obviously being property, changes cannot be made instantly and there is a time element involved, for example, in marketing/acquiring and refurbishing/building new properties. As such, there is a knock on effect to Council Services which may have to remain in unsuitable properties while waiting for new premises to be prepared. The Council is currently progressing its Office Rationalisation Programme. The Programme has two objectives: firstly, to introduce more modern ways of working, including flexible working, home working and electronic document storage which will reduce the requirement for desks and space; and, secondly, to rationalise and refurbish the office accommodation portfolio resulting in a smaller estate which is in good condition and suitable for purpose. As a result, the Council will be able to dispose of unsuitable and uneconomical properties. This is an on-going process as the Council strives to make savings in property costs.

### **Next steps**

This is a priority area for the Council as we want to ensure that we deliver services to the public from buildings which are fit for purpose. Further improvements are planned through the Office and Depot Rationalisation Programme and the School Estate Strategy. Progress on these is reported to committee on a regular basis.

One major office refurbishment project will also be undertaken during 2015/17.

LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS

CORPORATE: ECONOMIC DEVELOPMENT

Indicator ECON 1: % of Unemployed people assisted into work from Council operated/funded employability programmes

Economic Development (1)	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
	1	-	-	-



**Indicator ECON 1:** % of Unemployed people assisted into work from Council operated/funded employability programmes

Indicator ECON 1: % Unemployed people assisted into work from Council operated/funded employability programmes							
Inverclyde 2013/14	Ranking	Scotland	Local Authority Quartile	Change in rank 2012/13 - 2013/14	2012/13	2011/12	2010/11
22.31%	3rd	12.58%	1st	1 (2nd)	16.69%	new indicator for 2012/13	

### What the data tells us

This indicator was introduced to the Local Government Benchmarking Framework in 2012/13. The performance data shows that Inverclyde is one of the top performing authorities in terms of the percentage of unemployed people who have been assisted into work from Council funded or operated employability programmes, ranking 3rd and having improved by 5.62%.

### Contextual performance

Assisting unemployed people into work is a priority improvement area for the Council. It should be noted that Inverclyde started from a lower base with a less well-developed business base and thereby fewer employment opportunities than many other areas. This makes the positive comparative impact that has been achieved significant. Key to securing the improvement between 2012/13 and 2013/14 is the collective strength of the community planning partners involved in supporting people to find employment. Additionally, the range of programmes which underpin this indicator are delivered through the third sector potentially resulting in a more streamlined delivery method through engaging with third sector organisations. The majority of Inverclyde jobs created via Council operated/funded employability programmes are in the construction sector and arise from community benefits activity.

Inverclyde Council has continued to make significant investment in employability services, with resources identified for end-to-end employability, together with an additional resource for specialist activity. Reducing unemployment and increasing achievements are key objectives of the Single Outcome Agreement 2013/18, the Inverclyde Economic Development Strategy 2011/14 and the Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2013/16.

Benchmarking takes place against the national indicators and through the work of the Strategic Employability Group.

### **Next steps**

Continuous improvement is always sought. Economic Regeneration seeks to deliver continuous improvement, to identify gaps in provision and improve effectiveness, for example, in harnessing good practice from other areas.

## Performance Improvement Plan

Indicator/s	Action
<p>Indicator CHN5: % of pupils gaining 5+ Awards at Level 6 23.95% (Rank 28<sup>th</sup>, Quartile 4<sup>th</sup>)</p> <p>Indicator CHN7: % of pupils from deprived areas gaining 5+ Awards at Level 6 11.89% (Rank 14<sup>th</sup>, Quartile 2<sup>nd</sup>)</p>	<p>Despite only a 2.33% drop in those achieving 5 or more awards at level 6, Inverclyde Council dropped 17 places in the national ranking.</p> <p>Differentiations exist year-on-year with such measures as cohorts differ in ability levels.</p> <p>Detailed local analysis at school/stage level has identified areas and subjects where additional support is required to build on the previous results at Standard Grade. Performance in this area is both monitored and benchmarked and this will continue.</p> <p>Each school has a set of comparator schools and Inverclyde has a number of comparator authorities against which attainment levels are benchmarked. This is a longstanding element of post-examination analysis and self-evaluation in the authority. Inverclyde performs well against its comparator authorities in terms of attainment, as is shown in the indicator CHN7.</p>
<p>Indicator CORP 6: Sickness absence days per employee 10.9 days (Rank 29<sup>th</sup>, Quartile 4<sup>th</sup>)</p>	<p>The data shows that the number of days lost due to sickness absence increased very slightly by 0.66 days between 2012/13 and 2013/14. This together with other Councils improving attendance levels has resulted in a drop in national ranking from 21st place in 2012/13 to 29th place in 2013/14. Overall, the Council's absence rate is higher than the Scottish average by 1.66 days.</p> <p>The Council has been working to reduce its sickness absence rate over a period of time. There are a number of initiatives underway to address sickness absence including the provision of 'frequently asked questions' sessions for managers to assist them to deal with absence cases more effectively. In addition, our Absence Management Policy is being reviewed and a new Supporting Employee Attendance policy</p>

## Appendix Two

Indicator/s	Action
	<p>is being developed, together with appropriate training.</p> <p>Human Resources and Organisational Development are taking a focus on hot spot areas and reviewing the management of long term absences.</p>
<p>Indicator ENV 4a: Cost of maintenance per kilometre of roads</p> <p>Indicator ENV 4b: % of A class roads that should be considered for maintenance treatment</p> <p>Indicator ENV 4c: % of B class roads that should be considered for maintenance treatment</p> <p>Indicator ENV 4d: % of C class roads that should be considered for maintenance treatment</p> <p>Indicator ENV 4e: % of unclassified class roads that should be considered for maintenance treatment</p>	<p>Inverclyde sits with a high percentage of its roads requiring maintenance treatment, and in order to address this the Council has taken a decision to make a major investment in improving its roads. Investment was targeted in 2012/13 while further significant investment began in 2013/14.</p> <p>The Council prepared and implemented an asset investment strategy and allocated £17 million over three years as the first phase in dealing with the maintenance backlog on the four main asset groups (carriageways, footways, lighting and structures) with a further £12m planned over 2016-18; a strategy and works programme is also being delivered. The Council would always seek to ensure that expenditure is made on a Best Value basis in line with specified service requirements.</p> <p>However, this investment has led to the increase in costs from £17,618.79 in 2012/13 to £25,959.71 in 2013/14. Over time as the roads asset management plan is rolled out, the indicators will reflect the improved condition of Inverclyde's roads.</p> <p>Finance services will review how costs are allocated in regards to roads within the Local Financial Return (LFR) before the next LFR submission. There is a concern that costs are being included which other authorities are not including.</p> <p>There is a time lag with the data in regard to the condition of roads, so the impact of the Council's investment should start to be seen in the</p>

## Appendix Two

Indicator/s	Action
	<p>14/15 and 15/16 publications of the Benchmarking Framework.</p> <p>The Council has been involved in a LGBF benchmarking family group in regard to roads, as well as the ongoing SCOTs benchmarking processes.</p>
<p>Indicator SW 3: % of people 65+ with intensive needs receiving care at home 32.6% (Rank 22<sup>nd</sup>, Quartile 3<sup>rd</sup>)</p>	<p>This is a priority area for the Council/CHCP, enacting a shift in the balance of care and a move to rehabilitation and meeting the intensive needs of the client base.</p> <p>Services are focused on assessing the needs of clients and better targeting those needs into Re-ablement services or increasing intensive care at home which will ultimately reduce the number and costs of care home placements.</p> <p>Services Are now working more closely and collaboratively across Social Work, Community Nursing and Health as this client group have a range of complex health needs. Homecare staff will now be maintaining palliative clients previously held by community nursing staff. It is intended to continue developing and improving links with primary care as we move towards our HSCP arrangements.</p> <p>The Re-ablement service is now fully implemented in Inverclyde which has reduced the numbers reliant on intensive services. There may be potential at a later stage for future benchmarking through a Local Authority Benchmarking Working Group.</p>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director CHCP</b>	<b>Report No:</b>	<b>FIN/14/15/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Welfare Reforms Update</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide Committee with an update in respect of various aspects of the Welfare Reform agenda.

## **2.0 SUMMARY**

- 2.1 The Scottish Welfare Fund continues to operate well and the report contains a request for virement from Crisis Grants to Community Care Grants and advises of a projected year end carry forward to 2015/16.
- 2.2 The Discretionary Housing Payments process is working well with the latest position indicating a 99% take up in the Social Sector Size Criteria (SSSC) claims. This will require the Scottish Government to provide the Council with extra funding as the Government has committed to fully underwrite all the costs associated with SSSC. The DWP have announced a reduction of 33% in the amount of non SSSC DHP funding for 2015/16. An amended Policy requiring approval is attached at Appendix 2.
- 2.3 On the 17 February it was confirmed that Inverclyde would be tranche 3 of the move to Universal Credit. This indicates an operational date of September/October 2015. It is expected that those eligible to claim Universal Credit will be in very small numbers initially and the Council will work with the DWP towards achieving the go live date.
- 2.4 The report contains an update in respect of externally funded projects and confirms those projects where extra funding was allocated at both the February Policy & Resources Committee but also at the Full Council on 19 February as part of the overall budget. Further requests for the utilisation of the Earmarked Reserve will be brought back to the next Committee.
- 2.5 A separate report elsewhere on the agenda provides information in respect of Grand Central Savings.
- 2.6 It has been confirmed that there has been a significant reduction in the DWP backlogs relating to Personal Independence Payments (PIP). This has now resulted in a steady increase of appeals which will be supported by Welfare Rights Officers within the CHCP Advice Service.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the latest position in respect of Welfare Reforms and the actions being taken by Officers.
- 3.2 It is recommended that the Committee approve a request to vire £140,000 from Crisis Grants to Community Care Grants.

- 3.3 It is recommended that the Committee approve the amended Non-SSSC Discretionary Housing Payment Policy contained in Appendix 2.

Alan Puckrin  
Chief Financial Officer

Brian Moore  
Corporate Director CHCP

## **4.0 BACKGROUND**

- 4.1 Regular reports have been presented to Committee relating to the main Welfare Reform changes and policies have been approved and revised as guidance has developed.
- 4.2 The Financial Inclusion Partnership has coordinated funding applications and achieved considerable success in developing projects to support those impacted by the Welfare Reform Agenda.
- 4.3 The Council allocated £3.2 million for the period 2013/16 to meet some of the financial pressures generated by Welfare Reform changes. Additional sums have been allocated by the DWP and the Scottish Government to supplement further funding allocated by the Council via Earmarked Reserves.

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

- 5.1 The Scottish Welfare Fund continues to operate well and appendix 1 provides details on the latest position in respect of awards and the overall budget.
- 5.2 From the appendix it can be seen that the Council is going to overspend against the 2014/15 allocated budget but due to the fact that there was a significant carry forward from 2013/14, the Council will be able to carry forward approximately £130,000 into 2015/16.
- 5.3 The Scottish Government has confirmed that whilst SWF funding is ring-fenced, it can be vired between Crisis Grants and Community Care Grants. In light of this, it is proposed that £140,000 of funding allocated to Crisis Grants be vired to Community Care Grants. This is affordable within the most recent projections and ties in with a move away from reactive support and towards the preventative agenda.
- 5.4 A new payment mechanism, All Pay will be introduced from April 2015 as an alternative to BACS payments. All Pay Visa debit cards will be credited to the value of the grant and issued to the applicant, their representative or their support worker, allowing instant access to funds to purchase the items needed by the applicant. All Pay is widely accepted in retail outlets with some exceptions, specifically licensed premises.
- 5.5 Discretionary Housing Payments continues to operate very well with the latest position being that 99% of those eligible for support in relation to the Social Sector Size Criteria (SSSC) have applied for funding. This is extremely encouraging and is evidence of the close working between the Council and RSL's.
- 5.6 Application to the Scottish Government's 2014/15 £3m residual fund will be required to meet the projected shortfall for DHP Social Sector Size Criteria (SSSC) expenditure. The shortfall is projected to be in the region of £50,000.
- 5.7 The Department for Work and Pensions notified that the 2015/16 national DHP budget will reduce from £165m to £125m and that Inverclyde's 2015/16 DHP allocation will reduce by £25,000 to £185,910.

Two adjustments to the DHP policy are proposed to ensure the Council stays within budget and relate to awards for those other applicants unaffected by the SSSC.

- The budget set aside to assist those supported by the Homelessness service moving into the private rented sector will be reduced to an upper limit of £10,000.
- In the private rented sector, and unless the applicant is aged less than 35 years, DHP will be awarded for no more than 12 months or will be limited to a period of 6 months if at 1<sup>st</sup> April 2015 payment had been made for the preceding 12 months.



- 5.8 In line with arrangements at the start of the current financial year, all DHP applications active at 31<sup>st</sup> March 2015 will be rolled forward for an award to be made in 2015/16, thus removing the burden on customers to reapply. It is a manual process to reinstate awards and this task will take a number of weeks to complete. Housing Associations will be kept informed of progress.

## **6.0 UNIVERSAL CREDIT**

- 6.1 The Department of Work and Pensions have now confirmed that Inverclyde Council will begin the payment of Universal Credit for a very small number of claimants from September/October 2015. A number of Councils in Scotland will have gone live with Universal Credit some months before that date and Officers will learn from the experiences in these Councils when developing the processes and protocols.
- 6.2 Initially it is intended that Universal Credit will apply to new single claimants who would currently be eligible for JSA. Once other potential exclusions are taken into account it is not expected that the number of claimants will be more than a couple of dozen in initial months. However it is important that the Council has robust embedded processes to deal with these claims as the numbers could potentially thereafter increase quite significantly.
- 6.3 In preparation for the roll out of Universal credit in Inverclyde in October 2015 a formal presentation followed by useful discussion was delivered by DWP and CHCP Advice service to colleagues within the Financial Inclusion Partnership in early February 2015. The technical challenges related to Universal Credit implementation and delivery are significant and new information will arise as the national rollout continues. In order to be best prepared for the rollout, DWP and Council officers have established the USDL Steering Group (Universal Services Delivered Locally) for partners to come together to discuss the implementation. In addition it is thought useful to convene a short life group involving Council officers to discuss the implementation within the Council context.
- 6.4 The CHCP Advice Services Team has developed a programme to deliver a range of awareness sessions on Universal Credit for CHCP colleagues, partners and the wider community which is scheduled to begin in February and will continue as required to ensure all relevant staff, partners and the wider communities it will affect, are aware of UC implementation and its impact.

## **7.0 FINANCIAL INCLUSION UPDATE**

- 7.1 At the February Policy & Resources Committee Members approved £50,000 of one off payments from the Earmarked Reserve to support Financial Fitness (£30,000) and Starter Packs (£20,000) in 2015/16. In addition as part of the 2015/17 Revenue Budget the Council agreed to allocate £100,000 from the Earmarked Reserve in order to increase clothing grants for a four year period from £80 to £90 per child.
- 7.2 Further proposals for the utilisation of the Earmarked Reserve will be brought back to the next Committee.
- 7.3 The CHCP Advice Service and its partners in the Advice First project (Financial Fitness and Legal Services Agency) and Riverclyde Homes Extracare Plus project, have received in principle confirmation from SLAB (Scottish Legal Aid Board) confirming an 18 month extension to the current funding until September 2016. This is a very welcome outcome.
- 7.4 At the last Committee it was reported that an update in respect of Grand Central Savings would be provided to Members. A full report on the situation with Grand Central Savings is elsewhere on the agenda and a Committee decision on this issue is requested as part of that report.
- 7.5 Committee has been previously advised regarding the on-going discussion between Citizens' Advice Scotland (CAS) and Inverclyde Financial Inclusion Partnership. Colleagues within DWP (on behalf of the partners) are pursuing this funding and the implementation of suitable project proposals however there is no further update at present.

- 7.6 The CHCP Advice Service recently procured a bespoke case management system Myadvice (Brightoffice). This system has been custom built to meet the Advice Service's needs to utilise a robust case and performance management system for Welfare Benefits; Welfare Rights and Money Advice. Following an intensive period of development, testing and training, the system went live on Monday 9th February 2015. Phase 2 of this system will be a web based referral portal for all Financial Inclusion partners to use to refer clients to appropriate advice services. This system along with the Advice First Triage model will ensure clients who require welfare benefits and money advice will be supported timeously and to a high standard.
- 7.7 Members have previously been advised of the significant backlogs in respect of the assessment for award of Personal Independence Payments. The DWP has now confirmed that there has been a significant reduction in these backlogs and that claims are now being processed timeously. This has however resulted in an increase in the number of appeals which will put strain on the Council's resources and those of its partners. This matter needs to be considered when making decisions on the future use of the Earmarked Reserve.

## 8.0 SINGLE FRAUD INVESTIGATION SERVICE

- 8.1 As previously reported, it is still intended that a Single Fraud Investigation service will operate within Inverclyde from 2016. A number of Councils have already implemented the Single Fraud Investigation service within their boundaries and again officers are learning from the experiences in these areas.
- 8.2 Discussion in respect of the impact of the small number of employees who will potentially transfer to the DWP as part of this exercise has now commenced.

## 9.0 IMPLICATIONS

### 9.1 Finance

#### Financial Implications:

##### One off Costs

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

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

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

#### Legal

- 9.2 There are no legal implications arising from this report.

## **Human Resources**

- 9.3 Close liaison with the employees and the Trade Unions will take place in respect of the implementation of the Single Fraud Investigation Service.

## **Equalities**

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

## **Repopulation**

- 9.5 The Council and its partners continue to work hard to mitigate the impacts of Welfare Reform on the local community. This action will assist in retaining individuals in the area

## **10.0 CONSULTATIONS**

- 10.1 This report is being produced in consultation with officers from Finance and the CHCP and reflects the discussions and decisions of the Welfare Reform Officer Board which is also attended by the DWP and Riverclyde Homes

## **11.0 LIST OF BACKGROUND PAPERS**

- 11.1 None

**Scottish Welfare Fund**  
**31 January 2015**

Calls Answered	9818		
Applications	3115		
Applications Granted	2460	78.97%	
Applications Refused	478	15.35%	Note 3
Applications Withdrawn	108	3.46%	
In Progress	69	2.22%	
Referrals to DWP	254		Note 2
		<b><u>Budget</u></b> <b><u>£000</u></b>	<b><u>Spend</u></b> <b><u>%</u></b>
Crisis Grant paid (1631)	£123k	208	59.13%
Community Care Grants paid (914) (includes 85 applications paying both CCG & CG)	£511.9k	697	73.44%
	<u>£634.9</u>	<u>906</u>	70.07%

**Note 1** 1<sup>st</sup> Tier Reviews = 61 (1.96%)  
1<sup>st</sup> Tier Reviews Upheld in Customer Favour = 11 (18.03%) with 2 awaiting decision  
2nd Tier Reviews = 7 (14.58%) out of 48 reviews refused  
2nd Tier Reviews Upheld in Customer Favour = 0 (0%)

**Note 2** Referrals to DWP relates to customers who are awaiting payment of a new claim for JSA / ESA from DWP. In these circumstances a Short Term Benefit Advance (STBA) can be paid by DWP.

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

Category	Circumstances	Maximum Duration of Award/ Award to be reviewed	Amount of DHP (up to the stated % of the shortfall between HB and the rent charge – or otherwise stated)	Examples of Supporting Evidence
1	Claimants affected by the Social Sector Size Criteria (Working Age Housing Benefit claimants living in Housing Association tenancies)	Until end of financial year	100% of the SSSC reduction	HB records
2a.	Claimants supported by the Homelessness Service in the Private Rented Sector	12 months	100%	Homelessness records
2b.	Benefit Cap	Until end of financial year	50%	HB records
3	Financial Hardship – Less than £20 income over expenditure each week	Until end of financial year	50%	Claimant statement/HB Assessment

### Notes

DHP is awarded in order of priority with applications meeting the criteria for Category 1 being the first priority to Category 3 being the lowest priority

#### Category 1

- Applicants in category 1 are not subject to a financial assessment

#### Category 2

- Applicants in category 2 are subject to a financial assessment. Applicants are approved where income is less than £20 more than essential expenditure. Disability Living Allowance is disregarded as income although all other income is taken into consideration.
- Awards for claimants supported by the Homelessness Service in the Private Rented Sector are limited to the equivalent of the difference between the HB award and one rate above the LHA rate for the household's requirements or the LHA 2 room rate, whichever is higher. Affordability of those supported by the Homelessness service will be monitored closely subject to an upper annual budget of £10k.
- Those affected by the Benefit Cap renting in the private rented sector – DHP is awarded based on the difference between HB and the LHA rate applicable to the household's requirements
- Those affected by the Benefit Cap renting in the social sector – DHP is awarded based on the difference between HB and the rent charge

**Category 3**

- Applicants are approved where income is less than £20 above essential expenditure. Disability Living Allowance is disregarded as income although all other income is taken into consideration. This category will also be monitored closely and could be subject to review depending on the level of spend.
- In the private rented sector DHP is awarded based on the difference between HB and the LHA rate applicable to the household's requirements or the 1 room rate for those under the age of 35 years
- In the social sector DHP is awarded based on the difference between HB and the rent charge
- In the private rented sector, and unless aged less than 35 years, DHP will be awarded for 12 months or will be limited to a period of 6 months if at 1<sup>st</sup> April 2015 payment was made for the preceding 12 months.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/18/15/AP/KJ</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY - 2015/16-2017/18</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present to Committee the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/18, Treasury Policy Limits, the Council's Prudential and Treasury Management Indicators for the next 3 years, and the List of Permitted Investments.

## **2.0 SUMMARY**

- 2.1 The report sets out the Council's proposed Treasury Management Strategy and Annual Investment Strategy for 2015/18, Treasury Policy Limits, and Prudential and Treasury Management Indicators for the next 3 years.
- 2.2 The report also proposes a List of Permitted Investments listing the types of investments and limits for those investments. There are no changes to the list of permitted investments from that agreed in 2014.
- 2.3 The Treasury Management Strategy, Annual Investment Strategy, Treasury Policy Limits, Prudential Indicators, and Treasury Management Indicators have been set based on the Council's current and projected financial position (including projected capital expenditure) and the latest estimated interest rate levels.
- 2.4 In addition, the report highlights the impact of the legislation which requires the ongoing strengthening of banks and the impact of those changes on future investment returns for the Council.
- 2.5 In line with the Council's Financial Regulations, the proposals in this report require approval by the Full Council.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee remits to the Inverclyde Council, for their approval, the following, as outlined in this report:
- Treasury Management Strategy
  - Annual Investment Strategy
  - Treasury Policy Limits
  - Prudential Indicators
  - Treasury Management Indicators
  - List of Permitted Investments (including those for the Common Good Fund).

- 3.2 It is also recommended that the Committee notes the effect of banking changes and ongoing reviews of legislation on lending by the Council to other external bodies, as explained in Sections 5.40 to 5.44.

Alan Puckrin  
Chief Financial Officer



## 4.0 BACKGROUND

### Statutory Requirements

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

The Act therefore requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraphs 5.25 to 5.40 of this report) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

### CIPFA Requirements

- 4.2 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2011) was adopted by this Council on 12<sup>th</sup> April 2012.
- 4.3 Treasury Management is defined in the Code as:  
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 4.4 The primary requirements of the Code are as follows:
1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
  2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
  3. Receipt by the Full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
  4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
  5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Policy & Resources Committee.
- 4.5 The proposed strategy for 2015/18 in respect of the following aspects of the treasury management function is based upon the officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisers.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential and Treasury Management Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- policy on the use of external service providers; and
- any extraordinary treasury issues.

- 4.6 It is a statutory requirement for the Council to produce a balanced budget. In particular, a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue are affordable within the projected income of the Council for the foreseeable future.
- 4.7 Treasury Management is a complex area with its own terminology and acronyms. In order to aid the Committee's understanding a Glossary of Terms is attached as Appendix 4.

## **5.0 PROPOSED TREASURY STRATEGY, PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT INDICATORS**

### **Treasury Limits For 2015/16 To 2017/18**

- 5.1 It is a statutory duty under part 7 of the Local Government in Scotland Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to allocate to capital expenditure. This amount is termed the "Affordable Capital Expenditure Limit".
- 5.2 The Council must have regard to the Prudential Code when setting the Affordable Capital Expenditure Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.
- 5.3 Whilst termed an "Affordable Capital Expenditure Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability (such as PPP and finance lease arrangements). The affordable capital expenditure limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

### **Prudential and Treasury Management Indicators For 2015/16 To 2017/18**

- 5.4 Inverclyde Council has adopted the CIPFA Code of Practice on Treasury Management which was last revised in November 2011.
- 5.5 Members should note that, due to changes in accounting rules from 2009/10 onwards, the Prudential and Treasury Management Indicators include, where required, the effect of assets being provided to the Council under PPP and finance lease arrangements.

### **Current Portfolio Position**

- 5.6 The Council's treasury portfolio position at 18/2/2015 (Number 9 – Prudential Indicator) comprised:

		<b>Principal</b>		<b>Average Rate</b>
		£000	£000	
Fixed rate funding	PWLB	116,448		
	Market	<u>36,000</u>	152,448	3.91%
Variable rate funding	PWLB	0		
	Market	<u>66,942</u>	66,942	4.81%
			219,390	4.19%
Other long term liabilities			<u>69,684</u>	---
<b>TOTAL DEBT</b>			<u><b>289,118</b></u>	
<b>TOTAL INVESTMENTS</b>			<b>55,381</b>	<b>0.72%</b>

## Borrowing Requirement

5.7 The Council's borrowing requirement is as follows:

	2013/14	2014/15	2015/16	2016/17	2016/17
	£000 Actual	£000 Projected	£000 Estimate	£000 Estimate	£000 Estimate
New borrowing	0	0	0	12,000	7,000
Alternative financing arrangements	0	0	0	0	0
Replacement borrowing	0	0	0	5,500	500
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,500</b>	<b>7,500</b>

5.8 The Council's Gross Debt v. Capital Financing Requirement (including the effect of the proposed borrowing as shown in Section 5.7) is as follows:

Comparison of Gross Debt and Capital Financing Requirement At Year-End	2013/14	2014/15	2015/16	2016/17	2017/18
	£000 Actual	£000 Projected	£000 Estimate	£000 Estimate	£000 Estimate
External Debt (Including PPP and Finance Leases)	291,875	283,999	280,864	290,800	296,262
Capital Financing Requirement	304,506	301,840	301,349	320,317	319,222
Under/(Over) Against Latest CFR Projection For Year	12,631	17,841	20,485	29,517	22,960

5.9 The main Prudential and Treasury Management Indicators are as follows:

	2014/15 Estimate	2014/15 Probable Outturn	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
<b>Capital Expenditure (Number 5 - Prudential Indicator)</b>					
Capital Programme	£000 27,872	£000 25,279	£000 29,486	£000 46,368	£000 20,617
PPP Schools/Finance Leases (incl. accounting adjustments)	(2,109)	(2,080)	(1,904)	(2,035)	(1,597)
<b>Total</b>	<b>25,763</b>	<b>23,199</b>	<b>27,582</b>	<b>44,333</b>	<b>19,020</b>
<b>Ratio of financing costs (including PPP/ Finance Leases) to net revenue stream (Number 1 - Prudential Indicator)</b>					
Non – HRA	12.27%	11.73%	11.90%	13.14%	13.95%
<b>Net external borrowing and capital financing requirement (Number 4 - Prudential Indicator)</b>					
As At 31 March	£000 (56,638)	£000 (68,010)	£000 (54,135)	£000 (42,573)	£000 (30,012)
<b>Capital Financing Requirement as at 31 March (Number 6 - Prudential Indicator)</b>					
Non – HRA	£000 307,429	£000 301,840	£000 301,349	£000 320,317	£000 319,222
<b>Upper limit for total principal sums invested for over 364 days (Number 14 - Treasury Management Indicator)</b>					
	£10,000,000	£0 *	£10,000,000	£10,000,000	£10,000,000

\* - This is the probable outturn of investments beyond 364 days as at 31/3/15 (against an upper limit of £10,000,000). There were no sums invested beyond 364 days during 2014/15.

	2014/15	2015/16	2016/17	2017/18
	Estimate	Estimate	Estimate	Estimate
<b>Authorised limit for external debt (Number 7 - Treasury Management Indicator)</b>	£000	£000	£000	£000
Borrowing	262,000	239,000	260,000	261,000
Other long term liabilities	74,000	68,000	66,000	65,000
TOTAL	336,000	307,000	326,000	326,000
<b>Operational boundary for external debt (Number 8 - Treasury Management Indicator)</b>	£000	£000	£000	£000
Borrowing	255,000	234,000	255,000	256,000
Other long term liabilities	72,000	68,000	66,000	65,000
TOTAL	327,000	302,000	321,000	321,000

	2015/16	2016/17	2017/18
	Estimate	Estimate	Estimate
<b>Incremental impact of capital investment decisions</b>			
Incremental increase in council tax (band D) per annum (Number 2 - Prudential Indicator)	£0.10	£0.03	£0.08
<b>Upper limit for fixed interest rate exposure (Number 11 - Treasury Management Indicator)</b>	140%	130%	120%
<b>Upper limit for variable rate exposure (Number 12 - Treasury Management Indicator)</b>	40%	40%	40%

5.10 The limits on the maturity of fixed rate borrowing during 2015/16 (Number 13 – Treasury Management Indicator) are as follows:

<b>Maturity Structure</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>2014/15 Probable Outturn</b>
Under 12 months	45%	0%	0.47%
12 months and within 24 months	45%	0%	3.75%
24 months and within 5 years	45%	0%	42.10%
5 years and within 10 years	45%	0%	20.52%
10 years and within 30 years	45%	0%	6.02%
30 years and within 50 years	45%	0%	27.14%
50 years and within 70 years	45%	0%	0.00%

This Indicator has been prepared in accordance with the revised Treasury Management Code which requires that the Council's Market debt (see 5.6 above) is shown based not on when the debt is due to actually mature but on when the lender could request an increase in the interest rate (when the Council could accept the increase or repay the debt). At 31/3/2015 £66.9m of the Council's £102.9m Market Debt is treated as variable on this basis (rather than fixed rate) and so is not included in the 2014/15 Probable Outturn figures in the table above.

## Treasury Policy Limits

- 5.11 In addition to the Prudential Indicators and Treasury Management Indicators, the Council has Policy Limits, as follows:

	2015/16	2016/17	2017/18	2014/15
	Estimate	Estimate	Estimate	Probable Outturn at Year-End
Maximum Percentage of Debt Repayable In Any Year	25%	25%	25%	18.23%
Maximum Proportion of Debt At Variable Rates	40%	45%	45%	30.50%
Maximum Percentage of Debt Restructured In Any Year	30%	30%	30%	0.000%

## Prospects For Interest Rates

- 5.12 The Council has appointed Capita Treasury Solutions Ltd (who use the trading name “Capita Asset Services”) as treasury advisers and part of their service is to assist the Council to formulate a view on interest rates. The table in Section 5.13 gives the Capita view.

- 5.13 Capita interest rate forecasts – 13<sup>th</sup> February 2015

As At	Bank Rate	Investment (LIBID) Rates			PWLB Borrowing Rates			
		3 month	6 month	1 year	5 year	10 Year	25 year	50 year
	%	%	%	%	%	%	%	%
March 2015	0.50	0.50	0.70	0.90	2.10	2.70	3.30	3.30
June 2015	0.50	0.50	0.70	1.00	2.20	2.80	3.40	3.40
Sept 2015	0.50	0.50	0.70	1.00	2.30	3.00	3.60	3.60
Dec 2015	0.50	0.60	0.80	1.10	2.50	3.10	3.80	3.80
March 2016	0.75	0.80	1.00	1.30	2.60	3.20	3.90	3.90
June 2016	0.75	0.90	1.10	1.40	2.70	3.40	4.00	4.00
Sept 2016	1.00	1.10	1.30	1.60	2.80	3.50	4.20	4.20
Dec 2016	1.25	1.30	1.50	1.80	3.00	3.60	4.30	4.30
March 2017	1.25	1.40	1.60	1.90	3.10	3.70	4.40	4.40
June 2017	1.50	1.50	1.70	2.00	3.20	3.80	4.50	4.50
Sept 2017	1.50	1.80	2.00	2.30	3.30	3.90	4.60	4.60
Dec 2017	1.75	1.90	2.10	2.40	3.40	4.00	4.60	4.60
March 2018	2.00	2.10	2.30	2.60	3.50	4.10	4.70	4.70

- 5.14 Appendix 1 explains the Economic Background affecting the proposed Treasury Management Strategy and Annual Investment Strategy.

## Borrowing Strategy

- 5.15 Capita advise that UK GDP growth increased during 2013 and the first half of 2014. During the second half of 2014, it reduced but still remained strong by UK standards. Growth is likely to strengthen marginally in 2015 and 2016 under the stimulative effect of the fall in oil prices. There still needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation had only recently started to exceed Consumer Price Inflation ("CPI"), so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to a low of 0.5% in December, the lowest rate since May 2000 and it could even turn negative in the first half of 2015; this will further increase consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

The US, the biggest world economy, has generated growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3, followed by a cooler 2.6% in Q4 (overall 2.4% for 2014 as a whole). This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by the end of 2015.

- 5.16 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:
- Greece: the general election on 25 January 2015 brought to power a coalition which is strongly anti-EU imposed austerity. However, if this should eventually result in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti-EU and anti-austerity political parties throughout the EU is much more difficult to gauge;
  - As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014 and worries over the Ukraine situation and the Middle East have led to a resurgence of those concerns as risks increase that it could be heading into a prolonged period of deflation and very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
  - Investment returns are likely to remain relatively low during 2015/16 and beyond;
  - Borrowing interest rates have been highly volatile during 2014 and early 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The opening weeks of 2015 saw gilt yields dip to historically phenomenally low levels after inflation plunged, a flight to quality as a result of the Greek situation and the start of a huge programme of quantitative easing (purchase of Eurozone government debt), by the ECB in January 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
  - There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

5.17 In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. Officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- If it was 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 was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a faster than currently anticipated unwinding of quantitative easing in the US, or an unexpected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the possibility that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

5.18 Against this background, caution will be adopted with the 2015/16 treasury operations. The Chief Financial Officer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the Policy & Resources Committee.

5.19 Policy on Borrowing in Advance of Need

The Council does not and will not borrow more than its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- Consider the definition of such borrowing within the Code on the Investment of Money By Scottish Local Authorities
- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- Ensure the ongoing revenue liabilities created, and the implications for the future plans and for the budgets have been considered
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- Consider the merits and demerits of alternative forms of funding
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- Consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk and other risks and the level of such risks given the controls in place to minimise them.

The maximum extent to which borrowing in advance would be undertaken by this Council is the borrowing requirement identified in Section 5.7 above for 2015/2018.

### **Debt Rescheduling**

5.20 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt has been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates. This has meant that PWLB-to-PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. Some interest savings might, however, still be achievable through using LOBO (Lenders Option Borrowers Option) loans and other market loans in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

- 5.21 As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.
- 5.22 The Council is more likely to look at making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on currently held debt.
- 5.23 The reasons for any rescheduling to take place will include:
- The generation of cash savings and/or discounted cash flow savings but at minimum risk;
  - Helping to fulfil the strategy outlined above; and
  - Enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).
- 5.24 All rescheduling will be reported to the Policy & Resources Committee and the Full Council and will be within the Treasury Policy Limits.

### **Annual Investment Strategy**

5.25 Investment Policy

The Council will have regard to the Local Government Investment (Scotland) Regulations 2010 and accompanying finance circular and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:

- (a) The security of capital  
and
- (b) The liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its investments.

- 5.26 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
- 5.27 There are a large number of investment instruments that the Council could use. The list of investment instruments proposed for possible use by the Council (including those for the Common Good Fund) are listed in Appendix 2 along with details of the risks from each type of investment. The list of proposed investments reflects a low risk appetite and approach to investments by the Council.

### **There are no changes to the list of permitted investments from that agreed in 2014.**

- 5.28 Counterparty limits will be as set through the Council's Treasury Management Practices.
- 5.29 Appendix 3 is a list of forecasts of investment balances.
- 5.30 Bank of Scotland – Counterparty Limit  
The Council's Counterparty Limit for investments with the Bank of Scotland is currently £60m but is due to revert back to £50m at the end of June 2015. The £50m level is the limit set in the Council's Treasury Management Practices document.



### 5.31 Creditworthiness Policy

The Council uses the creditworthiness service provided by Capita Treasury Solutions Ltd. This service uses a sophisticated modelling approach using credit ratings from the three main rating agencies - Fitch, Moody's, and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies (indicating the likelihood of ratings changes for a counterparty or the expected direction of ratings for a counterparty)
- Credit Default Swap ("CDS") spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries.

5.32 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments.

The approach is reviewed by Capita as required in light of banking system and regulatory changes e.g. the coming reduction in importance of support ratings for individual banks due to the removal of implied government support to banks.

5.33 The Council will use counterparties within the following durational bands and with the following limits per counterparty:

Colour Category	Maximum Period for Individual Investments	Limit for Total Investments with Individual Counterparty
Purple	2 Years	£15m
Blue (Nationalised or Semi-Nationalised UK Banks)	1 Year	£15m
Orange	1 Year	£15m
Red	6 Months	£15m
Green	100 Days	£10m
No Colour	Not To Be Used	£NIL

The maximum period for individual investments with the Council's own bankers will be as in accordance with the above table whilst the limit for total investments will be £50m or as agreed by Committee.

Members should note that these are the maximum periods for which any investment with a counterparty meeting the criteria would take place but subject to the Council's policy on Investment instruments.

5.34 The Capita creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

- 5.35 All credit ratings are monitored on an ongoing basis. The Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
  - In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap spreads against a benchmark (the iTraxx index) and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. The Council also uses (where available) market data and market information, information on government support for banks and the credit ratings of that government support.

5.36 Country Limits

It is proposed that the Council will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). Countries currently meeting this criterion include Australia, Canada, France, Germany, Sweden, the USA, and the UK.

5.37 Investment Strategy

The Bank Rate has been unchanged at 0.50% since March 2009. It is forecast to remain at this level until quarter 4 of 2015 and then to rise gently from thereon. Bank Rate forecasts for financial year ends (March) are as follows:

- 2015/16 0.75%
- 2016/17 1.25%
- 2017/18 2.00%.

There are downside risks to these forecasts (i.e. the start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

- 5.38 Capita advise that, for 2015/16, clients should budget for an investment return of 0.60% on investments placed during the financial year for periods of up to 100 days.
- 5.39 The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this Council.
- 5.40 As part of the process of strengthening banks and the increased regulation of banks following the banking and financial crisis, the banking regulatory authorities in the UK and the EU have been introducing further directives and regulations relating to issues such as bank capital and reserves to be held in case the banks hit financial problems. The regulators also undertake stress tests of individual banks to test the resilience of their financial position if there were to be particular economic scenarios e.g. a significant drop in house prices accompanied by an increase in unemployment at the same time as an increase in interest rates/funding costs.
- 5.41 Members should note that the some of the changes in banking regulations being implemented in the UK and the EU to further strengthen banks will further reduce the interest rates that they are likely to see on their own bank deposit accounts as individuals (relative to the Bank Rate) and will also impact on the rates receivable by the Council on its investments. It is likely that the Council and private individuals will receive much lower rates for call monies (instant access investments) or very short term investments than it/they will for investments of 32 days and above.

- 5.42 At the moment the Council receives the Bank Rate of 0.50% on call monies from the Bank of Scotland under the terms of its current banking contract but we have been advised that the regulatory changes mean that the rate is likely to be reduced in the future once the current contract ends. A rate reduction will have an impact, in due course, on Council investment returns and therefore budgets and thereby making it increasingly more attractive for the Council to reduce, as far as practicable, its investment balances (whilst taking account of ongoing capital expenditure and other requirements as well as movements in borrowing costs).
- 5.43 The Bank of Scotland is part of the Lloyds Banking Group which is currently part owned by the UK Government. This Government ownership gives added support to the bank which means that the Bank of Scotland falls into Capita's Blue category for creditworthiness (see Section 5.33 above) allowing deals up to 1 year. The introduction of Bail In powers in the UK from 1 January 2015 (preventing Governments from stepping in to support banks, albeit banks that have recapitalised and been strengthened) and the likely future sale of the Government's shares in the Lloyds Banking Group will see the Bank of Scotland moved to another of the creditworthiness colour categories and a change to the maximum period with which the Council can invest with them.
- 5.44 Under the Investment Regulations, any loans that the Council provides to external bodies (such as Inverclyde Leisure) count as investments. Ongoing reviews of legislation mean that Councils may well be given additional powers to lend to other external bodies but only after appropriate due diligence is done including full financial assessments of the proposals for repaying any loan and any security to be granted whilst the loan is in place.
- 5.45 End of Year Investment Report  
At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

#### **Policy on Use of External Service Providers**

- 5.46 The Council uses Capita Treasury Solutions Ltd as its external treasury management advisers and uses the services of brokers for investment deals as required. The Council's current contract with Capita finishes on 30<sup>th</sup> June 2015 but discussions have taken place with Capita towards agreeing a new contract, as approved by Committee in November 2014.
- 5.47 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 5.48 The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

#### **Policy on Scrutiny, Monitoring and Change of Investment Policies and Practices**

- 5.49 The Treasury Management Practices (TMPs) of the Council set out the operational policies and procedures in place to implement the treasury management strategy and the principles set out in the treasury management policy statement. They are intended to minimise the risk to the capital sum of investments and for optimising the return on the funds consistent with those risks.
- 5.50 The TMPs are kept under review, with a full revision every 3 years. The last full revision was in 2014.
- 5.51 A copy of the TMPs may be obtained from Finance Services.

#### **Training for Members**

- 5.52 A specific training session on Treasury Management will be organised for Members in the next 12 months.

## **6.0 IMPLICATIONS**

### **Finance**

- 6.1 Adopting the Treasury Strategy and the Investment Strategy for 2015/16 and the following two years will allow a balance to be maintained between opportunities to continue to generate savings for the Council and minimising the risks involved.

### **Legal**

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

### **Human Resources**

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

### **Equalities**

- 6.4 There are no equalities implications arising from this report

### **Repopulation**

- 6.5 There are no repopulation implications arising from this report.

## **7.0 CONSULTATIONS**

- 7.1 This report has been produced based on advice from the Council's treasury advisers (Capita Treasury Solutions Limited).

## **8.0 LIST OF BACKGROUND PAPERS**

- 8.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2011 Edition  
CIPFA – The Prudential Code for Capital Finance in Local Authorities – 2011 Edition  
Scottish Government – The Local Government Investments (Scotland) Regulations 2010 (Scottish Statutory Instrument 2010 No. 122)  
Scottish Government - Finance Circular 5/2010 Investment of Money by Scottish local authorities 1.4.10.

**ECONOMIC BACKGROUND**

The following economic background is based on information from the Council's treasury advisers, Capita Treasury Solutions Ltd

**1. The UK Economy**

- a. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then growth in 2014 of 0.6% in Q1, 0.8% Q2, 0.7% Q3 and 0.5% Q4 (annual rate for 2014 of 2.6%), growth is expected to gain increased momentum during 2015 and 2016 to annual rates of 2.9%, (2017 2.7%). This will be a response to two developments; firstly, the stimulative effect of the sharp fall in oil prices in quarter 4 of 2014 and then inflation potentially falling into negative territory during 2015, but being near to zero until towards the end of the year. Secondly, due to an expected return to a significant rise in average wage rates due to the continuing fall in unemployment to about 5.5% by mid 2015, (the long run equilibrium level is 5.0%), and the further erosion of spare capacity, (slack), to about 0.5% of GDP. This is expected to lead to total consumer disposable income rising by no less than around 3.5% during quarter 3 2015. This would therefore strengthen consumer expenditure, but without much downside to the savings ratio (the proportion of disposable income that is usually put into savings accounts) .
- b. However, for this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. In addition, there has been a need for a major improvement in labour productivity, which has languished at dismal levels since 2008, to support longer term increases in pay rates and economic growth after the positive effect of the fall in oil prices dissipates. The February 2015 Inflation Report contained good news that productivity was forecast to increase by just under 0.75% in the first three quarters of 2015.
- c. The February Inflation Report also explained that the initial fall in the price of oil of over 50% would cause an overall reduction in CPI of about 0.8% in quarter 2 2015 and boost UK GDP by around 0.5% during the Monetary Policy Committee's three year forecast period. It also forecast that the sharp fall in the price of oil and its knock on effects, would start falling out of the twelve month calculation of CPI inflation in quarter 4 of 2015. This is expected to result in a sharp rise in inflation from near zero in that quarter and also onward into 2016. The report also mentioned a potential risk of deflation becoming embedded, which could then require remedial action by the Monetary Policy Committee such as a cut in Bank Rate and / or further quantitative easing. This is viewed as being a small risk given the above expected sharp increase in inflationary pressures. However, while inflation is at or near 0% for much of 2015, it is unlikely that the Monetary Policy Committee would make a start on increasing the Bank Rate. Market expectations for the first increase in the Bank Rate have therefore moved from quarter 3 2015 after the November 2014 report, to around mid year 2016 during February 2015. However, the Monetary Policy Committee is focused on where inflation will be over a 2 – 3 year time horizon so too much emphasis should not be placed on the short term inflation outlook, especially when the February report identified a slight increase in inflationary pressures on that time horizon to just above the 2% target. This treasury management report is therefore based on a forecast of a first increase in Bank Rate in quarter 1 of 2016, though it would be quite possible for it to be in quarter 4 of 2015 if events were to turn out favourably in Greece, the Eurozone as a whole and elsewhere.
- d. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed, being only a fraction lower than the previous year through to December 2014. The Chancellor's Autumn Statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated. The flight to quality in January 2015 has seen gilt yields fall to incredibly low levels, which will reduce interest costs on new and replacement government debt.

## 2. The Global Economy

### Eurozone

- a. The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In January 2015, the inflation rate fell further, to reach a low of -0.6%. However, this is an average for all Eurozone countries and includes some countries with even higher negative rates of inflation. Initially, the European Central Bank ("ECB") took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. As this failed to have much of a discernible effect, the ECB launched a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected Eurozone countries. This programme will run to September 2016.
- b. Concern in financial markets for the Eurozone had subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause for concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

### Greece

- c. The general election on 25 January 2015 has brought to power a coalition which is anti-EU imposed austerity. Although it is not certain that Greece will leave the Euro, the recent intractability of the troika (the EU, ECB and IMF), to finding a negotiated compromise with the new Greek government leaves this as a real possibility. However, if Greece was to leave the Eurozone, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. Nevertheless, the indirect effects of the likely strengthening of anti-EU and anti-austerity political parties throughout the EU is much more difficult to gauge. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under Eurozone imposed austerity programmes, especially in countries which have high unemployment rates. Of particular concern is the fact that Spain and Portugal have general elections coming up in late 2015. This will give ample opportunity for anti-austerity parties to make a big impact.
- d. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti-austerity policies. Any loss of market confidence in either of the two largest Eurozone economies, after Germany, would present a huge challenge to the resources of the ECB to defend their debt.

### USA

- e. The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 of 4.6%, Q3 of 5.0% and Q4 of 2.6%, (overall 2.4% during 2014 as a whole), provides great promise for strong growth going forward. It is confidently forecast that the first increase in the Fed Rate (the US interest rate) will occur by the end of 2015.

#### China

- f. Government action in 2014 to stimulate the economy almost succeeded in achieving the target of 7.5% growth but recent government statements have emphasised that growth going forward will slow marginally as this becomes the new normal for China. There are concerns that the Chinese leadership has only just started to address an unbalanced economy, which is heavily over dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehman's crisis in 2008.

#### Japan

- g. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession. The Japanese government already has the highest debt to GDP ratio in the world.

### **3. Capita's Forward View**

- a. Economic forecasting remains difficult with so many external influences weighing on the UK. The Bank Rate forecasts (and also Monetary Policy Committee decisions) will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.
- b. The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.
- c. There has been exceptionally high volatility in gilt yields and PWLB rates during January and February 2015. It is likely that this trend will continue through 2015 and that there could be swings of 0.50% during even one quarter.
- d. The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.
- e. Their interest rate forecasts are based on an initial assumption that there will not be a major resurgence of the Eurozone debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the Eurozone now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the Eurozone and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any Eurozone debt crisis that may occur where Eurozone institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the Eurozone will be weak at best for the next couple of years with some Eurozone countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the Eurozone debt crisis. While the ECB has adequate resources to manage a debt crisis in a small Eurozone country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to Eurozone politicians.

- f. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
  - UK strong economic growth is weaker than they currently anticipate.
  - Weak growth or recession in the UK's main trading partners - the EU, US and China.
  - A resurgence of the Eurozone sovereign debt crisis.
  - Recapitalisation of European banks requiring more government financial support.
  - Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.
- g. The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the EU, economic and debt management policies adopted by the new government.
  - The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the Eurozone.
  - The commencement by the US Federal Reserve of increases in the Fed Rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities. There could also be a sharp fundamental reassessment of investments in the debt and equities of emerging countries which have chased higher yields during a prolonged period when yields and returns in western countries have been heavily suppressed; countries such as Brazil and Russia are already in recession and facing major economic and political challenges.
  - UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.



**PERMITTED INVESTMENTS**

The Council approves the following forms of investment instrument for use as Permitted Investments:

	Minimum Credit Criteria	Liquidity Risk	Market Risk	Max % of Total Investments	Max. Maturity Period
<b>Deposits</b>					
Debt Management Agency Deposit Facility (DMADF)	---	Term	No	Unlimited	6 Months
Term Deposits – Local Authorities	---	Term	No	80%	2 Years
Call Accounts – Banks and Building Societies	Capita Colour Category GREEN	Instant	No	Unlimited	Call Facility
Notice Accounts – Banks and Building Societies	Capita Colour Category GREEN	Notice Period	No	50%	6 Months
Term Deposits – Banks and Building Societies	Capita Colour Category GREEN	Term	No	95%	2 Years
<b>Deposits With Counterparties Currently In Receipt of Government Support / Ownership</b>					
Call Accounts – UK Nationalised/ Part-Nationalised Banks	Capita Colour Category BLUE	Instant	No	Unlimited	Call Facility
Notice Accounts – UK Nationalised/ Part-Nationalised Banks	Capita Colour Category BLUE	Notice Period	No	50%	6 Months
Term Deposits – UK Nationalised/ Part-Nationalised Banks	Capita Colour Category BLUE	Term	No	95%	2 Years
<b>Securities</b>					
Certificates of Deposit – Banks and Building Societies	Capita Colour Category GREEN	See Note 1 Below	See Note 1 Below	80%	2 Years
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)</b>					
Money Market Funds	AAAmmf with Fitch or equivalent with Moody's/Standard & Poors	See Note 2 Below	See Note 2 Below	50%	Call Facility

**Notes:**

1. The Liquidity Risk on a Certificate of Deposit is for the Term of the Deposit (if the Certificate is held to maturity) or the Next Banking Day (if sold prior to maturity). There is no Market Risk if the Certificate is held to maturity, only if the Certificate is sold prior to maturity (with an implied assumption that markets will not freeze up and so there will be a ready buyer).
2. The objective of Money Market Funds is to maintain the value of assets but such Funds hold assets that can vary in value. The credit ratings agencies, however, require the unit values to vary by almost zero.

Investments will only be made with banks/building societies that do not have a credit rating in their own right where the Council's treasury advisers have confirmed that any obligations of that bank/building society are guaranteed by another bank/building society with suitable ratings.

The Council will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). Countries currently meeting this criterion include Australia, Canada, France, Germany, Sweden, the USA, and the UK.

### **Non-Treasury Investments**

In addition to the table of treasury investments above, the definition of “investments” under the Investment Regulations includes the following items:

- “(a) All share holding, unit holding and bond holding, including those in a local authority owned company, is an investment.
- (b) Loans to a local authority company or other entity formed by a local authority to deliver services, is an investment.
- (c) Loans made to third parties are investments.
- (d) Loans made by a local authority to another authority or harbour authority using powers contained in Schedule 3, paragraph 10 or 11 of the Local Government (Scotland) Act 1975 are not investments.
- (e) Investment property is an investment.”

The Council approves items in categories (a), (b), (c), and (e) above as Permitted Investments as set-out below:

	Minimum Credit Criteria	Liquidity Risk	Market Risk	Max % of Total Investments	Max. Maturity Period
<b>Non-Treasury Investments</b>					
(a) Share holding, unit holding and bond holding, including those in a local authority owned company	Assessment would be made of company in which any holding was to be made	Period of holding	Yes	10%	Unlimited
(b) Loans to a local authority company or other entity formed by a local authority to deliver services	Assessment would be made of company or entity to which any loan was to be made	Period of loan	No	20%	Unlimited
(c) Loans made to third parties	Assessment would be made of third party to which any loan was to be made	Period of loan	No	25%	Unlimited
(e) Investment property	Assessment would be made of property to be held as investment property	Period of holding	Yes	10%	Unlimited

In relation to the above, Members should note that the Council is unlikely to become involved with category (a), has a loan under category (b) (for the BPRA), will have loans to third parties (category (c)) arising from decisions on such loans made by the Council, and may have investment property (category (e)) should there be a reclassification, due to accounting rules, of individual properties held by the Council.

### **Permitted Investments – Common Good**

The Common Good Fund's permitted investments are approved as follows:

	Minimum Credit Criteria	Liquidity Risk	Market Risk	Max % of Total Investments	Max. Maturity Period
Funds deposited with Inverclyde Council	---	Instant	No	Unlimited	Unlimited
Share holding, unit holding and bond holding, including those in a local authority owned company	Assessment would be made of company in which any holding was to be made	Period of holding	Yes	10%	Unlimited
Investment property	Assessment would be made of property to be held as investment property	Period of holding	Yes	95%	Unlimited

## **Treasury Risks Arising From Permitted Instruments**

All of the investment instruments in the above tables are subject to the following risks:

### **1. Credit and counter-party risk**

This is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the Council particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA-rated organisations have a very high level of creditworthiness.

### **2. Liquidity risk**

This is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. The column in the above tables headed as 'market risk' will show each investment instrument as being instant access, notice period i.e. money is available after the notice period (although it may also be available without notice but with a loss of interest), or term i.e. money is locked in until an agreed maturity date.

### **3. Market risk**

This is the risk that, through adverse market fluctuations in the value of the principal sums that the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long term increase in value.

### **4. Interest rate risk**

This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Management Indicators in this report.

### **5. Legal and regulatory risk**

This is the risk that the Council, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

The risk exposure of various types of investment instrument can be summarised as:

- low risk = low rate of return
- higher risk = higher rate of return.

For liquidity, the position can be summarised as:

- high liquidity = low return
- low liquidity = higher returns.

## **Controls on Treasury Risks**

### **1. Credit and counter-party risk**

This Council has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes.

### **2. Liquidity risk**

This Council undertakes cash flow forecasting to enable it to determine how long investments can be made for and how much can be invested.

### **3. Market risk**

The only instruments that the Council may purchase which can have market risk are Certificates of Deposit. Although they have a market value that fluctuates, the market risk does not arise if the Certificates are retained until maturity - only if they were traded prior to maturity if the need arose.

#### **4. Interest rate risk**

This Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.

#### **5. Legal and regulatory risk**

This Council will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.

#### **Unlimited Investments**

Investment Regulation 24 states that an investment can be shown in the above tables as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment. However, it also requires that an explanation must be given for using that category.

The authority has given the following types of investment an unlimited category:

##### **1. Debt Management Agency Deposit Facility (DMADF)**

This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury i.e. the UK Government's high credit rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts.

##### **2. High Credit Worthiness Banks and Building Societies**

See paragraphs 5.31 to 5.36 for an explanation of this authority's definition of high credit worthiness. While an unlimited amount of the investment portfolio may be put into banks and building societies with high credit worthiness, the authority will seek to ensure diversification of its portfolio with the following limits:

- Limit for any single institution (except Council's bankers): £15m
- Limit for Council's bankers (Bank of Scotland): £50m (or as approved by the Council or Committee)
- Limit for any one group of counterparties: £30m (£50m or as approved by the Council or Committee for the group including the Council's bankers).

##### **3. Funds Deposited with Inverclyde Council (for Common Good funds)**

This has been included so that, under the Permitted Investments, all funds belonging to the Common Good can be deposited with Inverclyde Council (and receive interest from the Council) rather than requiring the Common Good funds to be invested under separate Treasury Management arrangements.

#### **Objectives of Each Type of Investment Instrument**

Investment Regulation 25 requires an explanation of the objectives of every type of investment instrument which an authority approves as being 'permitted':

##### **1. Deposits**

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date, or until the end of an agreed notice period, or is held at call.

###### **a) Debt Management Agency Deposit Facility (DMADF)**

This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. It is, however, very useful for authorities whose overriding priority is the avoidance of risk. The longest term deposit that can be made with the DMADF is 6 months.

b) Term deposits with high credit worthiness banks and building societies

See paragraphs 5.31 to 5.36 for an explanation of this authority's definition of high credit worthiness. This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The Council will seek to ensure diversification of its portfolio of deposits as practicable and as explained above. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.

c) Notice accounts with high credit worthiness banks and building societies

The objectives are as for 1.b) above but there is access to cash after the agreed notice period (and sometimes access without giving notice but with loss of interest). This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit.

d) Call accounts with high credit worthiness banks and building societies

The objectives are as for 1.b) above but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.

2. Deposits With Counterparties Currently In Receipt of Government Support/Ownership

These institutions offer another dimension of creditworthiness in terms of Government backing through either direct (partial or full) ownership or the banking support package. The view of this Council is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view even if the UK sovereign rating were to be downgraded in the coming year.

a) Term deposits, notice accounts and call accounts with high credit worthiness banks which are fully or semi nationalised

As for 1.b), 1.c) and 1.d) above but Government ownership implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This Council considers that this indicates a low and acceptable level of residual risk.

3. Securities

a) Certificates of Deposit

These are shorter term securities issued by deposit taking institutions (mainly banks) so they can be sold if the need arises. However, that liquidity (and flexibility) comes at a price so the interest rate on a Certificate of Deposit is less than placing a Fixed Term Deposit with the same bank.

4. Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)

a) Money Market Funds (MMFs)

By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or risk appetite to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF. They also offer a constant Net Asset Value (NAV) i.e. the principal sum invested has high security.

5. Non-Treasury Investments

b) Share holding, unit holding and bond holding, including those in a local authority owned company

The objectives for the holding of shares, units, or bonds (including those in a local authority owned company) will vary depending on whether the Council wishes to undertake actual investments in the market or has the holding as a result of a previous decision relating to the management or provision of Council services. This Council will not undertake investments in the market in shares, units, or bonds but may, if required, hold shares, units, or bonds arising from any decisions taken by the Council in relation to the management or provision of Council services.

c) Loans to a local authority company or other entity formed by a local authority to deliver services

Having established a company or other entity to deliver services, a local authority may wish to provide loan funding to assist the company or entity. Any such loan funding would be provided only after consideration of the reasons for the loan, the repayment period for the loan, and the likelihood that the loan would be able to be repaid by the company or entity. Such loan funding would be provided from Council Revenue Reserves rather than from borrowing.

d) Loans made to third parties

Such loans could be provided for a variety of reasons such as economic development or to assist local voluntary groups. Any such loan funding would be provided only after consideration of the reasons for the loan, the repayment period for the loan, and the likelihood that the loan would be able to be repaid by the third party concerned. Such loan funding would be provided from Council Revenue Reserves rather than from borrowing.

e) Investment property

An investment in property would give the Council exposure to risks such as market risk (movements in property prices), maintenance costs, tenants not paying their rent, leasing issues, etc. This Council does not undertake investments involving property but may have investment property should there be a reclassification, due to accounting rules, of individual properties held by the Council.

**FORECASTS OF INVESTMENT BALANCES**

Investment Regulation 31 requires the Council to provide forecasts for the level of investments for the next three years, in line with the time frame of our capital investment programme. These forecasts are as follows:

<b>INVESTMENT FORECASTS</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cash balances managed in house</b>			
1 <sup>st</sup> April	50,169	33,650	13,056
31 <sup>st</sup> March	33,650	13,056	7,052
Change in year	(16,519)	(20,594)	(6,004)
Average daily cash balances	41,910	23,353	10,054
<b>Cash balances managed by cash fund managers</b>			
1 <sup>st</sup> April	0	0	0
31 <sup>st</sup> March	0	0	0
Change in year	0	0	0
Average daily cash balances	0	0	0
<b>TOTAL CASH BALANCES</b>			
1 <sup>st</sup> April	50,169	33,650	13,056
31 <sup>st</sup> March	33,650	13,056	7,052
Change in year	(16,519)	(20,594)	(6,004)
Average daily cash balances	41,910	23,353	10,054
<b>Holdings of shares, bonds, units (includes authority owned company)</b>			
1 <sup>st</sup> April	2	2	2
Purchases	0	0	0
Sales	0	0	0
31 <sup>st</sup> March	2	2	2
<b>Loans to local authority company or other entity to deliver services</b>			
1 <sup>st</sup> April	0	590	555
Advances	600	0	0
Repayments	10	35	35
31 <sup>st</sup> March	590	555	520
<b>Loans made to third parties</b>			
1 <sup>st</sup> April	2,240	4,010	3,979
Advances	1,803	3	3
Repayments	33	34	34
31 <sup>st</sup> March	4,010	3,979	3,948
<b>Investment properties</b>			
1 <sup>st</sup> April	0	0	0
Purchases	0	0	0
Sales	0	0	0
31 <sup>st</sup> March	0	0	0

<b>INVESTMENT FORECASTS (Continued)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£'000	£'000	£'000
<b>TOTAL OF ALL INVESTMENTS</b>			
1 <sup>st</sup> April	52,411	38,252	17,592
31 <sup>st</sup> March	38,252	17,592	11,522
Change in year	(14,159)	(20,660)	(6,070)

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

The "holdings of shares, bonds, units (includes authority owned company)" are for Common Good whilst the Investment properties includes Council property and Common Good property.



**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.

**Bail In**

The use of funds held by a bank or other financial institution (whether in the form of customer bank deposits or bonds) to help prevent the collapse of a bank and in place of Governments stepping in with funds/support. The introduction of Bail In powers is part of the implementation of the Bank Recovery and Resolution Directive.

**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”.

**Bank Recovery and Resolution Directive (BRRD)**

The Bank Recovery and Resolution Directive is a European legislative requirement which sets out a common approach within the EU to how countries will deal with any banks and financial institutions that get into financial difficulty. It includes the use of Bail In powers and was implemented in the UK, Germany and Austria on 1<sup>st</sup> January 2015 with other EU countries due to implement the BRRD in 2016.

**Basel III**

The latest global standards relating to banks and financial institutions including the level of their capital (funds retained by banks to meet possible future losses).

**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.

**Capita**

Capita Treasury Solutions Limited who are the Council's treasury management advisers who were previously named Sector Treasury Services Limited (and were normally referred to as Sector).

**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).

**Capital Requirements Directives**

These are European legislative requirements regarding capital, funding and other financial requirements for banks, building societies and investment firms.

### 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 Banking Authority

The European Banking Authority (EBA) is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector.

### 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 19 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, 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).

### PRA

The Prudential Regulation Authority which is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.

### 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.

### Prudential Regulation Authority (PRA)

The PRA is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.

### 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.

### Ring Fencing

In banking terms, the proposal (currently expected by 2019) that those parts of a bank that undertake riskier activities (such as investment banking) be kept legally separate from those parts that undertake less risky/safer activities (such as the accepting of customer deposits).

### Sector

Sector Treasury Services Limited is the former name of Capita Treasury Solutions Limited who are the Council's treasury management advisers.

### Stress Tests

Reviews of the assets and liabilities of banks and financial institutions carried out by regulators such as the European Banking Authority (EBA) and the Prudential Regulation Authority (PRA) in the UK to identify the impact of potential economic scenarios, assess the strength of those banks/financial institutions, and determine any action required by banks/financial institutions to strengthen their financial positions.

### 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.

Finance Services  
Inverclyde Council  
February 2015.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/12/15/AP/LB</b>
<b>Contact Officer:</b>	<b>CHCP Finance Manager</b>	<b>Contact No:</b>	<b>01475 712257</b>
<b>Subject:</b>	<b>Corporate Charging Policy</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update Committee on the Action Plan previously agreed by Committee on 4 February 2014 and to seek approval of the Corporate Charging Policy for Inverclyde Council.

## 2.0 SUMMARY

- 2.1 Committee received on 4 February 2014 a report entitled Charging For Services: Are You Getting it Right? which identified the key messages from the Audit Scotland report of the same name. Committee approved an Action Plan (included at Appendix 2 for reference) which comprised 4 key areas for development to ensure the Council complies with best practice:

1. Develop a corporate policy for fees and charges, including concessions and waivers to be approved by the Policy & Resources Committee.
2. Develop a protocol for review of corporate policy and associated charges to be incorporated as an element of the annual budget review.
3. Develop unit cost management information to inform appropriate levels of charging which are set.
4. Recommend charges as part of the 2015/16 Workstreams exercise.

- 2.2 Committee should note that the action plan has been largely implemented and a detailed update on each element is included within the body of this report.

- 2.3 The Corporate Charging Policy is included at Appendix 1.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee approve the Charging Policy as identified at Appendix 1.
- 3.2 That the Committee note the progress against the actions as previously agreed on 4 February 2014.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 Audit Scotland publication “Charging For Services: Are You Getting it Right?” was published in October 2013, with a report on the key messages to the Policy & Resources Committee on 4 February 2014. This publication was the sixth in the series “How Councils Work: Are You Getting it Right?” and focused on:
1. Why charges are important
  2. Managing charges
  3. Cycle for managing charges
- 4.2 Based on this report an action plan was approved and is included at Appendix 2 for information. This action plan is now largely complete and progress on each of the 4 areas is discussed in further detail within section 5 of this report.
- 4.3 An Officer Working Group was set up to implement the action plan. In addition to the areas outlined in the plan, the group also reviewed the Council’s Bad Debts & Collections Policy to ensure consistency with the Charging Policy.
- 4.4 One key action was to produce a Corporate Charging Policy, for approval by the Policy & Resources Committee, and this is included at Appendix 1.

## **5.0 ACTION PLAN PROGRESS**

- 5.1 Progress on each of the 4 areas identified in the action plan are:
- 5.2 Develop a corporate policy for fees and charges, including concessions and waivers to be approved by Policy & Resources Committee. This policy is included at Appendix 1 and the key elements are:
- Authority to set a charge
  - Policy principles
  - Concessions and Waivers
  - Level of charge set
  - Debt write off
  - Guidance on setting and maintaining charges
  - Glossary of Concessions and Waivers
- 5.3 Develop a protocol for review of corporate policy and associated charges to be incorporated as an element of the annual budget review – this element is covered within Section 7 of the policy and provides guidance on steps to follow and things to consider when setting and reviewing charges.
- 5.4 Develop unit cost management information to inform appropriate levels of charging which are set – this element is covered in section 5 of the policy and provides guidance on various cost recovery options when identifying the cost of the service and the associated level of charge.
- 5.5 Recommend charges as part of the 2015/16 Workstreams exercise: the 2015-17 budget includes a target of £470,000 to be achieved from increasing existing and / or introducing new charges across the Council. The options were identified from the Officer Working Group, providing input from each Directorate and completing a template for each proposal. On 19 February 2015 the Council approved £140,000 of the options identified.



## 6.0 IMPLICATIONS

### Finance

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

#### Financial Implications:

##### One off Costs

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

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

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

### Legal

- 6.2 There are no legal implications arising directly from this report.

### Human Resources

- 6.3 There are no human resource implications arising from this report.

### Equalities

- 6.4 An equalities assessment screening has been completed and this has found no direct discrimination. Individual charges will require a separate assessment of the level of impact on protected characteristic groups.

### Repopulation

- 6.5 There are no repopulation implications arising from this report.

## 7.0 CONSULTATIONS

- 7.1 A representative from each Council Directorate was included as part of the Officer Working Group set up to implement the Action Plan and as such each Directorate is fully aware of all elements of the Charging Policy and Associated Workstream.
- 7.2 Once approved the Policy will be presented to each Directorate Management Team and where appropriate, Service Management Team.
- 7.3 The proposals identified for increasing existing charges and / or implementing new charges have been fully consulted on as part of the 20015-17 budget process.

## **8.0 LIST OF BACKGROUND PAPERS**

- 8.1 There are no background papers for this report. For reference the previous charging workstream reports presented were:  
Audit Scotland Report – Charging for Services: Are You Getting it Right?



## **CHARGING POLICY**

## CHARGING POLICY – INDEX

<u>No</u>		<u>Page</u>
1.0	Purpose	2
2.0	Authority to Set Charge	2
3.0	Policy Principles	2
4.0	Concessions and Waivers	3
5.0	Levels of Charge Set	3
6.0	Debt Write Off	4
7.0	Guidance on Setting and Maintaining Charges	4
	Appendix 1	6
	Appendix 2 Part 1	7
	Appendix 2 Part 2	8

# **INVERCLYDE COUNCIL CHARGING POLICY**

## **1.0 PURPOSE**

- 1.1 This policy sets out the Council's Corporate Charging Policy which should be applied when setting fees and charges for services provided by Inverclyde Council and provides guidance for determining the level of charges set, recognising corporate objectives, and service demand along with associated legislation.
- 1.2 All Services should adhere to this Policy when determining charges as part of the budget-setting process in any given financial year, and/or any other ad hoc review or setting of service charges as required.

## **2.0 AUTHORITY TO SET A CHARGE**

- 2.1 Charges for services should be reviewed annually as part of the budget setting process and will include the corporate inflation uplift for all discretionary charges i.e. those not set by statute. The Council will set the level for the inflationary uplift, as part of the budget setting process.
- 2.2 Where there are proposals to introduce new charges, or to vary charges other than by the annual inflationary uplift, these should be presented to the Council as budget options as part of the budget setting process.
- 2.3 Any material variation to existing charges or introduction of new charges out with the budget setting process should be considered and if necessary approved by the Council's Corporate Management Team and approved by the relevant Service Committee.

## **3.0 POLICY PRINCIPLES**

- 3.1 The Council has an objective to ensure the delivery of Best Value services to the communities of Inverclyde. One element of ensuring that Best Value is achieved is to set fair and equitable prices for chargeable services, which support the Council's key strategic objectives and Service priorities.
- 3.2 The Corporate Charging Policy ensures a consistent and transparent approach to charging across all Council Services and each Corporate Director is responsible for ensuring the application of the policy.
- 3.3 How fees and charges are used can have a positive impact on service delivery and therefore should not be automatically considered detrimental or controversial. Charges can be used to influence behaviour to help meet the Council's objectives and should not be viewed in isolation as an income generator.
- 3.4 The reason for levying a charge, and the basis on which the charge should be levied, should be transparent and must be considered against the Council's corporate objectives. In some cases charges will be set at a statutory level per relevant legislation.
- 3.5 The level of discretionary charges should be benchmarked with neighbouring Councils and / or family benchmarking groups to ensure a test of reasonableness and should be incorporated within the charging proposals.
- 3.6 Subsidised services relate to those services where there is partial support from public funds, the subsidy would apply across the board and would not relate to any particular social group. The case for subsidised services must be clearly evidenced.

- 3.7 In addition to subsidised services, charging will not be applicable or will be restricted for those services where:
- charging would not be cost effective to collect
  - the Council cannot legally impose a charge for provision of a service
  - a charge or the basis of a charge is set in statute
  - charging would be counter-productive, e.g. for an infrequently requested service where the cost of charging would be greater than any potential income (depending on charging objective).
- 3.8 The preferred method for charging is for the payment to be received in advance of the receipt of the service. To reduce administration costs and avoid costs associated with debt recovery, Services should adopt this method wherever possible.

#### **4.0 CONCESSIONS AND WAIVERS**

- 4.1 For the purpose of this policy a concession refers to a discounted charge that could be based upon a variety of factors including, age, employment status, income or disability, charitable status and would be applied for example to promote social inclusion.
- 4.2 Services must ensure any proposed concessions are in accordance with any relevant legislation or guidance, and that the potential impacts of any proposed concessions are considered.
- 4.3 For the purpose of this policy a waiver refers to the full or partial waive of the charge i.e. the individual or group will make zero or partial payment of the full charge.
- 4.4 The detail of Service specific concessions and waivers will be identified as part of the annual charging document published by the Council, however to ensure consistency in approach and application these must conform to the principles set out in Appendix 1 Glossary of Terms.

#### **5.0 LEVEL OF CHARGE SET**

- 5.1 Where discretionary fees or charges are applied, each Service should set charging at a level where the charge will contribute to that Service's strategic and financial objective.
- 5.2 The most common financial objectives are:
- Recovery of full cost
  - Percentage recovery of full cost
  - Recovery of the marginal cost (the extra cost of providing each additional unit of service)
  - Contribution to costs
- 5.3 The cost for provision of the service should not necessarily be treated in isolation for that individual Council service alone. It may be appropriate to factor in the costs of other Council services.
- 5.4 Charging is a legitimate way to ration or manage service usage and to reduce the cost to the Council Tax payer of providing the service. Determining the partial recovery of costs in such circumstances will need careful consideration and the relevant Service should seek committee approval when proposing amendments.

- 5.5 Services provided on a “commercial basis” must recover as a minimum the marginal cost, plus make a contribution towards fixed costs unless agreed by the Chief Financial Officer and relevant Corporate Director.
- 5.6 A degree of common sense / tolerance should be applied when setting annual charges e.g. £1.28 rounded up to £1.30 is a sensible rounding up which will reduce administration, similarly £2.26 should be rounded down to £2.25. This will be at the Corporate Director’s discretion. Service users will be informed of proposals to amend charges with as much advance notice as possible.
- 5.7 Where VAT is applicable to a charge the rounding up / down should apply to the total payable (i.e. inclusive of the VAT element). VAT will be calculated on the basis of the rounded figure thereafter.

## 6.0 DEBT WRITE OFF

- 6.1 A debt should only be written off once all options for collection have been fully explored and followed, in line with the Council’s Sundry Debtors Policy.
- 6.2 A debt can only be written off by the Council’s Chief Financial Officer.

## 7.0 GUIDANCE ON SETTING and MAINTAINING CHARGES

- 7.1 As part of a series of improvement reports on how councils work Audit Scotland published the report “Charging for services – are you getting it right?” in October 2013.

The following eight step process is based on the cycle for managing charges included within that report.

Step	Things to consider
Identify which charges should be set and reviewed	Service user feedback Financial pressures and opportunities Alignment with corporate objectives
Assess constraints and understand legislation	National guidance Users ability to pay Use of surpluses Target service user groups
Collect and analyse information	Service uptake and user profile Customer satisfaction Other providers Unit costs and cost recovery Impact of previous charging decisions <b>Impact of multiple charges</b>
Examine options for charges and concessions	Impact on service users Forecast demand and income <b>Impact of attrition</b> Impact on other services and local businesses Consistency with corporate policy
Consult on proposals	Workshops with service users Residents surveys Sessions with councillors Staff feedback

Revisit options as appropriate	Adjust options as required Appraise all options Councillors to approve selected option
Implement the new charge	Timing and phasing Communication of changes Monitoring arrangements
Monitor and review the impact	Were the intended aims met? Impact on uptake and income Unintended consequences

- 7.3 As part of the annual budget process Services should review all charges and complete Appendix 2 Templates for new / existing charges.



## GLOSSARY OF TERMS

In order to ensure that concessions and waivers are consistently applied the following checklist must be adhered to within any Service policy. The following definitions should be used when establishing criteria for a concession or waiver policy:

**A charity:** To have charitable status in Scotland, that is to be a Scottish charity or a charity registered in Scotland an organisation must be entered in the Scottish Charity Register.

**A voluntary organisation:** is a not for profit and non-governmental organisation that carries out social activity or services. This sector is also called the third sector, in contrast to the public sector and the private sector.

**Community Associations / Neighbourhood groups are:** an organization of people and groups working for the common good of a neighbourhood or community, usually operating under a written constitution registered with the Scottish Charity Register

**Uniformed Organisations:** will cover a wide spectrum of organisations such as Scouts, Girl Guides, and Boys Brigade as well as benevolent organisations supporting people who belonged to a uniformed group be it military or civil. Examples would be RAF Benevolent Fund or Retired Nurse Group (Royal college of Nursing)

**A child is:** between 0 and 17 years of age though depending on legislation this can extend beyond 18.

**An adult is:** someone aged between 18 and 64 years of age. This may be impacted by certain legislation

**An older person is:** any person aged 65 years or older. In terms of charging we may wish to refer to when an individual is eligible to State pension This is currently 65 years of age but will increase to 67.

**A commercial let is:** a hire of a property or premises for business purposes.

**A carer is:** anyone, who provides unpaid care to a relative; partner; family member; neighbour or friend who has a physical or learning disability, mental illness or addiction issue.'

**A financial assessment is:** when we assess your income to see how much you can pay towards the cost of your service.

A financial assessment will be carried out if you receive a chargeable service. The officer is required to have proof of all income and capital held. You should therefore have available for inspection any Pension or Benefit statements, and bank or savings books relating to your financial affairs.

If your assessable weekly income is less than your income threshold figure you should not be charged for a service.

If your assessable weekly income is more than your income threshold figure you may be charged for a service.

**CHARGING TEMPLATE – PART 1**

1. DIRECTORATE	
2. NAME OF CHARGE	
3. POLICY AIM	
Detail the Service policy	
4. COST RECOVERY BASIS	
Service / Finance to confirm that fundamental principles of charging policy have been adhered to. Any subsidised services or restrictions to charges to be detailed in full.	
5. EQUALITY IMPACT / CONSULTATION PROPOSALS	

CHARGING WORKSTREAM

Appendix 2 Part 2

Directorate

CHCP

Name of Charge

Please complete template for either 1a or 1b. Please complete all areas shaded green.  
Please note all areas shaded grey contain a formula.

1a POTENTIAL NEW CHARGE

Description of the charge	Proposed £ value per unit	Annual Units	£ annual income	% drop off	£ annual income	Highest £ unit	Lowest £ unit
			-		-		

1b REVIEW EXISTING CHARGE

Description of the charge	Current £ value per unit	Annual Units	£ annual income	Proposed £ value per unit	% increase	% drop off	Revised Annual Units	£ annual income	£ increase /(decrease)	Highest £ unit	Lowest £ unit
			0		0%		0	0	0		

Benchmark data against agreed group.

	£ unit	Year
1 Renfrewshire		
2 East Renfrewshire		
3 North Ayrshire		
4 East Ayrshire		
5 West Dunbartonshire		
6 Glasgow		
Other (per any family groups etc.)		
7		
8		
9		
10		
11		
12		

Notes to Benchmarking comparisons

1

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12

No	Council Action	Responsible Officer	Implementation by
1	<p>Develop a corporate policy for fees and charges, including concessions and waivers, to be approved by Policy &amp; Resources Committee</p> <p>This will include:</p> <ul style="list-style-type: none"> <li>• service specific requirements including links to passported benefits and assessments on ability to pay</li> <li>• review of process for writing off of debts</li> </ul>	CHCP Finance Manager and Corporate Charging Group	<p>February 2015 (Report to P&amp;R)</p> <p>May 2015. Rollout to DMT's</p>
2	<p>Develop protocol for review of corporate policy and associated charges to be incorporated as element of annual budget review</p> <p>This will include:</p> <ul style="list-style-type: none"> <li>• annual benchmarking review of charges</li> <li>• review of inflation uplift factors</li> </ul>	CHCP Finance Manager and Corporate Charging Group	<p>February 2015 (Report to P&amp;R)</p> <p>Complete</p>
3	<p>Develop unit cost management information to inform appropriate level of charging are set.</p> <p>This will include:</p> <ul style="list-style-type: none"> <li>• a pro form for standardised approach</li> <li>• protocol for annual review</li> </ul>	CHCP Finance Manager (lead) , Finance Managers as required	Implemented as part of the 2015/17 budget and to be part of the annual budget exercise.
4	Recommend charges as part of the 2015/16 Workstreams exercise	Chief Financial Officer	<p>November 2014</p> <p>Complete</p>

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Corporate Director ICHCP</b>	<b>Report No:</b>	<b>CHCP/28 /2015</b>
<b>Contact Officer:</b>	<b>Dean Robinson Information Governance Officer</b>	<b>Contact No:</b>	<b>01475 712136</b>
<b>Subject:</b>	<b>INFORMATION GOVERNANCE AND MANAGEMENT UPDATE</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update Committee on the current position with the Information Governance and Management Framework.

## 2.0 SUMMARY

- 2.1 Since we last reported to Committee the following elements of the Information Governance and Management Framework have been progressed:

- Moving forward the Information Governance and Management Framework.
- Testing our readiness to submit our Records Management Plan under the Public Records (Scotland) Act 2011 (PR(S)A)
- Developing and implementing a programme of staff awareness and training.
- Information management sub-groups driving forward activities on behalf of the Information Governance Steering Group.

- 2.3 The IGSG key actions are to develop the Inverclyde Council (and Licensing Board) Records Management Plan under the Public Records (Scotland) Act 2011, and continuing momentum on implementing the Information Governance and Management Framework.

- 2.4 Organisational changes have already taken place to regain this momentum. These include:

- Information management sub-groups
- Policy frameworks being reviewed and developed
- Programme of training, awareness, education and communication
- Development of an Information Asset Register to identify Information Asset Owners
- Information Sharing reviews
- Awareness of the PR(S)A
- Privacy Notice
- Data Protection seminars
- Training for mobile workers
- Roll-out of CIVICA EDM

- 2.5 We are now preparing to submit our Records Management Plan by 30 June 2015. A key aspect of the timetable for submission will be to maintain this momentum.

- 2.6 Information management sub-groups have been focusing on specific issues of high importance to the Council, bringing together representation from across the organisation. These groups have been driving forward the agenda in their specific areas and coordinate activities on behalf

of the IGSG.

2.7 The following policies have been developed to provide clear statements of purpose, approaches to work and methods of application, taking into account relevant legislation:

- Records Management Policy
- Information Sharing Protocol

The main objectives of these policies are to lay down principles, identify responsibilities and ensure workable processes are in place to give guidance, aid understanding, encourage consistency and promote best practice amongst Inverclyde Council employees in order to deliver quality services within the Information Governance and Management Framework.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note progress and momentum regained on the Information Governance and Management Framework.
- 3.2 That the Committee note that Inverclyde Council and Inverclyde Licensing Board will submit its Records Management Plan by 30 June 2015
- 3.3 That the Committee agree that a progress report is submitted to the Policy & Resources Committee later in the year.

**Brian Moore**  
**Corporate Director ICHCP**

## 4.0 BACKGROUND

- 4.1 The Information and Governance and Management Framework endorses a programme of activities which need to take place to ensure we have the appropriate controls in place to protect the information we hold and manage.
- 4.2 The IGSG identified the need for dedicated expertise to drive this work forward, and CMT authorised the recruitment of an Information Governance Officer (IGO). Since the IGO came into post in July 2013, it has allowed the capacity for robust scoping of the tasks that need to be undertaken, as well as considerable liaison with other local authorities that are either at similar or more advanced stages of the work programme.
- 4.3 This background work has been reviewed by the Information Governance Steering Group and has been used to evaluate our progress to date and identify milestones where actions have taken place. These include:
- Information governance and management responsibilities specified in job description, or in terms of conditions of employment including a confidentiality clause.
  - Security awareness is being promoted using awareness raising materials such as brochures, posters, web based documents, training programmes and computer based training.
  - External third parties who need access to the Council's information and systems are required to sign confidentiality agreements.
- 4.4 There is still some further action is required to comply with outstanding Audit Committee requirements, as well as supporting evidence for the Records Management Plan. These are:
- Development and implementation an information asset register in conjunction with the information classification scheme.
  - Processes to be developed and implemented to strengthen control over information governance and management. This should include:
    - Identifying owners for critical information and systems.
    - Ensure that information asset owners are aware of their duties and responsibilities.
    - A preferred solution for archiving facilities for records that must be retained in accordance with relevant legislation.
- 4.5 The IGSG Action Plan 2014/15 sets out the key actions required to help achieve reasonable assurance in information governance and also develop our Records Management Plan. Its key actions have already been identified below, and some of these are already being progressed.
- To prepare and submit a Records Management Plan under the Public Records (Scotland) Act 2011 to the Keeper of Records Scotland (the Keeper) by 30 June 2015.
  - Collate evidence to support the RMP, and devise a systematic method for on-going evidence capture.
  - Identify Information Asset Owners (IAOs) and train them appropriately.
  - Develop a Corporate Information Asset Register.
  - Undertake an initial audit of existing policies, standards, guidelines and tools.
  - Review our information sharing arrangements in accordance with the Information Commissioner's Data Sharing Code of Practice and the Data Protection Act 1998
  - Delivery and monitoring take up of mandatory Information Governance training and awareness raising for staff across the Council and CHCP.
  - Ensuring that EDRM work is harmonised with the requirements of our RMP.
  - Develop a monitoring framework to oversee compliance with the RMP, Information

Sharing Protocol, PSN Accreditation requirements and associated policies.

#### 4.6 Public Records (Scotland) Act 2011 Inverclyde Council (and Licensing Board) Records Management Plan

The Public Records (Scotland) Act 2011 requires each local authority to prepare and implement a records management plan (RMP) which must set out proper arrangements for the management of its records. A plan must clearly describe the way the authority cares for its records that it creates, whilst carrying out its business activities.

The Keeper of Records Scotland invited Inverclyde Council and Inverclyde Licensing Board to submit their plan no later than 30 June 2015. On receipt of our RMP an assessment process will begin after which a report will be submitted indicating whether the plan is agreed with or returned. The IGO is the Keeper's 'Key Contact' designated as having responsibility for submission of the plan.

In assessing our state or readiness, changes have already taken place including;

- Assessing our current records management provision.
- Evidencing our progress to date.
- Associated RMP workstreams being carried out by the information management groups.
- Communication awareness raising.
- Identifying a preferred solution storage of our records.

#### 4.7 Information Management Working Groups

To facilitate the Steering Group's actions, and development of the RMP; information management sub-groups are now established.

- Records Management Working Group (including EDRM)
- Information Sharing Working Group
- Training Awareness and Communication Working Group
- Freedom of Information Working Group

The IGO has actively been arranging and coordinating meetings for all the groups to meet regularly and produces action plans for each which is fed back to the Steering Group.

#### 4.8 Records Management Working Group

In view of our current state of storage and requirements for the Records Management Plan, the group recognises the need to increase staff awareness to records management and develop a culture within the Council where services must adopt corporate approaches to records management. This will include good records house-keeping, archiving and destruction, filing and folder structures on network drives and designated staff responsible for day to day records management.

The group's priorities remain:-

- Secure archiving facilities for appropriate hard copy records that must be retained accordance with retention legislation  
The PR(S)A specifically requires a RMP to detail its archiving and transfer arrangements and ensure records of enduring value are deposited in an appropriate archive repository. In consideration of the reduction of physical storage space, cost saving commitments and modernisation, the Council is moving towards electronic storage of documents. Justification for not using electronic storage must be considered but there will still remain a hard core of documents that will need long-term storage accommodation under retention legislation.



An options appraisal is being carried out to identify indicative costs and a provision for long term storage in existing Council owned premises for our semi-current and permanent records. Greenock Municipal Buildings basement (GMB) remains the preferred option and an assessment is being undertaken to identify what area can be utilised. The Council also has a number of secure storage facilities that can be made suitable for our more permanent and archived records. It is envisaged that paper archives will reduce over time in line with retention schedules, so a work plan will be put in place to actively managed our existing records and reduce the current volume of our existing paper records.

- Identifying owners of critical information systems

An information asset register (IAR) is being developed in conjunction with the information classification scheme. The IAR is an important mechanism for understanding and managing our information assets and the risks to them, as well as identifying owners of the information asset. Services have already started populating their registers with information assets as well as vital documentation and critical computer systems. IARs require continuous maintenance and updating before they can be considered “finished”. The IGO is leading this piece of work and will see that there are processes in place for Information Asset Owners to update and ensure there are controls over our information assets.

- Records Management Policy

A new Inverclyde Council Records Management Policy has been developed. Records management policies demonstrate commitment to effective management of records. It will:-

- Demonstrate to employees that managing records is important to the Council
- Provides a statement of intentions that underpins a records management programme.
- Serves as a mandate for activities for designated records management contacts.
- Provides a framework for supporting documents such as the retention and destruction policy.

- Records Management Manual

A manual for staff is being developed which will provide more detailed guidance on how to implement best practice with regard to records management.

- Information Classification Policy

The policy is being updated to reflect the Government's new protective marking classifications. The changes will be detailed in a separate report to Committee in May 2015 together with an implementation plan.

- Policy for the Retention and Disposal of Documents and Records Paper and Electronic

The existing retention schedule was last updated May 2012 and is undergoing a review. Service contacts are being requested to review the existing retention periods. A report on the changes and its implementation will be reported to Committee in May 2015.

- Electronic Document Records Management System (EDRMS)

CIVICA EDMS, an electronic records system has been rolled out in CHCP establishments: Children & Families & Criminal Justice staff Princes Street, Hector McNeil House and Home care staff at Wellpark, ICIL, Hillend and Greenock Health Centre.

Benefits are already being delivered via the rollout of CIVICA EDMS including:

- Reduction in the amount of hard copy records requiring to be archived and availability of space for large volumes of paper file storage
- Modern and efficient services.
- Compliance with data security policies.

- Reduced use of paper and other printing resources contributing to “green” ambitions as well as cost saving commitments.

The council are still exploring EDM as a long-term solution for its record storage and the HR function will next be piloted.

#### 4.9 Information Sharing Working Group

The group has been reviewing our existing information sharing arrangements and have carried out mapping pilots across services. The pilots have been found to be very useful in helping to identify our current risks with information sharing, identifying gaps, how we share personal and sensitive information and what security controls we should have in place.

The development of an Information Sharing Protocol remains priority. We will be consulting with partners including the Police, River Clyde Homes, Fire Service, NHSGGC and the Scottish Prison Service to engage their views on the Protocol with a view to them signing up to it.

An invitation will be drafted for our partners to attend a workshop on 15 April 2015 which will set out the aims and objectives of the workshop as well as feedback from the information sharing review. The workshop will also include Council colleagues who have been involved in drafting the Protocol.

To strengthen our evidence to comply with the Data Protection element, a public facing privacy statement has been produced and is on our website. The privacy notice tells people what we are going to do with their information, as well as their right to access information from the Council.

#### 4.10 Training, Awareness and Communication Working Group

Mandatory information governance training has been developed for all existing staff. The following 3 modules have been developed as e-learning on brightwave.

1. Information Governance – An introduction
2. Information Security
3. Records Management

All staff who have access to a pc will be required to complete the training and include them in personal development plans. Monitoring of the uptake of the training will be carried out corporately. Line managers with staff who do not have access to a pc will be required to provide them with basic information security awareness with a corresponding leaflet. All training and awareness must be completed during 2015/16. New induction procedures and a welcome pack are being developed for new starters.

Training and Development staff have been attending SMT meetings to promote training including the mandatory training via the new training matrix.

The Training Hub at Princes Street provides modern attractive facilities to ensure further training can be carried out to suit needs.

Key messages on information security are being sent to all staff on email and ICON. These are focused on topics to keep awareness alive and to remind everyone that the threats to our information security are real.

Data Protection seminars have been facilitated by Legal Services and more are planned for 2015.

#### 4.11 Freedom of Information Working Group

The group provides a forum for designated representatives to share good practice and any improvements required. The group's key action will be refresher training for existing reps, awareness training for all staff and a submitting a performance report on FOI requests received for the period 1 January 2014 – 31 December 2014.

#### 4.12 PSN Accreditation

The Council was awarded its PSN Compliance for 2014-15, effective from 28<sup>th</sup> November 2014.

### **6.0 IMPLICATIONS**

#### **Finance**

- 6.1 None identified as yet, however there may be a need to purchase external training and awareness. Any cost will be identified in a separate report

#### **Legal**

- 6.2 The recommendations made in this progress report will ensure the Councils processes are in line with legislative requirements, including the Data Protection Act 1998, and the Public Records (Scotland) Act 2011.

#### **Human Resources**

- 6.3 The Information Governance and Management Framework will place responsibilities on staff following review of the Code of Conduct in compliance with information governance, data protection and IT security responsibilities.

#### **Equalities**

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

#### **Repopulation**

- 6.5 There are no direct repopulation implications arising from this report

### **7.0 CONSULTATIONS**

- 7.1 Consultation took place with the Information Governance Steering Group.

### **8.0 LIST OF BACKGROUND PAPERS**

- 9.1 Information Governance and Management Report to Policy & Resources Committee 4 February 2014

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Patricia Cassidy Corporate Director, Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/127/15/PC/WB</b>
<b>Contact Officer:</b>	<b>Elsa Hamilton</b>	<b>Contact No:</b>	<b>01475 712824</b>
<b>Subject:</b>	<b>Equality Mainstreaming Report and Progress Against Equality Outcomes</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present a summary of the statutory reporting requirements that Inverclyde Council under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

The combined reports are in excess of 60 pages and therefore the information presented here is an executive summary of the contents within these reports. In accordance with the legal requirements of the above Regulations, the contents of the full report are required to be published on the Council's website by 30<sup>th</sup> April 2015.

## 2.0 SUMMARY

### 2.1 Reporting Requirements

Inverclyde Council is statutorily obligated to publish the following reports by 30<sup>th</sup> April 2015:

- Equalities Mainstreaming Report
- Progress against Equality Outcomes
- Education Mainstreaming Report
- Progress Against Equality Outcomes
- Employee demographics
- Equal Pay Statement

### 2.1 Equality Outcomes

Inverclyde Council published 19 Equality Outcomes in April 2013 and which are aligned to its strategic objectives. There has been progress made against the majority of these outcomes which evidences the genuine mainstreaming of equality and diversity within the organisation. However, there is also some slight slippage for a few outcomes and one outcome in particular relating to accessibility in the McLean Museum and Watt Library has not been progressed to date as a result of being unable to obtain the external funding required for this project. One outcome relating to gender based violence has been significantly revised due to the development of new national initiatives and also to reflect reviewed actions and performance measures.

## 2.2 Workforce Profile

Inverclyde Council has reduced its workforce since the last employee profile was produced in 2013. The information presented relates to employee information for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014. Due to a greater willingness to disclose personal information, this year's employee demographics show the following:

- Headcount has dropped from 4051 during 2012/13 to 3783 employees in 2013/14. These figures are based upon unique individuals rather than the number of posts within the Council. As some employees may be multiple post-holders the information relating to them has only been counted once.
- Female workers are still the majority (Females = 73.88%; Males = 26.12%).
- There has been close to an 8% increase in leavers aged between 21 to 29.
- Due to the reduction in overall headcount and increase in relatively younger employees there is a slight trend towards an older workforce.
- We are also attracting proportionately more applications from older people (>50 years).
- Overall, there are fewer 'Blank' or 'Prefer Not To Answer' responses for most protected characteristics. This is a positive step as the Council will have more details of the composition of its employees.
- There has been a slight increase in the proportion of disabled people appointed to jobs (+0.22%).
- The percentage of females and males appointed to roles is similar to 2012/13.
- Due to the increased use in e-learning modules there has been significantly more training reported compared with 2012. However, the average number of courses undertaken by men (11.35) is significantly greater than the average number undertaken by women (7.90). This may be as a result of a greater proportion of women being in part-time positions.
- With regards to ethnicity the Council is still overwhelmingly White Scottish. The next largest ethnic group is White Irish. For all staff who have declared a non-white ethnicity this figure has dropped from 1.21% in 2012 to 0.41% in 2014.
- The percentage of staff who did not positively declare their ethnicity has dropped from 33.62% in 2012 to 25.62% in 2014.
- The percentage of non-white applicants for positions within the Council has dropped from 2.17% in 2012 to 1.80% in 2014. The success rate for non-white applicants in being appointed to a job with the Council has fallen from 1.91% in 2012 to 0.93% in 2014.
- 28.34% of staff have caring responsibilities, 33.86% of staff have positively declared that they have no caring responsibilities, and 37.8% declined to tell us whether they have caring responsibilities or not.

## 2.3 Equal Pay

The provisional gender pay gap is 9.5%. This figure does not represent the overall pay gap and work is currently being undertaken with Human Resources to ensure that all elements of contractual pay and benefits are included in the final calculation.

Job grades have been broken down by gender to determine if there is possible pay segregation by grade.

Appendices 3 and 4 list all job roles where there are more than 10 staff employed and where one gender makes up more than 70% of staff have been listed to assist in potentially identifying occupational segregation.

### **3.0 Risk Analysis**

- 3.1 The main risk that the Council faces is if staff do not have the capability to effectively mainstream equality and diversity within their everyday practices. This may be a result of a lack of awareness of equality and diversity which may inadvertently lead to claims of discrimination. Such claims will carry associated legal, financial and reputational risks to the Council. Other risks may include the Council being unprepared to manage potential changes to legislative compliance, not being regarded as an employer of choice, and also Inverclyde being negatively perceived as an area.
- 3.2 To ensure that risks are properly mitigated it is recommended that the following activities are continued:
- The delivery of equality and diversity training for staff should be continued together with recognition that in-depth training is required for specific roles.
  - Inverclyde Council should continue effective consultation and communication with its diverse communities to ensure that their needs are being considered in the decision-making process.
  - Equality impact assessments are conducted in a timeous manner and using evidence to ensure that decisions treat minority communities in a fair manner.
  - Effective monitoring and analysis of workforce information.

### **4.0 RECOMMENDATIONS**

- 4.1 The Policy & Resources Committee is requested to consider this paper and commend for publication.

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

## Appendix 1: Progress Against Equality Outcomes

Equality Outcome	Progress
Through an increase in third party reporting facilities, people with protected characteristics feel safer within their communities and levels of hate crime are reduced.	<ul style="list-style-type: none"> <li>• Over 60 staff trained from a range of departments in third party reporting methods.</li> <li>• Regular reports show reports and incidences of hate crimes within Inverclyde.</li> <li>• Low levels of current reporting may be indicative of a lack of public awareness rather than an accurate reflection of crime levels.</li> <li>• Need to promote awareness of hate crimes amongst minority communities within Inverclyde.</li> </ul>
Council employees and elected members are able to respond confidently and appropriately to the needs of Service users and colleagues who have protected characteristics.	<ul style="list-style-type: none"> <li>• Council currently has several equality and diversity e-learning modules covering both general equalities and specific protected characteristics.</li> <li>• Hate Crime training covers discrimination against specific protected characteristic groups.</li> <li>• Equality Impact Assessment training also covers the different needs of specific groups</li> </ul>
Increased targeted engagement with Inverclyde's children, citizens and communities who have protected characteristics.	<ul style="list-style-type: none"> <li>• Establishment of Equalities Officer post in 2013</li> <li>• Engagement strategy for relevant groups developed</li> <li>• Where community demographics can't facilitate a requirement for a local group then regional or national groups have been contacted.</li> <li>• Development of proposals for an Inverclyde-wide equality forum where representatives of public bodies and local community groups can meet together</li> </ul>
All services consistently gather and analyse information on their Service users by protected characteristics, where appropriate, which is used to inform Improvement Planning.	<ul style="list-style-type: none"> <li>• All services are engaging with their Service users regarding feedback in which to improve services</li> <li>• Recently, two major engagement activities took place involving the Citizen's Panel and the Council's budget simulator. Both of these activities asked respondents for details regarding their age, gender, ethnicity, employment status, caring responsibilities, and any long-term impairments that they may have.</li> <li>• Education services have demographic information relating to pupils</li> <li>• Customer Service staff use their new Customer Relationship Management software to enquire and include any known protected characteristics.</li> </ul>

Equality Outcome	Progress
<p>All staff within CHCP have a greater awareness of the needs of groups with protected characteristics.</p>	<ul style="list-style-type: none"> <li>• All staff through regular support and supervision sessions have the opportunity to explore the needs of groups with protected characteristics. The e-KSF (Key Skills Framework) process requires individuals to provide evidence of their learning in relation to the equalities agenda and this is also raised through the Council's appraisal system.</li> <li>• Access to achieving and maintaining greater awareness for staff is supported by managers through Learn Pro, the NHS online e-learning module training system and e-learning modules available internally through the Council. Face to face training is also available through opportunities within the CHCP.</li> <li>• Staff also have the opportunity to raise and discuss any issues pertaining to equality and diversity by contacting their directorate's representative on the Corporate Equality Group or by directly contacting the Council's Equality Officer.</li> <li>• Staff who are involved in undertaking equality impact assessments have received specific training for this purpose which also included materials on how to engage with groups in order to understand their needs more effectively.</li> <li>• There is regular partnership working with the third sector which has helped to gain useful feedback regarding the needs of protected characteristic groups.</li> </ul>
<p>Narrow the health inequalities gap through clearly defined programmes of action by our Services and in conjunction with our partners.</p>	<ul style="list-style-type: none"> <li>• An initiative with NHS24, Inverclyde Council on Disability and NHS Greater Glasgow and Clyde to supply members of the deaf community with appropriate laptops and software that will allow them to communicate via a web based interpreting service when attending appointments.</li> <li>• There are HEAT targets for three main cancers, cervical (80% of the population to be screened), bowel (60% of the population), and breast (70% of population). The purpose of this screening is to detect cancer as early as possible. Overall uptake of cancer screening is improving within Inverclyde, however this does not apply to all groups, e.g. men are less likely to carry out bowel screening, younger women are less likely to carry out cervical screening, and those from lower SIMD areas are less likely to uptake all screening.</li> <li>• Work is currently underway to identify methods to improve the uptake of stopping smoking services. This includes changes to the service model from fixed groups to rolling groups, supporting those who want to cut down to stop smoking, supporting those who are using e-cigarettes, and ensuring that the wider social determinants of health are addressed, for example financial support, stress management, and employability.</li> <li>• Within Inverclyde we are currently identifying our local assets who might be able to increase awareness of stop smoking services. Providing a service within areas where smoking prevalence may be higher and within areas of deprivation.</li> <li>• We are currently drafting an Inverclyde Tobacco Strategy which will involve including an equality impact assessment to ensure that we identify the issues that will have the most impact on different groups.</li> </ul>



Equality Outcome	Progress
	<ul style="list-style-type: none"> <li>• In order to fully achieve the delivery of this outcome we will need to ensure that there is consistent ongoing awareness regarding health inequalities across all partners. There is a local cancer implementation group which includes and involves local partner organisations.</li> <li>• One partner, Your Voice, has engaged with local people to identify reasons for not screening. We will use this information to locally identify ways to potentially increase uptake.</li> <li>• We are also working with Cancer Research UK to identify GP practices who are not achieving the HEAT target and discuss how to improve uptake.</li> </ul>
<p>Reduced discrimination is faced by Lesbian, Gay, Bisexual and Transgender people, sensory impaired people and people with learning disabilities in our Services.</p>	<ul style="list-style-type: none"> <li>• When undertaking new pieces of work it is important to consider the discrimination that is faced by Lesbian, Gay, Bisexual and Transgender (LGBT) people, and also people who have sensory or learning impairments. It is only once discrimination is understood that actions can be undertaken to minimise or eradicate such practices. Therefore, it is explicit within the work plans of the health improvement services what roles that it will undertake to support local communities and partners in order to help them understand the impact of discrimination on protected characteristic groups.</li> <li>• There are a variety of forums and meetings where there is the opportunity to influence service providers and make improvements.</li> <li>• The progress on this outcome is made on an incremental basis. The purpose is to assess the position when new services are being developed or changes made to current provision in partnership with others to ensure reduced discrimination.</li> <li>• In order to increase staff knowledge of the impact of discrimination they have access to training, equalities websites, and policy documentation. For example, managers have access to the NHS Transgender Policy and ensure that staff are familiar with this as well as other relevant policies for this outcome.</li> <li>• Inverclyde has a Sexual Health Local Implementation Group which is chaired by the Director of Education, Communities and Organisational Development. A range of partners are involved in this group and issues related to the LGBT community are raised.</li> </ul>
<p>Information on how different groups access and benefit from our Services is more routinely available and informs service planning.</p>	<ul style="list-style-type: none"> <li>• Staff are aware that they have a responsibility to produce accessible information for the public. The NHS Greater Glasgow and Clyde AIP policy was promoted through a variety of methods and a step-by-step guidance document was sent to staff with a link to the Equalities in Health Website which offers further information and tools to assist staff with the planning and writing of information. Staff forward any information for the public to the AIP lead for quality checking prior to publishing to ensure that it meets AIP guidelines.</li> <li>• Alternative formats are available upon request, If staff are asked for an alternative format then they are aware of the process in order for this request to be actioned.</li> <li>• There has recently been the development of a standard checklist to support staff in assessing whether draft documentation is compliant with internal accessibility standards.</li> </ul>

Equality Outcome	Progress
	<p>The use of this checklist to audit documents in this way will also ensure that we are complying with equalities legislation as well as established good practice.</p>
<p>Services for women affected by domestic abuse are tailored to their needs and intervention focused on family centred approaches.</p>	<ul style="list-style-type: none"> <li>• Proposal to change this outcome to “Our aim is to prevent and eradicate violence against women and girls, making Inverclyde a place where all individuals are equally safe and respected and all women and girls live free from such abuse and the attitudes that perpetrated it”</li> <li>• A new action plan has been drafted for 2014-2015 together with performance measures that will be used to achieve this outcome.</li> <li>• A suggested performance indicator has been included in this action plan: “Women and girls feel safe, respected and equal in our communities”</li> </ul>
<p>The Council has up-to-date data regarding the protected characteristics of employees.</p>	<ul style="list-style-type: none"> <li>• Biennial questionnaire asks staff to update their protected characteristic details.</li> <li>• Available as an online questionnaire from 2014.</li> <li>• Paper copies are available and are sent direct to HR for reasons of confidentiality.</li> <li>• Questions regarding sexual orientation, religion and transgender status are now being included in the employee profile.</li> </ul>
<p>Craft workers are assimilated in single status terms and conditions for Local Government Employees.</p>	<ul style="list-style-type: none"> <li>• All Craft workers have now been assimilated into Local Government Employee terms and conditions</li> </ul>
<p>Employees have access to leadership development and training opportunities through the Council’s workforce development and planning process.</p>	<ul style="list-style-type: none"> <li>• All staff are able to partake in leadership development and training opportunities</li> <li>• As part of the Performance Appraisal process, learning opportunities are discussed and agreed between the employee and their line manager</li> <li>• Learning can take place either through e-learning modules or by attendance at classroom-based training sessions</li> <li>• Staff are also eligible to undertake development through the online Access 2 Learning run by the Improvement Service which includes specific modules for managers.</li> <li>• More men than women are making use of learning and development opportunities. The average number of e-learning courses completed by men is 11.35 as opposed to 7.90 courses by women.</li> </ul>
<p>People with disabilities get the support to access the technology that they need no matter which library they use.</p>	<ul style="list-style-type: none"> <li>• There are 7 public libraries within Inverclyde which now have adaptive and assistive technology available in each branch.</li> <li>• To track progress against this objective the numbers of people using assistive technologies will be recorded and monitored in each library.</li> </ul>
<p>Library and museum staff feel they have increased capacity to respond more confidently</p>	<ul style="list-style-type: none"> <li>• Following consultations with both customers and library staff a programme of equalities training has been planned over a three year period commencing from March 2015.</li> </ul>

Equality Outcome	Progress																								
to the needs of all customers, in particular those with protected characteristics.	<ul style="list-style-type: none"><li>Equalities training in the libraries will initially be delivered through the use of the Council's online e-learning packages which will then be followed and supported by classroom based learning opportunities that focus on specific equalities issues.</li></ul>																								
The McLean Museum and Watt Library are fully accessible to people with disabilities, and have been designed with disabled users' needs in mind.	<ul style="list-style-type: none"><li>This outcome has been suspended as this project was dependent on external funding which the Council has been unable to source.</li><li>Future funding opportunities are being researched in order to progress this outcome in the future.</li></ul>																								
Council buildings do not have any barriers to access and better meet the needs of citizens.	<ul style="list-style-type: none"><li>Just under half (41%) of all respondents to the Citizen's Panel said that they have visited the main Council buildings within the last 12 months. This rose to 45% among respondents living in the worst 15% of datazones and dropped to 38% within the rest of Inverclyde.</li><li>Among these respondents that stated they had visited the main Council buildings, 88% said that it was either fairly or very easy to access them. This rose to 93% among respondents in the worst 15% of datazones.</li><li>How easy did you find it to access the Council buildings?</li></ul> <table><tr><td></td><td>Total</td><td>Worst 15% of Datazones</td><td>Rest of Inverclyde</td></tr><tr><td>Very easy</td><td>56%</td><td>63%</td><td>53%</td></tr><tr><td>Fairly easy</td><td>32%</td><td>30%</td><td>32%</td></tr><tr><td>Neither/Nor</td><td>5%</td><td>2%</td><td>6%</td></tr><tr><td>Fairly difficult</td><td>3%</td><td>0%</td><td>4%</td></tr><tr><td>Very difficult</td><td>4%</td><td>5%</td><td>4%</td></tr></table>		Total	Worst 15% of Datazones	Rest of Inverclyde	Very easy	56%	63%	53%	Fairly easy	32%	30%	32%	Neither/Nor	5%	2%	6%	Fairly difficult	3%	0%	4%	Very difficult	4%	5%	4%
	Total	Worst 15% of Datazones	Rest of Inverclyde																						
Very easy	56%	63%	53%																						
Fairly easy	32%	30%	32%																						
Neither/Nor	5%	2%	6%																						
Fairly difficult	3%	0%	4%																						
Very difficult	4%	5%	4%																						
The conditions of roads and pavements do not prevent older people and those with mobility impairment from accessing shops, services and transport.	<ul style="list-style-type: none"><li>The condition of roads are included as a Local Government Benchmarking Framework indicator and reported as part of the Council's Environment, Regeneration and Resources Performance Report</li><li>Street lighting repairs within 7 days are currently at 100% as is the target of road traffic lights repaired within 48 hours</li></ul>																								
The Customer Service Centre is able to offer a range of communication options which meet the needs of people with protected characteristics.	<ul style="list-style-type: none"><li>Full range of translation and interpretation services is available by contacting any one of four recommended services.</li><li>Guidance is available for staff on the Council's website regarding minimum requirements for people who may need documents available in alternative formats.</li><li>British Sign Language interpretation is available upon request. There is also a dedicated area of the Council's website which has information in BSL.</li><li>The Council also has access to Type Talk for hearing impaired users who contact us by telephone.</li><li>There has been a low uptake for such services. Whilst budgetary restraints will mean that</li></ul>																								

Equality Outcome	Progress
	documents in alternative formats will only be available upon request, it should be noted that perhaps more could be done to promote these services
Corporate Procurement will ensure that equality impact assessments are built into the tendering process as part of its commodity strategy.	<ul style="list-style-type: none"> <li>• An audit of procurement documentation has been conducted to ensure that equalities references are appropriate and to ensure that it is clear what is expected in terms of impact assessments.</li> <li>• Staff from Procurement have attended the Equality Impact Assessment Training. Staff who have still to attend this training can attend a future session</li> </ul>
All children and young people get the support that they need in relevant areas through the Staged Intervention and Assessment Process.	<ul style="list-style-type: none"> <li>• Every learner can require additional help and support, this support would be identified by teaching staff and addressed via various interventions.</li> <li>• All schools operate under the principles of GIRFEC and as such will nurture and support ALL children and young people</li> <li>• All schools follow the same procedures around staged intervention to ensure that the needs of all are met</li> <li>• Curriculum for Excellence (CfE) allows for curriculum flexibility to address individual learners' needs.</li> <li>• MCMC Team deliver Personal Learning Pathways to ensure the curriculum on offer meets the needs of the learner and supports the removal of post school barriers leading to positive destinations</li> <li>• Learning needs are often identified and discussed at school or cluster level meetings such as Learning Support Meetings, Transition Groups, School Cluster Meetings or curriculum development meetings</li> <li>• The introduction of a Literacy Hub</li> <li>• Various staff training / support initiatives</li> <li>• The creation of local provision (Lomond View) to support the most vulnerable learners who would have previously been educated out with the area</li> </ul>
All staff use equality guidance to promote equal opportunities, fairness, justice, good relations and positive attitudes to all members of their community.	<ul style="list-style-type: none"> <li>• All schools supplied with bespoke booklet on The Equality Act (2010) and what it means in practice</li> <li>• All schools reflect the Equality Guidance in their School Values and Mission Statements</li> <li>• Generally a greater understanding and awareness of Equality issues across education.</li> <li>• Health and Wellbeing indicators are "responsibility of all" and embedded across the 3 – 18 curriculum</li> <li>• School behaviour policies</li> <li>• Health and Wellbeing School Survey/Student Questionnaire</li> <li>• MCMC Team deliver Personal Learning Pathways to ensure the curriculum on offer meets the needs of the learner and supports the removal of post school barriers leading to positive destinations.</li> </ul>

Equality Outcome	Progress
<p>All school communities recognise and respect people of diverse age, race, faith, gender, sexual orientation, disability and ethnic culture.</p>	<ul style="list-style-type: none"> <li>• All schools have equalities in their school development plans</li> <li>• School Values and Mission/Vision statements reflect equality act</li> <li>• All schools issued with copies of The Equality Act (2010) General and Specific Duties – What it means for us ..... brochures</li> <li>• Staff training / Professional Learning opportunities for all</li> <li>• Health and Wellbeing covers many areas of Equalities and is the “responsibility of all”</li> <li>• Secondary School - Mentors Against Violence Programme MVP</li> <li>• Primary and Secondary Peer Support programmes</li> <li>• Differing models of PSE delivered across all secondary schools</li> <li>• Reduction in number of complaints relating to equality issue</li> <li>• Schools are Achieving or working towards Rights Respecting School Awards</li> <li>• Schools involved in International Education programmes such as our Malawi link programme, exploring and respecting other cultures and values</li> <li>• Social Enterprise Programmes – ethical business</li> <li>• Most schools engage in a number of charity projects often engaging the wider school community</li> </ul>

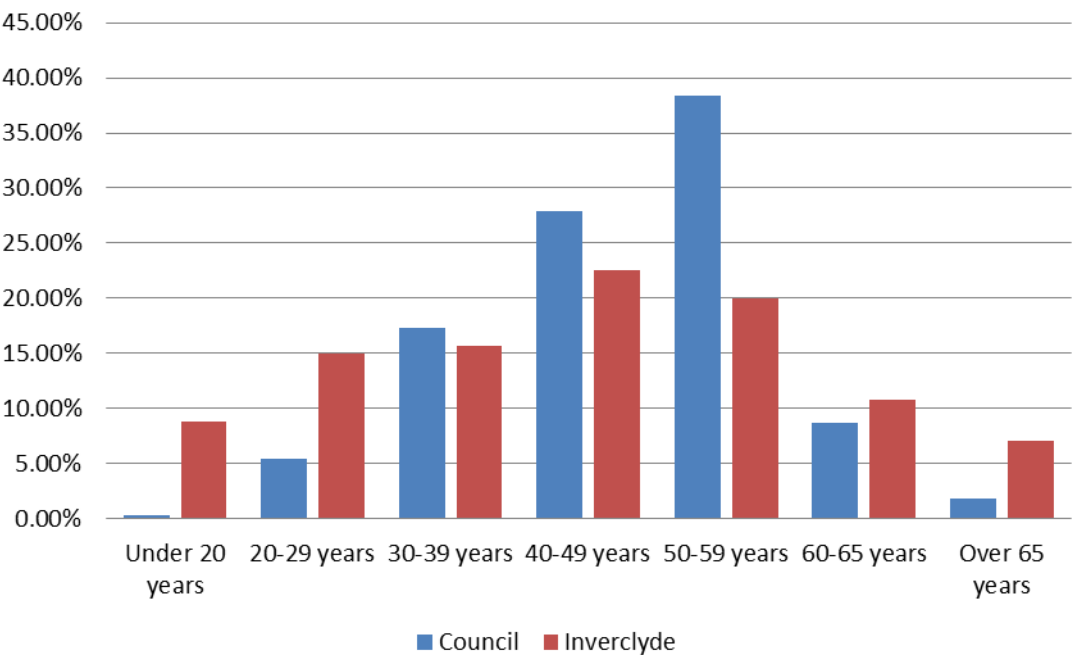
## Appendix 2: Roles which are female dominant (greater than 70% occupation)

Job Title	Female	Male	% Female	Headcount
Breakfast Club Assistant	15	0	100%	15
Catering Manager	26	0	100%	26
Facilities Keyholder (Cleaning)	11	0	100%	11
Library Assistant	20	0	100%	20
Senior Early Years Ed C/Care Officer	10	0	100%	10
Social Work Assistant	14	0	100%	14
Supervisory Assistant	12	0	100%	12
Catering Assistant	118	1	99%	119
Early Years Educ Child Care Officer	127	2	98%	129
ASN Auxiliary	127	4	97%	131
Classroom Assistant	73	2	97%	75
Facilities Assistant (Cleaning)	129	5	96%	134
Home Support Worker	310	12	96%	322
Depute Head Teacher Primary	18	1	95%	19
Learning Assistant Special Schools	39	2	95%	41
Basic Teacher Primary	235	14	94%	249
Clerical Assistant	164	11	94%	175
Facilities Supervisor (Cleaning)	30	2	94%	32
Homemaker	13	1	93%	14
Principal Teacher Primary	13	1	93%	14
Family Support Worker	10	1	91%	11
Learning Assistant	32	3	91%	35
Customer Service Representative	17	2	89%	19
Senior Clerical Assistant	69	9	88%	78
Senior Home Support Worker	23	3	88%	26
Admin Assistant	28	5	85%	33
Basic Teacher Special	28	5	85%	33
Head Teacher Primary	16	3	84%	19
Basic Teacher	10	2	83%	12
Social Support Worker	15	3	83%	18
Social Worker	65	14	82%	79
Social Worker Senior Practitioner	9	2	82%	11
Day Centre Officer	17	5	77%	22
Mobile Alarm Attendant	10	3	77%	13
Residential Worker (Nights)	8	3	73%	11
Senior Social Worker	8	3	73%	11
Benefits Assessor	10	4	71%	14
Occupational Therapy Assistant	7	3	70%	10

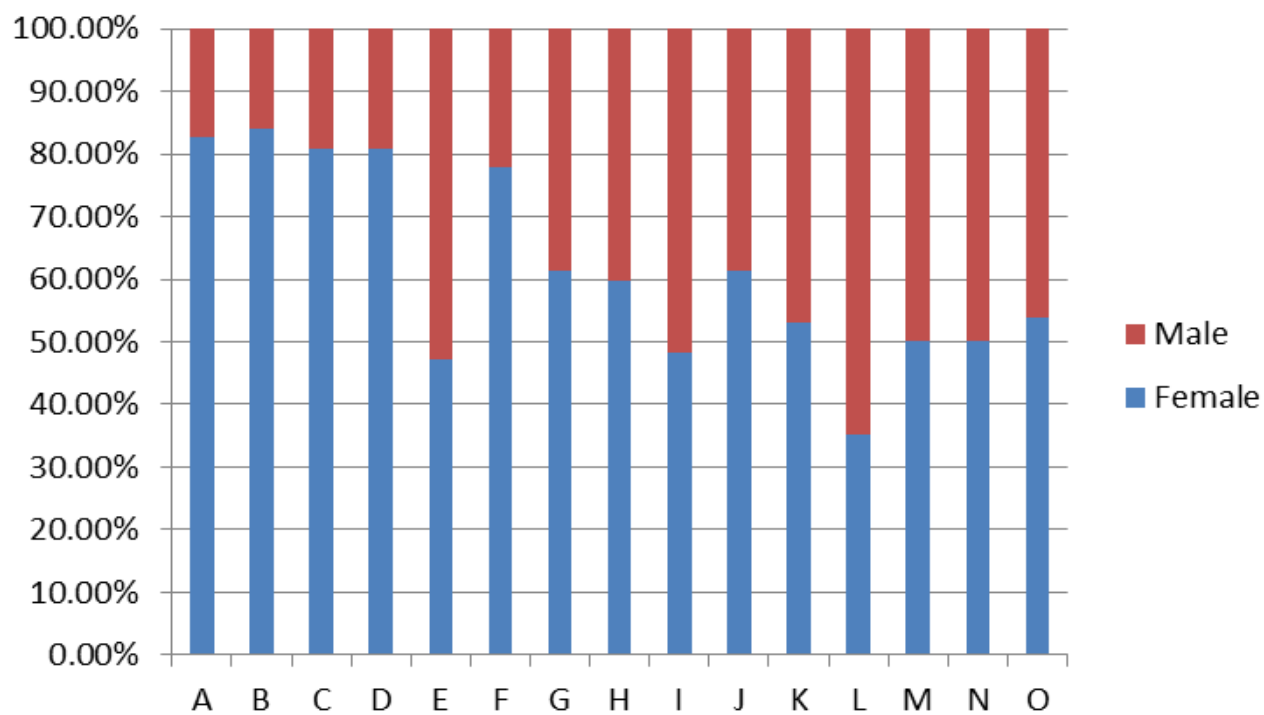
Appendix 3: Roles which are male dominant (greater than 70% occupation

Job Title	Female	Male	% Male	Headcount
Bus Driver	0	12	100%	12
Chargehand Gardener	0	17	100%	17
Chargehand Refuse Driver	0	15	100%	15
Gardener (Qualified)	0	12	100%	12
Gardener (Unqualified)	0	10	100%	10
Janitor	0	11	100%	11
Park Attendant	0	17	100%	17
Refuse Labourer	0	26	100%	26
Roadworker	0	17	100%	17
Street Sweeper	0	36	100%	36
Technician	0	11	100%	11
Sole Janitor	2	15	88%	17
Community Warden	3	20	87%	23

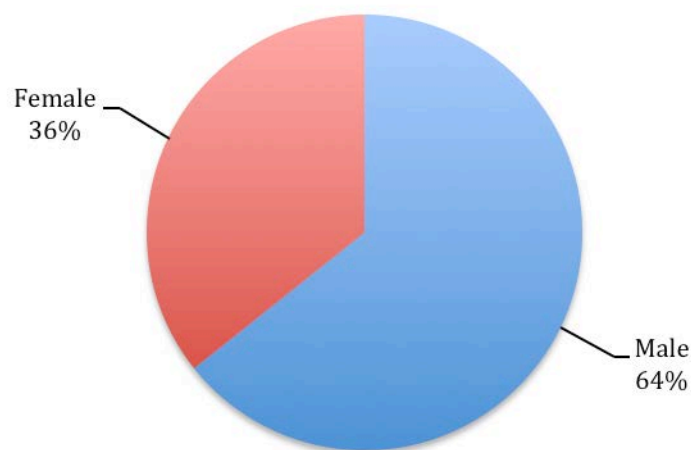
Appendix 4: Age Distribution. Council Employees and Local Population



**Appendix 5: Gender split by Grade for Local Government Employees**



**Appendix 6: Gender Split of Senior Managers**





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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Patricia Cassidy, Corporate Director, Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>PR/125/15/PC/MM</b>
<b>Contact Officer:</b>	<b>Miriam McKenna, Corporate Policy and Partnership Manager</b>	<b>Contact No:</b>	<b>01475 712042</b>
<b>Subject:</b>	<b>Audit Scotland Report: Community Planning - Turning ambition into action</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to summarise for the Policy and Resources Committee the Audit Scotland Report 'Community Planning – Turning ambition into action' which was published in November 2014.

## **2.0 SUMMARY**

- 2.1 In March 2012, the Scottish Government and the Convention of Scottish Local Authorities (COSLA) published a shared statement on their expectations for community planning (the Statement of Ambition). This new report provides a national update on community planning in Scotland since March 2013 (when Audit Scotland published 'Improving Community Planning in Scotland'). It assesses progress locally and nationally and identifies opportunities for further improvement. The assessment has been informed by the audits of Glasgow, Falkirk, Moray, West Lothian and the Orkney Islands Community Planning Partnerships, and follow up work in Aberdeen City, North Ayrshire and Scottish Borders.
- 2.2 The key messages set out in the report are:
- Community planning is improving but there are still inconsistencies in regard to leadership, scrutiny and challenge.
  - The National Community Planning Group needs to set out what its refocused approach to community planning means for the Statement of Ambition and what its expectations are of Community Planning Partnerships (CPPs).
  - The Scottish Government requires to clarify the link between its long term outcomes, priorities and performance measures across all policy areas.
  - There is ambiguity, both locally and nationally, about whether community planning should be focused on local needs or on delivering national priorities.
  - CPPs need to use local data to set targeted priorities for specific communities.
  - Targeting resources towards early intervention and prevention are still in the early stages across all CPPs.
  - CPPs do not have a clear idea of what a strategic approach to prevention looks like.
  - There is no coherent national framework to measure how CPPs are delivering on the Statement of Ambition and the Scottish Government do not hold central government bodies or the NHS to account for their performance within CPPs in a consistent way.
  - Scottish Government guidance is not clear enough about the role CPPs should play in the implementation of public service reform.
- 2.3 There are a number of recommendations set out in the report for CPPs, the National Community Planning Group, the Scottish Government with CoSLA and the Scottish Government. The recommendations for the National Community Planning Group, the Scottish Government and

CoSLA are set out in appendix one. The recommendations for CPPs are set out at paragraph 4.4 with a commentary on how Inverclyde Alliance is delivering on the recommendations at present.

- 2.4 A number of recommended actions to help Inverclyde Alliance improve on its delivery are set out in appendix two. These actions can be added to the Alliance Improvement Plan.

### **3.0 RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:

- a. Note the key messages and recommendations from Audit Scotland
- b. Agree to support the delivery of actions set out at appendix two

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

## 4.0 BACKGROUND

4.1 Audit Scotland published a report on 'Improving Community Planning in Scotland' in March 2013 and since then there have been significant national developments in regard to community planning in Scotland. This report explores those developments including the publication of the Statement of Ambition, the quality assurance of the SOAs, changes to the Community Justice Authorities, the Community Empowerment (Scotland) Bill and a letter from the National Community Planning Group to CPP chairs which emphasised the need to focus on collective activity to reduce inequalities.

4.2 The key messages set out in the report are:

- Since the publication of the Statement of Ambition, Audit Scotland believes that there is a strong sense of renewed energy nationally and locally to improving community planning. It believes that more partners are engaging in community planning, taking shared ownership of priorities and outcomes. Aspects of community planning are improving, although leadership, scrutiny and challenge are still inconsistent.
- The National Community Planning Group requires to set out what its refocused approach to community planning means for the Statement of Ambition, its expectations of Community Planning Partnerships (CPPs) and how success in implementing its key principles will be assessed.
- The Scottish Government needs to demonstrate a more systematic approach to implementing its outcomes approach by clarifying the links between longer term outcomes, priorities and performance measures across all policy areas.
- Many CPPs are unclear about what they are expected to achieve and do not set out specific improvements, lack focus on how community planning will improve outcomes for specific communities and reduce inequalities. This reflects wider ambiguity nationally and locally about whether community planning should be focussed on local needs or on delivering national priorities. Audit Scotland suggests that CPPs need to use local data to help set relevant, targeted priorities for improvement that will address inequalities within specific communities.
- There is a greater understanding across CPPs regarding partner resources, but discussions about targeting resources towards early intervention and prevention are still in the early stages. Audit Scotland point out that CPPs do not have a clear idea of what a strategic approach to prevention looks like. The current pace and scale of activity is leading to an improved focus on prevention but is unlikely to deliver the radical change called for in the Christie Commission report.
- At present there is no coherent national framework to measure how well CPPs are delivering on the Statement of Ambition and how CPPs are improving. The Scottish Government is not consistently holding central government bodies or the NHS to account for their performance within CPPs.
- Scottish Government guidance is not clear enough about the role CPPs should play in the implementation of public service reform. While some CPPs have good oversight of reform in their areas, engagement with such important aspects of reform such as health and social care integration, and the Early Years Collaborative is underdeveloped.

4.3 There are a number of recommendations set out for CPPs, the National Community Planning Group, the Scottish Government with CoSLA and the Scottish Government on its own. The recommendations for the National Community Planning Group, the Scottish Government and CoSLA are set out in appendix one.

#### 4.4 Community Planning Partnerships are recommended to:

- strengthen the effectiveness of the leadership, challenge and scrutiny role at CPP board level
- streamline local partnership working arrangements and ensure they are aligned with local improvement priorities
- ensure that local community planning arrangements are clear about who is responsible for:
  - agreeing the priorities of the CPP and SOA
  - allocating resources and coordinating activity
  - implementing activity
  - scrutinising performance and holding partners and others to account for their performance
- work with the new health and social care integration joint boards to develop services that meet the needs of local people and support SOA priorities
- set clearer improvement priorities focused on how they will add most value as a partnership, when updating their SOA
- use local data on the differing needs of their communities to set relevant, targeted priorities for improvement
- start to align and shift partners' resources toward agreed prevention and improvement priorities.

These recommendations sit alongside the recommendations from the Statement of Ambition for SOAs to :

- demonstrate a clear and evidence-based understanding of local needs and opportunities, including the inequalities facing different areas and population groups
- set out clear and agreed priorities for improving local outcomes
- demonstrate a commitment to working with local communities to help achieve outcomes
- promote early intervention and preventative approaches in reducing inequalities, including a specific plan for how to prevent them.

4.5 Inverclyde Alliance has agreed its Improvement Plan based on self-evaluation and has highlighted the need to improve its approach to leadership. There are outcome delivery reports which are submitted to each quarterly SOA Programme Board meeting and Alliance Board meeting, but the partnership could always develop its challenge and scrutiny role. Use has been made of presentations at meetings to discuss particular issues and topic areas and this has proved successful in regard to challenging partners in regards to delivery as well as scrutinising practice. Outcome delivery groups discuss performance in regard to delivery plans and focus on particular areas of concern or interest as these arise. It is unclear what level of scrutiny and challenge Audit Scotland expect to see evidence of.

4.6 The development of the Outcome Delivery Plans has aimed to identify what existing groups and partnerships feed into each outcome area, and this has assisted in ensuring these groups are aligned with local improvement priorities. The wide variety of areas covered across the outcomes can make this a challenging exercise, and we are working

to increase clear communication between groups and the Boards to ensure alignment.

- 4.7 The Alliance Memorandum of Understanding sets out what is expected of all the partnerships which support community planning and the delivery of the outcomes. The Alliance Board is responsible for agreeing the priorities of the CPP and SOA and the SOA Programme Board is the level at which activity is agreed. Additionally, it is clear within the partnership who is responsible for implementing activity in the outcome delivery groups. As mentioned above, there is quarterly performance reporting which enables the SOA Programme Board and Alliance Board to scrutinise the performance of the outcome delivery groups.
- 4.8 The CHCP and the future Health and Social Care Partnership (HSCP) are an integral part of the Community Planning Partnership with the CHCP leading on two of the outcome delivery groups (Health Inequalities and Alcohol Misuse). Presentations have been made to the Alliance Board regarding the new arrangements for the HSCP and it will remain a core member of the CPP.
- 4.9 When reviewing the SOA, Inverclyde Alliance made sure that the outcomes remained focused on the needs of the people of Inverclyde. The SOA is a strategic document and therefore has no specific detail regarding the activity which will be delivered in regards to the outcomes. This sits at the outcome delivery plan level. Each Lead Officer knows that their group should be focusing on how they will add most value as a partnership, and aims to develop actions where partnership working brings added value, rather than listing business as usual. The SOA Programme Board has agreed to take an in-depth look at each of the outcome delivery plans at each meeting to ensure that the plans are focusing on the right activity at the right level, to make a difference to Inverclyde's outcomes.
- 4.10 The work that is being undertaken by the Locality Planning Group and the data gathering underpinning this will assist the CPP to be better at targeting action to particular areas, particularly around addressing inequalities. A pilot in Broomhill should enable the partnership to develop an approach to pooling resources and co-ordinating planning to a neighbourhood area, which should be able to be replicated across Inverclyde. Audit Scotland recognises that the nature and scale of the change required is such that it will only be delivered by strong and sustained leadership over time.

## **5.0 ADDITIONAL IMPROVEMENT ACTIONS FOR INVERCLYDE ALLIANCE**

- 5.1 One area which is not captured in the Improvement Plan is that of developing further performance indicators to enable the partnership to identify how well it is delivering on its outcomes. The current reporting model focuses on qualitative updates, setting out progress in regard to delivering on the local wellbeing outcomes. The outcome delivery plan template has a section for performance indicators but this is not populated across all outcome delivery plans.
- 5.2 A new action could be added to the Improvement Plan for all outcome delivery groups to review their performance indicators to ensure that they can evidence any improvements being made by the group. Additionally, the way reports are made to the SOA Programme Board and Alliance Board could be reviewed to allow for a greater level of performance information to be made available for scrutiny.

## 6.0 IMPLICATIONS

### 6.1 Financial Implications - One off Costs

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

### Financial Implications - Annually Recurring Costs/ (Savings)

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

6.2 Human Resources: none at present

6.3 Legal: none at present

6.4 Equalities: By focusing on tackling inequalities, the CPP should be aware of how to support those most disadvantaged in communities, and a number of people with protected characteristics may be disadvantaged as a result of services not meeting their needs. The delivery of the outcomes for Inverclyde should mean better services tailored to the needs of the population.

6.5 Repopulation: Repopulation is one of the local outcomes for Inverclyde. By improving community planning the partnership should be able to improve how it delivers on repopulating the area.

## 7.0 CONSULTATIONS

7.1 This report has been presented to the both the SOA Programme Board and Inverclyde Alliance Board for discussion.

## 8.0 CONCLUSIONS

8.1 Overall, the Improvement Plan has largely captured the majority of the recommendations from Audit Scotland, and as the partnership continues to deliver on its improvement actions, community planning in Inverclyde should develop and advance.

## 9.0 LIST OF BACKGROUND PAPERS

9.1 Improving Community Planning In Scotland, Audit Scotland, March 2013  
[http://www.audit-scotland.gov.uk/utilities/search\\_report.php?id=2232](http://www.audit-scotland.gov.uk/utilities/search_report.php?id=2232)

Community Planning: turning ambition into action, Audit Scotland, November 2014  
[http://www.audit-scotland.gov.uk/utilities/search\\_report.php?id=2557](http://www.audit-scotland.gov.uk/utilities/search_report.php?id=2557)

Improving Community Planning In Scotland: Audit Scotland Report  
Alliance Board report, 17/06/13  
<http://www.inverclyde.gov.uk/council-and-government/community-planning/inverclyde-alliance-board-papers/inverclyde-alliance-board-papers-2013/inverclyde-alliance-board-meeting-monday-17-june-2>

## **Appendix One**

### **Recommendations**

#### **The National Community Planning Group should:**

- set out what its refocused approach to community planning means for the Statement of Ambition and its performance expectations of CPPs.

#### **The Scottish Government and COSLA should:**

- clarify their performance expectations for CPPs in the context of the National Community Planning Group's refocused approach to community planning
- develop a national framework for assessing and reporting progress in improving community planning and implementing the Statement of Ambition
- work with the Improvement Service and other national improvement agencies to establish and coordinate a programme of well-targeted, practical support that will help CPPs to implement the Statement of Ambition effectively.

#### **The Scottish Government should:**

- ensure that future guidance on the implementation of public service reform programmes is clear about the specific role that CPPs should play and the contribution they are expected to make in supporting improved outcomes
- implement its outcomes approach more systematically across all policy areas
- ensure that its review of national performance measurement arrangements streamlines approaches and creates a stronger prevention and outcome focus
- hold central government bodies and the NHS to account more consistently for their performance within CPPs
- review the role of location directors.

## **Appendix Two**

### **Suggested actions to be added to Alliance Improvement Plan**

1. Using existing appraisal methods from e.g. the CHCP to identify how well leadership is evidenced in the partnership and the impact and added value the partnership is having.
2. Link with questionnaire for SOA 8 outcome regarding better partnership working.
3. Use the above to inform a review of the governance arrangements for the CPP (amend the Memorandum of Understanding accordingly).
4. All outcome delivery groups to ensure that appropriate performance indicators are agreed for their outcome delivery plan, and report on these on a regular basis.
5. Review performance reporting to the Alliance Board and Programme Board to allow for greater challenge and scrutiny.



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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Head of Legal and Property Services</b>	<b>Report No:</b>	<b>LP/048/15/GM/APr</b>
<b>Contact Officer:</b>	<b>Andi Priestman</b>	<b>Contact No:</b>	<b>01475 712251</b>
<b>Subject:</b>	<b>UPDATE – AUDIT SCOTLAND REPORT: MAJOR CAPITAL INVESTMENT IN COUNCILS</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to update members on the action plan progress in relation to the Audit Scotland Major Capital Investment In Councils report of March 2013.

## **2.0 SUMMARY**

- 2.1 The Council undertook a self-assessment against the Audit Scotland report which was reported to Committee in August 2013 along with a number of improvement actions which were identified as good practice.
- 2.2 An action plan (APPENDIX 1) has now been agreed in relation to the recommendations made in the External Auditor's report and the Chief Internal Auditor will monitor progress of the actions and report to the Audit Committee as part of the regular External Audit Action Plan follow up report.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee members note that the action plan will be monitored as part of the regular External Audit Action plan follow up report to the Audit Committee.

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

## 4.0 BACKGROUND

- 4.1 Audit Scotland issued a national report on Major Capital Investment in Councils in March 2013. The report covered three areas: Capital investment in councils; delivering major capital projects within cost and time targets; and managing capital projects and investment programmes.
- 4.2 The Council undertook a self-assessment against the Audit Scotland report which was reported to Committee in August 2013 along with a number of improvement actions which were identified as good practice.

## 5.0 CURRENT STATUS

- 5.1 The Council's External Auditors Grant Thornton were required by Audit Scotland to carry out a review of how the Council responded to the report and their targeted follow up audit report was considered in detail by the Audit Committee at its meeting on 6<sup>th</sup> January 2015.
- 5.2 The follow up exercise reported positively overall in relation to the Council's progress against the planned improvement actions, observing a number of areas of good practice but also where some improvement actions still require to be implemented.
- 5.3 An action plan (APPENDIX 1) has now been agreed in relation to the recommendations made in the External Auditor's report and the Chief Internal Auditor will monitor progress of the actions and report to Audit Committee as part of the regular External Audit Action Plan follow up report.
- 5.4 In terms of current status: Action 1 of the action plan is now complete; Action 2: the Asset Management Corporate Improvement Group work is progressing for completion by the financial year end 2015/2016; and Action 3: The training element has already been the subject of specific discussion with the External Auditors for delivery on programme.

## 6.0 IMPLICATIONS

### 6.1 Finance

There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

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

### 6.2 Legal

There are no direct legal implications arising from this report.

### 6.3 Human Resources

There are no direct HR implications arising from this report.

#### **6.4 Equalities**

There are no direct equalities implications arising from this report.

#### **6.5 Repopulation**

There are no direct repopulation implications arising from this report.

### **7.0 CONSULTATIONS**

7.1 None.

### **8.0 LIST OF BACKGROUND PAPERS**

- 8.1 Report to Policy and Resources Committee 13 August 2013: Report reference PR/095/13/AF/ag. Audit Scotland Report: Major Capital Investment in Councils
- 8.2 Report to Audit Committee 6 January 2015: Report reference FIN/81/14/JB/LA. Targeted Follow Up to Audit Scotland Report on Major Capital Investment in Councils

Action	Owner	Expected Date	Current Status
<b>Targeted Follow Up to Audit Scotland Report on Major Capital Investments in Councils (December 2014)</b>			
An update on the action plan will be submitted to April 15 Policy and Resources Committee	<b>Head of Legal and Property Services</b>	<b>15.04.15</b>	Complete
The cross directorate Asset Management Corporate Improvement Group will establish a post implementation review process together with supporting policies during 2015/16 to identify good practice and benefits accruing completed projects.	<b>Asset Management CIG</b>	<b>31.03.16</b>	The Asset Management CIG work is progressing for completion by the end of the financial year 2015/2016.
Specific training on capital investment will be delivered to Elected Member before the summer recess.	<b>Corporate Director ERR</b>	<b>30.06.15</b>	This has been the subject of specific discussion with the External Auditors for delivery on programme.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Corporate Director ICHCP</b>	<b>Report No:</b>	<b>CHCP/29 /2015</b>
<b>Contact Officer:</b>	<b>Dean Robinson Information Governance Officer</b>	<b>Contact No:</b>	<b>01475 712136</b>
<b>Subject:</b>	<b>RECORDS MANAGEMENT POLICY</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present the Records Management Policy to Committee for approval.
- 1.2 The key objectives of the Records Management Policy are to establish:
- Awareness of records management principles and individual responsibilities within the Council.
  - A common and consistent approach to Records Management throughout all service areas.
  - Compliance with legislation relating to records management e.g. Public Records (Scotland) Act 2011, The Data Protection Act 1998, Freedom of Information (Scotland) Act 2002.
  - Corporate and service based standards for records keeping
  - A clear governance structure for monitoring and reporting on records management.

## 2.0 SUMMARY

- 2.1 Good records management is essential for any corporate body to function effectively. Inverclyde Council's records are essential for us to carry out our jobs, to provide information for decision making and evidence our activities. Effective management of corporate information allows fast, accurate and reliable access to records, ensuring the timely destruction of redundant information and the identification and protection of vital and historically important records.
- 2.2 Inverclyde Council will maintain records management policy, procedures and practices across all its services. These will be based upon the requirements of the Public Records (Scotland) Act 2011, records management best practice and principles.
- 2.3 The Policy presents a common approach to how the Council will manage its records and to ensure that it:
- Complies with relevant government statutes, regulations, directives, codes of practices and other standards.
  - Creates and captures authentic and reliable records to demonstrate evidence, accountability and information about its decisions.
  - Maintains its records securely and preserves access to them.
  - Disposes appropriately of records that are no longer required.
  - Protects vital records which it needs in order to function effectively.

- Maintains records to meet the Council's business needs
- Address the needs of the Council's stakeholders and its partners.
- Meets and upholds all legislative requirements on the management, protection and security of its records.

2.4 The policy will be supported by a Records Management Manual. This will provide more detailed guidance for staff on how to implement best practice with regard to records management and meet the Records Management Standard.

2.5 A structured implementation plan will be developed to set out how the policy will be implemented to include:

- Issuing and awareness raising of the policy at DMT meetings
- Communication bulletins
- Training Plan
- An assessment of our existing records and what needs to be done to reduce the volume.
- Ensuring our records of enduring value are kept in secure storage facilities.

### **3.0 RECOMMENDATIONS**

3.1 That the Committee approve the Records Management Policy.

3.2 That progress on implementation of the policy be reported at a future Committee and on an annual basis.

**Brian Moore**  
Corporate Director ICHCP

## 4.0 BACKGROUND

- 4.1 The Council has a statutory requirement to “make proper provision for the preservation and management” of its records; to be publicly accountable for and able to justify its decisions and actions; and to enable compliance with the requirements of the Public Records (Scotland) Act, 2011; the Data Protection Act 1998, the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004.
- 4.2 The guiding principle of records management is to ensure that information is available when and where it is needed, in an organised and efficient manner, and in a well maintained environment. The Policy will ensure that the Council's records will achieve the following principles:
- **Authentic** – it must be possible to prove that records are what they purport to be and who created them, by keeping a record of their management through time.
  - **Accurate** – records must accurately reflect the transactions that they document
  - **Accessible** – records must be readily available when needed
  - **Complete** – records must be sufficient in content, context and structure to reconstruct the relevant activities and transactions that they document
  - **Comprehensive** – records must document the complete range of an organisation's business
  - **Compliant** – records must comply with any record keeping requirements resulting from legislation, audit rules and other relevant regulations
  - **Effective** – records must be maintained for specific purposes and the information contained in them must meet those purposes. Records will be identified and linked to the business process to which they relate.
  - **Secure** – records must be securely maintained to prevent unauthorised access, alteration, damage or removal. They must be stored in a secure environment, the degree of security reflecting the sensitivity and importance of the contents. Where records are migrated across changes in technology, the evidence preserved must remain authentic and accurate.
- 4.3 Effective record keeping supports efficiency, consistency and continuity of work and enables the Council to deliver a wide range of sustainable services. It ensures that the correct information is: captured, stored, maintained, retrieved and destroyed or preserved in accordance with business need, statutory and legislative requirements.
- 4.4 Successful implementation of the Records Management Policy will ensure the Council is committed to managing its records and will allow employees to perform their jobs effectively whilst preserving public confidence in the Council in how it manages its records.

## 5.0 IMPLICATIONS

### Finance

- 5.1 None.

### Legal

- 5.2 The recommendations made in this progress report will ensure the Councils processes are in line with legislative requirements, including the Data Protection Act 1998, and the Public Records (Scotland) Act 2011.

### **Human Resources**

- 5.3 The Information Governance and Management Framework will place responsibilities on staff following review of the Code of Conduct in compliance with information governance, data protection and IT security responsibilities.

### **Equalities**

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

### **Repopulation**

- 5.5 There are no direct repopulation implications arising from this report

## **6.0 CONSULTATIONS**

- 6.1 Consultation took place with the Information Governance Steering Group.

## **7.0 LIST OF BACKGROUND PAPERS**

- 7.1 None.



***Information Governance and Management  
Framework***

***Records Management Policy***

Version 1.0

*Produced by:*  
*Information Governance Steering Group*  
*Inverclyde Council*  
*Municipal Buildings*  
*GREENOCK*  
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March 2015



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## DOCUMENT CONTROL

Document Responsibility		
Name	Title	Service
Corporate Director, CHCP	Records Management Policy	Information Governance and Management

Change History		
Version	Date	Comments
1.0	March 2015	Created

Distribution		
Name/ Title	Date	Comments

*Distribution may be made to others on request*

Policy Review		
Review Date	Person Responsible	Service

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## **1 INTRODUCTION**

Records management is the adoption of procedures and systems that allow the most efficient control of the information resources of the Council. Records management ensures that records are kept only as long as they are needed for commercial, legislative or administrative purposes; that records of historical importance are identified; and that records are stored in the most cost-effective way.

The Council has a statutory requirement to “make proper provision for the preservation and management”<sup>1</sup> of its records; to be publicly accountable for and able to justify its decisions and actions; and to enable compliance with the requirements of the Public Records (Scotland) Act, 2011;<sup>2</sup> the Data Protection Act 1998, the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004.

A record can be defined as recorded information (irrespective of medium or format) which is created, received or maintained by an organisation or individual in pursuance of its legal obligations or in the transaction of its business. Records are a means of providing evidence of activities which support the business and operating decisions of the Council.

## **2 OVERVIEW AND PURPOSE**

Inverclyde Council recognises that having up to date and relevant information is essential to effective decision making and quality customer service. As an important public asset, records require careful management and accordingly the management of records has to be considered within the context of the Council’s overall Information Governance and Management Framework.

Records management is a service function responsible for the systematic and comprehensive control of the creation, capture, maintenance, filing, use and disposal of records.

Good records management is essential to ensure that the Council can comply with its legislative responsibilities and can act as a driver for business efficiency. Effective management of records and

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<sup>1</sup> The Local Government etc. (Scotland) Act, 1994, secs. 53 & 54

<sup>2</sup> See the National Archives of Scotland’s advice on records management at <http://www.nas.gov.uk/recordKeeping/recordsManagement.asp>

information brings the following benefits. It:

- Increases efficiency by enabling better use of resources;
- Improves openness and accountability;
- Helps achieve and demonstrate compliance with legislative and regulatory requirements;
- Enables the protection of the rights and interests of the Council, its employees and citizens;
- Supports joint working with partners and the exchange of information across the Council;
- Provides institutional memory.

Poor records management create risks for the Council, such as:

- Poor decisions based on inaccurate or incomplete information;
- Inconsistent or poor levels of service;
- Financial or legal loss if information required as evidence is not available or cannot be relied upon;
- Non-compliance with statutory or other regulatory requirements;
- Failure to handle confidential information with an appropriate level of security and the possibility of unauthorised access or disposal taking place;
- Failure to adequately information that is vital to the continued functioning of the Council, leading to inadequate business continuity planning;
- Unnecessary costs caused by storing records and other information for longer than they are needed;
- Staff time wasted searching for records;
- Staff time wasted considering issues that have previously been addressed and resolved;
- Loss of reputation as a result of all of the above, with damaging effects on public trust.

### **3 THE POLICY**

This policy covers the management of all records of the Council regardless of medium or format, including electronic records and it is applicable to all employees of the Council as well as Elected Members, volunteers, consultants and partner organisations.

The purpose of this policy is to define a framework, for the management of records across the Council, which meets the requirements of relevant legislation, codes of practice and policies, and acts as a driver for business efficiency.

Subject to Clause 6.3, records shared with other organisations, received from any third parties or held on behalf of the Council by other organisations should be managed in accordance with this Council policy.

The full policy framework for Records Management within the Council is :

- **The Records Management Policy** which sets out the Council's commitment to managing records and high level objectives and responsibilities within the Council for managing records.
- **The Policy for The Retention and Disposal of Documents and Records Paper and Electronic** which outlines the minimum retention periods for all records within the Council, and a tool to assist in determining whether a record should be archived or securely destroyed once the record is no longer in active use. It is the responsibility of the Directorates to inform their Records Management Contact of any records which are not covered on the schedule.
- **Records Management Manual** which provides more detailed guidance on how to implement best practice with regard to records management and meet the Record Management Standard.

Records Management at the Council should achieve the following objectives:

- Records necessary for business, regulatory, legislative and administrative purposes will be identified and retained
- Records will be managed in a cost effective manner that ensures value for money for the Council
- Records will be captured into systems, manual or electronic, which enable them to be stored, retrieved and destroyed as necessary
- Records potentially required as evidence in a legislative or regulatory process will be subject to controls to ensure that their evidential value can be demonstrated, if required
- Business continuity plans will identify and safeguard vital records of the Council and make provision for records and records management processes which are essential to the continued function and protection of the Council in the event of a disaster
- Records will be stored in an appropriate, safe and secure physical or electronic environment which protects against accidental loss or destruction
- Inactive records, which cannot be held safely or securely onsite will be transferred to the Council's corporate archive facility.
- Access to records will be controlled and monitored in accordance with the nature and sensitivity of the records and with regard to relevant legislation'

- Records will be accessible to staff who are authorised to use them
- Records will be arranged and described in a manner which facilitates fast, accurate and comprehensive retrieval
- Provision will be made for the preservation of records to ensure they are complete, available and usable for as long as they are required
- Time expired records will be destroyed consistently in accordance with The Policy for The Retention and Disposal of Documents and Records Paper and Electronic
- Records will be destroyed in a secure manner as is necessary for the level of confidentiality
- Records of historical and administrative importance will be identified as archives and transferred to the Archives section for permanent retention.
- Records will be shared/processed in accordance with relevant laws and policies
- Records will be classified
- Records will be kept accurate and up to date
- Records will be kept safe at all times including when they are taken off site

## **4 RECORDS MANAGEMENT STANDARDS AND RESPONSIBILITIES**

### **Corporate**

The Council has a corporate responsibility for maintaining its records and record-keeping systems.

Representatives selected by the Information Governance Steering Group act as Records Management contacts and are responsible for providing updates on records management progress to the Information Governance Steering Group.

The Records Management Working Group is responsible for the delivery of a records management service to the Council including:

- Definition of corporate records management policy and standards.
- Assessment and review of the Council's Records Management Plan.
- Development and review of retention schedules.
- Provision of records management advice and best practice guidelines.

### **Individuals**

Council employees, including Elected Members, contractors, consultants and volunteers employed to undertake Council business, have a responsibility to document actions and decisions by creating and filing

appropriate records and subsequently to maintain and dispose of records in accordance with the Council's records management procedures.

The Records Management Policy will be available to all staff.

Corporate Directors and Heads of Service will be responsible for ensuring the existence and operation of appropriate records management systems and their use. This includes ensuring that all line managers know their responsibilities and those procedures which comply with corporate policy and standards are in place.

All staff will be aware of their responsibilities for the management of records.

Line managers will have responsibility for ensuring staff have the knowledge and skills required to fulfil their records management responsibilities

Agreements and contracts relating to service provision on behalf of Inverclyde Council and/or where the Council is working in partnership will clearly define and document responsibilities for the management of records.

### **Records Management Systems**

Records management requirements will be considered in the design and upgrade of all systems which are used to create and store records.

The email system should not be used to store records. All emails with value as records should be transferred to shared drives or alternative electronic record keeping systems e.g. EDRMS

### **Records Creation**

Records that are needed for business, legal, regulatory and accountability purposes will be identified, created and retained.

Records will be complete and accurate and created at the time of the transaction to which they relate or as soon as possible afterwards.

Information contained within records must accurately reflect the action, communication or decision being recorded.

## **Records Capture**

Records will be captured into systems that enable records to be stored and retrieved as necessary.

Records will be captured into shared recordkeeping systems, rather than personal filing systems.

## **Arrangement and description**

Sufficient information will be created and linked to the record to enable the record to be interpreted, retrieved and managed.

## **Storage and Maintenance**

Physical records will be kept in clean, dry and secure storage environments which minimise loss of loss or damage.

Strategies will be developed which ensure electronic records will remain easily accessible, readable, usable and reliable for as long as they are required.

Vital records and measures for their protection will be considered as part of business continuity planning in conjunction with Civil Contingencies Service.

Records containing personal information must comply with the Data Protection Act 1998.

Records, particularly those that contain personal, confidential and sensitive information, will be securely maintained to prevent unauthorised access, destruction, alteration or removal.

It will be possible for any member of staff authorised to access the record to retrieve them within an acceptable time frame.

It will be possible to track the location of a record and where required an audit trail will be available to log activities.

Where staff are working from home or away from the office, permission from their line manager must be secured prior to taking Council records offsite. They must ensure an appropriate level of security for any Council records which comes into their knowledge, possession or control through their employment with the



Council. Further guidance can be found under Remote and Home Working in the [Acceptable Use of Information Systems Policy](#).

## **Retention & Disposal**

Records will be retained in line with periods stipulated in The Policy for the Retention and Disposal of Documents and Records Paper and Electronic.

Destruction of records will be carried out in a manner consistent with the security classification and sensitivity of the information content.

Records identified as having historical significance as archives will be transferred to the Council's Archivist.

## **5 PERMANENT PRESERVATION (ARCHIVING)**

Services will be responsible for the management of records no longer required for business purposes, which have been identified as being of historical significance. All services are required to nominate a departmental officer or officers to supervise this process, but the final decision on which records should be preserved, where legislation does not apply, will lie with the Council's Archivist.

## **6 PARTNERSHIP WORKING**

Where records are created as a result of partnership working there needs to be clearly defined responsibilities between Inverclyde and the partner organisation for the creation and management of records.

Where the Council is the lead partner:

- The Council's records management policy will be applicable;
- The Council will be responsible for the custody and ownership of the records;
- The Council's records management procedures including retention policy will be followed.

Where another organisation is the lead partner:

- The records management policy and procedures of the lead organisation are applicable;
- The lead partner organisation will be responsible for custody and ownership of records. This should be included within the Minute of Agreement and the Information Sharing Agreement with the partner.
- The Council should identify and retain records relating to its role in partnership required for its own business purposes. They should be retained in line with the Council's records management policy.

Where there is no identified lead partner the Council should ensure that provisions are made for one of the partners to assume responsibility for the management of the records. The partner assuming responsibility for the management of the records should be included within the Minute of Agreement and the Information Sharing Agreement with the partner.

## **7 COMMISSIONED SERVICES AND SUPPLIERS**

Where services have been commissioned from external suppliers; the contractor shall co-operate with and assist the Council to meet its obligations in relations to records management under the Public Records (Scotland) Act 2011 together with any guidance issued thereon, and will, where requested and notified by the Council, comply with this Policy.

Appropriate clauses are contained within the Council's Standard Terms and Conditions of Purchase. At the very least, these Terms should be incorporated into any contract with any such external party including suppliers and consultants.

## **8 PROJECT RECORDS**

Where records; such as project records, are created as a result of an activity of a temporary nature the senior manager with responsibility for the activity, usually the project sponsor or project manager or equivalent, is responsible for;

- Ensuring appropriate records are created and managed in accordance with the records management policy;
- Ensuring there are appropriate resources assigned to fulfil the responsibility for managing records;
- Ensuring ownership for the records transfer to Inverclyde Council once the activity has ended.

## **9 RELATED DOCUMENTS**

### **Regulatory Environment**

- Public Records (Scotland) Act 2011
- Local Government (Scotland) Act 1994, section 53 & 54
- Freedom of Information (Scotland) Act 2002
- Environmental Information Regulations (Scotland) Act 2004
- Data Protection Act 1998

- The National Archives Records Management Code
- Privacy and Electronic Communications (EC Directive) Regulations 2003

#### **Related Council Policies and Codes of Practice**

- [Policy for the Retention and Disposal of Documents and Records paper and Electronic](#)
- [Data Protection Policy](#)
- [Acceptable Use of Information Systems Policy](#)
- [Data Protection Breach Management Protocol](#)

#### **Key Codes of Practice which affect the general management of the Council's records**

- Code of Practice on Records Management by Scottish Public Authorities under the the Freedom of Information (Scotland) Act 2002 (section 61)

#### **Examples of British and International Standards related to Records Management**

- ISO15489 standard on best practice in records management;
- ISO 176699 standard on information security management;
- BS 1008:2008 (addresses issues around evidential weight and the legal admissibility of electronic information);
- DIS PD 0010:1997 – The principles of good practice for information management.

## **10 PERFORMANCE MANAGEMENT**

Performance with regard to the management of records will be monitored by Audit.

## **11 IMPLEMENTATION OF THE POLICY**

The Records Management Working Group will work with service representatives to establish a programme of work and priorities for records management and devise an action plan.

Compliance with the Records Management Policy and procedures will be built into the Head of Service self-assessment for the Annual Governance Statement. Failure to comply will be reported to the Information Governance Steering Group.

The approved document will be put on the Council's policies, standards, guidance and procedures repository, and made available via ICON.

## **12 REVIEW OF THE POLICY**

This Records Management policy will be reviewed at regular intervals (initially after twelve months, and subsequently at least once every two years) and, if appropriate, it will then be amended to maintain its relevance. Further reviews will be instigated to reflect changes in legislation or standards.

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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2015</b>
<b>Report By:</b>	<b>Head of Organisational Development, Human Resources &amp; Communications</b>	<b>Report No:</b>	<b>HR/43/15/AW</b>
<b>Contact Officer:</b>	<b>Steven McNab</b>	<b>Contact No:</b>	<b>Ext 2015</b>
<b>Subject:</b>	<b>Mileage Allowance Payments (MAPs) for Teachers</b>		

---

## **1.0 PURPOSE**

- 1.1 The purpose of this report is to change teachers' mileage allowance rates to reflect the rates promoted by the HMRC which apply to all other employees.

## **2.0 SUMMARY**

- 2.1 Mileage Allowance Payments (MAPs) are payments made to an employee for expenses related to the use of their own vehicle for business travel. Two types of journey constitute business travel:
1. Journeys that form part of an employee's employment duties
  2. Journeys that relate to an employee's attendance at a temporary workplace
- 2.2 The introduction of the HMRC rate for teachers brings all employee groups into line with the HMRC rate, which is widely used in both the public and the private sector, is designed as not for profit and is widely accepted as representing best practice.
- 2.3 Teachers' conditions of service are contained in the Scottish Negotiating Committee for Teachers (SNCT) Handbook. The SNCT allows certain devolved matters to be negotiated at local level through Local Negotiating Committees for Teachers (LNCTs). One such devolved matter is Car Allowances.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee approve that mileage claims for teachers be paid at approved HMRC rates with effect from 1<sup>st</sup> April 2015 at the current rates of 45p per mile for the first 10,000 miles and 25p per mile after 10,000 miles.

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

## **4.0 BACKGROUND**

4.1 Mileage Allowance Payments (MAPs) are payments made to an employee for expenses related to the use of their own vehicle for business travel. Two types of journey constitute business travel:

1. Journeys that form part of an employee's employment duties
2. Journeys that relate to an employee's attendance at a temporary workplace

4.2 The following mileage allowance rates are currently applied:

### **Scottish Joint Council:**

first 10,000 miles @ 45p (increased from 40p in April 2011)  
after 10,000 miles @ 25p per mile (increased from 20p in April 2011)

(HMRC rates first introduced in August 2008)

### **Teachers:**

first 1,000 miles @ 53.65p per mile  
next 7500 miles @ 43.65p per mile  
after 8500 miles @ 12.6p per mile  
Mainly claimed by Heads and Depute Heads

Parents Evening and School Board Events 26.6p per mile (returning from home for school or parents evenings)  
Home to Work mileage 22.3p per mile

Teachers' conditions of service are contained in the Scottish Negotiating Committee for Teachers (SNCT) Handbook. The SNCT allows certain devolved matters to be negotiated at local level through Local Negotiating Committees for Teachers (LNCTs). One such devolved matter is Car Allowances.

4.3 The Council aspire to have as many terms and conditions as possible applicable to all employee groups – this report satisfies this remit. The introduction of the HMRC rate for teachers brings all employee groups into line with the HMRC rate, which is widely used in both the public and the private sector, is designed as not for profit and is widely accepted as representing best practice.

## **5.0 PROPOSALS**

5.1 It is proposed to use HMRC rates per mile for teachers mileage travel claims from 1 April 2015 at the current HMRC rates of 45p per mile for the first 10,000 miles and 25p per mile after 10,000 miles.

## **6.0 IMPLICATIONS**

### **Finance**

6.1 The Council spends approximately £34,500 per year on teachers' mileage claims. Based on current mileage levels the introduction of the HMRC should deliver a small saving of approximately £2,000 per year.

### 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		01/04/15	(£2,000)		

#### **Legal**

6.2 Not applicable.

#### **Human Resources**

6.3 Human Resource issues are dealt within the report.

#### **Equalities**

6.4 Has an Equality Impact Assessment been carried out?

☐

YES (see attached appendix)

☒

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

#### **Repopulation**

6.5 Not applicable.

### **7.0 CONSULTATIONS**

7.1 Consultation has taken place with the teaching trades unions in respect of these proposals and the teaching unions are supportive of the change from 1 April 2015.

### **8.0 LIST OF BACKGROUND PAPERS**

8.1 n/a.

**INVERCLYDE COUNCIL  
POLICY AND RESOURCES COMMITTEE**

**AGENDA AND ALL PAPERS TO:**

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Councillor McCabe	1
Councillor Wilson	1
Councillor McCormick	1
Councillor Ahlfeld	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
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**Officers:**

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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
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Corporate Director Education, Communities & Organisational Development	1
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Chief Financial Officer	1
J Buchanan, Finance Services	1
S Lang, Legal & Property Services	1
R McGhee, Legal & Property Services	1
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**TOTAL    41**

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

Community Councils	10
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**TOTAL    51**

**21/05/2012**