
Report to: Clackmannanshire Council

Date: 15 May, 2014

Subject: Senior Councillor Positions & Appointments

Report by: Chief Executive

1.0 Purpose

- 1.1 The purpose of this report is to invite Council to appoint a new Depute Leader and a new Depute Provost and to agree changes to the list of senior councillor positions which attract a responsibility payment.

2.0 Recommendation

- 2.1 It is recommended that Council:

- a) appoints a new Depute Leader;
- b) appoints a new Depute Provost;
- c) agrees to establish a new senior councillor post which has special responsibility for Partnership, Equality & Diversity and to make the necessary consequential amendments to Standing Orders;
- d) appoints an elected member to the role of Portfolio Holder for Partnership, Equality & Diversity;
- e) approves the amendments to the roles which are awarded senior councillor responsibility payments as set out at paragraphs 3.3 and 3.4 of this report.

3.0 Background

- 3.1 I have been advised that Councillors Holden and Balsillie have stood down respectively from the positions of Depute Council Leader and Depute Provost.
- 3.2 The Council is now required to appoint to these vacancies under the terms of Standing Orders 14.14-14.19, *Filling Posts or Offices Held by Councillors & Other Representatives*.
- 3.3 The Administration Group has also advised me that it wishes to amend certain elected member posts which have special areas of responsibility as follows:
- a) for present purposes, have the role of Depute Leader carried out by an existing Convenor; this role would attract one special responsibility allowance (the roles are currently carried out by two members each of whom receives an allowance);

b) create a post which has special responsibility for Partnership, Equality & Diversity, the responsibilities of which would be to act, where appropriate, as a Council resource on cross thematic issues and have lead responsibility for:

- Equality & Diversity;
- Third sector partnership and joint working;
- Third sector funding;
- Third sector scrutiny and performance;
- The role of the third sector in the delivery of public sector reform and community engagement.

3.4 The Administration Group has indicated that they wish the post which has special responsibility for Partnership, Equality & Diversity to attract a special responsibility allowance.

3.5 If Council agrees to the changes in elected member posts with special areas of responsibility, Standing Orders will be amended to reflect that decision (paragraph 5.1 of Standing Orders refers).

3.6 In so far as this proposal if agreed is deemed to form a substantive amendment of Standing Order 5.1, the notice required by Standing Order 20.7 has been given. If this proposal is agreed, new Standing Order 5.1 will be as set out in Appendix 1 to this report.

4.0 Sustainability Implications

NA

5.0 Resource Implications

Financial Details - there are no additional costs associated with the recommendations contained in this report as the number of responsibility allowances remains the same as agreed by Council in June 2012.

Staffing - N/A

6.0 Legality

6.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

7.0 Appendices

Appendix 1 - Proposed New Standing Order 5.1

Author(s) & Approved By

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	

Proposed New Standing Order 5.1

5.1 Some of our members will have special areas of responsibility. These are:

POSITION	COUNCIL SERVICES	POLICY AREAS
Leader of Council	Resources and Governance	Community Planning Corporate Policy and Strategy Corporate Governance Financial strategy Best value
Depute Leader of the Council	Strategy & Customer Services	Public Sector Reform Partnership Community Engagement
Convenor of Housing, Health & Care	Housing Social Services	Care Health improvement Housing Health and Care integration Community safety
Convenor of Education, Sport & Leisure	Education	Education Sport Leisure
Convenor of Enterprise & Environment	Development & Environment	Economic Development, Tourism, Employability Sustainability, Environment, Roads and Transportation Waste Management
Portfolio Holder for Partnership, Equality, & Diversity		Equality and Diversity Third Sector Partnership and Joint Working Third Sector Funding Third Sector Scrutiny and Performance Role of Third Sector in delivery of Public Sector Reform and Community Engagement

The Council will appoint one of the convenors to be Depute Leader of the Council

Report to Clackmannanshire Council

Date of Meeting: 15 May, 2014

Subject: An Overview of Local Government in Scotland 2014

Report by: Chief Executive

1.0 Purpose

- 1.1. The purpose of this report is to advise Council of the publication by the Accounts Commission of *An Overview of Local Government in Scotland, 2014*, and to bring to Council's attention some of the key messages and recommendations contained in that report.

2.0 Recommendations

- 2.1. It is recommended that Council:

a) notes the publication by the Accounts Commission of *An Overview of Local Government in Scotland, 2014*, and the key messages and recommendations it contains;

b) notes the high level commentary offered at section 5 of this report;

c) notes that the Overview report will be considered by the Clackmannanshire Alliance at its next meeting; and

d) encourages all elected members to familiarise themselves with the Overview report, in particular, those matters which relate to elected member training, development, support and conduct.

3.0 Background

- 3.1 The Accounts Commission is the public spending watchdog for local government which holds councils to account. Its work includes:

- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance
- securing and acting upon the external audit of Scotland's councils and various joint boards and committees.

- 3.2 The Accounts Commission publishes an annual overview of local government based on its audit work of the previous year. This overview is used to provide

a high-level, independent view on the progress councils are making in managing their finances and in achieving best value, and to help councillors identify priorities in the year which follows.

- 3.3 The 2014 Overview report, which is primarily intended for elected members:
- sets out the context for local government and the key role of councillors within that
 - considers what more councillors need to know about current services and the options for providing services
 - focuses on key elements needed to deliver best value (such as leadership and governance) and how more can be achieved through partnership working.
- 3.4 The next sections of this report summarise some of the key findings, messages and recommendations of the annual Overview and provide some commentary on Clackmannanshire's position in respect of the themes contained in the Overview.

4.0 Considerations - Findings, Messages & Recommendations

- 4.1 The Overview report has a number of findings under the three headings of:

- i) understanding the changing context and the crucial role of councillors
- ii) meeting user demand and the financial challenges
- iii) providing strong leadership and governance to support change.

- 4.2 Appendix 1 to this report summarises the key findings under each of these headings.

- 4.3 Derived from these findings are six key messages as follows:

1 - Councillors need to maintain a good understanding of the rapidly changing economic, social and political context. Demands on services and resources continue to increase and need to be managed alongside public service reforms, including changes in the welfare system and in health and social care.

2 - Achieving Best Value requires good information about the cost and performance of current services and robust analysis of the options and the related risks associated with alternative ways of delivering services.

3 - Governance is more important than ever. Councillors need to scrutinise reports from officers on the financial position and service performance: get the right information; ask the right questions; and ensure issues are resolved. They also need to scrutinise reports from auditors and get assurances from officers that weaknesses in financial systems are addressed. Councillors should assure themselves that the officer responsible for the council's finances retains appropriate access and influence within management structures.

4 - The total level of reserves has increased but the level of 'free' reserves has fallen, with councils predicting future funding gaps. More work is needed to develop longer-term resource plans that show connections between savings, staff changes and how assets, such as land and buildings, are used to best effect in providing services.

5 - Councils are working with their partners to meet the challenges of significant service reforms. Achieving more from Community Planning Partnership (CPP) working requires strong shared leadership, more effective governance and making the most of the combined public sector resources in the area.

6 - There is increased evidence of political tensions and instability which is leading to strained working relationships. This comes at a time when decisions on services are becoming increasingly difficult and require strong political and managerial leadership. There will be additional demands on councillors in the run-up to the independence referendum. This will require a balance between their council responsibilities and their wider political activities.

4.4 There are two broad recommendations in the Overview report, which are that councils need to:

a) review how services are currently delivered and consider options as to how services might be delivered in future; and

b) increase the focus on partnership working and longer-term resource planning.

4.5 Accordingly, key priorities suggested for councillors in 2014 under the three main headings are:

1 - Understanding the changing context and the crucial role of councillors

- Maintaining a clear understanding of the financial position
- Understanding the public reform agenda, including the impact of welfare reform
- Preparing for changes in health and social care
- Keeping up to date through training and development

2 - Meeting user demands and the financial challenges

- appraising the options for delivering services and charging for services
- requiring good-quality cost and performance information for decisions and scrutiny
- making better use of benchmarking to support service improvement and public reporting

3 - Providing strong leadership and governance to support change

- maintaining good professional working relationships and providing strong political leadership
- getting assurance that governance is sound, including where arm's-length external organisations are in place
- providing stronger leadership of community planning partnerships and working with partners to make the best use of the overall public resources available in the area.

4.6 To assist elected members in considering their levels of understanding of the issues and whether they feel sufficiently supported in their roles, the Overview report provides a checklist (Appendix 2 of that report).

5.0 Clackmannanshire - Commentary

5.1 While individual elected members will have their own views on the questions in the checklist mentioned in the preceding paragraph, this part of the report sets out an initial broad assessment of the Council's status in respect of some of the themes contained of the Accounts Commission's key messages. (Officers will also be taking into account the messages and recommendations as part of the ongoing work on service reviews, budget challenge and *Making Clackmannanshire Better*.)

Understanding Context

5.2 There is evidence that Clackmannanshire Council is fairly well-briefed on the contexts of local government through a range of sources and mechanisms which it is hoped contribute to reasonable understanding by members of the issues. Such sources and mechanisms include:

- regular budget update reports to Council
- other update reports to Council and committee (e.g. on welfare reform and health and care integration)
- performance (service and finance) reports to committees
- internal and external audit reports
- Annual Governance Statement
- Capital Investment Forum
- *Making Clackmannanshire Better* Steering Group
- elected member training/briefings.

5.3 Clackmannanshire Council offers all its members regular opportunities to review their own personal development plans and to discuss training needs. Feedback from these reviews feeds directly into tailored development or training events. Outwith the Council, there is a wide range of material available via the Continuous Professional Development framework for elected members.

Achieving Best Value & Scrutinising Performance

5.4 The Council agreed (ref CC185) as part of its consideration of its 2014-15 budgets (ref CC185) the following priorities for *Making Clackmannanshire Better*:

a) development of a clear specification of which services the Council will deliver and to what standard;

b) refinement and adoption of the draft Target Operating Model to deal with how and where Council services are delivered;

c) development of a clear statement of the intended benefits and outcomes of the planned changes, including when these will be realised and whether investment will be needed to secure them;

d) the development of a Forward Plan of key change decisions to ensure Service Committees and Council provide timely challenge, comment and governance over proposals for appropriate changes in service delivery and resourcing;

e) completion of the detailed communications plan incorporating our approaches to both internal and external communication for both strategic and operational changes; and

f) redesign of the corporate Budget Challenge process to better align with *Making Clackmannanshire Better* thereby providing an integrated corporate and consistent approach focused on minimising duplication and overlap within and between services.

- 5.5 In order to take forward these priorities, good information about the cost and performance of current services, proper options appraisal and effective governance mechanisms will be essential.
- 5.6 A recent internal audit review of the Council's corporate and public performance reporting (considered by the Resources & Audit Committee on 1 May, 2014), provided reasonable assurance that the Council reports its performance in a form that is meaningful and understandable. However, it was noted that there was a risk that *"some Services may be expending time and resource collecting performance information and data and not obtaining tangible benefits from doing so."* Accordingly, actions are being progressed to mitigate against this and to support elected members in challenging and scrutinising service performance.
- 5.7 Impact (including risk) assessments are routinely carried out for all budget proposals and are available as background papers. In addition, option appraisals usually underpin the more significant budget proposals and form an integral part of best value and CIM assessments which services undertake. However, there can be some variation in the quality of these and given the difficult decisions which are increasingly facing the Council, it is crucial that all future options appraisals are consistently robust so that elected members have the fullest information possible on which to base their decisions.
- 5.8 The Accounts Commission has recently published a report entitled *Options Appraisal: Are You Getting It Right?* which provides helpful guidance on the requirements of option appraisal and also on the role that councillors have in the process. The key messages from that report are summarised at Appendix 2 to this report and the full report is available online at: http://www.audit-scotland.gov.uk/docs/local/2014/nr_140320_hcw_options_appraisal.pdf
- 5.9 As part of the redesign of the corporate budget challenge process, there will also be clear guidance to all officers involved on what is required in terms of information on costs, performance, options, impacts and risk. In addition, the corporate leadership and management development programme is providing support to officers to ensure that they:
- are skilled in these aspects of management
 - understand the strategic context they are operating in
 - understand the roles expected of them in that context.
- 5.10 There exists a formal framework for robust scrutiny via the Council's main 'service' committees and the Resources & Audit Committee. In addition, a number of other avenues exist which provide opportunities for elected members to discuss matters with officers and access relevant information. Given the financial contexts, however, just as officers need to ensure that adequate and accurate information is available to assist the decision-making process, elected members need to assure and satisfy themselves that they have familiarised themselves with any proposals and provided sufficient challenge of those proposals in advance of decisions being taken.

Developing Longer-Term Resource Plans

- 5.11 The Council noted in the budget report in February, 2014, a conscious development to reinforce a more holistic approach to financial planning for services and for guiding decisions about savings and investment. This

development aims to improve the alignment and integration of service delivery and financial planning decisions in support of *Making Clackmannanshire Better* via improved coordination of activity and investment in localities irrespective of whether they are funded by General Services, HRA or through external funding streams. An operational officer forum, the Capital Investment Group (CIG), has now been established, the role which is to improve the co-ordination of capital investment activities.

- 5.12 Council has also agreed the principle of a managed contraction of staffing levels in line with the agreed service delivery priorities and this work will be taken forward in tandem with the workstream mentioned above.
- 5.13 Together these workstreams will contribute to the development of *"longer-term resource plans that show connections between savings, staff changes and how assets, such as land and buildings, are used to best effect in providing services."*

Achieving More from Community Planning Partnerships

- 5.14 An area which continues to be a challenge locally is harnessing the collective public sector resources in Clackmannanshire towards the shared outcomes of the Single Outcome Agreement 2013-2023.
- 5.15 While the partners of the Alliance have committed to a vision where *"the totality of our collective resources are organised not according to organisational boundaries, but as needed to deliver agreed positive outcomes for Clackmannanshire,"* progress in moving towards this ambition in a systematic way has not yet been what might have been hoped for.
- 5.16 While there are a number of valid reasons for this (e.g. potential for increased costs, general affordability at a time of budget reductions, diminution of governance, technical/regulatory barriers) and while a legitimate (and necessary) response to the contexts currently being faced is organisational contraction, organisational retraction runs the risk of being self-defeating since enhanced partnership working could provide solutions and ease the collective financial burden. Continued political and managerial effort will be required, therefore, to encourage, facilitate and incentivise more effective and efficient integrated working.
- 5.17 Public sector reform potentially presents additional challenges to achieving more from CPPs and there is a risk that fragmentation of public sector resources at local level due to changes in the structure of the sector at national level are creating additional barriers to the development of the 'whole systems approaches' aspired to in Clackmannanshire. For instance, local government no longer has responsibility for police and fire budgets and it is not clear the extent to which local command structures are able to enter into local arrangements which are not replicated across the country. In addition, from 2015 new arrangements for elements of social work (as part of care and health integration) could have implications for the allocation of and accountability for resources for this area of service provision. Careful political and managerial attention, therefore, will need to be given to mitigate as far as possible against any potential consequences of such reforms which could create additional barriers or disincentives to integration.

- 5.18 Although the Overview report is targeted primarily at elected members, the Accounts Commission has suggested that it should also be considered by CPPs. Accordingly, the report will be on the agenda for the next meeting of the Clackmannanshire Alliance in June.

Political Tensions & Instability

- 5.19 Finally, the Accounts Commission reports increased political tensions and instability around the country at a time when budgetary decisions are becoming increasingly difficult. Three specific councils are cited where working relations and matters of conduct have detracted from the achievement of best value and effective governance and scrutiny. Specific issues referred to are:

- lack of collective strategic leadership by councillors
- strained working relationships between councillors (and between a few councillors and officers)
- not all councillors participating in decision-making structures and scrutiny forums due to concerns about effective scrutiny
- disrespectful conduct in council chambers.

- 5.20 While recognising the inherent political nature of local authorities, the Commission's concern is that political tensions could "*compromise a council's ability to ensure effective leadership, demonstrate good governance and, as a result, weaken the public's trust and confidence in the integrity of the council and its councillors to conduct public business.*"

- 5.21 Good governance is a priority in *Taking Clackmannanshire Forward* which commits to "*pursuing a policy of robust corporate governance within the Council.*" The Council has a Governance Strategy and a Local Code of Governance and, insofar as these refer specifically to matters of elected member conduct, they aim to ensure that elected members:

- are aware of the standards of conduct and personal behaviour expected of them
- uphold high standards of conduct and behaviour
- model good governance behaviours
- have clearly defined roles, functions and levels of accountability
- work together with a common purpose.

- 5.22 It is not apparent that in Clackmannanshire there exists the extent of issues described by the Accounts Commission in the three other councils. That said, there have periodically been occasions where it could be deemed that expectations of appropriate conduct have not been met. The Overview report, therefore, provides a useful prompt to elected members and officers to ensure that they are familiar with, understand and abide by the respective national codes of conduct which apply to them. In light of the increased focus by audit bodies on conduct and associated governance issues, it is also intended that the annual governance reviews which are undertaken by services include specific consideration of any such matters which are felt to impact on the organisation's ability to carry out its business effectively.

6.0 Conclusions

- 6.1 The Accounts Commission publishes regular reports on a range of matters of relevance to local government. The *Overview* report for 2014 provides a number of observations gleaned from engagement across all 32 local councils and offers an assessment of some key issues affecting the local government sector.
- 6.2 A large number of the issues raised in the report will already be familiar to elected members in Clackmannanshire, while there be some issues which appear less familiar to the local situation.
- 6.3 In terms of the broad key messages, the Council can be reasonably assured that it is being informed about the context of local government and that overarching strategic frameworks exist which should ensure that future budget and service reviews contain appropriate financial and performance information, make appropriate connections and incorporate appropriate options and risk appraisals. It will, however, be important that all tiers of council management ensure that there is corporate follow-through within these frameworks and that elected members apply sufficient scrutiny to reviews which are presented to them.
- 6.4 Despite formal commitments, there is not strong evidence that the community planning partners collectively are making the "*most of the combined public sector resources*". While the structure and governance of the public sector in general can serve to limit the extent to which this ambition can be realised, more impetus is required locally to more systematically meet the commitments agreed in the Community Plan and Single Outcome Agreement.
- 6.5 Finally, while there do not exist locally the sort of comprehensive and systemic difficulties in working relations described by the Accounts Commission, it is important that good governance and the highest standards of conduct are seen to be active priorities for the Council and its management, as well as for individual elected members and officers, to avoid any negative impact on the Council's ability to do business effectively and achieve best value.

7.0 Sustainability Implications

- 7.1 There are no direct sustainability implications arising from this report.

8.0 Resource Implications

- 8.1 *Financial Details* - there are no direct financial implications arising from this report.
- 8.2 *Staffing* - there are no direct staffing implications arising from this report.

9.0 Exempt Reports

- 9.1 Is this report exempt? No

10.1 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities**

The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail) N/A

Single Outcome Agreement

11.0 Equalities Impact - N/A

12.0 Legality

12.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

13.0 Appendices -

Appendix 1 - Overview of Local Government in Scotland - Key Findings

Appendix 2 - Options Appraisal: Are you Getting it Right? Key Messages

14.0 Background Papers

14.1 Have you used other documents to compile your report?

An Overview of Local Government in Scotland, 2014 - Accounts Commission, March, 2014

Clackmannanshire Council Governance Strategy, 2012

Budget Report to Special Council of 21 February, 2014

Options Appraisal: Are We Getting It Right? - Accounts Commission, March, 2014

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	

APPENDIX 1 - OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND - KEY FINDINGS

A - Understanding The Changing Context And The Crucial Role Of Councillors

- there are continuing pressures on **finances and services**:
 - decisions and choices in allocating resources across competing priorities are increasingly difficult
 - public sector faces significant challenges in reshaping care for older people
 - there are also substantial pressures within individual services
 - dealing with equal pay claims and associated costs have been significant
- **public service reform** provides challenges and opportunities for new approaches to services:
 - responding to public service reform is challenging but can also help deal with demand and resource pressures, address inequality and better meeting the expectations of people and communities
 - the increasing emphasis on partnership working and community empowerment, while challenging, also provides opportunities for new approaches to services
 - councils retain an important role in helping strengthen connections between the police and fire and rescue services and local communities
 - the Welfare Reform Act of 2012 is the biggest reform of the welfare system for 60 years and has significant implications for councils and the services they provide
 - uncertainties over welfare reform which make it difficult for councils to plan ahead and it will be some time before the full impact of welfare reform is clear
 - the integration of health and social care services affects major parts of the public services and, potentially, represents the biggest change in local government since reorganisation in 1996
 - a joint vision and clear priorities for the use of shared resources is important as is the need for barriers to partnership working need to be addressed
 - new models of service delivery may lead to changes in the relationship between councils and communities
- **councillors have a complex and demanding role**, which is crucial to the success of their councils
 - councillors represent their constituents, provide leadership and direction and scrutinise service performance and how resources are used
 - the effectiveness of councillors has a strong bearing on the achievement of best value
 - the complexity and demands of the role are increased where reduced budgets mean that choices and decisions are more difficult
 - councillors are involved in getting people's views, setting policies, holding officers to account for the implementation of policies and keeping people informed about service changes and performance
 - the management of services is the responsibility of council officers
 - the political context of 2014 is likely to mean additional demands on councillors requiring a careful balance between their crucial role in councils and their political interest in the referendum
 - it is more important than ever that councillors are supported in their role and it is essential that officers provide sufficient, well-researched and presented information to enable them to carry out this role

B - Meeting User Demand And The Financial Challenges.

- **councillors need good information** to support decision-making and accountability, consistent with best value responsibilities:
 - to scrutinise and assess services, councillors need good information on performance and costs of current service activities
 - more needs to be done to ensure that the quality of performance information and that there is clear read-across between the information which is collected and the councils objectives so that progress can be measured
 - councillors need to be clear about what the council wants to achieve and how they will monitor and review performance
 - councillors need to be prepared and equipped to challenge officers on services performance

- councillors can support improvement by showing they are actively interested in performance management and taking action based on what performance information is telling them
- there is still room for improvement in councils' public performance reporting, including the use of comparing performance with other councils
- councils need to **consider options for new ways of working** and changes in the way services are delivered and paid for:
 - councils have substantial discretion on how services are delivered and by whom, even for those services which there is some prescription
 - options appraisals should be a standard part of decision-making involving changes in how services are delivered (including major capital projects)
 - cost information is important in assessing performance and value for money, looking at service performance alone is not sufficient
 - in redesigning services, councils need to ensure that they are designed around the needs and expectations of the people who use that service
 - successful engagement with the public and staff can help manage expectations about what can be achieved in the context of reducing budgets
 - options for the delivery of council services include the use of arms-length external organisations (ALEOs)
 - good governance is essential in dealings with ALEOs
 - simplifying, standardising or adjusting existing approaches to services can be a way to sustain and improve services, as can charges

C - Providing Strong Leadership & Governance to Support Change

- there is **evidence of increasing political tensions and instability** which is leading to strained working relationships:
 - the best performing councils are able to identify when to set aside political differences and work on a constructive basis to support the council as a whole
 - where working relations break down this presents a risk to the council's ability to do business effectively and achieve best value
 - further pressures and tensions are likely given the closely balanced make-up of councils, reduced budgets and the heightened political activity for all elected representatives
 - management restructuring and significant changes in the role of officers need to be handled carefully to ensure consistency and continuity of leadership and governance.
- decisions on services are becoming increasingly difficult and require **strong leadership and governance**:
 - tighter budgets have been met so far by reducing staff numbers; more work is needed to monitor the impact of staff reductions on front-line services and also on the capacity and resilience of support functions
 - increasing levels of staff overtime may be indicative of pressures in services which in time may affect service performance and diminish anticipated from decisions to reduce the size of the workforce
 - while councils have relied mainly on staff reductions, this is not sustainable in the longer term and they face having to consider policy options which they may have previously rejected because they are politically unacceptable or unpopular
 - having taken difficult decisions, strong leadership is required to see them through
- **effective governance of finances** is more important than ever:
 - audit committees provide a focus on financial control and risk and enhance public trust and confidence
 - reserves have increased but the level of 'free' reserves has fallen, partly because they have been applied to reduce funding gaps
 - achieving more from partnership working requires strong shared leadership supported by more effective governance
 - partnerships need to identify and make better use of the overall resources available in their areas

APPENDIX 2 - OPTIONS APPRAISAL: ARE YOU GETTING IT RIGHT? - KEY MESSAGES

1 - There are many challenges facing councils, the most pressing being the need to manage financial pressures and the increasing demands on services. The Accounts Commission report *Responding to challenges and change: An overview of local government in Scotland 2013* (PDF) highlighted that demand and resource pressures continue to build for councils. One of our key recommendations was that councils should 'ensure rigorous and challenging appraisal of options for delivering services.'

2 - Everything a council does has its roots in legislation. Some services are more prescribed in legislation than others, for example the collection of council tax and business rates. For other services, councils have a lot of discretion on the level of service provided. Even for those services where there is some prescription, it is relatively limited and councils retain substantial discretion on how services are delivered and by whom.

3 - Councils need to consider a wide range of options when considering what services to provide and how to deliver them. They must assure themselves that the services they are providing are value for money, efficient and effective and demonstrate Best Value through continuous improvement. They can do this by critically assessing the current arrangements and by looking at how services are provided by other councils and other organisations.

4 - Councillors and officers need to be open to considering a broad range of options for delivering services. This might involve providing services in a different way, or even not providing some services at all. These are difficult decisions to make as they affect residents and customers, partner organisations and council staff. A robust options appraisal helps councils make these important decisions and provides assurance that all the relevant issues, including quality, cost and risk have been considered. It also helps to ensure that decisions are transparent and based on solid information.

5 - It is vital that councils clearly define the objectives of any options appraisal process. This might be about providing services in a different way to better meet the needs of residents, it might be about making existing services more effective or it may be about making savings to provide resources for other higher-priority areas. When deciding on the objectives, a council needs to ensure that the possible outcomes of any options appraisal are consistent with its strategic policy objectives

6 - As with any process, options appraisal needs to be resourced properly to ensure that it works well. This involves devoting the appropriate time, money, skills and experience to ensure that sound decisions are made. The process needs to be proportionate to the significance of the decision to be made.

CLACKMANNANSHIRE COUNCIL

Report to Council

Date of Meeting: 15th May 2014

Subject: Budget Strategy Update

Report by: Director of Finance and Corporate Services

1.0 Purpose

- 1.1. The purpose of this report is to maintain Council's regular update on the medium term financial outlook and indicative funding gap. This report also sets out the new Budget Challenge process to better align and integrate with *Making Clackmannanshire Better* (MCB) and also submits for approval the core principles for assessing eligibility for the new Community Development Grants (CDG) approved by Council as part of the 2014/15 Capital Budget .

2.0 Recommendations

It is recommended that Council:

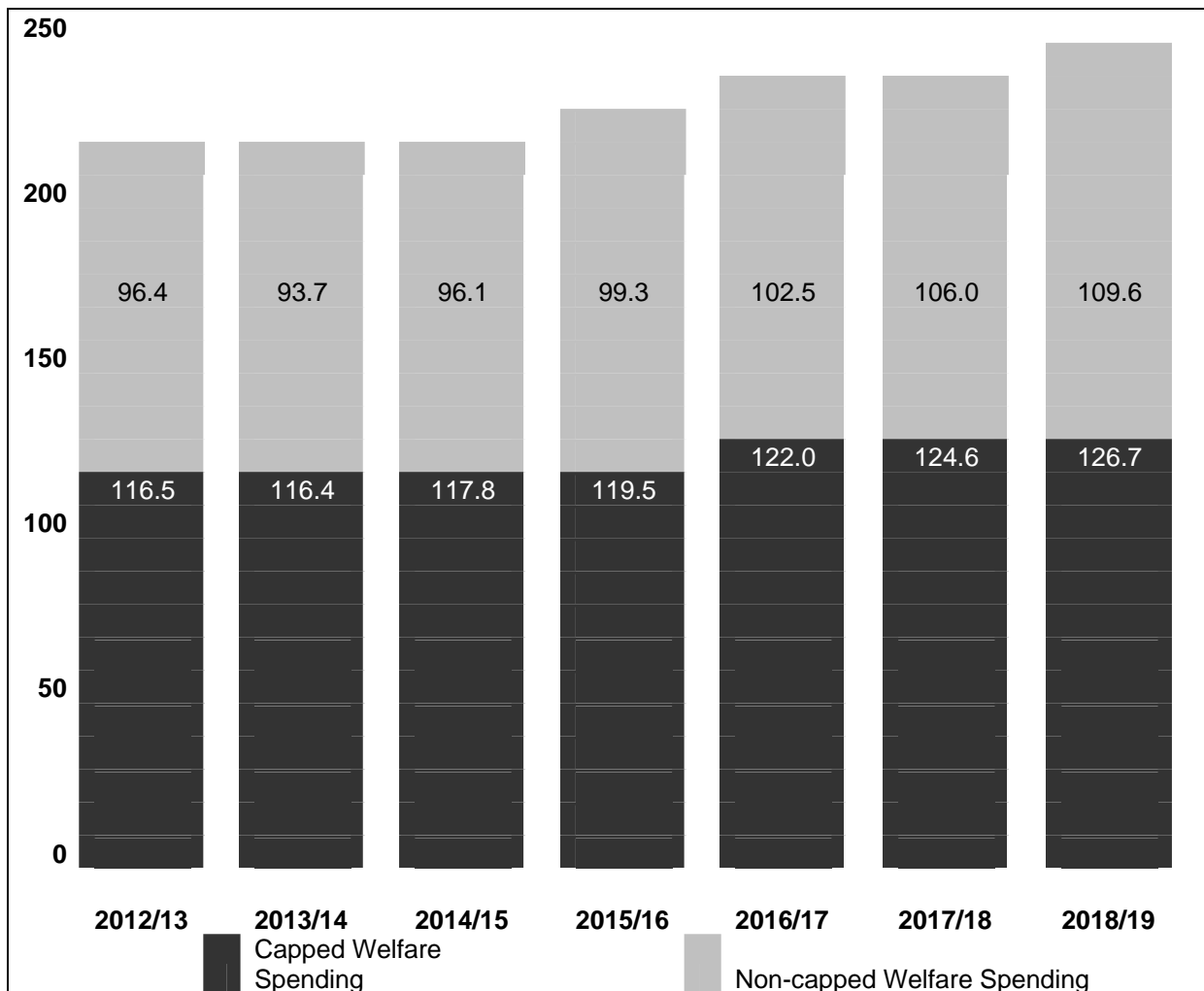
- 2.1 notes the financial outlook set out in paragraphs 3.1 to 3.6, including information on the implementation of the benefits cap in 2015/16 (Appendix A).
- 2.2 notes the revised indicative funding gap to 2017/18 of £19.3m (Exhibit 2) based on the assumptions set out in paragraph 4.2.
- 2.3 notes the factors influencing the indicative funding gap since February 2014 (paragraph 4.3)
- 2.4 notes the redesigned Budget Challenge process to improve alignment with MCB and further prioritise the Council's medium term sustainability (paragraph 4.8)
- 2.5 agree the core principles to underpin the production of eligibility guidance in respect of Community Development Grants (Paragraph 4.11 and Appendix B)
- 2.6 note the establishment of the officer Capital Investment Group and associated remit (paragraphs 4.13 and 4.14)
- 2.7 notes the Council's forecast outturn (Exhibit 3) as reported to the Resources and Audit Committee on the 1st May 2014.
- 2.8 notes the outcome of the Trade Union ballot on proposed changes to staff Terms and Conditions (Exhibit 4) and the ongoing work to finalise the implementation date for the

change.

3.0 Financial outlook

- 3.1 Council has received regular updates on the medium term financial outlook in its regular Budget Strategy Update reports. The February and March 2014 Centre for Public Policy for Regions (CPPR) Briefings cover the Institute of Fiscal Studies (IFS) fiscal position analysis, the IFS review of the public sector workforce, NHS spending pressures and the UK Budget for 2014/15, including the Office for Budget Responsibility's economic and fiscal outlook.
- 3.2. The IFS highlighted that by the end of 2013/14 only 40% of planned spending cuts (through to 2018/19) will be in place. Furthermore, in the public sector, population growth and the increase in the number of age 65 and over individuals are likely to have a further impact on the level of public spending per head of population for the future.
- 3.3 As a consequence, continuing reductions in public spending are anticipated. The most recent UK Budget suggests the need for another five years (to 2018/19) of reductions in the level of funding. It is also likely that the last three years will see annual reductions above the average previously seen during the period 2011/12 to 2015/16. What is not known at this time, is how the UK and Scottish Governments will apportion the reduction in funding across spending Departments.
- 3.4 The OBR forecasts that general government employment will fall by 19% (1.1 million jobs) by 2018/19 compared with that in 2010/11. In Scotland, the reduction in the number of public sector jobs since early 2010 has been a little over the UK average, though there has been a corresponding above UK average increase in private sector jobs. With education and NHS budgets being protected the shift in the composition of the public workforce continues- in 1991 42% were employed in these two sectors, by 2018 this is expected to have risen to over 70%. If this trend continued and there were no reductions in the education and NHS workforces up to 2018/19, the general government workforce would need to reduce by 40% to meet the OBR target forecast.
- 3.5 Most forecasters now seem to think that interest rates will start to increase towards the end of the current financial year / the start of 2015/16. Inflation (as measured by the Consumer Price Index (CPI)) is falling, and is below the Bank of England's 2% target rate for the first time in four years. This position is forecast to be at least maintained until 2018. However, the Retail Price Index (RPI), which is no longer an official statistic but is still used to update a number of key government rates and measures (and locally reflects the rates of inflationary uplift provided for the provision of many contractually delivered goods and services), continues to rise at well above the rate of CPI.
- 3.6 One of the ways in which the UK Government is seeking to control future public sector expenditure is through the introduction of a benefits cap. This cap is set to rise in line with CPI inflation between 2015/16 and 2018/19. Exhibit 1 shows the capped and uncapped welfare spending.

Exhibit 1: Welfare spending , £billion (cash terms)



Source: OBR, EFO June 2010 & March 2014

The benefits cap is set to start in 2015/16 and this is discussed further in a separate Welfare Reform Update report also included on this meeting agenda. Not all benefits, however, will be capped. Appendix A sets out those benefits which will be included and excluded from the welfare benefit cap.

4.0 Budget Strategy Implementation

4.1 As part of Budget preparation work, there is ongoing and detailed review of the assumptions built into the indicative funding gap. This exercise has the aim of refining the indicative budget gap and minimising the need for new savings proposals by ensuring budgets are, as far as possible, aligned with planned expenditure and reflect all known factors. Following the February 2014/15 Budget, the indicative funding gap of £19.3 million over the period to 2017/18. Exhibit 2 summarises the revised position.

Exhibit 2: Indicative budget Gap based on revised assumptions to 2017/18

	2015/16	2016/17	2017/18
	£000	£000	£000
Net expenditure	120,629	125,940	130,378
Net Funding	113,752	112,552	110,993
Cumulative indicative Funding Gap	6,877	13,388	19,385
Indicative Annual Gap	6,877	6,510	5,998

4.2 The main assumptions included within Exhibit 2 are:

- 0% increase in the level of Council Tax
- Pay inflation maintained at 1% across the period to 2017/18
- an allowance of £830k per annum for impact of auto enrolment to pension fund
- an annual allowance for utility increases and contractual inflation but not general inflationary pressures
- limited demand pressures of £1.4m for 2014/15 with an estimate of £1m each year thereafter for further budget pressures
- an allowance of £1.1m in 2014/15 and £1.2M 2015/16 onwards to cover the impact of welfare reform across the Council.
- the ending of contracted out National Insurance contributions estimated at £1.1m in 2016/17
- Cash reduction on general fund grant of 1.3% and 1.8% in financial years 2016/17 and 2017/18 respectively
- maintenance of the commitment to implement Minimum Living wage (currently £7.50 rising to £7.65 from the 1st April 2014).

4.3 The indicative funding gap has decreased by £6 million since the last report to Council, this is largely due to:

- Updated general revenue grant figures in line with the latest circular.
- Continued income for Children and Young Persons bill until 2017/18.
- Removal of year 2 saving which need to be approved by council.

- Revised estimates for Council Tax Reduction Scheme and Teachers Induction Scheme in line with latest circular information.

4.4 The Council Budget was approved on the 21st February 2014. The Budget report included a number of related actions focused on securing the long term financial sustainability of the Council. This report provides an update on progress in implementing the following actions:

- redesign of the Budget Challenge process
- establishment of Community Development Grants (CDG)
- establishment of the Capital Investment Group (CIG).

Budget Challenge Process

4.5 Since 2010, the Budget Challenge process has provided a mechanism for the strategic review and challenge of departmental spending requirements and demand pressures. Over this period, savings proposals of £18.12m have been approved. In addition, the greater scrutiny of departmental spending has delivered additional cash savings of £6.944m. The corporate focus of the process has also provided the opportunity to look at broader options for improvement within and between services.

4.6 This process was departmentally focussed in the first instance to allow for a fundamental realignment of budget requirements and planned activity. It is clear that over the last four budget rounds, the majority of benefits to be realised from this process have now been largely captured. Alongside this, it is important that the financial planning process is integrated as far as possible, with the service delivery and (re)design process as being developed through the MCB programme. The Budget report, approved by the Council on the 21st February, highlighted this redesign as a priority action.

4.7 The current Budget Challenge process typically comprises 3 annual challenge sessions which take place between May and November. These sessions have a common format and have focussed primarily at the individual service level. As a consequence, proposals for improvements have typically been driven in a 'bottom up' approach by individual services. Whilst efforts have been made to develop cross cutting themes at senior management level, there has been some success, but on the whole there is a need to develop stronger management ownership and engagement in proposing and developing such proposals in the future. This approach of greater corporate consistency and management of the process is entirely consistent with the principles and developing direction within MCB.

4.8 The new Budget Challenge process will comprise:

- three annual 'Round Table' (RT) sessions.
- these RT discussions will typically be scheduled in May, August and October.

- as previously, following each round of discussions, a briefing will be provided for elected members on the emerging themes and proposals (typically June, September and December).
- **RT Session 1: Service Discussion.** This will take place in May each year and will most closely resemble the current process. Services will be required to review their outturn position to ensure that the service budget remains aligned with planned activity, reaffirm the delivery of any Year 2 savings previously submitted through the Budget process, set out known demand pressures and submit any new savings proposals. The greatest difference from current arrangements will be the requirement for greater service manager and team leader input to the development and leadership of proposals.
- **RT Session 2: Cross -cutting discussions.** This will take place in August each year. It will be a series of cross cutting RT discussions focussed on streamlining and maximising the integration of service delivery between services. This will be achieved by delivering service redesign proposals which seek to minimise the potential duplication and overlap in our current arrangements, access new funding streams and /or establish new partnership arrangements. The service groupings have yet to be finalised as input will be sought from senior managers through the Senior Managers Forum (SMF). However, initial considerations include organising cross cutting RT discussions along outcomes based, SOA, and/or Target Operating Models (per MCB)..
- **RT Session 3: Corporate discussions.** This will take place in October each year. It will take the form of a Corporate RT discussion which is attended by all chief officers. These sessions will review the outputs from RT sessions 1 and 2 with a view to identifying those proposals or principles which can/should be rolled out across the Council as a whole rather than just within individual services or discrete cross -cutting service delivery areas. The session also provides the opportunity for peer challenge of previously submitted proposals. This process of corporate challenge is critical in delivering the Council's approved principle of the managed contraction of staffing in line with the agreed service delivery priorities.
- the challenge process is currently in the process of being integrated within the wider financial planning timetable to ensure the efficient administration of the process including the preparation of common templates and guidance. The first round of sessions will take place shortly.
- in the past, the process has typically focussed on revenue investment but the future sessions will also consider the capital expenditure requirements of proposed changes. This approach aims to ensure that in setting out the medium term spending plans for the Council, it is possible to profile the revenue and capital investment required and when savings and efficiencies can subsequently be realised.

Community Development Grants (CDG)

- 4.9 In February 2014, Council approved the establishment of a new £200k capital Grant Fund for community improvements as part of MCB. The funding aims to incentivise

communities to work with the Council to improve the physical environment and community facilities. In particular, the Council is seeking to incentivise organisations to assist in meeting the ambitions set out within MCB of more integrated, accessible services within communities.

4.10 It is possible for the Council to make capital grants to third parties but it is important that this is within the prescribed terms of the General Capital Grant statement of acceptance which is signed each year following approval of the Council's Budget. This statement, at Schedule 1, sets out the specific legislative provisions on which the Council must rely in making these awards. Given the purpose of the funding set out at Paragraph 4.9, it is envisaged that the Council will largely rely on the provisions set out in Section 126 of the Housing Grants, Construction and Regeneration Act 1996 as detailed at Appendix B.

4.11 In permitting the grant to be used to fund third party capital expenditure, it is the Council's responsibility to ensure that *'the expenditure incurred , whether or not it is disbursed in the form of grants..... if incurred by the local authority (would) be capital expenditure.* As a consequence, the following core principles are proposed:

- applications will be considered from legally constituted not for profit organisations with responsibility for the maintenance and operation of halls, other buildings and facilities and /or associated land on behalf of, and for the use by, local communities
- the building, land or facility must be owned by the applicant organisation, be subject to a lease of satisfactory duration e.g. 20 years, or have security of tenure
- the project , if required, must have obtained all appropriate planning or listed building consent prior to application
- applicant organisations must provide copies of the previous two years financial accounts
- the proposed expenditure must meet the definition of qualifying capital expenditure, for instance expenditure on building fabric.
- the applicant organisation should provide a minimum of two quotes, addressed to the organisation applying for funding
- retrospective funding applications will not be considered
- The maximum grant available will be 60% of the estimated total cost, up to a maximum of £10,000.

4.12 Subject to approval of these core principles, the Capital Investment Group (see paragraph 4.13 and 4.14) will prepare the detailed Guidance notes and application template. This will be submitted to the Resources and Audit Committee on the 19th June 2014 for endorsement, prior to opening the application process in July. The CIG will oversee the administration of the bid process and the outcome will be reported to

the Enterprise and Environment Committee following the assessment process.

Capital Investment Group

4.13 The CIG is a newly established officer group which provides a complementary operational/ officer partner to the existing Capital Investment Forum (CIF) which is an elected member and officer forum. The intention to establish the group was also notified in the Budget setting process in February 2014.

4.14 The Group met in March, following the approval of the Council Budget and agreed the following remit:

- to align with the work of the CIF to provide appropriate development and operational support at officer level
- reinvigorate and improve the volume, quality and strategic relevance of capital bids submitted through the capital project appraisal framework, providing more integrated capital bid opportunities which are linked to the asset management plans and the Corporate Asset Management Strategy (CAMS), once implemented.
- improve the co-ordination and schedules of bids for investment on the ground irrespective of whether these are funded by General Services Capital Grant, specific capital grant, Housing Revenue Account, external funding streams and/ or planning gain
- further improve the transparency over the collective Programme of capital investment
- further improve the governance over the capital bid and investment process
- contribute, as appropriate to the new Budget Challenge process which will also consider the capital investment requirements of new approaches as co-ordinated and managed through MCB.

4.15 A significant consideration in determining how the Council bridges the funding gap, is the regular review of the Council's outturn position. The detailed General Services and HRA revenue and capital outturn position was reported to the Resources and Audit Committee on the 1st May 2014. For ease this is summarised in Exhibit 3 below:

Exhibit 3: Summarised Outturn position 2013/14

Classification	2013/14 Projected outturn £000
General Services Revenue	(906)
General Services Capital	(7.607)
Housing Revenue Account	323
Housing Capital	(1.608)

Elected members play a vital role in scrutinising Council performance, including financial performance. It is important that the full opportunity provided by the service committees and the Resources and Audit Committee are utilised. Aspects of this issue are discussed in greater detail in the separate agenda item on the Audit Scotland Local Government Overview report.

5.0 Consultation

- 5.1 Ongoing consultation with Trade Union representatives remains a significant feature of the Council's activity. In particular, since the Budget was approved by Council, Trade Unions have consulted with and balloted their respective membership on the proposed changes to Terms and Conditions, which included a reduction in full time contract from 36 to 35 hours per week (or equivalent percentage reduction) and improved access to additional paid leave as part of proposed options for more flexible working.
- 5.2 The results of the ballots have been received (Exhibit 4) and each of the four Trade Unions has returned a majority in favour of accepting the proposals. Work is now in hand to look at how this reduction in hours is implemented to minimise the impact on front line service delivery. All services are currently consulting with the Senior Support Services Manager to agree their requirements in order that the timescale for implementation can be finalised. In submitting the savings proposal to Council assumptions were made about a part year saving being realistic, so there is some contingency available for this further work.

Exhibit 4: Trade Union Ballot result April 2014

Trade Union	% in favour	% rejected	Overall result
GMB	83	17	accept
UCATT	80	20	accept
UNITE	85	15	accept
UNISON	57.5	42.5	accept
OVERALL RESULT			ACCEPT

6.0 Conclusions

- 6.1 Significant work continues to provide a sustainable approach to the Council's financial planning. The most recent work highlights that the Council needs to bridge a funding gap in the order of £19.3m by March 2018. This report also highlights a number of areas that have been taken forward following the approval of the Council's Budget including the establishment of the CIG officer forum, the redesign of the Budget

Challenge process to better align with MCB, and the proposal of principles for approval to allow for the implementation of the new Community Development Grants.

- 6.2 The report also indicates the work in hand to take forward implementation of a significant approved saving in respect of changes to staff terms and conditions following receipt of the Trade Union ballot results accepting these proposals in early April 2014.

7.0 Sustainability Implications

- 7.1. The Council's budget and its approval will allow services to deliver against sustainable outcomes.

8.0 Resource Implications

8.1. Financial Details

- 8.2. Finance have been consulted and have agreed the financial implications as set out in the report. **Yes**

8.3. Staffing

as above

9.0 Exempt Reports

- 9.1. Is this report exempt? **No**

10.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

The area has a positive image and attracts people and businesses
Our communities are more cohesive and inclusive
People are better skilled, trained and ready for learning and employment
Our communities are safer
Vulnerable people and families are supported
Substance misuse and its effects are reduced
Health is improving and health inequalities are reducing
The environment is protected and enhanced for all
The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

11.0 Equalities Impact

11.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? **Yes**

12.0 Legality

12.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. **Yes**

13.0 Appendices

13.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A: Welfare Reform Allowances included/ excluded from the cap.
 Appendix B: Schedule 1, General Capital Grant Acceptance 2014/15

14.0 Background Papers

14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

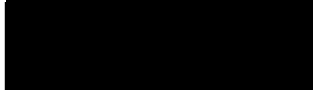

Council Budget 2014/15	February 2014
CPPR briefing	January, February, March 2014
Capital Investment Group	March 2014
Trade Union Ballot result	April 2014

Yes

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director of Finance and Corporate Services	
Elaine McPherson	Chief Executive	

|

Welfare Capped and Non-Capped spending areas

Included in Welfare Cap	Excluded from Welfare Cap
Incapacity benefits	DWP social security
Statutory maternity pay	<i>of which:</i>
Income support (non-incapacity)	<i>Jobseeker's allowance *</i>
Pension credit	<i>State pension</i>
Winter fuel payments	<i>Council tax benefit</i>
Disability living allowance and personal independence payments	<i>Housing benefit (unemployed) *</i>
Attendance allowance	<i>Discretionary housing payments</i>
Carer's allowance	NI social security outside welfare cap
Universal credit	War pensions
Housing benefit (not unemployed)	
Other DWP in welfare cap	
Personal tax credits (AME spending)	
Tax free childcare	
NI social security in welfare cap	
Child benefit	
Paternity pay	
Personal tax credits (negative tax element)	

* These are included within Universal Credit.

|

Schedule 1 - GENERAL CAPITAL GRANT 2014-15

1. The Grant may only be used to fund capital expenditure of the local authority, or any third party capital expenditure incurred, whether or not disbursed in the form of grants, by any persons (public sector bodies, private sector bodies or individuals) towards expenditure which would, if incurred by the local authority, be capital expenditure. In permitting the grant to be used to fund third party capital expenditure reliance is placed on specific legislation. As such the use of the grant to fund third party capital expenditure is limited to the subject of the specific legislation listed below. Local authorities should assure themselves that any grant payments that they may make to any person would be permitted by the legislation listed below.

2. Nothing in the legislation should be interpreted as enabling the grant to be used for any revenue expenditure other than that outlined in condition 2.3.

GRANT MAKING POWERS OF SCOTTISH MINISTERS – LEGISLATIVE DETAILS	
<i>Condition 2.2: The Grant may be used to fund capital expenditure of the local authority</i>	
Section 37 of the Local Government in Scotland Act 2003	Scottish Ministers may make grants to local authorities in respect of their capital expenditure. Capital expenditure is that expenditure that falls to be capitalised in accordance with proper accounting practices (section 39 of the Act)
<i>Condition 2.3: The Grant may be used to fund third party capital expenditure, either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals) which would, if incurred by the local authority, be capital expenditure. Grant making powers are as detailed below:</i>	
Section 37 of the Local Government in Scotland Act 2003	Scottish Ministers may make grants to local authorities in respect of their capital expenditure. Reliance is placed on this section to allow Councils to make grants to other Councils or other local authorities such as Regional Transport Partnerships.
Section 13 of The Flood Prevention (Scotland) Act 1961	Expenditure incurred by a local authority in carrying out flood prevention operations in accordance with a flood prevention scheme. Flood Prevention Schemes are those which have been promoted by the authority and confirmed by Scottish

	Ministers in accordance with legislation
Section 21 of the Coast Protection Act 1949	Scottish Ministers may make grants towards any expenditure incurred under this Act by a coast protection authority, or incurred by a local authority in carrying out of coast protection work under the enactments relating to roads.
Section 70 of the Transport (Scotland) Act 2001	Scottish Ministers may make grants to any persons for any purposes relating to transport. Reliance is placed on this section to allow unitary authorities (councils) to make grants to regional transport partnerships or bridge authorities.
Section 126 of the Housing Grants, Construction and Regeneration Act 1996	Expenditure incurred in connection with activities which contribute to the regeneration or development of an area. Extract from Act provision: Activities which contribute to the regeneration or development of an area include, in particular— (a) securing that land and buildings are brought into effective use; (b) contributing to, or encouraging, economic development; (c) creating an attractive and safe environment; (d) preventing crime or reducing the fear of crime; (e) providing or improving housing or social and recreational facilities, for the purpose of encouraging people to live or work in the area or of benefiting people who live there; (f) providing employment for local people; (g) providing or improving training, educational facilities or health services for local people; (h) assisting local people to make use of opportunities for education, training or employment; (i) benefiting local people who have special needs because of disability or because of their sex or the racial group to which they belong.

<p>Section 90 (1) (a) of the Housing Scotland Act 2001</p>	<p>Grants for housing purposes (1) The Scottish Ministers may make grants to a local authority for the purposes of— (a) the authority's functions in connection with— (i) providing, improving, adapting, repairing, maintaining and managing housing, (ii) undertaking, and assisting the undertaking of, the development, redevelopment and improvement of the physical, social, economic and recreational environment related to housing, (iii) preventing or alleviating homelessness,</p>
<p>Section 96 of the Housing (Scotland) Act 2006</p>	<p>Any power of a local authority to make grants or loans (including the powers to make payments under section 91(1) and to provide assistance under section 95(1)(b)), and any function of a local authority in relation to the making of grants or loans, under this Part is exercisable by the Scottish Ministers as it is by the local authority.</p>
<p>Section 153 (1) and (3) of the Environmental Protection Act 1990 as amended by SSI 83 of 2002</p>	<p>Scottish Ministers may give financial assistance for environmental purposes. Section 153 (1) includes: (nn) any scheme for the storage, treatment or disposal of any material or product for the purpose of preventing or reducing environmental damage.</p>

Report to Clackmannanshire Council

Date of Meeting: 15 May 2014

Subject: Making Clackmannanshire Better - Update

Report by: Head of Strategy & Customer Services

1.0 Purpose

- 1.1. The purpose of this report is to maintain Council's regular update on the development and implementation of the Council's business transformation programme, *Making Clackmannanshire Better* (MCB).

2.0 Recommendations

It is recommended that Council:

- 2.1. Notes progress made since the last update report; and
- 2.2. Notes the planned activity in the coming months.

3.0 Considerations

- 3.1. The last update on the MCB programme was considered by Council on 21 February 2014. Recent activity has included the following key activities:

- Completion of initial phases of the Tullibody pilot;
- Ongoing review of the School Estate to Support 21st Century Learning;
- Roll-out of Leadership & Management Development;
- Making Clacks Work Smarter.

A detailed update on the programme was provided to the MCB Steering Group on 28 April. An outline of progress in a number of these areas follows.

- 3.2. The Tullibody Pilot has now completed Phase 3 activity, incorporating recommendations and lessons learned from Phase 1 to Phase 3.
- 3.2.1. Since the last update in December 2013, ongoing engagement with community stakeholders has enabled a focusing of activity on, better access to, and provision of community resources. A review of data and research has concluded with the report identifying a number of draft Target Operating Models to be trialled as tests of change before wider implementation.

3.2.2. A capital funding bid has been approved for Tullibody as part of the Town and Villages Initiative investment pot in the 2014/15 budget. The Initiative which focused on Sauchie in an earlier phase, will move to focus on Tullibody over the coming year.

3.2.3. Collaborative working with the community stakeholders enabled the co-hosted Community Focus Group event held on 23 January 2014. Over 30 community and voluntary groups were represented, council services including Education and Facilities also participated. The focus of the event was to identify the issues and barriers the community faced in accessing and utilising community assets and resources, particularly those which impact on their ability to support the enablement and growth of resilience within their community.

As output from this session, stakeholders identified a need for different models and approach to local service design and delivery, which would include leisure, community development, health, learning and service-based provision, with dedicated local youth provision.

3.2.4. Engagement with wider community groups has seen the reconstitution of the Tron Traders group, offering a single point of contact and co-ordination for future consultation and engagement.

3.2.5. Discussions have led to agreement to hold a local community planning event in June 2014, to include a wide range of stakeholders to consider multi-service designs based on the draft Target Operating Model for local and community services. This session will draw together key activity across council service areas, such as the Local Development Plan, the Town and Village Initiative and the school estate review, with consideration given to how all potential regeneration funding streams and partner resources could be multiplied to achieve shared objectives.

3.2.6. As part of lessons learned, the community/officer groups are reviewing the method and timing of engagement. Initial reflections include an acknowledgement that different stakeholders have different starting positions and different priorities, therefore reaching agreement on common ground can take time.

3.3. The strategic planning of the school estate is progressing well, and will continue to develop under the working title '*Supporting 21st Century Learning*'. It has been a number of years since a strategic review of the school estate in Clackmannanshire has taken place.

3.3.1. With such a significant footprint in our communities, the school estate forms an important and integral component of service re-design as part of Making Clackmannanshire Better. As such, the review is not being carried out in isolation. It must be seen in terms of its articulation with a number of local and national priorities and developments, most notably:

- Government policies and priorities in terms of educational provision for the operation and design of the school estate.
- Local Development Plan in terms of the function, location and capacity of the school estate.

- *Making Clackmannanshire Better.* In direct recognition of this, the Tullibody Pilot provides an exciting opportunity for the school estate to be an integral part of multi-service planning and, in time, potential coproduction with communities.
- 3.3.2. The initial part of the review consisted of considering educational research and national guidance relating to best practice, in terms of the operation and design of the school estate. An audit process of the current school estate has now been completed. This has involved visits to all schools in Clackmannanshire to assess how well each school is placed to support 21st century learning, on the basis of set criteria.
- 3.3.3. Visits have been made to a number of local authorities to assess and discuss different forms of provision, including: Perth and Kinross, Falkirk, Stirling, Argyll and Bute, and Aberdeen. School estate review papers from Edinburgh, West Lothian, East Ayrshire and Glasgow have also been reviewed and considered.
- 3.3.4. The next stage is to draft a discussion document for consideration by the Council Management Team before a draft is prepared for elected members to consider. Thereafter, wide engagement with a range of stakeholders through a formal consultation will be required.
- 3.4. *Making Our Organisation Stronger* continues to make significant progress, with recent focus on progressing the '*Developing Our People*' strand of this workstream. This includes employee engagement and recognition, employee induction, leadership and management development, wider employee learning and development, PRD, and organisational values.
- 3.4.1. A key priority has been the launch of the Leadership & Management Development programme:

The programme commenced in late February 2014, with a formal launch by the Chief Executive on 4 March 2014.

The programme is split into three pathways. The first pathway, entitled *Leading the Way*, is targeted at Service Managers. To date, 20 Service Managers have participated, covering topics including *Leading Change*, *Strategic Influencing*, as well as the first in a series of one-to-one leadership coaching sessions, delivered by our external consultants.

The second pathway, *Developing Leadership*, has delivered development activities to 52 managers at Team Leader level. Topics covered include *Managing Time*, and *Managing Absence and Difficult Conversations*. Group leadership coaching has also commenced, with participants forming cohorts with colleagues from across the organisation.

The programme is subject to ongoing evaluation, with feedback thus far indicating a very high level of satisfaction amongst those participating. This includes managers highlighting specific examples where they will be seeking to put into practice the skills gained during the sessions. The opportunity to use these skills to deliver the change agenda is integral to taking forward the overall *Making Clackmannanshire Better* initiative, with change leadership and cross-service ownership of the transformation key.

The third pathway, *Developing Our Talent*, will seek to develop employees with leadership and management potential as an internal talent management activity. Proposals for this pathway are currently being developed, and will be presented to CMT later this year.

3.4.2. Other key pieces of work under *Developing Our People*, as an integral part of *Making Our Organisation Stronger* have progressed as follows:

- *Performance Framework*

A joint process has been developed for Education, covering both Clackmannanshire (Clacks) and Stirling employees. This piece of work was progressed earlier than planned, to ensure the Council met its obligations in terms of Professional Update CPD requirements for GTC registered teachers and staff. The new process is consistent with both Councils' current approaches, and will be reviewed once the new corporate Clacks process is developed to maintain alignment.

Discussions have taken place with Social Services in relation to their requirements for a bespoke process covering SSSC social work staff. These members of staff are subject to particular requirements in terms of supervision and CPD not fully addressed through the current corporate PRD process. Any process specific to Social Services (across the Shared Service) will also be aligned with both Stirling and Clacks PRD processes, including any new future process for Clacks.

- *Employee Engagement*

CMT have received the initial data results from the Employee Survey 2013/14. Current activity is focused on drilling down to identify areas for attention, including analysis of the feedback from our people to the specific questions around communication and engagement.

A special edition of Grapevine will be published reporting the results to our employees, and feeding back some of the proposed actions and activity that will be undertaken to address concerns and areas of required focus.

Future activity will focus on working with our people to identify ways in which the organisation can engage with them more effectively. This will include looking beyond the employee survey alone, to develop other means of measuring employee perceptions.

- *Employee Induction*

The new OLLE online training system is now operational. The development of an induction suite for OLLE is also underway. As an integral part of this, discussions have taken place with the Training Services Manager in Social Services in relation to incorporating SSSC requirements for 'supervision', which includes induction, to ensure that the system offers an inclusive platform for managing this for all employees.

3.4.3. Other key activity progressed under *Developing Our Organisation*:

- *Job Families*

The project plan for the Job Families initiative has been considered by CMT, and is currently being refined to reflect feedback.

The project team has been established, and a meeting is scheduled to consider joint workforce resourcing and planning at CPP Alliance level.

An external consultant has been engaged, on an 'as required' basis, to provide support and challenge to the project team.

- *Values*

The proposed approach to take this forward will be considered by CMT. The approach requires a representative group of employees developing the organisational values, facilitated by the project team. Whilst managers will be closely involved in supporting and leading the process, it is proposed that refreshed Values will be developed by employees from a range of different levels and functions.

- *Terms and Conditions (T&Cs)*

Trade Unions balloted members on proposed changes to T&Cs, as agreed at Council. Union membership agreed to accept the proposals for 2014/2015. Work is currently underway to prepare for adoption of the changes.

- *Outcome-focused Resourcing / Budgeting*

This is linked to the activity around joint resourcing, which is a key plank of public sector reform. An initial internal meeting has taken place to consider options. It is intended that discussions will be broadened out to involve partners through the Clackmannanshire Alliance.

3.5. Three key elements of *Making Clacks Work Smarter*, as an integral part of *Making Our Organisation Stronger* are:

- Working Smarter
- Building Flexible Infrastructure
- Improving Access to Information and Services

Developments include:

3.5.1. Participation in an '*Open Data*' project - whereby four local authorities, Edinburgh, Aberdeen, East Lothian and Clackmannanshire Councils, are piloting projects with an organisation known as NESTA, which is an innovation charity. In essence, the project seeks to make use of government digital databases to enable customers direct access to 'open source' information through an application, rather than have to go through multiple services or organisations.

There are clear customer and efficiency benefits from enabling customers to have easy and direct access to information, hence this type of innovative approach is gathering momentum in North America and increasingly Europe.

As a pilot site, NESTA is providing development and design resources to support Clackmannanshire. A developer has been appointed who started working with us on 1 May 2014.

- 3.5.2. In line with our priorities, we are focusing our development resource on developing an application to support our early years work. Once developed, the application will be available to other local authorities, though an open source data approach.
- 3.5.3. Rollout of new devices, such as i-Pads and Smart technology, continues to support new ways of working for Council employees. This involves creating the necessary supporting frameworks and modernised infrastructure, which is being installed as part of the move to the Kilncraigs Mill complex.
- 3.5.4. The upgrade of the Council's email platform, *Lotus Notes 9*, is moving towards full implementation. This will introduce more unified communications functionality, supporting mobile and flexible working, e.g. shared desktops; meeting room bookings, etc.

The *Lotus Notes 9* platform has now been built, and text messaging has been rolled out to some services. Additional collaborative features will be available from the beginning of May 2014.

- 3.5.5. '*Next Generation*' broadband has been procured, and BT has committed to implement this across the whole of Clackmannanshire by 2017. We currently await detailed time-frames for Clackmannanshire from BT.
 - 3.5.6. *HR/Payroll iTrent* - this will deliver self-service to all employees and enable them to access and check/update their own information held on the HR/Payroll system. This functionality is a key aspect supporting flexible working. Employee self-service commenced roll-out from April 2014.
 - 3.5.7. The project to develop a new financial system for the Council is in progress, and the Project Board has now been established.
- 3.6. There are no direct financial implications arising from this report.

Conclusions

Activity within the *Making Clackmannanshire Better* programme continues to progress with an increasing momentum.

4.0 Sustainability Implications

- 4.1. There are no direct implications arising from this report.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. *Staffing - no direct implications arising from this report.*

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input checked="" type="checkbox"/>
Our communities are safer	<input checked="" type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input checked="" type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input checked="" type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

NONE

11.0 Background Papers

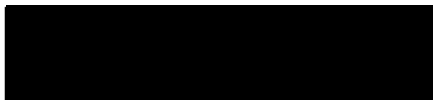
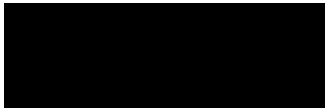
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Stuart Crickmar	Head of Strategy & Customer Services	2127

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy & Customer Services	
Nikki Bridle	Director of Finance & Corporate Services	

Report to Council

Date of Meeting: 15th May 2014

Subject: Treasury Management Strategy Statement 2014-2015

Report by: Chief Accountant

1.0 Purpose

- 1.1. The purpose of this report is to present the Council's Treasury Management Strategy Statement for 2014/15.
- 1.2. CIPFA defines treasury management 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."

2.0 Recommendations

- 2.1. It is recommended that Council
- 2.1.1. Approve the Treasury Management Strategy Statement for 2014/15 attached as Appendix A.

3.0 Considerations

Background

- 3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term

loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Reporting Requirements

- 3.3 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy - The first, and most important report covers:

- the capital plans (including prudential indicators);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

The first element on Prudential Indicators was presented and approved at the Special Council meeting on 21st February. This report takes forward the Treasury Management Strategy and Investment Strategy.

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Strategy for 2014/15

- 3.4 The strategy for 2014/15 covers the following areas:

- the current treasury position;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment policy;
- creditworthiness policy;
- country limits; and
- the investment strategy.
- policy on use of external providers

These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and Scottish Government Investment Regulations.

Training

- 3.5 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Regular training is held for members and the last refresher was held on the 22nd April 2014. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

- 3.6 The Council uses Capita Asset Services as its external treasury management advisors.

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.

It 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. The current contract is in place until July 2014 and the tender process is underway to secure appropriate Treasury support for future years.

Impact of the Referendum

- 3.7 The Treasury Management Strategy report has been prepared on the basis of current market conditions. Any impact as a result of the referendum vote in September will be incorporated into the monitoring of Treasury activities and reported throughout the year.

4.0 Conclusion

- 4.1 The Treasury Management Strategy for 2014/15 builds on and consolidates the Council's existing Investment Strategy and Prudential Borrowing framework.

- 4.2 The strategy supports the delivery of the Councils capital investment plans but also remains intent on reducing the Council's overall relative level of external debt compared to Scottish averages.

5.0 Sustainability Implications

- 5.1 There are no sustainability implications.

6.0 Resource Implications

- 6.1 *Financial Details*

6.2 There are no direct financial implications arising from the recommendations in this report. Yes

6.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

6.4 *Staffing*

6.5 *None*

7.0 Exempt Reports

Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

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Vulnerable people and families are supported

Substance misuse and its effects are reduced

Health is improving and health inequalities are reducing

The environment is protected and enhanced for all

The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

- 11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A - Treasury Management Strategy Statement & Annual Investment Strategy

Appendix B - Investment Portfolio as at 31st March 2014

12.0 Background Papers

- 12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Treasury Management in Public Service; Code of Practice and Cross Sectoral Guidance Notes 2011

The Prudential Code for Capital Finance in Local Authorities 2011

Interest rate forecasts

Economic background

Treasury management practice 1 - credit and counterparty risk management


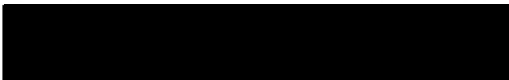
Treasury management scheme of delegation

The treasury management role of the section 95 officer

Author(s)

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NAME	DESIGNATION	SIGNATURE
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Elaine McPherson	Chief Executive	

2014/15 TREASURY MANAGEMENT STRATEGY STATEMENT & ANNUAL INVESTMENT STRATEGY

The suggested strategy for 2014/15 in respect of the following aspects of the treasury management function is based upon the Council's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Capita Asset Services.

The strategy for 2014/15 covers the following areas:

- the current portfolio position;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment policy;
- creditworthiness policy;
- country limits; and
- the investment strategy.

Borrowing

The capital expenditure plans approved at the Special Council meeting on 21st February provided details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury indicators, the current and projected debt positions and the annual investment strategy.

1 Current Portfolio Position

The Council's treasury portfolio position at 31 March 2013 with forward projection are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the capital financing requirement - CFR), highlighting any over or under borrowing.

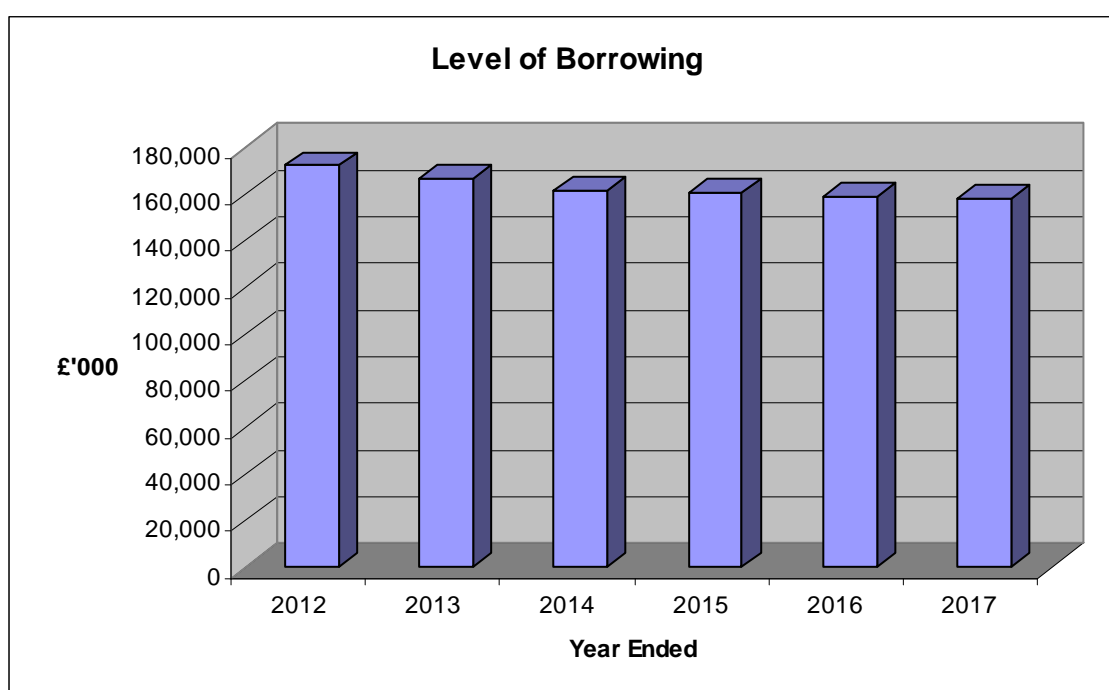
£000	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
External Debt					
Debt at 1 April	123,732	119,726	115,726	115,726	115,726
Expected change in Debt	(4,006)	(4,000)	0	0	0
Other long-term liabilities (OLTL) at 1 April	48,706	47,476	46,248	45,005	43,715
Expected change in OLTL	(1,230)	(1,228)	(1,243)	(1,290)	(1,311)
Actual gross debt at 31 March	167,202	161,974	160,731	159,441	158,130
The Capital Financing Requirement	166,147	168,025	171,591	168,837	167,622
Under / (over) borrowing	(1,055)	6,051	10,860	9,396	9,492

At the end of 2012/13 the Council's Gross Debt was greater than the Capital Financing Requirement resulting in an over-borrowing position of £1.055m. By the end of 2013/14 and in future years the Council's Capital Financing Requirement is forecast to fall back below Gross Debt resulting in a consistent under-borrowed position.

The table demonstrates a potential reduction in loan debt of £4m in 2013/14 as loans reach maturity. Maturing debt in future years is assumed to be replaced as cash balances are now at a sufficient level. The level of cash balances and interest rates will be monitored throughout the year and the strategy reviewed should there be significant changes.

The steady reduction in other long term liabilities reflects the annual repayments of the PFI debt and street lighting finance lease.

The continuing trend in reducing the Council's level of borrowing is consistent with the Treasury Strategy. This is illustrated in the following chart, demonstrating actual and forecast level of debt upto 21016/17.



2 Prospects for Interest Rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Capita central view.

Annual Average %	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2014	0.50	2.60	4.40	4.40
June 2014	0.50	2.60	4.40	4.50
Sept 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.80	4.60	4.60
March 2015	0.50	2.90	4.70	4.70

June 2015	0.50	2.90	4.70	4.80
Sept 2015	0.50	3.00	4.80	4.90
Dec 2015	0.75	3.10	4.90	5.00
March 2016	0.75	3.20	5.00	5.10
June 2016	1.00	3.20	5.00	5.10
Sept 2016	1.25	3.30	5.10	5.10
Dec 2016	1.50	3.40	5.10	5.20
March 2017	1.75	3.50	5.10	5.20

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However growth has rebounded during 2013 to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are also currently very positive in indicating that growth prospects are strong for 2014, not only in the UK economy as a whole, but in all three main sectors; services, construction and manufacturing. This is very encouraging as there does need to be a move away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established.

One drag on the economy is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates.

The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- As for the Eurozone, concerns have subsided considerably in 2013. However, sovereign debt difficulties have not gone away and major concerns could return in respect of any 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. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. 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 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. 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 even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;
- 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.

3 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Director of Finance and Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *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 will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will 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 greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Borrowing Requirement

The Council's borrowing requirement shown in the table below is based on the in year borrowing estimated to be needed to fund the net expenditure in the Financial Plans / Capital Budgets for both Housing and General Fund Services which were approved at the Special Council meeting in February 2014.

The actual timing of any borrowing will be influenced by prevailing interest rates and expectations for future movement on rates. It may for instance be beneficial to delay borrowing until later than expected if interest rates are projected to fall. Similarly, any slippage in the delivery of the capital programme or conversely new initiatives requiring funding, will influence the timing of borrowing.

Replacement borrowing may be required for loan debt which is due to mature during the years shown. The report to Council on Prudential Indicators assumed that this debt will need to be replaced in the year it matures, although this will be reviewed to take account of levels of cash balances held and interest rate movements. This is consistent with our existing strategy to reduce overall level of external debt compared to Scottish averages.

	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000
Net New External Borrowing	3,566	(2,753)	(1,216)
Replacement Borrowing	10,000	6,000	6,200
Total Borrowing Requirement	13,566	3,247	4,984

It should be noted that if replacement borrowing takes place it does not increase the level of the Council's total debt because by its nature this borrowing is replacing debt which already

exists. The impact on the Council's external debt position would therefore only be the net new borrowing requirement shown.

Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2014/15	2015/16	2016/17
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	90%	90%	90%
Limits on variable interest rates based on net debt	25%	25%	25%
Maturity structure of fixed interest rate borrowing 2014/15			
	Lower	Upper	
Under 12 months	0%	25%	
12 months to 2 years	0%	25%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	

4 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest 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 the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for 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 current debt.

All rescheduling will be reported to Council at the earliest meeting following its action.

Annual Investment Strategy

1 Investment Policy

Opportunities for investment arise naturally through Treasury Management activity and in particular the management of cash flows which can result in peaks and troughs in the amount of cash required during the year. The Council can also choose to have its various funds and reserves backed by cash held. Accordingly at any given point in time the Council is likely to have sizeable sums of cash available and in a best value context it is incumbent upon the Council to generate a return on such surplus cash by investing it wisely. It should be noted that these cash balances currently amount to almost £40m. Income generated on the use of surplus cash contributes to keeping the net expenditure of the Council lower than it otherwise would be.

The Council's investment policy has regard to the Scottish Government's Investments Investment (Scotland) Regulations (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 will be security first, liquidity second and then return.

In accordance with guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Capita Asset Services ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit

methodology provided by the advisors, Capita in producing its colour codings which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year and Counterparty limits will be as set through the Council's treasury management practices – schedules.

2. Creditworthiness Policy

The Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit 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;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

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 used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Capita Asset 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 F1, long term rating A-, viability rating of A-, and a support rating of 1. 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.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset 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 the iTraxx benchmark 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. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

3. Country limits

The Council has determined that it will only use approved counterparties registered to take deposits in the United Kingdom.

4. Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2013/14 0.50%
- 2014/15 0.50%
- 2015/16 0.75%
- 2016/17 1.75%

There are upside risks to these forecasts (i.e. start of increases in Bank Rate occurs sooner) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be downside risk.

Taking account of the current investment returns the suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

2014/15	0.50%
2015/16	0.60%
2016/17	1.50%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2014/15	2015/16	2016/17
Principal sums invested > 364 days	£10m	£10m	£10m

For its cash flow generated balances, the Council will seek to utilise its bank instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

5. *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.

INVESTMENT PORTFOLIO AS AT 31ST MARCH 2014

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Bank of Scotland Plc	5,000,000	1.01%	03/07/2013	03/07/2014	A	0.023%
Bank of Scotland Plc	5,000,000	0.98%	03/10/2013	03/10/2014	A	0.045%
Bank of Scotland Plc	8,030,000	0.49%	Instant Access		A	0.000%
Total Investments	18,030,000	0.77%				0.019%

Report to: Clackmannanshire Council

Date: 15 May 2014

Subject: Amendments to Standing Orders

Report by: Director of Finance and Corporate Services

1.0 Purpose

- 1.1 The purpose of this report is to submit to Council revised Standing Orders for approval.

2.0 Recommendation

- 2.1 It is recommended that Council :

- a) approves the Standing Orders attached as Appendix 1 to this Report which incorporate the undernoted changes;
- b) agrees that in any interim period between adoption of the revised Standing Orders and the post holders for the new posts designated by the new establishment structure being in place any amendment to the Standing Orders referring to the new post holder shall not take effect until such post holder is in place;
- b) notes that copies of the updated documents as approved by Council will be placed on the Members' Portal and circulated within the Council.

3.0 Background

- 3.1 At its meeting on 19 December 2013, Council noted that amendments to Standing Orders would be submitted to the next Council meeting for approval in compliance with Standing Order 20.6 (Standing Orders can only be changed when notice given at meeting that amendment proposals will be brought before the next meeting).
- 3.2 In compliance with Standing Order 20.6 notice was given at the Council meeting on 13 March 2014 that it had not been possible to finalise the report within the timescales for the March meeting and that the report would be brought to this meeting.
- 3.3 The purpose of the proposed amendments to Standing Orders is to remove ambiguities and anomalies; improve definitions; improve and clarify wording where appropriate and carry out limited rearrangement of the contents of Standing Orders.

3.4 A briefing for all members was held on 17 February 2014 to provide members with an opportunity to consider the proposed amendments. The Standing Orders attached to this report have had regard to the discussions at the briefing.

.4.0 Amendments to Standing Orders & Scheme of Delegation

4.1 The following sections of Standing Orders have been amended:

- 1.7 - CEO/Returning Officer to have power to have items considered urgent put on agenda
- 2.7 - no casting vote to remove Provost, Deputes, Convenors or members of Committees
- 5.4 - Policy Forums - to be run by officer appointed by CEO
- 6.2 - power of Provost to change time, date and place of meetings
- 8.4 - procedure where report goes from Committee to Council for approval
- 9.12 - substitute to be non-member of committee. A member can only act as substitute for one other member
- 9.16 - specifies attendances which qualify as a meeting attendance
- 9.23 - Convenor to state reason for allowing or not allowing member to speak at committee of which not member
- 10.23 - Provost to state reasons for adjournment
- 12.2 - amendments regarding asking questions at meetings
- 12.3 - members to ask questions and not make statements
- 13.10 - amendments to time for lodging and distribution of amendments
- 13.18 - simplifies circumstances where member may speak again during debate
- 13.24 - clarifies that there is no right of reply when there has been no debate
- 15 - simplifies provisions about procedural motions
- 16.3 - amends definition of relevant motion
- 17.1 - amendment regarding 6 month rule

- 21.1 - defines what to be included in minute. Specifies rights of members regarding requests to note items
- resultant changes to contents pages

4.2 The current draft of the Standing Orders has been amended to reflect Establishment Structural changes agreed at the Special Meeting of the Council on 21 February 2014 . In the interim period between adoption of the revised Standing Orders and the post holders for the new posts designated by the new Establishment Structure being in place any amendment to the Standing Orders referring to the new post holder shall not take effect until such post holder is in place and the responsibility will remain with the officer presently responsible, which failing with such officer as the Chief Executive considers most appropriate on that interim basis.

5.0 Sustainability Implications

NA

6.0 Resource Implications

Financial Details N/A

Staffing N/A

7.0 Declarations

7.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input checked="" type="checkbox"/> |
| Substance misuse and its effects are reduced | <input checked="" type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input checked="" type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input type="checkbox"/> |

(2) **Council Policies** (Please detail) N/A

8.0 Equalities Impact

8.1 N/A

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Appendix 1 - Standing Orders showing proposed amendments

11.0 Background Papers

None

Author(s)

NAME	DESIGNATION	SIGNATURE
Lisa Simpson	Governance Manager	Extension : 2084

Approved by

NAME	DESIGNATION	SIGNATURE
Julie Burnett	Support Services Manager	
Nikki Bridle	Director of Finance & Corporate Services	



Clackmannanshire Council

www.clacksweb.org.uk

Standing Orders

15 May 2014

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APPLICATION & DEFINITIONS

The Interpretation Act 1978 will apply to these standing orders in the same way as it applies to an Act of Parliament.

These standing orders will overtake any standing orders we have previously approved and will take effect from. 15 May 2014.

The standing orders can only be changed or abolished when there has been an indication at a meeting of the Council that proposals to amend standing orders will be brought before the next meeting.

In these standing orders, the references to pieces of legislation are as follows:

<i>1973 Act</i>	The Local Government (Scotland) Act 1973
<i>1980 Act</i>	The Education (Scotland) Act 1980
<i>1982 Act</i>	The Civic Government (Scotland) Act 1982
<i>1985 Act</i>	The Local Government (Access to Information Act) 1985
<i>1989 Act</i>	The Local Government and Housing Act 1989
<i>1994 Act</i>	The Local Government etc. (Scotland) Act 1994
<i>1997 Act</i>	The Town and Country Planning (Scotland) Act 1997
<i>2000 Act</i>	Standards in Scotland's Schools Act 2000

References to *we*, *us*, *our* and *the Council* refer to Clackmannanshire Council, as constituted under the 1994 Act.

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1.0 FIRST COUNCIL MEETING AFTER AN ELECTION

1.1 Convening the Meeting

1.2 In an election year, we will hold our first meeting within 21 days from the date of the election. The Chief Executive will set the date and time of this first meeting.

1.3 Mandatory Items of Business

1.4 At this first meeting, the first item of business will be the election of the Provost. Until the Provost is elected, the Returning Officer will chair the meeting.

1.5 At this meeting we will also:

- Elect the Depute Provosts, Leader and Depute Leader of the Council
- Appoint the Convenor and Vice Convenor of each standing committee and of any standing sub-committee(s). (Standing Order 3.4 sets out our Standing Committees)
- The Resources and Audit Committee may appoint a Vice Convenor without having to get approval or ratification from the Council
- Appoint to the Licensing Board a number of Councillors no fewer than five and no greater than ten as we may determine from time to time.
- Decide the political balance on each committee and sub-committee. We will set aside seats on committees and sub-committees to achieve a balance between the political parties, as far as is reasonably practical under section 15 of the 1989 Act. At the first Council meeting following a by-election, we will also review the party balance on each Committee and sub-committee.

1.6 Discretionary Items of Business

1.7 At this first meeting, we may (but do not need to):

- appoint committee and sub-committee members
- appoint representatives to the Joint Valuation Board and the various outside organisations we are represented on if these appointments may be reasonably made at that meeting and if we consider it is appropriate to make appointments at that time.
- deal with any urgent and/or relevant business, taking account of the law and these standing orders. The Chief Executive and the Returning Officer may have put on the agenda such items as are considered urgent and/or relevant.

2.0 COUNCILLOR APPOINTMENTS & REMOVAL FROM APPOINTMENTS

2.1 Duration of Appointments

2.2 Unless a councillor resigns from any appointment or is removed by the Council, each of the appointments referred to in standing orders 1.5 and 1.6 will stand until the next ordinary election.

2.3 Removing the Provost, committee Convenors and committee members

2.4 We may remove the Provost, Depute Provost(s), Leader, Depute Leader, any Convenor, Vice Convenor of a committee/sub-committee or any member of a committee/sub-committee (this includes appointed members and co-opted members).

2.5 Removing the Provost, Depute Provost(s), Leader, Depute Leader, Convenor or Vice Convenor of a committee/sub-committee from office may only be considered at a special meeting of the Council. His or her replacement will also be appointed at this meeting.

2.6 Notice must be given under these Standing Orders. The meeting must have been called only for the purpose of deciding whether the Provost (or the Depute Provost(s), Leader, Depute Leader, Convenor or Vice Convenor) should be removed from office.

2.7 Any motion to remove the Provost, Depute Provost(s), Leader, Depute Leader, Convenor, Vice Convenor or any member of a committee/sub-committee may be carried by a simple majority of those members present and eligible to vote at the meeting at which the motion is put. The Provost, a Convenor (or, in the absence of the Provost or the relevant Convenor, a Depute Provost or Vice Convenor or other member chairing the meeting) shall not have a casting vote for the purposes of Standing Orders 2.4.

2.8 Removing any other member of a committee/sub-committee may only be considered if a notice of motion is submitted in line with the terms of Standing Orders.

3.0 COMMITTEES

3.1 We may at any time appoint committees to help carry out our functions in accordance with the provisions of the 1973 Act . We will set out the powers and duties of these committees.

3.2 The Convenor, Vice Convenor (in the absence of the Convenor) and any member of a committee chairing a committee meeting in the absence of the Convenor and Vice Convenor shall have the same powers as the Provost in a council meeting.

3.3 Council Standing Committees

3.4 We will appoint the following standing committees:

- Housing, Health and Care Committee
- Education, Sport and Leisure Committee
- Enterprise and Environment Committee
- Resources and Audit Committee and sub-committee
- Planning Committee
- Regulatory Committee
- Workforce Committee (? for discussion)
- Local Review Body

3.5 The number of members on each standing committee will be as follows.

	Members	Quorum	Appointed Members	Co-opted Members
Housing, Health and Care Committee	8	4	-	-
Education, Sport and Leisure Committee	8	4	3 *(see 4.7 to 4.11)	-
Enterprise and Environment Committee	8	4	-	4 (see 4.2)
Resources and Audit Committee	8	4	-	-
Resources and Audit sub-committee	6	3	-	-
Planning Committee	10	4	-	-
Regulatory Committee	8	4	-	-
Workforce Committee	6	3	-	-
Local Review Body	10	3	-	-

- 3.6 In addition to the Members above, the Leader of the Council is, ex-officio, a (non-voting) member of the Housing, Health and Care Committee; Education, Sport and Leisure Committee; and the Enterprise and Environment Committee.
- 3.7 The Leader of the Council is, ex-officio, one of the Administration's three members of the Resources and Audit Committee and as such will have full voting rights on this Committee.
- 3.8 In addition to the members above, the Convenor of the Housing, Health and Care Committee is ex officio a (non-voting) member of the Resources and Audit Sub-committee.
- 3.9 Statutory Committees**
- 3.10 We will appoint the following statutory committees:-
- 3.11 Attendance Committee
- 3.12 The number of members and the constitution of the Attendance Committee will be set in line with Council policy, as amended from time to time. However any relevant statute will apply. Our Standing Orders do not apply to meetings of the Attendance Committee.
- 3.13 Education Appeals Committee
- 3.14 The number of members and the constitution of the Education Appeals Committee will be set in line with Council policy, as amended from time to time. However, any relevant statute will apply. Our Standing Orders do not apply to meetings of the Education Appeals Committee.
- 3.15 The Education Appeals Committee will be made up of three members appointed and trained by the Head of Resources and Governance, who will take account of their previous experience of working with young people.
- 3.16 All members appointed to the Education Appeals Committee will be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

3.17 Complaints Review Committee (Social Services)

3.18 The number of members and the constitution of the Complaints Review Committee (Social Services) will be set in line with council policy, as amended from time to time. However, any relevant statute will apply.

3.19 All members appointed to the Complaints Review Committee (Social Services) will be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

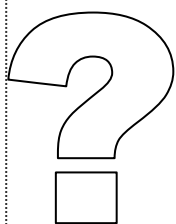
3.20 Joint committees

3.21 We may make joint arrangements with other authorities to create joint committees or other groups for carrying out our statutory and other functions in accordance with sections 56 & 57 of the 1973 Act.

3.22 Ad Hoc Committees

3.23 We may set up ad hoc Committees from time to time. The quorum of any ad hoc committee set up for a specific purpose will be at least one quarter of the members of the Council (including any appointed members but not including any co-opted members).

4.0 CO-OPTED & APPOINTED MEMBERS OF COUNCIL & COMMITTEES



Co-opted and appointed members of council and committees are members who are not councillors.

Appointed members are those individuals who are not councillors and who:

- a) sit on the Education, Sport and Leisure Committee as religious representatives
- b) are members of the Attendance Committee
- c) are members of the Education Appeals Committee
- d) are members of the Complaints Review Committee (Social Services)

Co-opted members are those individuals who are not councillors or appointed members and who sit on Council or any of our committees.

4.1 Subject to sections 57 and 59 of the 1973 Act (as amended by the 1994 Act), a committee may, if we approve, include within its members co-opted members or appointed members (or both), provided at least two-thirds of the members of all committees are councillors, (with the exception of any committee that has the power to decide on education matters, where at least half of the members of the committee must be councillors). Persons we appoint to committees under this Standing Order

will be appointed members, unless they are prevented from holding that office under section 59 of the 1973 Act. In this case, they will be appointed as co-opted members.

4.2 Co-opted Members & Their Rights

4.3 Co-opted members may:

a) take part in the debate on issues coming before the committee of which they are members; and.

b) question officers as provided for in standing orders

4.4 Co-opted members may not:

a) move or second a motion or amendment

b) vote on any matter, including procedural matters, coming before a standing committee

c) arrange a substitute (ref SO 9.14)

4.5 Co-opted members will not receive reports or other papers, including background papers, that contain exempt information (unless the appropriate committee agrees).

4.6 Co-opted members have no rights of access to reports or other papers containing confidential information.

4.7 Appointed Members & Their Rights

4.8 Appointed members are members of committees who are not elected members of the Council and who are not co-opted members. Appointed members will have rights equal to those of elected members with the following exceptions set out in these standing orders:

- appointed members may not take part in the vote on a motion to suspend standing orders (Ref Standing Order 20.3)
- unless a religious representative, an appointed member may not arrange for a substitute (ref Standing Order 9.13)

4.9 Religious Representatives

4.10 We must appoint three religious representatives to the Education, Sport and Leisure Committee. The appointments are made in accordance with Section 124 of the 1973 Act (inserted by Section 31 of the 1994 Act)

4.11 Religious representatives only have voting rights on matters relating to the discharge of the authority's function as education authority.

4.12 Non-Councillor Members of The Attendance Committee

4.13 All members appointed to the Attendance Committee will (despite any provision of the Standing Orders) be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

4.14 Non-Councillor Members of The Education Appeals Committee

4.15 All members appointed to the Education Appeals Committee will (despite any provision of the Standing Orders) be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

4.16 Non-Councillor Members of the Complaints Review Committee (Social Services)

4.17 All members appointed to the Complaints Review Committee (Social Services) will (despite any provision of the Standing Orders) be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

The following Standing Orders also relate to co-opted and appointed members of Council or Committees:

6.4 - co-opted and appointed members cannot be counted as part of the required quorum (5) for a written request for a special meeting of Council or any committee



8.7, 9.29, 9.30 - co-opted members must leave the room when a confidential item under section 50A(2) of the 1973 Act is discussed; this may also apply to appointed members

8.12 - the requirement for the press and public to leave the meeting if we agree that an item of business contains exempt information also applies to co-opted members but not to appointed members

9.14, 9.15 - the only co-opted or appointed members who can arrange for substitutes are religious representatives

9.17 - if a co-opted or appointed member does not go to any council or committee meetings for six months in a row, that member will no longer be a member of the council or committee unless we grant them leave of absence or we have approved their absence

9.19 - if a co-opted or appointed member is not able to go to the meeting for whatever reason, he or she may give his or her apologies either by telling the Head of Resources and Governance (before the meeting) or through another member who will give the apology at the beginning of the meeting. Only these apologies will be recorded in the minutes.

13.7, 13.13 - Co-opted members present at a meeting who do not have voting rights cannot not move or second a motion or an amendment

14.24. 14.26 - All appointed members of the Education Appeals Committee and the Complaints Review Committee (Social Services) are entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

18.2 in relation to questions which relate to the discharge of our functions as an education authority, appointed religious representatives may put a question that is relevant to the business of the Education, Sport and Leisure Committee to the Convenor (or to the Governance Manager for an explanation on a point of law or procedure), as long as the representative has given the question in writing to the Head of Resources and Governance no later than 12 noon, seven working days before the date of the meeting.

20.3 - Appointed members may not take part in the vote on a motion to suspend standing orders

5.0 POLITICAL RESPONSIBILITIES

5.1 Some of our members will have special areas of responsibility. These are:

POSITION	COUNCIL SERVICES	POLICY AREAS
Leader of Council	Resources and Governance	Community Planning Corporate Policy and Strategy Corporate Governance Financial strategy Best value
Depute Leader of the Council	Strategy & Customer Services	Public Sector Reform Partnership Community Engagement
Convenor of Housing, Health & Care	Housing Social Services	Care Health improvement Housing Health and Care integration Community safety
Convenor of Education, Sport & Leisure	Education	Education Sport Leisure
Convenor of Enterprise & Environment	Facilities Management Development & Environment	Economic Development, Tourism, Employability Sustainability, Environment Roads and Transportation Waste Management

5.2 The Convenor's role in respect of Services includes:

- ensuring service performance is consistent with Council policies and procedures
- leading on service issues at a political level

5.3 Policy forums

5.4 From time to time, we may set up policy forums to discuss particular issues. We will decide membership of forums. .Policy forums will be chaired by an officer appointed by the Chief Executive.

6.0 COUNCIL & COMMITTEE MEETINGS - ORDINARY & SPECIAL MEETINGS

6.1 Ordinary meetings

6.2 Subject to 6.3, Ordinary meetings will usually be held every nine weeks in the Council Chamber or at such other places and on such other dates and at such other times as the Provost may set.

6.3 Subject to there being business for the Committee, the Planning Committee will usually be held every six weeks in the Council Chamber or at such other places and on such other dates and at such other times as the Convenor may set.

6.4 Special meetings

6.5 A special meeting may be called at any time:

- by the Provost or in the absence of the Provost, by a Depute Provost; or
- by a written request signed by at least as many councillors as represents the quorum of the Council (which is 5) or Committee of the Council (see Standing Order 3.5) and which specifies the business proposed. Appointed members and co-opted members must not be included in the quorum number;
- the agenda for a special meeting will be limited to the item of business specified in the request for the meeting.

6.6 The agenda for a special meeting will be limited to items of business requiring a decision before the next ordinary meeting of the Council or of the relevant committee. If the Head of Resources and Governance believes that a request for a special meeting contains an item of business that does not meet this requirement, the item will be removed from the agenda. The councillors who have asked for the special meeting will be told this. They can ask for the item to be included on the agenda of the next scheduled ordinary meeting of the Council or appropriate committee.

6.7 A special meeting will be held within 10 working days from when the Head of Resources and Governance receives a valid request. This Standing Order may not be suspended.

6.8 Postponing Meetings

6.9 In agreement with the Head of Resources and Governance, or the Clerk, the Provost may postpone any meeting to another day, time or place.

7.0 COUNCIL & COMMITTEE MEETINGS - NOTICE OF MEETINGS

7.1 Notice to members of the Council & Committees

7.2 Not less than five clear working days before the meeting, the Head of Resources and Governance will give notice of the meeting to all members of the Council or Committee in accordance with the 1973 Act (as amended).

7.3 If a member gives reasonable notice, the notice can be posted or delivered to him/her at his/her usual home address (or at any other address they inform the Head of Resources and Governance about in writing). The Head of Resources and Governance Services will decide the most efficient way to deliver the papers. The notice will contain or will come with:

- notice of the date, time and place of the meeting;
- an agenda setting out the list of items of business to be considered; and
- copies of any reports associated with the items on the agenda.

7.4 If a councillor or other committee member does not receive the notice, the meeting will still be valid (under paragraph 2(3) of schedule 7 of the 1973 Act).

7.5 All councillors will have access to all committee papers, including those containing Confidential and Exempt Information.

7.6 Notice to the press and public

7.7 Subject to Standing Orders 8.10 to 8.17, Council meetings will be open to the public and the press. No later than five clear working days before a council meeting, the Head of Resources and Governance must publish the time and place of the intended meeting.

- 7.8 In accordance with the 1973 Act, and subject to Standing orders 8.10 to 8.17, copies of the items set out in the notice of meeting will be made available for inspection by members of the public at our offices as determined by the Head of Resources and Governance. Copies will also be made available on our website (www.clacksweb.org.uk).
- 7.9 The Head of Resources and Governance may decide not to give notice to the press if a meeting is to be called at short notice or if the meeting is a meeting of the Workforce Committee and the business of the Committee includes information that is exempt under paragraph 1 of schedule 7A of the 1973 Act.
- 7.10 If possible, notice will be given not less than five clear working days before the meeting (there is a shorter statutory requirement of three days). Reports containing exempt information or confidential information (as defined in Standing Orders 8.19 and 8.21) will not be made available to the press or the public. Co-opted members will not receive reports containing confidential information. The appropriate committee will decide who should receive exempt information.
- 7.11 Copies of the agenda and accompanying reports will be available for the public to see at Council headquarters not less than five clear working days before the meeting (unless the meeting is called at shorter notice). If this happens, the agenda and reports will be available for the public to see as soon as is practical. We will also put copies of agendas on our website (www.clacksweb.org.uk).

8.0 COUNCIL & COMMITTEE MEETINGS - MEETING AGENDAS

8.1 Reports

- 8.2 Officer reports must be signed by the appropriate Head of Service and Director. Joint service reports must be signed by all appropriate chief officers. The Head of Resources and Governance may, unless the appropriate officers can show good cause, refuse to admit to the agenda any report that is not signed in line with this standing order.
- 8.3 As far as appropriate, reports will be presented in the standard format, as prescribed by the Head of Resources and Governance. Failure to follow this Standing Order will not in itself make the report invalid.

- 8.4 If a committee asks that a report is passed to a Council meeting without making a decision, the full committee report shall be annexed to the council report .

Where approval of a committee decision is being sought, the report to Council shall refer to the relevant committee and date of meeting and set out the committee decision(s) to be approved..

As far as appropriate, the report will be presented using the template report for seeking Council approval of committee decisions prescribed by the Head of Resources and Governance. Failure to follow this Standing Order will not in itself make the report invalid.

- 8.5 Councillors preparing reports for us will be entitled to support from suitably qualified and experienced officers. In asking for support, Councillors will follow recommendations made by the Head of Resources and Governance. Councillors will also make sure that any officer who is asked to give support is given reasonable notice of what the councillor needs.

8.6 Agenda Structure

- 8.7 The agenda for meetings will be divided into the following parts:

Part 1 Items to which members of the public and press have unrestricted access and during consideration of which the meeting will be open to the public in accordance with sections 50A(1).

Part 2 Items containing Exempt Information (section 50A(4) of the 1973 Act) . This part will set out which category of Exempt Information under schedule 7A of the 1973 Act may result in the public requiring to leave the meeting during a debate on the item.

Although an officer may have indicated that an item contains Exempt Information, we will decide if the public are to be required to leave the meeting when the item is being discussed.

Part 3 Items containing Confidential Information (section 50A(2) of the 1973 Act). By law, the public and the press (including co-opted members for this purpose) must not be present when the item is being discussed.

8.8 Any councillor will have the right to have an item placed on the agenda for a meeting, if they give the Head of Resources and Governance notice in writing (setting out the nature of the item) at least seven clear working days before the date of the relevant meeting

8.9 The final decision on which items will appear on the agenda rests with the Head of Resources and Governance in consultation with the Clerk.

8.10 Exempt and Confidential Information

8.11 Reports containing Exempt Information (exempt items) will be clearly marked 'Exempt' and that the report is 'Not for publication' because it contains Exempt Information within the meaning of schedule 7A of the 1973 Act. It is likely that the public will be required to leave the meeting during the debate on reports containing exempt information.

8.12 If any item of business being discussed at a Council meeting contains Exempt Information, we will decide if the press and public (including co-opted members but not appointed members) must leave the meeting while the discussion is taking place. This standing order may not be suspended.

8.13 Standing Order 8.12 will not apply to any Councillor going to a committee that he or she is not a member of. (See also SO 9.23)

8.14 Reports containing Confidential Information (confidential items) will be clearly marked 'Confidential' and that the report is 'Not for publication' because it contains confidential information within the meaning of section 50A (2) and (3) of the 1973 Act.

8.15 If any item of business being discussed at a Council meeting contains Confidential Information, the press and public (including co-opted members and in certain cases appointed members) must leave the room while the discussion is taking place. This Standing Order may not be suspended.

8.16 Standing Order 8.15 will not apply to any councillor going to a committee that he or she is not a member of. (See also SO 9.23)

8.17 The Head of Resources and Governance in consultation with the Governance Manager will decide whether a report contains Exempt Information or Confidential Information. If the Head of Resources and Governance in consultation with the Governance Manager advises that the item of business should be admitted to Part 1

as an unrestricted item of the agenda, the item will be given unrestricted circulation. However, our right to decide at the meeting to consider the item in private will still apply.

8.18 Revealing information

- 8.19 We will not reveal any document (or any part of any document) marked 'Not for publication by virtue of Paragraph ... of Part 1 of schedule 7A to the Local Government (Scotland) Act 1973' to the press or public unless and until the document has been made available to the public or the press under section 50A of the 1973 Act.
- 8.20 Information on any part of the proceedings of the Council which the public have not been allowed to see may not be revealed to the public unless and until we have authorised it or the information has been made available to the public or the press under section 50A of the 1973 Act. Co-opted members will only receive the information if the committee has agreed that they can have access to Exempt Information.
- 8.21 We will not reveal Confidential Information within the meaning of section 50A(3) of the 1973 Act contained in any background documents to the press or public (which for this purpose includes co-opted members) .
- 8.22 Without affecting the Councillors' Code of Conduct and standing orders no councillor will use or reveal to any person any Confidential or Exempt Information that comes to his or her knowledge through his or her office as a councillor.

9.0 COUNCIL & COMMITTEE MEETINGS - GENERAL OPERATION

9.1 Chairing Meetings

9.2 The Provost, if present, will chair council meetings. If the Provost is not present, a Depute Provost will chair the meeting. If neither the Provost nor a Depute is present, the councillors present will decide who will chair the meeting. The Standing Orders relating to the Provost will apply to the Depute Provosts or to any member chairing a meeting of the Council.

9.3 The Convenor, if present, will chair committee meetings. If the Convenor is not present, the Vice Convenor will chair the meeting. If neither the Convenor nor the Vice Convenor is present, the members present who are eligible to vote will decide who will chair the meeting. The Standing Orders relating to the Provost will apply to any member chairing a meeting of a committee.

9.4 Quorum

9.5 The quorum is the minimum number of people who must be present before the council meeting can take place and make valid decisions.

9.6 No business will be carried out at a meeting unless a quorum of councillors is present. Quorums are as follows:

	Quorum
Council	5*
Education, Sport and Leisure Committee	4
Enterprise and Environment Committee	4
Housing, Health and Care Committee	4
Resources and Audit Committee	4
Resources and Audit sub-committee	3
Planning Committee	4
Regulatory Committee	4
Workforce Committee	3
Local Review Body	3

* Paragraph 4(1) of Schedule 7 of the 1973 Act

9.7 If 10 minutes after the time appointed for a meeting the quorum has not been met, the Provost, Convenor or person chairing the meeting will postpone the meeting. The minutes of the meeting will record that no business was carried out due to the lack of a quorum.

9.8 If at any time during a meeting a question arises on the presence of a quorum, the Provost, Convenor or person chairing the meeting will (after allowing an interval of five minutes) arrange for the Councillors present to be counted. If a quorum of Councillors is not present, those agenda items which are unresolved will be postponed to a future meeting at a time and date that the Provost, Convenor or person chairing the meeting decides. Notice of the rescheduled time and date may be given immediately or at a later date in line with Standing Order 7.2.

9.9 Decisions taken during that part of the meeting where there was a quorum present are valid.

9.10 Attendance at meetings

9.11 The names of the members (including co-opted members) present at each meeting and the names of those members (including co-opted members) who have sent an apology for not attending will be recorded in the minutes of the meeting.

9.12 Substitutes

9.13 If a Councillor cannot come to a meeting, he or she may arrange for any Councillor who has not already agreed to act as substitute for another Councillor to go to the meeting as his or her substitute. Councillors going to meetings as substitutes must tell the Clerk before the meeting starts. Details of the substitutions will be recorded in the minutes of the meeting. A Councillor (whether or not acting as a substitute) may not be replaced during a meeting. ('Meeting' includes any part of a meeting that has been postponed.)

9.14 If a religious representative who has been appointed under section 124 of the 1973 Act (as amended by section 31(4) of the 1994 Act), cannot come to a meeting, he or she may arrange for another person representing one of the 3 statutorily prescribed designations to go to the meeting as his or her substitute. Persons going to meetings as substitutes for religious representatives must tell the Clerk before the meeting starts. Details of the substitutions will be recorded in the minutes of the meeting. A religious representative (whether or not acting as a substitute) may not be replaced during a committee meeting. ('Meeting' includes any part of a meeting that has been postponed.)

9.15 No other co-opted or appointed member can arrange a substitute.

9.16 Failure to Attend Meetings

9.17 If a councillor does not attend any council meetings (which includes meetings of committees, sub-committees, joint committees, joint boards or other bodies carrying out any Council function and representing the Council at a meeting of any body of persons) for six months in a row, the councillor will no longer be a member of the Council, unless we grant them leave of absence or we have approved their reasons.

However, by virtue of section 35(3) of the 1973 Act members of the armed forces or civil service shall not cease to be councillors due to failure to attend a meeting for six months in a row as a result of employment on military service during war or an emergency. This provision applies to co-opted and appointed members.

9.18 If a Councillor does not attend any meetings of an external body to which he or she has been appointed by the Council for 12 months in a row and no substitute has attended in his/her place, the Councillor will no longer be a member of the external body unless we grant him/her leave of absence or if we have approved their reasons.

9.19 If a member of the Council (including co-opted and appointed members) is not able to go to a meeting for whatever reason, he or she may give his or her apologies either by telling the Head of Resources and Governance before the meeting or through another member who will give the apology at the beginning of the meeting. Only these apologies will be recorded in the minutes.

9.20 Councillors' Attendance At Committees They Are Not Members Of

9.21 Councillors (but no co-opted or appointed members) have the right to go to all meetings of council committees even if they are not members of the committee. Councillors do not have the right to speak at any committee they are not a member of unless the matter being discussed concerns his or her ward and no other ward

9.22 If any issue we are considering affects, or is likely to affect, constituency interests in more than one council ward, this right will not apply.

9.23 The person chairing the meeting will decide whether a Councillor has the right to contribute to the proceedings under standing order 9.19 and will give reasons for his/her decision which shall be recorded in the minute.

9.24 Any Councillor using this right will only speak on the matter in question and may speak for no more than 5 minutes unless the Convenor determines otherwise.

9.25 Any Councillors attending a committee they are not members of can remain in the room during discussion of Exempt or Confidential items of business.

9.26 Public Attendance At Meetings

9.27 Members of the public may attend meetings as observers.

9.28 The taking of photographs, use of mobile phones or music players, and audio or video recordings are not permitted during meetings unless with the express permission of the Provost.

9.29 If any item of business being discussed at a council meeting contains Exempt Information we will decide if the press and public (which for this purpose includes co-opted members but not appointed members) must leave the room while the discussion is taking place. This Standing Order may not be suspended. (see SO 8.12)

9.30 If any item of business being discussed at a council meeting contains Confidential Information, the press and public (which for this purpose includes co-opted members and in certain cases appointed members) must leave the room while the discussion is taking place. This Standing Order may not be suspended. (see SO 8.15)

9.31 If there is any misbehaviour, we have the right to ask members of the public to leave.

9.32 We may exclude people from a meeting or require that they leave if their presence or behaviour is causing, or is likely to cause, a disturbance. The Provost may issue a warning to any person creating a disturbance or may order that person to be removed from the meeting.

9.33 If there is a general disturbance during any part of the meeting open to the public, the Provost may order the meeting to be cleared.

10.0 COUNCIL & COMMITTEE MEETINGS - CONDUCT

10.1 Powers & Duties of the Provost (applies to Convenors and other chairs)

10.2 It is the duty of the Provost to make sure that standing orders are followed and to make sure that all members receive a fair hearing.

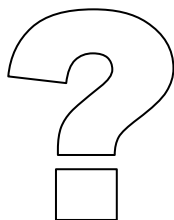
10.3 When the Provost begins to speak, other members must stop speaking.

- 10.4 The Provost will decide the order in which members may speak.
- 10.5 The decision of the Provost on all questions of procedure, order, competency, relevancy arising from standing orders will usually be final. If the Provost's decision is challenged, he or she will explain the reasons for the decision. The decision may be put to a vote but can only be overturned or amended if it is agreed by a majority of the members present at the meeting who are eligible to vote.
- 10.6 The Provost may determine all questions of procedure where no specific provision is made under these Standing Orders. If the Provost's decision is challenged, he or she will explain the reasons for the decision. The decision may be put to a vote but can only be overturned or amended if it is agreed by a majority of the members present at the meeting who are eligible to vote.

10.7 Points of order

- 10.8 A point of order is a verbal objection made to the Provost, saying that a statement or proposed procedure or action at the meeting may be breaking the law or standing orders. The term 'point of order' does not include the arguments, the principles or the political views expressed in debate, or relate to how true, valid or accurate any statement made in the course of debate is. A difference of opinion is not a point of order.
- 10.9 Any member (voting or non-voting) may raise a point of order arising at any point in the meeting, but must clearly tell the meeting on what basis a standing order or any law has been, or is about to be, broken.
- 10.10 A member who is addressing the meeting when a point of order is raised will stop until the clerk has explained whether or not the point raised is a point of order.
- 10.11 If the point is confirmed by the clerk as a point of order, the Provost will decide how the point of order should be dealt with. If the point is not confirmed to be a point of order, it will not be accepted and the discussion will continue.

10.12 The Interests of Councillors in Contracts and Other Matters



A personal interest is an interest that must be registered or declared by a councillor under the Councillors' Code of Conduct. This includes non-financial interests that members of the public might reasonably think could influence the actions, speeches or votes of a councillor. A personal interest will also exist where a decision of the Council or of a committee of the Council will affect:

- a councillor, their partner, relative or close friends; or
- the organisation employing any of these people.

10.13 Any Councillor who has a personal interest in a matter arising at a meeting must take account of the Councillors' Code of Conduct before deciding whether or not he or she should take part in any discussion on the matter. He or she must seek the advice of the Head of Resources and Governance in consultation with the Governance Manager, where appropriate, on the terms of the Code and how it may affect the behaviour of any councillor in particular circumstances.

10.14 Formally registering a personal interest does not mean that a Councillor no longer needs to declare the interest if it is relevant to the business of the Council or a committee of the Council.

10.15 A Councillor must leave any Council meeting when a matter in which he/she has a personal interest is being considered.

10.16 The interests of employees in contracts and other matters

10.17 In addition to any duty under section 68 of the 1973 Act, if any employee of the Council knows that he or she has a financial interest in any contract that we have entered into (or propose to enter into), or in some other matter that we are to consider, and which (in either case) is not:

- a personal contract of employment with us; or
- the tenancy of a house we have provided;

he or she will give notice of the interest in writing to the Head of Resources and Governance.

10.18 Under this standing order, if a member of staff has a financial interest in a contract or other matter that is due to be considered at a meeting of the Council at which he or she is present, he or she must reveal the interest in accordance with section 39 of the 1973 Act.

10.19 Behaviour

10.20 If the Provost determines that any member at any meeting is behaving or has behaved improperly or offensively, or is deliberately obstructing our business, the

Provost may take any or all of the following courses of action:

- Ask the member to stop speaking during the rest of the debate on the matter under discussion.
- Ask for a vote on the proposal that the member is not allowed to contribute to the rest of the meeting. The motion does not need to be seconded and will be put to the vote without being discussed beforehand. If the motion is carried by a simple majority of those voting, the member named will not speak for the rest of that meeting. Although it may not have been seconded, the motion will be recorded in the minutes.
- Move that the member should leave the meeting. This motion does not need to be seconded and will be put to a vote without being discussed beforehand. If the motion is carried by a simple majority of those voting, the member named must immediately leave the meeting. Although it may not have been seconded, the motion will be recorded in the minutes.
- Postpone the meeting for a period of time that he or she considers to be appropriate.

10.21 Members are required to behaviour courteously at all times during meetings and to treat members and officers with respect.

10.22 Adjournments & Breaks

10.23 The Provost may adjourn a meeting at any time for any reason. He/she shall state the reason for the adjournment which shall be recorded in the minute.. An adjournment will last not longer than 15 minutes.

10.24 Subject to the Provost's effective management of the meeting, there may be a 10 minute break after approximately every two hours of sitting.

10.25 Subject to the Provost's effective management of the meeting, there may be a 30 minute meal break after approximately three hours of sitting.

11.0 COUNCIL & COMMITTEE MEETINGS - ORDER OF BUSINESS

11.1 Order of Business

11.2 The Provost may make a statement at the start of a meeting on any matter of civic importance. There will be no debate on such matters.

11.3 Discussion at ordinary meetings of the Council will usually take place in the following order.

- Roll call – The Head of Resources and Governance will arrange for the names of members present at the meeting to be recorded
- Recording apologies and notice of substitutions
- Declarations of interest
- The order of business
- Minutes of the previous meeting or meetings of the Council
- List of Committee meetings convened since the previous Council meeting
- Leader of the Council's Report on key issues and activities
- Committee Recommendations referred to Council for approval
- Any questions to the Provost (if the order of business set out in the agenda includes questions to the Provost, the Provost may decide at which stage of the meeting he or she will take the questions)
- Reports and other items of business that do not contain exempt or confidential information
- Motions (formal proposals for items to be discussed) from members
- Items containing exempt information where we decide the press and public can attend
- Items containing exempt information where we decide the press and public cannot attend
- Items containing confidential information.

11.4 The order of business may be rearranged by the Provost or if we agree on the motion of any councillor.

11.5 Urgent business

11.6 No business, other than that set out on the agenda, will be carried out unless the Provost decides that due to special circumstances the item should be discussed as a matter of urgency (see section 50B(4)(a) and (b) of the 1973 Act).

11.7 If the Provost decides that an item of business may be discussed as a matter of urgency under Standing Order 11.6, he or she will give his or her reasons for the decision before the item is discussed. The reasons will be recorded in the minutes of the meeting (see section 50B(4)(a) and (b) of the 1973 Act).

12.0 COUNCIL & COMMITTEE MEETINGS - INTRODUCING REPORTS

- 12.1 The Provost may direct that reports to the Council must be introduced, without interruption where appropriate, by the officer presenting the report.
- 12.2 The Provost may then give members the opportunity to ask questions and request explanations or more information from that officer or from any other officer at the meeting who holds information that is relevant to the matter under consideration.
- 12.3 During this period of questions and explanation, members must not make statements. The point a member wishes to raise must be framed as a question. A motion or an amendment cannot be moved at this stage
- 12.4 When, in the opinion of the Provost, members have had a reasonable opportunity to ask questions and request explanations or more information, the Provost will advise that the Council may now discuss the matter.

13.0 COUNCIL & COMMITTEE MEETINGS - DISCUSSION & DEBATE RULES

- 13.1 The Provost will decide the order in which members will speak during the debate.
- 13.2 Members will address the meeting through the Provost.

13.3 Motions

13.4 Motions for approval of a report will be treated as the original motion. Any motion proposing to alter a report will be dealt with as an amendment.

13.5 Motions must be set out in writing before they can be debated or put to a vote.

13.6 Motions must be moved and seconded before they can be debated or put to a vote.

13.7 Persons (such as co-opted members) who do not have voting rights may not move or second a motion.

13.8 Amendments

13.9 Amendments must relate to the motion by seeking to vary the terms of the motion or make an addition to the motion which bears direct relevance to the terms of the motion.

An amendment which contains an expenditure proposal must identify a budget from which the expenditure can be met.

13.10 Amendments must be set out in writing before they can be debated or put to a vote.

Except in exceptional circumstances, amendments should be submitted to the Clerk by noon on the day prior to the meeting. Amendments will be collated by the Clerk and circulated to members as soon as possible after receipt and in any case in advance of the meeting.

At the meeting, amendments will be taken in the order in which they have been submitted to the Clerk.

13.11 The Provost may rule out of order any amendment he or she considers irrelevant or substantially similar to the motion or to any previous amendment.

13.12 Amendments must be moved and seconded before they can be debated or put to a vote.

13.13 Persons (such as co-opted members) who do not have voting rights may not move or second an amendment.

13.14 Only one amendment may be debated at the one time.

13.15 Notice of any second or subsequent amendment must be given before the end of the debate on the amendment currently being discussed. If notice is not given at the right time, any subsequent amendments will not be accepted.

13.17 It shall be competent for the mover of a motion, with the consent of the member seconding the motion, to accept an amendment to that motion

13.16 Speaking On A Motion Or Amendment

13.17 A member moving or seconding a motion or an amendment or using a right of reply may speak for no more than 10 minutes, unless they have the permission of the Provost.

13.18 Other members taking part in the discussion will speak for no more than five minutes unless they have the permission of the Provost.

13.19 A member who has spoken on a motion will not speak again during the debate on the motion unless :

- the Provost gives him/her permission;
- he or she wishes to comment on a motion which has been amended since he/she spoke;
- the proposer of the motion uses the right of reply at the end of the debate. The right of reply will be limited to answering matters raised in debate; or
- by making a point of order (which will be dealt with in accordance with Standing Order 10.8-10.11).

13.20 The mover of an amendment has no right of reply.

13.21 Withdrawing A Motion or Amendment

13.22 A motion or an amendment can only be withdrawn by the mover (the person who put forward the motion)? and the seconder (the person who supported it)?.

13.23 Putting A Motion (or Motion as Amended) To Council

13.24 The Provost will put the motion to the Council after the mover of a motion (or motion as amended) has used the right to reply, or has declined to exercise the right of reply. No other member will speak on the motion.

The Provost will put the motion to the Council without giving the mover a right of reply when the motion has not been debated.

14.0 COUNCIL & COMMITTEE MEETINGS - VOTING

Co-opted members may not vote on any matter, including procedural matters, unless they are sitting on either the Education Appeals Committee or the Complaints Review Committee (Social Services) (ref SOs 4.4, 4.13, 4.15)



Appointed members may not take part in the vote on a motion to suspend standing orders (Ref Standing Order 20.3)

Members who have withdrawn from the meeting due to a personal interest may not vote on the item concerned (ref Standing Order 10.15)

Councillors attending committees they are not members of cannot vote even if they can speak 9.21

The Provost (or Convenor or Chair) will not have a casting vote in relation to the filling of posts held by councillors and other representatives and in the appointment of employees (ref Standing Order 14.17, 14.22).

General

- 14.1 Unless otherwise provided by law or standing orders, every question coming to or arising at a council meeting will be decided by a simple majority of the members who are present and eligible to vote on a show of hands.
- 14.2 After the Provost or Convenor(or Chair) has announced that any matter is to be put to the vote, the Clerk will (if any member asks) explain that matter. The Provost will then start to take the vote. No member will interrupt the proceedings until the result of the vote is announced.
- 14.3 The Provost will ask firstly for votes on any amendment and then for votes on the motion or motion as amended. The Provost will confirm the outcome of the vote with the Clerk and announce the result of the vote.
- 14.4 Unless the law or standing orders provide otherwise, the Provost will have a 'casting vote'. He or she may exercise the casting vote if there is an equal number of votes for or against any motion or amendment.
- 14.5 When a motion and an amendment are before the meeting and notice has been given of one or more further amendments, the amendments and voting will be in the order in which notice was given.

14.6 If an amendment is defeated, other amendments (of which previous notice has been given) may be moved. If any amendment is moved and seconded, voting will proceed in accordance with standing orders.

14.7 Roll Call Vote

14.8 Any member (whether or not eligible to vote) can ask for a roll-call vote on any matter which is to be put to a vote.

14.9 If a vote is taken by roll call, the names of those members voting for or against the motion or amendment will be included as part of the minutes of the meeting.

14.10 Recording Votes In The Minutes

14.11 A member may ask that the minutes of the meeting record a note of his or her vote for or against any motion or amendment.

14.12 The minutes of the meeting will record the vote, including any abstentions (when someone has decided not to vote).

14.13 A member may ask that the minutes of the meeting record a note of his or her disagreement with a decision of the meeting.

14.14 Filling Posts Or Offices Held By Councillors & Other Representatives

14.15 If the number of councillors or other persons nominated to be appointed to any office or position to be filled by the Council is higher than the number of vacancies, there will be a vote (or votes). Each councillor will be entitled to vote for as many candidates as there are vacancies, but will not vote for more than one candidate for any single vacancy.

14.16 The names of all those nominated will be put to the meeting in alphabetical order of surname.

14.17 If only one vacancy needs to be filled and a candidate has an absolute majority (more than 50%) of the votes cast, the candidate will be declared to be appointed. If there is no absolute majority, the name of the candidate having the fewest votes will be taken off the list. This process will continue until a candidate has an absolute majority of votes cast (if there is only one vacancy) or until the number of candidates left equals the number of vacancies (if there is more than one vacancy). The candidate or candidates will then be declared or appointed.

14.18 If a vote involves more than two candidates having the fewest votes (and the same number of votes), another vote will take place to decide which candidate will be taken off the list. If the candidates with the fewest votes still have the same number of votes, the candidate to be taken off the list will be decided by drawing lots.

14.19 If only one vacancy needs to be filled and there are two candidates with an equal number of votes, the appointment will be decided by drawing lots.

14.20 Standing orders 14.15 to 14.19 do not apply to appointing officers (ref SO 14.22)

14.21 Appointing Officers

14.22 Where there are more than two candidates for any appointment and none gets an absolute majority of votes, the candidate having the fewest votes will not be considered further. Voting will continue until there is an absolute majority of the councillors, present and voting at the meeting, in favour of any candidate.

14.23 Non-Councillor Representatives On The Attendance Committee

14.24 All members appointed to the Attendance Committee will (despite any provision of the Standing Orders) be entitled to vote on any issue those committees are discussing, whether or not they are elected members of the Council.

14.25 Non-Councillor Representatives On The Education Appeals Committee

14.26 All members appointed to the Education Appeals Committee will (despite any provision of the Standing Orders) be entitled to vote on any issue this committee is discussing, whether or not they are elected members of the Council.

14.27 Non-Councillor Representatives On the Complaints Review Committee (Social Services)

14.28 All members appointed to the Complaints Review Committee (Social Services) will (despite any provision of the Standing Orders) be entitled to vote on any issue this committee is discussing, whether or not they are elected members of the Council.

15.0 COUNCIL & COMMITTEE MEETINGS - PROCEDURAL MOTIONS

15.1 The procedural motions specified below will be allowed during the discussion of another motion or at such appropriate point as the Provost shall determine. A procedural motion can only proceed with the consent of the Provost. He/she shall

state reasons for his/her decision which shall be recorded in the minute and which shall be open to challenge in terms of SO 10.5

- 15.2 When a procedural motion has been moved and seconded, it will be put to the vote without being discussed beforehand. Co-opted members may not move or second a procedural motion. The result of the vote will be recorded in the minutes of the meeting.
- 15.3 If a procedural motion is defeated, a similar motion will not be accepted until two additional members who want to speak on the motion or amendment under debate, and who have not already done so, have been allowed to speak.
- 15.4 **That we Move to the Next Item Of Business**
- 15.5 We may decide if the Provost agrees, to move to the next item of business in accordance with Standing Order 15.2.
- 15.6 **That The Matter Is Put To The Vote**
- 15.7 The Provost may refuse to accept this motion if he or she believes that the matter before the meeting has not been discussed in enough detail.
- 15.8 If the Provost accepts the motion, it will be immediately voted on in accordance with Standing Order 15.2.
- 15.9 If the motion is carried, the mover of the substantive motion may use the right of reply and the matter will be put to the vote immediately thereafter.
- 15.10 **That the debate should be postponed**
- 15.11 If the Provost thinks that the matter before the meeting has been sufficiently discussed, he or she may refuse the motion and put before Council the motion 'that the matter is put to the vote'.
- 15.12 If the Provost's motion 'that the matter is put to the vote' is not seconded or is defeated, he/she will put the motion 'that the debate should be postponed' to the vote provided it has been seconded. If that motion is carried, the continued debate on the matter will be postponed to the next ordinary meeting of Council.

15.13 **To continue an item of business**

15.14 We may continue the discussion on any item of business to another day, time or place in accordance with Standing order 15.2.

15.15 If the motion 'to continue an item of business" is carried, the original substantive motion will be carried over to the next meeting of the Council.

15.16 **That the meeting should be postponed**

15.17 We may postpone a meeting in accordance with Standing Order 15.2.

16.0 COUNCIL & COMMITTEE MEETINGS - NOTICES OF MOTION INTENDED FOR CONSIDERATION AT THE NEXT MEETING

16.1 A notice of motion will be in writing and will be signed by the member presenting it.

16.2 Notice must be delivered to the Head of Resources and Governance at his or her office no later than seven clear working days before the date of the next meeting of the Council. If this deadline is missed, the motion will not be included in the agenda.

16.3 A motion must be directly relevant to matters in respect of which :

- (a) we have a power or powers which may be exercised or in respect of which we have a statutory or other lawful duty or duties which we are required to carry out; or
- (b) it involves an issue that will have a direct and material or substantive effect on the people of Clackmannanshire.

The Head of Resources and Governance in consultation with the Governance Manager may refuse to accept any notice of motion which (due to any enactment, rule of law or any provision of these standing orders), should not be considered. In these circumstances, the Head of Resources and Governance in consultation with the Governance Manager will (within two working days of receiving the notice of motion) tell the member putting forward the motion of this decision and, if asked to do so, will set out reasons in writing.

16.4 Motions may not contain offensive or abusive language and may not contain argument. The Head of Resources and Governance in consultation with the Governance Manager may refuse to accept any motion that fails to meet these requirements.

- 16.5 The Head of Resources and Governance will include (in the order in which he or she received them) on the agenda for the next meeting motions of which valid notice has been given and which have been accepted in terms of Standing Orders 16.3 and 16.4. He or she will record the date and time of receiving the notice on the original notice.
- 16.6 If the Head of Resources and Governance considers that, after having consulted the Provost, more than one motion deals with the same subject matter, only the motion lodged first will be included on the agenda.
- 16.7 A motion may only be considered by a committee if it is within the powers of the committee to decide on the motion.
- 16.8 If a councillor has had a motion accepted on to the agenda of any meeting, we may still consider the motion even if the councillor is not present. Before we can consider the motion and vote on it, it must be moved and seconded by members present at the meeting. If this fails to happen, the motion will be dropped from the agenda and cannot be raised again except as a new motion at a future meeting of the Council.

17.0 COUNCIL & COMMITTEE MEETINGS - WITHDRAWING PREVIOUS DECISIONS

- 17.1 No motion that tries to alter or withdraw a council or committee decision (or has that effect) will be considered or passed for at least six months from the date of the original decision, unless:
- the Provost is satisfied that circumstances have changed in a relevant way . The Provost shall give his or her reasons for determining that circumstances have changed in a relevant way which shall be recorded in the minute.
 - the notice of the meeting indicates that the decision may be withdrawn or altered (this information does not need to be specifically highlighted if the withdrawal or alteration is set out in the terms of a report or of any committee minute put forward to us); or
 - a decision is required by law.

18.0 COUNCIL & COMMITTEE MEETINGS - QUESTIONS TO THE PROVOST

- 18.1 Any councillor may put a question that is relevant to the business of the Council to the Provost (or to the Governance Manager for an explanation on a point of law or

procedure), provided the member has given the question in writing to the Head of Resources and Governance no later than 12 noon, seven working days before the date of the meeting.

- 18.2 Standing Order 18.1 will also apply to religious representatives we have appointed in relation to questions which relate to the discharge of our functions as an education authority.
- 18.3 If there is any doubt or dispute, the Provost will decide whether the question is to be answered verbally or in writing.
- 18.4 Questions, and any written answers, will be reproduced and numbered in the order in which they have been received and will be made available to members at the beginning of the meeting.
- 18.5 If the Provost decides that a question is out of order, the question will not be answered. The Provost will give reasons for his/her decision. The reasons will be recorded in the minute of the meeting.
- 18.6 The councillor who asked the original question may ask two supporting questions to make the answers clearer. The Provost will decide whether the supporting questions will be answered verbally or in writing.
- 18.7 The Provost may decide to refer the question to the Convenor of the appropriate committee, to the Leader of the Council, or to an officer of the Council.
- 18.8 Questions and answers will be recorded in the minutes.
- 18.9 'Written questions' will include a series of written questions asked by one or more members that deal with one or more subjects which, in the opinion of the Provost, are so closely related that they should be treated as one subject.
- 18.10 Questions to the Provost may not be opened up to general debate.

19.0 COUNCIL & COMMITTEE MEETINGS - QUESTIONS TO CONVENORS

- 19.1 Any member of a committee may put a question that is relevant to the business of that committee and not arising from any agenda item to the Convenor (or to the Governance Manager for an explanation on a point of law or procedure), as long as

the member has given the question in writing to the Head of Service no later than 12 noon seven working days before the date of the meeting.

- 19.2 Questions to Convenors will only be answered in writing and copies of answers will be produced at the following committee meeting.
- 19.3 No supporting questions will be allowed.
- 19.4 Questions, and any written answers, will be reproduced and numbered in the order in which they have been received and will be made available to members at the beginning of the meeting.
- 19.5 If the Convenor decides that a question is out of order, the question will not be answered. The Convenor shall give reasons for his/her decision. The reasons will be recorded in the minute of the meeting.
- 19.6 'Written questions' will include a series of written questions asked by one or more members that deal with one or more subjects which, in the opinion of the Convenor, are so closely related that they should be treated as one subject.
- 19.7 Questions to the Convenor may not be opened up to general debate.
- 19.8 No supporting questions will be allowed in the case of questions to Convenors.
- 19.9 A question may only be put to the Convenor of a committee if the subject matter of the question is relevant to the committee's remit.

20.0 SUSPENDING & AMENDING STANDING ORDERS

20.1 Suspending Standing Orders

- 20.2 Subject to the provisions of these Standing Orders, Standing Orders may be suspended at any meeting of the Council or a Committee by a motion passed by a majority of at least two thirds of the votes of councillors present and eligible to vote at the meeting.
- 20.3 Appointed members may not take part in the vote on a motion to suspend standing orders.
- 20.4 Committees cannot suspend our financial regulations or contract standing orders.

20.5 Standing Orders 20.2.to 20.4 cannot be suspended.

The following Standing Orders already referred to also cannot be suspended:

6.7 A special meeting will be held within 10 working days from when the Head of Resources and Governance receives a valid request.



8.12 If any item of business being discussed at a council meeting contains exempt
9.29 information, we will decide if the press and public must leave the room while the discussion is taking place. This standing order will apply to co-opted representatives but not appointed representatives.

8.15 If any item of business being discussed at a council meeting contains confidential
9.30 information, the press and public must leave the room while the discussion is taking place. This will apply to co-opted representatives and may apply to appointed members.

20.6 Amending Standing Orders

20.7 Standing orders can only be changed or abolished when notice has been given at a meeting of the Council that proposals to amend standing orders will be brought before the next meeting.

21.0 COUNCIL & COMMITTEE MEETINGS - MINUTES OF MEETINGS

- 21.1 Minutes of council meetings will be prepared by the Head of Strategy and Customer Services and, issued to members of the Council no later than five clear working days before the next ordinary meeting of the Council with the items listed in SO 7.3. The minutes will record decisions only. Members do not have the right to have matters noted in the minute other than as provided for in these Standing Orders. The minutes will be submitted for approval, corrected if necessary and when agreed to be a true record of the proceedings of the meeting they relate to signed by the Provost.
- 21.2 No discussion or amendment will be accepted on minutes of a previous meeting, other than an objection that they are not a correct record. Any objection for this reason will, if not agreed, result in an amendment to a motion approving the minutes or part of the minutes.
- 21.3 A voting member who was not present at the meeting that the minutes refer to may ask that the minutes of the current meeting record their disagreement with a decision recorded in the minutes of the earlier meeting.

The following matters referred to in the following Standing Orders will also be included in the minutes of Council and Committee meetings:



- 9.11 The names of the members present at each meeting will be
9.13 recorded in the minutes of the meeting, as well as the names of those members
9.14 who have sent an apology for not attending and any substitutes attending.
- 11.7 If the Provost decides that an item of business may be discussed as a matter of urgency under Standing Order 11.6, he or she will give his or her reasons for the decision. These reasons will then be recorded in the minutes of the meeting
- 14.9 If a vote is taken by roll call, the names of those members voting for or against the motion or amendment will be included as part of the minutes of the meeting.
- 14.11 A member may ask that the minutes of the meeting record a note of his or her vote for or against any motion.
- 14.12 The minutes of the meeting will record the vote, including any abstentions (when someone has decided not to vote)
- 14.13 A member may ask that the minutes of the meeting record a note of his or her disagreement with a decision of the meeting.
- 15.2 The outcome of a vote on procedural motions will be recorded in the minute.
- 18.8 Questions and answers to the Provost will be recorded in the minute.

22.0 DELEGATION

22.1 Delegation arrangements

22.2 We may make a scheme of delegation to committees and officers to carry out our functions. The scheme of delegation will form part of and be read with these standing orders.

22.3 Delegation to committees and officers

22.4 If the law and these standing orders allow, we will delegate our functions, services, activities or other matters (whether under statute or otherwise) to relevant committees and officers but only insofar as permitted within our Scheme of Delegation.

22.5 We may vary, add to, withdraw or restrict any reference to delegation to any committee or officer, or by specific authority refer any function to any committee or officer. Despite the terms of standing order 22.2, any single matter may be referred to a committee or officer as a specific authority by a simple majority of members present and eligible to vote.

22.6 Any arrangement contained in or made under the scheme of delegation for a committee or officer to carry out a function will not prevent us or the relevant committee from carrying out that function. To avoid any doubt, we or the committee may not act on any matter so as to overrule a decision taken by a committee or officer under delegated powers where action in carrying out that decision has already been taken (as that would be against the law).

23.0 DEEDS & OUR COMMON SEAL

23.1 Under the 1973 Act and the Requirements of Writing (Scotland) Act 1995, deeds that we have to sign and seal will be sealed with our common seal and signed on our behalf by the Chief Executive or the Governance Manager (or any other proper officer who has been authorised by either of them).

23.2 The Governance Manager will be responsible for keeping safe and using our common seal.

Report to Council

Date of Meeting: 15 May 2014

Subject: Welfare Reform Update

Report by: Revenues and Payments Manager

1.0 Purpose

- 1.1. This paper provides a update on the impact of the Welfare Reforms changes both nationally and locally and outlines the actions being undertaken to continue to mitigate the impact on individuals, local communities and the Council.

2.0 Recommendations

- 2.1. It is recommended that Council:
- 2.1.1. Notes the continued impact of the Welfare Reform changes on residents in Clackmannanshire,
- 2.1.2. Notes the forecast impact of the Welfare Reforms on the financial position of Clackmannanshire Council in 2014/15,
- 2.1.3. Notes the actions planned and currently being undertaken to continue to mitigate the impact of the welfare changes,

3.0 Introduction

- 3.1. The Council received a Welfare Reform Update Report on 15 August 2013. This paper gives a further update on the national and local changes that have occurred since August 2013, quantifies the impacts of these changes on both local communities and the Council, and reports on the action taken continue to mitigate the impact of the changes.
- 3.2. A Welfare Reform Briefing was also held for members in November 2013. This gave an update on performance of the Scottish Welfare Fund (SWF), DHP and rent arrears and underoccupation.

Changes Since August 2013

3.3. Since August 2013, the following changes have taken place:

- In the Autumn 2013, DWP confirmed that the Single Fraud Investigation Service (SFIS) would be launched within DWP as a single organisation and implementation would occur during 2014. This runs contrary to the outcome of the consultation undertaken in 2012, which preferred local service delivery
- In October 2013
 - The Scottish Government provided an additional £20m funding for Discretionary Housing Payments (DHP). This provided an additional £264,000 for Clackmannanshire, taking the DHP allocation to £443,000
 - Department of Work and Pensions (DWP) also committed an additional £20m for DHP payments. The Council has submitted a bid of £156,000 for this funding and is currently awaiting on a response from DWP
 - Personal Independence Payment (PIP) reassessments commence rollout to existing Disability Living Allowance (DLA) recipients in England and Wales. This follows on from the introduction of PIP for new claimants in April 2013. In January 2014, reassessment commences in Scotland with Dumfries and Galloway, Galashiels, Motherwell and Edinburgh being the first areas to start reassessment
 - The roll out of the Claimant Commitment by DWP was commenced, introducing an Agreement that individuals seeking Job Seekers Allowance are required to sign up to. This places requirements on the individual and should they fail to meet these requirements, they could have their benefit stopped through sanctions
 - In November 2013, Universal Credit is introduced in Scotland with Inverness undertaking the pilot exercise, as part of seven local authorities through out the United Kingdom. The pilot applies to new single job seekers only

Actions Undertaken Since August 2013

3.4. The Council continues to engage with individuals affected by the changes, communities and partners. Since the last update the following actions have been undertaken

- The criteria for awarding of SWF were relaxed to ensure distributable funds are maximised
- DHP criteria were relaxed to ensure that those residents experiencing hardship receive the most support that the Council can offer. The DWP allocation of £178,000 and the additional £264,000 received from the Scottish Government should be awarded by the end of the financial year

- Targeted contact being made with all Council tenants affected by underoccupation who have not already claimed DHP,
- The Council continues to work closely with Ochilview and Paragon Housing Association to ensure DHP allocations are maximised,
- The Welfare Reform Working Group continues to meeting six weekly with the aim of working in partnership to mitigate the impact of Welfare Reforms and to ensure Clackmannanshire has access to all sources of funding to meet the future needs of its residents.
- A Funding Bid of £141,000 was submitted to the Lottery Support and Connect Fund. This was successful and is to be used for the introduction of specialised bank accounts in partnership with Grand Central Savings,
- Local advice surgeries have been introduced at Hawkhill Community Centre and Tullibody Rent Officer, providing money and benefits advice. These surgeries are being undertaken in partnership with the Revenues and Housing service and DWP. These will continue to be rolled out at other community centres across Clackmannanshire.
- A Funding bid of £13,500 was submitted to the DWP to provide IT training to individuals with computer literacy issues. This was successful and is to be used to provide IT training at Council and Forth Valley College premises
- Continue to provide feedback, comments, information and statistics to various bodies in relation to the Welfare Reform changes including Directors of Finance, COSLA, Scottish Housing Regulator, with the most recent being the Scottish Governments consultation on the SWF in February 2014
- Continued attendance at local community events, providing information and support to individuals and communities.

4.0 National Context

- 4.1. While Welfare Reform changes continue to be rolled out, the timelines for the introduction of Universal Credit (UC) have slipped. In the DWP document Universal Credit; Local Support Service Framework which was issued in February 2013, the planned phasing was initially as follows:

Date	Phase	Implementation Activity
April 2013	Phase 1 - Pathfinder	UC starts in the four pathfinder authorities with single jobseekers Tameside, Warrington, Oldham and Wigan
October 2013	Phase 2 - Staged	Extended coverage of UC roll out, staged across

		Great Britain
April 2014 - 2017	Phase 3 - General Coverage	UC National implementation due to be completed by end 2017

- 4.2. In addition, the introduction of PIP and reassessment process to replace DLA payments was due to start in April 2013.
- 4.3. The current state of National roll outs of UC is Phase 1 was commenced for new single claimants in April 2013 in the Greater Manchester area. This was expanded to seven areas including Inverness in October 2013. This will be further expanded to 10 areas by Spring 2014. Existing claimants in these 10 areas will then be included by the end of 2014. UC will continue to expand beyond these areas after 2014 but no information is provided beyond this.
- 4.4. The current state of the introduction of PIP is that new claimants starting receiving PIP from April 2013, with reassessment of existing DLA claimants starting in October 2013. In January 2014, reassessment commences in Scotland with Dumfries and Galloway, Galashiels, Motherwell and Edinburgh being the first areas to start reassessment with the majority of the remaining claimants not being reassessed until 2015.

National Audit Office Reports on Universal Credit

- 4.5. In September 2013, the National Audit Office (NAO) released its report Universal Credit : Early Progress. In this report, it noted that the DWP estimates the net benefit from UC of £38 billion over 12 years to 2022-23 with an annual benefit thereafter of £7 billion. It further reported that the DWP plans to spend £2.4 billion to implement UC up to April 2023. The programme spend to April 2013, was £425 million against budget of £431 million. Most of this spend (£303 million) was for designing and developing IT systems.
- 4.6. The key findings of the NAO were that the DWP "reset" the timeline for UC in early 2013 because of concerns about programme implementation, noting that there was no detailed "blueprint" and transition plan.
- 4.7. The NAO further concluded that at this early stage, the UC programme had not yet achieved value for money, due to the delayed rollout, weak control of the programme and spend to date.
- 4.8. Recommendations were made by the NAO which included establishing an effective governance structure, tightening financial management and control over spending and produce a realistic plan with clear objectives, linked to policy design and service requirements.
- 4.9. The NAO further reiterated its findings about lack of demonstrable value for money in its report issued in December 2013 on the DWP Accounts for 2012-13, where the Comptroller and Audit General reported that the accounts reflected a write off of £40.1 million of IT assets, against a value of £196.1 million and expects to write down £91 million of IT asset in 5 years to nil value by March 2018, owing to the considerable reduction in their expected useful life.

- 4.10. Separately the Comptroller and Auditor General qualified his audit opinion on the accounts in respect of the high level of fraud and errors in spending on benefits which were considered unacceptably high.

Council Tax Reduction

- 4.11. In April 2013, Council Tax Benefit (CTB) ceased and was replaced with Council Tax Reduction (CTR) with local authorities determining how the new CTR would be distributed. In Scotland in 2012-13, CTB payments of approximately £380 million were made. Under the new CTR arrangements, 90% of the 2012-13 funding was passed to Local Authorities to distribute as part of the Scottish Government Block Grant.
- 4.12. For 2013-14, the Scottish Government has confirmed CTR funds of £351 million to distribute. This includes £328 million CTR funding, with an additional £23 million to contribute to the 10% gap arising between 2012-13 award levels and the funding passed to Scottish local Authorities by DWP. For 2013-14 local authorities also contributed £17 million to fund the 10% gap, taking total CTR funding in Scotland to £368 million. This is still a real terms reduction of £12 million or 3.2%.
- 4.13. Set up and implementation costs for CTR are still to be allocated to individual local authorities from the £70.2 million funding available.
- 4.14. Both Scottish Government and Local Authorities are closely monitoring the distribution of CTR funds during the year to ascertain if current funding levels are sufficient or whether Local Authorities could still experience a gap between available funds and awarded fund by the end of March 2014.
- 4.15. In January 2014, it was agreed between COSLA and the Scottish Government that for the 2014-15 CTR funding, 80% of the funding will be distributed based on Qtr1 and Qtr 2 CTR 2013-14 expenditure, with the remaining 20% based on Qtr 3 and Qtr4 CTR 2013-14 funding, which would be confirmed by June/July 2014. This ensures that the distribution of funds is based on the most up to date information
- 4.16. It was also confirmed by COSLA and the Scottish Government that the CTR funding for 2014-15 would be £343 million, being £320 million for CTR with the £23 million contribution to the gap. The allocation of £7.05 million for CTRS administration costs is still to be determined.
- 4.17. The CTR scheme for 2014-15 was also updated to reflect the UK benefits uprating.

DHP Funding

- 4.18. In October, both the Scottish Government and the DWP confirmed an additional £20 million funds was available. The Scottish Governments funding was distributed in November as part of the block grant, while DWPs funding was open to each Local Authority to bid for. Bidding for the DWP funding closed in early February 2014.
- 4.19. In December, the Scotland Office confirmed that additional funding of £40 million would be available across the UK for DHP in 2014-15 and 2015-16. In January 2014, the DWP confirmed that £165 million would be available

nationally for 2014-15, an increase of £20m from the 2013-14 DWP levels in 2013-14 of £145m. This is keeping DWP DHP levels broadly in line with 2013-14 levels.

- 4.20. In February 2014, the Scottish Government confirmed, through its Local Government Finance Circular that the £20 million DHP will again be available in 2014-15.

Single Fraud Investigation Service

- 4.21. In 2012, DWP undertook a consultation on options for delivering the Single Fraud Investigation Service (SFIS), which will bring together fraud investigation on behalf of DWP, HM Revenues and Customs (HMRC) and Local Authorities into one service. SFIS was originally due to be operational from April 2013 and the outcome of the consultation was for integrated and aligned fraud investigation Policies and procedures, with Fraud Investigation Officers remained employed by their respective Employers.
- 4.22. In September 2013, Lord Freud wrote to COSLA confirming that the preferred option for delivering the SFIS was as a single organisation within DWP. This was reiterated in the UK Governments December budget statement. In a letter to Local Authority Chief Executives on 9 December 2013, The Director of Fraud, Error and Debt Management confirmed that implementation of SFIS would commence in 2014 and that a joint working group would be set up with Local Authority representatives. The likelihood of TUPE applying was also being investigated.
- 4.23. DWP have confirmed that they will provide more definitive clarification of the impact and timescales of the implementation of SFIS in the start of 2014-15, although they confirmed in March 2014 that they are treating the transfer of staff to DWP through the Cabinet office Statement of Practice (COSOP) rather than Transfer of Undertaking (Protection of Employment) Regulations (TUPE).
- 4.24. COSLA are also currently considering the impact and attempting to engage with DWP. To date COSLA advisors have confirmed that :-
- there are concerns around the use of COSOP rather than TUPE
 - there are concerns around the implementation timescales
 - there is insufficient funding for councils in respect of new burdens funding to assist in the transition,
- 4.25. Correspondence in relation to the SFIS have also been issued to all Unison branches.
- 4.26. DWP are also proposing providing £400,000 new burdens funding in Scotland for both 2014-15 and 2015-16 for implementation of SFIS. It is assumed that Clackmannanshire's share of this funding would be £4,000 based on previous allocations. This amount will not be sufficient to cover associated costs to implement the changes.

Scottish Welfare Fund

- 4.27. In November 2013, the Scottish Government undertook a consultation in relation to the Scottish Welfare Fund (SWF). Responses were invited by early February 2014. The consultation is the start of the legal process to underpin the Scottish Welfare Fund in legislation. It also sought views on options for independent scrutiny of decisions made by local authorities on applications to the Scottish Welfare Fund.
- 4.28. In February 2014, the Scottish Government confirmed, through its Local Government Finance Circular that the £37.8 million SWF distributed to Local Authorities in 2013-14 will again be available in 2014-15.

Building Resilience for Welfare Reform Funding

- 4.29. In early February 2014, the Scottish Government, working with COSLA and the Improvement Service have confirmed grant funding of £600,000 is available to support projects that help individuals and organisations respond to the welfare reform and increases in child poverty resulting from the welfare changes. Funding is available for up to 12 months for projects during 2014-15. Proposals are to take a joint approach with Community Planning Partners, including the third sector.

Welfare Reform Committee : Interim Report on the “Bedroom Tax”

- 4.30. At the end of January 2014, the Welfare Reform Committee released its report on the impact of underoccupation in Scotland since its introduction in April 2013. It recorded that the impacts as including:
- Having a real and harmful impact on peoples lives
 - Many people being trapped into paying the “bedroom tax”
 - It introduces new costs to tenants, housing associations and local government
- 4.31. The report reported that the main mitigations against these impact included:
- The level of DHP originally allocated by DWP is insufficient
 - The Scottish Government have allocated an additional £20 million in 2013-14 and 2014-15
 - The Scottish Government should explore further ways to mitigate the impacts,
 - Once the “bedroom tax” has been operating for a full year, the Scottish Government should consider whether £20 million is sufficient mitigation
 - Commends tenants, local authorities, housing associations and local voluntary organisations on their response and in particular in dealing with the rapidly changing situation with regard to DHPs.

5.0 Local Context and Performance

5.1. The key welfare reform impacts that continue to affect the Council and local communities during 2014-15 are

- Council Tax Reduction
- Scottish Welfare Fund
- DHPs
- Underoccupation Reduction
- SFIS
- Universal Credit

Council Tax Reduction

5.2. Clackmannanshire's share of the £351 million Scottish Government Funding for 2013-14 for Council Tax Reduction is £3.498 million. This includes the Scottish Governments contribution of £230,000. An additional £170,000 is allocated by the Council, taking the total CTR fund to £3.668 million.

5.3. This compares to £3.8 million Council Tax Benefit awarded in Clackmannanshire in 2012-13. This would equate to a £132,000 reduction in funding or 3.5%.

5.4. The Council's share of the £70.2 million fund in 2013-14 for set up and implementation costs of CTR are still to be confirmed, although if distribution is consistent with CTR awards, this would be approximately £70,000. The main costs incurred in relation to the introduction of CTR relate to £75,000 of IT and software costs, which were incurred by the Council at the start of the financial year. Capital costs of £75,000 were allocated for this expenditure in 2013-14 and the costs incurred to date have been met through the Revenue service budget.

5.5. The Council's share of the CTR for 2014-15 of £343 million is still to be confirmed although its distributions remain consistent over the two years, Clackmannanshire's allocation would be approximately £3.418 million. With the £170,000 allocated by the Council, this would be a fund of approximately £3.588 million. This would represent a reduction of £80,000 or 2.2%.

5.6. At the end of March 2014, the Council's actual CTR spend for 2013-14 was £3.687 million. This is £19,000 more than the CTR distributable funds available, with the shortfall being met by the Council.

Scottish Welfare Fund

5.7. In common with other Local Authorities, demand for both the Community Care Grant (CCG) and Crisis Grants(CG) has been lower than anticipated during the year. Overall actual expenditure at the end of March 2014 was £324,122 90% of the available SWF funds for the year 2013-14.

- 5.8. Detailed national benchmarked performance information to 31 December 2013, is provided in Appendix A, with Council performance information to 31 March 2014 summarised below:

	CCG £	CG £	Total £	National Average
Total Budget for 2013-14	230,847	129,545	360,392	-
Total spend to Sept 13	56,160	24,103	80,263	-
Total spend to Dec 13	110,308	32,528	142,836	-
Total spend to March 14*	281,604	42,518	324,122	-
% actual annual spend	122%	33%	90%	81%**

* This includes accruals of all applications where awards were made to 31 March 2014, but grants have still to be paid.

** This is based on the December 2013 National benchmarked performance.

- 5.9. During 2013-14, awards allocated in respect of CG have been consistent with approximately £8,000 - £10,000 per quarter awarded. At the end of the financial year, £42,518 or 33% of the funds available for CG have been paid out. This compares to the national average of 38% at December 2013.
- 5.10. During the first three quarters of 2013-14, awards allocated on CCG have increased from £56,160 for the first 6 months to September 2013 to £110,308 in the 9 months to December 2013. This increase reflects the relaxing of the award criteria undertaken in the summer 2013.
- 5.11. In the final quarter of 2013-14, awards allocated on CCG totalled £171,296 for the 3 month period. At the year end, this equates to total funds awarded in 2013-14 of £281,604 or 122% of the funds available for CCG. The additional £50,757 (22%) of CCG awards are funded from the underspend on the CG budget. This is permissible provided the overall SWF budget is not exceeded.
- 5.12. The increase in quarter 4 Community Care Grant awards follows the identification of system reporting errors on submission of the first statutory return to the Scottish Government in October 2013. During the second half of 2013-14, the Revenues service engaged with the software supplier, Northgate, to resolve these. The system reporting errors were addressed by Northgate at the end of the 2013-14 financial year.

- 5.13. The system reporting impact resulted in not all successful Community Care Grant awards being reported. This issue has now been resolved and the correct awards for Community Care Grants will be reported in the Annual 2013-14 SWF Return.
- 5.14. It is important to note that both CG and CCG awards have been made correctly to customers who meet the criteria and within the defined timescales. The issue related purely to reporting arrangements set out in paragraphs 5.12 and 5.13.
- 5.15. The increase in the fourth quarter of 2013-14 results in the Council's total SWF spend in 2013-14 of £324,122 or 90% of the available Scottish Welfare funds. The balance of £36,270 is carried forward to 2014-15, taking the SWF to £396,662.
- 5.16. As the administration of the SWF was a new function for the Council introduced in April 2013, the Revenues and Payments Manager asked the Audit and Fraud service to review the processes and internal controls. This was undertaken in quarter 3 and no control weaknesses were uncovered. Recommendations were passed to the Revenues service in January 2014, for implementation and an action plan has been prepared.

DHP

- 5.17. In October, the Scottish Government confirmed that the Council's share of the £20 million made available for DHP would be £265,000. Added to the existing fund of £178,000 from DWP, this made available total DHP funds in 2013-14 of £443,000. With the additional funding, the criteria in the DHP Policy approved by Council in May 2013 were relaxed. In the run up to Christmas 2013, the Revenues service reviewed all DHP awards where individuals were affected by underoccupation and were either unsuccessful or had only received a partial award. These claims were revisited and full awards given backdated to April 2013.
- 5.18. The Revenues service have been in contact with those individuals who are affected by underoccupation but had not yet made a claim to ensure that they received full DHP entitlement.
- 5.19. The Council also submitted a bid of £161,000 to DWP in February 2014, for a share of the £20 million announced by DWP in October 2013. In early March 2014, it was confirmed that the Council had been awarded £80,000 from the £161,000 bid. This additional award takes the Council's total distributable DHP funds to £523,000. This provides over 90% mitigation within Clackmannanshire, against the £570,000 benefit reduction arising from underoccupation and benefit cap.
- 5.20. A further review was undertaken in February 2014 to ensure that all DHP funds were on track to be awarded by the end of the financial year. At the end of March 2014, the total DHP funds of £523,000 were allocated to residents of Clackmannanshire.
- 5.21. In January 2014, DWP confirmed that the Council's allocation of the £165 million for 2014-15 would be £176,000. The Scottish Government also confirmed through its Local Government Finance Circular that the Council will

receive £265,000 in 2014-15. The Councils DHP fund for 2014-15 will total £441,000.

Rent Arrears and Underoccupation

5.22. The Council's current tenant arrears during the year has been as follows:

	Current Arrears		Underoccupation		Total	
	£000	No	£000	No	£000	No
March 13	£382	1,900	-	-	£382	1,900
	5.45%				5.45%	
Oct 13	£469	1,944	103	602	£572	2,546
	5.93%		1.3%		7.23%	
Dec 13	£470	1955	84	464	£553	2419
	5.94%		1.06%		7%	

5.23. At the end of March 2013, current arrears were £382,000 (5.45%). With the introduction of the underoccupation in April 2013, current arrears increased during the year, peaking at £572,000 (7.23%) with underoccupation arrears of £103,000 (1.3%). At December 2013, the current arrears were £553,000 (7%), with underoccupation arrears of £84,000 (1.06%)

5.24. While the current tenant arrear excluding underoccupation level continues to rise during the year, the number of accounts in arrears had only increased by 2.8% since the start of the year from 1,900 to 1,955 at the end of December. The year end rent debtor position will be reported in the Annual Debtors Review, presented to Council in June 2014.

5.25. The arrears arising from the underoccupation reduction in benefit reduced in the second half of the financial year through the relaxation of the DHP policy and the allocation of the addition DHP funds made by DWP and the Scottish Government.

5.26. The Revenues service continues to engage regularly with tenants who are in arrears. Contact has been made with all tenants affected by underoccupation and will continue to be made in 2014-15.

Universal Credit

5.27. The timescales for the introduction of UC continue to slip with the probable roll out in Clackmannanshire in 2015-16. The introduction of UC continues to create a risk for the Council in relation to reduction in DWP administration funding levels. In 2013-14, DWP provided Scottish Local Authorities with Administration funding totalling £40.833 million of which the Council received

£399,000 to cover the Council's cost of administering housing and council tax benefit and to investigate benefit fraud. This funding has consistently reduced by 10% per annum over the past three years.

- 5.28. In 2014-15, DWP provided Scottish Local Authorities with Administration funding totalling £30.280 million of which the Council will receive £299,000 to cover administration costs. This is a reduction of £10.553 million nationally and £100,000 locally, equating to a 26% reduction in funding.
- 5.29. It is anticipated that this level of reduction will occur over the next two to three years, with the introduction of the SFIS and UC.

6.0 Mitigation and Actions for 2014-15

- 6.1. As the welfare changes continue to impact on local communities and individuals, the Council will continue to engage with partners, voluntary organisations and individuals to help them understand the changes that are affecting them and manage the changes.
- 6.2. The three key strands in the welfare reform changes and the impact on individuals and communities are
- Providing information and advice, with a particular emphasis on financial advice and support
 - Access to IT and IT literacy
 - Supporting employability

Information and Advice

- 6.3. The Council and its partners provide considerable advice and information to individuals and as part of the Making Clackmannanshire Better Programme, a review is currently being undertaken on existing advice and information provision. On completion of the review, a full report will be produced with recommendations as to what changes might be required to maintain a sustainable service in the future.
- 6.4. Central to the review and the actions to be agreed will be the need to provide coordinated local advice and information across the Council and partners, which meets the needs and demands on the different issues facing individuals and local communities.

Access to IT and IT Literacy

- 6.5. With the move to on line applications for both UC and searching by Jobseekers on JobCentrePlus websites, individuals will need both access to IT and a considerable degree of IT literacy. The issue is being considered by the Local Employability Partnership (LEP), with training being rolled out by the end of the financial year.
- 6.6. In January 2014, the Council was successful in receiving DWP Flexible Support Grant Funding of £13,500 to provide training for IT literacy. This will be done through the LEP and in partnership with Forth Valley College.

Employability

- 6.7. Individuals who are currently out of work will need to be either supported into work for the first time, or back into the work place. Again the LEP will be assessing the issues in relation to employability and taking action in the new financial year.

Grand Central Savings

- 6.8. The Council has been successful in receiving £131,000 Lottery funding for two years, which it will use to fund a three year agreement with Grand Central Savings to provide specialised bank accounts and teller service for residents within Clackmannanshire. The net three year funding of £53,000 is included within the Council's budget for the next three years.
- 6.9. The type of bank service offered by GCS differs from that of a Credit Union as it provides very basic bank accounts for customers that are not currently served by Credit Unions. GCS also provides targeted and personal support to those who are operating a bank account for the first time.
- 6.10. GCS have confirm their intention to engage with Clackmannanshire Credit Union and build a sound partnering arrangement with referrals, where appropriate. Clackmannanshire Credit Union have been updated about the contract with GCS.
- 6.11. The Revenues service will undertake the procurement process and work towards providing a service in partnership with GCS by the end of Qrt 1 in 2014-15.

7.0 Conclusion

- 7.1. The impact of the welfare reform continues to affect the Council, partners, local communities and individuals, although all parties remain committed to mitigating the impact as much as possible.
- 7.2. While the timescales for UC and PIP continue to slip, there is still considerable uncertainty around funding, demand and how services will need to be delivered in the future, which can make planning difficult.
- 7.3. The changes continue to be a considerable risk in relation to funding levels, increasing debt levels and increased demand at a time of reducing resources. Accordingly, the risk continues to remain high on the Council's corporate risk register.

8.0 Sustainability Implications

- 8.1. None

9.0 Resource Implications

- 9.1. *Financial Details*

9.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

9.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

9.4. *Staffing*

There may be some impact of staffing levels in the future which are dependant on decisions regarding Universal Credit and SFIS. Costs associated with additional staffing not covered through administrative grant is identified and included as part of budget pressures for 2014/15 and 2015/16.

10.0 Exempt Reports

10.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

11.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input checked="" type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input checked="" type="checkbox"/> |

(2) **Council Policies** (Please detail)

12.0 Equalities Impact

12.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No N/A

13.0 Legality

13.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

14.0 Appendices

- 14.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A – Confirmed Funding Levels 2014-15

Appendix B - Scottish Welfare Fund Performance Statistics – December 2013

15.0 Background Papers

- 15.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Housing and Council Tax Benefit Circular HB/CTR S5/2012

Housing Benefit Circular HB S10/2013

Housing and Council Tax Benefit Circular HB/CTR S10/2013

Local Government Finance Circular 1/2013

Welfare Reform Update to Council - 15 August 2013

Department for Work and Pensions 2012-13 Accounts - NAO

Director of Finance WR Survey Data December 2013

Local Government Finance Circular 1/2014

COSLA Welfare Reform Updated - October 2013 to January 2014

Minutes of Welfare Reform LA Reps Meeting - October 2013 - January 2014

Localising Support for Council Tax - Communities and Local Government

Impact of WR by Housing Associations : Early effects and responses by landlords and tenants - NHF

Early Impacts of Welfare Reform on rent arrears - Scottish Housing Regulator

Housing and Welfare Reform Update - APSE

Interim Report on 'Bedroom Tax' - Welfare Reform Committee

Welfare Reform Committee - Official Report

Universal Credit :early Progress - NAO

Universal Credit - Local Support Services Framework

Housing Benefit Circular HB S1/2014

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Approved by

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WELFARE REFORM UPDATE

APPENDIX A

CONFIRMED FUNDING LEVELS 2014-15

Welfare Reform Impact	Distributable Funding 2013-14	Administration Funding 2013-14	Costs 2013-14	Funding 2014-15
Council Tax Reduction	CTR Funds £3.498m* Council <u>£0.170m</u> Total £3.668m *Includes £230,000 additional from SGovt	-	Software costs £75,000** ** Funding still to be confirmed - £70.2m allocated nationally	CTR Funds £TBC Council <u>£0.170m</u> Total £TBC
DHP	DWP £178,000 SGovt £265,000 DWP Bid <u>£80,000</u> Total £523,000	-	Staffing £60,000	DWP £177,000 SGovt <u>£265,000</u> Total £442,000
SWF	Funds £360,000	-	-	Distributable £TBC
DWP Administration	-	Funding £399,000	Staffing £615,000	Funding £299,000
SWF Administration	-	Funding £59,000	Staffing £ 65,000	Funding £55,000
Underoccupation	-	-	Staffing £150,000	-
Total	£4.551 m	£458,000	£965,000	£966,000

OVERALL SPEND - CCG & CG combined from April 2013

APPENDIX B

Local Authority	CCG & CG total	CCG & CG total	CCG&CG total	CCG&CG total	CCG&CG total	CCG & CG	CCG & CG	spend v monthly	CCG & CG total
	Annual £	12 Month Profile £	Oct 13	Nov 13	Dec 13	YTD SPEND	Dec 13	profile to date	ytd annual spend %
			actual £	actual £	actual £	total	Monthly %	% cumulative	
Aberdeen City	899,841	74,986	75,631	70,789	93,607	436,307	125	65	48
Aberdeenshire	464,735	38,727	23,056	23,428	13,093	155,697	34	45	34
Angus	419,071	34,922	30,379	42,471	23,823	224,041	68	71	53
Argyll & Bute	372,760	31,063	29,024	35,229	35,891	223,013	116	80	60
Clackmannanshire	360,392	30,032	19,077	22,898	20,598	142,836	69	53	40
Dumfries & Galloway	623,237	51,936	31,695	30,883	41,520	360,136	80	77	58
Dundee City	1,336,637	111,387	99,596	128,568	137,264	779,308	123	78	58
East Ayrshire	925,502	77,125	75,141	61,483	63,512	459,104	82	66	50
East Dunbartonshire	336,815	28,071	17,625	25,484	28,800	177,359	103	70	53
East Lothian	390,238	32,520	28,842	36,172	59,932	192,723	184	66	49
East Renfrewshire	257,919	21,493	14,504	14,034	16,111	88,162	75	46	34
Edinburgh, City of	2,187,628	182,303	166,416	140,056	155,299	1,247,355	85	76	57
EileanSiar	47,963	3,995	2,017	4,642	818	23,143	20	64	48
Falkirk	927,822	77,319	69,399	62,846	68,091	382,798	88	55	41
Fife	1,859,993	154,999	125,821	147,219	144,336	803,170	93	58	43
Glasgow City	7,721,116	643,427	806,323	1,254,659	1,199,107	5,418,356	186	94	70
Highland	800,673	66,722	58,496	47,955	50,388	309,622	76	52	39
Inverclyde	732,537	61,044	46,446	58,218	55,416	372,966	91	68	51
Midlothian	385,338	32,112	40,349	28,305	29,632	178,318	92	62	46
Moray	387,117	32,262	19,495	34,149	86,017	279,626	267	96	72
North Ayrshire	1,068,524	89,044	89,958	59,711	57,307	434,409	64	54	41
North Lanarkshire	2,956,014	246,334	194,593	206,043	155,510	1,186,691	63	54	40
Orkney Islands	56,320	4,693	1,698	5,257	449	30,148	10	71	54
Perth & Kinross	592,924	49,410	56,251	42,891	73,674	354,414	149	80	60
Renfrewshire	1,148,857	95,737	174,715	165,985	119,675	952,850	125	111	83
Scottish Borders	406,547	33,879	33,219	28,838	30,201	259,189	89	85	64
Shetland Islands	59,492	4,958	1,804	3,529	2,231	16,384	45	37	28
South Ayrshire	712,905	59,408	58,787	61,801	43,930	375,967	74	70	53
South Lanarkshire	2,143,781	178,648	261,558	219,565	161,644	1,454,682	90	90	68
Stirling	516,564	43,047	44,367	47,411	44,882	219,662	104	57	43
West Dunbartonshire	829,587	69,132	70,009	63,284	48,539	585,562	70	94	71
West Lothian	1,066,391	88,865	91,956	83,701	147,833	674,436	166	84	63
Scotland Total	32,995,240	2,749,600	2,858,248	3,257,504	3,209,131	18,798,434	117	76	57

COMMUNITY CARE GRANT SPEND from April 2013

APPENDIX B

Local Authority	Community Care Grants ANNUAL BUDGET 13/14 rounded to nearest £	CCG Actual Oct-13 rounded £	CCG Actual Nov-13 rounded £	CCG Actual Dec-13 rounded £	CCG Actual ytd total spend	% monthly average rounded %	spend v monthly profile to date % cumulative	% ytd annual spend rounded %
Aberdeen City	540,786	55,983	41,949	62,223	290,371	138	72	54
Aberdeenshire	301,674	12,942	12,201	3,585	83,975	14	42	28
Angus	273,205	17,933	29,630	13,888	140,708	61	77	52
Argyll & Bute	263,907	19,154	21,151	25,239	156,324	115	89	59
Clackmannanshire	230,847	17,832	20,159	16,157	110,308	84	72	48
Dumfries & Galloway	430,012	24,691	22,991	34,471	284,068	96	99	66
Dundee City	986,180	75,049	96,651	112,113	600,077	136	91	61
East Ayrshire	650,528	50,045	20,396	17,781	254,877	33	59	39
East Dunbartonshire	242,097	14,645	20,332	23,443	145,428	116	90	60
East Lothian	264,481	23,894	28,021	47,662	151,307	216	86	57
East Renfrewshire	182,290	13,320	12,930	15,061	79,379	99	65	44
Edinburgh, City of	1,429,737	142,659	113,620	126,085	1,075,236	106	113	75
EileanSiar	36,160	1,652	3,989	250	20,144	8	84	56
Falkirk	634,342	53,799	47,244	54,661	280,622	103	66	44
Fife	1,219,553	104,716	117,824	120,490	634,085	119	78	52
Glasgow City	5,756,371	709,216	1,108,112	1,131,125	4,816,814	236	126	84
Highland	555,135	43,901	30,982	35,782	235,993	77	64	43
Inverclyde	453,774	38,906	45,162	45,556	299,533	120	99	66
Midlothian	253,461	27,310	19,103	19,087	109,179	90	65	43
Moray	285,259	9,905	21,548	69,887	209,273	294	110	73
North Ayrshire	705,972	75,972	45,281	43,167	333,739	73	71	47
North Lanarkshire	2,125,263	130,929	156,144	103,079	879,818	58	62	41
Orkney Islands	47,868	1,371	4,877	400	28,478	10	89	59
Perth & Kinross	420,828	45,404	33,338	60,766	273,905	173	98	65
Renfrewshire	693,919	141,961	135,503	87,481	698,162	151	151	101
Scottish Borders	283,996	20,215	20,385	21,725	181,605	92	96	64
Shetland Islands	42,588	1,414	3,037	1,509	13,817	43	49	32
South Ayrshire	533,669	47,145	49,565	29,801	292,739	67	82	55
South Lanarkshire	1,539,479	220,253	186,561	138,105	1,131,264	108	110	73
Stirling	379,733	38,625	36,628	31,898	173,892	101	69	46
West Dunbartonshire	562,482	50,918	43,862	33,856	406,042	72	108	72
West Lothian	674,404	76,796	68,794	132,278	570,170	235	127	85
Scotland Total	23,000,000	2,308,555	2,617,968	2,658,610	14,961,330	3,447	98	65

Average payout for CCG - Monthly from April 2013

APPENDIX B

Local Authority	CCG Spend	no of CCG	average spend	CCG Spend	no of CCG	average spend	CCG Spend	no of CCG	average spend	CCG YTD
	Oct 13	paid out	Oct 13	Nov 13	paid out	Nov 13	Dec 13	paid out	Dec 13	average
	rounded £	Oct-13	rounded £	rounded £	Nov-13	rounded £	rounded £	Dec-13	rounded £	spend £
Aberdeen City	55,983	100	560	41,949	94	446	62,223	124	502	522
Aberdeenshire	12,942	19	681	12,201	31	394	3,585	5	717	503
Angus	17,933	52	345	29,630	62	478	13,888	35	397	460
Argyll & Bute	19,154	39	491	21,151	43	492	25,239	60	421	547
Clackmannanshire	17,832	28	637	20,159	26	775	16,157	15	1,077	546
Dumfries & Galloway	24,691	57	433	22,991	43	535	34,471	52	663	505
Dundee City	75,049	131	573	96,651	150	644	112,113	169	663	476
East Ayrshire	50,045	63	794	20,396	86	237	17,781	69	258	496
East Dunbartonshire	14,645	18	814	20,332	25	813	23,443	27	868	686
East Lothian	23,894	66	362	28,021	65	431	47,662	94	507	441
East Renfrewshire	13,320	28	476	12,930	25	517	15,061	24	628	484
Edinburgh, City of	142,659	232	615	113,620	148	768	126,085	158	798	652
EileanSiar	1,652	4	413	3,989	7	570	250	1	250	544
Falkirk	53,799	106	508	47,244	123	384	54,661	102	536	427
Fife	104,716	130	806	117,824	176	669	120,490	181	666	626
Glasgow City	709,216	665	1,066	1,108,112	1,171	946	1,131,125	1,357	834	917
Highland	43,901	60	732	30,982	47	659	35,782	35	1,022	803
Inverclyde	38,906	85	458	45,162	141	320	45,556	80	569	473
Midlothian	27,310	66	414	19,103	55	347	19,087	48	398	364
Moray	9,905	24	413	21,548	35	616	69,887	58	1,205	717
North Ayrshire	75,972	138	551	45,281	100	453	43,167	0	0	505
North Lanarkshire	130,929	319	410	156,144	332	470	103,079	194	531	421
Orkney Islands	1,371	5	274	4,877	6	813	400	1	400	678
Perth & Kinross	45,404	56	811	33,338	40	833	60,766	46	1,321	609
Renfrewshire	141,961	171	830	135,503	178	761	87,481	154	568	705
Scottish Borders	20,215	37	546	20,385	43	474	21,725	32	679	510
Shetland Islands	1,414	2	707	3,037	3	1,012	1,509	1	1,509	628
South Ayrshire	47,145	68	693	49,565	52	953	29,801	21	1,419	884
South Lanarkshire	220,253	244	903	186,561	237	787	138,105	145	952	740
Stirling	38,625	53	729	36,628	133	275	31,898	66	483	466
West Dunbartonshire	50,918	115	443	43,862	110	399	33,856	90	376	359
West Lothian	76,796	137	561	68,794	83	829	132,278	25	5,291	689
Scotland Total	2,308,555	3,318	696	2,617,968	3,870	676	2,658,610	3,469	766	636

CCG AWARD % from April 2013

APPENDIX B

Local Authority	Claims recd Oct-13	Awarded Oct-13	% awarded Oct-13	Claims recd Nov-13	Awarded Nov-13	% awarded Nov-13	Claims recd Dec-13	Awarded Dec-13	% awarded Dec-13	ytd claims awarded	ytd % awarded
Aberdeen City	167	100	60	170	94	55	117	124	106	556	51
Aberdeenshire	47	19	40	40	31	78	74	5	7	167	33
Angus	88	52	59	99	62	63	93	35	38	306	40
Argyll & Bute	55	39	71	73	43	59	55	60	109	286	57
Clackmannanshire	60	28	47	58	26	45	41	15	37	202	44
Dumfries & Galloway	170	57	34	138	43	31	119	52	44	562	42
Dundee City	279	131	47	278	150	54	213	169	79	1,260	53
East Ayrshire	369	63	17	163	86	53	105	69	66	514	39
East Dunbartonshire	29	18	62	48	25	52	37	27	73	212	66
East Lothian	84	66	79	83	65	78	113	94	83	343	72
East Renfrewshire	23	28	122	29	25	86	28	24	86	164	76
Edinburgh, City of	394	232	59	371	148	40	245	158	64	1,650	51
EileanSiar	3	4	133	10	7	70	5	1	20	37	70
Falkirk	275	106	39	233	123	53	168	102	61	657	49
Fife	213	130	61	107	176	164	107	181	169	1,013	75
Glasgow City	1155	665	58	1235	1171	95	858	1357	158	5,254	78
Highland	96	60	63	102	47	46	79	35	44	294	46
Inverclyde	135	85	63	94	141	150	82	80	98	633	70
Midlothian	99	66	67	93	55	59	64	48	75	300	56
Moray	56	24	43	57	35	61	36	58	161	292	61
North Ayrshire	179	138	77	241	100	41	0	0	0	661	54
North Lanarkshire	375	319	85	380	332	87	237	194	82	2,090	75
Orkney Islands	8	5	63	8	6	75	5	1	20	42	59
Perth & Kinross	72	56	78	85	40	47	46	46	100	450	77
Renfrewshire	217	171	79	227	178	78	139	154	111	991	69
Scottish Borders	84	37	44	76	43	57	48	32	67	356	51
Shetland Islands	5	2	40	6	3	50	2	1	50	22	56
South Ayrshire	102	68	67	97	52	54	92	21	23	331	46
South Lanarkshire	404	244	60	424	237	56	324	145	45	1,529	48
Stirling	88	53	60	154	133	86	71	66	93	373	68
West Dunbartonshire	221	115	52	227	110	48	148	90	61	1,131	60
West Lothian	180	137	76	234	83	35	160	25	16	828	60
Scotland Total	5732	3318	58	5640	3870	69	3911	3469	89	23,506	60

CRISIS GRANT SPEND from April 2013

APPENDIX B

	Crisis Grants 2013-14	Crisis Grant	CG Spend	CG Spend	CG Spend	Crisis Grant	% of monthly	spend v monthly	% ytd
Local Authority	ANNUAL BUDGET	MONTHLY PROFILE	Oct-13	Nov-13	Dec-13	ytd spend	average	profile to date	annual spend
	rounded to nearest £	rounded to nearest £	rounded £	rounded £	rounded £		rounded %	% cumulative	rounded %
Aberdeen City	359,055	29,921	19,648	28,840	31,384	145,936	105	54	41
Aberdeenshire	163,061	13,588	10,114	11,228	9,509	71,721	70	59	44
Angus	145,866	12,155	12,446	12,841	9,935	83,333	82	76	57
Argyll & Bute	108,853	9,071	9,870	14,078	10,652	66,689	117	82	61
Clackmannanshire	129,545	10,795	1,245	2,739	4,441	32,528	41	33	25
Dumfries & Galloway	193,225	16,102	7,004	7,892	7,049	76,068	44	52	39
Dundee City	350,457	29,205	24,547	31,917	25,151	179,231	86	68	51
East Ayrshire	274,974	22,914	25,095	41,087	45,731	204,227	200	99	74
East Dunbartonshire	94,718	7,896	2,980	5,151	5,357	31,932	68	45	34
East Lothian	125,757	10,480	4,948	8,151	12,270	41,416	117	44	33
East Renfrewshire	75,629	6,302	1,184	1,105	1,049	8,783	17	15	12
Edinburgh, City of	757,891	63,158	23,757	26,436	29,215	172,119	46	30	23
EileanSiar	11,803	984	365	653	568	2,999	58	34	25
Falkirk	293,480	24,457	15,600	15,602	13,430	102,176	55	46	35
Fife	640,440	53,370	21,105	29,395	23,846	169,085	45	35	26
Glasgow City	1,964,745	163,729	97,107	146,547	67,982	601,540	42	41	31
Highland	245,538	20,461	14,595	16,974	14,606	73,629	71	40	30
Inverclyde	278,763	23,230	7,540	13,056	9,860	73,433	42	35	26
Midlothian	131,877	10,990	13,039	9,202	10,545	69,139	96	70	52
Moray	101,858	8,488	9,590	12,601	16,131	70,353	190	92	69
North Ayrshire	362,552	30,213	13,986	14,430	14,140	100,665	47	37	28
North Lanarkshire	830,751	69,229	63,664	49,899	52,431	306,903	76	49	37
Orkney Islands	8,452	704	327	380	49	1,670	7	26	20
Perth & Kinross	172,096	14,341	10,847	9,553	12,908	79,353	90	61	46
Renfrewshire	454,938	37,911	32,754	30,482	32,194	254,688	85	75	56
Scottish Borders	122,551	10,213	13,005	8,452	8,476	77,584	83	84	63
Shetland Islands	16,904	1,409	390	492	722	2,567	51	20	15
South Ayrshire	179,236	14,936	11,642	12,236	14,129	83,228	95	62	46
South Lanarkshire	604,302	50,358	41,305	33,004	23,539	323,418	47	71	54
Stirling	136,831	11,403	5,742	10,784	12,984	45,771	114	45	33
West Dunbartonshire	267,105	22,259	19,091	19,422	14,683	179,520	66	90	67
West Lothian	391,987	32,665	15,160	14,907	15,555	104,267	48	35	27
Scotland Total	9,995,240	832,937	549,693	639,536	550,521	3,835,970	66	51	38

Average payout for Crisis Grants - Monthly from April 2013

APPENDIX B

Local Authority	CG Spend, Oct-13 rounded £	No of CG claims paid o Oct-13	ave spend Oct-13 rounded £	CG Spend, Nov-13 rounded £	No of CG claims paid or Nov-13	ave spend Nov-13 rounded £	CG Spend, Dec-13 rounded £	No of CG claims paid e Dec-13	ave spend Dec-13 rounded £	CG YTD average spend
Aberdeen City	19,648	368	53	28,840	416	69	31,384	426	74	57
Aberdeenshire	10,114	134	75	11,228	140	80	9,509	124	77	69
Angus	12,446	214	58	12,841	175	73	9,935	219	45	61
Argyll & Bute	9,870	104	95	14,078	160	88	10,652	141	76	81
Clackmannanshire	1,245	78	16	2,739	64	43	4,441	50	89	60
Dumfries & Galloway	7,004	143	49	7,892	159	50	7,049	140	50	51
Dundee City	24,547	315	78	31,917	348	92	25,151	300	84	67
East Ayrshire	25,095	115	218	41,087	333	123	45,731	263	174	89
East Dunbartonshire	2,980	62	48	5,151	78	66	5,357	75	71	58
East Lothian	4,948	79	63	8,151	100	82	12,270	78	157	77
East Renfrewshire	1,184	18	66	1,105	21	53	1,049	15	70	61
Edinburgh, City of	23,757	388	61	26,436	395	67	29,215	358	82	57
EileanSiar	365	6	61	653	13	50	568	9	63	53
Falkirk	15,600	241	65	15,602	239	65	13,430	214	63	61
Fife	21,105	358	59	29,395	434	68	23,846	361	66	63
Glasgow City	97,107	821	118	146,547	885	166	67,982	633	107	113
Highland	14,595	165	88	16,974	210	81	14,606	193	76	73
Inverclyde	7,540	93	81	13,056	167	78	9,860	110	90	88
Midlothian	13,039	222	59	9,202	178	52	10,545	152	69	59
Moray	9,590	133	72	12,601	159	79	16,131	145	111	72
North Ayrshire	13,986	263	53	14,430	244	59	14,140	0	0	59
North Lanarkshire	63,664	665	96	49,899	537	93	52,431	539	97	79
Orkney Islands	327	3	109	380	6	63	49	1	49	62
Perth & Kinross	10,847	144	75	9,553	176	54	12,908	185	70	66
Renfrewshire	32,754	539	61	30,482	475	64	32,194	485	66	63
Scottish Borders	13,005	210	62	8,452	170	50	8,476	149	57	56
Shetland Islands	390	10	39	492	11	45	722	15	48	43
South Ayrshire	11,642	192	61	12,236	181	68	14,129	165	86	60
South Lanarkshire	41,305	536	77	33,004	451	73	23,539	324	73	67
Stirling	5,742	81	71	10,784	70	154	12,984	117	111	81
West Dunbartonshire	19,091	422	45	19,422	434	45	14,683	314	47	44
West Lothian	15,160	161	94	14,907	204	73	15,555	150	104	75
Scotland Total	549,693	7,283	75	639,536	7,633	84	550,521	6,450	85	69

CRISIS GRANT AWARD % from April 2013

APPENDIX B

Local Authority	Claims recd Oct-13	Awarded Oct-13	% awarded Oct-13	Claims recd Nov-13	Awarded Nov-13	% awarded Nov-13	Claims recd Dec-13	Awarded Dec-13	% awarded Dec-13	ytd claims awarded	ytd % awarded
Aberdeen City	483	368	76	537	416	77	524	426	81	2,570	63
Aberdeenshire	177	134	76	189	140	74	187	124	66	1,038	66
Angus	263	214	81	268	175	65	233	219	94	1,365	57
Argyll & Bute	149	104	70	194	160	82	189	141	75	821	72
Clackmannanshire	146	78	53	109	64	59	110	50	45	544	51
Dumfries & Galloway	284	143	50	260	159	61	230	140	61	1,494	61
Dundee City	508	315	62	467	348	75	434	300	69	2,658	58
East Ayrshire	452	115	25	433	333	77	313	263	84	2,282	65
East Dunbartonshire	81	62	77	102	78	76	94	75	80	551	67
East Lothian	123	79	64	128	100	78	113	78	69	541	61
East Renfrewshire	20	18	90	17	21	124	19	15	79	144	69
Edinburgh, City of	509	388	76	533	395	74	489	358	73	2,995	67
EileanSiar	7	6	86	15	13	87	11	9	82	57	80
Falkirk	367	241	66	421	239	57	346	214	62	1,669	59
Fife	491	358	73	481	434	90	437	361	83	2,686	71
Glasgow City	1289	821	64	1111	885	80	925	633	68	5,346	68
Highland	203	165	81	259	210	81	222	193	87	1,002	70
Inverclyde	109	93	85	141	167	118	122	110	90	830	66
Midlothian	288	222	77	248	178	72	203	152	75	1,166	63
Moray	156	133	85	206	159	77	179	145	81	979	71
North Ayrshire	355	263	74	354	244	69	0	0	0	1,697	67
North Lanarkshire	807	665	82	717	537	75	682	539	79	3,866	78
Orkney Islands	6	3	50	8	6	75	1	1	100	27	40
Perth & Kinross	163	144	88	189	176	93	228	185	81	1,206	86
Renfrewshire	637	539	85	583	475	81	543	485	89	4,050	85
Scottish Borders	223	210	94	205	170	83	161	149	93	1,396	79
Shetland Islands	12	10	83	15	11	73	15	15	100	60	73
South Ayrshire	223	192	86	206	181	88	210	165	79	1,395	79
South Lanarkshire	728	536	74	608	451	74	482	324	67	4,843	71
Stirling	94	81	86	75	70	93	137	117	85	565	69
West Dunbartonshire	529	422	80	567	434	77	408	314	77	4,090	78
West Lothian	238	161	68	299	204	68	251	150	60	1,382	57
Scotland Total	10120	7283	72	9945	7633	77	8498	6450	76	55,315	69

CLACKMANNANSHIRE COUNCIL

Report to: CLACKMANNANSHIRE COUNCIL

Date of Meeting: 15 May 2014

Subject: School Holiday Lunch Clubs

Report by: Strategy And Performance Manager

1.0 Purpose

- 1.1. The purpose of this paper is to report to Council proposals in providing a scheme for the provision of meals during the summer school holidays over a period of 7 weeks from 30th June 2014 to the 18th August 2014 to children who ordinarily receive free school meals.

2.0 Recommendations

- 2.1. It is recommended that Council:

a) notes the work which has been undertaken to explore the potential for enhanced partnership working with local food banks and other voluntary organisations to support vulnerable people and families by providing meals during the school holidays to children who ordinarily receive free school meals;

b) notes the options that have been considered to establish such a provision and that the costs of these options exceeds the £5,000 allocated in the budget in February;

c) agrees to pursue option b in this report and allocates any additional funding required (potentially circa £17,000) from reserves should other funding streams not be secured.

3.0 Considerations

- 3.1 At its meeting in October, 2013, Council agreed to:

" explore the potential for enhanced partnership working with local food banks and other voluntary organisation to support vulnerable people and families in - Clackmannanshire - for example by providing meals to children who ordinarily receive free school meals during the school holidays; that this exploration should include the consideration of potential funding streams (such as Big Lottery funding) which might support any development of food banks or other relevant organisations in supporting vulnerable families.

In principle, support and enable the provision of Lunch Clubs for all children who

are in need during the period of the school summer holidays commencing in 2014. These Lunch Clubs should utilise local groups, such as Tullibody Healthy Living Initiative Limited; Coalsnaughton Regeneration Group, local Church Groups etc, with relevant accommodation to help serve the children during this period if agreement can be reached with them to do so.

remit the matter to the Chief Executive to instruct such officers as she deems appropriate to develop a draft potential scheme for the purpose of implementing the above proposal"

Exploring the Potential for Partnership Working

- 3.2 Clackmannanshire already has existing lunch club provision during the summer holidays through programmes provided by, for example, the Community House in Alloa, and Sauchie Active 8.
- 3.3 In addition to these, a number of local churches operate activity clubs providing access to healthy snacks for young people in Alloa and the Hillfoots. There is recognition that these clubs are providing much needed local support for families and by and large are supported and provided by volunteers. These schemes are not means tested, mainly operating on an open door, first come, first served basis. The level of unmet need in Clackmannanshire is not fully understood.
- 3.4 In February 2014, a workshop was held with community partners to explore proposals for implementing a lunch club scheme for children who normally receive free school meals during the summer holidays in 2014. This workshop, and subsequent discussions reviewed existing provision in Clackmannanshire, similar lunch club schemes elsewhere in the UK and possible delivery models for implementation in Clackmannanshire. A number of concerns were raised by participants in considering proposals. These concerns included limiting support to primary children without taking younger or older siblings needs into account, relying on volunteers to deliver associated activity clubs, and the need for robust referral systems to ensure those most in need of support are able to access it.
- 3.5 Participating organisations came up with two initial two options: options a and b as follows:
 - a) do nothing. There are well established activity/lunch clubs already operating in Clackmannanshire that provide access to healthy meals and snacks for children during the summer holidays on an open door basis;
 - b) enhance local provision through providing a level of support to existing lunch clubs, together with the development of a food bank model to meet any unmet need. This would be means-tested, based on entitlement to free school meals using the food bank model and infrastructure already established in Clackmannanshire. Distribution would be through local established community groups.
- 3.6 These proposals are discussed in more detail below.

Option a - Do nothing

3.7 Groups are already providing clubs which enable children to access free meals in Clackmannanshire during the summer holidays, these include the Community House, Alloa, Sauchie Active 8, Sauchie and Tillicoultry Parish church. These projects are already self-sustaining with no financial support from the Council.

Benefits	Risks/Disbenefits
No direct or indirect cost to the Council	Possible unmet need in some localities Differing levels of provision depending on provider, e.g. some only operate for part of the school holidays
	Not means tested - may not fulfil Council desire to provide for all children who are in need

Option b - Extension of Community Based Foodbank Model during Summer Holidays.

3.7 This scheme proposes enhancement of existing lunch club schemes by offering additional funding, up to an overall total for Clackmannanshire of £5,000, to increase existing capacity where feasible.

In addition, to minimise any unmet need, it is proposed that a scheme, building on existing food bank provision and based on eligibility for free school meals, is developed. This service would be offered to all families of the 926 primary aged children eligible, who would register for support. Weekly food packages would be distributed to families through local participating groups and organisations. Discussions have taken place with the Gate Foodbank who have indicated that they may be a potential partner in the provision of this model, which is an extension of one they already operate using a referral mechanism distributing non perishable food items to those in need.

Benefits	Risks/Disbenefits
Fulfils Council desire to provide for all children in need	Cost is more than currently budgeted
Enhances existing provision and minimises potential for unmet need	Attracts additional indirect costs through monitoring role and administration of means test/ensuring eligibility
Community organisations indicated willingness in principle to support this model	Food bank model provides food, but no guarantee that the child is fed/receives a meal
Potential for waste/food waste is minimal	A means tested system brings potential for stigmatisation - needs to be carefully managed

Benefits	Risks/Disbenefits
Does not require food preparation facilities nor resources to support food preparation	

3.8 Partners who participated in the workshop are detailed in Table 1 below. Work is ongoing to identify the full range of partners that will support this option, with a further workshop session scheduled to take place should it be agreed as the preferred option.

Table 1

Geographic Area	Organisations
Alloa	Community House, Hawkhill, The Gate
Sauchie	Active 8, Parish Church
Hillfoots (Tillicoultry, Alva, Menstrie)	Local Churches (Tillicoultry parish, Alva baptist, Menstrie parish).
Clackmannan	Church/Community Cafe
Coalsnaughton	Community Cafe
Tullibody	Tullibody Family Centre (NCH), Tullibody Healthy Living

3.9 The cost of providing a food parcel per child is estimated at £0.65p per person per day or £4.55 per person per week (based on costs provided by The Gate). These costs are currently based on weekly non-perishable food items similar to the food parcels currently provided through The Gate Food Bank.

3.10 Total costs for the 7 week provision of weekly food parcels amounts to approximately £20,000 (based on an average uptake of 600 i.e. an estimated 65% of those entitled, the average uptake of free school meals. See Appendix A for more detail). A further sum of about £2000 would need to be factored in to cover packaging and transport costs. The overall funding required to deliver Option b as proposed therefore is in the region of £27,000 per annum.

Other Options

3.11 Officers have explored a model that would support a provider to distribute a daily healthy lunch bag possibly through local established community groups. This included a healthy sandwich and fruit option. By providing a fresh ready meal, it is considered more likely that the child receives something to eat. This option however has been discounted by officers for a number of reasons, including

- estimated costs of food procurement and preparation are significantly more) than option b (almost double);
- procurement requirements - the estimated costs and potential commercial nature of providing a prepared meal service would require to be considered through a competitive tendering process;
- as yet unknown distribution and storage costs, e.g. it is likely that food preparation facilities that meet regulatory standards would be required, as would some form of refrigerated distribution and storage;
- given as yet unknown demand, using perishable foodstuffs significantly increases the risk of waste, including food waste, and potential associated costs.

Other Funding Avenues

- 3.12 The Council committed £5,000 funding at the Special Council Meeting in February 2014, leaving an overall shortfall of approximately £22,000 based on option b.
- 3.13 An additional funding of £5,000 (£10,000 was approved) from core Food Bank allocation (also approved at the Special Council Meeting in February 2014) could be diverted to support Option b, as an extension of the Food Bank model, reducing the overall shortfall to £17,000.
- 3.14 Officers have considered alternative funding streams, and a number of external funders have been identified, which could potentially support the provision of meals.
- 3.15 Whilst officers are confident that external funding can be secured in due course, there is no guarantee that the whole shortfall could be made up and funding bids take time to prepare. It is likely therefore that Clackmannanshire Council will need to underwrite any shortfall amount in pursuing option b. Although there are clear financial risks with this approach, it would be necessary to gain commitment from community partners to deliver such a scheme in the coming year.

4.0 Sustainability Implications

- 4.1 Sustainability implications, including benefits, disbenefits and risks are discussed within the report.

5.0 Resource Implications

- 5.1 *Financial Details* - Indicative costs are provided in the report. There are financial risks associated with the recommendations. These relate specifically to 'underwriting' a potential funding shortfall and are detailed within the report.

In agreeing to Option b, £5000 of the £10,000 approved by Council in February 2014 for food banks in Clackmannanshire would be allocated specifically to support the food bank element of the lunch club scheme.

Any commissioning of services will need to be procured in accordance with the Council's Contract Standing Orders.

There will be indirect staff costs associated with administering and monitoring the scheme.

5.2 *Staffing* - there are no staffing implications arising from this report at this stage.

6.0 Exempt Reports

6.1 Is this report exempt? No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Our communities are more cohesive and inclusive
Vulnerable people and families are supported
Health is improving and health inequalities are reducing

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A.

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Appendix A - Eligibility/Uptake of Free School Meals.



11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered). No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy and Customer Services	
Elaine McPherson	Chief Executive	

APPENDIX A - Eligibility/uptake per Geographical Area

Geographical Area	Numbers of Children Eligible for Free School meals (number)	Average (number)	Uptake	Average Uptake	%
Hillfoots	(172)	(110)		-	
Tillicoultry	79	52		66%	
Strathdevon	7	4		57%	
Menstrie	12	6		50%	
Coalsnaughton	18	13		72%	
Alva	56	35		63%	
Sauchie	(120)	(76)		-	
Craigbank	34	25		73%	
Deerpark	74	46		62%	
Fishcross	12	5		42%	
Tullibody	(214)	(136)		-	
Abercrombie	86	58		67%	
Banchory	63	37		59%	
St Bernadettes	14	7		50%	
St Serfs	51	34		66%	
Alloa	(342)	(228)		-	
Sunnyside	114	75		66%	
Claremont	40	30		75%	
Park	118	78		66%	
St Johns	34	18		52%	
St Mungos	36	27		75%	
Clackmannan	(66)	(50)		-	
Totals	914	600		65%	