



**Clackmannanshire
Council**

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Kilncraigs, Alloa, Scotland, FK10 1EB (Tel.01259-450000)

Clackmannanshire Council

Thursday 5 March 2015 at 10.00 am.

**Venue: Council Chamber, Patons Building,
Kilncraigs, Greenside Street, Alloa, FK10 1EB**

Clackmannanshire Council

There are 32 Unitary Councils in Scotland. Clackmannanshire Council is the smallest mainland Council. Eighteen Councillors are elected to represent the views of the residents and businesses in Clackmannanshire. The Council has approved Standing Orders that detail the way the Council operates. Decisions are approved at the 9 weekly meetings of the full Council and at Committee Meetings.

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct.

The Council has further responsibility for the approval of budgets for capital and revenue expenditure, it also has power to make, alter or cancel any scheme made under statute and to make, alter or cancel any orders, rules, regulations or bye-laws and to make compulsory purchase orders. The Council also determines the level of Council Tax and approves recommendations relating to strategic economic development.

Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

Details of all of our Council and Committee dates and agenda items are published on our website at www.clacksweb.org.uk

If you require further information about Council or Committee meetings, please contact Strategy and Customer Services by e-mail at customerservice@clacks.gov.uk or by telephone on 01259 452106 or 452004.

25 February 2015

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held within the Council Chamber, Patons Building, Kilncraigs, Alloa, FK10 1EB, on THURSDAY 5 MARCH 2015 at 10.00 am.

ELAINE McPHERSON
Chief Executive

B U S I N E S S

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1. Apologies	--
2. Declaration of Interests	--
<i>Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer.</i>	
3. Confirm Minutes of Meetings (Copies herewith):	
(a) Meeting of Clackmannanshire Council held on Thursday 18 December 2014	07
(b) Special Meeting of Clackmannanshire Council held on Tuesday 24 February 2015	19
4. Committee Meetings Convened Since the Previous Council Meeting on 23/10/14 (<i>For information Only</i>)	- -
(a) Enterprise and Environment Committee 15/01/15	
(b) Licensing Board 20/01/15 & 03/03/15	
(c) Regulatory Committee 27/01/15	
(d) Housing, Health and Care Committee 29/01/15	
(e) Education, Sport and Leisure Committee 05/02/15	
(f) Resources and Audit Sub Committee 18/02/15	
(f) Resources and Audit Committee 26/02/15	
5. Abercromby Primary School Development – Option Appraisal - report by Head of Education (Copy herewith)	25

Please note: Religious Representatives on the Education, Sport and Leisure Committee have been invited to attend the Council Meeting as voting members for this item.

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6. Committee Recommendations Referred to Council - report by the Chief Executive (Copy herewith)	53
7. Leader's Briefing - report by the Leader of the Council (Copy herewith)	57
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9. Realigning Children's Services - Proposal to Participate - report by the Chief Executive (Copy herewith)	123
10. Appointment to Outside Body - report by Head of Resources and Governance (Copy herewith)	145
11. Treasury Management Strategy and Annual Investment Strategy - report by the Chief Accountant (Copy herewith)	151

EXEMPT INFORMATION

It is considered that the undernoted report be treated as exempt from the Council's general policy of disclosure of all papers by virtue of Schedule 7A, Part 1, Paragraph 9 of the Local Government (Scotland) Act 1973. It is anticipated, (although this is not certain) that the Council will resolve to exclude the press and public during consideration of these items.

12. Sale of Former Claremont Primary School - report by Head of Development and Environment (Copy herewith)	171
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Clackmannanshire Council – Councillors and Wards

Councillors

Wards

Provost	Tina Murphy	1	Clackmannanshire West	SNP
Councillor	George Matchett, QPM	1	Clackmannanshire West	LAB
Councillor	Les Sharp	1	Clackmannanshire West	SNP
Councillor	Jim Stalker	1	Clackmannanshire West	LAB
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Archie Drummond	2	Clackmannanshire North	INDP
Councillor	Walter McAdam, MBE	2	Clackmannanshire North	SNP
Councillor	Bobby McGill	2	Clackmannanshire North	LAB
Councillor	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Graham Watt	3	Clackmannanshire Central	LAB
Councillor	Gary Womersley	3	Clackmannanshire Central	SNP
Councillor	Janet Cadenhead	4	Clackmannanshire South	LAB
Councillor	Kenneth Earle	4	Clackmannanshire South	LAB
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	SNP
Councillor	Alastair Campbell	5	Clackmannanshire East	CONS
Councillor	Irene Hamilton	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LAB

MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Patons Building, Kilncraigs, Alloa, FK10 1EB, on THURSDAY 18 DECEMBER 2014 at 10.00 am.

PRESENT

Provost Tina Murphy (In the Chair)
Councillor Donald Balsillie
Councillor Janet Cadenhead
Councillor Alastair Campbell
Councillor Archie Drummond
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Irene Hamilton
Councillor Craig Holden
Councillor Kathleen Martin
Councillor George Matchett, QPM
Councillor Walter McAdam, MBE
Councillor Bobby McGill
Councillor Les Sharp
Councillor Jim Stalker
Councillor Derek Stewart
Councillor Graham Watt
Councillor Gary Womersley

IN ATTENDANCE

Elaine McPherson, Chief Executive
Nikki Bridle, Depute Chief Executive
Garry Dallas, Executive Director
Stephen Coulter, Head of Resources and Governance
Stuart Crickmar, Head of Strategy and Customer Services
Val de Souza, Head of Social Services
Ahsan Khan, Head of Housing and Community Safety
David Leng, Head of Education
Gordon McNeil, Head of Development and Environment
Andrew Wyse, Legal Services Team Leader, Clerk to the Council
Liz Shaw, Chief Accountant

In terms of Standing Order 11.6, the Provost intimated that an item of urgent business in relation to the Tillicoultry Town Centre Regeneration had been submitted by the Head of Housing and Community Safety. In terms of Standing Order 11.7, the Provost intimated that this matter would be accepted onto the agenda and would be considered after agenda item 5 for the following reason:- As it is intended to have the contracts signed and a site start date prior to the end of March 2015 (which would enable the draw down of available grant funding), the matter would be considered as an item of urgent business.

CC.261 APOLOGIES

None

CC.262 DECLARATION OF INTERESTS

None

**CC.263 MINUTES OF MEETING OF THE CLACKMANNANSHIRE COUNCIL HELD
ON THURSDAY 23 OCTOBER 2014**

The minutes of the meeting of the Clackmannanshire Council held on Thursday 23 October 2014 were submitted for approval.

Decision

The minutes of the meeting of the Clackmannanshire Council held on Thursday 23 October 2014 were agreed as a correct record of proceedings and signed by the Provost.

**CC.264 COMMITTEE MEETINGS CONVENED SINCE THE PREVIOUS COUNCIL
MEETING ON 14 AUGUST 2014**

The Council agreed to note the committee meetings that had taken place since the last Council meeting on 23 October 2014:

- Regulatory Committee 28/10/14 & 25/11/14
- Resources and Audit Sub Committee 29/10/14 & 10/12/14
- Planning Committee 30/10/14
- Housing, Health and Care Committee 30/10/14
- Enterprise and Environment Committee 06/11/14
- Licensing Board 13/11/14 & 11/12/14
- Education Sport and Leisure Committee 20/11/14
- Resources and Audit Committee 04/12/14

CC.265 COMMITTEE RECOMMENDATIONS REFERRED TO COUNCIL

A report which sought Council approval of recommendations made by committees during the October - December 2014 cycle of meetings was submitted by the Chief Executive.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council unanimously agreed:

1. from the **Housing, Health and Care Committee of 30th October, 2014** in relation to the report entitled "*Fostering and Kinship Rates*"
 - to increase the Kinship Care Allowances to reflect an equivalency level with foster care payments.
2. from the **Housing, Health and Care Committee of 30th October, 2014** in relation to the report entitled "*Strategic Housing Investment Plan 2014-2019* "
 - to approve the Strategic Housing Investment Plan (SHIP), including the 5 year programme of housing sites that will provide the basis of the Strategic Local Program (SLP).
3. from the **Housing, Health and Care Committee of 30th October, 2014** in relation to the report entitled "*Proposed Town Centre Regeneration Project*"
 - to transfer the Tillicoultry Community Centre land from the General Fund to the Housing Revenue Account at a value agreed in conjunction with the District Valuer Services.
 - to approve the funding arrangements for the Council to support the housing development at the Tillicoultry Community Centre by bringing the approved capital spend forward from 2016/17 to 2015/16.
 - that Tillicoultry be the next phase of the Village and Small Town Centre initiative in order to support a wider regeneration of Tillicoultry town centre.

Action

Chief Executive

CC.266 TILlicoulTRY TOWN CENTRE REGENERATION PROJECT

The report, submitted by the Head of Housing and Community Safety sought approval to further progress the Tillicoultry Town Centre Regeneration Project.

A separate report by the Chief Executive (CC.265 paragraphs 2 and 3) had invited Council to approve recommendations from the Housing, Health and Care Committee of 30th October 2014 to approve the Strategic Housing Investment Plan (SHIP), and inter alia the transfer of Tillicoultry Community Centre to the Housing Revenue Account and the funding arrangements to support the housing development at the Tillicoultry Community Centre, and had just been approved.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Archie Drummond.

Decision

The Council unanimously agreed :

1. that Kingdom Housing Association provide development agent and clerk of works services as required for the construction of 21 homes on the site of the former Tillicoultry Community Centre subject to compliance with the Council's public procurement requirements and Contract Standing Orders;

2. to approve the construction of 17 (of 21) homes funded by the Scottish Governments Town Centre Regeneration fund of £0.782m and £1.3005m of Council HRA borrowing;
3. to approve the construction of 4 (of 21) homes funded by the Government's Affordable Housing Supply Program (AHSP) and supported by Council borrowing (indicated at paragraph 5.1.of the report);
4. the appointment of Hub East Central Scotland Limited (Hubco) as developers;
5. that a further report is prepared for Council seeking approval of a phase two to provide up to an additional 8 units, with recommendations on the management and ownership for the 12 units funded by the Government's Affordable Housing Supply Program. These units will either be owned and managed by Kingdom Housing Association or Clackmannanshire Council (equivalent to the value at paragraph 5.1. of the report)

Action

Head of Housing and Community Safety

CC.267 QUESTION TO THE PROVOST FROM COUNCILLOR DRUMMOND - COUNCIL POLICY ON FRACKING

A question was submitted by Councillor Archie Drummond:

Question:

"In light of the increasing likelihood of local applications for the commercial extraction of unconventional gas by fracking, evidence of growing public concerns over possible adverse impacts on our communities and the absence of any reference to policy on this issue in the recently adopted Local Development Plan, how does the Council propose to address the omission and provide public assurance of robust planning powers?"

"Will the Council make early arrangements to provide members with currently available evidence on any adverse health and environmental impacts that have arisen from fracking and coal bed methane extraction?"

The Provost provided a written response to the question:

"The Local Development Plan (LDP) has been approved by Council. It includes policies on mineral extraction and coal bed methane. There is no specific policy on unconventional shale gas or coal gas gasification, nor therefore any reference to fracking as a method of extraction. It was hoped that these issues would be explained in detail in the Scottish Planning Policy and National Planning Framework 3 both published by Scottish Government on 23 June 2014, but this did not happen. In these circumstances, officers intend to bring forward further policy guidance before March 2015, and include this as supplementary guidance to the LDP.

It is intended that this supplementary guidance will be prepared in consultation with neighbouring authorities, some of whom have already had experience of planning proposals and who will have learned much about the technical and regulatory issues to have emerged from the assessment of the planning applications and associated environmental impact assessment. Appropriate public consultation will be carried out to help provide public assurance from the outset.

The Council has not received any planning applications for unconventional gas extraction. Equally, there have been no pre-application consultations on development proposals as would be required for any category of Major Development. If either of these were to be submitted to the Council, officers will provide members with advice on the key health and environmental issues that may be associated with such proposals.

Current UK Government Guidance issues by the Department of Energy and Climate Change in February 2014 can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283832/Planning_v3.pdf

In line with Standing Order 18.6, Councillor Drummond submitted two additional questions:

1. *"The annual report of the London government's Chief Scientific officer, published only a few weeks ago in November includes a paragraph that sets consideration of fracking in an interesting, and I believe valid, context. It states, "History presents plenty of examples of innovation trajectories that later proved to be problematic - for instance involving asbestos, thalidomide, dioxins" and a few other examples are listed before the conclusions that "innovations reinforcing fossil fuel energy strategies - such as hydraulic fracturing - arguably offer a contemporary prospective example." So my first question is:- Can the Council give assurance to the community that no proposed extraction will be permitted that fails to meet fully the requirements of Policy EA11 - Environmental Quality; EA12 - Water Environment and EP13 - Coal Bed Methane with particular reference to adverse impacts on communities?*
2. *Provost, my second question relates to adverse impacts on communities. While I welcome the commitment in Mr Duguid's answer that officers will provide members with advice on health and environmental impacts, I also recognise that even highly motivated planning officers can very quickly find themselves out of their depth on matters such as the health implications of unconventional gas extraction. So can I ask that the Council looks further afield for more expert briefing to members, and indeed to officers, on existing, available research information on the adverse health impacts of this applied technology?"*

The Provost advised that a written response to Councillor Drummond's two supplementary questions would be provided and incorporated in this Minute..

The answers to the two additional questions provided in writing subsequent to the Meeting in accordance with Standing Orders 18.6 and 18.8 are:-

1. *Section 25 of the Town and Country Planning (Scotland) Act 1997 indicates that where any Council is determining an application for planning permission, that determination shall be made in accordance with the Development Plan unless material considerations indicate otherwise. The emphasis therefore is a presumption in favour of proposals that comply with the Development Plan. If the conclusion of any assessment of a proposal was that it did not meet the requirements of one or more Local Development Plan policies such as EA 11 - Environmental Quality; EA 12 - Water Environment; or EP13 - Coalbed Methane, it would be for the Council to determine whether compliance with other policies or any other material considerations were of sufficient weight to overturn the failure to comply with the Local Development Plan policies. Ultimately, a planning authority has to make a balanced judgement on not only single or collective policies, but also the broad aims and strategic objectives of the Plan, considerations such as the number, nature, and relevance of representations for and against the development, national planning guidance, and the advice of consultees or other advisers.*

Accordingly, and against that background, it would be premature and inappropriate legally to be offering an unequivocal assurance of this precise nature at this very early stage, where we have not been presented with any application or enquiry.

2. *This question properly acknowledges the potential complexities associated with proposals for unconventional gas exploration. The planning function is one part of a wider regulatory framework. Any planning application is likely to be accompanied by environmental information, possibly in the form of an Environmental Statement. This information will cover a breadth of topics, some of which may indirectly relate to matters of public health, such as noise and air quality. It will be for officers to decide whether this information, coupled with comments from third parties, and information from other sources, can be relied upon to make a full planning assessment of Development Plan policy and bring a competent report and recommendation to Members. If officers encounter difficulties in this respect, a decision can be taken on other methods to fulfil the Council's statutory duties, including as necessary the appointment of specialist advisors in key areas of environmental management or control, to provide independent expert advice on Environmental information submitted by applicants, or briefings to officers and/or elected members on technical aspects of developments associated with the unconventional gas exploration industry. That would supplement advice already provided by agencies such as SEPA, Scottish Water and The Coal Authority, as consultees on any planning application*

Action

The Provost

CC.268 RESIGNATION OF A DEPUTE PROVOST

The report, submitted by the Chief Executive, notified Council of the resignation of Councillor Les Sharp as one of the Council's two Depute Provosts further to his recent appointment as Council Leader.

Motion

That Council notes the resignation of Councillor Les Sharp as one of the Council's two Depute Provosts and nominates Councillor Craig Holden for the post of Depute Provost.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed unanimously to note the resignation of Councillor Les Sharp as one of the Council's two Depute Provosts and appointed Councillor Craig Holden to the post of Depute Provost.

Action

Chief Executive

In terms of Standing Order 11.6, the Provost intimated that an item of urgent business in relation to appointments to outside bodies had been submitted by the Chief Executive. In terms of Standing Order 11.7, the Provost intimated that this matter would be accepted onto the agenda and would be considered after agenda item 7 for the following reason:- To ensure the Council is represented, membership of both CoSLA and the Board of NHS Forth Valley must be confirmed before the next full meeting of the Council, therefore, the matter would be considered as an item of urgent business.

CC.269 APPOINTMENTS TO OUTSIDE BODIES

The report, submitted by the Chief Executive, invited Council to appoint and nominate representatives to two outside bodies further to the resignation from those bodies of the Council's previously appointed representative.

Motion

That the Council:

1. appoint the Leader of the Administration Group to the vacant Council place on the CoSLA Convention; and
2. agrees that the Leader of the Administration Group should be the Council's nominated postholder to sit on the Board of NHS Forth Valley.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Voting on Part 1 of the Motion

There was no voting on Part 1 of the Motion. The Council agreed unanimously to appoint the Leader of the Administration Group to the vacant Council place on the CoSLA Convention.

Voting on Part 2 of the Motion

The Clerk confirmed that as this part of the motion related to the appointment of a Council postholder to serve on an outside body and not to a choice to appoint an individual Councillor to a post, Standing Orders 14.18 and 14.19 (which refer to decision by drawing lots) do not apply.

For the motion	9 votes
Against the motion	9 votes

On a division of 9 votes to 9, Part 2 of the Motion was carried on the casting vote of the Provost.

Decision

The Council agreed unanimously to appoint the Leader of the Administration Group to the vacant Council place on the CoSLA Convention.

On the casting vote of the Provost, the Council agreed to appoint the Leader of the Administration Group to sit on the Board of NHS Forth Valley.

Action

Chief Executive

CC.270 BUDGET UPDATE

A report which updated Council on the financial outlook, indicative funding gap and proposals for taking forward the 2015-16 budget, was submitted by the Chief Executive and the Depute Chief Executive.

Motion

That Council agrees to the recommendations set out in the report subject to the removal of recommendations e) and h) and consequently not to approve paragraphs 4.18 and 8.3 within the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed unanimously :

- a. to note the financial outlook (paragraphs 3.1 to 3.12 of the report);
- b. to note the revised cumulative indicative funding gap of approximately £22 million to 2017/18 (Tables 1 and 2 in the report);
- c. to note progress with the Budget Challenge process (Section 5 of the report);
- d. to note that the officer savings proposals identified to date (paragraph 5.3 of the report) do not close the funding gap in any future years;
- e. not to approve recommendation (e) and consequently paragraph 4.18 of the report referring to it;
- f. to agree to undertake public consultation on the alternative operational model and the illustrative officer savings proposals (sections 4 and 6 and Appendix B of the report);
- g. to note that some of the illustrative officer savings proposals for 2015-2016 would require a reduction in staff numbers for them to be achieved'; and
- h. not to approve recommendation (h) and consequently paragraph 8.3 of the report referring to it

Action

Chief Executive and Depute Chief Executive

The Provost adjourned the meeting at this point in the proceedings (1220 hrs).

When the meeting resumed at 1225 hrs, 18 members remained present.

CC.271 TREASURY MANAGEMENT UPDATE AT 30TH SEPTEMBER 2014

The report, submitted by the Chief Accountant, presented an update of Treasury Management activity for the period to 30th September 2014.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

Having considered the report, the Council agreed to note the mid year review of the Council's Treasury Management activities.

CC.272 HEALTH AND SOCIAL CARE INTEGRATION

A report, submitted by the Chief Executive and Head of Social Services, provided Council with an update on progress towards health and social care integration and sought Council's approval of a number of issues which had been discussed at recent Partnership Boards involving the Council, Stirling Council and NHS Forth Valley.

Motion

That Council agrees the recommendations set out in the report and agrees the undernoted nominations:

Integration Joint Board: Councillor Les Sharp, Councillor Donald Balsillie and Councillor Janet Cadenhead.

Appointments Panel for the post of Chief Officer for Health and Care Integration: Councillor Janet Cadenhead and Councillor Les Sharp.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed unanimously :

- a. to note the progress in taking forward health and care integration in Clackmannanshire;
- b. that the composition of the Integration Joint Board should be three elected members from each of Clackmannanshire and Stirling Councils and six representatives of the Board of NHS Forth Valley;
- c. that the Council's three representatives will comprise two members from the political administration and one from the main opposition;
- d. that Councillor Les Sharp, Councillor Donald Balsillie and Councillor Janet Cadenhead be the three representatives from Clackmannanshire Council on the Integration Joint Board;
- e. that these individuals will also be the Council's representatives on the Transitional Board which will operate until such time as ministerial approval is given to the Integration Scheme and the Integration Joint Board can be legally established;
- f. that the Appointments Panel for the post of Chief Officer for health and care integration comprises two elected members from each of the two councils and four representatives from the Board of NHS Forth Valley;

- g. that the Council's representatives on the Appointments Panel should comprise one elected member from the Administration and one from the main Opposition;
- h. that Councillor Janet Cadenhead and Councillor Les Sharp be the Council's representatives on the Appointments Panel; and
- i. to note that the final draft Integration Scheme will come to Council for approval in March 2015.

Action

Chief Executive and Head of Social Services

CC.273 ALVA SWIMMING POOL - OCHIL LEISURE ENTERPRISES LIMITED

A report, submitted by the Head of Strategy and Customer Services, updated Council on the current position following the fire and consequent closure of the Alva Swimming Pool and leisure facility and the outcome of discussions between council officers and representatives of Ochil Leisure Enterprises to determine the way forward.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed unanimously:

- 1. to note that OLE have confirmed to the Council that they are not in a position to continue to operate the Pool as a swimming and leisure facility;
- 2. to note that OLE have agreed that as a consequence, the Pool now falls to be transferred back to the Council without any payment being made to OLE and that officers are currently progressing this;
- 3. to note that no further payments will be due to OLE under the Service Level Agreement between the Council and OLE, such payments being conditional upon the active operation of the swimming pool facility; and
- 4. that the Pool is declared surplus to operational requirements and that officers examine the options for the future redevelopment of the property including the demolition of the Pool buildings.

Action

Chief Executive

CC.274 NOTICE OF MOTION IN TERMS OF STANDING ORDER 16.0 - POST OFFICE SERVICES IN ALLOA

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Donald Balsillie:

Motion

In response to the recent consultation on Post Office Services in Alloa. Clackmannanshire Council objects to the removal of Crown Post Office status for Alloa and the resultant implications for service delivery. The Council is concerned about the proposal to relocate the post office to within a local store and the likelihood that this will result in the reduction of staff numbers and the current level of service. Unlike the current post office we understand that the loss of crown post office status means that there would be no obligation to continue postal services in Alloa if the store decides to give up this aspect of its business.

Moved by Councillor Donald Balsillie. Seconded by Councillor Craig Holden.

Decision

The Council agreed unanimously to support the motion.

Action

Chief Executive

Councillor Matchett QPM withdrew from the meeting prior to the following item of business.

EXEMPT INFORMATION

The Council resolved in terms of Section 50(A) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as detailed in Schedule 7A, Part 1, Paragraph 9.

CC.275 CAPITAL INVESTMENT FUND - ACQUISITION OF LAND AT 35 PRIMROSE STREET, ALLOA

The report, submitted by the Head of Development and Environment reported on negotiations and sought approval for the acquisition of land at 35 Primrose Street, Alloa through the Capital Investment Fund to be used for the development of affordable housing along with adjacent Council owned land.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Donald Balsillie. Seconded by Councillor Craig Holden.

Councillor Holden withdrew from the meeting during debate on this item.

Decision

The Council agreed unanimously to support the recommendations set out in the report.

Action

Head of Development and Environment

Ends 1345 hrs

**MINUTES OF SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL held within
the Council Chamber, Patons Building, Kilncraigs, Alloa, FK10 1EB, on TUESDAY 24
FEBRUARY 2015 at 10.00 am.**

PRESENT

Provost Tina Murphy (In the Chair)
Councillor Donald Balsillie
Councillor Janet Cadenhead
Councillor Alastair Campbell
Councillor Archie Drummond
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Irene Hamilton
Councillor Craig Holden
Councillor Kathleen Martin
Councillor George Matchett, QPM
Councillor Walter McAdam, MBE
Councillor Bobby McGill
Councillor Les Sharp
Councillor Jim Stalker
Councillor Derek Stewart
Councillor Graham Watt
Councillor Gary Womersley

IN ATTENDANCE

Elaine McPherson, Chief Executive
Nikki Bridle, Depute Chief Executive
Garry Dallas, Executive Director
Stephen Coulter, Head of Resources and Governance
Stuart Crickmar, Head of Strategy and Customer Services
Val de Souza, Head of Social Services
Gordon McNeil, Head of Development and Environment
Sharon Johnston, Assistant Head of Education
Alan Milliken, Assistant Head of Education
Murray Sharp, Team Leader, Housing Business Management Services
Liz Shaw, Chief Accountant
Lindsay Sim, Team Leader, Finance
Brian Forbes, Customer Services Manager
Andrew Wyse, Team Leader, Legal Services - Clerk to the Council
Gillian White, Business Support to the Council - Minutes

CC.276 APOLOGIES

None

CC.277 DECLARATION OF INTERESTS

None

**CC.278 GENERAL SERVICES AND HRA REVENUE AND CAPITAL BUDGET
2014/15**

The report, submitted by the Depute Chief Executive, presented the Council's Budget for 2015/16. The report covered revenue and capital expenditure budgets for both General Services and Housing Revenue Accounts. In addition, the budget sought approval and provided information for further actions which will contribute to the Council's aim of improving medium term financial planning and financial sustainability. The report also built on the regular Making Clackmannanshire Better (MCB) and Budget Strategy Update reports and briefings presented to Council and Resources and Audit Committee throughout the year.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Amendment

"1. That recommendation 2.1.1 and consequently paragraph 3.7 be deferred;

2. That paragraph 2.1.5 and consequently Appendix D be deferred;

and that these two items be subject to separate consideration at the earliest appropriate Meeting of the full Council to enable a full debate and proper scrutiny of these recommendations before any decision on them is taken."

Moved by Councillor Bobby McGill. Seconded by Councillor Jim Stalker.

Voting on the Amendment

For the amendment	9 votes
Against the amendment	9 votes

On a division of 9 votes to 9, the amendment was defeated on the casting vote of the Provost.

Voting on the Motion

For the motion	9 votes
Against the motion	8 votes
Abstain from voting	1

Decision

On a division of 9 votes to 8 with 1 abstention, the Council agreed to approve:

1. the refined alternative service delivery model detailed in paragraph 3.7 of the report;
2. that management enters formal negotiations with Trade Union representatives in respect of redefining the working week and increasing the period between incremental progression from 12 to 18 months (paragraph 4.16);
3. the proposals for demand pressures (Appendices C and C1);
4. the sum of £63k from General Services uncommitted reserves in 2014/15 to pay the backdated element of holiday pay costs (Appendix C1);
5. the Draft Forward Plan of Key MCB projects (Appendix D);
6. the General Services Revenue Budget for 2015/16 (Appendix E);

7. the indicative budget savings targets and the underpinning assumptions for 2015-2019 (Table 2 and paragraph 5.5);
8. the savings set out in Appendix F as additionally explained in Appendices G, G1 and H and paragraph 6.5, and including the explicit recommendations set out in Appendices G, G1 and H which are incorporated as part of this decision;
9. a 0% increase in the level of Council Tax for 2014/15, resulting in Band D remaining at £1,148 (paragraph 5.5);
10. the utilisation of £1.936m from the available Capital Receipts Reserve (paragraph 6.9);
11. the utilisation of £1.801m of uncommitted General Services Revenue reserves (paragraph 6.10);
12. the utilisation of £1.0m of anticipated uncommitted revenue reserves to 'top up' the Employment Fund in 2015/16 which can be used to meet any costs associated with the continuing managed contraction of service delivery and associated costs (paragraphs 6.11 and 6.12);
13. the Summary Revenue Budget based on the HRA Business Plan (Appendix J);
14. the summary Lock up and Garage Pitch Site Budget (Appendix J2);
15. a housing rent increase of 3.75% for 2015/16 in line with the HRA Financial Business Plan Assumptions (Appendix K);
16. rent increases of 3.75% to Lock-up and Garage Pitch Sites and the weekly rent for the travelling persons site (paragraph 7.20);
17. that the Scottish Housing Best Value Network (SHBVN) is given a 12 month notice period to end the Council subscription whilst a review of the value for money obtained is conducted (paragraph 7.12)
18. the financing limits placed on capital investment for 2014/15-2019/20 based on the underpinning assumptions in Table 7 and paragraph 8.11;
19. the General Services Capital Budget for 2014-2020 (Appendix M);
20. the HRA Capital Budget for 2014-18 based on the HRA Financial Business Plan (Appendix N), having taken account of the amendments set out in Appendix O;
21. removal of Council house new build from the HRA Business Plan from 2019 (paragraphs 8.18 and 8.19);
22. acceptance of the revised commitment in respect of teacher numbers set out in paragraphs 6.13 to 6.15 by means of a written response to the Deputy First Minister; and
23. the continued application of the underpinning principles set out in paragraphs 3.4 and 8.4 to future budgeting.

On a division of 9 votes to 8 with 1 abstention, the Council also agreed to note:

1. Previously agreed Making Clackmannanshire Better principles (Appendix A)
2. the feedback from recent consultation and engagement activity detailed in Appendix B
3. the background to the new demand pressure following rulings on holiday pay payments (Appendix C1)

4. the intention to develop enhanced MCB programme management arrangements post budget setting (paragraph 3.8)
5. the 2015/16 Schedule of Funding to Voluntary Organisations (Appendix I)
6. the anticipated level of uncommitted reserves of £7.423m by 31 March 2015, prior to setting this budget (paragraph 6.7)
7. the anticipated level of General Services uncommitted reserves of £4.622m following setting this budget (paragraph 6.12)
8. The cumulative indicative gap of £23.384m to 2018/19 following setting this budget and an indicative funding gap of £11.571m in 2016/17 (Table 4)
9. that the budget proposed for 2015/16 includes provision to deliver across all of the specified commitments (paragraph 6.13 to 6.16)
10. the balance of £0.248m in the Capital Receipts Reserve, available to invest in new capital projects or repay existing debt (paragraph 6.9)
11. the balance of HRA uncommitted reserves will be maintained at 4% of rental income in line with the Business Plan (paragraph 8.32).

Action

Depute Chief Executive

The Provost adjourned the meeting at 12.45 pm. the meeting resumed at 12.50 pm with all eighteen members present.

CC.279 PRUDENTIAL INDICATORS 2015/16 TO 2019/20

The report, submitted by the Depute Chief Executive, set out the Prudential Indicators for 2015/16 to 2019/20. Capital budgets for those years had been prepared by the Council under the self regulating Prudential Code. Local authorities are required by regulation to comply with the Prudential Code in terms of meeting their statutory duty under Section 35(1) of the Local Government in Scotland Act 2003 to 'determine and keep under review the maximum amount which it can afford to allocate to capital expenditure'.

The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, as well as being consistent with local asset management planning. To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out 8 indicators that must be considered covering 3 distinct areas - capital expenditure, external debt and treasury management; affordability; and prudence.

The purpose of this report was to update and revise the indicators approved by Council last year in the context of the Council's latest spending plans over the period 2015/16 to 2019/20. The report described the purpose of each of the indicators and the implications of the proposed levels, values and parameters for the Council.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council unanimously agreed to approve the prudential indicators set out in the report for the years 2015/16 to 2019/20 in compliance with the prudential code requirements.

Action

Depute Chief Executive

Ends: 1.00 pm

Report to Council

Date of Meeting: 5th March 2015

Subject: Abercromby Primary School Development – Option Appraisal

Report by: Head of Education

1.0 Purpose

The report sets out to inform members of the results of the initial Abercromby Primary School options appraisal exercise and seeks Council's permission for the Education service to carry out informal public consultation on three of the appraised options.

2.0 Recommendations

- 2.1** It is recommended that the Council agrees to undertake public consultation in relation to appraisal options **5,7&9** for a new school(s) including the option to include civic centre provision on the site of the existing civic centre and adjoining land.

3.0 Considerations

- 3.1** The ongoing review of the school estate identified that Abercromby Primary School is the school in Clackmannanshire which is in the poorest condition, has the lowest suitability rating and has issues in terms of capacity.
- 3.2** The Scottish Government's Schools for The Future Programme has offered funding for a refurbishment or rebuild of Abercromby Primary School.
- 3.3.** The Education Service was asked to carry out an options appraisal for the refurbishment and redevelopment of Abercromby Primary School, including the integration of community facilities. Nine options were considered. Business cases were produced for each of these options. The appendix to this report contains these options.
- 3.4** The business cases which have been developed suggest that three of these options have significant advantages over the others. These options are for a new build of:-
- 3.4.1** Abercromby Primary School with associated community facilities.
- 3.4.2** A shared campus for Abercromby Primary School and St Bernadette's Primary with associated community facilities.

3.4.3 A shared campus of Abercromby Primary School and a combined St Bernadette's and St Mungo's Primary school with associated community facilities.

3.5 Denominational provision, which would operate as a separate school maintaining a distinct identity within a wider campus facility, has been included within the option appraisals based on the following four factors:-

3.5.1 Geographical location with St Bernadette's being located less than half a mile from Abercromby Primary school.

3.5.2 Educational benefits, the opportunity to enhance learning and teaching by providing access 21st century learning facilities.

3.5.3 The ability to deliver a full 3-12 educational provision to the denominational sector in line with Clackmannanshire policy. This is currently unavailable at both St Bernadette's and St Mungo's.

3.5.4 The educational benefits of being able to share best practice and conduct staff development on a larger scale.

3.6 The inclusion of community facilities would allow a holistic service to be provided for children, families and the wider community of Tullibody in a single location.

4.0 Sustainability Implications

4.1. The Scottish Government requires all new school developments to be carried out with regard to the following principles:-

4.1.1 To have regard for others who do not have access to the same levels of resources.

4.1.2 To minimise the impact of actions on future generations by reducing the use of resources and minimising environmental impacts.

4.1.3 To live within the capacity of the planet to sustain our activities and replenish resources we use.

4.2. A key objective of the schools estate strategy is that new schools should demonstrate commitment to the highest design and environmental standards.

4.3. The designs of any of the proposed options would, therefore, require to be consistent with current sustainability criteria.

5.0 Resource Implications

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

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

5.3 It is envisaged that further revenue savings could be achieved by the co-location of school(s) and community facilities.

6.0 Exempt Reports

6.1 Is this report exempt? **No**

7.0 Declarations

(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	√
People are better skilled, trained and ready for learning and employment	√
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	√
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	√

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

Making Clackmannanshire Better
3-12 Education Provision

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 Appendix 1 – Refurbishment/Replacement of Abercromby Primary School – Summary of Feasibility Studies

11.0 Background Papers

11.1 None

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Iain McGhee	Education Officer	01786 233944

Approved by

NAME	DESIGNATION	SIGNATURE
David Leng	Head of Education	Signed: David Leng
Elaine McPherson	Chief Executive	Signed: Elaine McPherson

Refurbishment/Replacement of Abercromby Primary School Summary of Feasibility Studies



1.1 Introduction

The Scottish Government made an offer of partial funding for a refurbishment or replacement of Abercromby Primary School. The Education Sport and Leisure Committee authorised the Education Service to conduct an option appraisal for this project including examining a community hub approach.

2.1 Option Appraisals

Four overarching options were considered in relation to this exercise; these were

Stand Alone

- Do minimum
- Full refurbishment

Combined

- Remodel and extend
- New build

This resulted in nine options being examined in more detail:-

1. Carry on with present programme of work to ensure that Abercromby Primary School and the Civic Centre remain in a 'B' condition.
2. Refurbish Abercromby Primary School and the Civic Centre
3. Redevelop Abercromby Primary School with associated community facilities
4. Build a new Abercromby Primary School on a new site.
5. Build a new Abercromby Primary School on a new site School with associated community facilities
6. Build a new Abercromby Primary School and St Bernadette's on a new joint campus.

7. Build a new Abercromby Primary School and St Bernadette's on a new joint campus School with associated community facilities
8. Build a new Abercromby Primary School and a merged St Bernadette's/St Mungo's on a new joint campus.
9. Build a new Abercromby Primary School and St Bernadette's and St Mungo's on a new joint campus with School with associated community facilities.

2.2. In line with the Making Clackmannanshire Better Policy and the precedent set by the Redwell development the potential for the rationalisation of the wider school estate in Tullibody was examined. The option to examine the possibility of rationalising the school estate by merging either St Serf's or Banchory Primary School with Abercromby was immediately discounted on educational grounds with the resulting school projected to have a roll of well over six hundred pupils. A school of this size could potentially lose the intimacy and personalisation of education that is so important in Primary Schools. The opportunity to build a new St Bernadette's (which would continue to operate as a separate school maintaining a distinct identity) on a joint campus was seen as having potential educational and financial benefits. The chance to improve the educational opportunities for the wider denominational community by including St Mungo's as a potential partner in this process was also therefore included.

2.3 The option to build a new school on the existing site was deemed to be too disruptive and problematic, with no alternative accommodation available to decant pupils to during the building phase.

3.1 Summary of the Option Appraisals

Options were appraised using a combination of non financial considerations (largely educational), financial considerations and value for money. A summary table is included at the end of this document

which sets out these ratings and the financial costs of each potential option.

3.2. *Option 1 - Carry on with present programme of work to ensure that Abercromby Primary School and the Civic Centre remains in a 'B' condition.*

Advantages

- Limited capital investment required
- Will cause limited disruption to teaching and learning.
- Will cause limited disruption to community use of facilities

Disadvantages

- Does nothing to improve the educational experience of the children attending Abercromby Primary School.
- Does nothing to alleviate the issues in relation to capacity for the school.
- Does not improve community facilities
- Does not qualify for Scottish Government funding.
- Offers little value for money.

Non-financial Appraisal Criteria		Weighting	Score (1/10)	Weighted score
1	Enabling services to be shaped to meet local need	15	3	45
2	Achieving best use of shared resources to meet local needs	15	3	45
3	Contribution to improving public experience of services received	15	3	45
4	Opportunities to work jointly to improve services	15	3	45
5	Physical capacity to meet future educational and nursery demand	10	4	40
6	Flexibility to adapt to changing future demand and needs	5	3	15
7	Accommodation that is modern and fit for future purpose	10	4	40
8	Longer term sustainability of building form and structure	5	3	15
9	Improving energy efficiency / EPC rating	5	4	20
10	Minimising disruption to education delivery and services	5	5	25
Totals		100	355	

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs 12 years only	Financial Rating i.e. Whole life costs per m ²
4,930	6,468,368	9 293 830*	157

Non Financial rating	Financial rating	Value for Money
355	157	2.26

Option 2 - Refurbish Abercromby Primary School and the Civic Centre

Advantages

- Costs reduced
- Capacity issues addressed
- Educational suitability improved
- Community facilities improved

Disadvantages

- Major disruption to learning and teaching over an extended period of time.
- Considerable sums will require to be spent on temporary accommodation.
- Overall suitability; whilst a refurbishment will improve overall suitability, it will not make the educational experience enjoyed by Abercromby Primary School pupils anywhere near a comparable level to counterparts at Redwell Primary School.
- Major disruption to Community facilities
- Duplication of resources in Tullibody

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	5	75
2. Achieving best use of shared resources to meet local needs	15	4	60
3. Contribution to improving public experience of services received	15	5	75
4. Opportunities to work jointly to improve services	15	4	60
5. Physical capacity to meet future educational and nursery demand	10	7	70
6. Flexibility to adapt to changing future demand and needs	5	5	25
7. Accommodation that is modern and fit for future purpose	10	7	70
8. Longer term sustainability of building form and structure	5	4	20

9. Improving energy efficiency / EPC rating	5	6	30
10. Minimising disruption to education delivery and services	5	4	20
Totals	100	505	

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
5,640	10,738.845	15 575 447*	92

Non Financial rating	Financial rating	Value for Money
505	92	5.49

1. *Option 3 - Redevelop Abercromby Primary School* with associated community facilities

Advantages

- Retention of all outdoors sports facilities on the Civic Centre site.
- Existing building fabric, services and fittings brought up to current standard.
- Able to provide a more holistic service to children and families in the community.
- Civic Centre remains operational throughout.

Disadvantages

- Would allow for only a partial upgrade of learning facilities.
- Would disrupt learning and teaching whilst upgrade and new building takes place.
- Temporary accommodation would have to be put on site to allow for pupils to be decanted during building works.
- Changing facilities would be disconnected from the playing fields

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	7	105
2. Achieving best use of shared resources to meet local needs	15	6	90
3. Contribution to improving public experience of services received	15	7	105
4. Opportunities to work jointly to improve services	15	7	95
5. Physical capacity to meet future educational and nursery demand	10	7	70
6. Flexibility to adapt to changing future demand and needs	5	6	30
7. Accommodation that is modern and fit for future purpose	10	8	80
8. Longer term sustainability of building form and structure	5	6	30
9. Improving energy efficiency / EPC rating	5	7	35
10. Minimising disruption to education delivery and services	5	4	20
Totals	100		670

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
5 088	10 387 678	14 750 911	97

Non Financial rating	Financial rating	Value for Money
670	97	6.91

Option 4 - Build a new Abercromby Primary School on a new site.

Advantages

- Pupils will have access to excellent 21st century learning facilities.
- Abercromby Primary School will remain fully operational throughout the building period with no disruption to teaching and learning.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New building is easier to maintain than existing estate
- External sports facilities on the same site as the Primary School
- Primary School site becomes available for reuse.

Disadvantages

- Potential loss of one grass football pitch if not reinstated on current Abercromby site.
- Breaks the stakeholder attachment to the current building.

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	7	105
2. Achieving best use of shared resources to meet local needs	15	7	105
3. Contribution to improving public experience of services received	15	8	120
4. Opportunities to work jointly to improve services	15	7	105
5. Physical capacity to meet future educational and nursery demand	10	10	100
6. Flexibility to adapt to changing future demand and needs	5	8	40
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	9	45
Totals	100	810	

Gross Internal Floor area m ² (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
3749	9 736 1530	14 405 920	128

Non Financial rating	Financial rating	Value for Money
810	128	6.33

1. *Option 5 - Build a new Abercromby Primary School* with associated community facilities

Advantages

- Pupils will have access to excellent 21st century learning facilities.
- Both Abercromby Primary School and the Civic Centre will remain fully operational throughout the building period.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New buildings are easier to maintain than existing estate
- External sports facilities on the same site as the Primary School
- The community are able to access a wider range of services on the one site.
- Potential educational advantages of closer home/school/community links providing a holistic service for children and families.
- Primary School site becomes available for reuse.

Disadvantages

- Potential loss of one grass football pitch if not reinstated on current Abercromby site
- Breaks the stakeholder attachment to the current buildings.

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	9	135
2. Achieving best use of shared resources to meet local needs	15	9	135
3. Contribution to improving public experience of services received	15	9	135
4. Opportunities to work jointly to improve services	15	9	135
5. Physical capacity to meet future educational and nursery demand	10	9	90
6. Flexibility to adapt to changing future demand and needs	5	8	40
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	8	40
Totals	100	900	

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m²
4 967	12 550 165	16 218 467	109

Non Financial rating	Financial rating	Value for Money
900	109	8.26

Option 6 - Build a new Abercromby Primary School and St Bernadette's on a new joint campus.

Advantages

- A larger number of pupils will have access to excellent 21st century learning facilities.
- Both Abercromby Primary School, St Bernadette's Primary School will remain fully operational throughout the building period.
- The parents of children at St Bernadette's will have access to Nursery facilities on the same site. Transition from Nursery to primary will therefore be much easier. This facility is currently unavailable to parents of St Bernadette's children.
- Children at St Bernadette's will have access to a wider range of educational facilities in a large campus than would ever be available in St Bernadette's.
- There would be opportunities created for joint projects and working collaboratively across both schools thereby enhancing the educational opportunities for children and the professional development opportunities for staff.
- The links between St Bernadette's and the local Parish would be retained.
- Potential educational/social advantages of being able to develop closer home/school/community links thereby providing a holistic service for children and families.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New buildings are easier to maintain than existing estate
- External sports facilities on the same site as the Primary School
- Both Primary School sites become available for reuse.

Disadvantages

- Requires careful planning to ensure that St Bernadette's does not lose it's identity as a separate denominational school.

- The school would move slightly further away from the Parish Church.
- Potential loss of one grass football pitch if not reinstated on current Abercromby site.
- Breaks the stakeholder attachment to the current buildings.

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	7	105
2. Achieving best use of shared resources to meet local needs	15	7	105
3. Contribution to improving public experience of services received	15	8	120
4. Opportunities to work jointly to improve services	15	8	120
5. Physical capacity to meet future educational and nursery demand	10	9	90
6. Flexibility to adapt to changing future demand and needs	5	9	40
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	8	40
Totals	100	810	

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
6113	15 873 668	21 158 893	115

Non Financial rating	Financial rating	Value for Money
810	115	7.04

1. *Option 7 - Build a new Abercromby Primary School and St Bernadette's on a new joint campus* School with associated community facilities.

Advantages

- A larger number of pupils will have access to excellent 21st century learning facilities.
- Both Abercromby Primary School, St Bernadette's Primary School and the Civic centre will remain fully operational throughout the building period.
- The parents of children at St Bernadette's will have access to Nursery facilities on the same site. Transition from Nursery to primary will therefore be much easier. This facility is currently unavailable to parents of St Bernadette's children.
- Children at St Bernadette's will have access to a wider range of educational facilities in a large campus than would ever be available in St Bernadette's.
- There would be opportunities created for joint projects and working collaboratively across both schools thereby enhancing the educational opportunities for children and the professional development opportunities for staff.
- The links between St Bernadette's and the local Parish would be retained.
- Potential educational/social advantages of being able to develop closer home/school/community links thus providing a holistic service for children and families.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New buildings are easier to maintain than existing estate
- External sports facilities on the same site as the Primary School
- The community are able to access a wider range of services on the one site.
- Offers potential saving in administrative staffing.

Disadvantages

- Requires careful planning to ensure that St Bernadette's does not lose its identity as a separate denominational school.
- The school would move slightly further away from the Parish Church.
- Potential loss of one grass football pitch if not reinstated on current Abercromby site.
- Breaks the stakeholder attachment to the current buildings.

Non Financial rating

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	9	135
2. Achieving best use of shared resources to meet local needs	15	9	135
3. Contribution to improving public experience of services received	15	9	135
4. Opportunities to work jointly to improve services	15	9	135
5. Physical capacity to meet future educational and nursery demand	10	9	90
6. Flexibility to adapt to changing future demand and needs	5	8	40
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	9	45
Totals	100	905	

Financial Rating

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
6713	17 415 208	23 171 966	115

Overall Rating

Non Financial rating	Financial rating	Value for Money
905	115	7.87

Option 8 - Build a new Abercromby Primary School and a merged St Bernadette's/St Mungo's on a new joint campus.

Advantages

- A larger number of pupils will have access to excellent 21st century learning facilities.
- Including St Mungo's pupils would ensure that all denominational children have equal access to a full range of high quality 21st century learning facilities.
- Both Abercromby Primary School, St Bernadette's Primary School , St Mungo's Primary School will remain fully operational throughout the building period.
- The parents of children at St Bernadette's and St Mungo's will have access to Nursery facilities on the same site. Transition from Nursery to primary will therefore be much easier. This facility is currently unavailable to parents of both St Bernadette's and St Mungo's children.
- Children at St Bernadette's and St Mungo's will have access to a wider range of educational facilities in a large campus than would ever be available in either St Bernadette's or St Mungo's.
- The new merged denominational school would offer full age and stage provision.
- The new merged school would offer wider educational opportunities for children and the potential for increased practice sharing thereby supporting the professional development of staff.
- The new merged school would be much closer in size to Abercromby Primary School thereby reducing potential anxieties about lost identity.
- The new merged school would aid recruitment and retention of senior staff.
- A larger denominational school offering a full range of age and stage provision with access to a wider range of facilities may be a more attractive option for denominational parents who do not currently send their children to a denominational school.
- A merged school would offer revenue savings in terms of staffing.

- There would be opportunities created for joint projects and working collaboratively across both schools thereby enhancing the educational opportunities for children and the professional development opportunities for staff.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New buildings are easier to maintain than existing estate
- External sports facilities on the same site as the Primary School
- Three primary school sites become available for reuse.

Disadvantages

- Increased travelling time to school for some St Mungo's pupils.
- Potential transport costs bringing denominational pupils to the school from across Clackmannanshire.
- The link between St Mungo's and its Parish would be lost.
- Potential loss of one grass football pitch if not reinstated on current Abercromby site.
- Breaks the stakeholder attachment to the current buildings.

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	7	105
2. Achieving best use of shared resources to meet local needs	15	8	120
3. Contribution to improving public experience of services received	15	8	120
4. Opportunities to work jointly to improve services	15	8	120
5. Physical capacity to meet future educational and nursery demand	10	9	90
6. Flexibility to adapt to changing future demand and needs	5	9	40
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	8	40
Totals	100	825	

Financial Rating

Gross Internal Floor area (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
6455	16 761 742	22 269 750	115

Overall Rating

Non Financial rating	Financial rating	Value for Money
825	115	7.17

- Option 9 - Build a new Abercromby Primary School and St Bernadette's and St Mungo's on a new joint campus with associated community facilities.*

Advantages

- A larger number of pupils will have access to excellent 21st century learning facilities.
- Including St Mungo's pupils would ensure that all denominational children have equal access to a full range of high quality 21st century learning facilities.
- Both Abercromby Primary School, St Bernadette's Primary School, St Mungo's Primary school and the Civic centre will remain fully operational throughout the building period.
- The parents of children at St Bernadette's and St Mungo's will have access to Nursery facilities on the same site. Transition from Nursery to primary will therefore be much easier. This facility is currently unavailable to parents of both St Bernadette's and St Mungo's children.
- Children at St Bernadette's and St Mungo's will have access to a wider range of educational facilities in a large campus than would ever be available in either St Bernadette's or St Mungo's.
- The new merged denominational school would offer full age and stage provision.

- The new merged school would offer wider educational opportunities for children and the potential for increased practice sharing thereby aiding the professional development of staff.
- The new merged school would be much closer in size to Abercromby Primary School thereby reducing potential anxieties about lost identity.
- The new merged school would aid recruitment and retention of senior staff.
- A merged school would offer revenue savings in terms of staffing.
- There would be opportunities created for joint projects and working collaboratively across both schools thereby enhancing the educational opportunities for children and the professional development opportunities for staff.
- Potential educational/social advantages of being able to develop closer home/school/community links and thus providing a holistic service for children and families.
- All facilities created to comply with current building regulations and environmental and sustainability standards.
- New buildings are easier to maintain than existing estate
- External sports facilities on the same site as the Primary School.
- Three primary school sites become available for reuse.
- The community are able to access a wider range of services on the one site.
- Potential educational advantages of closer home/school/community links.
- May mean wider access to community facilities with a larger pool of parents accessing the site.

Disadvantages

- Increased travelling time to school for some St Mungo's pupils.
- Potential transport costs bringing denominational pupils to the school from across Clackmannanshire.
- The link between St Mungo's and it's Parish would be lost.
- Potential loss of one grass football pitch if not reinstated on current Abercromby site.
- Breaks the stakeholder attachment to the current building.

Non Financial Rating

Non-financial Appraisal Criteria	Weighting	Score 1-10	Weighted Score
1. Enabling services to be shaped to meet local need	15	9	135
2. Achieving best use of shared resources to meet local needs	15	9	135
3. Contribution to improving public experience of services received	15	9	135
4. Opportunities to work jointly to improve services	15	10	150
5. Physical capacity to meet future educational and nursery demand	10	9	90
6. Flexibility to adapt to changing future demand and needs	5	9	45
7. Accommodation that is modern and fit for future purpose	10	10	100
8. Longer term sustainability of building form and structure	5	9	45
9. Improving energy efficiency / EPC rating	5	9	45
10. Minimising disruption to education delivery and services	5	9	45
Totals	100	925	

Financial Rating

Gross Internal Floor area m ² (GIFA)	Capital Costs	Whole life costs	Financial Rating i.e. Whole life costs per m ²
7055	18 293 876	24 343 916	115

Overall Rating

Non Financial rating	Financial rating	Value for Money
925	115	8.04

4.1 Summary Table

Options	Non Financial	Financial	VFM
1. Carry on with present programme of work to ensure that Abercromby Primary School and the Civic Centre remains in a 'B' condition.	355	157	2.26
2. Refurbish Abercromby Primary School and refurbish the Civic Centre	505	92	5.49
3. Redevelop Abercromby Primary School with associated community facilities	670	97	6.91
4. Build a new Abercromby Primary School on a new site.	810	128	6.33
5. Build a new Abercromby Primary School on a new site with associated community facilities	900	109	8.26
6. Build a new Abercromby Primary School and St Bernadette's on a new joint campus.	810	115	7.04
7. Build a new Abercromby Primary School and St Bernadette's on a new joint campus with associated community facilities.	905	115	7.87
8. Build a new Abercromby Primary School and a merged St Bernadette's/St Mungo's on a new joint campus.	825	115	7.17
9. Build a new Abercromby Primary School and St Bernadette's and St Mungo's on new joint campus with associated community facilities.	925	115	8.04

Recommendations:

Consultation on the following options should be undertake as early as possible (March 2015):

- Build a new Abercromby Primary School on a new site with associated community facilities
- Build a new Abercromby Primary School and St Bernadette's on a new joint campus with associated community facilities
- Build a new Abercromby Primary School and St Bernadette's and St Mungo's on a new joint campus with associated community facilities.

Report to: Clackmannanshire Council

Date: 5th March, 2015

Subject: Committee Recommendations Referred to Council

Report by: Chief Executive

1.0 Purpose

- 1.1 The purpose of this report is to seek Council approval of recommendations which have been made by committees during the December, 2014 - February, 2015 cycle of meetings.
- 1.2 Under the Council's decision-making framework, Council has delegated certain matters to committees and has reserved certain powers. Included in the latter are the approval of main policies and strategies (Scheme of Delegation 3.2), the approval of budgets (Scheme of Delegation 3.19) and the spending of money not budgeted for (Scheme of Delegation 3.20).
- 1.3 Standing Order 8.4 requires that where a committee passes a report to Council, the full committee report shall not be included again on the council agenda and that officers should prepare a brief report that refers to the relevant committee report and recommendation(s).

2.0 Recommendations

- 2.1 It is recommended that Council:

1. from the **Enterprise and Environment Committee of 15th January, 2015** in relation to the report entitled "*Clackmannanshire Local Employability Partnership Employability Strategy Final Report*"

- Agrees the two key priority programmes for the Council to deliver under the employment strategy,
 - i) the expansion of a modern apprenticeship programme within the Council, employing 16-24 year olds throughout Council services.
 - ii) to build on the positive destination programme for our school leavers, to increase the number of school leavers moving and sustaining positive employment, study and career destinations; and to note a further report detailing the proposed activity outcomes and objectives to deliver the 2 key programmes set out above will be brought back to a future Enterprise and Environment Committee.

2.2 The minute and report relating to this item are available on the Members' Portal.

3.0 Sustainability Implications

NA

4.0 Resource Implications

4.1. *Financial Details*

4.2. N/A

4.3. Staffing N/A

5.0 Declarations

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

(1) Our Priorities

Our communities are more cohesive and inclusive
Vulnerable people and families are supported
The Council is effective, efficient and recognised for excellence

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

6.0 Equalities Impact

6.1 N/A

7.0 Legality

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

8.0 Appendices

8.1 None

9.0 Background Papers

a) Enterprise and Environment Committee Agenda of 15th January, together with Minute.

Author(s)

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	Signed: Elaine McPherson

CLACKMANNANSHIRE COUNCIL

Date of Meeting: 5th March, 2015

Subject: Leader's Briefing

1.0 Purpose

- 1.1 The purpose of this briefing is to inform all elected members of a range of issues and activities which I have been engaged with in the past quarter. It is also intended to assist in raising awareness amongst members of a number of matters which affect the Council or the area and, as such, inform future workstreams.
- 1.2 Should any member of the Council wish to discuss any of the issues in this report in more detail, I will be happy to meet with them.
- 1.3 The report covers the period December, 2014 - March, 2015.

2.0 National Issues Affecting Clackmannanshire

CoSLA

- 2.1 I attended the CoSLA Convention on 12th December and CoSLA Leaders' Meeting on 30th January, 2015. Items discussed at the meetings were:

CoSLA Convention - 12th December:

- Strengthening Local Democracy in Scotland
- Constitutional Protection for Local Government
- Lord Smith Commission
- CoSLA Convention Strategic Programme
- CoSLA Budget 2015/16
- Future Model for Community Justice in Scotland

CoSLA Leaders' Meeting - 30th January:

- Local Government Pay and Conditions Negotiations 2015/16
- Improving Wage Levels in the Social Care Sector
- Children's Hospice Association Scotland
- Funding of WithScotland
- Health and Social Care Partnerships: Investment and Improvement Expectations
- Charging Guidance for Non-residential Social Care 2015/16
- A 'Stronger Voice' - Engaging the Public and Service Users
- Commission on Alternatives to Council Tax
- Scottish Government's Economic Strategy
- Planning Penalty Clause
- Welfare Reform Update
- 2013/14 Local Government Benchmarking Framework - Key Messages
- Distribution Issues

- The Smith Commission: Update on Clauses and new Scotland Bill
- Proposed Constitutional Change by the Gender Balance Task Group

Special CoSLA Leaders' Meeting on 6th February in respect of teacher numbers.

2.2 Associated papers for these meetings have been placed on the members' portal for members to access.

3.0 Partnership Working

3.1 I attended the following **NHS FV meetings/events**:

- 13th January - Clackmannanshire and Stirling Transitional Board
- 3rd February - Clackmannanshire and Stirling Transitional Board
- 17th February - Clackmannanshire and Stirling Transitional Board

3.2 **A Special Board Meeting of Clackmannanshire Business** was held on 12th January, 2015. Item for discussion was a presentation to stakeholders on the budget/savings proposals.

3.3 Associated papers for these meetings have been placed on the members' portal for members to access.

4.0 Staff and Other Visits

4.1 I attended the following events:

- 15th January - Tenants and Residents Federation - Council Budget Consultation 2015/16
- 21st January - Budget Consultation, Alloa Town Hall
- 26th January - Budget Proposal Union Representatives/SNP Group
- 29th January - Sauchie Community Group - Council Budget Consultation 2015/16
- 18th February - Alloa Day Home Trust

4.2 I would be happy to provide additional information on any of the above events.

Signed: Councillor Les Sharp

**Councillor Les Sharp
Leader of the Council
March, 2015**

Report to: Clackmannanshire Council

Date of Meeting: 5 March, 2015

Subject: Health & Social Care Integration Scheme

Report by: Chief Executive

1.0 Purpose

- 1.1. The purpose of this paper is to seek Council's approval of the draft Scheme for Health & Social Care Integration so that it can be submitted to the Scottish Government by the required deadline.

2.0 Recommendations

- 2.1. It is recommended that Council:
- a) approves the draft Integration Scheme for submission to the Scottish Government (the draft Scheme is attached as the Appendix to this report);
 - b) notes the position in respect of the recruitment of the Chief Officer;
 - c) notes the work programme of the Integration Board in the coming year.

3.0 Considerations

- 3.1. A report updating Council on progress on health and social care integration was considered in December of 2014 and then in January of this year the Council's Housing, Health & Care Committee considered a draft of the integration scheme.
- 3.2. Further to a meeting held on 17 February, 2015, the Transitional Integration Board (on which there are representatives of Clackmannanshire and Stirling councils and NHS Forth Valley) agreed the final draft Scheme and that it be recommended to each of the three partners for approval.
- 3.3. The final draft Scheme follows the guidance set out by the Scottish Government and reflects the requirements set out in the various regulations which accompany the legislation on integration.
- 3.4. There is a requirement to consult on the Integration Scheme and defined consultees are:
- Health and social care professionals;

- Users of health and/or social care;
- Carers of users of health and/or social care;
- Non-commercial and commercial providers of health and/or care;
- Non-commercial providers of social housing;
- Third Sector bodies carrying out activities related to health or social care;
- Staff of the Local Authority and Health Board likely to be affected by the Integration Scheme

3.5 The draft Integration Scheme was widely consulted on throughout January 2015. A full copy of the draft Scheme was available online and consultation was carried out through online surveys and a number of planned consultation events. There were a total of 1200 views of the website pages which were promoted using direct email, Facebook and twitter; 51 responses were received via the online survey and 151 people were consulted via face to face sessions at carers forums, service user reference groups and strategy groups.

3.6 In addition, a staff briefing was issued in January with information on integration and how it will likely impact staff, along with a reference to the website which contains a frequently asked questions document.

3.7 Feedback on the consultation and an updated draft of the Integration Scheme further to that feedback were considered by the Transitional Integration Board at its meeting on 17 February, 2015.

3.8 As previously advised to Council, each integration authority is required to appoint a Chief Officer. The Transitional Integration Board carried out short-leeting at a meeting on 17 February and assessment of the short-leeted candidates, including an interview with the Board's appointments' panel, will take place in March. Councillors Sharp and Cadenhead will represent the Council on that panel.

3.9 Once the draft Scheme is submitted to the Scottish Government, it will be reviewed and, hopefully, approved. Until that time, the integration authority is not legally constituted. In the interim, the Transitional Integration Board will continue to meet, with key items for discussion in the next couple of months including:

- Development of Board Standing Orders
- Organisational Development for the Board (voting members)
- Appointment to Board of non-voting members (staff, third sector, service users, carers)
- Development of strategic plan
- Financial and funding arrangements
- Performance framework

4.0 Sustainability Implications

4.1. N/A

5.0 Resource Implications

5.1. *Financial Details*

- 5.2. The Council will have to contribute to the employee costs of the chief officer and any other officers (such as Finance Officer and business support) and a demand pressure was included in the Council's budget for that. There will be a transfer of resources from the Council and the other two partners to the Integration Board in due course. The level of this and the methodology for the transfer has not yet been agreed and will form part of the Transitional Board's ongoing discussions.
- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report.
- 5.4. *Staffing* - there is no impact on the Council's establishment as a result of this report.

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**

Our communities are more cohesive and inclusive
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

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 for this report.

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 Draft Integration Scheme for Clackmannanshire & Stirling

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)

Report to Transition Board of 3 February, 2015, entitled: Health & Care Integration Update

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Elaine McPherson	Chief Executive	2002

Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	Signed: Elaine McPherson



**Clackmannanshire
Council**



Clackmannanshire & Stirling Health and Social Care Integration Scheme

DRAFT

**Endorsed by the Transitional Board
17/02/15**

1. Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) ("the primary legislation" requires Health Boards and Local Authorities ("The Parties") to integrate planning for, and delivery of, certain adult health and social care services. The Parties can also choose to integrate planning and delivery of other services such as additional adult health and social care services beyond the minimum prescribed by Ministers, and children's health and social care services. The Act requires the Parties to prepare jointly an integration scheme setting out how this joint working is to be achieved. There is a choice of ways in which they may do this.

The Parties have agreed that they will adopt the "body corporate" arrangement (i.e. the model set out in s1(4)(a) of the Act) and this document sets out the detail as to how the Health Board and Local Authorities will integrate services. Section 7 of the Act requires the Parties to submit jointly an integration scheme for approval by Scottish Ministers. The integration scheme should follow the format of the model scheme and must include, as a minimum, the matters prescribed in Regulations. References to obligations on the Parties and/or the established body corporate ("The Integration Joint Board") under the primary legislation or the other regulations flowing there from have been included to ensure that all Parties and the integrated joint Board have a clear and coherent understanding of their respective roles, duties and powers.

It should be noted that Clackmannanshire and Stirling Councils operate a shared service arrangement for the delivery of their social care functions. At present, the Councils share a management structure but work is underway to develop the business case for a lead authority model. To complement this the Councils have elected to form a single body corporate with NHS Forth Valley.

Once the Scheme has been approved by the Scottish Ministers, the Integration Joint Board (which has distinct legal personality) will be established by Order of the Scottish Ministers.

As a separate legal entity the Integration Joint Board has full autonomy and capacity to act on its own behalf and can, accordingly, make decisions about the exercise of its functions and responsibilities as it sees fit. However, the legislation that underpins the Integration Joint Board requires that its voting members are appointed by the Health Board and the Local Authority, and is made up of councillors, NHS non-executive directors, and other members of the Health Board where there are insufficient NHS non-executive directors. Whilst serving on the Integration Joint Board its members carry out their functions under the Act on behalf of the Integration Joint Board itself, and not as delegates of their respective Health Board or Local Authority. This is in line with what happened under the previous joint working arrangements. Because the same individuals will sit on the Integration Joint Board and the Health Board or Local Authority, accurate record-keeping and minute-taking will be essential for transparency and accountability purposes.

The Integration Joint Board is responsible for the Strategic Planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements set out within the integration scheme in Section 4. Further, the Act gives the Health Board and the Local Authority, acting jointly, the ability to require that the Integration Joint Board replaces their Strategic Plan in certain circumstances. In these ways, the Health Board and the Local Authority together have significant influence over the Integration Joint Board, and they are jointly accountable for its actions.

2. Aims and Outcomes of the Integration Scheme

The main purpose of integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act, namely:

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.

2. People, including those with disabilities, long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of service users.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to reduce the potential impact of their caring role on their own health and well-being.
7. People who use health and social care services are safe from harm.
8. People who work in health and social care services are supported to continuously improve the information, support, care and treatment they provide and feel engaged with the work they do.
9. Resources are used effectively in the provision of health and social care services, without waste.

Our vision is to enable individuals in the Clackmannanshire and Stirling Partnership to live full and positive lives within supportive communities.

We want to see:

- **Self Management** - Individuals, their carers and families are enabled to manage their own health, care and well-being;
- **Community Focused Supports** – Supports are in place, accessible and enable people, where possible, to live well for longer at home or in homely settings within their community;

- **Safety** - Health and social care support systems help to keep people safe and live well for longer;
- **Decision Making** - Individuals, their carers and families are involved in and are supported to manage decisions about their care and wellbeing;
- **Experience** – Individuals will have a fair and positive experience of health and social care

Having regard to the integration planning principles we will be:

- Placing communities and individuals at the centre of planning and delivery of services
- Putting individuals, their carers and families at the centre of their own care pathway by prioritising the most appropriate care
- Working effectively with voluntary and commercial organisations (e.g. Charities, Businesses, Social Enterprises, and Groups of Volunteers)
- Provide joined up services to improve quality of lives
- Building on the strengths of our communities
- Recognising the importance of encouraging independence by focusing on re-ablement, rehabilitation and recovery;
- Ensuring that all communication is clear, accessible and understandable and ensures a two way conversation
- Encouraging continuous improvement by supporting and developing our workforce.
- Reducing avoidable admissions to hospital
- Ensuring that information is shared appropriately to ensure a safe transition between all services
- Providing timely access to services, based on assessed need and best use of available resources
- Identifying and addressing inequalities

Integration Scheme

The Parties:

Clackmannanshire Council, established under the Local Government etc (Scotland) Act 1994 and having its principal offices at Kilncraigs, Alloa FK21EB

and

Stirling Council, established under the Local Government etc (Scotland) Act 1994 and having its principal offices at Viewforth Stirling FK8 2ET

and

Forth Valley Health Board, established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as “NHS Forth Valley”) and having its principal offices at Carseview House, Castle Business Park, Stirling, FK9 4SW hereinafter referred to as “**NHS FV**”

(together referred to as “**the Parties**”)

1. Definitions and Interpretation

- 1.1 For the purpose of this agreement the undernoted terms and expressions have the following meaning:-

"The Act" means the Public Bodies (Joint Working) (Scotland) Act 2014;

"Appointing Period" means the period, not exceeding three years, for which a Party is to be entitled to appoint the Chairperson or Vice Chairperson of the Integration Joint Board;

"Chief Officer" means the individual appointed to the Integration Joint Board by virtue of Section 9 of the Act;

"Consultee Regulations" means the Public Bodies (Joint Working) (Prescribed Consultees) (Scotland) Regulations 2014;

"Integration Functions" are the functions of the Parties which require to be delegated to the Integration Joint Board by virtue of the Act as set out in Appendices 1 and 2 attached hereto and any such other functions as the Parties may lawfully agree to delegate;

"Integration Joint Board Order" means the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014;

"Integration Planning Principles" are as defined in section 4 of the Act;

"The Integration Scheme Regulations" means the Public Bodies (Joint Working) (Integration Scheme) (Scotland) Regulations 2014;

"Outcomes" means the Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under Section 5(1) of the Act;

"The Parties" means the Clackmannanshire and Stirling Councils and NHS FV;

"The Scheme" means this Integration Scheme;

"Service Users" means persons to whom or in relation to whom services in respect of the integrated functions are provided;

"Shadow Year" means the year ending 31 March 2016;

"Strategic Plan" means the plan with the Integration Joint Board is required to prepare and implement in relation to the delegated provision of health and social care services to adults in accordance with Section 29 of the Act;

"Strategic Planning Group" means the group established under Section 32 of the Act;

"Third Sector Bodies" includes non-commercial providers of health and social care, representative groups, interest groups, social enterprises and community organisations;

"Unpaid Carer" means someone who cares, unpaid, for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support and the expression "persons who provide unpaid care" and similar expressions shall be construed accordingly.

Words denoting the singular shall include the plural where the context so admits and vice versa.

In implementation of their obligations under the Act, the Parties hereby agree as follows:

In accordance with section 2(4) of the Act, the Parties have agreed that the integration model set out in sections 1(4)(a) of the Act will be put in place for Clackmannanshire & Stirling Health and Social Care Integration Authority namely the delegation of functions by the Parties to a body corporate that is to be established by Order under section 9 of the Act. This Scheme comes into effect on the date the Parliamentary Order to establish the Integration Joint Board comes into force.

2. Local Governance Arrangements

Having regard to the requirements contained in the Integration Scheme Regulations, the Parties require to supply the detail of the voting membership, the Chair and Vice Chair of the Integration Joint Board. The Integration Joint Board and the Parties must communicate with each other and interact in order to contribute to the Outcomes however the Integration Joint Board does have a distinct legal personality and the consequent autonomy to manage itself and make decisions. The Parties have no power to independently sanction or veto decisions of the Integration Joint Board.

- 2.1 The composition of the voting membership of the Integration Joint Board shall be as follows:-
- I. Three Councillors nominated by Clackmannanshire Council
 - II. Three Councillors nominated by Stirling Council
 - III. Six members nominated by NHS Forth Valley
- 2.2 The Parties have agreed that the NHS FV voting membership shall comprise four Non-Executive Directors and two Executive Directors; furthermore shall be able to on occasion where necessary substitute one further Non - Executive Director with an Executive Director.
- 2.3 The non-voting membership of the Integration Joint Board shall be as follows:-
- I. The joint Chief Social Work Officer for Clackmannanshire and Stirling failing which the Chief Social Work Officer of one of the constituent Local Authorities
 - II. The Chief Officer of the Integration Joint Board
 - III. The proper officer of the Integration Joint Board appointed under Section 95 of the Local Government (Scotland) Act 1973
 - IV. A registered medical practitioner whose name is included in the list of primary medical services performers prepared by the Health Board in accordance with Regulations made under Section 17P of the National Health Service (Scotland) Act 1978
 - V. A registered nurse who is employed by the Health Board or by a person or body with which the Health Board has entered into a general medical services contract; and
 - VI. and a registered medical practitioner employed by the Health Board and not providing primary medical services
- 2.4 In addition the Integration Joint Board shall appoint at least one member in respect of each of the following groups:-

- I. a representative of staff of the Parties engaged in the provision of services provided under the Integration Functions
 - II. Third Sector Bodies carrying out activities related to health and social care for the areas of the constituent authorities
 - III. Service Users residing in the areas of the constituent authorities; and
 - IV. persons providing unpaid care in the areas of the constituent authorities
- 2.5 The Integration Joint Board may appoint such additional members in a non-voting capacity as it sees fit but such members shall not include a Councillor or Non - Executive Director of the NHS.
- 2.6 In accordance with Article 7 of the Integration Joint Board Order and subject to Article 8 and para 2.10 below, members of the Integration Joint Board will be appointed for a period of three years and may be eligible for reappointment thereafter for one further term of office.
- 2.7 Non-voting members as detailed in clause 2.6 I - III above shall remain a member of the Integration Joint Board for as long as they hold the office in respect of which they were appointed.
- 2.8 Voting Board Members will be deemed to have their appointment to the Integration Joint Board withdrawn if they no longer meet the criteria set out in clause 2.4 above and the appointing Party will be able to remove that member by giving notice under Regulation 14 of the Integration Joint Board Order.
- 2.9 Should a Voting Board Member resign from the Integration Joint Board, the appointing Party will be entitled to appoint another representative to the Integration Joint Board pursuant to clause 2.4 and 2.7 as applicable.
- 2.10 Removal of a Voting Board Member shall be in accordance with Article 14 of the integration Joint Board Order.

- 2.11 The initial Appointing Period for the Chairperson and Vice-Chairperson shall be until 31 March 2016 when the Chairperson shall be appointed by NHS FV. Thereafter the Appointing Period shall be two years.
- 2.12 The Parties have agreed that the first Chairperson from 1 April 2016 shall be nominated by one of the local authorities.
- 2.13 The Parties have agreed that the first Vice-Chairperson shall be nominated by NHS FV.
- 2.14 If NHS FV nominate the Chairperson, the Vice Chair must be nominated by one of the constituent Local Authorities and vice versa in accordance with Article 6 of the Integrated Joint Board Order.
- 2.15 The appointment of the Chairperson and consequently the Vice Chairperson must alternate between NHS FV and a constituent local authority.
- 2.16 Nominations for Chairperson and Vice Chairperson can only come from the voting membership of the Integration Joint Board and subject to the further proviso that NHS FV may only nominate a voting member who is a Non-Executive Director.
- 2.17 A Party may change the person appointed by that Party as Chairperson or Vice-Chairperson during the Appointing Period.
- 2.18 The business and procedures of the Integration Joint Board meetings shall be set out in the Integration Joint Board's Standing Orders.
- 2.19 The Integration Joint Board may enter into a contract with any other person in relation to the provision to the Board of goods and services for the purpose of carrying out functions conferred on it by the Act.

3. Delegation of Functions

- 3.1 The functions that are to be delegated by the NHS Forth Valley to the Integration Joint Board are set out in Part 1 of Annex 1. The services to which these functions relate, which are currently provided by the Health Board and which are to be integrated, are set out in Part 2 of Annex 1.
- 3.2 The functions that are to be delegated by the each of the constituent Local Authorities to the Integration Joint Board are set out in Part 1 of Annex 2. The services to which these functions relate, which are currently provided by each of the constituent Local Authorities and which are to be integrated, are set out in Part 2 of Annex 2.

4. Local Operational Delivery Arrangements

- 4.1 The Integration Joint Board shall strategically plan for discharge of the integrated functions as specified in the legislation and shall oversee the implementation of the plan and operational delivery of these functions by the Parties.
- 4.2 The Integration Joint Board shall instruct and direct the operational delivery of the integrated functions by issuing written directions to the Parties in accordance with Section 26 of the Act.
- 4.3 The Integration Joint Board shall appoint a Chief Officer in accordance with Section 10 of the Act. The specific provisions relating to the role are as detailed in section 6 of this Scheme.
- 4.4 Corporate Service Support
- 4.4.1 In the Shadow Year, the Parties will identify the corporate resources currently utilised to carry out the Integration Functions and agree (a) how any or all of those will be provided to the Integration Joint Board to

support it to discharge its duties under the Act, and (b) how this resource will be funded.

4.4.2 Prior to the establishment of the Integration Joint Board, the Parties will identify any corporate services required to allow the Integration Joint Board to discharge its functions and will agree (a) how any or all of those will be provided to the Integration Joint Board to support it to discharge its duties under the Act, and (b) how this resource will be funded.

4.4.3 Any such agreement will be reviewed annually by the Parties and Integration Joint Board to ensure that the necessary support is provided to the Integration Joint Board.

4.5 Support for Strategic Planning

4.5.1 The Integration Joint Board shall establish a Strategic Planning Group in accordance with Section 32 of the Act before preparing its first Strategic Plan.

4.5.2 The Strategic Plan shall be prepared in accordance with Section 33 of the Act.

4.5.3 The Parties will provide the Integration Joint Board with such information and support as may reasonably be required to assist the Integration Joint Board to comply with its obligation to prepare a Strategic Plan. In particular it shall:-

- I. The Parties will share the necessary activity and financial data for services, facilities or resources that relate to the planned use by their residents.
- II. The Parties will advise the Integration Joint Board as soon as practicable where they intend to change non-integrated

service provision that will have a resultant impact on the Strategic Plan.

4.5.4 The Integration Joint Board shall have regard to the effect which any arrangements which it is considering setting out in the Strategic Plan may have on services, facilities or resources which are used, or may be used, by another integration authority and the Parties shall provide the Integration Joint Board with the appropriate information to determine this. In particular;-

- I. NHS FV will provide the necessary activity and financial data for services, facilities or resources that relate to the planned use, by people who live within the Clackmannanshire and Stirling areas, of services provided by other Health Boards ;and
- II. The Councils will provide the necessary activity and financial data for services, facilities or resources that relate to the planned use of services within other local authority areas by people who live within the Clackmannanshire and Stirling areas.

4.6 The Integration Joint Board shall publish its Strategic Plan and statement of action taken, in accordance with Section 35 of the Act.

4.7 The Integration Joint Board shall publish an Annual Financial Statement in accordance with Section 39 of the Act.

4.8 Targets and performance measurement

4.8.1 The Integration Joint Board will be responsible for monitoring and reporting on the delivery of services included in the Integration Functions on behalf of the Parties.

4.8.2 The Integration Joint Board shall prepare and publish an annual Performance Report and provide each Party with a copy.

4.8.3 The Parties shall provide the Integration Joint Board with such information as may reasonably be required to prepare the Performance Report.

4.8.4 The Parties shall provide corporate services support, particularly data analysis, to the Integration Joint Board to ensure the effective monitoring and reporting of targets and measures relating to the delivery of the integrated functions.

4.8.5 The Parties shall agree shared principles based on best practice for the development of relevant targets and measures.

4.8.6 In addition the Parties shall provide the following to the Integration Joint Board:-

I. A list of all relevant targets, measures and arrangements which relate to the Integration Functions and for which responsibility is to transfer, in full or in part, to the Board ("**Integration Functions Performance Target List**").

II. A statement of the extent to which responsibility for each target, measure or arrangement is to transfer to the Integration Joint Board or remains with the relevant party.

III. A list of all targets that are shared and a statement as to the degree of responsibility and accountability of each party.

IV. A list of all targets, measures and arrangements which relate to the functions of NHS FV or the Councils which are not Integration Functions but which are to be taken account of by the Integration

Joint Board when it is preparing the Strategic Plan (“**Non-integration Functions Performance Target List**”).

4.8.7 In developing the Performance Target Lists the Parties shall take into account the national guidance on the core indicators for integration.

4.8.8 The Integration Functions Performance List shall be prepared by 31 March 2016.

4.8.9 Non-Integration Functions Performance Target List will be prepared by 31 March 2016.

4.8.10 The Integration Functions Performance Target List will be developed alongside the Strategic Plan in two stages:

I. All of the existing targets, measures and arrangements currently in place in respect of the integrated functions will be identified and consolidated in one document together with a statement of the extent to which responsibility for each target, measure or arrangement is to transfer and to whom.

II. Those targets, measures and arrangements will be reviewed to ensure that:-

- a) they continue to be appropriate under the Integration Joint Board; and
- b) any gaps are identified and appropriate targets, measures or arrangements recommended for approval of the Integration Joint Board.
- c) that they continue to reflect guidance in respect of the national Health & Wellbeing Outcomes and the associated core suite of indicators for integration

4.8.11 The Lists will be reviewed annually by the Parties to ensure that they remain relevant.

4.8.12 The Integration Joint Board will provide such available performance information as is required to satisfy the relevant scrutiny and audit requirements of the Parties.

5.0 Clinical and Care Governance

5.1 In this section, the following terms have the following meanings:

“Clinical Governance” means a framework through which NHS Forth Valley is accountable for continuously improving the quality of its services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.

“Care Governance” means a robust system for assuring high standards in the delivery of safe, personalised and effective health and social care services (together, **“Clinical and Care Governance”**)

[The following two definitions will be completed after confirmation from Central Legal Office.]

“NHS Medical Director” means

“NHS Nursing Director” means

5.2 General Clinical and Care Governance Arrangements

5.2.1 The Parties and the Integration Joint Board are accountable for ensuring appropriate Clinical and Care Governance for their duties under the Act.

5.2.2 It will remain the responsibility of the Parties to assure the quality and safety of services commissioned from the third and independent sectors in line with the requirements set out in the Strategic Plan.

5.2.3 The Integration Joint Board will be responsible for ensuring that a framework for Clinical and Care Governance is in place for the services to be delivered in relation to the Integration Functions (**“the CCG Framework”**).

5.2.4 The Chief Social Work Officer, the NHS Medical Director and the NHS Nursing Director (together, **“the CCG Leads”**) will take the lead role in relation to Clinical and Care Governance. The NHS Medical and Nursing Directors will have arrangements in place for co-ordinating these functions across clinical groups; the Chief Social Work Officer will have arrangements in place for co-ordinating these functions across social care groups.

5.2.5 The CCG Leads will develop the CCG Framework by the end of the Shadow Year for the approval of the Integration Joint Board. The CCG Framework will include the following:

- i. details of each of the roles and responsibilities of each of the CCG Leads and how these will be delivered individually and collectively in relation to services which will be delivered in respect of the Integration Functions;
- ii. details of how those roles and responsibilities will be fulfilled within the Integration Joint Board, the Councils and NHS Forth Valley. In particular, it will contain statements about how the role of the Chief Social Work Officer should be reflected in

Council management arrangements. Arrangements in relation to the role of NHS Medical Director and the NHS Nursing Director are already explicitly articulated in NHS Forth Valley arrangements and will remain intact;

- iii. an agreed approach to measuring, and reporting to the Integration Joint Board, the quality of service delivery, addressing organisational and individual care risks, promoting continuous improvement and ensuring that all professional and clinical standards, legislation and guidance are met;
- iv. arrangements for suitable Service User and carer feedback/complaint handling processes;
- v. arrangements to ensure that the Parties' staff working in integrated services have the appropriate skills and knowledge to provide the right standard of care;
- vi. arrangements to ensure that appropriate staff supervision and support policies are in place;
- vii. arrangements to ensure, and evidence, effective information sharing systems;
- viii. details of the role and relationship of the Integration Joint Board, the Chief Officer, and the CCG Leads to the Community Planning Partnership, particularly in relation to public protection (to include adult support and protection, child protection, MAPPA arrangements, the alcohol and drug partnership, and domestic violence); and
- ix. provision for the oversight and governance of mental health officers and practice and governance in relation to the Adults with Incapacity, Adult Support and Protection, and Mental Health

Care and Treatment statutory framework. This will include clear delineation of responsibility/accountability around the roles and interdependencies of the Chief Officer and the Chief Social Work Officer.

5.3 Interaction with the Integration Joint Board, Strategic Planning Group and localities

- 5.3.1 The CCG Leads will advise the Integration Joint Board on best practice in Clinical and Care Governance.
- 5.3.2 The CCG Leads will be consulted on any proposal relating to the Integration Functions which is to be made to the Integration Joint Board and any views expressed and/or advice offered, will be incorporated into any reports to the Integration Joint Board on any such proposal.
- 5.3.3 The CCG Leads will be given the opportunity to comment on the Strategic Plan before it is formally consulted upon.
- 5.3.4 The CCG Leads may bring reports to the Integration Joint Board on matters relating to Clinical and Care Governance.
- 5.3.5 The CCG Leads will ensure that any professional groups established with regard to localities feed into, and are part of, the wider system of Clinical and Care Governance.
- 5.3.6 The CCG Leads will ensure that relevant Service User groups and fora feed into, and are part of the wider system of, Clinical and Care Governance.
- 5.3.7 The CCG Leads will produce an annual report for the Integration Joint Board.

5.3.8 Where appropriate, in advising the Integration Joint Board, the CCG Leads will seek input from the relevant professional groups or committees (for example, the Adult Support and Protection Committee).

5.4 Relationship between CCG arrangements for integrated and non-integrated health and social care services

5.4.1 The Chief Social Work Officer reports annually to a meeting of each of the Councils on the discharge of his/her duties as Chief Social Work Officer. This will continue and relate both to the Integration Functions and non-integrated functions/services. In addition to the annual report, the Chief Social Work Officer is entitled to advise the Council on all matters relating to social work functions. The Chief Social Work Officer's annual report will be made available to the Integration Joint Board.

5.4.2 Clinical Governance reports are considered by the NHS FV Clinical Governance Committee. This will continue and relate both to the Integration Functions and non-integrated functions/services. The Clinical Governance annual report will be made available to the Integration Joint Board.

6.0 Chief Officer

6.1 The Integration Joint Board shall appoint a Chief Officer in accordance with section 10 of the Act.

6.3 The Chief Officer shall be employed by one of the Parties and seconded to the Integration Joint Board to who s/he will be accountable.

6.4 The key functions of the Chief Officer are to;-

- I. oversee the development and implementation of the Strategic Plan;

II. direct and oversee the operational delivery of the integrated functions;

III. monitor and report performance in respect of the same to the Integration Joint Board and the Parties

6.5 The Chief Officer shall be jointly managed by the Chief Executives of the Parties.

6.6 The Chief Officer shall sit as a member of the Executive Management Team of each of the Parties and as such shall use the existing governance and management structures of the Parties to direct, monitor and report upon implementation of the Strategic Plan and delivery of the integrated functions.

6.7 The Chief Officer shall not hold position of Chief Social Work Officer, NHS Medical Director or NHS Nursing Director.

6.8 Where the Chief Officer is absent or otherwise unable to carry out their responsibilities for an extended period, the Parties will jointly propose an appropriate interim arrangement for approval by the Integration Joint Board Chair and Vice-Chair. If the Chief Officer's absence is expected to be more than 4 weeks, a formal secondment or recruitment process will be put in place by the Integration Joint Board.

7.0 Workforce and Organisational Development

7.1 The Parties will jointly develop and put in place for their employees delivering integrated services [and where appropriate for any employees of the Integration Joint Board]

- i. a joint workforce development and support plan (which will cover the learning and development of staff, their engagement and the development of a healthy organisational structure); and
- ii. an organisational development strategy (together “**the Workforce Plans**”).)

7.2 The Parties will commit the necessary resources to ensure the development and implementation of the Workforce Plans and will, where appropriate, consult with stakeholders.

7.3 The Workforce Plans will be developed alongside the Strategic Plan.

8.0 Finance

8.1. Definitions

"Integrated Budget" means the Budget for the delegated resources for the Integrated Functions comprising:-

- I. The payment made to the Integration Joint Board by the Local Authority for delegated adult social care services; and
- II. The payment made to the Integration Joint Board by the Health Board for primary and community healthcare services and for those delegated hospital services which will be managed by the Chief Officer.

"Notional Budget" (also referred to as the amount "set aside") means the amount required to be set aside by the NHS Forth Valley under Section 14(3) of the Act for direction from the Integration Joint Board through the Strategic Plan in respect of those delegated functions which are provided in large hospitals.

"Large hospital" means a hospital serving two or more local authority areas.

"Strategic Plan Budget" means the total amount of the Integrated Budget plus the Notional Budget.

"Payment" means the contribution made by the Parties to the Integration Joint Board in respect of the integrated functions or similarly the amount directed by the Integration Joint Board to the Parties for the operational discharge of the directed functions. Payment does not mean an actual cash transaction but a representative allocation for the delivery of the integrated functions in accordance with the Strategic Plan.

8.2 Payment in the first year [16/17] to the Integrated Joint Board for delegated functions

8.2.1 The method for determining the amount to be paid by the Health Board and Local Authorities to the Integration Joint Board in respect of each of the functions delegated by them to the Integration Joint Board [other than those to which section 8.2.2 below applies] (the "Integrated Budget") will be based on and take account of the following:-

- I. The financial element in the emergent Strategic Plan.
- II. A transparent analysis of actuals v budget for financial years 2013/14. and 14/15.
- III. A transparent ongoing analysis of projections v budget for financial year 2015/16.
- IV. The analysis as specified in III above may require appropriate budget re-profiling between services in scope and also between services in scope and those that are not.

- V. The requirement of the partners to produce balanced budgets in 2015/16 with constrained resources and a recognition that partners are likely to use different budget assumptions e.g. on inflation and pay awards.
- VI. Recognition that a degree of flexibility and pragmatism will be required in the first year, in particular, to implement change of this magnitude and complexity.
- 8.2.2 The process for determining the notional budget (i.e. the sum to be set aside and made available by the NHS Forth Valley to the Integration Joint Board in respect of those delegated functions which are carried out in a large hospital will be based initially on activity and direct cost information for the preceding three year period. In due course this will be benchmarked against NRAC (National Resource Allocation Committee) methodology for relevant elements.
- 8.2.3 The detailed methodologies for determining the amount to be paid by the Parties to the Integration Joint Board and the sum to be set aside will take into account all relevant guidance on financial planning and will be formally agreed by all Parties by 31st July 2015.
- 8.2.4 Due diligence will require to be carried out by the Local Authority Chief Finance Officer, the Accountable officer of NHS Forth Valley and the Integration Joint Board Financial Officer to assess the adequacy of the Payment made in respect of the Integrated Budget and the sum set aside in terms of the Notional Budget.
- 8.2.5 In the first year the allocated Payments including the Notional Budget set aside for large hospitals shall be tested against actual demand and delivery and adjusted if necessary.
- 8.2.6 The Parties shall determine and agree their respective Payment to the Integration Joint Board for the delivery of the integrated functions in advance of the start of each financial year and shall formally advise the Integration

Joint Board by no later than 28 February each year, subject to Scottish Government confirmation of NHS funding for the forthcoming year.

8.3 Payment in subsequent years

8.3.1 The method for determining the amount to be paid by the Health Board and the Local Authorities to the Integration Joint Board in respect of each of the functions delegated by them to the Integration Joint Board (other than those to which section 8.2.2 above applies) (the "Integrated Budget") shall be based on and take account of the following :-

- I. The indicative three year financial element in the Strategic Plan, subject to annual approval through the Parties' respective budget setting processes.
- II. The Integration Joint Board business case which shall be presented to the Health Board and Local Authorities for consideration against their other priorities and negotiation of their contributions.
- III. The business case should be evidence based with full transparency on its assumptions and take account of the factors listed at para 4.2.8 (as adjusted) of the IRAG Professional Guidance.
- IV. Regard should continue to be directed to the implications of actual and projections relative to budget for recent financial years.
- V. Recognition that a degree of flexibility and pragmatism will be required.

8.3.2 The method for determining the Notional Budget shall be as described in 8.2.2 above.

8.3.3 If the Strategic Plan identifies a change in hospital utilisation the resource implications for the Notional Budget will be determined through a detailed business case to be approved by all Parties.

8.3.4 Due diligence will require to be carried out by the Local Authority Chief Finance Officer, the Accountable officer of NHS Forth Valley and the Integration Joint Board Financial Officer to assess the adequacy of the Payment made in respect of the Integrated Budget and the sum set aside in terms of the Notional Budget.

8.4 In-year variances

8.4.1 The Integration Joint Board will allocate resources it receives from the Parties in line with the Strategic Plan. In doing this it will be able to use its power to hold reserves, so that in some years it may plan for an under spend to build up reserve balances and in others to breakeven or to use a contribution from reserves in line with the reserve policy. This will be integral to the medium term rolling financial plan. The reserves held by the Integration Joint Board should be accounted for in the books of the Integration Joint Board.

8.4.2 The level of reserves required and their purpose will be agreed as part of the annual budget setting and reflected in the Strategic Plan agreed by the Integration Joint Board. The Parties will be able to review the levels of reserves held by the Integration Joint Board as part of the annual budget setting process.

8.4.3 The Chief Officer will manage the respective operational budgets so as to deliver the agreed outcomes within the Operational Budget viewed as a whole.

8.4.4 The Chief Officer will be responsible for the management of in-year pressures and will be expected to take remedial action to mitigate any net variances and deliver the planned outturn.

8.4.5 Where resources allocated to the partner Health Board or Local Authority are ring-fenced, i.e. resources are not permitted to be transferred from these

areas to cover other budgets, the same ring-fencing shall apply when resources are transferred to the Integration Joint Board.

8.5 In-year overspend on the Operational Integrated Budget;-

8.5.1 Where there is a projected overspend against an element of the operational budget, the Chief Officer, the Chief Finance Officer of the Integration Joint Board and the relevant finance officer and operational manager of the constituent authority must agree a recovery plan to balance the overspending budget.

8.5.2 In addition, the Integration Joint Board may increase the payment to the affected body, by either:

- I. Utilising an under spend on another arm of the operational Integrated Budget to reduce the payment to that body; and/or
- II. Utilising the balance of the general fund, if available, of the Integration Joint Board in line with the reserve policy.

8.5.3 If the recovery plan is unsuccessful and there are insufficient general fund reserves to fund a year end overspend, then the Parties have the option to:

- I. Make additional one-off payments to the Integration Joint Board, based on an agreed cost sharing model; or
- II. Provide additional resources to the Integration Joint Board which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan to address this; or
- III. Access the reserves of the Integration Joint Board to help recover the overspend position.

8.5.4 The exception is for overspends that arise due to material differences between assumptions used in setting the payments to the Integration Joint Board and actual events, e.g. pay inflation. Unplanned overspends effectively represent underfunding by the Local Authorities or Health Board with respect to planned outcomes and the cost should be met by the relevant Local Authorities or Health Board, subject to the financial capacity of the relevant partners.

8.6 In-year under spend on the operational Integrated Budget;-

8.6.1 Under spends on either arm of the operational integrated budget should be returned from the Local Authorities and Health Board to the Integration Joint Board and carried forward through the general fund. This will require adjustments to the allocations from the Integration Joint Board to these bodies for the sum of the under spend.

8.6.2 The exception is for under spends that arise due to material differences between assumptions used in setting the payments to the Integration Joint Board and actual events e.g. where the actual savings accruing from the substitution of a branded drug with a generic drug are greater than planned because the date of the drug coming off patent is earlier than assumed when setting the payments to the Integration Joint Board. Unplanned under spends effectively represent overfunding by the Local Authorities or Health Board with respect to planned outcomes and should either be returned to the Local Authorities or Health Board in-year through adjustments to their respective contributions to the Integration Joint Board.

8.6.3 What constitutes an exception will be decided by the Chief Officer and Chief Financial Officer of the Integration Joint Board in consultation with Chief Executives and Chief Finance Officers of the Parties. However over time it may become more difficult to identify unplanned under spends as the resources lose their identity in the Integrated Budget.

8.7 Contribution to the management of in-year overspends on non-integrated budgets in the Local Authorities or Health Board:-

- 8.7.1 In the event of a projected in-year overspend in respect of the Parties' non-integrated budgets, they should contain the overspend within their respective non-integrated resources.
- 8.7.2 In exceptional circumstances the Integration Joint Board may be required to contribute resources to offset the overspend, in which case the contributions to the Integration Joint Board will be amended. This will only be used in extreme cases with agreement from the Chief Officer and Chief Finance Officer of the Integration Joint Board and the Parties. The Chief Officer will determine the actions required to be taken to deliver the necessary savings or to fund the reduction in contributions, which actions require to be approved by the Integration Joint Board and all Parties.
- 8.7.3 The Integration Joint Board does not have responsibility for overspends in other Integration Authorities. This responsibility lies with the overspending Integration Authority.

8.8 Virements

- 8.8.1 The Chief Officer will be able to transfer resources between the arms of the operational Integrated Budget. This will require in-year balancing adjustments to the allocations from the Integration Joint Board to the Local Authorities and the Health Board, i.e. a reduction in the allocation to the body with the under spend and a corresponding increase in the allocation to the body with the overspend.
- 8.8.2 The Chief Officer will not be able to vire between the operational Integrated Budget and those budgets that are managed by the Chief Officer, but are outside of the scope of the Strategic Plan, unless agreed by the Parties.

8.8.3 The arrangements for the virement of budgets is specified in the scheme of delegation of the Parties and virement levels will be agreed in the Strategic Plan.

8.9 Risk sharing

8.9.1 Financial risk shall be managed through the financial management process noted above and the use of reserves.

8.10 Financial Management and Financial Reporting Arrangements

8.10.1 The importance of the Integration Joint Board receiving accurate and timeous financial information together with the necessary financial support is well recognised. It is also recognised that in reality the appointments of Chief Officer and Chief Finance Officer will influence the future arrangements for delivery of these financial support services.

8.10.2 Consequently, pending these appointments and confirmation of longer term arrangements, the Health Board and the Local Authority will retain responsibility for recording their respective in-scope services and agree consolidation protocols for preparation of:-

- I. Annual Accounts
- II. Financial Statements
- III. Financial element of the Strategic Plan
- IV. Regular financial reports to the Integration Joint Board
- V. Regular budgetary control reports to the Chief Officer

8.10.3 It is not expected that there will be a schedule of cash payments, but rather annual accounting entries for the agreed budgets. Under normal circumstances, variations will also be managed by accounting entries and exceptionally any proposal for different procedures would require agreement between the Health Board, Local Authorities and Integration Joint Board.

8.11 Capital and Asset management

8.11.1 The Chief Officer will consult with Local Authorities and the Health Board to make best use of existing asset resources.

8.11.2 The Integration Joint Board will have a duty to ensure best value in the use of the capital assets and ensure that they are used efficiently in implementing the Strategic Plan.

8.11.3 The Integration Joint Board will identify the asset requirements to support the Strategic Plan and to allow the Chief Officer to identify capital investment projects or business cases to submit to the Health Board and Local Authorities for consideration as part of their Capital Planning process. The existing procedures in the Health Board and Local Authorities should be used to consider capital bids and business cases.

8.11.4 The Integration Joint Board, NHS Board and the Local Authorities will undertake due diligence to identify all non-current assets which will be used in the delivery of the Strategic Plan.

8.11.5 The Integration Joint Board will not receive any capital allocations, grants or have power to borrow for capital expenditure. The Health Board and the Local Authorities will continue to own their property and assets.

8.11.6 Where the Chief Officer identifies as part of the Strategic Plan new capital investment, a business case should be developed for all Parties to consider. Options may include one or more of the Parties approving the project from its capital budget or where appropriate, using the hub initiative.

8.11.7 The integrated budget may include payments from the Local Authorities and Health Board to cover the revenue costs of assets (rents, repairs, cleaning etc). This should be agreed as part of the budget negotiations.

9.0 Participation and Engagement

- 9.1 The Parties shall as a minimum consult those persons, groups or bodies prescribed in the Consultee Regulations in relation to the Integration Scheme.
- 9.2 The Parties and the Integration Joint Board shall employ a variety of methods and participation tools to ensure full and far reaching consultation with stakeholders including those people, groups and communities who are considered hard to reach.
- 9.3 The Parties shall agree and approach and a set of shared principles in respect of engagement and participation for use by the Integration Joint Board pending development of its own strategy.
- 9.4 The Integration Joint Board shall produce a strategy for engagement and participation in line with the principles and practice endorsed by the Scottish Health Council and those set out in the National Standards for Community Engagement.
- 9.5 The Integration Joint Board will participate as a partner in the Community Planning Partnership in line with local arrangements.
- 9.6 The Integration Joint Board shall have access to any relevant stakeholder and interest groups that the Parties have established or maintained for the purposes of engagement, participation and consultation.
- 9.7 The Parties shall provide or make available appropriate and adequate communications support to enable the Integration Joint Board to participate, consult and engage.
- 9.8 The Parties shall support the Integration Joint Board to produce its participation and engagement strategy.
- 9.9 The agreed approach to participation and engagement is attached at Annex 4

10. Information-Sharing and data handling

- 10.1 The Parties are already party to the Forth Valley Accord on the Sharing of Personal Information (known as “**SASPI**”).
- 10.2 The Parties will review SASPI to ensure it is fit for purpose for adoption by the Integration Joint Board and, if so, recommend that the Integration Joint Board become party to it.
- 10.3 If the Parties do not consider SASPI is fit for purpose, they will propose new information sharing arrangements for adoption by the Integration Joint Board and the Parties.
- 10.4 Where personal information is to be shared by or with the Integration Joint Board in the carrying out of the Functions and/or the delivery of integrated services, the Parties, and where relevant the Integration Joint Board, shall enter into an information sharing protocol pursuant to the procedure, and in line with the template documentation, established under SASPI (or any new arrangements set up pursuant to paragraph 10.3 above).

11. Complaints

- 11.1 In this part:

“**a Health Complaint**” means a complaint relating to a service provided to an adult included in Part 2 of Annex 1;

“**a Social Care Complaint**” means a complaint relating to a service provided to an adult included in Part 2 of Annex 2 (other than Housing Support Services);

“a Housing Support Services Complaint” means a complaint relating to a service provided to an adult which is an aspect of housing support services included in Part 2 of Annex 2, including aids and adaptation.

- 11.2 A complaint which is a Health Complaint will be dealt with by NHS Forth Valley pursuant to the health complaint procedure.
- 11.3 A complaint which is a Social Care Complaint will be dealt with by the Council pursuant to the social care complaint procedure.
- 11.4 A complaint which is a Housing Support Services Complaint will be dealt with by the Council pursuant to the Council’s complaint procedure.
- 11.5 Where a complaint is predominantly a Health Complaint but includes a Social Care Complaint and/or a Housing Support Services complaint, it will be dealt with by NHS Forth Valley, with input as necessary from the Council, pursuant to the health complaint procedure. The complainant will be advised of any appeal procedure which is available pursuant to the social care complaint procedure and/or the Council’s complaint procedure in respect of those elements of the complaint.
- 11.6 Where a complaint is predominantly a Social Care Complaint and/or a Housing Support Services Complaint but includes a Health Complaint, it will be dealt with by the Council, with input as necessary from NHS Forth Valley, pursuant to the Social Care complaint procedure and/or the Council’s complaint procedure (as the case may be). The complainant will be advised of any appeal procedure which is available pursuant to the health complaint procedure in respect of that element of the complaint.
- 11.7 Where a complaint is equally a Health Complaint and a Social Care/Housing Support Services Complaint, the Chief Officer will ensure either that (a) each Party will respond separately or (b) the Parties will respond jointly, depending on the complexity and interaction of the issues raised by the complaint.

- 11.8 The Parties will cooperate with each other to the fullest extent possible to ensure that complaints are dealt with fully and promptly in the best interests of the complainant.

12. Claims Handling, Liability & Indemnity

- 12.1 The Parties agree that they will manage and settle claims arising out of the provision of integrated services in accordance with legal principles of liability under common law or statute.
- 12.2 Any Party at fault will indemnify the Integration Joint Board in respect of any claims against it arising from the provision of integrated services.

13. Risk Management

- 13.1 The Parties will review the existing risk management strategies to agree commonalities and harmonise disparities, so as to develop a shared risk management strategy for the Parties and the Integration Joint Board for the significant risks that impact on integrated service provision ("**RM Strategy**"). Where practicable, the RM Strategy will take account of the RM Strategy of the Falkirk Integration Joint Board insofar as it relates to services which are to be delivered across the Forth Valley area.
- 13.2 The Parties will commit the necessary resources to support risk management by the Integration Joint Board, including the time to develop the RM strategy, provide professional advice, run workshops, support training and ensure appropriate monitoring arrangements are in place.
- 13.3 The RM Strategy will be developed in the Shadow Year alongside the Strategic Plan, and with regard to any performance targets, improvement measures and reporting arrangements for which the Integration Joint Board is to be responsible pursuant to section 4 of this Scheme.

- 13.4 The Parties will support the Integration Joint Board to assess its risk and develop a risk register which will list the risks to be reported under the RM Strategy ("**Risk Register**"). The RM Strategy will make provision for the format and content (other than the actual risks) of the Risk Register and the means by which it can be amended. The Risk Register will be developed alongside the Strategic Plan, and will take account of any performance targets, improvement measures and reporting arrangements for which the Integration Joint Board is to be responsible pursuant to section 4 of this Scheme.
- 13.5 The Chief Officer will be responsible for maintaining the Risk Register.
- 13.6 The RM Strategy will make provision for the timescale and frequency within which the list of risks in the Risk Register must be reported and to whom, including, where relevant, to the Parties.
- 13.7 The RM Strategy will include a risk monitoring framework ("**RM Framework**"). The RM Framework will be aligned with the broader governance arrangements for the Integration Joint Board, including the framework for monitoring performance and audit.
- 13.8 The Risk Register will set out any risks that should be reported on from the date of delegation of Integration Functions.
- 13.9 Any changes to the above Risk Management provisions must be subject to consultation and must be agreed amongst the Parties and the Integration Joint Board in writing.
- 13.10 The Integration Joint Board will:
- (a) establish risk monitoring and reporting as set out in the RM framework; and

- (b) maintain the risk information and share with the Parties within the timescales specified.

14.0 Dispute resolution mechanism

14.1 Where any of the Parties fails to agree with the others or with the Integration Joint Board on any issue related to this Scheme, then they will follow this process:

- I. The Chief Executives of the Health Board and the Local Authorities, and the Chief Officer, will meet to resolve the issue within 14 days of either of the Parties or the Integration Joint Board giving written notice to the others of the issue.
- II. If unresolved, the Health Board, the Local Authority and the Integration Joint Board will each prepare a written note of their position on the issue and exchange it with the others within 14 days of the meeting.
- III. Each party must respond to the others in writing within 14 days.
- IV. In the event that the issue remains unresolved, representatives of the Health Board, the Local Authorities and the Integration Joint Board will proceed to mediation with a view to resolving the issue.
- V. The mediator shall be selected within 14 days by agreement amongst the Parties, failing which, by the Director of the Scottish Mediation Network after consultation with the Parties. The mediation shall commence no later than 42 days after the selection of the mediator.
- VI. If there is any issue about the conduct of the mediation upon which the Parties cannot agree, then the mediator selected in accordance with paragraph V above shall, at the request of any Party, decide that issue after consultation with the Parties.

- VII. Unless they agree otherwise, the Parties shall share equally the fees, costs and expenses relating to the mediation and each Party shall pay its own expenses of preparation for, and participation and representation in, the mediation.
- VIII. If the Parties are unable to resolve the issue within 28 days of the mediation commencing, and only if the mediator and the Parties agree, the mediator may produce for the Parties a non-binding recommendation of terms of settlement.
- IX. Any settlement agreement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties.
- X. The mediation will terminate when:
- i. a party withdraws from the mediation
 - ii. the Parties resolve the issue; or
 - iii. a written agreement is concluded.
- XI. Where the issue remains unresolved, the Parties agree to notify Scottish Ministers within 14 days of the unsuccessful mediation terminating, that agreement cannot be reached and to seek a direction pursuant to section 52 of the 2014 Act.
- XII. The Parties agree to be bound by any direction of the Scottish Ministers in relation to the issue.

Annex 1

Part 1

Functions delegated by the Health Board to the Integration Joint Board

Set out below is the list of functions that must be delegated by the Health Board to the Integration Joint Board as set out in the Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014. Further health functions can be delegated as long as they fall within the functions set out in Schedule One of the same instrument;

SCHEDULE 1 Regulation 3

Functions prescribed for the purposes of section 1(8) of the Act

<i>Column A</i>	<i>Column B</i>
The National Health Service (Scotland) Act 1978	
All functions of Health Boards conferred by, or by virtue of, the National Health Service (Scotland) Act 1978	Except functions conferred by or by virtue of— section 2(7) (Health Boards); section 2CA() (Functions of Health Boards outside Scotland); section 9 (local consultative committees); section 17A (NHS Contracts); section 17C (personal medical or dental services); section 17I() (use of accommodation); section 17J (Health Boards' power to enter into general medical services contracts); section 28A (remuneration for Part II services); section 38() (care of mothers and young children); section 38A() (breastfeeding); section 39() (medical and dental inspection, supervision and treatment of pupils and young persons); section 48 (provision of residential and practice accommodation);

section 55() (hospital accommodation on part payment);

section 57 (accommodation and services for private patients);

section 64 (permission for use of facilities in private practice);

section 75A() (remission and repayment of charges and payment of travelling expenses);

section 75B()(reimbursement of the cost of services provided in another EEA state);

section 75BA ()(reimbursement of the cost of services provided in another EEA state where expenditure is incurred on or after 25 October 2013);

section 79 (purchase of land and moveable property);

section 82() use and administration of certain endowments and other property held by Health Boards);

section 83() (power of Health Boards and local health councils to hold property on trust);

section 84A() (power to raise money, etc., by appeals, collections etc.);

section 86 (accounts of Health Boards and the Agency);

section 88 (payment of allowances and remuneration to members of certain bodies connected with the health services);

section 98 () (charges in respect of non-residents); and

paragraphs 4, 5, 11A and 13 of Schedule 1 to the Act (Health Boards);

and functions conferred by—

The National Health Service (Charges to Overseas Visitors) (Scotland) Regulations 1989 ();

The Health Boards (Membership and Procedure) (Scotland) Regulations 2001/302;

The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000/54;

The National Health Services (Primary Medical Services Performers Lists) (Scotland) Regulations 2004/114;

The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2004;

The National Health Service (Discipline Committees) Regulations 2006/330;

The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006/135;

The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009/183;

The National Health Service (General Dental Services) (Scotland) Regulations 2010/205; and

The National Health Service (Free Prescription and Charges for Drugs and Appliances) (Scotland) Regulations 2011/55().

Disabled Persons (Services, Consultation and Representation) Act 1986

Section 7

(Persons discharged from hospital)

Community Care and Health (Scotland) Act 2002

All functions of Health Boards conferred by, or by virtue of, the Community Care and Health (Scotland) Act 2002.

Mental Health (Care and Treatment) (Scotland) Act 2003

All functions of Health Boards conferred by, or by virtue of, the Mental Health (Care and Treatment) (Scotland) Act 2003.

Except functions conferred by—

section 22 (Approved medical practitioners);

section 34 (Inquiries under section 33: co-operation)();

section 38 (Duties on hospital managers: examination notification etc.)();

section 46 (Hospital managers' duties: notification)();

section 124 (Transfer to other hospital);

section 228 (Request for assessment of needs: duty on local authorities and Health Boards);

section 230 (Appointment of a patient's responsible medical officer);

section 260 (Provision of information to patients);

section 264 (Detention in conditions of excessive security: state hospitals);

section 267 (Orders under sections 264 to 266: recall);

section 281() (Correspondence of certain persons detained in hospital);

and functions conferred by—

The Mental Health (Safety and Security) (Scotland) Regulations 2005();

The Mental Health (Cross Border transfer: patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2005();

The Mental Health (Use of Telephones) (Scotland) Regulations 2005(); and

The Mental Health (England and Wales Cross border transfer: patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2008().

Education (Additional Support for Learning) (Scotland) Act 2004

Section 23

(other agencies etc. to help in exercise of functions under this Act)

Public Services Reform (Scotland) Act 2010

All functions of Health Boards conferred by, or by virtue of, the Public Services Reform (Scotland) Act 2010

Except functions conferred by—

section 31(Public functions: duties to provide information on certain expenditure etc.); and

section 32 (Public functions: duty to provide information on exercise of functions).

Patient Rights (Scotland) Act 2011

All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011

Except functions conferred by The Patient Rights (Complaints Procedure and Consequential Provisions) (Scotland)

Part 2

Services currently provided by the Health Board which are to be integrated

Set out below is the list of services that the minimum list of delegable functions is exercisable in relation to. Further services can be added as they relate to the functions delegated.

SCHEDULE 2

Regulation 3

PART 1

Interpretation of Schedule 3

1. In this schedule—

“Allied Health Professional” means a person registered as an allied health professional with the Health Professions Council;

“general medical practitioner” means a medical practitioner whose name is included in the General Practitioner Register kept by the General Medical Council;

“general medical services contract” means a contract under section 17J of the National Health Service (Scotland) Act 1978;

“hospital” has the meaning given by section 108(1) of the National Health Service (Scotland) Act 1978;

“inpatient hospital services” means any health care service provided to a patient who has been admitted to a hospital and is required to remain in that hospital overnight, but does not include any secure forensic mental health services;

“out of hours period” has the same meaning as in regulation 2 of the National Health Service (General Medical Services Contracts) (Scotland) Regulations 2004(); and

“the public dental service” means services provided by dentists and dental staff employed by a health Board under the public dental service contract.

PART 2

2. Accident and Emergency services provided in a hospital.
3. Inpatient hospital services relating to the following branches of medicine—
 - (a) general medicine;
 - (b) geriatric medicine;
 - (c) rehabilitation medicine;
 - (d) respiratory medicine; and
 - (e) psychiatry of learning disability.
4. Palliative care services provided in a hospital.
5. Inpatient hospital services provided by General Medical Practitioners.
6. Services provided in a hospital in relation to an addiction or dependence on any substance.
7. Mental health services provided in a hospital, except secure forensic mental health services.

PART 3

8. District nursing services.
9. Services provided outwith a hospital in relation to an addiction or dependence on any substance.
10. Services provided by allied health professionals in an outpatient department, clinic, or outwith a hospital.
11. The public dental service.
12. Primary medical services provided under a general medical services contract, and arrangements for the provision of services made under section 17C of the National Health Service (Scotland) Act 1978, or an arrangement made in pursuance of section 2C(2) of the National Health Service (Scotland) Act 1978().
13. General dental services provided under arrangements made in pursuance of section 25 of the National Health (Scotland) Act 1978().
14. Ophthalmic services provided under arrangements made in pursuance of section 17AA or section 26 of the National Health Service (Scotland) Act 1978().
15. Pharmaceutical services and additional pharmaceutical services provided under arrangements made in pursuance of sections 27 and 27A of the National Health Service (Scotland) Act 1978().

- 16.** Services providing primary medical services to patients during the out-of-hours period.
- 17.** Services provided outwith a hospital in relation to geriatric medicine.
- 18.** Palliative care services provided outwith a hospital.
- 19.** Community learning disability services.
- 20.** Mental health services provided outwith a hospital.
- 21.** Continence services provided outwith a hospital.
- 22.** Kidney dialysis services provided outwith a hospital.
- 23.** Services provided by health professionals that aim to promote public health.

Annex 2

Part 1

Functions delegated by the Local Authority to the Integration Joint Board

Set out below is the list of functions that must be delegated by the local authority to the Integration Joint Board as set out in the Public Bodies (Joint Working) (Prescribed Local Authority Functions etc.) (Scotland) Regulations 2014. Further local authority functions can be delegated as long as they fall within the relevant sections of the Acts set out in the Schedule to the Public Bodies (Joint Working) (Scotland) Act 2014;

SCHEDULE Regulation 2

PART 1

Functions prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
National Assistance Act 1948()	
Section 48 (Duty of councils to provide temporary protection for property of persons admitted to hospitals etc.)	
The Disabled Persons (Employment) Act 1958()	
Section 3 (Provision of sheltered employment by local authorities)	
The Social Work (Scotland) Act 1968()	
Section 1 (Local authorities for the administration of the Act.)	So far as it is exercisable in relation to another integration function.
Section 4 (Provisions relating to performance of functions by local authorities.)	So far as it is exercisable in relation to another integration function.

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 8 (Research.)	So far as it is exercisable in relation to another integration function.
Section 10 (Financial and other assistance to voluntary organisations etc. for social work.)	So far as it is exercisable in relation to another integration function.
Section 12 (General social welfare services of local authorities.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 12A (Duty of local authorities to assess needs.)	So far as it is exercisable in relation to another integration function.
Section 12AZA (Assessments under section 12A - assistance)	So far as it is exercisable in relation to another integration function.
Section 12AA (Assessment of ability to provide care.)	
Section 12AB (Duty of local authority to provide information to carer.)	
Section 13 (Power of local authorities to assist persons in need in disposal of produce of their work.)	
Section 13ZA (Provision of services to incapable adults.)	So far as it is exercisable in relation to another integration function.
Section 13A (Residential accommodation with nursing.)	
Section 13B (Provision of care or aftercare.)	
Section 14 (Home help and laundry facilities.)	
Section 28 (Burial or cremation of the dead.)	So far as it is exercisable in relation to persons cared for or assisted under another integration function.
Section 29 (Power of local authority to defray expenses of parent, etc., visiting persons or attending funerals.)	

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 59 (Provision of residential and other establishments by local authorities and maximum period for repayment of sums borrowed for such provision.)	So far as it is exercisable in relation to another integration function.
The Local Government and Planning (Scotland) Act 1982()	
Section 24(1) (The provision of gardening assistance for the disabled and the elderly.)	
Disabled Persons (Services, Consultation and Representation) Act 1986()	
Section 2 (Rights of authorised representatives of disabled persons.)	
Section 3 (Assessment by local authorities of needs of disabled persons.)	
Section 7 (Persons discharged from hospital.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments within the meaning of section 16 and which have been delegated.
Section 8 (Duty of local authority to take into account abilities of carer.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments (within the meaning set out in section 16 of that Act) which are integration functions.
The Adults with Incapacity (Scotland) Act 2000()	
Section 10 (Functions of local authorities.)	
Section 12 (Investigations.)	
Section 37 (Residents whose affairs may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 39 (Matters which may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 41 (Duties and functions of managers of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions
Section 42 (Authorisation of named manager to withdraw from resident's account.)	Only in relation to residents of establishments which are managed under integration functions

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 43 (Statement of resident's affairs.)	Only in relation to residents of establishments which are managed under integration functions
Section 44 (Resident ceasing to be resident of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions
Section 45 (Appeal, revocation etc.)	Only in relation to residents of establishments which are managed under integration functions
The Housing (Scotland) Act 2001()	
Section 92 (Assistance to a registered for housing purposes.)	Only in so far as it relates to an aid or adaptation.
The Community Care and Health (Scotland) Act 2002()	
Section 5 (Local authority arrangements for of residential accommodation outwith Scotland.)	
Section 14 (Payments by local authorities towards expenditure by NHS bodies on prescribed functions.)	
The Mental Health (Care and Treatment) (Scotland) Act 2003()	
Section 17 (Duties of Scottish Ministers, local authorities and others as respects Commission.)	
Section 25 (Care and support services etc.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 26 (Services designed to promote well-being and social development.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 27 (Assistance with travel.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 33 (Duty to inquire.)	
Section 34 (Inquiries under section 33: Co-operation.)	
Section 228 (Request for assessment of needs: duty on local authorities and Health Boards.)	

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 259 (Advocacy.)	
The Housing (Scotland) Act 2006()	
Section 71(1)(b) (Assistance for housing purposes.)	Only in so far as it relates to an aid or adaptation.
The Adult Support and Protection (Scotland) Act 2007()	
Section 4 (Council's duty to make inquiries.)	
Section 5 (Co-operation.)	
Section 6 (Duty to consider importance of providing advocacy and other.)	
Section 11 (Assessment Orders.)	
Section 14 (Removal orders.)	
Section 18 (Protection of moved persons property.)	
Section 22 (Right to apply for a banning order.)	
Section 40 (Urgent cases.)	
Section 42 (Adult Protection Committees.)	
Section 43 (Membership.)	
Social Care (Self-directed Support) (Scotland) Act 2013()	
Section 3 (Support for adult carers.)	Only in relation to assessments carried out under integration functions.
Section 5 (Choice of options: adults.)	
Section 6 (Choice of options under section 5: assistances.)	
Section 7 (Choice of options: adult carers.)	

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 9 (Provision of information about self-directed support.)	
Section 11 (Local authority functions.)	
Section 12 (Eligibility for direct payment: review.)	
Section 13 (Further choice of options on material change of circumstances.)	Only in relation to a choice under section 5 or 7 of the Social Care (Self-directed Support) (Scotland) Act 2013 .
Section 16 (Misuse of direct payment: recovery.)	
Section 19 (Promotion of options for self-directed support.)	

PART 2

Functions, conferred by virtue of enactments, prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
The Community Care and Health (Scotland) Act 2002	
Section 4() The functions conferred by Regulation 2 of the Community Care (Additional Payments) (Scotland) Regulations 2002()	

Part 2

Services currently provided by the Local Authority which are to be integrated

Scottish Ministers have set out in guidance that the services set out below must be integrated. Further services can be added where they relate to delegated functions;

- Social work services for adults and older people
- Services and support for adults with physical disabilities and learning disabilities
- Mental health services

- Drug and alcohol services
- Adult protection and domestic abuse
- Carers support services
- Community care assessment teams
- Support services
- Care home services
- Adult placement services
- Health improvement services
- Aspects of housing support, including aids and adaptations
- Day services
- Local area co-ordination
- Respite provision
- Occupational therapy services
- Re-ablement services, equipment and telecare



Annex 3

Hosted Services

Where a Health Board spans more than one Integration Joint Board, one of them might manage a service on behalf of the other(s). This Annex sets out those arrangements which the Parties wish to put in place. Such arrangements are subject to the approval of the Integration Joint Board but will not be subject to Ministerial approval.

This would include –

The hosting of services by one Integration Authority on behalf of others within the same Health Board areas.

The hosting of services by on Health Board on behalf of one or more Integration Authority.

Additional duties or responsibilities of the Chief Officer.

Annex 4

Partnership Approach to Participation & Engagement

Context

Robust mechanisms which support communication, participation and engagement are critical to the success of health and social care integration. The Parties recognise that a shared set of values, clarity of purpose and a consistent approach in line with the national standards are crucial to effective participation and engagement.

Currently there are variations within the legislation, policies, standards and practice for public involvement between the NHS and local authorities.

NHS Boards have specific duties to involve both patients and the public in the planning and delivery of health services, this is generally known as Patient Focus and Public Involvement (PFPI).

There is a national Participation Standard for NHS Boards which involves carrying out an annual self-assessment against the national standards.

NHS Boards are required to set up Public Partnership Forums linked to Community Health Partnerships.

Local Authorities have a general statutory duty to engage with local communities.

Local Authorities have lead responsibility for Community Planning, a key objective of which is to strengthen community engagement and participation.

First steps

Develop and review/evaluate current involvement structures

The importance of involving and listening to those who use our services has been a long-standing theme in the delivery of health and social care services. National policy developments have increasingly focussed on the importance of working collaboratively with service users, carers, third and independent sector partners to design and plan the delivery of health and social care services.

Meaningful participation and involvement is a core tenet of the Government's policy on Integration of Health and Social Care. The Public Bodies (Joint Working) (Scotland) Act 2014 introduces a statutory duty to involve those who receive health and social care services, carers, local communities and providers of both commercial and non-commercial social care services in their design. The draft regulations relating to the Act prescribe the minimal requirements for membership of the Integration Joint Board and the Strategic Planning Group. There is agreement to scope the resources available across the agencies in order to determine the most effective and efficient approaches that will support participation and engagement and also ensure more joined up arrangements for the future. It is recognised that new

structures should build on the success of current arrangements, as well as taking forward areas identified for improvement. This will involve mapping out the structures, processes and strategies that are currently in place to support public engagement as well as identifying associated resources such as staffing and support arrangements. Reviewing the efficacy of current arrangements and gathering the views of wider stakeholders will be a fundamental element of the review, the results of which will be used to inform structural requirements which will in turn support participation and engagement.

The Parties recognise the benefits of adopting a joined up approach to support participation and engagement. Integration presents opportunities to pool resources and skills, strengthen existing joint planning mechanisms and work more closely with third and independent sector partners to support public engagement activities. In order to support this shared protocols will be required prior to the introduction of more formalised joint arrangements. A key requirement will be to ensure the involvement and engagement of representatives for the key committees and groups as prescribed by secondary legislation.

The Parties have agreed to develop a common shared database incorporating details of all of the relevant stakeholders, key contacts and agreed communication methods. For example, there are existing locally based community groups and communities of interest and user led organisations across NHS Forth Valley that are well established and can be used as channels to support engagement.

Recent examples of collaboration by the Parties, for example the communication and consultation that took place to support the delivery of the Re-shaping Older People's Care agenda and the associated Commissioning Strategies, will be used to inform engagement and consultation in relation to future health and social care strategies and plans.

Arrangements for involving seldom heard groups

Health and Social Care services need to be accessible, appropriate and responsive to meet a diversity of needs. The current strategies and initiatives to engage and involve local minority and potentially disadvantaged groups or communities will be identified by the partners with a view to establishing a more integrated approach.

Accurate data about the population and the groups within it including those who may be seldom heard, is a necessary pre-requisite. The current methods used to collate this type of information and identify groups that may be seldom heard will be reviewed and evaluated by the partners. Actions will be progressed to address any deficits in the arrangements for the collation, analysis and reporting of data in relation to age, ethnicity, gender, religion etc. Greater understanding of the population profile will provide a sound basis for planning and service delivery and will help to identify what arrangements may be required to engage and involve those who are seldom heard.

Specific mechanisms will be developed to guarantee the involvement of seldom heard groups as health and social care integration is progressed. The Parties acknowledge that the arrangements for ensuring the views of minority groups are

fully taken into account need to be strengthened. Existing arrangements and mechanisms will be reviewed to identify what works well and areas where improvements are needed. Several user-led organisations are engaged in a range of activities such as service planning, staff recruitment, training, commissioning and consultation events. User-led approaches have been shown to support effective engagement and ongoing dialogue and to enhance engagement with seldom heard groups. Where initiatives have evaluated well and brought added benefits, the services will share what has worked to support developments across service user groupings.

A range of innovative methods and diverse methods are used to gather views and involve seldom heard groups in service planning activities e.g. presentations to existing community groups or communities of interest, citizen panels, focus groups, questionnaires (including web based surveys), public meetings, consultation events and on-line consultations. There is scope for working more closely with third sector and community groups where there are established links with seldom heard groups e.g. with Gypsy traveller communities, Carers organisations, LGBT groups.

The Parties will identify and address barriers to participation. On-line approaches often enable a higher number of people to comment, respond and receive information, however it is recognised that these also create limitations and barriers for some groups or individuals. For example, some people with disabilities, those living in isolated or rural communities, those who do not use English as a first language and those who are homeless may find it particularly difficult to use these methods of engagement. Similarly where face to face communication is planned, it is necessary to take into account the accessibility of venues and any assistance, specialist tools or support that individuals may require.

To maximise opportunities for engagement the language used in all communications will be jargon-free. A wide range of communication methods will be used. This will also require mechanisms to ensure that the views, feedback and opinions provided by front-line health and social care practitioners on a day to day basis are taken into account in the planning process. The data gathered as a matter of course through direct contact with those who use services should be collated for planning purposes. One way of achieving this will be to ensure that information about personal outcomes is recorded and collated in a way that can inform planning arrangements.

Arrangements for communication with the public

The partner organisations already have wide range of established communication tools and channels to communicate effectively with staff, service users, the general public and other key stakeholders.

It is agreed that, wherever possible, use should continue to be made of these existing tools and channels which will be further developed, reviewed and adapted to ensure they continue to meet the evolving needs of the HSCPs.

The main aim of any public communications will be to raise awareness of service outcomes and highlight the benefits and improvements of integration for service users and their families.

A joint communication protocol will also be developed to support effective, consistent and joined up public communications across the new HSCPs. This will include details of arrangements for managing and responding to media enquiries and promoting joint service developments, improvements and events.

In addition, the communication leads from the partner organisations will work together to develop and agree communication plans to support specific projects, initiatives and consultations undertaken by the Partnership.

Reporting on outcomes (and progress in integration) to the public

Work to develop common performance frameworks that will enable integrated reporting arrangements for a range of audiences is already underway. This will be progressed to include agreed mechanisms and approaches for reporting on the progress of integration and the delivery of outcomes.

The performance framework will incorporate data about resource use, progress against agreed outcomes measures and customer perception. This will require the collation and sharing of both qualitative and quantitative data which will be aligned to the national outcomes for integration and the locally agreed outcomes. The framework will incorporate the range, nature and frequency of joint reporting arrangements. The framework will be developed and presented to the joint board (or shadow board) for sign off.

The framework will identify the ways in which reports will be made available to the public. Reports on performance will be published on relevant websites and arrangements will be made for specific information about outcomes and progress to be visible in key sites and service areas. Reports will be made available, on request, in different formats that are accessible and easily understood.

The Parties are committed to providing feedback to the public about actions that have been taken in response to feedback. Joint mechanisms will be put in place to report on consultations and engagement activities and to give information to respondents and the wider public about changes and improvements that have been made.

Training and on-going support for user/public members of the Board

Training and on-going support will be available for service users, carers and members of the public who are represented on the Integration Board and the strategic group. This will be through the delivery of formal training and other learning opportunities e.g. job shadowing. The Parties will agree how representatives will be identified, the resources to be used in providing appropriate support arrangements and procedures for accessing training. Partnerships will take a collaborative approach in order to ensure that training needs are met in a cost effective way.

How feedback from users/public feeds into governance arrangements

The Parties will agree how the information gathered from those who use services and the wider public will feed in to the governance arrangements for the partnership. This will include collating information received from both compliments and

complaints, outputs from surveys and questionnaires as well as feedback from consultation events. This data will form a key element of the joint performance framework and associated reporting arrangements thus ensuring that service user and public feedback informs and effects service change, service improvement and decision-making for future investment. Arrangements will be put in place at individual service levels and across the partnership to support this.

Information for how people can get involved

Information will be available to ensure that the public, those who use health and social care services and their carers have access to information about how they can become involved in service planning, policy development or providing feedback. This will build on existing information which will be reviewed and updated to reflect the new structures for participation and involvement. A range of communication channels, including social and local media, will continue to be used, as appropriate, to distribute information about events and opportunities to become involved in and engage with service developments.

Report to: Clackmannanshire Council

Date of Meeting: 5 March 2015

Subject: Realigning Children Services - Proposal to Participate

Report by: Chief Executive

1.0 Purpose

- 1.1 The purpose of this report is to inform the Council of the Realigning Children's Services (RCS) Strategic Commissioning Programme and to seek Council's approval for an application to be made to participate in the Programme.

2.0 Recommendations

- 2.1 It is recommended that the Council:
- a) agrees to apply to participate in the RCS Programme;
 - b) recommends to the Clackmannanshire Alliance its participation in the Programme; and
 - b) notes that the financial contribution required from the Council would be sourced from the Council's existing Spend to Save fund.

3.0 Considerations

RCS - Background

- 3.1 The RCS programme aims to support community planning partnerships (CPPs) improve joint strategic commissioning of children's services. Strategic commissioning covers: *"all the activities involved in assessing and forecasting needs, linking investment to agreed desired outcomes, considering options, planning the nature, range and quality of future services and working in partnership to put these in place."* (Source Scottish Government - see briefing for CPPs attached as the Appendix to this report.)
- 3.2 To improve strategic commissioning, the RCS Programme offers to provide CPPs with:
- 1 - an understanding of the wellbeing and the needs of local children and young people

2 - an assessment of the impact and cost of current service provision.

3.3 This is achieved by the following Programme activities:

1) - Mapping of needs via:

- survey of pupils across P5-7
- survey of parents of children aged 0-8
- survey of S4 pupils

2) - Mapping of existing services and associated costs

3) - Identification of gaps in service, service over-provision, provision of unneeded services and associated costs of service provision

4) - provision of a series of reports on children and young people's wellbeing and service use, describing needs and an indication of whether these needs are being met by current service provision.

3.4 The Programme, thus, provides a focused input into CPPs to help them ensure services are appropriate to need and to provide an evidence base for any shift in expenditure towards prevention and intervention. The anticipated core benefits of participation in the Programme are:

- a) the potential for better outcomes for children and their families; and
- b) the potential for better value for money in spend on children's services.

3.5 Additional potential benefits of participation identified by the Scottish Government are that:

- CPPs would be able to use the findings for their duties under the Children and Young People Act 2014 regarding children's services plans and reporting of outcomes (the outputs of the Programme would inform the ongoing review of the local integrated Children's Service Plan which is currently out for consultation)
- CPPs would be able to use some of the work in respect of the needs of and provision for children with complex Additional Support Needs
- CPPs would be able to shape services with users fully consulted, which could also help address some of the potential difficulties in relation to self-directed support.

3.6 The Programme also links well with the ambitions of the Early Years Collaborative, the principles of GIRFEC and the aims of the recently announced Raising Attainment Challenge, which will bring associated funding * to Clackmannanshire.

* The Attainment Challenge Fund was announced on 17 February and will be directed specifically to improve literacy, numeracy, health and wellbeing in primary schools. The Fund is £100m over four years and seven local authorities, including Clackmannanshire, will be the first recipients based on the concentration of pupils living in deprived areas.

3.7 A small number of councils have already participated in the first round of the Programme and applications are now being sought for three CPPs to participate in the next round. Chief officers from Clackmannanshire have discussed the experience of participating with their colleagues in Perth & Kinross Council who have reported a very positive and worthwhile experience with a number of emerging benefits, such as:

- the exercise offered powerful information from children and parents which challenged official data and has promoted reprioritisation of spend
- it highlighted where children in need were not getting the assistance they needed leading to a refocusing of work programmes
- the well-being reports which were produced contributed to the identification of political priorities
- it was a participatory process with much community engagement which provided a focus for action, not just by agencies but by parents and families
- the exercise is facilitating joint commissioning.

RCS - Resourcing

3.8 The Scottish Government provides resource and support in the development of the RCS programme as follows:

- for school based well-being surveys across the local authority schools
- for collection of the evidence and analysis
- for consultancy support to the CPP in respect of strategic joint commissioning.

3.9 Participating CPPs are requested to fund one strand of the overall programme, the community based survey of parents of 0-8 year olds. This funding has been around 45k for those CPPs which have already participated. It is possible the amount for Clackmannanshire, were it to participate, could be less than this given the smaller scale of the area and depending on the outcome of the contract for the tender of the entire programme which the Scottish Government is in the process of commissioning.

3.10 CPPs which wish to take part in the Programme are also expected to make available a programme manager and would be required to provide other staff capacity to progress data collection (e.g. the survey of P5-7 pupils takes place in school).

3.11 The RCS Programme meets the criteria of the Council's Spend to Save fund and any Council contribution would come from that source. It is expected that other CPP partners would also make a contribution to the costs of the parent survey. It is anticipated that any staff capacity required would be provided from within the partners' existing establishments.

4.0 Conclusions

- 4.1 At its budget meeting last month, Council was advised of the need to achieve a sustainable cost base given the financial challenges it faces.
- 4.2 A challenge for many agencies can be decommissioning established services which may not be contributing to the achievement of desired priority outcomes. In addition, a more basic challenge for many agencies can be identifying actual as opposed to assumed need.
- 4.3 Through its survey of service users and its mapping of services, the RCS Programme offers agencies the capacity and opportunity to establish an evidence base to support complex decision-making around investing for better outcomes and decommissioning/disinvesting from services not contributing to those outcomes.
- 4.4 Participation in the RCS Programme also sits well with the refined delivery model Council agreed at its budget meeting whereby public sector partners will be encouraged, through the Clackmannanshire Alliance, jointly to redesign service delivery and jointly to target and resource common priorities. Senior officers from Alliance partners have attended two sessions with the Scottish Government to discuss the Programme and a report similar to this one is being considered by the Clackmannanshire Alliance on 6 March.
- 4.5 The outputs of this Programme will only achieve the aims of improving outcomes and effective targeting resources if the Council, its partners and council services make effective use of the information it provides. The data is the start of the process not the end; for participation in the Programme to be worthwhile, the partners will need to use the results actively to inform policy and, if appropriate, change practice and approach.

5.0 Sustainability Implications

- 5.1 An aim of participation in the Programme is to enable partners to provide effective services which meet need and are financially sustainable. Early intervention and prevention are core elements of the Programme.

6.0 Resource Implications

Financial Details

- 6.1 The costs to the Council could be in the region of 45k which is for the parents survey. This funding would be sourced from the existing Spend to Save Fund. All other parts of the Programme as per paragraph 3.3 of this report would be funded by the Scottish Government.
- 6.2 Finance have been consulted and have agreed the financial implications as set out in the report.

Staffing

- 6.3 The CPP would require to allocate a member of staff to act as Programme Manager; it is envisaged that this would be an existing member of staff.

7.0 Exempt Reports

Is this report exempt? No

8.0 Declarations

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

(1) Our Priorities

Our communities are more cohesive and inclusive
Vulnerable people and families are supported
Substance misuse and its effects are reduced
Health is improving and health inequalities are reducing
The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

Draft Integrated Children's Services' Plan
Clackmannanshire Single Outcome Agreement
Council Corporate Plan

9.0 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

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 1 - Scottish Government technical briefing on the RCS Programme

12.0 Background Papers

12.1 None

Approved By

Name	Designation	Telephone
Elaine McPherson	Chief Executive	452002

Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	Signed: Elaine McPherson

Realigning Children's Services

THE PROGRAMME

Realigning Children's Services seeks to support local improvement in joint strategic commissioning¹ practice, focusing on improved evidence collection and analysis and a strengthening of partnership working across children's services – from statutory services to voluntary and independent providers of services to those who benefit, the children and their families themselves.

It aims to increase the fit between every child's needs and services provided to meet those at the earliest opportunity. The benefits we hope to realise from this work are two-fold: better outcomes for children and their families and better value for money regarding spend in children's services.

How will we make changes happen?

Realigning Children's Services provides a focused input into CPPs to help and encourage them make tangible, sustainable, measurable improvements that shift their children's services expenditure towards prevention and intervention at the earliest opportunity to improve children's outcomes.

The catalyst for this will be child epidemiological wellbeing/need surveys linked to current service provision to provide a baseline on the fit of services provided to need, help identify specific opportunities for improvement and provide an analytical framework for measurement of improvement. This, combined with a landscaping of currently provided services to children across the CPP and associated spend and purpose, provides a comprehensive, evidenced picture for those with strategic commissioning decision making responsibilities. It will help make rational decisions where services will most benefit from investment and where decommissioning of services ought to be considered.

The programme alongside epidemiological surveying and landscaping of children's services will provide training for those involved in decision making roles in finance,

¹ More information with the definitions used and the scope of the work are available in the Annex

education health and social care as well as those providing children's services from the voluntary and independent sector to consider best practice in relation to the full joint strategic commissioning cycle. The training will be closely focused on the CPPs that will undertake the evidence gathering part of the programme, although any spare capacity may be taken up by other CPPs.

The surveying on behalf of CCPs and the Scottish Government will require full implementation support, but furthermore it is recognised that support will be needed to facilitate CCPs partnership working as well as on-going action learning/improvement methodology evaluation to help identify whether changes have been an improvement or not, and collect learning for the benefit of future candidate CPPs.

The programme will be coordinated centrally from within the Directorate for Children and Families (DCaF) linking closely with adult joint strategic commissioning expertise and the Additional Support Needs policy team. Its role will centre around encouraging the strengthening of partnership working required and provide training on the commissioning cycle.

What is the content of Realigning Children's Services?

The programme exists of the following elements:

- RCS evidence programme
- RCS development programme on strategic joint commissioning
- RCS advisers providing tailored support around interpreting evidence and use of implementation science, and creating conditions and governance structures that aid joint strategic commissioning
- RCS concurrent evaluation to measure impact of the programme on development and implementation of sustainable, evidence-based commissioning strategies and implementation of improvement methodology on children's services where appropriate.

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CPPs are expected to benefit from all aspects of the programme, although training and partnership work may need to be tailored to an extent to reflect where local partners are at in terms of adaptive change capacity². Strengthening partnership working and evaluation of change on the ground may be required over a longer period of time, beyond the evidence gathering on children's needs and services landscape. While this support would be provided right away when a CCP enters the RCS programme, there is good reason for a continued relationship for as long as implementation of change takes place. The relationship would end either when the CPP wants it to end or once it is clear from the evaluation that capacity has been built in the CPP both to gather evidence and continue the commissioning cycle.

While there will be peaks and troughs in the intensity of support both by the partnership working and evaluation support consultants, it is thought likely that the need for support will slow down to a natural end within a year. Capacity constraints in the programme mean that the consultants would at most likely be working with 6 CCPs at a given time.

The charting of current children's services provision and associated spend, as well as the epidemiological surveys will have a more distinct time line. It is expected that this gathering of data can be realised within 2 months' time. The work needs to be preceded by an assessment of site readiness by a Scottish Government consultant which looks at acceptance for the work associated with RCS across the CPP and strong governance arrangements in place to support that work going forward. This preparatory work will take potentially a number of weeks up to a couple of months to ensure that relevant people have been approached and have signed up to taking part in RCS.

The Development Programme will be offered in two separate day long slots, to relevant senior managers and cover aspects related to joint strategic commissioning and the RCS programme to help shape a shared understanding of what we attempt to achieve. These should be matched to the CPPs taking part in the programme and only provided to other CPPs if there is unused capacity.

² <http://instep.net.nz/Change-for-improvement/Sustainable-change/Four-views-of-change/Adaptive-versus-technical>

How is the programme resourced in terms of staff?

The overall programme staffing is made up of the following functions.

Team Member Title	Base	Key Role/Deliverable
RCS Programme Manager	SG	Oversee RCS programme, implementation and delivery
RCS Communications Manager/ Programme Support Officer	SG	Develop and implement communication strategy and day to day programme support
RCS Evaluation/Improvement Manager	SG	Develop and implement evaluation of impact of RCS on subsequent commissioning strategy; provide input on all analytical related questions
RCS JSC Development Adviser	SG	Manages CP-SG relationship and responsible for site readiness assesment. Brings expertise around JCS, partnership working and CPPs networks and working practices. Involved in all phases of the delivery of the programme.
RCS Data and Evidence Adviser	SG	Develop and deliver programme of facilitation (development and strategy workshops) for CPPs for each phase regarding data collection and interpretation
CPP Project Manager/lead	CPP	Key contact, manager of LA programme of work, LA delivery
C&F Analysis Survey Project Manager	SG: EAS: C&F Analysis	Oversee RCS data programme delivery, single contract framework manager, oversee data linkage processes

How many CPPs has the programme got capacity to support and in what timescale?

There are two available timeslots in the year in which to carry out survey work, with three local authorities able to take part at one time. Tranches of epidemiological survey work will be carried out in September and March. Funding is available to carry on with this work for another three years, which overall should allow for 18-21 CPPs to have taken part in total by March 2018, including those that are currently taking part in the SRU at Dartington Tranche (Sept 2014).

What does the governance structure of Realigning Children's Services look like?

The Realigning Children's Services Steering Group

To provide an opportunity for senior Scottish Government staff to be updated and to comment and advice the project manager of relevant business that may impact on the work of RCS. Membership includes the Director of Children and Families (SG), Head of Children and Families Analysis (EAS), Chief Social Work Adviser, Head of National Joint Strategic Commissioning Steering Group, Social Work Scotland representative, Association of Directors of Education Scotland representative, Public Health Director, and Deputy Director of Strategy and Performance.

Realigning Children's Services Research Advisory Group

This RAG will oversee the efficient implementation of the contracted surveys. It also oversees the use of survey findings and evaluation of how survey findings result in better children's commissioning. It will have input from the Evaluation and Analytical Support Adviser, the contractor, CPPs taking part, the Programme Manager, and will be chaired by the Survey Procurement and Implementation Manager based in EAS.

Realigning Children's Services Learning Network

This group would be set up with the local partners primarily with the intention to share learning and experiences. The full complement of SG programme support, advisers would be expected to attend, plus key local people driving commissioning forward and strategic partners.

How will we contract the survey?

The Scottish Government's Analytical Services is procuring the surveys to ensure quality control and strategic fit with other survey work via a single supplier framework contract for up to 6 CCP areas. This also ensures data will be comparable. The RCS evidence programme will make use of the local boost option of SALSUS which has comparable data for Scotland going back for 30 years. Alongside that, further data will be collected locally by the preferred provider to cover lower age groups. Once a CCP has identified itself as taking part, a call off contract will be put in place.

What do we expect from CCPs?

While Scottish Government will fund all aspects of the programme apart from the community based surveys, CCPs who wish to take part in this programme are expected to make available a programme manager for the purposes of this work and would be required to provide other staff with the time as necessary to progress data collection.

Clearly this work can only progress with sign off and buy in from senior staff overseeing education, social services and health, as well as elected members, both with regards to agreement to collect the evidence and the commitment to use findings to improve children's services commissioning.

What benefits can be derived from this approach?

- The CCPs can expect to be able to create a comprehensive picture of children's needs on a series of indicators, an indication of whether these needs are likely being met in the current service provision, a charting of service provision and associated costs.
- CCPs will be able to have externally facilitated discussions regarding their findings with consultants to support complex decision making around divesting and investing for better outcomes.
- CCPs will be able to evidence their use of data and analysis for the basis of decision making and ongoing evaluation will allow impact to be shown to elected members and the general public.

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- CCPs will be able to use the findings for the purpose of Part 3 of the Children and Young People Act 2014 regarding children's services plans and reporting of outcomes
- CCPs will be able to relate some of this work in respect of the needs of and services provision for children with complex ASN.
- CCPs through a joint strategic commissioning approach will be able to shape services with users fully consulted, which may help address some of the potential difficulties in relation to self-directed support.

How can I find out more about Realigning Children's Services?

For any further information on any aspect of Realigning Children's Services or to arrange a meeting, please contact:

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RCS Programme Manager
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Scottish Government

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Or call:
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Annex A – Background

PART I – JOINT STRATEGIC COMMISSIONING OF CHILDREN'S SERVICES

What do we mean by Children's Services?

1. These are services delivered by the local authority, health board or other service provider that are wholly or mainly for the benefit of children generally, or children with particular needs. The age range is 0-18 and covers pre-birth services, such as maternity services, alongside services provided in a community setting like family support services and some secondary healthcare services. It also includes services that provide children with a home away from home for instance foster or residential care or residential schools. In addition to this range of formally commissioned services it is important to recognise the significant role of informal, community and asset based approaches to delivering local prevention and support. With this, we hope to maximise the potential to increase the capacity of families and parents to nurture and develop confident, healthy and engaged children and young people. These more informal resources are also within the scope of the activity to which the JSC agenda applies.

2. Maintaining and improving the health and wellbeing of children and young people needs joined up services utilising collective expertise and resources efficiently. This requires all those in contact with children to have a clear, comprehensive understanding of the context and content of local services and access to all relevant information.

3. The experiences of children and young people in early life, and even before birth, have a crucial impact on their life chances. Service provision, including clinical service provision, needs to be designed to meet the needs of children for health care, social care and education. It is creative local commissioning that has the potential to generate the greatest economic and public health impact, and this in turn will be dependent on the quality of interaction between all those with a statutory responsibility for and third sector and independent providers of Children's Services.

What is joint strategic commissioning?

4. The term 'strategic commissioning' has been adopted by the Joint Strategic Commissioning (JSC) National Steering Group, a standing group reporting to the Delivery Group of the Ministerial Strategy Group for health and community care, as being:

the term used for all the activities involved in assessing and forecasting needs, linking investment to agreed desired outcomes, considering options, planning the nature, range and quality of future services and working in partnership to put these in place.

Joint commissioning is:

where these actions are undertaken by two or more agencies working together, typically health and local government, and often from a pooled or aligned budget.

5. Joint strategic commissioning is thus a complex strategic activity combining traditional disciplines of strategic planning, service design, procurement, internal service planning and performance management, and applying these disciplines in a multi-agency, cross sector environment. Joint commissioning is not simply about contracting between purchasers and providers, but concerns the whole range of ways in which services are developed and secured, including grants, service agreements, voluntary and community contributions and co-production.

6. The model of joint strategic commissioning that has been adopted nationally was originally developed by IPC Oxford Brookes and subsequently used in the SWIA guidance of 2009 and more recently adopted by the JSC National Steering Group. It includes four key aspects of the commissioning cycle - analyse, plan, do and review. The commissioning cycle, which is set out below, provides a coherent model for understanding the processes that are involved in understanding populations, needs, demand and activity, and aligning investment with outcomes. This in turn should allow for evidence based commissioning strategies to be developed.



7. In applying this model to the commissioning of children's services it should be possible to build upon effective partnership working through the use of evidence at both national and local level, to identify where prevention and early intervention opportunities occur across the spectrum of children's services. Through the strengthening of universal service provision and a co-production approach, there is potential to achieve transformational change in both the way services are delivered and provided and the timing of such provision. By strategic partners taking a whole systems approach, the impact of all services and outcomes defined in commissioning strategies can be considered, as well as the impact of decisions taken by one partner upon the demand and supply of services provided by other partners.

8. It is important to emphasise the importance of basing the activity associated with children's services commissioning upon a clear set of core principles which reflect the fundamental values underpinning both wider public services and children's services in particular. In addition, the context of major change across public services through public service reform means that how a JSC approach is developed locally,

must facilitate the development of different ways of interacting with children, their parents and families and of embedding a more mature and collaborative perspective on the contribution of individuals and agencies.

9. Working together in this way to achieve transformational change in the way that Children's services are provided, is therefore essential. The Early Years Framework (2008)³ usefully spelt out the ten elements of transformational change:

- A coherent approach
- Helping children, families and communities to secure outcomes for themselves
- Breaking cycles of poverty, inequality and poor outcomes
- A focus on engagement and empowerment of children, families and communities
- Using the strength of universal services to deliver prevention and early intervention
- Putting quality at the heart of service delivery
- Services that meet the needs of children and families
- Improving outcomes of children's quality through play
- Simplifying and streamlining delivery
- More effective collaborations

10. Most of these elements are fundamental to understanding, developing and delivering on strategically commissioned service provision, and should form part of any consideration of how transformational change can be achieved. The objective of the Early Years Collaborative (EYC) is to accelerate the conversion of the high level principles set out in GIRFEC and the Early Years Framework into practical action. In order to do so it is necessary to deliver tangible improvement in outcomes and reduce inequalities for Scotland's vulnerable children; to put Scotland squarely on course to shifting the balance of public services towards early intervention and prevention by 2016 and sustain this change to 2018 and beyond.

11. The EYC has successfully developed the commitment to deliver this change programme and a strong evidence base about what works to make improvements

³ Early Years Framework 2008 <http://www.scotland.gov.uk/Resource/Doc/257007/0076309.pdf>

has been compiled. What has been lacking up until now is a method by which pockets of excellent practice can be taken to scale to ensure that every baby, child, mother, father and family in Scotland has access to the best supports available.

12. Joint Strategic Commissioning offers a whole system approach to planning and delivering change across the children's services landscape such that the investment needed to deliver the EYC objective can realistically be secured by establishing a robust, whole system approach to planning that will enable investment to become better aligned with the learning that the EYC has delivered and thereby achieve a real difference in the scale and impact of preventative, early interventions.

Current context and drivers for strategic commissioning

13. The public service reform agenda in Scotland provides a strong and consistent message regarding the importance of working much more closely in partnership, to integrate service provision and thus improve the outcomes that are achieved. It also emphasises the importance of shifting investment upstream in order to grow preventative and early intervention approaches and to reduce dependence upon costly acute or crisis intervention resources.

14. The Children and Young People (Scotland) Act 2014 by introducing a duty around joint planning and delivery of services, and a new duty to report on outcomes has given added impetus to embed JSC. Community Planning Partnerships (CPP) are already required to work together to jointly design, plan and deliver their policies and the Act seeks to clarify and embed existing joint working approaches across the public sector, to ensure that those bodies responsible for expenditure, planning and delivery, work together when considering how to improve the wellbeing of the children and young people in their area. The consultation on the Act found high levels of support for this proposal. It was felt that joint working was important to improve wellbeing, and that this duty would help overcome barriers to collaboration, resource sharing and commissioning.

15. The second relevant aspect of the Children and Young People (Scotland) Act 2014 is the duty on relevant public bodies to assist the local authority to report on a common set of high level outcomes for children and young people. This enables the Scottish Government, working in partnership with stakeholders, to set consistent

outcome measures across Scotland. Reporting arrangements will be based on the SHANARRI wellbeing indicators.

16. In this context there is an opportunity for the provisions in the Act and support for JSC to form a 'virtuous circle', with both acting as drivers and enablers. While the legislation will not require partnerships to undertake a JSC approach, if outcomes for children and young people are to be improved it is essential that a JSC approach which facilitates joint planning, budget alignment, delivery and evaluation as a coherent series of activities is embedded within local partnerships core business processes.

17. Local children's services face a particular challenge in their capacity to meaningfully report on both children's needs and outcomes, in such a way that it is useful for commissioners due to information being spread across education, health and social work information systems. Weaknesses and gaps in current information complicate the setting of targets for improvements or identification of appropriate services.

18. Central to the process of JSC is the greater requirement for services to gather evidence – that is, outcomes focused data based around the SHANARRI indicators and child population needs data as opposed to service output data. This will help local authorities meet their duties to report on outcomes, while at the same time enabling feedback into the commissioning cycle by linking investment to outcomes. Guidance will be produced to accompany the duties being introduced by the Act. There is, therefore, currently, real potential to develop a coherent, positive message around the role of JSC.

19. Whilst the emphasis of this paper is upon children's services, it is important to bear in mind that a large number of legislative initiatives are raising expectations regarding the extent and depth of joined up working, personalised responses to individual need and the incorporation of important principles, such as a human rights approach and reduction in health inequalities, in the way that services are planned and delivered, A short list of relevant recent or upcoming legislation that will have a direct bearing upon children's services includes:

- Children and Young People Act (2014)
- Public Bodies (Joint Working) (Scotland) Act 2014

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- Social Care (Self Directed Support) Act 2013
- Community Empowerment (Scotland) Bill
- Human Rights – Scottish National Action Plan
- EU Procurement Directives
- Procurement Reform (Scotland) Bill

20. The particular emphasis upon cross sector partnership working across Scotland's public services means that Local Authority children's services, NHS Boards, third and independent sector providers should all be able to contribute to developing the strategic agenda for children's services. Increasingly, the importance of children and young people and their parents as direct, or proxy commissioners of their own services will require new ways of managing the JSC process to be developed in order to facilitate greater choice and control for the individual. We believe that currently there is a real gap in terms of market development work – through a lack of knowledge on what kinds of services are required and the support to potential external providers to provide those services

21. Issues of inequitable access to services and unexplained variability in their use across and within local, regional or national boundaries, are also likely to become increasingly important considerations in today's influential rights based culture. In particular, attention will need to be paid to the inverse care law, which states "good quality care tends to vary inversely with the need for it in the population served" to ensure that inequalities in outcomes, particularly health inequalities, are addressed.

22. In addition an historical focus upon procurement arrangements has tended to mean that commissioning, the process that determines the services and models that can deliver the best outcomes and offer Best Value, has been relatively undervalued. Instead the mechanics and form by which services are procured or otherwise secured has continued a status quo in the nature of the services in use – regardless of the outcomes achieved. This is at times exacerbated by short-sighted views on costs and benefits where there is a lack of recognition of better value of some very expensive services through its ability to achieve consistently better outcomes.

23. JSC fits well with the overall objective of the Children and Families Directorate - to use a staged intervention approach where families can expect support to be available to them at the earliest opportunity, focusing on family assets to empower them to cope successfully with their particular set of needs. JSC can provide the mechanism to align budgets with the transformation of services and thereby achieve a shift from high cost reactive spend on acute crisis responses by specialist services to lower cost community based approaches and responses through universal services to early identified difficulties or issues, if this is combined with a strong focus on interventions based on consistent evidence of improved outcomes. Putting the child and family at the centre of all levels of decision making around service provision, will achieve the core of the GIRFEC approach:

- builds solutions with and around children, young people and families
- enables children and young people to get the help they need when they need it
- supports a positive shift in culture, systems and practice
- involves working better together to improve life chances for children, young people and families

24. A JSC approach that seeks to shift resources to prevention will enable evidence to shape the component parts of the care pathway or child's journey such as prevention, recognition, assessment and interventions to be better understood by all stakeholders whether in relation to social care, education, additional support needs or health needs or a combination of these. It will facilitate a co-production approach that involves all key partners in the process of identifying potential efficiency savings, disinvestment opportunities or new service models. This will help community planning partnerships better understand what they need to plan for the middle distance and reinforce the benefits of a collaborative approach with neighbouring partnerships, where scale and costs are important considerations. Whether working to prevent or support, a local, cross sector, co-produced approach is necessary for the correct identification of need, coupled with an assessment of how the best personal outcomes and greatest public value can be achieved, particularly in the case of high cost low frequency needs.

25. Given the scope and complexity of a whole system JSC approach, evidence about the benefits achieved is necessarily diffuse and can be long in coming. The impact can relate to improved personal outcomes or improved system outcomes such as better joint working, greater efficiencies, or more effective approaches. Impact will also be reflected across sectors, care groups and pathways. Any related financial benefits may not be immediately apparent or may be reflected in cost reductions or cost efficiencies for different players in the system, and therefore be more or less apparent and significant to any one party.

Report to Council

Date of Meeting: 5 March 2015

Subject: Appointment to Outside Body

Report by: Head of Resources & Governance

1.0 Purpose

- 1.1. This report provides information to Council on the changes to governance arrangements by our pension fund provider Falkirk Council as they directly affect Clackmannanshire Council and recommends that an elected member takes up the Council's position on the new Pension Board due to be established on 1st April 2015.

2.0 Recommendations

The Council is invited to:

- 2.1 note the changes to the governance arrangements for Falkirk pensions and the disestablishment of the Pension Panel;
- 2.2 agree to the appointment of an elected member as the Clackmannanshire representative on the new Pension Board; and
- 2.3 nominate an elected member substitute.

3.0 Background

- 3.1 The Hutton Report of 2011 made recommendations for a UK wide framework for public sector pensions. These recommendations were carried forward into the Public Services Pension Act (2013) which has been amplified more recently by draft governance regulations and associated agreements.
- 3.2 Falkirk Council is currently designated as "Administering Authority" but will become the "Scheme manager" of the Falkirk Fund in line with the 2013 Act. Falkirk Council delegates the operational management of its pension fund business to its Pensions Committee which is constituted of 6 Falkirk elected members and three members drawn from the Pensions Panel. Under the existing arrangements, the Pension Panel provides oversight of the pension business. It is a 15 member body with membership drawn from Trade Unions and employer representatives. Clackmannanshire was represented by

Councillor Drummond and the Revenues and Payment Manager, as per Membership of Outside Bodies, report to Council, dated 31 May 2012.

4.0 Discussion

- 4.1 In anticipation of the new Regulations, Falkirk Council undertook a consultation in 2014 about the future arrangements in particular the formation of a new Pension Board which will replace the Pension Panel with effect from the 1st April 2015. The role of the Board is to provide advice, guidance and opinion on all matters relating to the business of the Falkirk Council Pension Fund. The Committee will, as now, remain as the decision making entity.
- 4.2 The Board will be made up of 4 employer representatives and 4 Trade Union representatives with a tenure envisaged for Board members of 4 years. This follows the requirements of the governance regulations which specify an equal number of employer and Trade Union representatives with a minimum of 4 members drawn from each group. The final Panel meeting will be on 12 March and the first meeting of the Board is Scheduled for 26 June.
- 4.3 Therefore under the new arrangements, the Falkirk Board will have fewer representatives from employers than the Panel under previous arrangements. Clackmannanshire has been asked to provide one representative as a Local Authority employer and Stirling will be asked to provide a representative for the Committee which mirrors the current situation vis-a-vis Panel and Committee membership. From time to time the roles may rotate when new members are sought. Falkirk Council has asked that the Council nominate the Board Member by 12 March 2015. Prior to the meeting of the first Pension Board an introductory training event will take place in late May or early June.
- 4.4 The Council can nominate either an Officer or an elected representative to be its Board member. The nature of the Pension Board role lends itself more to an elected member than an officer given that it has an oversight and advisory role rather than operational decision making. Board members will be expected to comply with a Code of Conduct and ensure they have sufficient understanding of pensions administration, undertaking training where necessary, to discharge their role effectively.
- 4.5 Its possible that the Council may be asked to nominate a substitute for its Board member to ensure meetings can always be quorate. The substitute will need to have an awareness of the workings of the Board and may be expected to attend training events. For the reasons outlined in paragraph 4.4 it is recommended that the substitute role is filled by an elected member rather than an officer.

6.0 Sustainability Implications

7.0 Resource Implications

7.1 *Financial Details*

7.2 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 ☐

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

7.4 *Staffing*

8.0 **Exempt Reports**

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

9.0 **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 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 type="checkbox"/>

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

10.0 **Equalities Impact**

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

11.0 **Legality**

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

12.0 Appendices

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

Appendix - Falkirk Council letter re Pension Fund Governance Arrangements

13.0 Background Papers

- 13.1 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)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources & Governance	01259 452022

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: Stephen Coulter
Nikki Bridle	Depute Chief Executive	Signed: Nikki Bridle

Enquiries to: Alastair McGirr
Telephone: (01324) 506304 Fax: (01324) 506303
Your Ref:
My Ref: Supn/AM
Date: 17 February, 2015
E-mail: alastair.mcgirr@falkirk.gov.uk



Falkirk Council
Chief Executive Office
(Finance Services)

Mr Stephen Coulter
Head of Governance
Clackmannanshire Council
Kilncraigs
Greenside Street
Alloa
FK10 1EB

Dear Mr Coulter,

Falkirk Council Pension Fund – Governance Arrangements Pension Board Nominations

I am writing to advise you that a number of important points relating to the governance of the Falkirk Council Pension Fund were agreed at the Pensions Committee meeting of 12th December, 2014. The recommendations, subsequently ratified by the full Falkirk Council, were as follows:

- that the Pensions Panel be discontinued from 1st April, 2015;
- that the Pensions Committee should continue to operate as at present;
- that a Pensions Board be established; and
- that the Board consist of eight seats to be shared equally between Trade Union and Employer representatives

The change in governance arrangements is the result of the Public Service Pensions Act 2013 which requires each local authority pension fund to establish a Pension Board by 1st April, 2015.

It has been agreed that an employer seat on the new Board should be offered to the Clackmannanshire Council and I am writing to seek your organisation's nominee for that position. It would be most helpful if you could confirm the name and status (i.e. Officer, Councillor) of your nominee as soon as possible, but not later than **12th March, 2015**.

The establishing of the Pension Board means that the existing Pensions Panel will be discontinued with the final Panel meeting taking place on **12th March, 2015** as part of a joint meeting with the Pensions Committee. Councillor Archie Drummond is currently the Clackmannanshire representative on the Pension Panel.

The first meeting of the Pension Board is scheduled for **26th June, 2015**, although an introductory training session will be held in late May or early June. In addition, the Fund is holding its Annual Conference on **16th April, 2015** at Callendar House, Falkirk to which all Panel and Board members will be invited.

Broadly/
 **INVESTORS
IN PEOPLE**

Chief Finance Officer: Bryan Smail
Municipal Buildings
Falkirk FK1 5RS
LP 3 Falkirk 2
Telephone: 01324 506070
Fax: 01324 506363
www.falkirk.gov.uk

Broadly speaking, the statutory remit of the Board is to support the Council's Pensions Committee in its decision making role and to ensure that it complies with:

- rules relating to scheme governance and administration; and
- the requirements of the Pensions Regulator;

The following points are relevant in relation to the practical operation of the Board:

- The Board will normally meet jointly with the Pensions Committee
- The joint meeting will be chaired by the Convener of the Pensions Committee
- Any person appointed to the Board must not have a conflict of interest
- A Board Chair will be appointed in case a separate Board meeting is required.
- The Chair of the Board will be rotated annually between employer and member representatives.
- The administration costs of the Pension Board shall be met by the Fund.
- A training programme will be instituted for Board (and Committee) members.
- The current arrangements whereby a Union, Employer and Pensioner representative are co-opted onto the Pensions Committee will continue. The co-opted members are not part of the Pension Board and should not be counted as such.

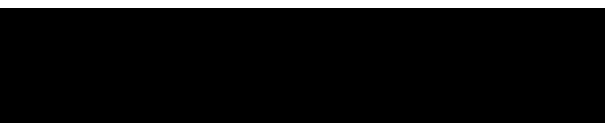
Work is currently underway in the drafting of a constitution for the Pension Board. This will be shared with Board members in due course.

I should add that the intention is for Stirling and Clackmannanshire Councils to always be represented either on the Pension Board or on the Pensions Committee (through being co-opted onto that Committee). At present, a Stirling representative is co-opted onto the Committee, so the Board seat is being offered to Clackmannanshire. There is the potential however for the roles to be reversed in future with Clackmannanshire being represented on the Committee and Stirling sitting on the Board.

I hope that these arrangements meet with your approval and I look forward to receiving confirmation of your nominee in due course.

If you have any further queries regarding this matter, please contact Alastair McGirr on the above telephone number.

Yours sincerely,



Chief Finance Officer

Report to Council

Date of Meeting: 5th March 2015

Subject: Treasury Management Strategy Statement 2015-2016

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 2015/16.
- 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 2015/16 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 24th February 2015. 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 performance of the treasury function is in line with 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 2015/16

- 3.4 The strategy for 2015/16 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.

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 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 Council 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 2018.

4.0 Conclusion

- 4.1 The Treasury Management Strategy for 2015/16 builds on and consolidates the Council's existing Investment Strategy and Prudential Borrowing framework.
- 4.2 The strategy supports the delivery of the Council's capital investment plans but also remains intent on reducing the Council's overall relative level of external debt compared to Scottish Local Authority 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 | <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 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)

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 – 2015/16 Treasury Management Strategy Statement & Annual Investment Strategy

Appendix B - Investment Portfolio as at 31st January 2015

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)

NAME	DESIGNATION	TEL NO / EXTENSION
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Liz Shaw	Chief Accountant	2072

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: Stephen Coulter
Nikki Bridle	Depute Chief Executive	Signed: Nikki Bridle

2015/16 TREASURY MANAGEMENT STRATEGY STATEMENT & ANNUAL INVESTMENT STRATEGY

The suggested strategy for 2015/16 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 2015/16 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 24th 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*

Within the Prudential Indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Council's treasury portfolio position at 31 March 2014 with forward projection are summarised in the table below. The table shows;

- the cumulative level of external debt held by the Council which represents the total amount of borrowing that has been undertaken to fund the capital programme;

- the expected change in debt which is any repayments of maturing debt less new debt undertaken in the year to fund the in-year capital programme;
- Other Long Term Liabilities which is the total of any Finance Lease or PFI arrangements;
- the expected change in Other Long Term Liabilities which refers to the repayments in the year made against this debt;
- the Capital Financing Requirement which is the cumulative amount of borrowing that the Council required to borrow to fund capital expenditure; and
- The under or over borrowing position which is the difference between the required need to borrow and the actual borrowing undertaken.

The code requires local authorities to maintain an under-borrowed position in the long term, this means that the total amount borrowed does not exceed the need to borrow. An under-borrowed position can occur where cash balances have been used to fund capital expenditure whereas, an over-borrowed position can occur where borrowing has been taken in advance of need. This is permissible in the short term to take account of timing of cash flows but the Council must return to an under-borrowed position in future years.

£000	2013/14 Actual	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External Debt					
Cumulative Debt at 1 April	119,726	115,721	118,660	110,531	111,151
Expected change in Debt	(4,005)	2,939	(8,134)	615	4,764
Other long-term liabilities (OLTL) at 1 April	47,476	46,248	45,005	43,715	42,404
Expected change in OLTL	(1,228)	(1,243)	(1,290)	(1,311)	(1,062)
Actual gross debt at 31 March	161,969	163,665	154,241	153,550	157,257
The Capital Financing Requirement	166,420	162,673	162,259	160,342	158,623
Under / (over) borrowing	4,451	(992)	8,018	6,792	1,366

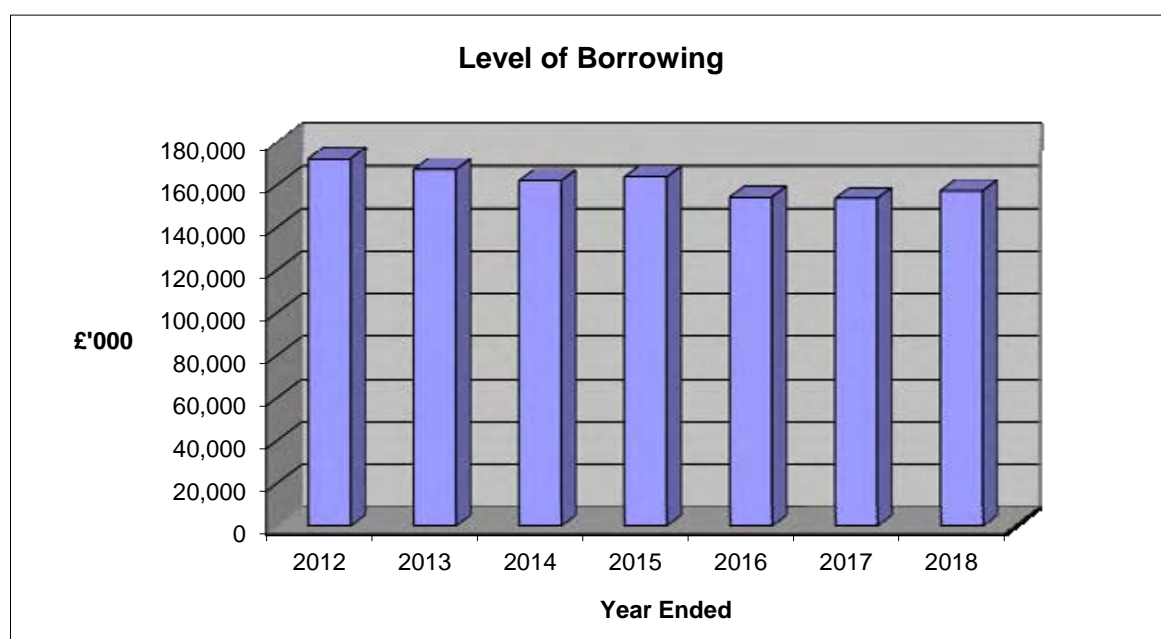
At the end of 2013/14 the Council's Gross Debt was less than the Capital Financing Requirement resulting in an under-borrowed position of £4.451m. In 2014/15 the Council is projected to be in an over borrowed position of £992k. This is as a result of additional grant income being awarded for the Redwell school project after its completion. As this funding had not been agreed in advance of incurring the capital expenditure on the project borrowing had already been undertaken. By the end of 2015/16 and in future years the Council's Capital Financing Requirement is forecast

below Gross Debt maintaining a consistent under-borrowed position going forward therefore meeting the requirement of the indicator to be in an under borrowed position over the medium term.

The Capital Programme has been set in line with the Council's strategy to reduce long term debt and budgeted levels remain fairly consistent over the next few years. Repayment profiles of maturing debt mean there are variations in the annual change in debt year on year. The table shows a reduction in cumulative external debt over the years to 2016/17 however cumulative external debt is forecasted to increase at the end of 2017/18. This is due to there being no debt due to be repaid in the year that would offset the level of capital expenditure per the capital programme as is the case in other years. Despite these fluctuations, overall the table shows a potential reduction in loan debt of £3.8m over the years 2013/14 to 2017/18.

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 21017/18.



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 2015	0.50	2.10	3.30	3.30
June 2015	0.50	2.20	3.40	3.40
Sept 2015	0.50	2.30	3.60	3.60
Dec 2015	0.50	2.50	3.80	3.80
March 2016	0.75	2.60	3.90	3.90
June 2016	0.75	2.70	4.00	4.00
Sept 2016	1.00	2.80	4.20	4.20
Dec 2016	1.25	3.00	4.30	4.30
March 2017	1.25	3.10	4.40	4.40
June 2017	1.50	3.20	4.50	4.50
Sept 2017	1.50	3.30	4.60	4.60
Dec 2017	1.75	3.40	4.60	4.60
March 2018	2.00	3.50	4.70	4.70

UK economic growth improved during 2013 and 2014 but slowed towards the end of 2014. However, growth is expected to regain stronger momentum during 2015 and 2016 as a consequence of the impact of falling oil prices and inflation. The Bank of England's February Inflation Report drew attention to the falling level of unemployment and the reduction in the amount of spare capacity in the economy. This is expected to feed through as increased pressure for wage increases and, together with the sharp fall in the price of oil, is expected to result in an increase in inflation from near zero from the end of 2015 into 2016.

The United States of America (US), the largest world economy, has experienced significant growth of 4.6% (annualised) in Q2 2014 and 5.0% in Q3, followed by a lower rates of 2.6% in Q4 (overall 2.4% for 2014 as a whole). This provides a positive outlook for strong growth going forwards and it suggests that the US economy is now moving towards full recovery from the financial crisis of 2008.

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

- In the Eurozone, concerns in respect of a major crisis subsided during 2013. However, the downturn in growth and inflation during the second half of 2014, alongside concerns about individual countries needing to address issues of low growth, international uncompetitiveness and the need for economic reform suggest that the potential for government debt to GDP ratios to continue to rise could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated.;

- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 and early 2015 as alternative good and bad news has alternately promoted optimism, and then pessimism, in financial markets. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt.
- There remains a cost of carrying any new borrowing which causes an increase in investments as this will continue to incur a revenue loss between borrowing costs and investment returns.

3 *Borrowing Strategy*

Over the medium term the Council is forecasted to maintain 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 2015/16 treasury operations. The Depute Chief Executive 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 faster than anticipated unwinding of quantitative easing in the US, or an unexpected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

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 2015.

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.

Over the longer term, repayments towards maturing debt should be higher than any new borrowing being undertaken to fund the Capital programme. The table below shows a reduction in external borrowing over the three years to 2017/18 of £2.74m. This is consistent with the Council's existing strategy to reduce overall level of external debt compared to Scottish averages.

	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Net New External Borrowing Requirement	(8,129)	620	4,769
Repayment of Maturing Debt	16,000	6,200	2,000
Total Borrowing Requirement	7,871	6,820	6,769

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 is 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	2015/16	2016/17	2017/18
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on			
• Debt	90%	90%	90%
• Investments	60%	60%	60%
Limits on variable interest rates based on			
• Debt	25%	25%	25%
• Investments	75%	75%	75%
Maturity structure of fixed interest rate borrowing 2015/16			
	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%	
Maturity structure of variable interest rate borrowing 2015/16			
	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*

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.

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 £16m as at 31st January 2015. 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 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 in Section 2 below clearly stipulated the minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus minimises the concentration of risk.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on credit ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

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 Asset Services 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.

2. Creditworthiness Policy

The Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated weighted modelling approach utilising a wide array of information sources including credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The use of a weighted approach reflects the average view across agencies.

This approach produces 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

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-. 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 of counterparties currently used 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 sovereign support for banks and the credit ratings of that supporting government.

In the case where an investment is outwith the scope of the ratings agencies the Council will analyse the financial information available for that organisation such as annual accounts to assess the financial viability of the investment. Joint Venture arrangements, contractual agreements and financial guarantees from the Scottish Government are some of the elements that are used for the Council's current investments to ensure a minimal level of financial risk. For the investments listed in Appendix B, these all fall outwith the scope of the ratings agencies.

3. Country limits

The Council has determined that it will only use approved counterparties registered to take deposits in the United Kingdom or approved counterparties registered in other countries who have an equal or better sovereign credit rating.

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 1 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2014/15 0.50%
- 2015/16 0.75%
- 2016/17 1.25%
- 2017/18 2.00%

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

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 five years are as follows:

2015/16	0.60%
2016/17	1.10%
2017/18	1.75%
2018/19	2.25%
2019/20	2.75%

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	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£12m	£12m	£12m

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.

Onlending to Registered Social Landlords (RSL's)

The Scottish Government has recently granted powers to enable Scottish Local Authorities to on lend to Registered Social Landlords in order to assist in the development of affordable housing. Any plans to utilise these powers will be reported for appropriate Council approval.

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.

APPENDIX B: Investment Portfolio as at 31st January 2015

Borrower	Principal (£000)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Bank of Scotland Plc	16,015	0.40%	Instant Access		A	0.000%
Other Accounts	53	0%				0%
Total Cash and Cash Equivalents	16,068	0.40%				0.0%

Long Term Investments	Principal (£000)	
CSPB Developments Ltd	564	-
CSPB Investments	1	
Clackamannanshire Regeneration	4,906	-
Coalsnaughton LLP	2,976	
Total Long Term investments	8,447	

TOTAL INVESTMENTS	23,094
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