Notice of Meeting and Agenda

Audit, Risk and Scrutiny Board

Date	Time	Venue
Tuesday, 28 May 2019	10:00	Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Tom Begg: Councillor Stephen Burns: Councillor Michelle Campbell: Councillor Alison Jean Dowling: Councillor Neill Graham: Councillor Jim Harte: Councillor Emma Rodden:

Councillor Bill Binks (Convener): Councillor Jim Sharkey (Depute Convener):

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx
For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

AUDIT

CORPORATE GOVERNANCE

RISK MANAGEMENT

MONITORING, REVIEWING SERVICE DELIVERY PERFORMANCE, POLICIES & PRACTICES

ANNUAL PROGRAMME

EXCLUSION OF PRESS AND PUBLIC

The Board may by resolution exclude the press and public from the meeting during consideration of the following items of business as it is likely, in view of the nature of the business to be transacted, that if members of the press and public are present, there could be disclosure to them of exempt information as defined in paragraphs 1 and 14 of Part I of Schedule 7A of the Local Government (Scotland) Act, 1973.

AUDIT

16   Summary of Internal Audit Reports for Period 01 January to 30 April 2019.

- Information relating to any individual;
- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime.

Renfrewshire Council

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Chief Auditor

Heading: Training for Audit, Risk and Scrutiny Board Members

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1.   **Summary**

1.1   In line with national guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the implementation of Audit Committee Principles in Scottish Local Authorities, training on audit and risk related matters is being provided to members of the Audit, Risk and Scrutiny Board.

1.2   A proposed programme of training briefings is outlined at Appendix 1 which will be delivered at alternate board meetings.

2.   **Recommendations**

2.1   Members are asked to approve the programme of training briefings.

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
   Safer and Stronger – an effective audit committee is an important element of good corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - None

8.   **Health & Safety** – None

9.   **Procurement** - None

10.   **Risk -** training for elected members on audit and risk-related matters reflects audit committee principles

11.   **Privacy Impact** – None

12.   **COSLA Implications** - None

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Author: Andrea McMahon – 01416187017

Date	Topic
26 August 2019	Performance reporting
4 November 2019	Following the public pound
16 March 2020	Public Sector fraud

To: **Audit, Risk and Scrutiny Board**

On: **28 May 2019**

Report by: **Chief Auditor**

Heading: **Summary of Internal Audit Reports for period 01 January to 30 April 2019**

1. Summary

1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. To comply with this requirement Internal Audit submits regular reports on the findings and conclusions of audit engagements to the Audit, Risk and Scrutiny Board.

1.2 Appendix 1 provides details those audit engagements completed during the period 01 January to 30 April 2019 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report is also attached. For each audit assignment where recommendations have been made, the relevant managers have put action plans in place to address the issues raised.

1.3 In addition to the reports listed in the Appendix, Internal Audit has an ongoing commitment to:

- A range of corporate and service initiatives;
- Progressing of information security matters in partnership with ICT and Legal Services;
- The regular provision of advice to departmental officers;
- The provision of internal audit services to the associated bodies for which Renfrewshire Council is the lead authority and to Renfrewshire Leisure Ltd and Renfrewshire Health and Social Care Integrated Joint Board;

- Co-ordination of the Council's corporate risk management activity;
- Management of the counter fraud team;
- Management of the risk management and insurance team.

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2.   **Recommendations**

2.1   Members are invited to consider and note the Summary of Audit Reports finalised during the period from 01 January to 30 April 2019.

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Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
        Safer and Stronger - effective internal audit is an important element of good corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** – None

8.   **Health & Safety** – None

9.   **Procurement** - None

10.   **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.

11.   **Privacy Impact** – None

12.   **COSLA Implications** - None

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Author: Karen Campbell – 01416187016

Appendix 1

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Final Audit Reports issued from 01 January – 31 March 2019

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	Important	Good Practice	Service Improvement
Assurance	Communities, Housing & Planning	Trading Standards	Reasonable	0	0	4	2
	Finance & Resources	Energy Management	Reasonable	0	1	3	1
Governance	Chief Executives	Performance Measurement Framework – City Deal	Substantial	0	0	1	0
	Corporate	Risk Management	Substantial	0	0	1	0

Note 1 – No assurance rating can be given in respect of investigation assignments

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Assurance Level	
Substantial Assurance	• There is a sound system of internal control designed to achieve the objectives of the area being reviewed. • The control processes tested are being consistently applied.
Reasonable Assurance	• The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk • There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	• Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk.

	• The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	• Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. • Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

Internal Audit Report
Communities, Housing and Planning Services
Trading Standards (A0026/2019/001)

Date: March 2019

COMMITTEE SUMMARY

Audit Objectives
Trading Standards cover a wide variety of statutory functions and discretionary services including weights & measures, product safety, product descriptions, fair trading, consumer advice, Trusted Trader scheme and awareness raising through talks and presentations. The objectives of the audit were to ensure that: 1. Consumer and business complaints are investigated where appropriate and dealt with timeously; 2. Adequate enforcement arrangements are in place which meet statutory obligations; 3. Adequate performance management information is available to Senior Management and is appropriately reported.

Audit Scope
1. Interviewed the appropriate officers to establish the current systems in place and to ascertain relevant legislation. 2. Selected a sample of projects that Trading Standards had participated in within financial year 2017/18 to ascertain that enforcement arrangements were in line with statutory obligations. 3. Identified areas where performance is measured and assessed for adequacy while also ensuring that reported information is accurate.

Key Audit Assurances
Consumer and business complaints are investigated where appropriate and dealt with timeously.

Key Risks
There were no key risks identified during the audit.

Overall Audit Opinion
The Audit identified that whilst there are processes in place covering the actions taken by Trading Standards in terms of complaints and trader advice, records maintained to evidence work in these areas could be improved upon. In addition, the arrangements for the preparation of Performance Indicators may benefit from a review. Recommendations have been made within this report to improve these areas and based on this the auditor has made a provision of reasonable assurance.

Internal Audit Report
Communities, Housing and Planning Services
Trading Standards (A0026/2019/001)

Date: March 2019

Management Commentary
A modern suite of indicators for Trading Standards will be considered, in partnership with the Society of Chief Officers of Trading Standards in Scotland (SCOTSS).

Internal Audit Report
Finance and Resources
Energy Management (A0049/2019/001)

Date: January 2019

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: 1. There are clearly defined and understood roles and responsibilities for energy management, at a corporate and service level;   2. There are adequate and up to date policies and procedures in place which are readily available to those who need them;   3. There is regular engagement with other service areas to ensure compliance with procedures;   4. There are regular review mechanisms in place to monitor energy consumption;   5. There are adequate arrangements in place for reporting significant deviations from expected energy consumption and these are adequately followed up;   6. Performance monitoring and reporting arrangements are appropriate.

Audit Scope
1. Interviewed the appropriate staff, evaluated the arrangements for energy management and identified any possible improvements to the system. Energy management staff administer Electricity, Gas, Oil and Water and so these were considered in scope for this audit.   2. Assessed the council's energy management arrangements in line with the governance arrangements set out in the council's Carbon Management Plan 2014/15 to 2019/20 and updates to the Plan reported to the Infrastructure, Land and Environment Policy Board.

Key Audit Assurances
1. There are clear roles and responsibilities for energy management, at a corporate and service level;   2. There are adequate procedures in place for converting consumption information from energy suppliers into a format for further checks;   3. There is regular engagement with building managers in each service to discuss energy consumption;   4. There are regular review mechanisms in place to monitor energy consumption with building managers.

Key Risks
Where there is a lack of evidence for calculations of reductions in energy consumption, the extent of reductions cannot be verified.

Internal Audit Report
Finance and Resources
Energy Management (A0049/2019/001)

Date: January 2019

Overall Audit Opinion
The processes in place for energy management were reasonable although issues were identified with retaining evidence for calculations of reductions in energy consumption. There should be consistency between the information used to calculate baseline figures and actual consumption figures when measuring changes in energy consumption.

Management Commentary
Management have taken steps to ensure that data is consistent and comparable and retained appropriately.

Internal Audit Report
Chief Executives

Performance Management Framework – City Deal (B0011/2019/001)

Date: March 2019

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: 1. Project Status Reports and Member Authority Status Reports are reviewed and approved by Renfrewshire Council City Deal Programme Board or by a senior Renfrewshire Council officer; 2. Member Authority Status Reports are submitted to the Project Management Office (PMO) in line with agreed timescales; 3. Reasons for deviations from agreed project tolerances are explained; 4. Change Control documents are completed when required and approved by the PMO; 5. Realisation of Benefits are reported on a regular basis.

Audit Scope
1. Interviewed the appropriate staff, evaluated the performance management arrangements for City Deal in Renfrewshire and identified any possible improvements to the system. 2. Assessed Renfrewshire's City Deal performance management arrangements in line with the City Deal assurance framework.

Key Audit Assurances
1. Project Status Reports and Member Authority Status Reports are reviewed by the City Deal Programme Director. 2. Member Authority Status Reports are submitted to the Project Management Office (PMO) in line with agreed timescales. 3. Change Control Forms are completed when required and changes are approved by the PMO. 4. Realisation of Benefits are at an early stage. There are mechanisms in place to report them.

Key Risks
There were no key risks identified during the audit.

Overall Audit Opinion
The audit has identified that satisfactory performance management arrangements are in place for City Deal in Renfrewshire. We have recommended that City Deal management should continue to seek clarification as to tolerance levels for reporting to the PMO for Renfrewshire projects.

Internal Audit Report
Chief Executives

Performance Management Framework – City Deal (B0011/2019/001)

Date: March 2019

Management Commentary
Tolerance levels for project reporting will behave been established in the approved Project Initiation Documents (PIDs) for each project and these are now being reported to the PMO, as requested by the PMO, moving forward in the quarterly Member Authority Status Report.

Internal Audit Report
CORPORATE
RISK MANAGEMENT (B0012/2019/001)
Date: March 2019

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that that the following are in place and operating effectively: 1. An appropriate Risk Management policy which clearly sets out roles and responsibilities and the Council's risk appetite and is supported by comprehensive procedures; 2. Arrangements for identifying risks; 3. Arrangements for ensuring that Risk Management is linked to the business planning process; 4. Arrangements for documenting risks on a risk register; 5. Risk prioritisation and scoring methodology; 6. Risk mitigation/treatment; 7. Arrangements for escalating risks, if necessary; 8. Reviewing, monitoring and reporting arrangements; and 9. Assurance providing activities.

Audit Scope
1. Assessed the Council's risk management processes in order to provide an opinion on the risk management framework in place compared to recommended best practice. 2. Reviewed the arrangements for identifying risks and ensuring risk management is linked to the business planning process. 3. Reviewed the arrangements for recording Strategic, Corporate and Service level risks and for prioritising these risks. 4. Reviewed risk mitigation/ treatment actions. 5. Reviewed the arrangements for reviewing, monitoring and reporting on risks. 6. Reviewed the arrangements for obtaining assurance that risks are being effectively mitigated/treated.

Key Audit Assurances
1. The Council's Risk Management framework is clearly set out within the document "Risk Matters". 2. Roles and responsibilities in relation to risk management are clearly defined with adequate oversight by the Audit, Risk and Scrutiny Board, regular monitoring of risks by the Corporate Risk Management Group and regular input to the risk management process by the Risk Management Alliance. 3. Appropriate risk management training has been provided to relevant staff 4. Appropriate arrangements are in place for the identification of risks and risks are fully documented along with control measures and linked actions on Strategic, Corporate and Service Level Risk Registers. In addition, there is a clear correlation between the risks and the Council Plan outcomes and priorities, with the risks being

appropriately prioritised according to their residual risk score which is based on the probability of the risks occurring and their impact.

5. Risks are regularly reviewed and reported upon at various levels and any improvements required to the processes of managing risk are set out within the Strategic Risk Management Development Plan. Additionally, key performance indicators have been established in relation to risk management against which performance is regularly monitored by the Corporate Risk Management Group.

6. Risk management was found to be well embedded throughout the Council's service areas and operations.

Key Risks

There were no key risks identified during the audit.

Overall Audit Opinion

Overall, the Council has established a robust and effective framework for the management of risk. An effective governance structure is in place to manage the Council's risk profile with regular monitoring and review. In addition, the Risk Manager effectively co-ordinates risk management activities throughout the Council. Risks and their corresponding control measures have been comprehensively documented within Strategic, Corporate and Service level risk registers and there is an appropriate scoring methodology in place to assess and prioritise the risks. The only area identified for improvement related to obtaining assurance that control measures in place are effectively mitigating/treating the risks.

Management Commentary

In this year's risk report to Board, the risks are being presented with a renewed focus, showing imminent, longer-term and business as usual risks. For all business as usual risks, information is being provided to elected members on sources of assurance for each individual risk.

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Chief Auditor

Heading: Summary of Outstanding Internal Audit Recommendations

1. Summary

1.1 On 18 March 2018, the Chief Auditor presented a report to the Board stating that it was her opinion that that there was an opportunity to enhance the escalation procedures for cases where agreed actions have not been effectively implemented by the date agreed. One of the recommendations was that details of outstanding critical recommendations will be provided to the Board.

1.2 This report therefore provides the updated position of those critical recommendations that have been followed up during 2018/19 and have not yet been fully implemented by service management.

2. Recommendations

2.1 Members are invited to note the position with regard to these outstanding recommendations.

3. Background

3.1 Internal Audit undertake an annual exercise to ensure that recommendations arising from internal audit engagements have been implemented by service management. The results of this exercise have been reported to service management on conclusion of the exercise and also to this Board as part of the Chief Auditor's Annual Report. All critical recommendations which have been made and have reached their due date for implementation by the date of

commencement of this exercise are included in this follow up exercise and services are asked to provide evidence to demonstrate that each of these recommendations have been implemented.

3.2   The table below shows the total and status of all critical recommendations which were followed up during this exercise across Council services. 38 of these have been implemented satisfactorily and a further 3 recommendations have been closed off as the recommendation is no longer relevant.

Service	No of Critical Recommendations				
	Followed Up	Completed	Part completed	Not Yet Implemented	Redundant /superseded
Adult Services	0	0	0	0	0
Chief Executives	1	0	0	1	0
Environment & Infrastructure	25	23	0	0	2 (Note1)
Communities, Housing & Planning	2	2	0	0	0
Childrens' Services	0	0	0	0	0
Finance & Resources	16	13	2	0	1 (Note 2)
	44	38	2	1	3

Note 1 – These recommendations are no longer relevant as there has been a change in working practice
Note 2 – The ICT system this recommendation related to in no longer in operation.

3.3   Those which have not yet been implemented or are partially completed are detailed in Appendix 1, along with the latest response received from Service Management.

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Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
        Safer and Stronger - effective internal audit is an important element of good corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** – None

8.   **Health & Safety** – None

9.   **Procurement** - None

10.   **Risk** – Non implementation of critical audit recommendations results in internal control weaknesses not being addressed

11.   **Privacy Impact** – None

12.   **COSLA Implications** - None

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Author: Karen Campbell – 01416187016

Appendix 1

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Progress of Outstanding Critical Recommendations

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
Chief Executives/Environment & Infrastructure	CR - Investigation - Roads Contracts	All managers (across all services) with responsibilities for procurement should be identified and provided with sufficient training to ensure that they are able to carry out their roles in line with the relevant Council policies and procedures. This will ensure that there is no dubiety over the practices to be followed.	31/12/17	Not Yet Implemented	Strategic procurement Manager and Head of Operations & Infrastructure will set up a training session for the managers in his service which will be based on the procurement module provided in the Leaders of the Future course. This to be delivered by no later than the end of this year (2019).	31/03/19
Finance & Resources	Disaster Recovery Planning	Management should ensure progress of a testing programme followed by adequate testing of the ICT disaster recovery management and business continuity plans as previously recommended. This will ensure that appropriate measures are being taken to reduce the risk of recovery strategies not working as expected in the event of a disaster where regular	May 2014	Partially Complete	DR solutions are currently in place for a subset of systems hosted on virtual servers, critical systems hosted on physical servers (Solaris environment), and Internet connectivity circuits. Solutions are still being developed for other key ICT infrastructure network components such as	31/12/19

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
		testing has not been carried out.			PSN connectivity. These DR solutions are provisioned across our Partner's two Data Centres. A test failover on the virtual environment has been successfully completed for a specific system (Information @ Work server). Internet connectivity DR solutions have been tested and failover circuits are actively used on an operational basis. Test failovers are still to be designed and implemented for the physical server environment and other key network components. DR/failover config is being documented as systems are migrated to our ICT Partner throughout 2019. A scheduled test process (failover and failback) needs to be documented for systems reliant on the virtual and physical server environment, including user testing.	
Finance & Resources	Payroll - Salary Sacrifice	Internal Audit seek assurance that the balance on the suspense account will	30/06/18	Partially	The suspense account was fully investigated in relation to	30/06/19

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
	Schemes	be fully investigated and cleared. The appropriate recoveries should be made from either the childcare voucher provider if the vouchers are unused or the individual if the vouchers have been used. Recoveries should be correctly coded to the childcare voucher suspense account in order to reduce the balance		Complete	child care voucher balances during 2018. A regular review of the suspense account involving Payroll and Finance staff is now in place to monitor and reconcile any discrepancies. Discussions are ongoing between Finance, HR and Payroll in relation to any overpayments identified, and invoices will raised to recover balances due, where applicable.	

To: **Audit, Risk and Scrutiny Board**

On: **28 May 2019**

Report by: Chief Auditor

Heading: **Internal Audit Annual Report 2018 - 2019**

1. **Summary**

1.1 The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.

1.2 The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of the Council's internal control environment, and include details of any significant risk exposures and control issues, including fraud risks, governance issues, and other matters that can be used to inform the governance statement.

1.3 The Annual Report for 2018-19 is attached and outlines the role of Internal Audit, the performance of Internal Audit, the strategic and operational issues which influenced the nature of the work carried out, the key audit findings, and contains the annual audit assurance statement.

2. **Recommendations**

2.1 Members are invited to consider and note the contents of the Annual Report.

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
         Safer and Stronger - effective internal audit is an important element of good
         corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - None

8.   **Health & Safety** – None

9.   **Procurement** - None

10.   **Risk** - The summary reported relates to the delivery of the risk-based internal audit
         plan.

11.   **Privacy Impact** – None

12.   **COSLA Implications** - None
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Author: Andrea McMahon – 01416187017

Annual Report
2018-2019

Finance & Resources
Internal Audit

May 2019

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Renfrewshire Council

Internal Audit Annual Report 2018/2019

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Renfrewshire Council

Internal Audit Annual Report

1 April 2018 – 31 March 2019

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1.	Introduction

1.1 Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the operations of Renfrewshire Council. It assists Renfrewshire Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

1.2 The Chief Auditor will report functionally to the Audit, Risk and Scrutiny Board and administratively (i.e. day to day operations) to the Director of Finance and Resources. In accordance with the principles of good corporate governance, regular reports on internal audit work and performance are presented to the Audit, Risk and Scrutiny Board.

1.3 The purpose, authority and responsibility of the internal audit activity is defined in the internal audit charter, approved by the Audit, Risk and Scrutiny Board; and provides that the Chief Auditor has independent responsibility for the conduct, format and reporting of all internal audit activity and findings.

1.4 The service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Standards define the basic principles for carrying out internal audit. They establish the framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.

1.5 The Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. The annual report must also provide an annual audit opinion, on the overall adequacy and effectiveness of the Council's internal control environment. It must include details of any significant risk exposures and control issues, including fraud risks, governance issues, and other matters that can be used to inform the governance statement.

1.6 The aim of this report is to provide an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control and provide a summary of the work undertaken during the year to support that opinion. The report also provides details of the performance of the internal audit service during the past year, and the results of the quality assurance and improvement programme.

1.7 In addition to the work carried out in relation to council services, we also provide an internal audit service to the following organisations:

- Renfrewshire Leisure Limited
- Renfrewshire Valuation Joint Board
- Clyde Muirshiel Park Authority
- Scotland Excel
- Clydeplan
- Renfrewshire Health and Social Care Partnership – Integration Joint Board

1.8 The outcome of the audit assignments undertaken for these organisations is reported separately as part of the annual report which also contains an assurance statement to their Boards.

2. Responsibilities of Management and Internal Audit

2.1 It is the responsibility of the Council's managers to ensure that the management of the areas under their control is adequate and effective and that their services have a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.

2.2 Internal audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

3. Internal Audit Activity during 2018/2019

3.1 The internal audit plan for 2018/2019 was approved by the Audit, Risk and Scrutiny Board on 19 March 2018. The plan was risk-based and took into account the outcomes of the service and corporate risk evaluation processes, the significant changes in council operations over the period, and the impact of developments in national policy and regulation. The plan also took into account key external audit reports including the Annual Audit Plan for the council. Set out below are the significant risks which influenced the content of the plan and the nature of the work undertaken in recognition of these. The key audit findings relied upon for the assurance statement are detailed in section 4 of this report.

(1) Financial Stability

The impact of the on-going financial pressures continued to be one of the most significant corporate risks facing the council. The council has been proactive in identifying savings to reduce the anticipated funding gap resulting from anticipated reductions in grant and the demand led cost pressures. The 2018/19 audit plan included:
- review of the contract management arrangements for home care services;

2

- review of key financial controls in place over the most significant financial processes, in order to provide an opinion on the financial internal control environment in place;
- time to participate in internal project work which supports the better council change programme.

(2)   Information Governance

Legislative changes came into force during 2018/19 and placed new duties on the council in relation to the information it holds on individuals. There are significant financial penalties for organisations that do not comply with the new duties. The 2018/19 audit plan included time for:
- compliance with the General Data Protection Regulations (GDPR);
- information security within Education establishments.

(3)   Public Protection

Public protection is a wide-ranging agenda relating to the protection of vulnerable people, communities, businesses and organisations. The council's community safety and public protection role. The 2018/19 audit plan included a review of the procedures for trading standards.

(4)   Asset Management

If the council's significant assets are not of the right complement or fit for purpose, there is a risk around the safety and effectiveness of council services and efficiency of resources. The council has a duty to ensure its assets are safe and fit for purposes for employees and service users. The 2018/19 audit plan included reviews of:
- roads inspection and monitoring arrangements;
- arrangements for cloud services.

(5)   Serious Organised Crime, Insider Threat and Corporate Fraud

The council has measures in place to strengthen its resilience to the threats posed by serious and organised crime, corruption and fraud. The 2018/19 audit plan includes time for:
- a review of corporate systems access;
- participation in the council's integrity group;
- co-ordination of the National Fraud Initiative;
- revision of counter fraud and corruption policies and procedures.

3.2   In line with the council's procedures, instances of suspected theft, fraud or irregularity are to be reported to internal audit. Depending on the nature of the allegations, they are investigated either by the internal audit service or by the Corporate Counter Fraud service. All referrals were evaluated and investigated as appropriate.

3.3   During 2018/19, Internal audit conducted a number of investigations, service management has undertaken disciplinary procedures and strengthened

internal controls where necessary. The outcome of each investigation is reported to the Audit, Risk and Scrutiny Board.

4. Summary of Internal Audit Work

4.1 Appendix 1 details the assurances arising from the internal audit work carried out in line with the 2018/19 audit plan which supports the annual assurance statement. These include the conclusions in relation to the overall system of internal control, risk management and governance arrangements.

4.2 The Audit, Risk and Scrutiny Board, at its meeting on 21 January 2019 approved cancelling one audit engagement "Disclosure Checks – Review Arrangements" and reallocating those resources to follow up of previous recommendations.

4.3 All other planned work as detailed in the 2018/2019 audit plan was undertaken and those assignments not finalised by 31 March 2019 are prioritised in the first quarter of the current year.

5. Internal Audit Resources

5.1 For the year to 31 March 2019, the audit plan was based on an establishment of 6.25 full time equivalent employees plus 60 days to be provided from other service providers. The actual staffing complement during the year was 6 full time employees.

6. Review of Internal Audit Activity

6.1 The Audit Plan for 2018/19 set out our risk-based plans across a range of audit categories, the results of which have been reported quarterly to Audit, Risk and Scrutiny Board. Table 1 below compares the actual days spent on each category of audit work against that planned for the year.

Table 1

Type of Audit	Planned Days	Actual Days	Variance	
			Days	%
Governance	163	155	(8)	(5%)
Assurance	421	401	(20)	(5%)
Contingency	351	328	(23)	(7%)
Audit Planning & Reporting	111	121	10	9%
Total Operational Days	**1046**	**1005**	**(41)**	**(4%)**
Training	89	79	(10)	(11%)
Strategic Management	28	19	(9)	(32%)
Team Administration	97	89	(8)	(8%)
Development	70	42	(28)	(40%)

Total Non-operational Days	284	229	(55)	(19%)
Gross Available Days	1330	1234	(96)	(7%)
Operational %	79%	81%		
Management of Risk Management and Insurance and Corporate Counter Fraud including the co-ordination of NFI	30	30	0	0%

6.2 Material differences (over 20% and over 20 days) from the plan are explained below:

1) Development

Anticipated development of the audit management software included in the plan for 2018/19 have been deferred into the 2019/2020 audit plan, with non-operational time being diverted towards operational activities.

7. Quality Assurance and Improvement Activity

7.1 Internal audit measures performance against a range of measures set annually by the Director of Finance and Resources. The Audit, Risk and Scrutiny Board received quarterly reports on progress and performance during the year. Table 2 shows the actual performance against targeted performance for the year.

Table 2

Internal Audit Performance 2018/19

Performance measure	Target 2018/19	Actual 2018/19
% completion of audit plan for the year*	95%	95.6%
% engagements completed by target date	95%	98.8%
% engagements completed within time budget	95%	96.4%

*   this measures the completion percentage as at 31 March.   100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

7.2 Actual performance for the year, is above the target performance level.

7.3 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit including conformance with the PSIAS. All actions arising from the external quality assessment have been completed during 2018/19.

8. Implementation of Audit Recommendations

8.1 During 2018/19, 288 recommendations were followed up, with 87% of all recommendations being completed. The implementation status of the recommendations across each service area is detailed in Table 3 below.

Table 3

Implementation of Audit Recommendations 2018/19					
Service	No. Followed up	Complete	Partially Complete (new date)	Not Implemented (new date)	Redundant
Adult Services	5	5 (100%)	N/A	N/A	N/A
Chief Executive's	48	32 (67%)	4 (8%)	12 (25%)	N/A
Children's Services	24	21 (88%)	N/A	2 (8%)	1 (4%)
Environment & Infrastructure	87	81 (94%)	N/A	2 (2%)	4 (4%)
Finance & Resources	108	97 (90%)	4 (4%)	4 (4%)	3 (2%)
Communities, Housing & Planning	16	15 (94%)	1 (6%)	N/A	N/A
Total	**288**	**251 (87%)**	**9 (3%)**	**20 (7%)**	**8 (3%)**

9. Performance of Non-Audit Activities

9.1 Risk Management

The responsibility for co-ordinating risk management and insurance activity across the council lies with internal audit. Risk management performance is detailed in the risk management annual report.

9.2 Corporate Counter Fraud

The Corporate Counter Fraud team report to the Chief Auditor, the aim of the team is to raise awareness to promote an anti-fraud culture and investigate instances of suspected non-benefit fraud such as council tax reduction fraud, tenancy fraud and other corporate fraud, as well as undertaking the role of being the Council's single point of contact with the DWP, for all enquiries/information they require from the Council to enable them to undertake housing benefit investigations. A business plan has been prepared and agreed with the Director of Finance and Resources. The outcomes for the year are detailed on Table 4 below.

Table 4

Corporate Counter Fraud Performance 2018/19	
Financial Outcomes	**2018/19 (£)**
Cash savings directly attributable to preventative counter fraud intervention	267,926
Cash recoveries in progress directly attributable to counter fraud investigations	734,440
Notional savings identified through counter fraud investigation, (e.g. housing tenancy and future council tax)	1,787,831
Non-Financial Outcomes	**2018/19**
Housing properties recovered	6
Housing applications amended/cancelled	13
Blue badge misuse warning letters issued	39
Licences revoked	1

9.3   The National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, and overseen by the Cabinet Office for the UK. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.

Internal audit is responsible for the co-ordination of the exercise which is undertaken every second year. The Council's data, as required by the NFI, was submitted in October 2018, the resulting matches were received in February 2019 and investigation of those matches is progressing on a priority basis. The outcomes arising from the exercise are regularly reported to the Audit, Risk and Scrutiny Board.

10. External evaluation of Internal Audit

10.1   Auditing standards require internal and external auditors to work closely together to make optimal use of available audit resources. Audit Scotland, as external auditor, seeks to rely on the work of internal audit wherever possible, and as part of their planning process they carry out an assessment of the internal audit service.

10.2   External audit plan to place formal reliance on the work of internal audit in relation to our review of Non-Domestic Rates for the annual audit of the 2018/19 financial statements.

11. Audit Assurance Statement

11.1 Internal audit has performed its work in accordance with the role defined in paragraph 1.4. The audit work performed has been reported to senior managers and where areas for improvement in internal control have been identified appropriate recommendations have been made, and accepted for action by management.

11.2 In view of the continued challenges common to all local authorities, the Council recognises the need to exercise very close scrutiny over financial management and compliance with overarching governance arrangements, and will continue to take appropriate action to further strengthen control in these areas.

11.3 Internal audit contributes to the promotion of sound corporate governance in the Council. The scrutiny function within the council performed by the Audit Panel and the Audit, Scrutiny and Petitions Board further demonstrates strong commitment in this area.

11.4 It is not feasible for the system of internal control in the Council to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal audit recognises this and assesses this in its reporting mechanism.

11.5 In this context, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements, as evidenced by:-

(i)   the results of the planned audit work in 2018/19;
(ii)   the results of investigative work in 2018/19;
(iii)   management self assessment of internal control, risk management and governance arrangements;
(iv)   management action to respond to audit recommendations to mitigate the risks areas highlighted in this report;
(v)   the regular review of the Local Code of Corporate Governance.

Signed   *Andrea McMahon*

Chief Auditor

Date   28 May 2019

Audit Engagement	Risk Area	Assurance Level	Conclusion
Payroll - Salary Sacrifice Schemes	Assurance	**Limited**	• The audit identified a lack of controls specifically in relation to suspense account reconciliations and processes when employees terminate their employment or leave salary sacrifice schemes.
Procurement Cards & Stock Control - Catering	Assurance	**Limited**	• The audit has identified a lack of controls specifically in relation to stock control and PCard access to the cash purchase category. Furthermore, procedures in place regarding cards being shared amongst staff and timeous approval of transactions have not been adhered to. Recommendations have been made including the need to provide comprehensive training to officers.
Inspection & Monitoring	Assurance	**Limited**	• The audit reviewed the arrangements in place for specific inspection arrangements within Environment and Infrastructure Services. The review identified the need for a full review of the service including the resources available and completion of the supporting policies in line with good practice.
Housing Statutory Inspections	Assurance	**Reasonable**	• The audit provided a reasonable level of assurance in relation to Housing Statutory Inspections. Recommendations were made to establish an appropriate level of gas post inspections and to complete remedial work following electrical inspections more quickly.
Transformation Programme	Assurance	**Reasonable**	• The Transformation Programme comprises projects which vary in size, scale and flexibility. The Council's Project Management Framework encompasses a simple, consistent but tailorable project management methodology, aligned to industry standards (PRINCE2). Whilst this framework is generally fit for purpose, gaps have been identified by the Programme Management Unit and it is therefore undergoing a review. A recommendation has been made to provide guidance

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			for an Agile approach which is now being used in relevant IT projects. There is currently no guidance to direct project managers to the most suitable methodology and no internal guidance for the delivery of a project under an Agile approach. Project initiation procedures and controls are robust and were found to be operating effectively and the management of current projects was found to also be undertaken effectively with regular and transparent status reporting. Areas for improvement were identified in relation to project closure procedures where lessons learned have not been fully utilised for the benefit of other projects. Benefits realisation has been limited to those benefits outlined in the initial scope and other benefits may therefore not have been recognised and utilised.
Performance Indicators	Governance	**Reasonable**	• The processes in place for the preparation for the PI's chosen for review were reasonable although issues were identified in verifying the accuracy of some of the selected PI's to source data and there was no evidence that all the PIs were checked by an independent officer.
Education Establishments Management – Staff and Pupil information	Governance	**Reasonable**	• The audit review provided reasonable assurance over arrangements in place for the security of information at schools. Management need to evaluate the risks and decide on the appropriateness of the use of externally hosted websites in consultation with ICT Services.
Members Expenses	Assurance	**Reasonable**	• The recent changeover from E5 to Business World has raised an issue with respect to the retention of, and access to claim backup information. However, assurances have been provided to Internal Audit that these issues are being addressed. • The audit identified that the controls in place to ensure that the provisions of the payment scheme as it relates to members' expenses and allowances are properly implemented. There is also an adequate checking process established to ensure correct payments are

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			made and there are satisfactory controls in place to ensure that members' expense claims contain sufficient detail to support the amounts claimed.
Home Care – Contract Management	Assurance	**Reasonable**	• The audit review provided substantial assurance that care at home services provided by contractors are being adequately monitored by CPU and Adult Services. However, we have made recommendations in relation to the awareness of procedural documentation and the administration of the service aim of a two-year rolling programme for the quality assessment of providers be maintained.
Trading Standards	Assurance	**Reasonable**	• The Audit identified that whilst there are processes in place covering the actions taken by Trading Standards in terms of complaints and trader advice, records maintained to evidence work in these areas could be improved upon. In addition, the arrangements for the preparation of Performance Indicators may benefit from a review.
Energy Management	Assurance	**Reasonable**	• The processes in place for energy management were reasonable although issues were identified with retaining evidence for calculations of reductions in energy consumption. Also, there should be consistency between the information used to calculate baseline figures and actual consumption figures when measuring changes in energy consumption.
Payroll	Assurance	**Reasonable**	• The audit identified that reasonable procedures are in place for employee new starts and terminations. Appropriate segregation of duties and independent checks are in place. Some issues were identified in relation to service departments not notifying payroll services on time to effect correct payments to some employees, this issue is known to management.
Administration of Grants	Assurance	**Reasonable**	• The audit identified that reasonable arrangements were in place for the award of grants in Children's Services during the financial year 2018/19. Recommendations

			•	were made to strengthen the evidencing of the checks made.
Key Financial Controls	Assurance	**Reasonable**	•	The audit identified that debtors and creditors invoices were raised correctly but were delayed in being issued/paid on some occasions. Recommendations were made in the report to address issues with feeders not being reconciled to the Business World ledger and suspense accounts not being cleared. If implemented, these will help strengthen the controls in place.
Non Domestic Rates	Assurance	**Reasonable**	•	The audit identified satisfactory arrangement for the billing and collection of non-domestic rates. Improvements were identified in relation to completion of sample checks on reliefs awarded and reconciliation process being undertaken timeously.
Risk Management	Governance	**Substantial**	•	Overall, the Council has established a robust and effective framework for the management of risk. An effective governance structure is in place to manage the Council's risk profile with regular monitoring and review by the Audit, Risk and Scrutiny Board, the Corporate Risk Management Group, the Risk Management Alliance and the Service Reps. In addition, the Risk Manager effectively co-ordinates risk management activities throughout the Council. Risks and their corresponding control measures have been comprehensively documented within Strategic, Corporate and Service level risk registers and there is an appropriate scoring methodology in place to assess and prioritise the risks. The only area identified for improvement related to obtaining assurance that control measures in place are effectively mitigating/treating the risks. The assurance mapping exercise which was carried out by external consultants did not appear to have a direct link with the Council's risks. It has, therefore, been recommended that for any future assurance mapping exercise, management ensure that

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			the Council's risks at that point in time are used as the main driver for the exercise.
Education Funding – Pupil Equality Funding	Assurance	**Substantial**	• The audit identified that suitable arrangements are in place to ensure that PEF funds are spent appropriately. Progress has been made in initiating PEF plans in the first year of PEF funding. The audit did not find any significant weaknesses • The processes for PEF monitoring arrangements to enable the impact of this additional funding to be measured had just been agreed upon and therefore we were unable to assess the sufficiency of the process which is to be followed.
LEADER Programme	Assurance	**Substantial**	• The audit has identified that satisfactory arrangements are in place for managing the External Funding Applications through the LEADER Programme system. As a result, there were no audit recommendations.
Homeless Services – Homeless Procedures Management	Assurance	**Substantial**	• The audit has identified that satisfactory arrangements are in place for processing homeless applications and taking actions to prevent homelessness. As a result, there were no audit recommendations arising from this review.
Client Charges – Financial Accounting	Assurance	**Substantial**	• The arrangements in place for residential care charging and payments are satisfactory. The audit has identified that the staff time taken to process the ISP payment run may be excessive and that lack of confirmation from providers that payments made are correct is not always followed up.
Performance Management Framework City Deal	Governance	**Substantial**	• The audit has identified that satisfactory performance management arrangements are in place for City Deal in Renfrewshire. We have recommended that City Deal management should continue to seek clarification as to tolerance levels for reporting to the PMO for Renfrewshire projects.

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GDRP	Governance	**Substantial**	• The audit has identified that satisfactory arrangements are in place to comply with the General Data Protection Regulation 2018. Recommendations have been made to ensure that the requirement to carry out Data Privacy Impact Assessments (DPIA's) is documented in Project Management guidance and that the system used to record DPIA's is updated to include references to relevant legislation and record the approval of each DPIA.

Assurance Level	
Substantial Assurance	• There is a sound system of internal control designed to achieve the objectives of the area being reviewed. • The control processes tested are being consistently applied.
Reasonable Assurance	• The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk • There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	• Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. • The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	• Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. • Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Director of Finance and Resources

Heading: Audit Scotland – Management Report 2018/19

1.   **Summary**

1.1   Audit Scotland as appointed external auditors have identified key issues over the course of 2018/19 while undertaking their interim audit work. This work included testing of key controls within the systems and processes used in preparing the annual accounts.

1.2   The report contains a summary of their findings and outlines management action to address the issues raised.

2.   **Recommendations**

2.1   To note the report produced by Audit Scotland and the management actions outlined.

Implications of the Report

1.   **Financial** - none

2.   **HR & Organisational Development** - none

3.   **Community/Council Planning –** none

4.   **Legal** - none

5.   **Property/Assets** - none

6.   **Information Technology** - none

7.   **Equality & Human Rights** -

          (a)   The Recommendations contained within this report have been
                 assessed in relation to their impact on equalities and human
                 rights. No negative impacts on equality groups or potential for
                 infringement of individuals' human rights have been identified
                 arising from the recommendations contained in the report.   If
                 required following implementation, the actual impact of the
                 recommendations and the mitigating actions will be reviewed
                 and monitored, and the results of the assessment will be
                 published on the Council's website.

8.   **Health & Safety** - none

9.   **Procurement** – none

10.   **Risk** – the report outlines the view of Audit Scotland in relation to risks
          in key systems and processes used in producing the annual accounts;
          and also the management action planned to mitigate these risks where
          appropriate.

11.   **Privacy Impact** - none

12.   **Cosla Policy Position** – none

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Author: Alastair MacArthur, Ext 7376

Renfrewshire Council

Management Report 2018/19

2018/19 Audit Work

Introduction

1. This report contains a summary of the key findings identified during the interim audit work carried out at Renfrewshire Council. This work included assessing the design and operation of key controls within financial systems used in preparing the annual accounts. We will consider the results of this testing when determining our approach to the audit of the 2018/19 annual accounts.

2. Our responsibilities under the *Code of Audit Practice* require us to assess the system of internal control put in place by management. We seek to gain assurance that the audited body:

- has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements

- has systems of internal control which provide an adequate means of preventing and detecting error, fraud or corruption

- complies with established policies, procedures, laws and regulations.

3. We also carried out work on the audit dimensions as required by the *Code of Audit Practice*. This focussed on financial management, and governance and transparency, specifically looking at budget reporting and capital spending.

Work summary

4. Our 2018/19 testing covered key controls in areas including cash, treasury management, accounts receivable, accounts payable, payroll, capital and general ledger systems. Additionally, we reviewed budget monitoring and control, and rescheduling of the council's capital plans.

5. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during our audit is gratefully acknowledged.

Risks identified

6. The key control and wider dimension risks identified during the interim audit are summarised in Appendix 1. These findings will inform our approach to the financial statements audit where relevant.

7. Any weaknesses identified represent those that have come to our attention during the audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control system appropriate to Renfrewshire Council.

Audit findings

Business World

8. Renfrewshire Council implemented an enterprise resource planning system (Business World), in October 2018 which combines finance, HR, payroll and procurement into a single integrated application. The system change was undertaken without any significant issues.

9. The implementation of Business World is ongoing, as elements of the system have not yet been brought online (for example procurement) and other parts continue to fully bed in. As expected, the preparation, implementation and adjustment to a new system on this scale has put additional pressure on staff involved with the implementation process throughout the council.

10. In our 2018/19 Annual Audit Plan we highlighted that the system change increases the risk of financial error particularly in relation to the implementation of a new control environment. As part of our audit work we reviewed and assessed the new processes and related controls in the following systems:

- General Ledger

- Payroll

- Accounts Receivables

- Accounts Payable

- Bank and Treasury Management

- Capital.

11. We also reviewed the process used to transfer data from the previous accounting system into Business World. We tested a sample of balances and transactions that had been transferred to confirm that values were accurately reproduced in the new system and assigned to the appropriate cost codes. We noted no issues with the transfer process or the sample of transferred balances and transactions tested.

Reconciliations

12. Ledger reconciliations are undertaken to provide management with assurance that data recorded in feeder systems is accurately replicated in the general ledger.

13. Our review noted that the accounts receivable reconciliation can currently only be carried out at council group level rather than for the individual components, for example Renfrewshire Leisure and the Joint Committees. This will have to be corrected as part of the preparation of the annual accounts and increases the risk of misstatement (Appendix 1, Issue 1).

Processing of Daily Payments

14. The implementation of Business World has required interim procedures to be put in place where processes are not fully working as intended. As an example the process for the daily BACS payment of creditors is summarised in Exhibit 1 below.

Exhibit 1

Comparison of payment processing
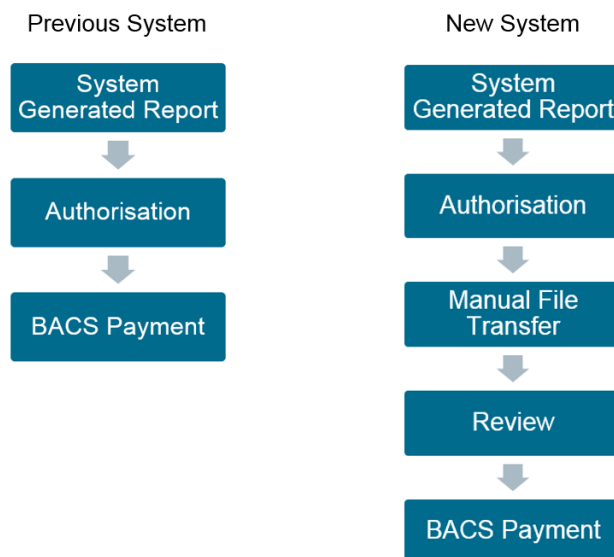
15. Under the previous system, a daily BACS creditors payment listing was automatically system generated. This was checked and authorised by a member of the accounts payable team before the payments were processed.

16. The daily process in Business World is less streamlined. Firstly, a member of the accounts payable team downloads a listing of due payments to be included in the daily BACS run. This is produced from the system in the form of a report and is authorised by the Creditors Supervisor.

17. The payment cannot be made automatically, instead IT manually transfer the payment data to the required system area. The development team then confirm the correct data was transferred and agrees to the report authorised by the Creditors Supervisor. Following this check the payments are processed through the council's bank account.

18. Where these additional procedures have been put in place, adequate controls have also been implemented. However manual processes are less efficient and with an increased risk of error. (Appendix 1, Issue 2).

Authorisation of Journal Posting

19. Business World allows staff to post journals to the general ledger in two ways. The standard process requires an automated approval by a more senior staff member prior to the journal being posted. Certain types of journal that impact a large number of cost codes do not require approval before posting. A similar process existed in the previous system, and we concluded in our 2017/18 management report that this was low risk due to the small number of staff who had access rights and the mitigating controls in place.

20. Our testing of the journal posting process in Business World highlighted that more than 100 staff had access to post journals without approval. This increases the risk of inaccurate journals being posted. Management should review the staff

who currently have access rights to post journals to ensure this is appropriate. (Appendix 1, Issue 3)

Budget Monitoring

21. Service level revenue budget monitoring reports are taken to council policy boards and a council overview budget monitoring report is taken to the Finance, Resources and Customer Services Policy Board.

22. In our 2017/18 Management Report we recommended that the council should improve the transparency of the budget monitoring reports by improving the reporting of changes to budgets. Management agreed that future revenue budget monitoring reports would include net budget movement information.

23. As part of our 2018/19 audit we reviewed the revenue budget monitoring reports. The narrative sections of the reports now disclose budget changes more clearly. There is still scope to improve the quality and transparency of the budget monitoring reports by including prior period annual budget information (Appendix 1, Issue 4).

24. A review of budget monitoring reports identified an error in the Leisure Service budget reported to the Finance, Resources and Customer Service policy board in January 2019. A budget of £7.573 million was reported rather than the correct balance of £12.430 million. As the budget monitoring reports do not show prior period data the error was not identified.

Reporting of Initial and Final Budget Position

25. The annual revenue and capital budgets are considered and approved by the council before the start of each financial year. Detailed budget proposals are prepared in advance and included in council meeting papers for councillors to consider.

26. The budget proposals in 2018/19 and for 2019/20 were subject to changes by motions agreed at the full council meeting. The budget proposals are not updated to reflect changes agreed by councillors, and an amended budget is not published (however, management reflect the changes for budget monitoring purposes). The agreed changes can be significant. The original 2018/19 budget proposal projected a surplus of £13.638 million, however following changes agreed at the full council meeting the projection changed to a deficit of £1.131 million. To improve transparency an updated budget should be prepared and reported. (Appendix 1, Issue 5).

Payroll Overpayments

27. Our 2017/18 Management Report highlighted that the council had made payroll overpayments totalling £812,255 to 806 current and former employees, of which £439,853 was yet to be recovered. An update to the actions agreed by management is included within Appendix 2.

28. Following our 2017/18 Management Report management issued revised guidance on payroll overpayments to staff.

29. Internal monitoring by the payroll department (Exhibit 2) shows that additional overpayments have been identified totalling £445,630 in the period following our 2017/18 Management Report and that the value of unrecovered overpayments has increased to £720,425. The Council recognises that recovery work in relation to former employees has been impacted by the implementation of Business World and the associated increased workload on payroll and debt-recovery staff.

Exhibit 2
Payroll Overpayments Update

		Value (£)
Reported in 2017/18 Management Report	Overpayments (April 2015 - February 2018)	812,255
	Outstanding (at February 2018)	**439,853**
Update for 2018/19 Management Report	Additional overpayments	445,630
	Overpayments recovered	165,058
	Outstanding (at 11 April 2019)	**720,425**

30. The council should continue to review the processes in place to prevent, detect and recover overpayments.

Employee Cost Coding Reallocations

31. Council financial monitoring and forecasting is dependent on expenditure being incurred against the correct budget. This allocation is achieved through cost codes which include information on the type of cost, the related service/department and the associated budget.

32. Finance staff in each service department undertake a monthly review to identify staff costs that require reallocation in the financial ledger. Cost code reallocations may be required in the normal course of business (for example for staff working on temporary projects) but are also required as a result of mis-codings, where the staff have been assigned the wrong cost code. The manual process to identify and correct mis-codings is time consuming, and where these are not amended at source (the payroll system), the same mis-codings must be updated in the ledger on a monthly basis. In the Finance and Resources service 236 of the 1,187 employees required cost coding reallocations in period 12.

33. There is an increased risk that budgeting and forecasting errors, and payroll overpayments are not identified. Management should ensure processes are designed to keep staff cost coding up to date are operating effectively (Appendix 1, Issue 6).

2017/18 Whole of Government Accounts

34. We reported in our 2017/18 Annual Audit Report and in our 2018/19 Annual Audit Plan that the council's submission for the 2017/18 Whole of Government Accounts (WGA) was not received prior to the required deadline.

35. Management were required to submit initial WGA data based on the unaudited annual accounts to auditors by 3 August 2018. A further submission based on the audited annual accounts was due to be provided to auditors to complete our WGA audit and submit the audited return to the National Audit Office (NAO) by their deadline of 28 September 2018. We received managements submission based on the unaudited accounts in October 2019; no submission was received for the audited accounts.

36. We finalised our work on the 2017/18 Whole of Government Accounts and submitted a return to the NAO on 13 February 2019. As the data management submitted for audit was based on the unaudited accounts, we issued a qualified opinion on the 2017/18 WGA submission.

37. Renfrewshire Council's WGA submission was late in both 2016/17 and 2017/18, resulting in a qualified audit opinion in 2017/18. Management should put in place processes to ensure future WGA submissions are prepared in accordance with the required NAO timetable. (Appendix 1, Issue 7)

Capital Rescheduling

38. Renfrewshire Council spent £72.5 million on capital projects in 2017/18, with a further £86.7 million approved for spend in 2018/19.

39. In our 2016/17 and 2017/18 Annual Audit Reports we reported that that the council has a history of rescheduling, with capital spend in 2017/18 being £28.437 million lower than planned. Rescheduling has been higher in the housing revenue account, with only 45 per cent of the planned budget being spent in 2017/18.

40. As part of our audit we looked at areas with significant capital rescheduling. To understand the possible impact on the council objectives we:

- analysed capital plans, capital monitoring reports and the underlying capital monitoring data

- reviewed the reports and the supporting data for 2016/17, 2017/18 and 2018/19

- selected a sample of three projects where capital spend had been rescheduled and met with responsible officers.

Analysis of Capital Rescheduling

41. The council approves a 3-year capital plan each year as part of its annual budget setting process. Progress against the capital plan is monitored on a council wide basis through the capital budget monitoring overview report (presented to the Finance, Resources and Customer Service Policy Board) and through more detailed capital budget monitoring reports presented to individual policy boards.

42. As shown in Exhibit 3, a proportion of the capital spend each year relates to underspends brought forward from prior periods. The level of capital rescheduling relating to capital plans 2016/17 and 2017/18 was £52.9 million and £51.2 million respectively.

Exhibit 3
Rescheduling of annual capital plan

Year	Approved Capital Spend*	Capital Spend Relating to Plans Approved in Prior Years	Capital Spend Relating to Current Year Plan	Total Capital Spend	Rescheduling of Current Year Plan
	(£ millions)	(£ millions)	(£ millions)	(£ millions)	(£ millions)
2016/17	**£101.6**	**£17.1**	**£48.7**	**£65.8**	**£52.9**
2017/18	**£104.4**	**£19.3**	**£53.3**	**£72.5**	**£51.2**

*Includes spend approved by council during the year

43. Although capital rescheduling has led to the deferral of spend to future periods there were limited instances where project budgets were reduced or cancelled. Comparable full year data for 2018/19 was not available at the time of our audit work. However, internal monitoring reports to the end of period 12 (1 March 2019) show rescheduling of £34.1 million against the approved £86.7 million spend.

Reasons for Capital Rescheduling

44. To better understand the cause of capital rescheduling we met with responsible staff for a sample of three projects that had contributed to the rescheduling highlighted in Exhibit 3; St. John Bosco and Bargarran Primary School Shared Campus, Riverbrae School and Darvgavel Village Council Housing.

45. We concluded that the most common cause of rescheduling was a difference between the spending forecast and actual spending profile of a project, although in one case rescheduling was due to issues identified once construction had commenced.

46. Forecasting is challenging however the level of rescheduling across the council in 2016/17 and 2017/18 is significant. Officers acknowledge that a better forecasting to support capital planning, would help reduce the level of rescheduling.

47. The St. John Bosco and Bargarran primary school shared campus project had the largest level of capital rescheduling of the three projects, despite the key phase being delivered ahead of schedule. This highlights that monitoring is not accurately reflecting actual progress on these projects.

48. Rescheduling caused by inaccurate forecasting in the capital budget monitoring reports makes monitoring of capital spend more challenging and increases the risk that genuine slippage is not clearly identified. Management should put in place processes to improve the accuracy of forecasting within the capital budget monitoring reports (Appendix 1, Issue 8).

Council Housing Targets

49. Renfrewshire Council has set a target of building 1,000 affordable homes by 2021, constructed either by the council or by local housing associations.

50. The council built 108 of their intended 200 affordable homes in 2016/17 and 77 of the 144 target for 2017/18. Progress is monitored at the Leadership Board through 6-monthly updates of the Council Plan.

51. Due to shortfall in 2016/17 and 2017/18 the status of the affordable housing completion target was listed as "overdue" in December 2018. The targets were not achieved in part due to rescheduling of planned spend on council housing in Dargavel Village. The 2018/19 target of 127 affordable homes looks set to be achieved with the completion of the housing association projects.

52. As illustrated in Exhibit 4, a further 706 affordable homes will need to be completed to achieve the targeted 1,000 by 2021. 175 affordable homes are included in council plans for 2019/20 (the remainder will be built by housing associations). Accurate monitoring and forecasting of these projects is therefore key to ensuring that the council's housing objectives are met.

Exhibit 4
Forecast and actual affordable home construction
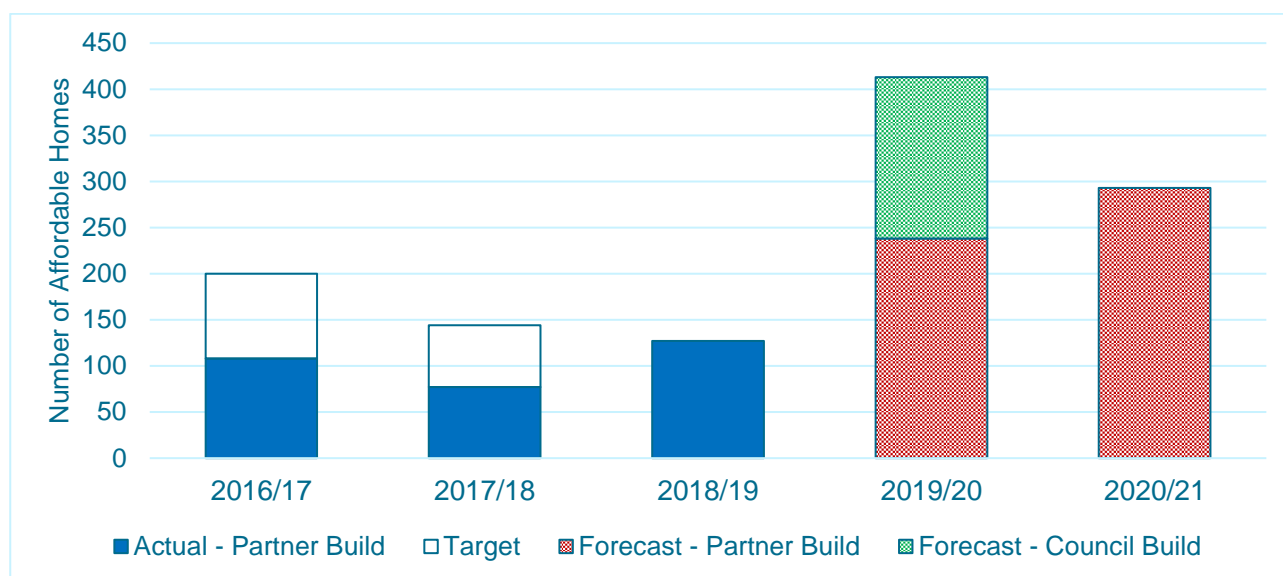
Transparency of Capital Monitoring Reports

53. Currently the capital budget monitoring reports provided to members only compare planned annual spend against budget (rather than over the lifetime of a project). The level of detail within the reports did not identify the capital rescheduling highlighted in the examples above (although narrative was included in the reports to the then Education and Children Policy Board to highlight the delay to Riverbrae School).

54. There is a risk that reports are not sufficiently detailed to provide adequate monitoring of council capital spend. This is important as the council continues with significant investment in capital projects including the City Deal projects.

55. For key projects, transparency would be improved if capital budget reports included detail on the:

– estimated completion date and/or date of key milestones

– total project budget

– total project spend to date.

(Appendix 1, Issue 9)

Appendix 1

Key findings and action plan 2018/19

Issue identified	Management response	Responsible officer and target date
Audit findings		
1. Accounts Receivable Reconciliation Following the introduction of Business World, the monthly accounts receivable reconciliation has been carried out at council group level rather than for the individual group components, increasing the risk of error in the annual accounts. Management should implement a process to ensure the reconciliation can be carried out at a component level.	The reconciliation will be analysed to entity level during the year end accounts process, and further development of the process of cash allocation within finance systems will be put in place in order to ensure this reconciliation is sufficiently detailed.	Finance Manager – Financial Accounting July 2019
2. Processing of Daily Payments The implementation of Business World has required additional manual processes to be put in place for the daily processing of payments. Where these additional procedures have been put in place, adequate controls have also been implemented. However manual processes are less efficient and with an increased risk of error. Management should review the daily payments process within Business World to improve the current arrangements.	Management will continue to review processes to ensure Business World is utilised to full advantage and that processes are efficient within a robust control environment.	ERP senior responsible owner March 2020
3. Journal Authorisation A large number of staff can post journals without the standard approval process, increasing the risk of inaccurate journals being posted. Management should review the staff who currently have access rights to post journals to ensure this is appropriate.	Throughout the implementation of Business World existing processes were analysed in the context of ensuring the system operates as efficiently as possible and without modifying the in-built processes, including the reallocation of costs to reflect spend accurately. Additional finance staff have been authorised to post journals which are automatically approved in order to ensure that transaction processing is as efficient as possible. Any significant errors would be highlighted in ongoing budget monitoring; and reports of all automatically posted journals can be audited. The list of those with these access rights will	Head of Finance September 2019

Issue identified	Management response	Responsible officer and target date
	be reviewed regularly, and sample checks of automatically posted journals is being undertaken.	
4. Transparency of Budget Reports Although budget reporting has improved, there is scope for further development of budget reports to include the prior period annual budget.	The Council will consider how to action the recommendation within a revised report format.	Head of Finance September 2019
5. Reporting of Amended Approved Budget In both 2018/19 and 2019/20 the proposed council budget was updated to reflect decisions made by members. The impact of these changes on the budget proposal is not clear. To improve transparency, an amended budget should be published.	Decisions agreed by the Council which alter the budget as set out in the budget papers are reflected in both opening budget monitoring reports and are clearly outlined in the minute of the Council meeting; however Management will consider how to incorporate the recommendation into existing reporting arrangements.	Head of Finance September 2019
6. Employee Cost Coding There are a number of employee cost coding errors that must be adjusted for by finance staff on a monthly basis. This increases the risk of budgeting errors and payroll overpayments. Management should put in place a process to correct these mis-codings in the payroll system and to minimise the occurrence of these in the future.	As is acknowledged in the report, there will be an ongoing requirement to reallocate costs for operational reasons, however where there are errors in code allocations these will be highlighted and requested to be amended in a timely basis.	Head of Finance March 2020
7. Whole of Government Accounts Renfrewshire Council's WGA submission was late in both 2016/17 and 2017/18, resulting in a qualified audit opinion in 2017/18. Management should put in place processes to ensure future WGA submissions are prepared in accordance with the required timetable.	The Council will ensure all submissions are available in time to satisfy WGA requirements for 2018/19.	Head of Finance November 2019
8. Accuracy of Capital Project Forecasting The cause of some of the capital rescheduling reported in 2016/17 and 2017/18 was inaccurate spending forecasts being incorporated into capital budget monitoring reports. Inaccurate forecasts make monitoring of the capital plan more challenging and increase the risk that early	The Council considers forecasting is robust but will endeavour to improve this further and potentially consider alternative methodologies when compiling the capital plan for future years.	Head of Finance March 2020

Issue identified	Management response	Responsible officer and target date
indicators of project delay go unnoticed. Management should put in place processes to improve the accuracy of forecasting within the capital budget monitoring reports.		
9. Transparency of Capital Budget Monitoring Reports There is a issue that capital budget monitoring reports are not sufficiently detailed to provide adequate monitoring of council capital spend. Management should consider including details of the estimated completion date (or key milestones), the total project budget and the total project spend for key projects in monitoring reports.	The Council will consider how to best incorporate the recommendation into the existing reporting structures.	Head of Finance September 2019

Issue identified	Management response	Responsible officer and target date

Appendix 2

Follow up of outstanding findings: 2017/18 Management Report

Issue identified	Management response	Update
1. Monitoring and recording of overpayments (2017/18) **Risk** Our analysis identified a number of errors and omissions in the payroll data provided. There is a risk that overpayments are not being properly recorded, monitored and actioned. This may impact on the effectiveness in the recovery of overpayments. **Recommendation** Payroll services should put appropriate controls in place to ensure that data is accurately recorded.	By the end of June 2018, the data extracted to monitor and review the effectiveness of overpayment recovery will be reviewed and updated to provide enhanced management oversight. Processes, procedures and management information will be reviewed in line with the implementation of Business World ERP system, due to go live in September 2018. In line with the actions outlined in relation to risk number 2, Management Information will continue to be tracked and monitored following the implementation of the new system.	Enhanced recording processes have been in place to track and monitor over payments on a monthly basis. This supports greater analysis of the reasons for overpayments and which in Service they occur leading to more targeted support and guidance for services. The Council reviewed existing procedures and new guidance was developed for managers on reporting changes to an employee's conditions of service. This guidance was issued to all managers on 27 April 2018 and is planned to be issued again in May 2019. New recovery procedures have been in place since 5 March 2018
2. Treasury Management Practices (2017/18) **Risk** The TMP has been in draft since January 2017 and further changes to the procedures are not reflected in the document. There is a risk that without up to date approved practice notes in place, procedures will not be properly followed. **Recommendation** The council should update and approve the TMP.	No substantive changes to the TMPs are anticipated, however they will be updated and approved by end May 2018 to incorporate any update required from the revised Treasury Management Code of Practice which was published early in 2018.	TMPs were updated in June 2018.

Renfrewshire Council
Management Report 2018/19

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To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Chief Executive

Heading: Annual Review of Compliance with the Local Code of Corporate Governance 2019

1. Summary

1.1 Corporate governance is the name given to the system by which councils direct and control their functions. It is about ensuring that councils do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

1.2 This report reviews the Council's Local Code of Corporate Governance and provides evidence of how the Council complies with the code. *Delivering Good Governance in Local Government: Framework,* was refreshed in 2016 by CIPFA in association with Solace, the framework sets the standard for local authority governance in the UK.

1.3 The evidence presented in Appendix 1 demonstrates that strong governance arrangements are in place within the Council and that Councillors and Officers are working together to lead and manage the Council in order to provide vital public services.

2. Recommendations

2.1 It is recommended that members of the Audit, Risk and Scrutiny board note:
- the Council's compliance with the Local Code of Corporate Governance which is set out in Appendix 1 of this report.

3. Background

3.1 CIPFA published the *Delivering Good Governance in Local Government: Framework* in 2007 to set the standard for local authority governance in the UK. It reviewed and published a revised edition in 2016 to ensure it remained 'fit for purpose'. The new code

places greater emphasis on relationships and behaviours between elected members and senior management; performance reporting; and council and service level plans. The Council reviews its Local Code of Corporate Governance annually, and last reviewed and approved its code and the supporting evidence of compliance, in March 2018.

3.2 The Council's Local Code of Corporate Governance covers the seven core principles which bring together the main elements of Council business. These are:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.3 Evidence of how the Council complies with the updated Local Code of Corporate Governance including examples of the systems, processes and documents in place, is detailed under each of the seven core principles in Appendix 1 of this report.

3.4 The framework is reviewed by Internal Audit, who will decide if they are satisfied with the adequacy and effectiveness of the code and the extent to which the Council has complied with it, and will report their findings to the Audit, Risk and Scrutiny Board.

Implications of the Report

1. **Financial - none.**
2. **HR & Organisational Development - none**
3. **Community/Council Planning – none**
4. **Legal – none**.
5. **Property/Assets – none**
6. **Information Technology –**
7. **Equality & Human Rights**

   The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety – none**

9. **Procurement – none**

10. **Risk –** The Council must comply with CiPFAs Local Code of Corporate Governance.

11. **Privacy Impact – none**

12. **Cosla Policy Position – none**

List of Background Papers

Author: *Nicola Irvine-Brown, Chief Executive's Service, 0141 618 7414*

Appendix 1
PRINCIPLE 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.1 Behaving with integrity			
1.1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	Code of conduct for employees and Councillor's Code of Conduct	The Finance, Resources and Customer Services Board revised the code of conduct for its employees in late 2017. The Councillors' Code, which was introduced by the Ethical Standards in Public Life etc. (Scotland) Act 2000, sets out a protocol for relations between councillors and employees. All elected members, following their election in May 2017, have signed their declaration of acceptance of office whereby they undertook to meet the requirements of the councillors' code issued under the Ethical Standards in Public Life etc. (Scotland) Act 2000 in the performance of their functions as a councillor.
		Protocol for Relationships between Political Groups, Elected Members and Officers	The Council's elected member and inter-party protocols and protocol for member / officer relations were reviewed and combined into one composite protocol which was approved by the Finance and Resources Policy Board on 12th November 2014. Members are offered refresher briefings on code of conduct issues twice annually, most recently in relation to the application of the Code in terms of Article 10 of the European Convention on Human Rights which relates to Freedom of expression, the fundamental right of Democracy.
		Code of corporate governance	The Council complies with this requirement through the agreement of the Code of Corporate Governance which details the organisation's governance arrangements. This is in line with

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			national guidance and is updated on an annual basis.
		Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved, with the exception of those powers which cannot be delegated or have been reserved to the Council. These functions have been delegated to Boards and committees, the Chief Executive, Directors and Heads of Service and other officers, including through statutory appointments of officers.

The scheme is regularly reviewed and a full review was carried out in 2015 which resulted in a revised scheme being approved by Council on 25 September 2015. This addressed changes arising from a number of major initiatives including: the expansion of Renfrewshire Leisure Limited to include cultural and other related services and facilities; the creation of an Integration Joint Board as part of the implementation of health and social care integration; the merger of the Education Service with those elements of the Social Work service relating to children and families and criminal justice that are remaining within the Council; and the Council's involvement in the Glasgow City Region City Deal. |
| 1.1.2 | Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These | Code of Conduct for Councillors
Code of Conduct for employees | The Council currently complies with the requirement through its Code of Conduct for employees and the Councillors' Code, which sets out a protocol for relations between councillors and employees which has been issued to all |

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		should build on the Seven Principles of Public Life (the Nolan Principles)		elected members. Declarations of interest are recorded in the minutes of meetings. Briefings for members on the Councillors' code of conduct are held twice annually.
			Protocol for relationships between Political Groups, Elected Members and Officers	The Council's elected member and inter-party protocols and protocol for member/officer relations were combined into one composite protocol which was approved at the Finance and Resources Policy Board on 12th November 2014.
1.1.3		Leading by example and using these standard operating principles or values as a framework for decision making and other actions.	Codes of conduct	The various codes of conduct determine how officers and members work within partnerships, and the shared values that they will demonstrate.
			Council Plan and Local Outcome Improvement Plan (LOIP)	The Council complies with this requirement through the Council Plan and Local Outcome Improvement Plan (LOIP) which were refreshed during 2017 and approved by Council in September 2017. The plans highlight the key role that the Council will play in terms of delivering on the key targets and outcomes that it is committed to progressing with its partners.
1.1.4		Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.	Register of Interests for Senior Officers	The Council has a register of interests for Senior Officers. Information contained on the register is subject to Freedom of Information. Officers are contacted on an annual basis to update the register. Information from the register of senior officers' interests was published from 28 October 2016 on the Council's website. Renfrewshire was the first Council in Scotland to publish information on the interests of its senior officers online.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Whistle blowing policy	The Council has a whistle blowing policy which is part of the employees' code of conduct.
		Complaints Policy	The Council refreshed its complaints handling procedure in April 2019, which continues to follow the two stage process of the Scottish Public Service Ombudsman. The refreshed procedure makes it easier to understand for the customer and staff and was approved by Finance, Resources and Customers Policy Board on 27 March 2019.
			The time taken to respond to complaints is monitored by services. A report is submitted to the Audit, Risk and Scrutiny Board on our annual complaints data.
			A new complaints handling procedure for Social Work complaints was also finalised during 2017. This new process was implemented to bring social work complaints in line with the public sector complaints handling arrangements, following a change to associated legislation.
		Codes of conduct	The various codes of conduct determine how officers and members work within partnerships and the shared values that they will demonstrate.
		Register of interests	In relation to declarations of interest, members are formally asked to regularly update their register of interests every six months. Members are advised that Minutes should include a brief explanation of the individual nature of the interest and to assist members, the agenda item reminds them to provide such an explanation on every occasion the

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				interest is declared. Declarations of interest are minuted and are available for public view on each members online profile page on the website.
1.2 Demonstrating strong commitment to ethical values				
1.2.1		Seeking to establish, monitor and maintain the organisation's ethical standards and performance.	Protocol for Relationships between Political Groups, Elected Members and Officers Councillors' Code of Conduct	Any alleged contraventions of the Ethical Standards in Public Life etc (Scotland) Act 2000 would be referred for investigation to the Commissioner for Ethical Standards in Public Life. And thereafter for consideration by the Standards Commission appointed by Scottish Ministers. Where a hearing involving members of Renfrewshire Council has taken place, the outcome of this is reported to the Council. Since August 2009 all Council and Board agendas include an item in relation to declarations of interest.
			Councillors' Register of Interests	Councillors hold public office under the law and must observe the rules of conduct stemming from the law, the Code of Conduct for Councillors and any guidance from the Standards Commission and the rules, standing orders and regulations of the Council. In addition, the Council has developed an inter party protocol which highlights that Political Groups have the responsibility not to require individual Councillors to vote on party lines in respect of decisions where group decision-making would be unlawful, contrary to the Councillors' Code of Conduct or against any Council approved guidance; in particular on planning applications, specific regulatory matters, employment issues

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				affecting individuals, all matters coming before the Audit, Risk and Scrutiny Board or any matter which requires to be determined on the basis of evidence given to or the findings of a forum on which Councillors serve.
				Members are required to register their interests in terms of the Code of Conduct for Councillors' and declare these interests at meetings. Declarations of interest are minuted and are available for public view on each members online profile page on the website.
			Register of interests for Senior Officers	The Council has a register of interests for Senior Officers. Information contained on the register is subject to Freedom of Information. Officers are contacted on an annual basis to update the register.
				Information from the register of Senior Officers' interests has been published from 28 October 2016 on the Council's website. Renfrewshire was the first Council in Scotland to publish information on the interests of its senior officers online.
1.2.2		Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	Provision of ethical awareness training/code of conduct	A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce capability building and job ready activities to foster the organisations performance culture.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			The Council implemented a new Code of Conduct for Employees in late 2017.

In addition, briefings for elected members on their responsibilities under the Code of Conduct for Councillors are held regularly every year, conducted by the Head of Corporate Governance.

Councillors are advised of and can attend road shows delivered by the Standards Commission on the implementation of the Code of Conduct for Councillors. Guidance notes issued by the Standards Commission are provided to councillors, most recently in relation to the application of Article 10 of the Human Rights Act. An annual register of training delivered for Councillors is available online. |
| | | Members Induction | A welcome and induction package of events was delivered for newly-elected and returning Councillors following the local government election in May 2017. Notice of further development events and opportunities is issued to Councillors each month. Planning for a focussed development week is underway to be held in April 2019. |
| 1.2.3 | Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. | Appraisal processes take account of values and ethical behaviour | A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			capability building and job ready activities to foster the organisations performance culture.
		Staff appointments policy	The Council has robust recruitment procedures in place to ensure the fair selection of candidates. There is an appointment panel for Chief Officer level appointments. Our recruitment and selection processes are designed in accordance with best practice principles, legislation and COSLA recruitment and selection guidance. A Recruitment and Selection Policy, guidance and revised training implemented in 2018.
		Standing Orders relating to contracts	The Council has a statutory obligation to have standing orders in place relating to contracts, the main purpose of which is to provide open and transparent procedures for tenderers; to achieve value for money for the Council; and to provide guidelines for officers. These standing orders are reviewed regularly as a matter of good practice.
1.2.4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.	Local Outcome Improvement Plan (LOIP)	The Local Outcome Improvement Plan was approved in September 2017 by Council. It sets out a clear vision for Renfrewshire and its people, as well as the key areas of priority and actions to be targeted by community planning partners.
		Data processing agreement	The Council has a written agreement with any data processor that they will keep personal data secure and the data processor agreement specifies security requirements as data processors.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.3 Respecting the rule of law			
1.3.1	Ensuring members and staff demonstrate a strong commitment to rule of the law as well as adhering to relevant laws and regulations.	Scheme of delegation Standing Orders Procedural Standing Orders Financial Regulations Policy Board Reports Statutory Officers Role	The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked. Each report has a section on legal implications. The frontispieces to reports require that community planning partners are consulted in the preparation of reports where appropriate and reports must outline community / council plan implications. The Council has appointed a Data Protection Officer in terms of the General Data Protection Regulation.
1.3.2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	Scheme of delegation Standing Orders Procedural Standing Orders Financial Regulations Board Reports	The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council's Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked. Each report has a section on legal implications. In addition, the Council has a programme of development for elected members in place. Members who sit on the Licensing Board must undertake and pass a mandatory training course.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			The members' development programme provides members with briefings as soon as practicable when new legislation is introduced, e.g. the General Data Protection Regulation.

Members who are involved in taking quasi judicial decisions, e.g. planning, licensing, are briefed regularly on their responsibilities. |
| 1.3.3 | Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. | Record of legal advice provided by officers/ Community Empowerment Act Council Approval. | The Council has approved reports on its arrangements for dealing with community empowerment as the various parts of the Community Empowerment (Scotland) 2015 Act have been enacted. In relation to asset transfer, the Council has an approved Community Asset Transfer Policy that sets out the legal and policy framework for asset transfer.

The Council has promoted awareness of the powers and potential use of the Community Empowerment Act through engagement with statutory and non statutory community organisations and with third sector partners.

In addition, Renfrewshire Council approved the following papers in terms of the Act: Review of Community Planning Arrangements (December 2016) Asset Transfer Policy (February 2017), and Participation Requests (April 2017)

Renfrewshire Council is reviewing its Corporate Asset Strategy during 2019 taking account of the requirements of the Community Empowerment (Scotland) Act 2015. |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships.
1.3.4	Dealing with breaches of legal and regulatory provisions effectively.	Monitoring Officer	The Head of Corporate Governance acts as Monitoring Officer in terms of the Local Government and Housing Act 1989 and as detailed in his job description. He is responsible for advising the Council on the legality of its decisions and providing guidance to councillors and officers on the Council's powers.
		Scheme of delegation Standing orders Procedural standing orders Financial regulations Board reports	The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked, with each report having a section on legal implications.
		Internal Audit Charter	The Council's Internal Audit Charter sets out the authority, responsibility independence and reporting lines for internal audit activities.
1.3.5	Ensuring corruption and misuse of power are dealt with effectively.	Strategy for the prevention and detection of fraud and corruption	A strategy for the prevention and detection of fraud and corruption and whistleblowing policy are in

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Whistleblowing policy Internal Audit Arrangements Corporate counter fraud arrangements Integrity Group Anti -Money Laundering Policy	place. An Anti-Money Laundering Policy has also been introduced. The Council's Integrity Group has been established to strengthen the council's internal resilience to corruption and has developed an action plan which includes review and update of council policies which will strengthen the arrangements currently in place. Any matters coming to light would be investigated by Internal Audit or Counter Fraud.

PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
2.1 Openness			
2.1.1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	Council Plan and Local Outcome Improvement Plan (LOIP)	The Council Plan and LOIP confirm to our employees and to local communities, what the council is trying to achieve with its partners for Renfrewshire. We communicate progress on this through the Annual Report on the Community Plan, through community planning conference events. Progress on delivering on the priorities in the Council Plan is and will continue to be reported to the Leadership Board on a regular basis. The Plan highlights the key priorities, targets and success measures that the Council has committed to deliver on. In December 2017, the Leadership Board approved the performance framework and agreed to six monthly reporting.
		Minutes and agendas available online	The Council ensures the minutes and agendas of

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				all Board and Council meetings are available to the public, and by ensuring that key documents are also available through its publication scheme. Board and Council meetings are open to the public and meetings of the Council are webcast live and are also able to be viewed in archive.
			Public Performance Reporting	The Council Performance section on our website has been updated to provide a number of sources to assess how the council is performing. Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. It provides data on how well we responding to complaints, how we are achieving progress against our council plan and best value action plan, how we compare with other authorities and the Scottish average, across the following pages: - **Our current performance**, which includes the latest version of 'it's all about you' as a storymap. It provides a ranges of performance data, images and case studies; - **Renfrewshire data,** with the open data platform and data needs assessments; and - **Benchmarking** information such as the latest Local Government Benchmarking Framework report to Board.
2.1.2		Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a	Minutes and agendas	Meetings of the Council and its Boards are open to members of the public and they are entitled to a copy of the agenda and reports prepared by officers which deal with items on the agenda

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	justification for the reasoning for keeping a decision confidential should be provided.		unless items are to be discussed which contain exempt or confidential information. Minutes of meetings record decisions which have been taken. The agenda, minutes and board papers are published on line for ease of access.
		Meetings held in public	All meetings of the Council and its Boards are held in public unless in terms of the Local Government (Scotland) Act 1973, the meeting takes a decision to exclude the press and public. Where it is recommended that a matter by held in private, the reason for this is identified on the agenda for the meeting and in the minutes.
		Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved. With the exception of those powers which cannot be delegated to Boards and committees, the Chief Executive, Directors, Heads of Service and other officers, including statutory appointments of officers.
		Elected members' information bulletin	To reduce the reporting of routine operational matters to policy boards and to allow Boards to focus on policy issues, a range of matters including the exercise of delegated authority by officers are reported to members by means of a regular bulletin rather than a formal report to a Policy Board.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Live webcasting of Council meetings	All meetings of the full Council are webcast live. The webcast is also available in archive.
2.1.3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	Board reports Minutes and agendas	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take reasoned decisions and provide clear recommendations. Minutes of meetings record decisions made. Report templates are reviewed regularly, most recently in November 2017, and aligned to community planning themes and also have required sections on where equality, human rights and privacy impact implications are noted.
2.1.4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, service user groups, Community Planning process, Complaints procedure and Community Councils. Members of the public are also able to contact the Council through the website and are able to take part in consultations or complete complaints forms.
		Community Planning structure – Renfrewshire Forum for Empowering Communities Review of Community Planning Partners was approved by full Council in December 2016	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the knowledge, skills, capacity and potential that our communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision making and accountability as far as possible and

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				work co-operatively with communities. The Empowering Communities Board is led by Engage Renfrewshire, our 3rd sector interface organisation. The forum acts as a sounding board of the Community Planning Partnership in the development of community capacity building, consultation and communication. At community planning conferences, community planning partners engage with individuals and representatives from local community and voluntary sector organisations. Our recent thematic conferences included over 330 participants. Following on from this extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships.
			Public Services Panel	The Public Services Panel (PSP) is used as a mechanism for gaining the views of our residents on a number of issues / topics. The PSP is being refreshed for 2019.
2.2 Engaging comprehensively with institutional stakeholders				
2.2.1		Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear	Communication Strategy	An internal communications strategy was developed and was approved by the Corporate Management Team in 2017. The strategy outlines a number of methods to improve internal

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	so that outcomes are achieved successfully and sustainably.		communications across the Council. Effective communications will help to make the vision and outcomes a reality by supporting council services, encouraging behavioural change and developing new levels of stakeholder engagement.
		Communications channels	The Council communicates with members of the community and its stakeholders (and vice versa) through a number of mechanisms including: • Renfrewshire Magazine – which is now online • Tenant Forums • Community Planning Groups • Community Councils • Local Partnerships • Council Website • Complaints procedure • Public Performance reports • Customer Service Channels
2.2.2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	Community Plan & Local Outcome Improvement Plan	While the Council has not developed a set of agreed values with its partners, it has agreed to work with other organisations in the spirit of partnership to achieve a number of outcomes in Renfrewshire. Our new Community Plan was agreed in September 2017.

2.2.3	Ensuring that partnerships are based on:
	  − trust
	  − a shared commitment to change
	  − a culture that promotes and accepts challenge among
		Strategic Partnership Agreements	Previously we have had two Strategic Partnership Agreements set out the shared commitment to achieving priorities and objectives for Renfrewshire. These are being refreshed and extend to community groups/organisations.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		partners and that the added value of partnership working is explicit.		
2.3 Engaging stakeholders effectively, including individual citizens and service users.				
2.3.1		Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievements of intended outcomes.	Consultation methods	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, service user groups, Community Planning process, Complaints procedure and Community Councils.
			Petitions Board	The Petitions Board provides an opportunity for individual members of the public to raise issues of concern with the Council, either as individuals or on behalf of an organisation.
2.3.2		Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	Communications Strategy	An internal communications strategy was approved by CMT in February 2016. Communications play a major part in delivering the new plans by promoting its key messages. Effective communications help to make the vision and outcomes a reality by supporting council services, encouraging behavioural change and developing new levels of stakeholder engagement. Service specific strategies and plans have also been developed and informed through the Community Planning process and through wider consultation mechanisms such as the Public Services Panel, community planning conferences and online consultation.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Communications Channels	The Council communicates with members of the community and its stakeholders (and vice versa) through a number of mechanisms including: • Renfrewshire Magazine – issued to all households across Renfrewshire • Tenant Forums • Community Planning Groups • Community Councils • New Local Partnerships • Council Website • Complaints procedure • Public Performance report • Customer Service Centre Channels
2.3.3		Encouraging, collecting and evaluating the views and experience of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, Public meetings on specific issues, service user groups, Community Planning process, Complaints Procedure, Community Councils and the new local partnerships. Members of the public are also able to contact the Council through the website and are able to take part in consultations or complete complaints forms.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Community planning structure – Renfrewshire Forum for Empowering Communities Review of Community Planning Partners was approved by full Council in December 2016	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the knowledge, skills, capacity and potential that our communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision-making and accountability as far as possible and work co-operatively with communities. The Empowering Communities Board is led by Engage Renfrewshire, our 3rd sector interface. The forum acts as a sounding board of the Community Planning Partnership in the development of community capacity building, consultation and communication. At community planning conferences, community planning partners engage with individuals and representatives from local community and voluntary sector organisations.
		New Local Partnerships	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships. At their March meeting Local Partnerships discussed and agreed a set of Local Priorities. These Local Priorities will shape the work plan for the Partnerships and support Partnerships to

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				make decisions about the award of grants.
2.3.4		Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.	Results from consultations published	The Public Services Panel (PSP) section of the website provides results from the last survey alongside details of how we are using the feedback. The PSP is being refreshed in 2019.
2.3.5		Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	Processes for dealing with competing demands within the community/CPP process	The Council is used the Place Standard, the national engagement tool developed by NHS and Architecture and Design Scotland, to assess and record the differing demands of individuals and communities. Over 600 residents used the Place Standard tool during 2017. The online version of the tool in particular was successful in capturing the views of a different demographic than would normally attend face to face consultation events. The role, remit and action plan of Diversity Equality Alliance Renfrewshire (DEAR) Group was reviewed and agreed in January 2018. The purpose of this work is to ensure that equality-focused organisations have ownership of activity to have a greater voice in shaping public services in Renfrewshire. Renfrewshire Council is the first Council in the UK to undertake a second All Children Wellbeing Survey, giving Renfrewshire a comprehensive picture of the issues facing school-age young people, with information made available from November/December 2017.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
2.3.6	Taking account of the interests of future generations of tax payers and service users.	Strategic Needs Assessment	As part of the development of the Local Outcome Improvement Plan and Council Plan, a strategic needs assessment was carried out between January and March 2017 with Renfrewshire communities. A regular 'deep dive' of the relevance of our information is supported as part of the planning and development of services.

PRINCIPLE 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
3.1 Defining outcomes			
3.1.1.	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.	Council Plan	The new Council Plan, 2017-2021, approved in September 2017 sets out the overarching strategic vision and objectives of the Council. The Plan sets out five strategic outcomes on how we will invest in a better future for all of Renfrewshire and create a better council that will work with customers and partners to deliver that future. The implementation of the Plan is driven and managed throughout the organisation through Service plans and operational plans.
		Service Planning Guidance / Service Improvement plans	Revised service planning guidance was issued in November 2018, which links to the priorities of the new Council Plan. The guidelines are outcome focused and flexible, supporting Services to take an individual approach to how they respond to the Community and Council Plans. The aim of the Service Improvement Plans are to: • Explain in a structured way, how each Service is going to deliver their element of the Council Plan priorities and Community Plan outcomes; • Sets out each service's actions on how they are going to achieve the outcomes for each communities and the performance indicators to monitor if progress and improvement is being achieved.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
3.1.2		Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	Council Plan	The Council Plan refresh was approved by Council on 28 September 2017 and sets out the overarching strategic vision and objectives of the Council. The accompanying performance framework, which sets out a six monthly monitoring process was approved by Leadership Board in December 2017.
			Community Plan and Local Outcome Improvement Plan (LOIP)	The new Community Plan (LOIP) was agreed by Council on 28 September 2017. A strategic needs assessment and extensive community consultation was undertaken to identify priorities and challenges.
			Service Planning guidance / Service Improvement Plans	Revised service planning guidance was issued in November 2017, which links to the five strategic outcomes of the Council Plan. The guidelines are outcome focused and flexible, supporting Services to take an individual approach to how they respond to the Community and Council Plans. The aim of the Service Plans are to: • Explain in a structured way, how each Service is going to deliver their element of the Council Plan priorities and Community Plan outcomes; and • Set out each Service's actions on how they are going to achieve the outcomes for our communities and the performance indicators to monitor if progress and improvement is being achieved.
3.1.3		Delivering defined outcomes on a sustainable basis within the resources that will be available.	Council Plan Monitoring Report	Reports on the performance of the Council Plan actions and performance indicators are taken to the Leadership Board on a 6 monthly-basis.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Service Improvement Plan – monitoring reports	Each service takes a 6 month monitoring report to the relevant board in October/November. This provides an update on the progress of the service improvement plan against actions and performance indicators and priorities of the Council Plan.
3.1.4	Identifying and managing risks to the achievement of outcomes.	"Risk Matters" – the council's Risk Management Policy and Strategy	The Council has a well-established risk management strategy which is subject to routine monitoring and review. Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group (CRMG) to ensure it reflects the rapidly changing environment in local government. The Council maintains, monitors and reviews its corporate and strategic risk register and service risk management plans in accordance with Risk Matters.
3.1.5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	Service Improvement Plans	Service Improvement Plans are linked to the Council Plan priorities. The guidelines are outcome focussed, supporting Services to set out how they respond to the Community and Council Plans. The aim of the Service Improvement Plans are to: • Explain in a structured way how each Service is going to deliver their element of the Council Plan priorities and Community Plan outcomes; and

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				• Set out each Service's actions on how they are going to achieve the outcomes for our communities and the performance indicators to monitor if progress and improvement is being achieved.
3.2 Sustainable economic, social and environmental benefits				
3.2.1		Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.	Capital Programme Capital Investment Strategy	The Council capital spending plans are policy led and therefore reflect the main strategic intent of the council and comply with the Prudential Framework for Capital Investment. Full Council approves the three year rolling programme as part of setting the annual revenue and capital budget process each year. Updates on the progress of the investment strategy are reported on a routine basis to each individual Policy Board.
3.2.2		Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	Reports to Council / boards	Reports to Council and all Board meetings provide members with sufficient information on which they are able to take decisions, including personnel, legal, risk, financial and other implications relating to the key Council Plan / Community Plan themes, and provide recommendations. Pre-agenda meetings are held with Convenors and Depute Convenors which any issues can be addressed prior to the finalised agenda being issued.
3.2.3		Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where	Minutes and Agendas	Minutes of board meetings record the decisions which have been taken by elected members. Revised report templates were issued in December 2017 and are aligned to the Community Planning themes, whilst also including sections on

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	possible, in order to ensure appropriate trade-offs.		equality, human rights and privacy impact implications. Agenda, minutes and papers are published on our website for ease of access.
		Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, service user groups, Community Planning process, Complaints Procedure, local partnerships and Community Councils. Members of the public are also able to contact the Council through the website and are able to take part in consultations or complete complaints forms.
3.2.4	Ensuring fair access to services.	Protocols ensure fair access and statutory guidance is followed	Members of the public can access services via a number of methods for example, online through the MyAccount online customer portal, telephone the Customer Service Unit, and email via the council website.

PRINCIPLE 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.1 Determining interventions			
4.1.1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is	Reports to Council / Boards	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take decisions, including personnel, legal, risk, financial and other implications relating to the key Council Plan / Community Plan themes, and provide

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		achieved however services are provided.		recommendations. All reports have a 'frontispiece' which details consultation undertaken by the author of the report in relation to financial and legal implications. Reports are in a standard format in which legal and financial implications (if any) require to be detailed. Pre-agenda meetings are held with Convenors and Depute Convenors at which any issues can be addressed prior to the finalised agenda being issued.
			Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is updated on the Council website. Dates of pre-agenda meetings are provided to relevant officers and members. The most recent timetable has been approved until June 2020. A spreadsheet is issued quarterly to services advising of last lodging dates for reports.
4.1.2		Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	Public Consultation	The Council has a track record of engaging with services on new developments or wide scale changes to services such as the public consultation on City Deal. In addition, the Community Planning events used the place model and Public Services Panel capture opinions of citizens on what matters to them most in terms of Council priorities or service provision.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		New Local Partnerships	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships. At their March meeting Local Partnerships discussed and agreed a set of Local Priorities. These Local Priorities will shape the work plan for the Partnerships and support Partnerships to make decisions about the award of grants. To assist this the grant process has been improved to include refreshed guidance and reference material, during April drop-in sessions were arranged to support organisations to understand the changes.
		Petitions function	The Council introduced a public petitions procedure in 2007 which strengthens the connection between the Council and the community to raise issues of concern in relation to services provided by the Council or other bodies such as the police and health board, recognising that the Council has limited influence over other bodies. Details of petitions received and their outcomes are included in the annual report to the Board and on the Council's website. Petitions previously were considered by the Audit, Scrutiny and Petitions Board but as of June 2017, a separate Petitions Board has been established

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			to consider petitions only.
4.2 Planning interventions			
4.2.1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is published online, together. Dates of pre-agenda meetings are provided to relevant officers and members. The Council has approved its timetable of meetings until Dec 2019. A spreadsheet is issued quarterly to services advising of the last lodging dates for reports.
4.2.2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	Communications channels	The Council communicates with members of the community and its stakeholders (and vice versa) through a number of mechanisms including: • Renfrewshire magazine – issued to all households across Renfrewshire • Tenant Forums • Community Planning Groups • Community Councils • Local Partnerships • Council Website • Complaints procedure • Public Performance reports • Customer Service Centre Channels
		Internal Communications Strategy	An internal communications strategy has been developed on the approach the Council will use to engage with staff. Various channels have been refreshed to be used for internal communications: • New quarterly staff magazine

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			• Chief Executive's Blog • Team Briefs for managers to inform and update staff on key issues • A3 poster sites across the Council.
		Community Planning structure – Renfrewshire Forum for Empowering Communities	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the knowledge, skills, capacity and potential that our communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision making and accountability as far as possible and work co-operatively with communities.
		Review of Community Planning Partnership governance was approved by full Council in December 2016	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.2.3		Considering and monitoring risks facing each partner when working collaboratively including shared risks.	Minutes of Agreement	Minutes of Agreement set out the rights, duties, powers, liabilities and obligations of parties to the Agreement e.g. the Council and partner organisations. Appointments of members to outside bodies are not taken up until the Director of Finance and Resources confirms that the organisation has appropriate insurance policies in place.
4.2.4		Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.	Council Plan Refresh	The new five year Council Plan was approved in September 2017. The plan is flexible to accommodate the ever changing political, legal and economic climate of local government. There is an accompanying performance framework which sits alongside the Council Plan and sets out the six monthly monitoring cycle.
4.2.5		Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	Service Improvement Plans and key performance indicators Council Plan Performance Framework CMT Performance Scorecard Quarterly monitoring	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year. Information including commentary on performance is collected and analysed using the Pentana performance management system.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.2.6		Ensuring capacity exists to generate the information required to review service quality regularly.	Performance Scrutiny Framework for SIPs CMT Scorecard Annual Complaints Report	The Council has a comprehensive performance scrutiny framework in place for service improvement plans. These cover:

(i) Spring – review progress of Service Plan implementation and report the new Service Improvement Plan covering the next three years to Board.

(ii) Autumn – report to Board the mid-year point progress to allow elected members to scrutinise performance against targets and due dates. In addition, there are internal meetings with the Chief Executive and the Corporate Management Team to monitor and scrutinise performance at Council and service level.

(iii) Quarterly – a quarterly performance scorecard is discussed at the Corporate Management Team meetings reporting on the performance of services during the previous quarter.

A report on the Annual Complaints performance is also taken to Board. |
| | | | Performance reviewed each year by Audit, Risk and Scrutiny Board | The Council's performance in terms of Local Government Benchmarking Framework indicators is reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction. The report also sets out the actions which will be taken to improve performance for the indicators in the bottom quartile (ranked 25th to 32nd). |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.2.7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.	Annual financial statements, annual accounts and annual audit review Budget guidance and protocols Medium-term financial planning Corporate plans	The Council complies with this requirement through the publication of its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on our website. The Council's financial outlook for the medium term is presented to Leadership Board each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.2.8	Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	Budget guidance and protocols Medium-term financial planning Corporate plans	The Council's financial outlook for the medium term is presented to Leadership Board each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.3 Optimising achievement of intended outcomes			
4.3.1	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	Service Improvement Plans	Each service improvement plan includes a section on finance and resources and includes information on gross revenue estimates for the coming year, and identifies resource pressures.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Financial outlook	The Council's financial outlook for the medium term is presented each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.3.2	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	Budgeting guidance and protocols	A revised programme of financial management training for budget holders has been implemented as part of the Aspire programme (development programme for first line managers and supervisors). This acts as a refresher and update for operational staff. Financial reports detailing revenue expenditure and income are made to policy boards throughout the year and are based on the total cost of the main divisions of service and the total cost based on the key expenditure headings such as employee costs etc. Capital expenditure and income reports also follow this same process with each capital project showing the previous year's cumulative spend (full cost)
4.3.3	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	Financial Outlook	The Council's financial outlook for the medium term is presented each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.3.4	Ensuring the achievement of 'social value' through service planning and commissioning.	Service Improvement Plans	Services are required to demonstrate through the service improvement plans how they contribute to the Council Plan and Community Plan objectives for Renfrewshire. They also demonstrate the achievements of the various outcomes and targets agreed by the Council and its partners.
		Community Benefits	A Community Benefits Strategy was developed and approved by the Procurement Sub Committee in June 2014. A suite of guidance documents have been produced to provide procurement staff with the tools to effectively manage Community Benefits The outcomes and impact of Community Benefits to Renfrewshire are monitored by CPU Compliance Team and be integral to the Supplier Management process.

PRINCIPLE 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.1 Developing the entity's capacity			
5.1.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board prepare an annual programme, including areas for specific review. Members suggesting an area for review must identify the purpose and objectives of the review and the intended outcome. The Board takes a common sense approach to reviewing decisions and policies and the process provides the opportunity for elected members to examine

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			the various functions of the Council, to ask questions on how decisions have been made, to consider whether service improvements can be put in place and makes recommendations as appropriate. For each review, the Chief Executive appoints a lead officer to assist members of the Board to identify potential issues and questions to be asked of witnesses. Following each review, a report is prepared by the lead officers on behalf of the Board for approval by the Board and thereafter the Council. If appropriate, minority of dissenting views are recorded in the minutes of the meeting.
		Pentana and Corporate Management Team / Council Plan scorecard	Performance information from across services is monitored by the Chief Executive and the Corporate Management Team using the Council's performance management system, Pentana. The system is used to monitor strategic PIs, statutory indicators and operational indicators.
		Council Plan and LOIP reports Council Plan Performance Framework Local Government Benchmarking Framework (LGBF)	The Council provides regular updates covering performance in terms of delivering on the Council Plan, and in conjunction with partners, on the Community Plan / Local Outcome Improvement Plan.
		Service Improvement Plan – 6 monthly outturn report	Each service also produces an outturn report annually, which summarises performance achieved against its service improvement plan. These updates are reported to the relevant policy board for the service in spring each year and are available online.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.1.2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.	Benchmarking / peer review	Services across the Council are involved in both formal and informal benchmarking arrangements through for example, the Association for Public Service Excellence and Scottish Community Care Benchmarking Network. Development and Housing Services participate in the Scottish Housing Best Value Network (SHBVN) annual benchmarking process. The Council has also been involved in the development of the Local Government Benchmarking Framework and the subsequent benchmarking groups. This provides national benchmarking information on a range of indicators covering service delivery, cost and customer satisfaction.
5.1.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	Community Plan and Local Outcome Improvement Plan	The Council currently complies with this requirement through its Community Plan and Local Outcome Improvement Plan (LOIP), which set out a clear vision for partnerships and for Renfrewshire and its people, as well as the key areas of priority and actions to be undertaken.

The new Community Plan, which was agreed by Council on 28 September 2017, was based upon extensive research and community consultation which identified the key issues facing Renfrewshire. |
| 5.1.4 | Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. | Workforce Plan | A Council workforce plan was approved by the Finance, Resources and Customer Services Board in August 2017, with each service having an individual workforce plans also. All plans are designed around the six step methodology of workforce planning and incorporates 5 strategic |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance

			themes:
			
			   – A modernised and flexible workforce;
			   – A developing workforce;
			   – A resilient workforce;
			   – A skilled workforce; and
			   – A partnering workforce.
			
			The themes are aligned to the Council Plan which will enable the Council to address future working challenges, supporting organisational change. Workforce planning priorities under the five key themes will be integrated and driven through the Service Improvement Plan process. This will ensure robust monitoring of progress and that workforce planning is not seen as a standalone activity.

5.2 Developing the capability of the entity's leadership and other individuals			
5.2.1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	Protocol for relationships between Political Groups, Elected Members and Officers Member Development Programme	The Council's elected members and inter-party protocols and protocol for members/officers relations were reviewed in 2014 and combined into one composite protocol which was approved at the Finance and Resources Policy Board on 12th November 2014
		Councillors' Code of Conduct, Code of Conduct for Employees	The Council complies with this requirement through the Councillors' Code of Conduct and the Code of Conduct for Employees. The Council's protocol for relationships between political groups, elected members and officers sets out the rights and responsibilities of Councillors and political groups in the course of conducting council business; good practice guidelines in relation to the multi-member ward issues.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Members were provided with a briefing on the respective roles and responsibilities of officers and members as part of their induction following the local government elections in 2017.
		Meetings between Chief Executive and Leader	The Chief Executive holds weekly meetings with the Leader.
		Cross Party Sounding Board	The Council at its statutory meeting held in May 2017 established as part of its decision-making structure a Cross Party Sounding Board the remit of which is to act as a sounding board and discussion forum, with no decision making powers: to provide an opportunity to discuss matters of common interest or of council wide relevance. Members include 2 administration and 4 opposition members.
5.2.2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decisions making of the governing body.	Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved. With the exception of those powers which cannot be delegated or have been reserved to the Council, functions have been delegated to Boards and committees, the chief executive, directors and heads of service and other officers. The scheme also includes a section detailing, statutory officers.
5.2.3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive	Conditions of Employment, scheme of delegation, statutory provisions and job descriptions/person specification	The Chief Executive has responsibility as head of the paid service for all aspects of operational management.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	leads the authority in implementing the strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.	Annual review	The Chief Executive is subject to a facilitated annual review by the leaders of the political groups at which objectives are agreed and reviewed.
5.2.4	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: − ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. − ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. − ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses.	Members Induction	A welcome and induction package of events was delivered for newly-elected and returning Councillors following the local government election in May 2017. Notice of further development events and opportunities is issued to Councillors each month. Councillors have access to the Improvement Service CPD framework to identify further induction and development requirements. Councillors are encouraged to use the CPD framework and are supported throughout the process. An annual register of training and development delivered for Councillors is published online. A focussed development week for members to took place in April 2019.
		People, Performance and Talent Policy	The People, Performance and Talent Policy and Competency Framework will recognise good performance, support under performance at an early stage and promote the behaviours required by the Council. The process will involve a structured programme of 1 to 1 or team meetings and reviews throughout the year. This will allow a manager and their employee(s) to discuss and agree performance levels expected and set out objectives to be achieved throughout the year. Objectives will be agreed in line with the new Council new core competency framework.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		I-Learn Training	A number of e-learning modules are available to employees to support their learning and development. This includes a comprehensive e-learning induction module for employees which covers terms and conditions and the statutory appointments of officers are detailed in the Council's scheme of delegation and this is reviewed on a regular basis.
		New Leadership Development Training Programmes Review of Employee Development	Two new Leadership Development Programmes were introduced in 2017, Leaders of the Future and ASPIRE. These programmes aim to develop leaders by focusing on enhancing skills, knowledge and competency in key leadership areas and strengthening capacity to lead and deliver change effectively. The CMI Level 3 Certificate in First Line Management was launched in 2017. The above work is reflective of the BVAR recommendation by Audit Scotland in 2017 around workforce development
5.2.5	Ensuring that there are structures in place to encourage public participation.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forum, service user groups, Community Planning process, Complaints procedure and new local partnerships.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		New Local Partnerships	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships. At their March meeting Local Partnerships discussed and agreed a set of Local Priorities. These Local Priorities will shape the work plan for the Partnerships and support Partnerships to make decisions about the award of grants. To assist this the grant process has been improved to include refreshed guidance and reference material, during April drop-in sessions were arranged to support organisations to understand the changes.
5.2.6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	Improvement Service CPD framework for elected members.	Councillors are encouraged to assess their own performance and identify any development needs using the CPD framework.
		Peer reviews	Using the IS CPD framework, Councillors can opt to undertake a 360° peer review of their performance as an elected member.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.2.7	Holding staff to account through regular performance reviews which take account of training or development needs.	Pentana performance management system – Corporate Management Team / Council Plan scorecard	Performance information from across services is monitored by the Chief Executive and the Corporate Management Team using the Council's performance management system, Pentana. The system is used to monitor strategic PIs, statutory indicators and operational indicators.
		Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board agree an annual programme of activities which includes areas for specific investigation. The Audit, Risk and Scrutiny Board also has a written intimation procedure in respect of which any member of the Board may request that a particular matter by considered by the Board. Each of the policy boards has a scrutiny function.
		Improvement Service CPD framework for elected members.	The CPD framework for Councillors was developed by the Improvement Service and all members have access to it. Members are encouraged to assess their own development needs and develop a personal development plan.
		People, Performance, and Talent Policy (Appraisal Process)	A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce capability building and job ready activities to foster the organisations performance culture.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			The process will involve a structured programme of 1 to 1 or team meetings and reviews throughout the year. This will allow a manager and their employee(s) to discuss and agree performance levels expected and set out objectives to be achieved throughout the year. Objectives will be agreed in line with the new Council new core competency framework.
5.2.8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	OD Strategy – health and wellbeing Health and Safety Plans for each service	The health and safety team have a review programme in place, a number of guidance documents are currently being refreshed with input from services and trade unions, where appropriate. In addition, a new Health, Safety and Wellbeing Strategy was approved in 2018.

PRINCIPLE 6: Managing risks and performance through robust internal controls and strong public financial management

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
6.1 Managing risk			
6.1.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	"Risk Matters" – the Councils Risk Management Policy and Strategy	The Council has a well-established risk management strategy which is subject to routine monitoring and review. Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group (CRMG) to ensure it reflects current standards and best practice and fully reflects the rapidly changing environment in local government.

Risk Matters is explicit regarding the Council's risk |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			management philosophy and regarding members' and managers' responsibility for risk management.
		Strategic Risk Management Development Plan (SRMDP)	The Strategic Risk Management Plan underpins Risk Matters. It reflects the development work required to fulfil the Strategic Risk Management Objectives outlined in Risk Matters. Progress on the SRMDP is monitored by the CRMG on a quarterly basis. The Audit, Risk and Scrutiny Board was renamed to reflect the importance of considering risks in the decision making process.
6.1.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	Strategic and Corporate Risk Register • Submission report to Board • Quarterly reports to CRMG • Midyear report to Board Service Risk Management Plans • Submission reports to Boards • Regular reports to SMTs/DMTs • Midyear report to Boards	The Council maintains, routinely monitors and reviews the corporate risk register and service risk management plans in accordance with Risk Matters.
		Risk Management Annual Report	A report on the effectiveness of the council's risk management framework is provided to the Audit, Risk and Scrutiny Board on an annual basis.
6.1.3	Ensuring that responsibilities for managing individual risks are clearly allocated.	Corporate Risk Management Group	The Corporate Risk Management Group oversees the council's risk management framework on behalf of the Corporate Management Team. The Group oversees the ongoing development, monitoring and review of the corporate risk register and facilitates an escalation process whereby risk

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			can be moved between corporate or service level.
6.2 Managing performance			
6.2.1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review.	Service Improvement plans and key performance indicators	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year. Information including commentary on performance is collected and analysed using the Pentana performance management system.
6.2.2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	Reports to Council / boards	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take decisions, including personnel, legal, risk, financial and other implications relating to the key Council Plan / Community Plan themes, and provide recommendations.
		Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is available online dates of pre-agenda meetings are available to relevant officers and members. A spreadsheet is issued quarterly to services advising of last lodging dates for reports. The Council has approved its

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			timetable of meetings until June 2020
6.2.3	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible. (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board's remit includes audit scrutiny, monitoring and review of service delivery, performance, policies and practice, community leadership through monitoring of other public bodies, and standards and ethics. The Board conducts an annual programme of reviews which have addressed a number of areas, most recently the terms and conditions of a Council house lease. The remit of the Board was revised at the statutory meeting on the 18th of May to meet Best Value Assurance requirements and to include wider oversight of risk and risk management in the Council. The Board was renamed as the Audit, Risk and Scrutiny Board and the Convenor and the Depute Convenor are both from the Opposition groups. A separate Petitions Board was also established.
6.2.4	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.	Service Improvement Plans and key performance indicators Council Plan Performance Framework	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indictors to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			the end of that service improvement plan year by the relevant Policy Boards.

The Plans are also reviewed at a service level by the relevant Senior Management Team. |
| | | Corporate Management Team scorecard / spotlight meetings | The Corporate Management Team hold spotlight meetings on thematic areas of performance that are of strategic importance and relate to the Council Plan priorities. |
| | | Performance reviewed each year by Audit, Risk and Scrutiny Board
Annual Complaints Report | The Council's performance in terms of Local Government Benchmarking Framework Indicators is also reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction.

In addition, the Annual Complaints Report is presented to Board In March each year. This includes a breakdown on number of complaints, how timeously we have responded to complainants and the service improvements made as a consequence.

Both reports were presented to the Audit, Risk and Scrutiny Board on 18 March 2019. |
| 6.2.5 | Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (eg financial statements). | Financial regulations and financial codes | The Council has in place financial regulations which set out the responsibilities of the Director of Finance and Resources, who has been appointed as the 'proper officer', along with the responsibilities of the Chief Executive, Directors and other authorised people for the financial affairs of the Council. These regulations also set out the responsibilities of the Leadership Board, the Audit, |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Risk and Scrutiny Board and the various policy boards for our financial affairs. These are currently being reviewed.
6.3 Robust internal control			
6.3.1	Aligning the risk management strategy and policies on internal control with achieving objectives.	"Risk Matters" – the council's Risk Management Policy and Strategy	The Council has a well-established risk management strategy which is subject to routine monitoring and review. Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group (CRMG) to ensure it reflects current standards and best practice and fully reflects the rapidly changing environment in local government.
		Audit reports and Audit, Risk and Scrutiny Board	In terms of the Public Sector Internal Audit Standards, the Council's Chief Auditor submits an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which detail the main issues arising.

Annual Internal Audit risk based plan is approved by the Board. |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
6.3.2	Evaluating and monitoring risk management and internal control on a regular basis.	Risk Management Annual Report	A report on the effectiveness of the Council's risk management framework is provided to the Audit, Risk and Scrutiny Board on an annual basis.
6.3.3	Ensuring effective counter fraud and anti-corruption arrangements are in place.	Strategy for the prevention and detection of fraud and corruption Internal Audit arrangements Corporate counter fraud arrangements Integrity Group Anti-Money Laundering policy	A strategy for the prevention and detection of fraud and corruption is in place. The Council's Integrity Group has been established to strengthen the council's internal resilience to corruption. Effective counter fraud arrangements are in place having established a counter-fraud team. The Chief Auditor has also been appointed as the Money Laundering Reporting Officer.
6.3.4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	Code of Corporate Governance Guidance Annual Governance Statement Internal Audit Annual report	The Council complies with this requirement through its Code of Corporate Governance Guidance which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis.
6.3.5	Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: – provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective	Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board functions as the Council's audit committee and has an overview of the internal audit role to ensure that resources are being targeted effectively. The Board reviews the Council's internal control mechanisms, approves action where appropriate, considers reports by external auditors and submits recommendations to the Council where this is considered appropriate.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	control environment. − that its recommendations are listened to and acted upon.	Training programme for Audit, Risk and Scrutiny Board	The Chief Auditor provides a regular briefing programme for members of the Board, prepared in consultation with them, to assist them in fulfilling their audit committee role. Issues covered by the training programme include the role of the Audit committee and CyberSecurity. This programme is approved annually by the Board.
6.4 Managing data			
6.4.1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Information Governance Strategy and Framework Information Governance Team Data protection policies and procedures Information Governance Learning & Development Strategy General Data Protection Regulations (GDPR)	The Council is subject to routine external audit by the Information Commissioners' Office (ICO) and also by internal audit. The Managing Solicitor reports monitoring figures, agreed with the ICO during the 2012 ICO audit, to the Senior Information Risk Owner (SIRO) on a monthly basis and to the CMT on at least a six monthly basis. Extensive work programme and communication took place in preparation for the introduction of the General Data Protection Regulations (GDPR) in May 2018.
6.4.2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	Data sharing agreements Data processing agreements Central repository of data sharing and data processing agreements Cyber Security	Data sharing and data processing agreements are in place as appropriate. There is a central repository of signed agreements. The Council Data Sharing Code, based on the ICO code, was approved by the Finance, Resources and Customer Services Board. Cyber security transfer and sharing requirements are included with the legal documents.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
6.4.3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	Service Improvement Plans and key performance indicators	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year. Information including commentary on performance is collected and analysed using the Pentana performance management system.
		Performance reviewed annually by Audit, Risk and Scrutiny Board	The Council's performance in terms of Local Government Benchmarking Framework Indicators is also reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction.
		SPI Direction	The SPI Direction sets out the requirements of and delivery of performance indicators. Internal Audit undertakes an annual review of a sample of statutory performance indicators.
6.5 Strong public financial management			
6.5.1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	Financial strategy and financial monitoring reports	Regular financial monitoring reports detailing the current financial position together with the projected outturns for each main service area (and its appropriate divisions) are reported on a routine

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			basis to Policy Boards. These reports also advise members of any management action that is being taken or is planned for the future to alleviate any current or projected deviations from the initial financial plan.
6.5.2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	Budget management training	A revised programme of financial management training for budget holders is currently being implemented as part of the Aspire programme. This will act as a refresher and update for operational staff to assist them in undertaking financial responsibilities.

PRINCIPLE 7: Implementing good practices in transparency, reporting and audit to deliver effective accountability

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
7.1 Implementing good practice in transparency			
7.1.1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	Council Performance on website Annual it's all about you	The Council Performance section on our website has been updated to provide a number of sources to assess how the council is performing. Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. These new pages are more accessible and easier to find.

The annual statutory performance indicator public performance report is published, has been uploaded onto the Council's website in an accessible format. |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
7.1.2	Striking a balance between providing the right amount of information to satisfy transparency demand and enhance public scrutiny while not being too onerous to provide and for users to understand.	Public Performance Report – "It's all about you"	The Council Performance section on our website has been updated to provide a number of sources to assess how the council is performing. The Council publishes an annual report "It's all about you". This provides information to the public on performance of services and the council in an easy to read format.
7.2 Implementing good practices in reporting			
7.2.1	Reporting at least annually on performance, value for money and the stewardship of its resources.	Annual financial statements, annual accounts and annual audit review	The Council publishes its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on our website.
		Public Performance Reporting	The Council Performance section on our website has been updated to provide a number of sources to assess how the council is performing. Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. The section provides data on how well we responding to complaints, how we are achieving progress against our council plan and best value action plan, how we compare with other authorities and the Scottish average, across the following pages: - **Our current performance**, which includes the latest version of 'it's all about you' as a

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			storymap. It provides a ranges of performance data, images and case studies; - **Renfrewshire data,** with the open data platform and data needs assessments; and - **Benchmarking** information such as the latest Local Government Benchmarking Framework report to Board.
		Efficiency Statement	The Council produces and publishes an Annual Efficiency Statement which reports on its efficiency projects and activities and seeks to quantify the level of efficiency gains achieved by the Council over the period.
7.2.2	Ensuring members and senior management own the results.	Performance papers to Boards	Elected Members receive a number of performance reports at Policy Boards, including reports on the performance of the Council Plan, Community Plan, Service Improvement Plans, Complaints, Local Government Benchmarking Framework (LGBF) and operational performance reports.
7.2.3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	Annual Governance statement	The Council complies with this requirement through its Annual Governance statement which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis. The statement is submitted to the Audit, Risk and Scrutiny Board.
7.2.3	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	Annual governance statement	The Council complies with this requirement through its Annual Governance statement which details the organisation's governance

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			arrangements. This is in line with national guidance and is updated on an annual basis. The statement is submitted to the Audit, Risk and Scrutiny Board.
7.2.4	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.	Annual financial statements, annual accounts and annual audit review	The Council publishes its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on our website.
7.3 Assurance and effective accountability			
7.3.1	Ensuring that recommendations for corrective action made by external audit are acted upon.	Audit, Risk and Scrutiny Board reports	Recommendations made by external audit and/or national external audit reports along with management's response/Renfrewshire position are reported to the Audit, Risk and Scrutiny Board.
7.3.2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.	Audit, Risk and Scrutiny Board report Annual Internal Audit Charter	In terms of the Public Sector Internal Audit Standards, the Council's Chief Auditor submits quarterly reports on internal audit performance and an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which details the main issues arising.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
7.3.3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	Benchmarking / peer review	Services across the Council are involved in both formal and informal benchmarking arrangements through for example, the Association for Public Sector Excellence. Development and Housing Services participate in the Scottish Housing Best Value Network (SHBVN) annual benchmarking process. The Council has also been heavily involved in the development of the Local Government Benchmarking Framework and the subsequent benchmarking groups. This provides national benchmarking information on a range of indicators covering service delivery, cost and customer satisfaction.
		Best Value Audit	The Council took part in the Best Value Assurance Audit process from January to June 2017. An action plan to respond to recommendations contained within the BVAR report was approved at the full Council meeting on 28th September 2017.
		Independent Inspection and Audit	The Council is independently evaluated by bodies such as the Care Inspectorate, Education Scotland, Audit Scotland and the Scottish Public Services Ombudsman (who considers complaints against the Council).
7.3.4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	Annual governance statement Self Assessment Checklists	Any key risks identified through the annual self assessment process which is undertaken by the Directors of each Service would be reflected in the governance statement.
7.3.5	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been	Community Planning Boards Integrated Joint Boards / Health and Social Care Partnerships Renfrewshire Leisure	Arrangements are in place between Renfrewshire Council and its Community Planning partners, the IJB and Renfrewshire Leisure.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	recognised and met.		Governance arrangements, such as systems for managing, monitoring and scrutinising the IJB's business and finances have been developed.
			Effective arrangements are in place for sharing information between partners that can lead to improving how services are provided, such as the Community Safety Partnership.
			The Head of Policy and Commissioning is the Monitoring Officer undertakes quarterly meetings to review performance of Renfrewshire Leisure. Six-monthly updates and an Annual Business Plan is reported to, and agreed by Leadership Board.

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Director of Finance and Resources

Heading: Unaudited Annual Governance Statement 2018 - 2019

1. **Summary**

1.1 The Local Authority Accounting Regulations require that an Annual Governance Statement is prepared and included in the Annual Accounts for the council. The Annual Governance Statement should be prepared in accordance with the CIPFA / Solace guidance "Delivering good governance in Local Government".

1.2 The Annual Governance Statement for 2018-19 is attached and has been prepared in accordance with the relevant regulation and guidance taking account of the Internal Audit Annual Report and Director's evaluation of the operation of the governance arrangements within each service area.

1.3 The Governance Statement is subject to statutory audit by the Council's External Auditors as part of their review of the annual accounts.

2. **Recommendations**

2.1 Members are invited to note the Annual Governance Statement will be included in the Unaudited Accounts for 2018/19.

Implications of the Report

1. **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –** The application of sound governance arrangements supports the Council to deliver on its key objectives and priorities.

4.   **Legal -** subject to approval by Council, the Accounts will be released for audit by the statutory deadline of 30 June 2019.

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - None

8.   **Health & Safety** – None

9.   **Procurement** - None

10**.**   **Risk** – Specific risks identified from the Chief Auditor's Annual Report and the assessments of service Directors are disclosed in the statement.

11.   **Privacy Impact** – None

12.   **COSLA Implications -** None

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Author: Andrea McMahon – 01416187017

Scope of Responsibility

Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Council's members and the corporate management team are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework; Delivering Good Governance in Local Government. A copy of the Local Code is available on our website www.renfrewshire.gov.uk

This statement explains how Renfrewshire Council has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for an annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council plan.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

The overarching strategic priorities and vision of the Council are set out in the Council Plan 2017-2022 and the Renfrewshire Community Plan 2017-2027. The Council Plan is aligned to the Community Plan and sets out 5 strategic outcomes that the organisation will work to achieve over a 5 year period with specific priorities relating to tackling inequality, promoting economic and cultural regeneration, attainment and sustainability. Renfrewshire's Community Plan (also referred to as its Local Outcome Improvement Plan) details how community planning partners will work together to achieve the key priorities identified for Renfrewshire.

- The key outcomes the Council is committed to delivering with its partners, are set out in the Community Plan and Local Outcome Improvement Plan.
- The Council operates within an established governance framework which incorporates a scheme of delegated functions, financial regulations, standing orders relating to contracts and procedural standing orders. These elements of the framework are kept under regular review by the council.
- The Council facilitates policy and decision making through a policy board structure. The Council's scheme of decentralisation was reviewed during 2018 and the five Local Area Committees were replaced with 7 Local Partnerships adopting a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues and to distribute their delegated resources in accordance with community need identified in their respective local action plans and community plan key priorities.
- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their service improvement plans. Performance management and monitoring of service delivery is reported through policy boards regularly including six monthly updates to the Leadership Board on progress against the implementation of the Council Plan.
- The Corporate Management Team monitors a quarterly scorecard of performance information. The Council regularly publishes information about its performance, e.g. "It's all about you", a publication outlining the performance of the Council published annually. An annual benchmarking report on the performance of the Council is submitted to the Audit, Risk and Scrutiny Board.

- The Council has adopted a code of conduct for its employees'. Elected members adhere to the nationally prescribed Code of Conduct for Members. In addition, the Council has in place a protocol for Relationships between Political Groups, Elected Members and Officers.
- The Council's approach to risk management is set out in the risk management strategy and is well embedded. Risks are reported regularly to the Audit, Risk and Scrutiny Board.
- The Director of Finance and Resources is the Council's Senior Information Risk Owner and information risk is monitored through the Information Management and Governance Group and its sub-groups.
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development.
- Registers of interests for elected members and senior officers are maintained and published on the Council's website.
- The Council's arrangements for fraud prevention, detection and investigation are managed through the corporate counter fraud service.
- The Council's approach to 'whistleblowing' is outlined in the policy for expressing concerns outwith line management, it is intended to review and update this policy in the forthcoming year.
- There are adequate cyber security controls in place including a dedicated cyber security officer and conformance to the cyber essentials standards.
- This governance framework has been in place at Renfrewshire Council for the year ended 31 March 2019 and up to the date of approval of the Statement of Accounts.

Governance arrangements are in place within Renfrewshire Leisure Limited (RLL)and have been operating throughout the year with reports on performance being provided to the council's Leadership Board.

Each year Audit Scotland publish an Annual Audit Report which reflects the findings from the annual financial audit, and also in relation to best value. Within the report, Audit Scotland specifically refer to the progress that has been achieved by the Council in terms of implementing the improvement plan which was developed following the publication of the Best Value Improvement Plan. In the report Audit Scotland noted that the "governance arrangements within the Council are operating effectively and support good governance and accountability". There are therefore no further actions required by Audit Scotland at this time in terms of the national report relating to ALEOs.

The system of internal financial control
The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. The system includes:

- Guidance on financial management supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,
- The preparation of regular financial reports that indicate actual expenditure against the forecasts,
- Clearly defined capital expenditure guidelines,
- As appropriate, formal project management principles,
- The Chief Finance Officer is the Director of Finance and Resources who complies with the CIPFA Statement on the Role of The CFO in Public Services.

The Role and Responsibilities of the Audit Committee and the Chief Auditor
The role of the audit committee is under the remit of the Audit, Risk and Scrutiny Board which is chaired by a member of the opposition its role includes:

- to approve the internal audit charter and annual internal audit plans;
- to review internal and external audit reports and the main issues arising, including those relating to the annual accounts and seek assurance that action has been taken and make recommendation to the Council where appropriate;
- to receive and consider the Chief Auditor's annual report, summarising internal audit activity and the level of assurance this provides over the arrangements for internal control, risk management and governance within the Council;

- monitor the performance of internal audit;
- to consider the annual review of the Local Code of Corporate Governance.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards and reports to the Audit, Risk and Scrutiny Board. Internal Audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. The Council's Chief Auditor has responsibility to review independently and report to the Audit, Risk and Scrutiny Board annually, to provide assurance on the adequacy and effectiveness of the Local Code and the extent of compliance with it. The Audit, Risk and Scrutiny Board performs a scrutiny role in relation to the application of the Local Code of Corporate Governance and regularly monitors the performance of the Council's internal audit service.

Internal Audit reporting arrangements, including communication of finalised audit engagements, monitoring the progress of agreed management actions and communication of any unacceptable risk identified to the Board.

Review of effectiveness and Continuous Improvement

Renfrewshire Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment, the Chief Auditor's annual report, and reports from the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework is reviewed annually by the Corporate Management Team, including the use of a self-assessment tool involving completion of a 38 point checklist covering five key areas of governance:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity
- Conflicts of Interest and Gifts and Hospitality

This self-assessment indicated the governance framework is being complied with in all material respects. In addition, the review of the effectiveness of the governance arrangements and the systems of internal control within the group entities places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Council continues to develop its approach to working with communities, with a new model for community level governance approved by full Council in September 2018. 7 Local Partnerships have been established and have identified initial local priorities. Decision making including that relating to relevant grants is delegated to each Local Partnership through a Lead Officer appointed by the Council.

The Council has a well embedded approach to continuous improvement through self-assessment. Registered services within education, social care and housing undertake regular self-assessment as part of the delivery of their services. A corporate self-assessment framework based on the Public Service Improvement Framework has been in place across the Council for almost 10 years. The framework was reviewed in late 2017 and a revised model of self-assessment the 'Renfrewshire Continuous Improvement model' was developed in 2018 and will be piloted in services during 2019. A self assessment exercise involving the community planning partnership will also be undertaken.

The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities. Regular reviews of the Council's arrangements are undertaken by Internal Audit and overall the Council's internal financial control arrangements are sound.

As part of the ongoing relationship which is in place under the new best value methodology, Audit Scotland continuously engage with the Council in relation to the improvement plan, regularly attending Council and board meetings and reviewing information

provided. Each year Audit Scotland provide an assessment of the ongoing position in relation to best value, within the Annual Audit Report. The Annual Audit Report for 17/18 was published in September 2018 and noted:

- The Best Value follow-up audit found the Council is making good progress in addressing the recommendations from the 2016/17 Best Value Assurance Report.

- The Council has several improvement activities working in parallel and these are clearly linked to the Council's priorities and budget setting process.

This is a very positive outcome in terms of follow-up audit, and officers will continue to work with the Audit Scotland team as part of the ongoing best value and financial audit appointments, and to progress the actions set out in the improvement plan.

During the year, the council put in place arrangements to meet the Scottish Housing Regulator's new regulatory and assurance framework which requires the council to submit an annual assurance statement, an annual return on the Scottish Social Housing Charter and a return on the Energy Efficiency Standard for Scotland.

The programme of work undertaken by Internal Audit identified a number of areas of limited assurance in relation to the internal control, risk management and governance objectives for the specific areas of each audit review. The following areas have been identified as requiring improvement:

The review of the arrangements for recording salary sacrifice transactions identified that improvements were required in relation to the reconciliation of the suspense account and improvements in the processes for dealing with terminations from the scheme. Management has put in place arrangements to ensure that a regular review of the suspense account is now being undertaken to monitor and reconcile any discrepancies. Appropriate arrangements are in place to ensure that any actions are taken as necessary to clear the account and no further action is required.

The review of catering services, purchasing and stock control identified the need to ensure that catering employees responsible for purchasing activities are fully trained in their roles and responsibilities and more robust controls were required in relation to stock control. Management has agreed to comprehensively review the service arrangements for purchasing and stock control and provide training to relevant staff on the revised arrangements.

A review of selected inspection arrangements within Environment and Infrastructure services identified the need for management to undertake a comprehensive service review and ensure that revised policies are in line with the current code of practice.

It is our view that the Council has in place a sound system of governance, risk management and internal control and that appropriate mechanisms are in place to identify any areas of weakness. This is corroborated by an Annual Assurance Statement prepared by the Chief Auditor stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's governance, risk management and internal control framework.

Action Plan
Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the Council's governance.

Agreed action	Responsible person	Date
Review and update where necessary the policy for expressing concerns outwith line management 'whistleblowing' for approval by Board.	Chief Auditor	March 2020
Undertake a comprehensive review of catering service arrangements for purchasing and stock control and provide training to relevant staff on the revised arrangements.	Head of Facilities Management	Spring 2019
Undertake a comprehensive review of selected inspection service arrangements and update the policy in line with the code of practice.	Head of Operations and Infrastructure	Autumn 2019

Update on the 2017/2018 Action Plan

The 2017/18 Governance Statement identified a number of continuous improvement activities to be taken forward to improve the overall governance, risk management and internal control environment. Progress over the last 12 months against the agreed action plan is detailed below.

Agreed action	Progress Update	Responsible person	Date	Revised Date
Continue to implement the governance arrangement for community planning.	Governance structure fully implemented, with Improving Life Chance Board established in 2018	Head of Policy and Commissioning	Spring 2019	Complete
Complete the review of Renfrewshire Leisure Limited's governance arrangements following publication of Audit Scotland national review report.	A number of changes to governance were implemented during 2017 and 2018 in relation to RLL following recommendations made through the 2017 Best Value Assurance Report. These were made ahead of the publication of the national report, rather than awaiting its publication. In the 2017/18/ Annual Audit Report for Renfrewshire Council, the Council's external auditors (Audit Scotland) did not recommend further action in relation to ALEO governance.	Head of Policy and Commissioning	Winter 2018	Complete
Complete the review of the Financial Regulations for approval by the Council and the supporting financial codes.	The review and update of the Financial Regulations and Codes is complete and the Regulations have been approved by Council.	Director of Finance and Resources	Summer 2018	Complete
Review the community lead governance arrangements for approval by the Council.	Following extensive consultation and engagement a new model of local partnerships was approved by full Council in September 2018. The new partnerships are now up and running and have identified local priorities for further progression.	Head of Policy and Commissioning	Summer 2018	Complete
Develop a detailed locality plan focusing on the communities that experience the poorest outcomes.	A locality plan was published in September 2017, the approach is now embedded within community planning arrangements.	Head of Policy and Commissioning	Spring 2019	Complete
Pilot the revised Renfrewshire continuous improvement model of self-assessment.	A new model was developed and approved by CMT in Summer 2018. This is currently on hold to allow for the completion of the staff values exercise that is underway.	Head of Policy and Commissioning	Autumn 2018	March 2020
Continue to monitor the delivery of the actions	The implementation of the Best Value Improvement Plan	Chief Executive	Continuing	Complete

contained in the Best Value Improvement Plan.	is reported to the Leadership Board every 6 months. Audit Scotland has acknowledged that the Council is making good progress in addressing the recommendations from the 2016/17 BVAR.			
Continue to monitor and respond to developments in education reform and the establishment of regional collaboratives.	The regional collaboratives have now been formed and Renfrewshire, as one of the 8 local authorities in the West partnership, plays an active role in the work being taken forward. As part of the acting director's national involvement, Renfrewshire are well placed to help support and inform national policy as appropriate. At the moment, there are no further plans for legislative change.	Director of Childrens' Services and Head of Corporate Governance	Continuing	Complete
Review the governance and operational arrangements for corporate health and safety and formalise the health and safety strategy for approval by Board.	The review of governance and operational arrangements has been completed. A revised health and safety strategy has been approved by Board.	Director of Finance and Resources	Summer 2018	Complete
Improve the corporate oversight of external funding applications.	A single officer contact for all of the Council's external funding applications has now been agreed. The post holder will be responsible for ensuring corporate oversight and compatibility with Council policy of all applications.	Head of Regeneration	Winter 2018	Complete
Improve the procedures for non-residential care charging and payments.	The Charging & Payment Team has been restructured and all care at home invoicing is now dealt with by one team. Improved processes have been introduced to further improve the timeliness of system updates. The HSCP have supported a greater engagement between care providers and Care Managers to resolve any issues identified.	Head of Business and Customer Services and Head of Adult Services	Winter 2018	Complete
Revise the action plan for records management and monitor delivery.	The records management plan has been updated and is monitored by the Records Management Working Group (RMWG) which meets on a quarterly basis and regular	Head of Corporate Governance	Summer 2018	Complete

	updates are provided to the Audit, Risk and Scrutiny Board.			
Review the counter fraud strategy and submit to Board for approval.	A revised counter fraud and corruption policy has been approved by Board.	Chief Auditor	Summer 2018	Complete
Continue to complete the recommendations to ensure full compliance with the PCI DSS standards.	Upgrade activities have addressed gaps. An audit is currently underway to re-assess compliance scope in order to confirm that no new gaps have appeared since the previous audit and to prepare the documentation for PCI compliance.	Head of ICT	Autumn 2018	Summer 2019
Payroll processes, procedures and management information will be reviewed in line with the implementation of Business World ERP system.	Payroll processes, procedures and management information have been reviewed in line with the implementation of Business World ERP system. The review developed a new guidance manual for payroll employees.	Head of Business and Customer Services	Spring 2019	Complete
Develop expenditure monitoring and contract oversight arrangements through the implementation of the Enterprise Resource Planning system and associated monitoring activity.	The implementation of the purchase to pay element now part of the Business World development project which is fully underway. Systems testing has been undertaken and the focus of the implementation is now on business readiness. The approach will be a phased implementation across services.	Head of Policy and Commissioning	Spring 2018	Complete

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2018-2019 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Renfrewshire
Council

To: **Audit, Risk and Scrutiny Board**

On: **28 May 2019**

Report by: **Director of Finance and Resources**

Heading: **Risk Management Annual Report 2018/19**

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1.   **Summary**

1.1   This paper presents the Risk Management Annual Report for 2018/19 (Appendix 1). The Report describes the corporate risk management activity that has taken place during 2018/19 in relation to the council's risk management arrangements and strategic risk management objectives. It is not the purpose of this paper to report on the management of specific risks as such information is already provided separately to the Board in the strategic, corporate and key service risks paper.

1.2   In exceptionally challenging times and with diminishing resources, the council continues to apply an appropriate level of risk management to prevent or mitigate the effects of loss or harm. In doing so, we recognise that good risk management contributes to the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems.

1.3   We purposefully promote an environment that is risk 'aware' rather than risk 'averse' and strive to place risk management information at the heart of the key decisions that we make. This means that we can take an effective approach to managing risk in a way that both addresses our significant challenges and enables innovation.

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2.   **Recommendations**

2.1   It is recommended that the Board considers the content of the Annual Report and is assured regarding the continued effectiveness of the risk management framework in place and the significant contribution that it makes with regards to the council's corporate governance arrangements.

3.		**Background**

3.1		In keeping with the 'Scheme of Delegated Functions' a Risk
		Management Annual Report is provided to the Audit, Risk and
		Scrutiny Board each year for consideration. The report supports the
		council's code of corporate governance and seeks to provide
		assurance to stakeholders (internal and external) not only on the
		adequacy but also the effectiveness of the risk management
		arrangements applied during 2018/19.

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		Implications of the Report

1.		**Financial**
		No implications in the provision of this report.

2.		**HR & Organisational Development**
		No implications in the provision of this report.

3.		**Community Planning**
		No implications in the provision of this report.

		Children and Young People
		Community Care, Health & Well-being
		Empowering our Communities
		Greener
		Jobs and the Economy
		Safer and Stronger

4.		**Legal**.
		No implications in the provision of this report.

5.		**Property/Assets**
		No implications in the provision of this report.

6.		**Information Technology**
		No implications in the provision of this report.

7.		**Equality & Human Rights**
		No implications in the provision of this report.

8.		**Health & Safety**
		No implications in the provision of this report.

9.		**Procurement**
		No implications in the provision of this report.

10.		**Risk**
		No implications in the provision of this report, which relates to
		organisational arrangements and initiatives in risk management.

11.		**Privacy Impact**
		No implications in the provision of this report.

12. **COSLA Implications**
No implications in the provision of this report.

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List of Background Papers

(a) Non applicable – reports provided on a year-by-year basis

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Author: Karen Locke
Risk Manager
07506 957 037
Karen.Locke@renfrewshire.gov.uk

Appendix 1

Risk Management Annual Report

2018 - 2019

Document Title:	Risk Management Annual Report 2018/19		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

CONTENT

Document Title:	Risk Management Annual Report 2018/19		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

Overview of key achievements during 2018/19

Below is an overview of key achievements for corporate-led risk management activity during 2018/19 and what this means in practical terms.

Achievement	What this means
▪ "Substantial" assurance – internal audit 2018/19	Our risk management arrangements were reviewed by internal audit during the third quarter of the year, the outcome of which was that a rating of **substantial assurance** was given with only one 'best practice' recommendation made. The Board can therefore be assured of the ongoing effectiveness of the council's risk management approach and arrangements.
▪ Refreshed approach to presenting risk to the Board	The Corporate Risk Management Group undertook a holistic appraisal of all the council's identified risks in 2018/19 and concluded that there was an opportunity to further refine the way in which risk information was presented to the Board each year. In addition to risks being recorded as Strategic, Corporate or Service level, they are also now presented to Board as being 'imminent,' longer-term challenges' or 'business as usual' risks. This approach provides greater clarity on the nature of the risks and enables a clearer focus on how we control and plan for our longer-term challenges and identifying independent sources of assurance regarding for business as usual risks.
▪ Risk management training – over 155 employees trained	This year has seen a significant uptake in risk management training through the management development programmes ASPIRE and Leaders of the Future. Over the course of the year 155 managers undertook the half day course on risk management and provided very positive feedback on the learning and development content and delivery.
▪ New contract for insurance broker and advisor	Having undertaken a quick quote tender exercise, Aon UK Ltd have been appointed for the next 5 years as the insurance brokers and advisors for the council and for its associated bodies, Renfrewshire Leisure and Renfrewshire Valuation Joint Board. Aon are a valuable source of expert advice, particularly in relation to more complex aspects of insurance markets and in respect of the major cultural infrastructure projects and City Deal projects.
▪ New liability risk assessment process within procurement	Working with colleagues in the corporate procurement a risk and insurance assessment tab has been integrated with the 'CID' - the Contract Initiation Document. This means that for key contracts, service departments must consider the liabilities that their contractors could bring to the council and enables the right insurance requirements to be recommended and issued with tenders.

Document Title:	Risk Management Annual Report 2018/19		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

1.   Introduction

1.1 The Risk Management Annual Report is provided to the Audit, Risk and Scrutiny Board each year in keeping with its delegated function of considering the corporate risk management annual report. The Report describes the corporate-led risk management activity that has taken place during 2018/19 in relation to the council's risk management arrangements and strategic risk management objectives. The Report does not cover the management of specific risks as such information is already provided separately to the Board in the strategic, corporate and key service risks paper.

1.2 In exceptionally challenging times and with diminishing resources, the council continues to apply an appropriate level of risk management to prevent or mitigate the effects of loss or harm. In doing so, we recognise that good risk management contributes to the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems.

1.3 We purposefully promote an environment that is risk 'aware' rather than risk 'averse' and strive to place risk management information at the heart of the key decisions that we make. This means that we can take an effective approach to managing risk in a way that both addresses our significant challenges and enables innovation.

1.4 This annual report supports the council's corporate governance statement and seeks to provide assurance to stakeholders (internal and external) not only on the adequacy but also the continued effectiveness of the organisational risk management arrangements applied during 2018/19.

2.   Risk Management Framework 2018/19: Overview

2.1 Below is a brief overview of the key components of the council's risk management framework. Thereafter sections 3 to 7 of this report expand on each component and highlight specific points relevant to 2018/19 developments.

(1) **Infrastructure/ enablers**
At the heart of the council's risk management arrangements are the strategic risk management objectives, the risk management policy and strategy and the strategic risk management development plan. Also embedded within the infrastructure are the communications systems in use for risk management information, including Pentana, the Intranet and the key policy boards and groups such as the Corporate Management Team and Corporate Risk Management Group that have a specific role in risk management.

(2) **Process**
A cyclical process for risk assessment, treatment, communication, monitoring and review of risk using a standardised risk matrix. The process and supporting matrix continue to enable a consistent approach to risk management throughout the council, set within the context of the council's capacity and tolerance for risk, sometimes also referred to as 'risk appetite.'

(3) **Application/ results**
Risk management is not viewed as an isolated function or practice but is applied to other key business processes of the council, including service planning, financial planning, performance management, procurement, project management and partnerships. Applying risk management at the right time and in the right way is key to risk management adding value to the organisation and delivering tangible results.

(4) **Reporting and monitoring**
Reporting and monitoring arrangements, including individual and group roles and responsibilities for risk management, are defined in such a way as to ensure a suitable flow of risk management information throughout the council and an appropriate level of monitoring and scrutiny relating to the effectiveness of the risk management arrangements in place and progress being made in relation to activity linked to strategic and corporate risk registers and service risk management plans.

(5) **Risk management function**
For the risk management framework to be effective, it must be underpinned by training, guidance and ongoing development activity which raise awareness of how to implement good risk management practice across the council. This aspect of the framework informs the workplan of the corporate risk management function under the responsibility of the Director of Finance and Resources.

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3.   Risk Management Infrastructure/ Enablers

3.1 Risk Management Policy and Strategy
In November 2018 'Risk Matters,' the combined risk management policy and strategy was revised and approved by the Audit, Risk and Scrutiny Board, in keeping with the formal review timetable for Risk Matters[1].

➕ **New in 2018/19**: Our risk management arrangements were reviewed by internal audit during the third quarter of the year, the outcome of which was that a rating of **substantial assurance** was given with only one 'best practice' recommendation made.

3.2 Strategic Risk Management Objectives
The council had previously undertaken self-assessment of its risk management arrangements in line with the ALARM[2] National Risk Management Performance Assessment Model. The risk management objectives are derived from this model.

While it had been reported previously to Board that the intention was to undertake a self-assessment against the ALARM standards ahead of the 2018 formal review of Risk Matters, this became unnecessary when risk management was included in the internal audit plan (as reported in 3.1 above), and the outcome of the audit was very positive.

Strategic Risk Management Objectives

Enablers

(1) Leadership and management: Ensuring that our Members, Directors and Senior Managers fully support and promote risk management

(2) Policy and strategy: Ensuring that our policy and strategy remain fit for purpose and maintain a consistent approach to the management of risk and increasing its effectiveness

(3) People: Ensure that our people are equipped and supported to manage risk well

(4) Partnerships and resources: Ensuring that we have effective arrangements for managing risks in partnerships and resourcing risk management activity

(5) Processes: **Ensuring that our** risk management processes are effective in supporting the business activities of the council

(6) Risk handling and assurance: Ensuring that risks are handled well and that the council has assurance that risk management is delivering successful outcomes and supporting innovation

Results

(7) Outcomes and delivery: **Ensuring that** risk management does contribute to achieving positive outcomes for the council

The strategic risk management objectives therefore remain unchanged but they also remain very relevant and continue to form the basis of the Strategic Risk Management Development Plan.

3.3 Strategic Risk Management Development Plan 2016/18
The Strategic Risk Management Development Plan (SRMDP) explicitly sets out the development activity that supports the strategic risk management objectives. The plan is realistic, stretching but usually achievable; it allows the Corporate Risk Management Group to focus on strategic priorities and actions while at the same time allows individual members (representing their service departments) to consider operational implications and requirements for supporting the objectives.

Progress against the Strategic Risk Management Development Plan is monitored quarterly by the Corporate Risk Management Group. The plan runs in two-yearly cycles, in this case April 2018 to March 2020.

✅ Performance in relation to completion of SRMDP actions was 86% for year 1 against an in-year target of 85%

▶ Performance in relation to the overall 2-year plan is currently running at 55% against the 85% target.

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[1] Risk Matters is reviewed formally every two years by Board with an interim annual review conducted by the Corporate Risk Management Group.
[2] 'ALARM' is the public risk management association

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3.4 The Corporate Risk Management Group
The Corporate Risk Management Group met on six occasions during 2018/19 in accordance with its terms of reference. Four meetings were 'standing' quarterly meetings and two were specifically dedicated to the development of the 2018/19 corporate risk register and new strategic risk register. The quarterly standing items of business for this Group included:

(1) review of the corporate risk register and progress against associated actions;
(2) review of progress against the Strategic Risk Management Development Plan;
(3) review of significant service risks brought to the Group for potential escalation;
(4) review of the risk management key performance indicators;
(5) Risk Management Alliance updates[3] and,
(6) Service news items (to facilitate cross departmental learning from risk-related matters).

In addition to the above standing items, the Group received additional reports and information from the Risk Manager in relation to national developments in risk management.

+ **New in 2018/19**: The Corporate Risk Management Group undertook a holistic appraisal of all the council's identified risks in 2018/19 and concluded that there was an opportunity to further refine the way in which risk information was presented to the Board each year. In addition to risks being recorded as Strategic, Corporate or Service level, they are also now presented to Board as being 'imminent,' longer-term challenges' or 'business as usual' risks. This approach provides greater clarity on the nature of the risks and enables a clearer focus on how we control and plan for our longer-term challenges and identifying independent sources of assurance regarding for business as usual risks.

3.5 Pentana software system
Pentana has been in use for recording and monitoring risk management information since early 2009/10. Using the system continues to be of benefit to officers as it reduces duplication of reporting where officers are providing updates on progress against actions which relate both to the management of risk and to delivering service improvements. No new risk-related system developments were made during 2018/19.

3.6 The Intranet
The intranet continues to be a key tool for communicating and providing risk management information and guidance to all staff with access to it. The Intranet risk management pages provide access to 'Risk Matters' and a range of supporting guidance documents and templates as well as contact details for the risk management and insurance service.

4. Risk Management Process

4.1 The standardised process for risk management within the council remains fit for purpose. The table below summarises the guidance which accompanies the process. Applying this process in all aspects of business helps officers to manage their activities and pursue opportunities in a way that helps achieve objectives and prevent loss or harm.

Establish the context	Services consider risk in terms of context such as key themes and objectives, service priorities, operational activities or projects, longer-term or shorter-term objectives.
Identify risk	Services carefully define their risks in such a way as to be clear about the situation presented (opportunity, activity, service change, problem or challenge) and the consequences that may flow from it. We have started using risk 'bowtie' analysis which employees are finding very visual and helpful in understanding risk.
Analyse risk	Services analyse risk in terms of likelihood of occurrence and should it occur, its potential impact using the standardised risk matrix.
Evaluate risk	Services evaluate risk in terms of significance, being either 'low', 'moderate', 'high' or 'very high' and compare this with the council's capacity and tolerance for risk.
Treat risk	Services consider a range of options when deciding on the most appropriate way to address their risks, either through measures to **t**erminate; **t**ransfer elsewhere (such as through insurance); **t**olerate as it is; or, **t**reat with

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[3] The Alliance is a sub group of the Corporate Risk Management Group

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Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

	cost effective measures to reduce it to a level where the exposure is acceptable or tolerable for the council in keeping with its capacity and tolerance for risk. Note: in the case of opportunities, services may 'take' an informed risk in terms of tolerating it if an opportunity is judged to be (1) worthwhile pursuing and (2) the service is confident in its ability to achieve the benefits and justify the risk.
Monitor and review risk	Services are aware that once a risk assessment has been undertaken it is necessary to continue to monitor and review the risk for changes in context or the measures that are in place to control it.
Communicate and consult	Services are aware that it is good practice for at least two officers with relevant subject knowledge to undertake risk assessment (in consultation with other officers if necessary) with the key outcomes of the risk assessment process communicated to relevant persons (such as using the risk implications section on Board papers).

5. Risk Management Application/ Results

5.1 For risk management to truly add value for the organisation, it needs to be applied across the range of business processes in operation throughout the council and all its service departments. This section provides an outline of how this happens in practice across a variety of settings.

5.2 Risk management continued to be a key component of the council's project management framework meaning that if risks are proactively addressed through each stage of a project, the project outcomes are more likely to be achieved on time and within the planned budget.

5.3 Each service continues to monitor their risks and refresh their risk registers on an annual basis taking account of the service priorities and service improvement plans. This means that risks relating to the service priorities are proactively addressed and services are more likely to achieve their priorities and outcomes as planned.

5.4 Each year, services bring to the attention of the Director of Finance and Resources any areas of unavoidable cost pressures they are experiencing. During this process services can highlight instances where cost pressures relate to top corporate or services risks and this supports effective decisions to be made in relation to financial priorities.

> ↓ **New in 2018/19**: Working with colleagues in the corporate procurement, a risk and insurance assessment tab has been integrated within the 'CID' - the Contract Initiation Document. This means that for key contracts, service departments must consider liabilities that their contractors could bring to the council and enables the right insurance requirements to be recommended and issued with tenders.

6. Reporting and Monitoring

6.1 The governance arrangements in place during 2018/19 have continued to ensure clear lines of accountability for risk management and continue to enable a suitable flow of risk information throughout the council. The Audit, Risk & Scrutiny Board approved the strategic, corporate and service risks for 2018/19 and received a progress report in November 2018.

6.2 Each service has a representative on the Corporate Risk Management Group (CRMG). The CRMG has overseen the 2018/19 strategic and corporate risks and monitored progress on a quarterly basis. Services have taken ownership of their risks with processes being followed for reporting, and where necessary 'escalation' of significant risks to the Corporate Risk Management Group. All five service departments submitted their risk data on time for the progress report to the Audit, Risk and Scrutiny Board as planned.

6.3 In terms of monitoring performance in risk management the council participates in the Alarm/ CIPFA[4] benchmarking club, using the Alarm National Risk Management Performance Assessment Model.

6.4 The Performance Assessment Model describes an organisation's risk management maturity as:

▪ Level 1 Awareness	▪ Level 2 Happening	▪ Level 3 Working	▪ Level 4 Embedded and integrated	▪ Level 5 Driving

The council aims for level 4, to demonstrate maturity where risk management is consistently 'embedded and integrated' while also being able to demonstrate examples of where risk management information is driving the key policy decisions of our organisation. The council performs at Level 4.

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[4] Chartered Institute for Public Finance and Accountancy. Refer to 3.2 for explanatory note for pause in self-assessment in 2018.

Document Title:	Risk Management Annual Report 2018/19		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

6.5 Key Performance Indicators continue to be implemented and monitored by the Corporate Risk Management Group on a quarterly basis.

7. Risk Management Function/ Training and Development

7.1 The council's Risk Management Training Strategy ensures that we are clear about the council's expectations as to the degree of risk management knowledge required across a range of roles within the council, and the risk management training and development solutions that are available and should be accessed through the council to enable competence and capacity to manage risk within those roles.

7.2 In-house training and development in risk management continues to be offered through a range of opportunities. Examples include:

- Essentials of Enterprise Risk Management (2 Days available through the council's insurers)
- Risk Management Course (1 Day in-house)
- Topical sessions for Elected Members
- Project Risk Management Workshops (in-house as required)
- Internal audit training programme (in-house through the Audit, Risk and Scrutiny Board)
- Risk Management iLearn course (in-house, 45 mins)
- use of 'risk control days' training (available through Insurers)
- ad hoc support, advice or training as requested

- **Highlight for 2018/19**: This year has seen a significant uptake in risk management training through the management development programmes ASPIRE and Leaders of the Future. Over the course of the year **155 employees** undertook the half day risk management course (Aspire 93 and Leaders 62), and provided very positive feedback on the learning and development content and delivery.

7.3 Ad hoc support, advice or training requests continue to be met so far as reasonably practical. Some of these involved the council's insurance broker, for example in relation to insurance requirements for the cultural infrastructure projects and City deal projects.

7.4 To continue to provide evidenced based training, development and advice for the council, the council's Risk Manager maintains continued professional development in her field and is qualified to Masters Level (MSc in Risk Management awarded by Glasgow Caledonian University).

7.5 Through membership of a number of groups that include Alarm (the Public Risk Management Association), and the ALARM Scotland Group, the Risk Manager keeps abreast of risk management developments and best practice in other public-sector organisations and local authority areas. The Risk Manager continues in her role as current Chair of the ALARM Scotland (year 3 of a 3-year commitment). This role means that the council's Risk Manager has greater influence with ALARM Scotland's agenda and Renfrewshire Council can benefit directly from this.

7.6 Through the council's contracts with Insurers and Insurance Brokers, the Risk and Insurance Team keep up-to-date with developments in the insurance sector in order to ensure that the council's interests are protected.

- **New in 2018/19**: Having undertaken a quick quote tender exercise, Aon UK Ltd have been appointed for the next 5 years as the insurance brokers and advisors for the council and for its associated bodies, Renfrewshire Leisure and Renfrewshire Valuation Joint Board. Aon are a valuable source of expert advice.

8. Conclusion

8.1 This Report has provided an overview of key risk management activity and developments undertaken during 2018/19 in relation to the council's corporate-led risk management arrangements. It is intended that the report provides assurance regarding the robustness of the council's risk management approach.

Document Title:	Risk Management Annual Report 2018/19		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	31/03/2019	Review Dates:	Not applicable

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Director of Finance and Resources

Heading: Strategic, Corporate and Service Risks, April 2019

1.   **Summary**

1.1   In keeping with 'Risk Matters,' the council's combined risk management policy and strategy, the strategic and corporate risk registers are refreshed on an annual basis; led by the Corporate Risk Management Group on behalf of and in consultation with the Corporate Management Team. In addition, each service department maintains its own risk management plan in respect of the operational risks within their areas of responsibility.

1.2   This paper presents to the Board the strategic, corporate and key service risks identified for management and scrutiny with effect from 1 April 2019.

2.   **Recommendations**

2.1   It is recommended that the Board approves the strategic, corporate and key service risks and is assured regarding the robust methodologies used to ensure the appropriate risks are being identified and managed.

3.   **Background**

3.1   Good risk management enables the delivery of safe and high-quality services for service users, high standards of performance, makes the most of opportunities and provides a safer environment for our employees and our contractors and partners that we deliver services with.

3.2   The council's approach to risk management encourages services to be risk aware rather than risk averse and in this way seek to reduce instances of harm or loss but also enable innovation and the pursuit of better outcomes.

3.3   The methods used to identify key risks are extensive and in the paper attached the risks are set out in such a way as to show those that are imminent, represent

longer-term challenges, or are 'business as usual.' Risks are also shown with regards to their relationship to the Council Plan: Thriving People, Connected Communities.

3.4 The resulting strategic, corporate and service risk registers are then used to assist with recording, monitoring and review of the risks.

- Strategic risks reflect external issues that impact on the people and communities of Renfrewshire, where the council along with its partners have a significant role to play in managing these risks.

- Corporate risks reflect internal issues that affect multiple service departments and are linked to the efficiency and effectiveness of the organisation.

- Service specific risks reflect issues that individual service departments need to manage within their own teams, in addition to any they may be responsible for in the strategic or corporate risk registers.

3.5 Risks have been evaluated using the council's standard risk matrix; this involves multiplying the likelihood of a risk occurring by its potential impact. Risks are then evaluated as either 'low', 'moderate', 'high' or 'very high.' The profile of risk going forward from April 2019 is shown in the table below:

Evaluation:	Low	Moderate	High	Very High	Total
No. of Strategic Risks:	00	00	06	01	07
No. of Corporate Risks:	00	04	13	01	18
No. of Service Specific Risks:	00	10	10	00	20
					45

3.6 Of the **45 risks**, **1** is imminent, **14** are longer-term and **30** are 'business as usual' (BAU). The risks in the tables below are the top longer-term risks. More detailed information for these specific risks is provided at 3.6 in the attached paper.

TOP 3 STRATEGIC Long-term Risk Areas	Likelihood	Impact	Score	Evaluation
1) Reducing inequalities in Renfrewshire	04	05	20	V.High
2) Delivery of Community Empowerment expectations	04	04	16	High
3) Preparing for the longer-term impacts of Brexit	04	04	16	High
TOP 3 CORPORATE Long-term Risk Areas	Likelihood	Impact	Score	Evaluation
1) Financial sustainability	05	05	25	V.High
2) Welfare reform impacts	04	04	16	High
3) Better Council Programme – benefits realisation	03	04	12	High
TOP SERVICE Long-term Risk Areas	Likelihood	Impact	Score	Evaluation
Chief Executive Services				
1) Renfrewshire Events Strategy	03	04	12	High
2) Regeneration of Renfrewshire's Town centres	03	04	12	High
Children's Services				
1) (CS are all strategic, corporate, BAU or project risks)				
Communities, Housing & Planning				
1) House building and community regeneration	03	04	12	High
Environment & Infrastructure				
1) Analogue to digital switchover - impact on infrastructure				Moderate
Finance & Resources				
1) Insurance cover for predecessor organisations	03	04	12	High

3.8   It is believed that appropriate control measures are in place to prevent and/ or mitigate adverse effects of the risks identified and that further planned action is appropriate to the level of risk. Where no new actions are defined for a risk, this indicates confidence in the current control measures, acknowledgement that developing new controls would not be cost effective and acceptance that the risk will be tolerated for the time being.

3.9   Monitoring arrangements are in place to track the progress of planned actions. It should be noted that actions prefixed by "RR" exist only for the benefit of reducing or containing the related risks, whereas actions with any other prefix reflect improvement activities that lie within the services' improvement plans that have been linked through to the risk registers for completeness where they have a knock-on benefit to the related risk.

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Implications of the Report

1.   **Financial**

Recurring costs associated with the measures in place for each risk are considered proportionate to the level of risk, and new planned actions are also considered to be cost effective.

The financial requirements to support the risks should be met within the budget of each relevant risk owner, nevertheless, any unplanned and unbudgeted cost pressures that arise in relation to any of the risks identified will be subject to review in consultation with the Director of Finance and Resources.

2.   **HR & Organisational Development** – not relevant to report recommendations

3.   **Community/Council Planning** – effective risk management supports the delivery of all community/ council plan outcomes

4.   **Legal** – not relevant to report recommendations

5.   **Property/Assets** – not relevant to report recommendations

6.   **Information Technology** – not relevant to report recommendations

7.   **Equality & Human Rights** – not relevant to report recommendations

8.   **Health & Safety** – not relevant to report recommendations

9.   **Procurement** – not relevant to report recommendations

10.   **Risk** – as per the subject matter of this report

11.   **Privacy Impact** – not relevant to report recommendations

12.   **Cosla Policy Position** – not relevant to report recommendations

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Author: Karen Locke, Risk Manager
                Tel: 0141 618 7019, Email: Karen.Locke@renfrewshire.gov.uk

Strategic, Corporate and key Service Risks

April 2019

Document Title:	Strategic, Corporate and key Service Risks, April 2019		
Service:	All	Lead Author	Risk Manager on behalf of the Director of F&R
Date Effective:	April 2019	Review Dates:	Quarterly by CMT & CRMG to 31/03/2020

CONTENT

1.1 When the 2018/19 strategic, corporate and service risk registers were approved by the Board, the profile of risk was:

Evaluation:	Low	Moderate	High	Very High	Total
No. of Strategic Risks:	**0**	**0**	**7**	**1**	**8**
No. of Corporate Risks:	**0**	**4**	**10**	**1**	**15**
Total No. of Service Risks:	**0**	**15**	**12**	**0**	**27**

1.2 The very high strategic risk was for poverty levels in Renfrewshire and the very high corporate risk was financial sustainability.

1.3 On 5 November the Board received a progress report on the risks. While the number and levels of risks remained the same, some risks and associated actions had been transferred from one service to another reflecting management restructures that had occurred during the year. In November it was also reported that most actions being taken forward in relation to the risks, were progressing as planned; only 5 actions were behind schedule and the Board was provided with reasons for the delays.

1.4 At the year-end, the risk profile was re-evaluated as:

Evaluation:	Low	Moderate	High	Very High	Total
No. of Strategic Risks:	**0**	**0**	**7**	**1**	**8**
No. of Corporate Risks:	**0**	**4**	~~10~~ **11***	**1**	~~15~~ **16**
Total No. of Service Risks:	**0**	**15**	**12**	**0**	**27**

1.5 As shown* in the table above a new corporate risk was added. This arose as the deadline for Brexit became more imminent. A Brexit Readiness Steering Group was established, and members of the steering group took ownership of recording the new risk and all the activity that the council was undertaking with local and national partnerships and agencies to prepare for potential impacts, in the context of notable uncertainly.

1.6 Actions were once again reviewed at the year-end and any that were due to be completed in-year that have not yet been concluded have been rolled forward and will continue to be tracked to completion.

1.7 Many of the risks from 2018/19 remain core issues for the council, whether imminent, longer term or business as usual and are addressed further in the following section.

1.8 It should be noted that the cost of controlling the risks and undertaking further action has been met within existing budgets and the council has continued to achieve cost effective risk management over the course of the year despite ongoing cost pressures.

2. The current business environment and key impact areas for the Council

2.1 In her recent statement following the approval of the council's budget for 2019-20, Sandra Black, Chief Executive, highlighted that a positive budget had been agreed, which "which provides major investment in our schools and roads infrastructure and supports those most in need." The budget provides £412m for capital investment and services. This includes an additional £27m for school building investment which will unlock additional funding from the Scottish Government's £1b schools infrastructure fund from 2021. Other key highlights include:

- £40m over the next five years for our roads, cycleways and paths
- £5.5million investment to support regeneration to the south of the Glasgow Airport Investment Area
- £1.4million for adult social care services
- £2.3million for community halls and investment in our environment

2.2 The Chief Executive described the significant financial challenges all councils face with increasing demand and pressures on services. Council Tax would increase by 4.79% and housing rents by 2%, noting that the additional 1.79% council tax increase (compared to the previous year's increase) would ring fence an additional £1.3m for schools and roads investment. The council has a balanced budget however savings would continue to be required in the years ahead.

2.3 Local Government in Scotland: Challenges and Performance 2019 – the Audit Scotland report highlights key risks for local government but the main message is that while councils have continued to improve how they use their resources, in many councils the change and improvement work has focused on efficiencies and "to address the growing gap between demand and resources, more fundamental, transformational changes are needed in service provision, and the pace of change needs to improve…" It was encouraging to see that Renfrewshire Council was noted in the report for good practice in relation to the council's employability programme and for being rated by Education Scotland as 'excellent' in relation to significant year-on-year improvements in closing the gap between attainment of most and least deprived pupils.

2.4 Looking back the proactive approach taken by the council, the rigor applied to financial planning, the benefits and savings delivered through the Better Council Change Programme and the dedication of staff to meet the demands of the pace of change has served the council well in managing highly significant risk and opportunities. The council continues to be well placed going forward to provide excellent services for local people, invest in the community and protect vulnerable residents.

2.5 Looking forward, in addition to the highlights of 2.1 above, the council continues to progress in key investment activities such as the Glasgow City Region City Deal projects, the new Advanced Manufacturing Innovation District Scotland (AMIDS) based in Renfrewshire, and the ongoing investment in cultural and heritage regeneration including the Paisley Museum transformation. The destination brand Paisley.is has now celebrated its first birthday and continues to showcase everything that makes Paisley and Renfrewshire a great place to live in, invest in and visit.

2.6 Considering all the above and in keeping with good risk management practice, the council's risks are regularly reviewed and revised as necessary.

2.7 In previous years, an extensive method has been used to stimulate a thorough approach to identifying risks and this involved consultation, benchmarking, reviewing reports specific to the council, reports that are external but nevertheless relevant to the council, and considering any new or emerging legislation. This method is still in use however this year the corporate risk management group additionally completed an exercise to further focus on the risks and consider them from the perspective of their imminence, their longer-term nature or their position as 'business as usual risks.' This has allowed the risks to be prioritised in terms of the detail being reported to Board to ensure information is fresh and relevant. This informs how the risks have been set out in section 3, however the remainder of this section seeks to highlight the key changes between last year's and this year's risks.

2.7.1 New risks coming on

Area of risk and context	Strategic	Corporate	Service
(1) Preparing for the longer-term impacts of Brexit: Regardless of whether the UK leaves the European Union with a deal or with no deal, there will be longer term challenges for Renfrewshire that require to be effectively managed with partners, otherwise there could be sustained impact in several areas including unemployment, the local economy, manufacturing, grant funding, research and development, food instability, and increases in the cost of living and vulnerability.	☑ CMT	---	---
(2) Expansion of Early Years Provision: The expansion of early years provision. Both in terms of the increase in hours from 600 to 1140 per year and the increase in flexibility creates a number of challenges for the council (around staffing, infrastructure, independent provision and fleet, soft and hard facilities provision), which could result in delays in the delivery of the 1140 hours.	---	☑ CS	---
(3) Administration of electoral events: this risk was formerly a corporate one that was removed given the experience of the team in administering elections. With the uncertain political environment that could see the occurrence of snap events such as a general election or referendum coupled with recent changes in the team profile, it is prudent to bring this risk back into focus, at least for the current year, with a view to removing it once the political environment settles and the new team arrangements are embedded. The risk is evaluated as moderate.	---	☑ Lead: F&R	---
(4) Commercial vehicle operator's licence: The council's vehicle fleet, managed by Environment & Infrastructure Services, comprises around 500 vehicles including heavy and large goods vehicles, light vans and cars. The council implements a range of measures to ensure ongoing vehicle operator licence compliance. However, it is prudent to bring this risk back into focus given increased DVSA activity and tougher fines.	---	☑ EI	---
(5) Analogue to digital switchover with impact on roads and community infrastructure: BT is set to switch off its traditional analogue telephone network and migrate all of its customers to a digital, IP telephony service in 2025. There will be challenges for Renfrewshire that require to be effectively managed with partners, otherwise there could be impact to Council Infrastructure.	---	---	☑ EI

2.7.2 <u>Potential risks not yet recorded</u>: some matters were brought forward by Environment and Infrastructure services however the view was that these might be quickly resolved and so were not added, but the service committed to include them at the mid-year review if they remained an issue (one example was routing of waste vehicles and introducing in-cab technologies). Similarly, Communities, Housing and Planning services explored some of areas of risk but considered them more opportunities for service improvement rather than risks.

2.7.3 Risks being removed (or now integrated with other risks)

Area of risk and reason for removal
(1) Education reform - the reforms as originally proposed by the Scottish Government will not be implemented. Renfrewshire works with the seven other local authorities which make up the Glasgow City Region as a Regional Improvement Collaborative, the establishment of which was part of the original proposed reform.
(2) Local partnership structures – the actions around local partnership structures (which were highlighted in the Best Value report), have been completed, and the role of local partnership structures is now captured within the community empowerment risk.
(3) Economic growth – this risk is now being captured within the longer-term Brexit impact risk
(4) Return on ICT investment – investment is ongoing but no longer considered a high risk to the council.
(5) Digital strategy – all original actions have been completed and the risk is considered well managed and appropriately resourced.
(6) Internal comms and staff engagement - all original actions have been completed and the risk is considered well managed and appropriately resourced.
(7) Public affairs and marketing – all original actions have been completed and the risk is considered well managed and appropriately resourced.
(8) AMIDS – all original actions completed, with any newer actions now captured under the City Deal risk.

Area of risk and reason for removal
(9) Sustainable food strategy – the risk owned by Environment and Infrastructure was focused around free school meals provision. This is no longer a risk given that the free school meals provision is appropriately resourced and operating well.
(10) Lifelong Learning – Lifelong Learning is led on by Community and Learning Development and has recently transferred to Communities, Housing and Planning Services. This is no longer a risk as the service is ensuring that it meets the requirements of both Lifelong Learning and the Community Empowerment Act.
(11) Business World – the risk had been reflected in terms of implementation. Now that the focus moves towards benefits realisation, Business World has now been reflected within the wider risk associated with realising benefits across the whole Better Council Change Programme.

2.7.4 Risks refocused

Area of risk and reason for refocus	Strategic	Corporate	Service
Poverty levels in Renfrewshire; this risk has been updated with a new title "Reducing inequalities in Renfrewshire" and this expands the scope of the risk while still reflecting the impact that poverty has on outcomes.	☑	---	---
Organisation and ICT resilience: these risks had previously been rolled together and scored at 16, but with focus for ICT resilience more about capacity and capability in the diverse work of technology, they will now be separated into two distinct risks with clearly aligned individual risk owners and revised scores. (1) Organisation Resilience (now scoring 12-high) (2) ICT Resilience (now scoring 12-high)	--- ---	☑ CHAP ☑ F&R	--- ---

2.7.5 Risks being transferred from one register to another

Area of risk and reason for transfer	Strategic	Corporate	Service
(1) Lifelong Learning (is transferred from Children's Services to Communities, Housing and Planning, and removed as per 2.7.3 above)			☑

2.8 Many risks continue to be inter-related and inter-dependent. Given the interdependencies between the council's opportunities, risks and benefits, the oversight that the corporate risk management group applies on an ongoing basis in terms of close monitoring and review of the risks and progress of associated action, is essential for understanding the complexity of the current risk environment of the council, particularly during a continued period of challenge and considerable organisational change.

2.9 Based on the review of the business context for the council and the methodology applied to identify the relevant risks, the corporate risk management group in consultation with the corporate management team has agreed the key risks to be recorded within the strategic and corporate risk registers going forward from April 2019. Directors have agreed their service risks with their senior management teams.

3. The risk profile from April 2019

3.1 The full list of risk titles noted for 2019 is provided below under the headings of Imminent, Longer-Term Challenges or Business as Usual.

- For table 3.1.1 the detail of the **one imminent risk** has been reviewed weekly by the Brexit Readiness Steering Group, addressing the main points highlighted to the Leadership Board at its 20 February 2019 meeting. All preparatory work has been completed and with the Brexit extension period now in place to 31 October 2019, the Readiness Steering Group has temporarily stood down but remains ready to reconvene at short notice if necessary.

- For table 3.1.2 showing the council's **14 longer-term risks**, appendices 1-3 of this paper sets out the detailed risk assessment for each of these including risk controls and further planned actions to address the risks.

- For table 3.1.3 showing the business as usual (BAU) risks, these are naturally inherent to the activities of the council, or, with regards to major projects, are where the governance has been established, and projects are underway with progress monitored via usual project management arrangements. The **30 BAU risks** are shown in more detail in appendix 4 with a note of the main independent sources of assurance for these risks (sometimes referred to as the 3rd line of defence'). For example, internal audit activity is essential to the assurance process, in testing the effectiveness of control measures in place. Internal audit reports for relevant risks in the audit plan are regularly submitted to Board by the Chief Auditor.

3.1.1 Imminent issues (contingency focused)	Strategic	Corporate	Service	Eval:
(1) Brexit Readiness	---	☑	---	High

3.1.2 Longer-term challenges (planning/ action focused)	Strategic	Corporate	Service	Eval
(1) Reducing inequalities in Renfrewshire	☑		---	V.High
(2) Community empowerment	☑			High
(3) Preparing for the longer-term impacts of Brexit	☑			High
(4) Delivery of Paisley 2021 legacy	☑			High
(1) Financial sustainability		☑		V.High
(2) Welfare reform impacts		☑		High
(3) Better Council Programme – benefits realisation		☑		High
(4) Workforce planning		☑		Moderate
(5) Climate, sustainability and adaptability		☑		Moderate
(1) Regeneration of Renfrewshire's Town centres			☑ CE	High
(2) Renfrewshire Events Strategy			☑ CE	High
(3) House building and community regeneration			☑ CHAP	High
(4) Analogue to digital switchover and impact on infrastructure			☑ EI	Moderate
(5) Insurance cover for predecessor organisations			☑ FR	High

Strategic, Corporate and key Service Risks, April 2019

3.1.3 Business as usual (assurance focused)	Strategic	Corporate	Service	Eval
(1) Community safety and public protection	☑			High
(2) Serious and organised crime	☑			High
(3) City Deal	☑			High
(1) Asset management		☑		High
(2) Cultural infrastructure and regeneration		☑		High
(3) Information and records		☑		High
(4) Cyber security		☑		High
(5) ICT resilience		☑		High
(6) Organisation resilience		☑		High
(7) Expansion of Early Years Provision		☑		High
(8) Insider threat and corporate fraud		☑		High
(9) Governance – internal control and oversight		☑		High
(10) Commercial Vehicle Operator's Licence		☑		High
(11) Governance and leadership		☑		Moderate
(12) Administration of electoral events		☑		Moderate
(1) Sustainable procurement			☑ CE	Moderate
(2) Housing investment and safety			☑ CHAP	High
(3) Air Quality			☑ CHAP	High
(4) Unaccompanied Asylum-Seeking Children			☑ CS	Moderate
(5) Integrated service arrangements			☑ CS	Moderate
(6) Early intervention and prevention in children's services			☑ CS	Moderate
(7) Failure of major providers			☑ CS	Moderate
(8) Continuous improvement			☑ CS	Moderate
(9) Property – school estate			☑ CS	Moderate
(10) Roads inspection and maintenance (compliance)			☑ EI	High
(11) Health and safety management for cemeteries			☑ EI	High
(12) Landfill site management			☑ EI	High
(13) Road safety			☑ EI	Moderate
(14) Oversight of induction procedures			☑ FR	High
(15) Corporate projects - capacity			☑ FR	Moderate

3.2 The Council's total risk profile at April 2019 is as follows.

Evaluation:	Low	Moderate	High	Very High	Total
No. of Strategic Risks:	00	00	06	01	07
No. of Corporate Risks:	00	04	13	01	18
Total no. of Service Specific Risks:	00	10	10	00	20
					45

Strategic, Corporate and key Service Risks, April 2019

3.3 Each service risk profile is shown as follows:

Table 3.3.1 Chief Executive's

Evaluation:	Low	Moderate	High	Very High	Total
No. of Key Risks:	00	01	02	00	03

Table 3.3.2 Children's Services

Evaluation:	Low	Moderate	High	Very High	Total
No. of Key Risks:	00	06	00	00	06

Table 3.3.3 Communities, Housing & Planning

Evaluation:	Low	Moderate	High	Very High	Total
No. of Key Risks:	00	00	03	00	03

Table 3.3.4 Environment & Infrastructure

Evaluation:	Low	Moderate	High	Very High	Total
No. of Key Risks:	00	02	03	00	05

Table 3.3.5 Finance & Resources

Evaluation:	Low	Moderate	High	Very High	Total
No. of Key Risks:	00	01	02	00	03

3.4 As in previous years, risks are aligned to the relevant council plan themes shown here:

- ✅ Reshaping our place, our economy and our future
- ✅ Building strong, safe and resilient communities
- ✅ Tackling inequality, ensuring opportunities for all
- ✅ Creating a sustainable Renfrewshire for all to enjoy
- ✅ Working together to improve outcomes

3.5 Risk summaries are shown overleaf in tables 3.5.1 and 3.5.2 which additionally show the links to council plan themes.

Strategic, Corporate and key Service Risks, April 2019

Table 3.5.1 **Strategic and Corporate Areas of risk, evaluation and lead risk owners☑**	Council plan outcomes				
	Reshaping place, economy and future	Building strong, safe and resilient communities	Tackling inequality, ensuring opportunities for all	Creating a sustainable Renfrewshire for all to enjoy	Working together to improve outcomes
Strategic					
Reducing inequalities in Renfrewshire (V.High)　　　　　Owner CE			☑		
Community Empowerment expectations (High)　　　　　Owner CMT		☑			
Brexit - longer term impacts (High)　　　　　Owner CMT	☑				
Community Safety & Public Protection (High)　　　　　Owners CS, CHaP		☑			
City Deal (High)　　　　　Owner CE	☑				
Delivery of Paisley 2021 Cultural Legacy (High)　　　　　Owner CE	☑				
Serious and Organised Crime (High)　　　　　Owner CHaP		☑			
Corporate					
Financial Sustainability (V.High)　　　　　Owner F&R					☑
Brexit Readiness (High)　　　Owner BR Steering Group		☑			
Welfare reform impacts (High)　　　　　Owners F&R, CHaP			☑		
Organisation Resilience (High)　　　　　Owner CHaP		☑			
ICT Resilience (High)　　　　　Owner F&R					☑
Insider Threat & Corporate Fraud (High)　　　　　Owners CHaP, F&R		☑			
Asset Management (High)　　　　　Owners EI, F&R					☑
Commercial vehicle operator's licence High)　　　　　Owner EI					
Governance - Internal control and management oversight (High)　　　　　Owner CMT					☑
Better Council Programme (High)　　　　　Owner CMT					☑
Information and Records (with GDPR) (High)　　　　　Owner F&R					☑
Cyber Security (High)　　　　　Owner F&R		☑			
Expansion of early years provision (High)　　　　　Owner CS			☑		
Cultural Infrastructure & Regeneration (High)　　　　　Owner CE	☑				
Administration of electoral events (Moderate)　　　　　Owner F&R					☑
Governance (BV) and Leadership (Moderate)　　　　　Owner CMT					☑
Workforce Planning - Best Value (Moderate)　　　　　Owner CMT					☑
Climate, sustainability & adaptability (Moderate)　　　　　Owner F&R				☑	

Table 3.5.2 **Service Areas of risk and evaluations**		**Council plan outcomes** 1. Reshaping our place, our economy and future 2. Building strong, safe and resilient communities 3. Tackling inequality, ensuring opportunities for all 4. Creating a sustainable Renfrewshire for all to enjoy 5. Working together to improve outcomes				
		1	2	3	4	5
Chief Executives						
Renfrewshire events strategy	- High	☑				
Regeneration of Renfrewshire's Town centres	- High				☑	
Sustainable procurement	- Moderate				☑	
Children's Services						
Unaccompanied Asylum-Seeking Children	- Moderate		☑			
Integrated service arrangements	- Moderate					☑
Early intervention and prevention in children's services	- Moderate			☑		
Failure of major providers	- Moderate					☑
Continuous improvement	- Moderate					☑
Property – school estate	- Moderate					☑
Communities, Housing & Planning						
Housing investment and safety	- High		☑			
House building and community regeneration	- High		☑			
Air Quality	- High				☑	
Environment & Infrastructure						
Roads inspection and maintenance (compliance)	- High				☑	
Health and safety management for cemeteries	- High		☑			
Landfill site management	- High				☑	
Road safety	- Moderate		☑			
Analogue to digital switchover with impact on infrastructure	- Moderate				☑	
Finance & Resources						
Oversight of induction procedures	- High					☑
Insurance cover for predecessor organisations	- High					☑
Corporate projects - capacity	- Moderate					☑

3.6 <u>TOP **longer-term** risks</u> – More detail is provided here with regards to the risks that have been identified as the top strategic, corporate and service risks.

Strategic, Corp, or Service risks	Risk Details		
	Risk Statement	Score	Brief commentary on the risk and approach to managing it
Top 3 Strategic			
Reducing inequalities in Renfrewshire	If we don't have a co-ordinated approach to tackling inequalities across Renfrewshire (including for example, the causes and consequences of poverty), this could jeopardise the effort in reducing both the short-term impacts on households but also have wider long-term consequences on attainment and health for people living on low incomes	20 V. High	The council plays a key role in tackling inequalities and providing the best possible services to our communities, particularly those who are experiencing the poorest outcomes. As well as our focus on health and wellbeing, we are also committed to support vulnerable individuals, groups or communities through early intervention and prevention, responding to poverty, supporting routes to employment as well as dealing with welfare reforms. Our aim is to enable sustainable, quality services in a context of demographic and financial changes. The Progressing Equality Outcomes and Mainstreaming Equality Report has now been published on the internet. http://www.renfrewshire.gov.uk/article/2285/Renfrewshire-Council-equality-information
Delivery of Community Empowerment expectations	The council needs to build on its experience in consulting with its residents and communities to ensure effective processes are in places for all aspects covered by the Act otherwise there could be reputational risks around delivery of expectations associated with the Act, financial and operational risks associated with service delivery, and financial and liability risks associated with community asset transfer.	16 High	Working with key partners in local areas to empower people to develop and deliver services, assets and facilities in their local communities. Implementing findings from review of corporate grants process and monitoring arrangements. Implementing new Local Partnership Model and delivering a framework for mainstreaming Participatory Budgeting.
Preparing for the longer-term impacts of Brexit	Regardless of whether the UK leaves the European Union with a deal or with no deal, there will be longer term challenges for Renfrewshire that require to be effectively managed with partners, otherwise there could be sustained impact in several areas including unemployment, the local economy, manufacturing, grant funding, research and development, food instability, and increases in the cost of living and vulnerability	16 High	Completing the implementation of a rural development programme across Renfrewshire, East Renfrewshire and Inverclyde through the effective delivery and management of the EU LEADER programme. Expanding enterprise programmes and business support to increase number of new local business start-ups. Increasing business sustainability, productivity, competitiveness and growth through a revised package of incentives, business support, training and advice. Promoting international trade and connectivity through supporting those businesses looking to export to new markets. Engaging with local businesses to understand the needs of the labour market and ensure our skills and employability provision reflect those needs. Reducing skills gaps in the area and responding to growth sectors. Ensuring a strong and active local employability partnerships to support all people to be job ready and to access employment. Preparing for Brexit-related procurement and supply chain implications

Strategic, Corp, or Service risks	Risk Details		
	Risk Statement	Score	Brief commentary on the risk and approach to managing it
Top 3 Corporate			
Financial Sustainability	If significant cost pressures are not successfully planned for and managed effectively over the medium to longer term, this could jeopardise the financial stability of the council and result in a significant impact on availability and quality of front-line services and capital investment resources.	25 V. High	The council has agreed its 2019/20 budget, and there should be increased certainty with regards to pay pressures in the coming two years given the recent settlements which have been agreed; however there remains considerable uncertainty with regards to the level of grant income which local authorities may receive. The council is continually updating its medium term financial planning forecasts and assumptions and is developing a wider transformation programme which will seek to ensure the council continues to remain financially sustainable.
Welfare Reform impacts	Welfare related legislative changes, including the move to Universal Credit Full Service will increase demand for digital support and advice services across the community as the council looks to support people transition to the new arrangements. UC could jeopardise the viability of the Housing Revenue Account and will increase demand for Scottish Welfare Fund and Discretionary Housing Payments and lead to a reduction in CTR income. It will create additional resource and workforce planning pressures for services.	16 High	Universal Credit full service is now live across Renfrewshire. UC, HB and CTR caseload continue to be monitored against the models developed prior to go live. Well-developed management arrangements are in place to monitor rent and council tax income and arrears levels and confirm and revise assumptions in support of effective planning and resource allocation. Monitoring and future modelling is updated to reflect any new information from DWP or other parties. The administration arrangements and spend for Discretionary Housing Payments and Scottish Welfare Fund are monitored and reviewed on an ongoing basis. Utilising £0.81M of resources set aside by the council, the development of responsive interventions have been developed and deployed over the short term to assist in managing the impact of UC. Workforce planning activities include actions to coordinate and manage the impact of UC and other welfare reform changes on staff resources. The council continues to be represented by senior officers in discussions at a national level on a range of welfare reform issues, including Universal Credit rollout and the local arrangements for the delivery of Scottish Social Security benefits. The Community Planning Partnership ensures cohesive working among partners, and the Advice Partnership Renfrewshire provides a forum for communicating and involving key stakeholders.
Better Council Programme – benefits realisation	The ongoing transformational change agenda makes for a highly complex and challenging business environment which, if not co-ordinated and managed effectively across all aspects of the council's business, could result in benefits not being delivered and impact significantly on future service delivery and the longer-term effectiveness of the organisation	12 High	The current programme of change activity (Better Council Change Programme) continues to be monitored by dedicated Programme Management Unit resource which includes, but is not limited to, cross-organisational programme/ project management and the management of project benefit delivery and associated risks. PMU and Services track delivery of project deliverables against agreed milestones and ensure the enablement of financial savings. When risks to the realisation of these benefits occur, they are escalated to CMT and options are presented to identify alternative means of delivering the financial saving. Better Council progress is reported monthly with dedicated spotlight sessions at council CMT. Between these sessions, any major risks to benefit delivery are escalated directly to project sponsors, Directors or Dir. Finance / Chief Exec as required.

Strategic, Corporate and key Service Risks, April 2019

Strategic, Corp, or Service risks	Risk Details		
	Risk Statement	Score	Brief commentary on the risk and approach to managing it
Chief Executive's Services			
Renfrewshire Events Strategy	Renfrewshire Council Events Strategy and Future Paisley Action Plan seeks to deliver a range of local and visitor events across Renfrewshire. Effective public safety and crowd management are critical to the safe delivery of events. Any safety incidents at events have the potential to cause reputation harm, negative visitor experience and in turn reduced numbers at future events.	12 High	Delivery of the Renfrewshire Events Strategy is a key strategic priority for the council, with events estimated to contribute over £5m to the economy by 2022. Events are growing in profile and in turn audience numbers. It is imperative that public safety and crowd management is at the heart of all planning and delivery of the events. In order to manage and mitigate the risk around public safety and crowd control the events team have undergone 4-day training programme delivered by the Emergency Planning College on Crowd Management and Public Safety at Mass Gatherings. An external review of all Event Safety documentation has been commissioned and will be complete by June 2019. A table top session in advance of the major events programme in the winter will be complete and formal debriefs after every event ensure continual development of all event safety plans.
Regeneration of Renfrewshire's Town centres	The Council has plans for the regeneration of town centres throughout Renfrewshire which if not delivered effectively could result in reputational harm as well as the missed opportunities of improving the quality of life in Renfrewshire, particularly in the Town Centres. This includes investing in Renfrewshire's Heritage assets and the promotion of Renfrewshire and of Paisley as a destination town.	12 High	The regeneration of Renfrewshire's Town Centres is a key priority for the service and detailed Town Centre Strategies have been agreed for Linwood, Johnstone, Erskine, Braehead and Renfrew. Following the positive impacts of the City of Culture Bid last year, the Council has ambitious plans to develop Renfrewshire's 'cultural assets' to support the regeneration activity across the LA area. This £91m investment will have a significant impact on Paisley Town Centre and the wider Renfrewshire area the detail of which is noted under the Cultural Infrastructure and Regeneration risk.
Children's Services			
(CS are all strategic, corporate, BAU or project risks)			
Communities, Housing & Plann'g			
House building and community regeneration	The Council has plans for regeneration throughout Renfrewshire which if not delivered effectively could result in reputational harm as well as the missed opportunities of improving the quality of life in Renfrewshire. The provision of high quality affordable housing is a key component of this and is an integral part of the regeneration strategy that must be delivered.	12 High	The provision of high quality affordable housing is a key component of improving the quality of life in Renfrewshire and is an integral part of the regeneration strategy that must be delivered. The council is working with Housing Association partners to build more affordable homes in Renfrewshire, the Scottish Government have announced a target of 50,000 new affordable homes in Scotland, the council is progressing Community Growth Areas across Renfrewshire and using new approaches to attract new development and investment.

Strategic, Corp, or Service risks	Risk Details		
	Risk Statement	Score	Brief commentary on the risk and approach to managing it
Environment & Infrastructure			
Analogue to digital switchover - impact on infrastructure	BT is set to switch off its traditional analogue telephone network and migrating all of its customers to a digital, IP telephony service in 2025.	9 Moder ate	As with any major technological upgrade or regulatory rollout, the key is to prepare as early and as comprehensively as possible. This means carrying out a thorough audit of all of our existing systems to establish which ones are already digitally compatible, and which are running on analogue networks to prepare a digital migration plan by 2025.
Finance & Resources			
Insurance cover for predecessor organisations	With insurance gaps identified for some predecessor organisations, and recent legislative changes relating to limitation periods, there is an increased financial risk arising from possible uninsured claims	12 High	The council maintains a register of policies for Renfrewshire's predecessor organisations which assists in identifying relevant insurers wherever possible. The services of an insurance archaeologist have been engaged where relevant to undertake further work to identify insurers for known gaps. Where the council believes an insurer is 'on risk' they are put on notice timeously.

3.7 The risk treatment activity planned for the longer-term risks in 2019 and beyond is detailed within appendices 1-3. This activity (proportionate to the level of each risk) will further contribute to either the prevention of the risk occurring, where possible, or mitigating their potential effects. Where there are no actions linked to a risk this indicates that the risk is being managed on the basis of the control measures currently in place.

3.8 The risk registers continue to underpin the key priorities of the council's Annual Strategic Audit Plan. Actions relating to planned audits for 2019/20 are aligned to the relevant risks and any improvement actions arising from 2018/19 internal audit work will continue to be integrated into the risk register as audit reports are finalised.

3.9 A midyear progress report on the risks will be reported in due course to the Audit, Risk and Scrutiny Board. Information on specific significant risks will be reported by the Corporate Risk Management Group to the Corporate Management Team as required on an exceptional basis.

Appendix 1: Longer-term Strategic Risks

✓ **Reshaping our place, our economy and our future**

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
SRR.19.01.01 Preparing for the longer-term impacts of Brexit Context: *Economic growth and employment *EU funding *Suppliers and markets which may impact the provision of services *The financial position of the Council (including pricing and currency fluctuations) *Poverty (including food poverty) *Potential increased numbers of citizens returning to the UK where previously resident in an EU country *The EU Settlement scheme *City Deal, Cultural infrastructure programme, AMIDS *Impact on workforce planning	Regardless of whether the UK leaves the European Union with a deal or with no deal, there will be longer term challenges for Renfrewshire that require to be effectively managed with partners, otherwise there could be sustained impact in several areas including unemployment, the local economy, manufacturing, grant funding, research and development, food instability, and increases in the cost of living and vulnerability.	Strategic Brexit Focus Group	**Top controls** ▪ Community Planning Partnership Brexit workshop undertaken and initial CPP risk assessment and action plan established with follow-up sessions arranged ▪ Maintaining a high level of understanding of the current position in relation to EU funding and maximising current benefits ▪ Maximum drawdown of existing funds identified ▪ Ongoing engagement in development process for new funds (successor to EU funding) ▪ Scotland Excel and Corporate Procurement monitoring Suppliers and markets which may impact the provision of services on ongoing basis ▪ Council's financial position ▪ Analysis and ongoing review of the council's financial position based on independent advice of investments and reserves ▪ Procurement/ budget monitoring for increase in supplier costs	04	04	16 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
SRR.19.01.01a	Strategic Brexit Focus Group to be established now to scope out and take ownership of the risk and identify required actions	Once established, the focus group will: . review the "No Deal Economic Implications for Scotland" paper written by Gary Gillespie . engage with Chamber of Commerce and University address longer term HSCP/ Children's services impact re 'returnees'	Head of Policy & Commissioning	30-Apr-2019	▶
SRR.19.01.01b	To ensure that the council engages with Police Scotland to understand the arrangements for intelligence sharing with EU nations that are being agreed by Police Scotland/ UK Police	Police understand the risk and are in the process of putting measures in place	Senior Civil Contingencies Officer	30-Jun-2019	▶
SRR.19.01.01c	Take forward any related actions post 25 March Community Planning Partnership meeting on the impact on the research sector for manufacturing and business development	[New]	Head of Policy & Commissioning	30-Jun-2019	▶

Strategic, Corporate and key Service Risks, April 2019

SRR.19.01.01d	Take forward any related actions post 25 March Community Planning Partnership meeting on impact on third sector (post EU funding)	[New]	Head of Policy & Commissioning	30-Jun-2019	▶
SRR.19.01.01e	Undertake a health check/ financial stability of construction suppliers	[New]	Strategic Procurement Manager	30-Jun-2019	▶

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
SRR.19.01.03 Delivery of City of Culture 2021 Legacy Context: The bidding process for the UK City of Culture title itself has generated a new-found confidence and pride across our communities, businesses and partners and we will continue to build on this. As a result of bidding for the title, we have secured a £100million package of investment to reinvigorate some of our key venues in Paisley and also make a number of improvements to our town centre. An additional £7.5m has been invested in securing the cultural legacy with an enhanced events and marketing programme, and new resources to develop the capacity of the cultural sector. A partnership board legacy action plan has been developed to continue the ambition to achieve the bid's original long-term aims to significantly grow Paisley's creative economy, transform its reputation, see the town recognised for its cultural excellence, lift communities out of poverty, and turn Paisley town centre into a vibrant destination.	Failure to realise the strategic cultural, social and economic regeneration targets established as part of the 2021 Bid would represent a missed opportunity and could result in reputational damage to the Council and our partners.	Director of Communities, Housing & Planning	**Top controls** (1) The Partnership Board and Executive Team established to develop the 2021 bid have committed to continued collaboration and the development and implantation of a bid legacy action plan (2) Council has agreed capital and operational budgets to support infrastructure, events/cultural programme development and cultural regeneration programmes (3) Additional funding discussions are being taken forward with Scottish Government and individual funders identified during the bid (4) A bid legacy action plan has been agreed that identifies activities that will deliver step changes by 2027 across economic, reputational, social, cultural and town centre outcome areas (5) A delivery team is being established to focus on the delivery of the action plan and continued support of the partners (6) A programme management framework and risk register is being established to ensure visibility of progress within the partnership governance model	03	05	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CS.SIP.19.01c	Increase the role of arts and creativity in the school curriculum from early years through to the senior phase.	[New]	Head of Early Years and Broad General Education	31-Mar-2020	▶

Building strong, safe and resilient communities

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
SRR.19.02.04 Delivery of Community Empowerment expectations Context: The Community Empowerment (Scotland) Act 2015 and places a wide range of requirements on local authorities. The Act is intended to empower community bodies through the ownership or control of land or buildings and by strengthening the voice of communities in the planning and delivery of public services. Some parts of the act have come into force while others have still to be enacted.	The council needs to build on its experience in consulting with its residents and communities to ensure effective processes are in places for all aspects covered by the Act otherwise there could be reputational risks around delivery of expectations associated with the Act, financial and operational risks associated with service delivery, and financial and liability risks associated with community asset transfer.	CMT	**Top controls** (1) Community level governance arrangements are currently being reviewed to assess how they can facilitate engagement from local communities. In particular, the review has explored how Local Area Committees can meet the requirements of the Community Empowerment (Scotland) Act, and provide an enhanced role for communities to engage with the wider Community Planning Partnership. (2) Following a review, a new process is currently being developed and piloted which reviews how the Council works with community groups. This pilot will see officers working alongside community organisations to develop a more detailed framework of activity. This would include developing detailed principles for the Council's engagement and support, and creating a process which is more efficient for the Council, and transparent for community organisations (3) Community Asset Transfer - Implementing (and reporting on) the Community Empowerment (Scotland) Act 2015 including Community Asset Transfer requests	04	04	16 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CE.SIP.18.02.03	Work with communities to develop local action plans to tackle the issues people care about most	Following on form extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships.	Strategic Partnerships and Inequalities Manager	31-Mar-2021	▶
CE.SIP.19.02.29	Implement findings from review of corporate grants process and monitoring arrangements	[New]	Tackling poverty & welfare reform manager	31-Dec-2019	▶
CE.SIP.19.02.30	Implement new Local Partnership Model	[New]	Tackling poverty & welfare reform manager	31-Dec-2019	▶
CE.SIP.19.02.31	Deliver framework for mainstreaming Participatory Budgeting	[New]	Tackling poverty & welfare reform manager	31-Mar-2021	▶
SRR.19.02.04a	Audit Plan - review of the governance arrangements for aspects of the legislative requirements for community empowerment	[New]			
SRR.19.02.04b	Audit Plan - review of the arrangements for grant administration.	[New]			

Strategic, Corporate and key Service Risks, April 2019

Tackling inequality, ensuring opportunities for all

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
SRR.19.03.07 Reducing inequalities in Renfrewshire Context: The council plays a key role in tackling inequalities and providing the best possible services to our communities, particularly those who are experiencing the poorest outcomes. As well as our focus on health and wellbeing, we are also committed to support vulnerable individuals, groups or communities through early intervention and prevention, responding to poverty, supporting routes to employment as well as dealing with welfare reforms. Our aim is to enable sustainable, quality services in a context of demographic and financial changes.	If we don't have a co-ordinated approach to tackling inequalities across Renfrewshire (including for example, the causes and consequences of poverty), this could jeopardise the effort in reducing both the short-term impacts on households but also have wider long-term consequences on attainment and health for people living on low incomes	Head of Customer & Business Services; Head of Policy & Commissioning	**Top controls** (1) £5 million Council funding allocated to progress range of targeted initiatives and interventions (2) Robust programme management processes in place (3) Governance structure agreed for reporting progress and budgetary monitoring (4) Preparation for the roll out of Universal Credit full service and wider changes across the Scottish and UK Social Security Systems (5) Attainment Challenge Plan for Renfrewshire, including . Additional staffing resource to support schools . Monitoring and tracking of data on attainment . Use of standardised assessments . Establishments and services engaging in self-evaluation to improve learning and teaching . Establishment Review Teams monitoring performance and linking to inspection activity . Investing in the Education Workforce plan	04	05	20 V.High

Action Codes	Linked Actions	Latest Note	Assigned	Due	Status
CE.SIP.18.03.01	Programme of work to tackle inequalities and poverty learning from evaluation of Tackling Poverty programme	The next phase of the Tackling Poverty programme was approved by the Leadership Board in June 2018. Progress of funded projects is reported on a six monthly basis.	Partnership Manager; Sr Planning & Pol Dev't Officer	31-Mar-2021	▶
CE.SIP.18.03.05	Work with local equalities led community groups and employees to deliver progress against the six equalities outcomes	Progressing Equality Outcomes and Mainstreaming Equality Report has been published on the internet. http://www.renfrewshire.gov.uk/article/2285/Renfrewshire-Council-equality-information	Sr Planning & Pol Dev't Officer	31-Mar-2021	▶
FRSIP18.03.07	Provide effective support to people affected by the introduction of Universal Credit Full Service by September 2018 onwards	Universal Credit (UC) Full Service went live across Renfrewshire area on 18/09/2018. The numbers of people claiming UC are gradually rising month on month. The council directs people to the CAB help to claim service and provides support in relation to council tax reduction and housing costs.	Head of Customer & Business Services	31-Mar-2020	▶
CE.SIP.19.03.33	Implement Year 2 of the Tackling Poverty Programme funding	[New]	Tackling poverty & welfare reform manager	31-Mar-2020	▶
CE.SIP.19.03.36	Implementation of the Macmillan Renfrewshire Improving the Cancer Journey Project	[New]	SP&PD Manager (Adults); Strategic P&PD Manager	31-Dec-2019	▶

Strategic, Corporate and key Service Risks, April 2019

CE.SIP.19.03.37	Establish and support the Renfrewshire Alcohol and Drugs Commission	[New]	SP&PD Manager (Adults); Strategic P&PD Manager	31-Dec-2019	
CS.SIP.19.01b	Improve employability skills and support all of our young people to enter positive destinations and sustained post-school destinations.	[New]	Head of Schools; Education Manager (Senior Phase)	30-Jun-2020	
CS.SIP.19.01d	Continue to develop partnership links and collaborative arrangements with the Further Education sector, employers and commerce in line with the Commission for Developing Scotland's Young Workforce Report.	[New]	Education Manager (Senior Phase)	31-Mar-2020	
CS.SIP.19.03c	Deliver on the Attainment Challenge workstreams.	[New]	Director of Children's Services	31-Mar-2020	
CS.SIP.19.03e	Reduce inequalities and deliver improved health and wellbeing outcomes for children and young people	[New]	Education Manager (Quality Improvement)	31-Mar-2021	

Strategic, Corporate and key Service Risks, April 2019

Appendix 2: Longer-term Corporate Risks

Tackling inequality, ensuring opportunities for all

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CRR.19.03.06 Welfare Reform Context: Universal Credit is now in place across Renfrewshire for anyone who would have previously claimed one of the legacy benefits. Significantly, as it progresses an estimated 20,000 citizens will be expected to make on-line applications and receive monthly benefit payments once UC is fully rolled out. As a result, the demand for support to successfully move on to and maintain claims to UC in areas such as digital access, money advice, personal budgeting and housing support will increase significantly. A range of organisational impacts are anticipated including increasing rent arrears; in Renfrewshire direct payment of UC to recipients will increase the rent that needs to be collected directly from council tenants from £15M to £28M per year once full rollout is complete in 2022. Other impacts include fewer applications for Council Tax Reduction, impacting on Council Tax revenue, as well as increased demand for both Discretionary Housing Payments and Scottish Welfare Fund crisis grants. This sits alongside reductions in Housing Benefit administration funding that is not expected to be aligned with reductions in workload.	Welfare related legislative changes, including the move to Universal Credit will increase demand for digital access and advice services across the community as people required to claim UC look to the council for to support. UC could jeopardise the viability of the Housing Revenue Account and will increase demand for Scottish Welfare Fund and Discretionary Housing Payments and lead to a reduction in CTR income. It will create additional resource and workforce planning pressures for services.	Director of Communities, Housing & Planning; Director of Finance & Resources	**Top controls** (1) Universal Credit full service is now live across Renfrewshire. UC, HB and CTR caseload continue to be monitored against the models developed prior to go live. Well-developed management arrangements are in place to monitor rent and council tax income and arrears levels and confirm and revise assumptions in support of effective planning and resource allocation. Monitoring and future modelling is updated to reflect any new information from DWP or other parties. (2) The administration arrangements and spend for Discretionary Housing Payments and Scottish Welfare Fund are monitored and reviewed on an ongoing basis. (3) Utilising £0.81M of resources set aside by the council, the development of responsive interventions have been developed and deployed over the short term to assist in managing the impact of UC. (4) Workforce planning activities include actions to coordinate and manage the impact of UC and other welfare reform changes on staff resources. (5) The council continues to be represented by senior officers in discussions at a national level on a range of welfare reform issues, including Universal Credit rollout and the local arrangements for the delivery of Scottish Social Security benefits. (6) The Community Planning Partnership ensures cohesive working among partners, and the Advice Partnership Renfrewshire provides a forum for communicating and involving key stakeholders.	04	04	16 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
FRSIP18.03.08	Monitor the progress of welfare reform and put in place effective controls to ensure the council is prepared for the impacts	The council has developed effective modelling tools to identify and monitor the impact of welfare reform changes, including Universal Credit, on Council services and resources. Now that UC Full Service is live across Renfrewshire the actual impacts are being tracked to ensure that Council services continue to support citizens and manage the resource demands	Head of Customer & Business Services	31-Mar-2020	▶

Strategic, Corporate and key Service Risks, April 2019

Creating a sustainable Renfrewshire for all to enjoy

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CRR.19.04.08 Climate Change, Sustainability & Adaptability Context: . Protecting and enhancing the Green Belt and strengthening landscape character in Renfrewshire . Stabilising Renfrewshire's population . Protecting and sustaining human health and enhancing human wellbeing. . Ensuring better integration between transport and land use planning and increasing the proportion of trips undertaken by walking, cycling and public transport . Protecting and enhancing the water environment and promoting sustainable flood risk management . Improving air quality and reducing the level of airborne pollutants . Reducing green-house gas emissions . Reducing Renfrewshire's carbon foot print Increasing energy efficiency	If the council does not make the most of opportunities associated with climate change, sustainability and adaptability, there is a risk of missed opportunities for maximising savings and the potential for financial penalties.	Director of Finance & Resources	**Top controls** (1) The Council has used the Climate Change Assessment Tool – helps public sector organisations in Scotland self-evaluate their performance under the public sector duties of the Climate Change (Scotland) Act 2009 (2) The Carbon Management Plan has specific objectives to reduce emissions and these are included in other key documents such as the Council Plan (3) Implementation of the Corporate Asset Management Strategy ensures that property assets are managed effectively and efficiently through the provision of relevant management and performance information (4) The Energy Management Team: . ensure energy management initiatives are aligned to the capital investment programme and corporate asset strategy to optimise use of property estate and reduce overall running costs and energy consumption levels . promote reductions in energy usage and advise employees and residents about energy efficiency (5) Through the Procurement Unit, sustainability and community benefits are considered in the development of all contract strategies	02	04	8 Moderate

Action Codes	Linked Actions	Latest Note	Assigned	Due Date	Status
CRSIP17.01.04.14	Ensure a residual waste treatment and disposal facility is fully operational by 2019 as part of the Clyde Valley Waste Management solution	The Waste treatment facility remains on target/plan and the previous update holds.	Amenity Services Manager - Waste	31-Dec-2019	▶
FRSIP18.04.12	Meet the Scottish Government's targets and expectation on Carbon Reduction Measures	The Council's Carbon Management Plan 2015-2020 was approved by the Planning & Property Policy Board on 11th November 2014. The Plan sets a target reduction of 36% carbon emissions from the 2012/13 baseline by March 2020. The Update Report provided to Infrastructure, Land & Environment Policy Board on 23 January 2019 evidenced progress exceeding target.	Head of Property Services	31-Mar-2020	▶
FRSIP18.04.13	Increase the focus on Carbon and Financial standings through monitoring and targeting	A Targeting & Monitoring officer has been appointed to work with Head Teachers and building managers who are supplied with their energy consumption versus target along with 3 years of history to identify any trends or changes in use for both gas and electricity and to determine areas of improvement. This post builds on the work that has been done in recent years with technological interventions and helps contribute to not only achieving, but exceeding the targets that were set out in the Carbon Management Plan	Head of Property Services	31-Mar-2020	▶

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CRR.19.05.09 Financial Sustainability Context: **Best value report** . Recommendation in Best Value report to prioritise how services need to be provided in future to be funded from within available resources. **Cost & Income pressures** . Future grant settlements and the level of funding available. . Implications of national economic policy to protect certain services from real terms reductions in funding such as the Police and NHS . Future Local Government pay settlements and non-payroll related inflation . Demographics & demand pressures, such as an ageing population with increased associated service demands . Implications of welfare reform & poverty levels. . Reductions in council income from fee generating services such as local planning and parking, Implications of the national economic recovery and associated risks/uncertainty in economic factors e.g. interest rates.	If significant cost pressures are not successfully planned for and managed effectively over the medium to longer term, this could jeopardise the financial stability of the council and result in a significant impact on availability and quality of front-line services and capital investment resources.	Director of Finance & Resources	**Top controls** (1) An updated Medium to Longer Term Financial Planning Strategy assessed the various risks to the council's short, medium and longer term financial sustainability. The results are communicated throughout the council in various related reports such as the "Financial Outlook 2018-2020 Report" presented to the Leadership Board on the 12/12/2017. Committee reports of this nature cover a wide range of current and future financial and economic factors e.g. Strategic Economic and National Policy Context, Cost Pressures, Pressures on Income and Mitigation Strategies to deal with such uncertainties. (2) A well developed and embedded budget planning, budget setting and budgetary control system is in place throughout the organisation and this informs members and officers regarding financial performance and stability. This facilitates robust and transparent decision making and incorporates an escalation process with regards budget management issues which may arise. (3) In conjunction with the medium to longer term financial outlook and the councils continued "Better Council Change Programme" Renfrewshire Council has been pro-active in planning for the future by identifying and agreeing a planned release of resources. This is required to meet emerging budget pressures and is utilised in conjunction with the Council's long term debt smoothing strategy to support the release of planned savings over a number of years (4) There is close financial monitoring of the agreed savings to be achieved and this is to ensure they are delivered within the agreed timescales and achieve the associated objectives. Monitoring is undertaken via a combination of financial and operational measures, actions & related update reports. (5) Regular updates and bespoke reports are provided to CMT and the Council with regards the national fiscal position, likely developments and the impact on the council through close liaison with national groups and the Scottish Government. (6) Levels of and use of reserves and the Council's Capital Investment and Treasury Management Strategy. **Other controls** (1) Reports and publications from Audit Scotland in relation to local government's financial outlook, financial planning and related developments & improvements are supplemented with a Renfrewshire context report with both reports being submitted to the Council's Audit Scrutiny & Petitions Board. Audit Scotland representatives have an open invite to these policy board meetings. (2) The role as a partner in the development of a waste management shared service allows the council to influence key decisions and be clear on its related costs. (3) Improving asset management planning, asset utilisation and energy consumption has clarified priority areas for investment in the council's estate and this has supported and informed the council's investment decisions and the formulation of the council's capital & revenue budgets.	05	05	25 V.High

Strategic, Corporate and key Service Risks, April 2019

Action Codes	Linked Actions	Latest Note	Assigned	Due Date	Status
CRR.18.05.08a	Audit Plan – home care contract management	Draft report has been issued to the service.	Chief Auditor	30-Jun-2019	▶
CRR.19.05.09a	Audit Plan – review of key financial systems which have moved over to the Business World environment, specifically the general ledger and payroll	[New]	Chief Auditor	30-Jun-2020	▶
CRR.19.05.09b	Audit Plan – review of the recently introduced online payments systems	[New]	Chief Auditor	30-Jun-2020	▶
CRR.19.05.09c	Audit Plan – review of the quick quote procurement processes	[New]	Chief Auditor	30-Jun-2020	▶

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CRR.19.05.13 Better Council Change Programme Context: (1) Successfully deliver Phase 3 of the Better Council Change programme and implement the agreed budget and savings options (2) Implementation of a significant programme of transformational change (3) Increased efficiency (4) Third phase of the programme to facilitate identification of additional savings areas. (5) Addressing capacity challenges (financial and workforce) to deliver change and improvement	The ongoing transformational change agenda makes for a highly complex and challenging business environment which, if not co-ordinated and managed effectively across all aspects of the council's business, could result in benefits not being delivered and impact significantly on future service delivery and the longer term effectiveness of the organisation	Director of Finance & Resources	**Top controls** (1) Programme management approach adopted. (2) Monthly programme boards held as part of CMT agenda. (3) Effective budget tracking and monitoring (4) Regular reporting on progress to the Leadership board (5) Effective joint working with between PMU staff and service leads (6) Special development sessions held with all managers to third tier to assist in prioritising areas for further development and possible inclusion in the second phase of the programme. (7) A workforce planning strategy has been developed by HR & OD, aligned to the Organisational Development strategy and BCCP and the individual actions identified within this are being progressed. (8) Directors are being supported by HR&OD to implement highly effective workforce planning approaches to effectively scenario plan to deal with any major uncertain shifts in the Council's internal or external environments. (9) A range of learning and development solutions to support managers specifically on areas of change management and workforce planning has been delivered through the Leaders of the future programme.	03	04	12 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
FRSIP18.05.42	Successfully deliver the Better Council Change programme	In 18/19 the Better Council Change Programme has successfully delivered 18 projects, enabling and delivering change, modernisation and realising financial savings of £3.5m. There are 15 projects remaining in the overall programme. Within Finance & Resources there are 5 projects which sit within the Customer Experience & Digital Theme. These projects will deliver a shift to digital first services to improve timeliness and customer experience, improved transformational changes to the way services operate and function and the transition will continue to embed technology and the ICT structure that services require. All projects are in delivery and progressing well.	Head of Transformation & OD	31-Mar-2019	▶ [Complete for 2018/19]

Strategic, Corporate and key Service Risks, April 2019

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CRR.19.05.18 Workforce Planning (BV) Context: The best value report published in August 2017 highlighted areas for improvement with regards to workforce planning, most of which have been progressed already and are now reflected within the current control measures. The current risk evaluation is therefore moderate	Recommended improvements in workforce planning arrangements should be implemented otherwise there will be an increased risk to how future services are delivered	Director of Finance & Resources	**Top controls** (1) The Council Workforce Plan 2017-2020 (approved in August 2017) (2) Each service department has its own workforce plan with associated priorities aligned to the 5 key themes of the Council Workforce Plan (3) All services have embedded workforce planning into their Service Improvement Plans (4) A Strategic OD & Workforce Planning Board is now well established (5) A dedicated resource for workforce planning is in place to support monitoring and progress of service and Council workforce planning actions (6) Engagement with and reporting to a wide range of stakeholders including CMT, Policy Boards, Services, Trades Unions and Staff Panels (7) Managers are being developed in workforce planning. 233 managers are currently on development programmes with an anticipated 600 planned up until 2019. (8) The Renfrewshire Health and Social Care Partnership (HSCP) also has its own Workforce Plan and Oversight Group with representation of senior managers from HSCP and Council.	02	04	08 Moderate

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
2018/19 completed					

Appendix 3: Longer-Term Service Risks

Chief Executive Services

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CERR.19.01.01 Renfrewshire Events Strategy Delivery of the Renfrewshire Events Strategy is a key strategic priority for the council, with events estimated to contribute over £5m to the economy by 2022. Events are growing in profile and in turn audience numbers. It is imperative that public safety and crowd management is at the heart of all planning and delivery of the events.	Renfrewshire Council Events Strategy and Future Paisley Action Plan seeks to deliver a range of local and visitor events across Renfrewshire. Effective public safety and crowd management are critical to the safe delivery of events. Any safety incidents at events have the potential to cause reputation harm, negative visitor experience and in turn reduced numbers at future events.	Head of Marketing, Communications and Events	**Top controls** (1) The events team have undergone 4-day training programme delivered by the Emergency Planning College on Crowd Management and Public Safety at Mass Gatherings. (2) A Multi Agency Events Group meets on a monthly basis. Our multi agency partners include Police Scotland, Scottish Fire and Rescue, Ambulance Scotland. A number of internal departments represented; Events, Health and Safety, Civil Contingencies, Community Resources - street scene, roads and occasional representation from Members Services when required. The remit of the group is to plan and deliver safe and successful events. The group primarily review council run events but also consider community events jointly plan that could have implications for any of the service represented. A contingency manual is prepared for each council run event, circulated to all members of the group for comment and feedback. The document contains timelines, key contacts, site maps, permissions and is designed to provide event control room with a single document containing all strategic information required to inform decisions on the day. Each event is supported by a consumer marketing and media campaign that enables up-to-the minute event information to be provided to event goers and visitors. The group also review all events on completion and log any issues in a lessons learned to inform planning and development for future events. (2) Events Guidance Manual in operation (3) Considerable pre-event liaison with in house teams and the emergency services (4) The events team and in-house specialists have considerable experience and a good track record in organising and managing events (5) Suppliers procured in accordance with Contract Standing Orders, with indemnity limits agreed and insurance covers checked. **Other controls** Accredited, and experienced stewards are employed and Paramedic and trained first aiders are on site at all large scale events. There is events cancellation insurance cover in place for higher cost events	03	04	12 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CE.SIP.18.01.06	Implement the Renfrewshire Visitor Plan	Completed and delivery of year 1 plan reported to Leadership Board in Dec 2018. • Growth in visitor numbers to events expected to exceed 8% in 2018. • Day visits to Renfrewshire have increased from 2.73m (per annum average over the period 2013-15) to 5.33m (2015-17), exceeding the target for 2020. • An increase of £26m in visitor spend has been achieved in 2015-2017 due to the increase in day visits to the area.	Comms & Public Affairs Mgr; TCME Manager; Head of Marketing; Town Centre Project Manager	31-Mar-2021	▶

Strategic, Corporate and key Service Risks, April 2019

		Visit information to attractions is not available until first quarter of 2019 (Moffat Centre).			
CE.SIP.18.01.08	Establish a commercialisation model that reconnects the Paisley Pattern to Paisley	One international brand partnership, launching world-wide Spring/Summer 2019. Tender for pattern archive available March 2019.	Comms & Public Affairs Mgr; TCME Manager; Head of Marketing; Town Centre Project Manager	31-Dec-2020	▶
CE.SIP.19.01.22	Implement Year 2 of the destination marketing plan	[New]	Comms & Public Affairs Mgr; TCME Manager; Town Centre Project Manager	31-Mar-2021	▶
CE.SIP.19.01.23	Implement Year 2 action plan as part of the Renfrewshire Visitor Plan	[New]	Comms & Public Affairs Mgr; TCME Manager; Town Centre Project Manager	31-Mar-2021	▶
CE.SIP.19.01.24	Deliver the 2019 programme as part of the events strategy to 2022	[New]	Comms & Public Affairs Mgr; TCME Manager; Town Centre Project Manager	31-Mar-2020	▶
CERR.19.01.01a	An external review of all Event Safety documentation has been commissioned and will be complete by June 2019.	[New]	TCME Manager	30-Jun-2019	▶
CERR.19.01.01b	A table top session in advance of the major events programme in the winter will be complete and formal debriefs after every event ensure continual development of all event safety plans.	[New]	TCME Manager	31-Mar-2020	▶
CERR.19.01.01c	Audit Plan - a review of the governance arrangements for events management	[New]	Chief Auditor	30-Jun-2020	▶

Strategic, Corporate and key Service Risks, April 2019

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CERR.19.01.02 Regeneration of Renfrewshire's Town centres Context: *Working with Housing Association partners to build more affordable homes in Renfrewshire. *Progressing Community Growth Areas across Renfrewshire *Delivering actions that will improve our Town and Village centres. *Delivering the Paisley Town Centre Heritage Asset Strategy. *Using new approaches to attract new development and investment.	The Council has plans for the regeneration of town centres throughout Renfrewshire which if not delivered effectively could result in reputational harm as well as the missed opportunities of improving the quality of life in Renfrewshire, particularly in the Town Centres. This includes investing in Renfrewshire's Heritage assets and the promotion of Renfrewshire and of Paisley as a destination town.	Head of Regeneration	**Town Centre Regeneration** . All regeneration projects are managed using the Councils Project Management Framework. . Regeneration projects are reported through a Programme Board chaired by the CE and Council Boards. . Progress against key milestones, and funding and other risks are regularly monitored. . A Strategic Economic Framework and 10 year vision and action plan for Paisley Town Centre were approved by the Council's Leadership Board in November 2016. . Funding of key regeneration projects supported through applications to appropriate funding sources. . In Sept 2017 stage 1 HLF funding of £4.9m was approved for the redevelopment of Paisley Museum with a Round 2 bid being developed for submission in 2019. An application was submitted to the Scottish Govt Regeneration Capital Grants Fund (RCGF) with £4m being approved in March 2018. . £4.5m funding for Phase 2 approved by HLF / HES for further townscape heritage priority projects in Paisley Town Centre (TH/CARS2 project). . Preparation and consultation on Town Centre Strategies for Linwood, Johnstone, Erskine, Braehead and Renfrew completed and agreed by Board. **Paisley Town Centre Heritage Asset Strategy (PTCHAS)** . Paisley Heritage Asset Strategy approved in January 2014. . Paisley BID (Business Improvement District) Steering Group established, the Council is represented on the BID. . The £5m refurbishment of the iconic Russell Institute was completed in Summer 2017. . £4.5m funding for Phase 2 approved by HLF / HES for further townscape heritage priority projects in Paisley Town Centre. . Building purchased at No.22 High Street, Paisley for the Learning & Cultural Hub incorporating the relocation of Paisley Central Library and £1.5m Scot Govt RCGF funding was secured.	03	04	12 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CE.SIP.19.01.16	Advance Paisley's position as the UK's Great Town to town's and regeneration audiences in the UK	[New]	Regeneration Manager	30-Sep-2020	▶
CE.SIP.19.01.18	Review and development of the Heritage Asset Strategy for Renfrewshire	[New]	Regeneration Manager	31-Dec-2019	▶
CE.SIP.19.01.19	Develop project proposals for new Scottish Government Town Centre Fund	[New]	Regeneration Manager	31-Mar-2020	▶
CE.SIP.19.01.20	Develop specific regeneration projects for Johnstone and Renfrew	[New]	Regeneration Manager	31-Mar-2020	▶

Strategic, Corporate and key Service Risks, April 2019

Children's Services

(All BAU risks – see Appendix 4)

Communities, Housing & Planning

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
CHPRR.19.01.01 House building and community regeneration Context: . Working with Housing Association partners to build more affordable homes in Renfrewshire. . The Scottish Government have announced a target of 50,000 new affordable homes in Scotland. . Progressing Community Growth Areas across Renfrewshire . Using new approaches to attract new development and investment.	The Council has plans for regeneration throughout Renfrewshire which if not delivered effectively could result in reputational harm as well as the missed opportunities of improving the quality of life in Renfrewshire. The provision of high quality affordable housing is a key component of this and is an integral part of the regeneration strategy that must be delivered.	Head of Planning & Housing Services	**Top controls** <u>House building and encouragement of investment</u> (1) Promotion/Marketing of Renfrewshire as a place to invest. (2) Consultation on the new draft Strategic Housing Investment Plan 2017/18 - 2022/23 was carried out in September 2017. (3) Review of Council's land and property assets continues with marketing of sites as well as working with a range of partners to facilitate new development on more challenging sites with ongoing discussions with CPP partners on joint approaches to property solutions. (4) The Renfrewshire Local Housing Strategy 2016-2021 sets out the strategic vision for housing and housing related services and seeks to provide a clear direction for strategic housing investment. <u>Projects</u> (1) The Council has identified a number of priority regeneration projects in local residential communities through the SHIP process. These include:- . Paisley West End . Ferguslie Park Regeneration Plan . Orchard Street housing regeneration. . Johnstone Castle. . Bishopton. **Community Regeneration** (1) A programme management framework has been established to monitor progress of the Strategic Housing Investment Programme as well as the delivery of housing regeneration initiatives across Renfrewshire's communities. (2) The Local Housing Strategy 2016-2021 provides the policy context for ongoing investment and interventions. (3) Regular consultation and liaison with Scottish Government. (4) The Planning & Housing Section with the Service has been augmented and work programme aligned to ensure that resources are available to address the consultation, monitoring and delivery of regeneration activity.	03	04	12 High

Action Codes	Linked Actions	Latest Note	Assigned	Due	Status
CHPRR.18.01.01c	Promote the use of CPO to facilitate the regeneration of Paisley West End Masterplan	Officers from Planning and Housing Services continue to work with our RSL partner, Sanctuary Scotland and the Scottish Government to deliver the Regeneration Masterplan for the West End of Paisley. A report will be presented to the Communities, Housing and Planning Policy Board later in 2019 seeking authority to apply to Scottish Ministers to promote a CPO to facilitate the regeneration of Paisley West End Masterplan area.	Planning & Housing Manager	31-Mar-2020	▶

Strategic, Corporate and key Service Risks, April 2019

Environment & Infrastructure

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
EIRR.19.01.05 Analogue to digital switchover and impact on infrastructure Context: BT Openreach, which provides voice and broadband infrastructure to more than 32 million homes and businesses will migrate all customers from its traditional analogue phone network (the PSTN) to new digital, internet based (all IP) services by 2025.	The changeover from analogue to digital, if not coordinated and managed effectively across all aspects of the council's business and infrastructure, could impact significantly on future service delivery.	Head of Amenity Services	**Top controls** (1) Audit of all of existing systems to establish which ones are already digitally compatible, and which are running on analogue networks to prepare a digital migration plan (2) Programme management approach adopted.	03	03	09 Moderate

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
Risk tolerated for now					

Finance & Resources

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
FRRR.18.01.02 Insurance cover for predecessor organisations Context: *Long tail industrial related disease claims *Limitation (Childhood Abuse) (Scotland) Act 2017	With insurance gaps identified for some predecessor organisations, and recent legislative changes relating to limitation periods, there is an increased financial risk arising from possible uninsured claims	Risk Manager	**Top controls** (1) Register of policies for Renfrewshire's predecessor organisations allow relevant insurers to be identified and notified wherever possible (2) An insurance archaeologist also undertook further work to identify insurers for known gaps (3) Where the council believes an insurer is 'on risk' they are put on notice timeously	03	04	12 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
Risk tolerated for now					

Strategic, Corporate and key Service Risks, April 2019

Appendix 4: Business as Usual Risks and Sources of Assurance

Risk Title	Statement	Score	Sources of Independent Assurance
Ongoing areas of risk			
Community safety and public protection	The council's community safety and public protection role, delivered within an integrated partnership model is critical to ensuring child and adult protection, and that offending behaviour and community safety services are effectively delivered, or risk of harm to and from individuals may arise.	**15 High**	Care Inspectorate Child and Adult Protection Committees Food Standards Scotland ICO audits in relation to CCTV usage Internal audit - a review of the arrangements in place for undertaking employee disclosure checks
Asset management	There are many opportunities, statutory and insurance obligations in relation to the council's physical assets which require efficient management otherwise there could be financial, physical and reputational risk for the council and/ or service users.	**15 High**	SFRS Surveys Care Inspectorate External audit reports (i.e. Roads Investment) Internal audit reports
Information and records	If information (in whatever format), is not managed and handled effectively and in line with legislative requirements, there is an increased financial and reputational risk for the council as well as risk to service deliver and organisational decision-making.	**15 High**	ICO Audits Registered Keeper of Record – Return Internal audit - compliance with payment card industry standards Internal audit - information security within adult social care establishments
Health and safety management for cemeteries	If large memorials in cemeteries are not checked at an appropriate frequency, there is an increased risk of potential accidents/ injuries. If repairs are not carried out to large memorials within an appropriate timescale when defects are noted, there is an increased risk of potential accidents/ injuries to members of the public visiting Renfrewshire cemeteries.	**15 High**	Independent Checks
Roads inspection and maintenance (compliance)	Arrangements to support risk-based categorisation and inspection of highways (roads and footways), require to be implemented timeously or there may be an increased financial risk for the council.	**15 High**	Scottish Government (Code of Practice) Internal audit reports
Governance – internal control and oversight (See final page supplementary note)	Recent trends suggest that assurance is becoming more challenging and combined with opportunities for improvement around management oversight there is an emerging risk to systems of internal control	**15 High**	Annual Audit Report – Audit Scotland Local Scrutiny Plan – Audit Scotland Internal audit reports Audit, Risk & Scrutiny Board
ICT resilience	If the ICT service is not resilient in terms of capacity and capability it could lead to slower delivery of benefits within the council change programme	**12 High**	PCI audits Scottish Government - cyber resilience standard for Scotland PSN accreditation Independent Health Checks Penetration Testing

Strategic, Corporate and key Service Risks, April 2019

Organisation resilience	If the council is not a resilient organisation, this could result in a poor response to external disruptive events such as those recorded in the Community Risk Register and/ or internal events such as loss of key employees or facilities (impacting adversely on the community, employees, services and reputation).	12 High	Scottish Resilience – Standards
Cyber security	Should cyber security attacks target the council internet, IT network or data communications there is a risk of website defacement; loss of control, integrity or availability of IT resources; loss of confidential data and information assets; and a failure in compliance obligations.	12 High	Scottish Government Standards Internal audit - review of the cyber security arrangements
Housing investment and safety	Delivery of the EESSH standard will require access to external funding sources to supplement the Council's capital funding. If the council does not secure sufficient funding to deliver all these measures, some properties may not meet the required standard. The current uncertainty around what recommendations may be made by Scottish Govt in relation to multi storey fire safety improvements mean it is difficult to plan for these from a funding and procurement perspective.	12 High	EESSH performance reporting annually to the Scottish Housing Regulator.
Air Quality	If council is not seen to be effectively working towards meeting statutory limit values for NO2, there is a risk of reputational damage and the potential for financial penalties, depending on UK and Scottish Government decisions on how to apportion EU fines should they be imposed on the UK for failing to comply with the EU Air Quality Directives.	12 High	Annual Progress Reports to Scottish Government/SEPA Data ratified by Ricardo AEA on behalf of Scottish Government
Landfill site management	Failure to adequately manage the Linwood Moss Landfill Site could result in environmental impacts, reputational damage and failure to comply with licensing conditions.	12 High	Scottish Environment Protection Agency (SEPA)
Serious and organised crime	The council implements a range of measures to prevent and detect serious organised crime and should measures not be implemented and monitored effectively there could be increased threat to resources and public security.	12 High	Controlled but no external control, however internal audit cover
Insider threat and corporate fraud	The council implements a range of measures to prevent and detect insider threat and corporate fraud. Should measures not be implemented and monitored effectively there would be increased threat to resources and security of information.	12 High	External Audit (review of council's arrangements for NFI) Internal audit reports (quarterly), on progress and performance to Audit, Risk & Scrutiny Board
Oversight of induction procedures	If people who are new to the council, or who are moving into new positions internally, are not aware/ reminded of key messages, information and expectations, then there is a risk of breach of council policies and procedures	12 High	No independent external control (induction process currently under review)
Commercial Vehicle Operator's Licence - changes	The council's vehicle fleet, managed by Environment & Infrastructure Services, comprises around 500 vehicles including heavy and large goods vehicles, light vans and cars. The council implements a range of measures to ensure ongoing vehicle operator licence compliance. However, it is prudent to bring this risk back into focus given increased DVSA activity and tougher fines.	09 Moderate	Driver and Vehicle Standards Agency (DVSA) Police Scotland Freight Transport Association

Strategic, Corporate and key Service Risks, April 2019

Unaccompanied Asylum-Seeking Children	Providing care and support to unaccompanied asylum-seeking children arriving from Europe and elsewhere has associated risks which differ in some respects from the risks associated with business as usual. Specialist support and strong partnership working is critical to ensuring the safety and wellbeing of these children and young people. Providing this support may incur an additional financial risk for the council.	**09 Moderate**	Care Inspectorate Immigration advice provided externally as per legal requirement
Integrated service arrangements	Strong links between social work services delivered by the council and those delivered by the Health and Social Care Partnership on behalf of the council are vital to ensuring positive outcomes for people who use our services. Continuing to maximise the opportunities arising from integrating education with other social work services is also crucial. There is a risk that, if integrated arrangements are not robust, then the potential benefits will not be maximised and there is a potential risk to service users, employees, the community, and the reputation of the services involved.	**09 Moderate**	Chief Social Work Officer's Annual Report to the Chief Social Work Advisor Inspection activity (Care Inspectorate, Healthcare Improvement Scotland, Education Scotland) Internal audit reports
Early intervention and prevention in children's services	If the service did not develop early intervention and prevention services whilst continuing to develop and modernise existing care services for children, there is a risk that plans to improve longer-term outcomes for children will not be achieved and that future demand for social work services will increase.	**09 Moderate**	External scrutiny by Care Inspectorate (registered services) and Education Scotland (nurseries, pre-5 centres and schools). Partnerships which include element of independent scrutiny (e.g. with Dartington, CELCIS)
Failure of major providers	Failure or loss of a major service provider may impact on our capacity to protect vulnerable children and adults.	**09 Moderate**	Procurement undertaken in line with national and supra-national regulations Appraisal of providers as part of procurement process Most providers subject to registration and scrutiny by Care Inspectorate or Education Scotland Internal controls – monitoring of purchasing patterns and programme of review of service providers
Continuous improvement	Self-evaluation of performance and practice is key to the continuous improvement of the service. There is a risk that insufficient development of this agenda will impact on service development activity and increase the burden of external scrutiny.	**09 Moderate**	External scrutiny by Care Inspectorate (registered services) and Education Scotland (nurseries, pre-5 centres and schools). Regular programme of external scrutiny by CI and ES for the whole service.
Property – school estate	Children's Services continues to review and improve the condition of schools. It is essential that we manage risks and take steps to address the deterioration of the estate through a school estate management plan which considers financial risk and aims to mitigate against health and safety concerns and disruption to school life.	**08 Moderate**	Health and safety monitoring Programme of inspections as appropriate Major works subject to same planning and building works as any other project
Governance and leadership	Effective governance and leadership is essential otherwise there is an increased risk to the business and reputation of the council and to important decisions that will need to be made in future.	**08 Moderate**	External audit reports
Sustainable procurement	By making our procurement opportunities accessible to everyone and by being efficient with required governance whilst promoting best practice, we are removing the risk of slowing down the economic growth. If we don't create the right conditions for local businesses, investment and innovation to support we won't deliver the targets.	**08 Moderate**	Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulation 2015 Procurement and Commercial Improvement Programme

Strategic, Corporate and key Service Risks, April 2019

Administration of electoral events	With a change in the election team profile, coupled with the uncertain political environment that could see the occurrence of snap events such as a general election or referendum, there is a risk of impact on ability to successfully administer these events.	**08 Moderate**	Electoral Commission UK and Scottish Governments
Corporate projects - capacity	Key Finance and Resources officers are involved in a number of corporate projects and as they focus on the project activities there is an increasing threat to maintaining service delivery standards for 'business as usual' activities.	**08 Moderate**	No independent external control (monitored internally by Finance and Resources management)
Established Projects			**Assurance and/ or Governance arrangements**
City Deal	All funding conditions and business case assumptions must be accurate to allow the grant funding to be received. Failure to manage the delivery of the projects, their outputs and outcomes and meet the requirements of the Assurance Framework could result in project delays, additional costs, loss of grant funding and reputational damage.	**15 High**	City Deal Regional Cabinet Gateway Review
Cultural infrastructure and regeneration	The planned £91m of infrastructure investment will require significant community engagement, robust monitoring and implementation otherwise there is an inherent risk around funding availability, grant conditions, financial and economic assumptions and not delivering the benefits expected from the associated levels of investment.	**15 High**	Internal audit - selected reviews of contract management and monitoring arrangements Grant provider audits (i.e. European Funding etc)
Expansion of Early Years Provision	The expansion of early years provision. Both in terms of the increase in hours from 600 to 1140 per year and the increase in flexibility creates a number of challenges for the council (around staffing, infrastructure, independent provision and fleet, soft and hard facilities provision), which could result in delays in the delivery of the 1140 hours.	**12 High**	External scrutiny of quality (Care Inspectorate and Education Scotland) Regular submissions to Scottish Government

Strategic, Corporate and key Service Risks, April 2019

To: **Audit, Risk and Scrutiny Board**

On: **28 May 2019**

Report by: **Director of Finance and Resources**

Heading: **Absence Statistics – 2018/19 1st October 2018 to 31st March 2019**

1. Summary

1.1 The purpose of this report is to advise the Audit, Risk and Scrutiny Board of the absence statistics for the period 1st October 2018 to 31st March 2019. The report details the absence statistics by service and by category of staff.

1.2 The report provides information in relation to absence targets and how services have performed against them. An analysis of the reasons for absence has also been compiled and details are included within the report. Information is also provided on supporting attendance activity and the costs of sick pay.

2. Recommendations

2.1 It is recommended that the Board notes the content of this report and that this report reflects the absence statistics for the period 1st October 2018 to 31st March 2019.

3. Background

3.1 The Scrutiny Board agreed that absence levels will be reported on a quarterly basis. It was agreed that the report will include the following information relating to supporting attendance: -
   • Absence statistics broken down by service and category of staff.
   • Reasons for absence broken down by service and category of staff.
   • Progress made by services in relation to their supporting attendance

action plans.

4. Absence Statistics - Ending 31ˢ March 2019

4.1 Service and Council overall absence performance for the quarters are detailed in the table below. In line with the reporting requirements for Scottish Councils, absence is expressed as a number of work days lost per full time equivalent (FTE) employee.

Service/Area	Quarter Ending March 2017	Quarter Ending June 2017	Quarter Ending Sept. 2017	Quarter Ending Dec. 2017	Quarter Ending March 2018	Quarter Ending June 2018	Quarter Ending Sept. 2018	Quarter Ending Dec. 2018	Quarter Ending March 2019
Chief Executive's Services	3.41	1.78	2.90	2.16	2.78	1.57	0.80	2.18	2.60*
Children's Services	2.17	2.07	1.35	2.35	2.71	2.13	1.29	2.97	1.68
Environment & Infrastructure	3.34	3.67	3.28	4.33	4.49	3.75	3.18	3.42	3.53
Finance and Resources	2.37	2.29	2.16	2.20	2.59	2.56	2.62	2.78	3.40*
Communities, Housing and Planning	2.18	1.73	2.40	2.63	1.88	2.04	2.72	2.61	3.81*
Health and Social Care Partnership	3.65	2.36	3.88	5.13	4.34	4.02	4.64	4.64	4.13
Council Overall	2.68	2.54	2.32	3.32	3.23	2.80	2.36	3.25	2.84
Council Overall targets	2.69	1.79	1.79	2.69	2.69	1.79	1.79	2.69	2.69

* These figures are provisional and subject to further verification following the ongoing transition to new absence management systems.

5. Analysis and Trends - Ending 31st March 2019

5.1 The number of days lost per FTE employee due to absence is as follows: -

Quarter ended	Days lost per FTE	Quarter ended	Days lost per FTE	Variance
March 2017	2.68	March 2018	3.23	+0.55
June 2017	2.54	June 2018	2.80	+0.26
September 2017	2.32	September 2018	2.36	+0.04
December 2017	3.32	December 2018	3.25	-0.07
March 2018	3.23	March 2019	2.84	-0.39

5.2 The following tables detail the percentage absence levels by employee category for the quarter ending 31st March 2019 namely: overall, teachers and local government employees.

Overall Days Lost Per FTE Employee

Quarter Ending	June	September	December	March
2014/15	2.35	1.85	2.47	2.33
2015/16	2.18	1.96	2.64	2.70
2016/17	2.46	2.12	2.93	2.68
2017/18	2.54	2.32	2.68	3.32
2018/19	2.80	2.36	3.50	2.84
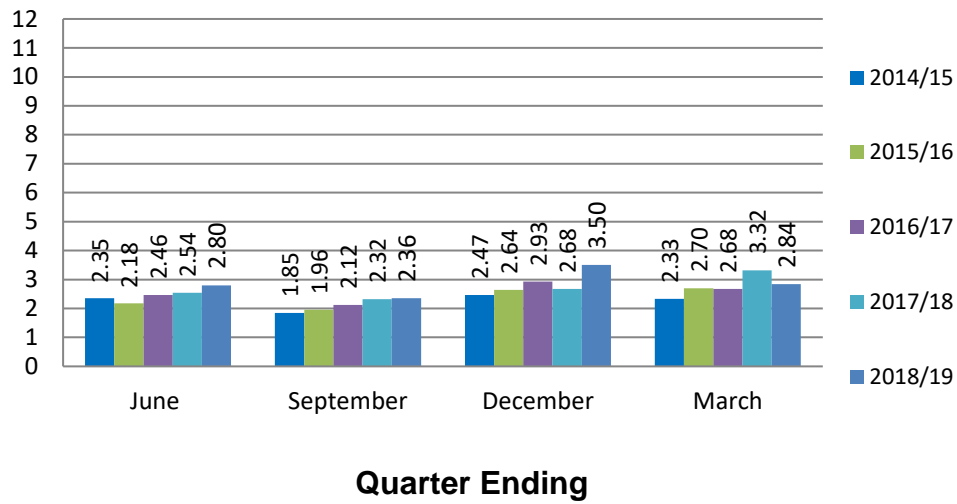
Days Lost Per FTE Teacher

Quarter Ending	June	September	December	March
2014/15	1.62	0.70	1.76	1.98
2015/16	1.50	0.75	2.12	2.01
2016/17	1.28	0.61	1.77	1.71
2017/18	1.60	0.79	2.07	2.24
2018/19	1.87	0.71	1.96	1.87

Days Lost Per FTE Local Government Employee

Quarter Ending

Quarter	2014/15	2015/16	2016/17	2017/18	2018/19
June	2.57	2.38	2.80	2.80	3.09
September	2.24	2.31	2.59	2.79	2.96
December	2.68	2.80	3.26	3.07	4.11
March	2.42	2.92	2.97	3.53	3.76

6. Absence Targets Analysis: ending 31st March 2019.

6.1 The Council has recorded an overall absence rate of 2.84 days lost per FTE employee, which is 0.15 days **above** the target figure of 2.69 days.

In addition, the Teacher absence level of 1.87 days lost per FTE employee is 0.43 below the target of 2.30 days.

Local Government employee absence level of 3.76 days lost per FTE employee is 1.84 days **above** the target of 1.92 days.

7. Reasons for Absence overview

7.1 The illness categories with the highest level of absence, compared to the same quarter in the previous year are as follows:

Quarter Ending	Illness categories
March 2018	Psychological (non-work related) Musculoskeletal and Joint Disorders
March 2019	Psychological (non-work related) Musculoskeletal and Joint Disorders

7.2 To address Psychological (non-work related) absences the Council provide a range of support services that employees can be referred to at an early stage for assistance. 'timefortalking', the Council's employee counselling service provider, continues to be utilised. The service operates a flexible approach to appointments offering telephone consultations in the early mornings or evenings as well as throughout the day and face to face sessions at their offices in Paisley. The consistent presenting issues to the service relating to Psychological (non-work related) include;

- Loss/Bereavement
- Stress/anxiety/panic
- Depression/Self-worth
- Family Relationships

If an employee suggests to their manager that they are experiencing Psychological (non-work related) issues, then they should be provided with the timefortalking service information.

The following table details the employee usage of the service and the types of appointments

Total Referrals	200
Referrals Male	47
Referrals Female	153
Self-Referrals	149
Management Referrals	51
Face to Face Counselling	160
Telephone Counselling	13
No contact	20
Client didn't engage	7

Further to this, the Council continues to deliver Mindfulness Courses and Mental Health First Aider courses. Courses are open to all employees and have been planned until June 2019.

Training for both courses has been undertaken over the past 6 months as part of our development of preventative approach to employee well-being. The mindfulness course training has been successful with over 40 attendees, and The Mental Health First Aider Course attracted 49 delegates. Feedback from those employees who have attended the courses has been very positive.

HR and OD are working with the counselling service to provide other types of training which can be delivered, for example personal resilience.

There are also Council policies, guidance and training to assist managers and employees that are specific to stress related issues.

HR and OD continue to promote the NHS Choose Life team, who offer safeTalk and ASIST on suicide awareness and prevention.

HR and OD continue to work with our NHS colleagues to promote the "doing well" service which helps people with depression and low moods.

7.3   In relation to addressing musculoskeletal and joint disorders the Council offers a physiotherapy service through the Council's Occupational Health Provider, and this service can be accessed by all employees.

As part of the Council's Health and Safety Management system, occupations which include manual handling activities as part of the role, the task risk

assessments are reviewed on an ongoing basis to ensure that safe working practices are maintained.

HR and OD continue to investigate the practical options for further training and interventions available that may reduce the impact of musculoskeletal and joint disorders.

A successful pilot programme of providing a physiotherapy service specifically to Environment and Infrastructure based at the Underwood Rd depot has resulted in the service being made a permanent feature. This involves the physiotherapist being onsite 2 days per month and is a blend of fixed appointments and drop in sessions.

Environment and Infrastructure have undertaken a review programme of all existing employees training, this includes manual handling, and are starting a refresher programme with the road workers.

8. Supporting Attendance Activity

8.1 Recent and planned actions to improve absence performance include the following: -

- HR operational teams continue to work closely with service's management teams on supporting attendance activity, HR operational teams continue to proactively contact and support managers who have absence cases of 2 to 4 weeks in duration, to monitor action taken to date and proposed next steps. This approach has been very successful in assisting and supporting employees back to work, particularly those who have been on restricted duties.

- Within the Renfrewshire Health and Social Care Partnership, a leadership development day was dedicated to supporting attendance. Both the Council and NHS HR teams presented statistics and held interactive sessions that allowed managers the opportunity to discuss and share good practice.

- A review of the current supporting attendance policies covering all staff, including teachers continues. Meetings have taken place with the respective trades unions to ensure this is a fully collaborative process.

- Continued delivery of supporting attendance training at a corporate level for managers, with the provision of tailored training for managers and employees at a service level on request;

- Ongoing health promotion activities aimed at raising employee awareness of health issues continue.

- HR have introduced a supportive call back service, initially within Environment and Infrastructure. An HR Adviser contacts employees when they report their absence due to sickness and ensures that they are being supported properly throughout the absence. The HR Adviser also contacts the employee's line manager to ensure the correct process is being followed and that all support

mechanisms have been offered. This additional support is fully endorsed by the Trades Unions.

- HR and the Businessworld teams work to improve the absence information available to managers and to streamline supporting attendance related processes to facilitate prompt absence reporting, recording and updating of relevant systems;

- Meetings continue with Directors and their management teams to discuss their service's supporting attendance performance**.**

Implications of this Report

1 **Financial Implications** - Improvement in attendance impacts on the financial costs of absence.

2 **HR and Organisational Development Implications** - HR and Organisational Development Practitioners will continue to work with service managers and consult with the Trade Unions, on the implementation of the Supporting Attendance at Work Policy and Guidance and initiatives detailed in this report.

3 **Community Planning**

Children and Young People - none.

Jobs and the Economy - none.

Community care, health and wellbeing - provides for continuous improvement in health and attendance.

Safer and Stronger - provides for improved service performance across the Council.

Greener - none.

Empowering our Communities - none.

4 **Legal Implications** - none.

5 **Property/Asset Implications** - none.

6 **Information Technology Implications** - none.

7 **Equality and Human Rights Implications** - none.

8 **Health and Safety Implications** - it is integral to the Council's aim of securing the health and well-being of employees.

9 **Procurement Implications** - none.

10 **Risk Implications** - Without continued effective supporting attendance focus, there is a risk that sickness absence levels will adversely impact on the

Council both financially and in terms of service delivery. Consequently, supporting attendance activities are monitored via the Corporate Risk Register.

11   **Privacy Impact Implications** - none.

12.   **Cosla Policy Position -** none

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List of Background Papers - none.

The contact officer within the service is Steven Fanning, Principal HR and OD Adviser, telephone 0141 618 7284, e-mail steven.fanning@renfrewshire.gov.uk

Author: Steven Fanning, Principal HR and OD Adviser,
                Finance and Resources,
                telephone 0141 618 7284,
                e-mail steven.fanning@renfrewshire.gov.uk

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Chief Executive

Heading: Audit Scotland – 'Local Government in Scotland, Challenges and performance 2019'

1.   Summary

1.1   Each year Audit Scotland prepares a report on behalf of the Accounts Commission which provides a high level, independent view on the challenges facing Councils in Scotland and how they are performing. The 2019 report was published on 21 March 2019 and is attached as Appendix 1 to this covering report.

1.2   Audit Scotland's report highlights the key challenges facing local authorities in Scotland in relation to issues such as the reduction in public sector budgets, increased demand on services relating to a growing ageing population, exit from the European Union, as well as the pace of public sector reform. It considers the need for comprehensive and accessible financial information and long-term financial planning to help elected members better understand the financial position of the Council, support the decision-making process and enhance performance scrutiny.

1.3   This report outlines the key messages and issues highlighted by Audit Scotland along with the summary position within Renfrewshire Council.

1.4   Audit Scotland also published a supplementary paper for elected members, to consider in conjunction with the 2019 Performance and Challenges report. The supplementary paper includes a scrutiny tool checklist for elected members, which has been designed to provide councillors with examples of questions they may wish to consider to help better understand the Council's position and to scrutinise performance. The supplementary paper for elected members is attached as Appendix 2 to this covering paper.

2. Recommendations

2.1 It is recommended that Audit, Risk and Scrutiny board note:
- the key messages contained in Audit Scotland's - 'Local Government in Scotland: Challenges and Performance 2019' report which is attached as Appendix 1; and
- Renfrewshire Council's position in relation to the key messages and recommendations set out in the Audit Scotland report; and
- Audit Scotland's 'Supplement- scrutiny tool checklist for councillors' as appendix 2.

3. Background

3.1 In March 2019, Audit Scotland published its annual 'Local Government in Scotland: Challenges and Performance report for 2019'. The report provides a high level, independent view of the challenges facing councils in Scotland, how councils are responding to these challenges and the impact this is having on council services and communities they serve. It also provides a series of recommendations that councils should consider implementing if they are to remain sustainable.

3.2 The key findings within the report are summarised as follows:

- Councils face an increasingly complex, changing and uncertain environment which places different demands and expectations on them.
- Thinking differently about services is important to meet the growing and changing needs of their communities in the coming years.
- Scottish Government revenue funding to councils has reduced in real terms between 2013/14 and 2019/20, while national policy initiatives continue to make up an increasing proportion of council budgets. This reduces the flexibility councils have for deciding how they plan to use funding.
- All councils increased council tax to the maximum three per cent in 2018/19 and many increased their fees and charges to raise income. Some councils are looking at other options to raise income.
- Councils need to ensure they have the staff, skills and leaders to deliver change. This requires effective workforce planning, but the quality of planning is inconsistent across councils. An increasing proportion of the workforce is nearing retirement. If there is insufficient succession planning, skills and knowledge will be lost as these people retire.
- Despite reducing funding and increasing demands, across local government most performance indicators are improving or being maintained, although some service areas show more strain.

3.3 The Audit Scotland report is structured into three parts: The context for councils; How councils are responding; and council performance and the impact on

communities. The next sections of this briefing provides an overview for the three parts of the Audit Scotland report.

4.   The context for councils

4.1   Audit Scotland has set out the policy changes that the UK and Scottish Governments have introduced which have placed increased uncertainty and expectation on service delivery for councils. Policies such as Scotland's new financial and social security powers, the withdrawal from the European Union (EU), and the Local Governance review in 2018.

4.2   The report also acknowledges the requirement of councils to respond to the range of local and national priorities and initiatives, as well as increasing demand on services, despite several years of reducing funding. Between 2013/14 and 2019/20, total revenue funding has fallen 6% in real terms, with Scottish Government funding to councils forecast to continue to reduce in the medium-term. Furthermore, a growing proportion of the Scottish Government total revenue funding to a council is ringfenced to deliver Scottish Government priorities.

5.   How councils are responding

5.1   Audit Scotland sets out the range of options that councils are using to address budget gaps while responding to national and local priorities. The report highlights the transformation programmes which are underway, particularly digital enabled projects and emphasise ensuring staff have adequate digital training and skills to lead and implement these projects.

5.2   The report also notes the different ways that councils are generating income. Whether through for example increases in charges for commercial waste or introduction charges for garden waste etc, while some councils are seeking to raise local taxes such as the tourist tax and the workplace levy tax. Audit Scotland also reports that other councils are considering developing commercial services, similar to how many English authorities have addressed reductions in funding. The report does however cite CiPFA's warning on the high levels of borrowing that this has meant for some of these English authorities.

5.3   Audit Scotland has stressed the importance on good partnership working, in terms of shared services approaches, and empowering and working with communities on decisions about budgets proposals and service redesign. The report also criticises the lack and scale of participatory budgets across Scottish councils, citing that only 13 have applied this approach.

6.   Council performance and the impact on communities.

6.1   In the final part of the Audit Scotland report, data is provided on trends in performance indicators and outcomes for the last ten years across key areas such as health, education, employment, environment and community safety. Whilst in some cases, performance on a national level looks broadly positive despite declining budgets, the linkage between decreased spend and quality of key services, as well

as falling levels of public satisfaction, suggests that the impact of cuts is now beginning to become more obvious and should be closely monitored.

6.2 One of the key sources of data that Audit Scotland uses to assess the performance of councils is the Local Government Benchmarking Framework (LGBF). The LGBF contains a suite of indicators by which the performance of each local authority can be assessed and compared with that of others. In Renfrewshire a report outlining Renfrewshire Council's performance in relation to the Local Government Benchmarking Framework was submitted to the Audit, Risk and Scrutiny Board on 18th March 2019.

7. Audit Scotland recommendations and Renfrewshire Council's position

7.1 The section below outlines Audit Scotland's recommendations and provides a local update on some of the ways to Renfrewshire is responding to these. Audit Scotland recommends that to make effective progress councils should:

- **assure themselves that they have adequate leadership and management capacity in place. This should include development arrangements that prepare and support councillors and senior managers to respond to the challenging and changing local and national demands**

  <u>Renfrewshire's Position -</u> A comprehensive review of the Council's member development programme was undertaken last year, in consultation with elected members. Feedback gathered through the process has informed changes to the existing annual programme to include more evening events and external speakers. A focused week of development activity took place w/c 15th April, with the programme being structured around the key areas suggested by elected members.

  Managers across the Council can also participate in the two leadership development programmes, Leaders of the Future and ASPIRE.

- **undertake long-term financial planning to set out how they will deliver national policy commitments, while continuing to sustain local services with reducing budgets and increasing demands**

  <u>Renfrewshire's Position</u> – In September 2018 Elected Members approved the updated Financial Outlook for 2019-2021. The outlook provided a range of scenarios in terms of the potential financial position of the Council over the medium term and formed a key part of the Council's ongoing medium-term financial planning arrangements and preparations for setting the 2019/20 budget.

  Thereafter, the Council's 'Revenue Budget and Council Tax 2019/20' report on the 28 February 2019 set out the medium- and long-term challenges that future demand-led pressures will have on council services, as well as the uncertainty on the economic impact on the devolved tax raising powers, Brexit and future pay settlements.

  The Better Council Change Programme is a key element of supporting the delivery of sustainable budget savings which contribute to addressing the medium-term objective to reduce the Council's cost base and close the budget gap whilst supporting the release of resources to support investment in priority areas aligned to the Council's key strategic outcomes.

- **continue to seek and implement innovative ways of working and collaborate with communities, partners and the third sector to drive transformational change**

  Renfrewshire's Position - Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside elected members and Community Councils for the seven Local Partnerships.

  At their March meeting Local Partnerships discussed and agreed a set of Local Priorities. These Local Priorities will shape the work plan for the Partnerships and support Partnerships to make decisions about the award of grants. To assist this the grant process has been improved to include refreshed guidance and reference material, during April drop-in sessions were arranged to support organisations to understand the changes. During 2019, the Council will also undertake a youth participatory budgeting exercise.

  The Digital first programme was developed by Renfrewshire Council employees, customers and the third sector. The programme is supporting the digital transformation of the Council through products, platforms and tools by working with every department over the next few years to update and improve services.

- **improve data to help inform the difficult decisions councils have to make – support benchmarking, learning and sharing of experience and effective practice with others that will contribute to improving service quality, efficiency and outcomes for communities**

  Renfrewshire's Position- Renfrewshire Council has participated in the development of the Local Government Benchmarking Framework (LGBF) since its inception in 2010. This framework brings together performance indicators covering information about a wide range of key services, such as education, housing and social care, which cover cost, efficiency and satisfaction data. The Council is an active member of the LGBF steering group and its representatives attend learning events throughout the year.

  The Council is continuing to develop its analytical capacity, building on the role of the Data Analytics and Research team to support focused development work across service areas.

  To share the learning and outputs from these tools our partners and communities can access a range of resources online, such as Renfomap, ward and health profiles, the open data platform, needs analysis exercises and Scottish Index of Multiple Deprivation (SIMD) storymap.

- **ensure they have workforce planning that is clear about the workforce needed now and in the future, where the gaps are and what training or other action is needed to fill them. This should be supported by better workforce data**

  Renfrewshire's Position- Significant progress has been achieved in terms of developing the Council's workforce planning arrangements. The Council's

Workforce Plan was approved by Finance, Resources and Customer Service Policy Board in November 2017, with service level workforce plans in place and monitored six monthly by the Corporate Management Team. The Council has enhanced its training and development activities for employees, launching managerial and leadership development programmes and refreshing the training programme which all staff can access.

▪ **be able to demonstrate how spending decisions and priorities have impacted on service delivery and the outcomes of residents, as well as how they are delivering against the national performance framework.**

Renfrewshire's Position-

As stated earlier the Council reported our Local Government Benchmarking Framework performance to the Audit, Scrutiny and Risk Board in March. Our performance showed that for the 2017/18 data on 70 indicators: 41 indicators improved since last year; 10 remained the same; 19 indicators declined in performance; and that the Council performed in the top quartile (ranked 1st to 8th) for 22 of the 70 indicators.

Children Services are making excellent progress in closing the attainment gap. In October 2018, Children's Services was inspected by Education Scotland which focused on how well Renfrewshire Council is improving learning, raising attainment and closing the poverty related gap. The inspection report details Education Scotland's evaluation on the progress Renfrewshire Council is making and the capacity of the council to continue to make appropriate progress with this work. Five key strengths are outlined in the report, these are;

- Very strong self-evaluation, informed by high-quality data, is resulting in very successful, evidenced-based universal and targeted interventions, which are securing improvement.
- Highly effective leadership, shared vision and an ethos of empowerment of staff at all levels to improve outcomes for children and young people, their families and communities.
- The outstanding impact of very high-quality professional learning approaches, developed and delivered in collaboration with partners.
- Renfrewshire Council's excellent approach to Scottish Attainment Challenge governance, which is set within a well-defined accountability framework.
- Significant year-on-year improvements in closing the poverty-related attainment gap across all key indicators in the broad general education across curricular areas.

8. Conclusion

8.1 Elected Members should be assured that the Audit Scotland report's recommendations are already being addressed across the Council: with our approach to longer term financial planning; revised elected member development programme; our commitment to community empowerment; digital expansion and workforce development. Elected Members will continue to be informed of the progress of these programmes through the relevant Board, as well as any changes to national priorities, demand-led pressures and any new challenges that the Council might be faced with.

Implications of the Report

1.   **Financial - none.**
2.   **HR & Organisational Development - none**
3.   **Community/Council Planning – none**
4.   **Legal – none**.
5.   **Property/Assets – none**

6.   **Information Technology –** the reports sets out the digital projects and skills required.
7.   **Equality & Human Rights**

          The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only.   If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8.   **Health & Safety – none**

9.   **Procurement – none**

10.   **Risk –**

11.   **Privacy Impact – none**

12.   **Cosla Policy Position – none**

List of Background Papers

Author: *Nicola Irvine-Brown, Chief Executive's Service, 0141 618 7414*

Local government in Scotland

Challenges and performance 2019

ACCOUNTS COMMISSION

Prepared by Audit Scotland
March 2019

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

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

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Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

?

These question mark icons appear throughout this report and represent questions for councillors.

Audit team

The core audit team consisted of: Carol Calder, Kathrine Sibbald, Ashleigh Madjitey and Ruth Azzam, with support from other colleagues and under the direction of Claire Sweeney.

Chair's introduction

Councils have an increasingly challenging role. They need to respond to the changing needs of their local population. At the same time, they have a pivotal role in helping to deliver a range of key national priorities for Scotland. This is at a time when the outlook is for finances to tighten further and for demand for services to continue to increase, as populations change and there are more people living in poverty.

The important role councils play is clear, but there are many uncertainties, which makes planning for the future more challenging as it becomes more critical than ever. The UK's withdrawal from the EU is imminent as I write this introduction, but the process and implications remain unclear. The medium to longer-term impact of changes to the Scottish Government's financial powers and the details surrounding the local governance review are also still unknown.

However, we find that councils across Scotland have continued to work hard to maintain services to their communities, despite the increasing challenges and pressures. They have stepped up and have continued to improve how they use their resources. But, in many councils the change and improvement work has focused on efficiencies. To address the growing gap between demand and resources, more fundamental, transformational changes are needed in service provision, and the pace of change needs to improve in some councils. Transformational change is about more than just efficiency. There needs to be a focus on how services are best delivered to communities and, in particular, how councils protect and empower the most vulnerable members of those communities.

Objective and relevant data are essential. Nationally, across councils, data are fundamental for the assessment of performance, benchmarking and improvement. Locally, data should support the redesign and change of processes and services. It is important for councils to have good-quality workforce data to inform organisation-wide workforce planning that supports the shape of future operations.

The pressure on council budgets has led to the exploration of alternative approaches to increasing income such as extending fees and charging schemes and the options for introducing local taxes. This is a development of interest to the Commission that we will monitor and consider in future overview reports.

We published an update report *Health and social care integration* in November 2018, which found that although integration authorities have made some progress they must overcome significant barriers to speed up change. The Commission will continue to have a close interest in the progress of integration authorities and in their financial management.

I hope you find this overview useful and I would welcome any feedback you may have.

Graham Sharp
Chair of the Accounts Commission

Summary

Key messages

1 Councils face an increasingly complex, changing and uncertain environment which places different demands and expectations on them. Councils are also central to delivering many high-level public sector objectives, such as the integration of health and care services and involving citizens more in decisions about public services.

2 These reforms require councils to collaborate with partners, with the third sector and with communities, to think differently about how they deliver and fund services. Thinking differently about services is important to meet the growing and changing needs of their communities in the coming years. New ways of working can lead to increasingly complicated lines of accountability.

3 Scottish Government revenue funding to councils has reduced in real terms between 2013/14 and 2019/20, while national policy initiatives continue to make up an increasing proportion of council budgets. This reduces the flexibility councils have for deciding how they plan to use funding. At the same time, demands for council services are increasing from a changing population profile. All councils expect an increase in the proportion of people aged over 65 and almost a third of councils expect an increase in the proportion of children under 15.

4 Councils have made good progress in developing medium-term financial planning and continue to manage their funding gaps through savings and use of reserves. All councils increased council tax to the maximum three per cent in 2018/19 and many increased their fees and charges to raise income. Some councils are looking at other options to raise income.

5 Councils need to ensure they have the staff, skills and leaders to deliver change. This requires effective workforce planning, but the quality of planning is inconsistent across councils. An increasing proportion of the workforce is nearing retirement. If there is insufficient succession planning, skills and knowledge will be lost as these people retire. Recruitment into some service areas is becoming increasingly difficult, but national workforce data is insufficient to clearly understand how individual services areas are affected.

6 Despite reducing funding and increasing demands, across local government most performance indicators are improving or being maintained, although some service areas show more strain. There remains performance variation among councils that cannot be readily explained by differences in context or spend. Better use of data and benchmarking could lead to further improvement and efficiencies.

Recommendations

While councils have continued to find ways to manage funding gaps and have made good progress with medium-term financial planning, they face an increasingly complex, changing and uncertain time ahead. To continue to improve the outcomes for their communities within this context, councils need to be open to transformational change and implement new ways of working.

To make effective progress councils should:

- assure themselves that they have adequate leadership and management capacity in place. This should include development arrangements that prepare and support councillors and senior managers to respond to the challenging and changing local and national demands

- undertake long-term financial planning to set out how they will deliver national policy commitments, while continuing to sustain local services with reducing budgets and increasing demands

- continue to seek and implement innovative ways of working and collaborate with communities, partners and the third sector to drive transformational change

- improve data to:
    - help inform the difficult decisions councils have to make
    - support benchmarking, learning and sharing of experience and effective practice with others that will contribute to improving service quality, efficiency and outcomes for communities

- ensure they have workforce planning that is clear about the workforce needed now and in the future, where the gaps are and what training or other action is needed to fill them. This should be supported by better workforce data

- be able to demonstrate how spending decisions and priorities have impacted on service delivery and the outcomes of residents, as well as how they are delivering against the national performance framework.

About this report

1. This report provides a high-level, independent view of the challenges facing councils in Scotland, how councils are responding to tightening budgets and how this has affected services. It draws on findings from *Local government in Scotland: Financial overview 2017/18* ⊕, published performance data and local government audit work in 2018. This includes annual audits, Best Value Assurance Reports (BVARs) and national performance audits. All national and individual council audit reports are available on our website ↘.

2. The report highlights key challenges councils face and looks at some of the main ways councils are responding to increasing demand and reduced funding. Where specific examples of council activities or circumstances are referenced, this is not intended to imply that the named councils are the only ones engaging in these activities or experiencing these circumstances. The report aims to inform the public and its representatives and, in particular, local government councillors and senior council officers to support them in their complex and demanding roles. It covers three areas:

- The current and future challenges facing councils.

- How councils are responding to these challenges.

- The impact on performance in key service areas and public satisfaction.

3. To help councillors, we have produced the following supplements to accompany this report:

- *A scrutiny tool* ⊕ with examples of questions that councillors could ask to help them understand their council's position, scrutinise performance and assist in making difficult decisions. Councillors should feel they fully understand, and are satisfied with, the answers to the questions that are most relevant to them in their role within the council.

- An online tool ↘ that shows how councils are performing. It is designed to allow councillors, officers and members of the public to better understand how their council is performing compared to others.

4. We draw on a range of sources of evidence for this report. Financial information is taken from the Local Government Financial Circulars,[1] Local Government finance statistics,[2] the Scottish Government's provisional outturn and budget estimates[3] and councils' annual accounts. Performance information is gathered from the Local Government Benchmarking Framework (LGBF),[4] the National Performance Framework (NPF) indicators[5] and relevant reports from other scrutiny bodies, such as Education Scotland and the Care Inspectorate.

5. To make financial information clear and comparable in the report we:

- Refer to real terms changes, this means we have adjusted the figures to take account of inflation. Our analysis of local government funding adjusts figures into 2018/19 prices to reflect the current year.

- Look at historical trends in financial data using data from 2013/14 where possible. National police and fire services were established in 2013 and so were not included in local government accounts from 2013/14. It is not always possible to use 2013/14 as some information is only available for more recent years.

- Adjusted figures to 2017/18 costs where the report comments on council performance in 2017/18.

Part 1
The context for councils

Councils must respond to an increasingly complex policy agenda while dealing with a high degree of uncertainty

6. Councils have a responsibility to provide a wide range of services to their residents and communities. These include educating children, looking after the elderly, collecting bins, maintaining local roads and ensuring buildings meet safety standards. Councils' work is influenced by the wider economic and political environment, UK and Scottish Government policy and demographics.

7. The context that councils are working in has become characterised by reducing budgets (paragraphs 25–36), increasing demand for services (paragraphs 37–41) and the delivery of an increasingly complex range of national policies. Within this challenging context, councils need to continue to work towards local priorities and improving outcomes for their communities. Exhibit 1 (page 11) illustrates some of the major current examples of policy and legislative change.

8. Some policy changes by the UK and Scottish governments increase expectations on councils, many come with financial implications and others increase uncertainty. Significant current issues include:

- Withdrawal from the European Union (EU) – At the time of writing this report, it is planned that on 29 March 2019, the UK will leave the EU. As the process is still on-going there is a high level of uncertainty about what this will mean for councils, which makes planning difficult. This is an area which is fast changing and will have a long-term impact on councils.

- Scotland's new financial and social security powers – The 2012 and 2016 Scotland Acts introduced new financial and social security powers. As a result, Scotland's budget is influenced by Scottish ministers' tax decisions and how well the Scottish economy performs compared to the rest of the UK. This means the Scottish budget is likely to become more variable than it has been through the block grant from the UK Government. In its five-year strategy, the Scottish Government estimates that the Scottish budget could vary by up to six per cent by 2022/23.[6] If the Scottish budget varies, funding to local government through the Scottish Government settlement will also be affected, in particular, services that are not financially protected as Scottish Government priorities.

- Local governance review – In 2018, the Scottish Government and COSLA launched a review of how powers and responsibilities are shared across national and local government and with communities. The aim of the review is to give local communities more say in how public services in their area are run. The Scottish Government and COSLA plan to continue consulting with stakeholders through 2019 as legislation is developed. It is not yet clear how this review will affect councils and how it will affect partnership working with other organisations, such as the NHS.

Have you considered how policy and legislative change will affect how your council operates?

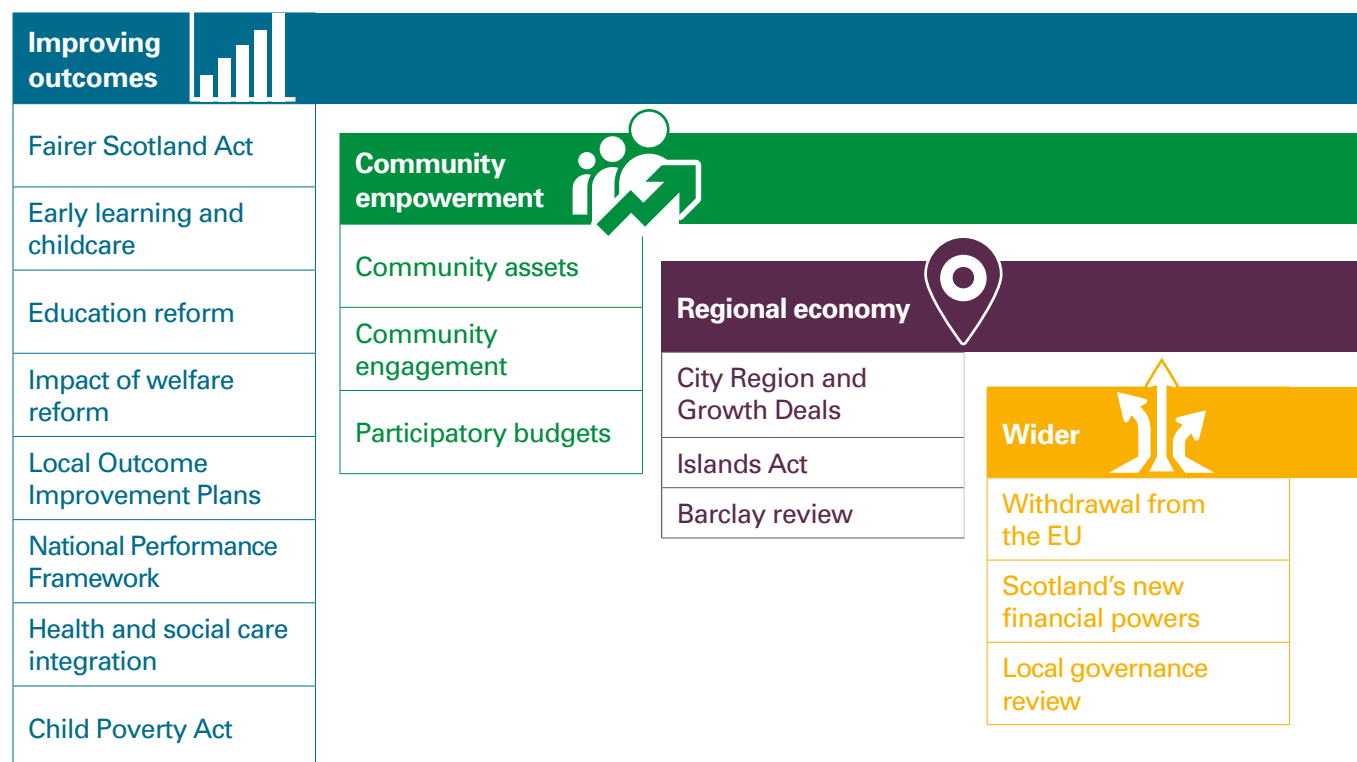**What scenario planning has your council done for events such as EU withdrawal and increasing budget uncertainty?**

Audit Scotland published a briefing paper on the *EU withdrawal* in October 2018 highlighting the risks including workforce, funding and financial implications.

Audit Scotland has produced a policy briefing on *new financial powers*

Exhibit 1
Current major policy and legislative changes affecting local government
Many of the changes in national policy are interdependent.

Improving outcomes

- Fairer Scotland Act
- Early learning and childcare
- Education reform
- Impact of welfare reform
- Local Outcome Improvement Plans
- National Performance Framework
- Health and social care integration
- Child Poverty Act

Community empowerment

- Community assets
- Community engagement
- Participatory budgets

Regional economy

- City Region and Growth Deals
- Islands Act
- Barclay review

Wider

- Withdrawal from the EU
- Scotland's new financial powers
- Local governance review

Source: Audit Scotland

9. This context makes it difficult for councils to know how they will need to respond in the future and makes longer-term financial planning challenging but even more vital. With increased uncertainty, scenario planning within medium and longer-term planning becomes increasingly important. We will continue to monitor national developments, councils' preparations and their responses to these issues through our audit work.

10. The examples in Exhibit 1 contribute to a complex picture of interacting policy initiatives. Many of the policy changes and initiatives are interdependent and will influence each other. For example, good community empowerment (giving people more influence over how services are planned) should contribute to a range of initiatives and activities that improve outcomes. This complex picture means that:

- Councillors and senior officers need to have a wide and current understanding of policy issues and how these relate to local priorities and needs, to plan and make complex decisions locally. This can be challenging where capacity is already stretched.

- It is more important than ever for councils to plan for different scenarios in terms of funding and demand for services. This includes finding different ways to deliver services efficiently and effectively.

- There is an increasing need for effective partnership working with other public, private and third-sector organisations and their communities.

Are you clear what Community Empowerment involves and what it means for your council?

Improving outcomes is a priority both at a local and national level but reporting arrangements still need to develop

11. In June 2018, the Scottish Government and COSLA launched their revised National Performance Framework (NPF).[7] All councils signed up to the priorities and vision for Scotland it sets out. There is a strong focus on increased wellbeing, improving outcomes, and economic growth that is sustainable and benefits all sections of society.

12. Councils are key contributors to delivering this vision to improve the outcomes for the people of Scotland, alongside their community planning partners. Councils and their partners need to have regard to the NPF and consider how this framework fits with local decision-making, local outcome priorities and measures. A significant amount of council activity is already focused on themes that reflect those of the NPF. For example, most councils have a strategic focus on reducing inequality within their communities.

13. Councils also have a role in delivering a range of national initiatives that will contribute to the themes of the NPF, such as:

- Delivering 1,140 hours of free childcare to all three-year olds and eligible two-year olds.

- Improving educational outcomes, especially for the most deprived pupils, through the Pupil Equity Fund (extra money to some schools with children from poorer backgrounds) and a commitment to maintain teacher numbers.

- Contributing to the delivery of 50,000 affordable homes including 35,000 for social rent.

- Implementing the requirements of the Fairer Scotland Duty which places a legal responsibility on public bodies in Scotland, including councils, to actively consider how they can reduce inequalities caused by socioeconomic disadvantage, when making strategic decisions.

Although there is ongoing work that will contribute, it is not yet clear what role councils are expected to have in achieving all of the NPF aims, what that would mean for councils' resources or how progress and targets will be monitored and reported on.

Councils cannot deliver their priorities alone

14. Councils have a long history of working closely with other organisations. This includes delivering some services through the third and private sectors and through arm's-length external organisations (ALEOs). This also includes local partnership working with other public sector bodies, such as the NHS, the third sector and other local and national organisations through local partnership activities, including Community Planning Partnerships. Councils need to build on their partnership working experience to respond to the changing context.

15. Councils face a difficult balance of a move towards more regional working and collaboration, and a need to maintain a focus on local priorities, local decision-making and local accountability. Many of the national policies introduced in recent years have involved some elements of working with partners, for example in regional partnerships to deliver economic development or through the health and social care integration joint boards.

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Councils and the Scottish Government are focused on improving outcomes across Scotland. Examples of these include improving employment opportunities, reducing anti-social behaviour, giving children the best start in life and helping people live longer and healthier lives.

?

Do you know if your council's governance and accountability structures are fit for purpose, given increasingly complex ways of working?

If you sit on a board, do you fully understand your responsibilities to that board and the council?

Regional economic developments mean more collaborative and partnership working

16. Councils are pursuing City Region Deals and Growth Deals as ways to drive local economic growth. These involve significant partnership working. The Scottish Government has committed to all areas in Scotland being part of a deal:

- There are four signed City Region Deals in Scotland, involving 17 councils and various other partners.

- A further six councils are developing two City Region Deals.

- The remaining councils are working on alternative investment proposals, such as Growth Deals and Island Deals.

17. Councils work with their partners to propose projects to include in their deal, based on the anticipated benefits to their regional economies. The Scottish and UK governments then decide which projects to fund, typically over a ten to 20-year period. To date, the governments have jointly committed £2.1 billion to the four signed City Region Deals. This is supported by around £1.6 billion committed by councils and other partners. Most of the funding for the four signed deals has been allocated to infrastructure projects, such as roads and buildings. However, deals also include innovation, employability and skills, technology, housing and digital projects such as improved broadband. The Scottish Government expects that councils and partners signed up to deals will form Regional Economic Partnerships to work together on regional issues.

18. We are carrying out an audit of City Region and Growth deals which will be reported towards the end of 2019.

The Community Empowerment Act gives citizens a greater role and this requires a change in how councils operate

19. The Community Empowerment (Scotland) Act 2015 gives people more influence over how their councils and their partners plan services. It is intended that councils will devolve power to communities to make a difference to their local areas through:

- Community asset transfers – where communities can take responsibility for land and buildings.

- Participation requests – where people can ask to take part in decisions about council services.

- Participatory budgeting – where communities can have a say in how the council should spend public money locally.

20. As part of the Act, local authorities also have statutory oversight of community councils and are required by statute to consult community councils about planning applications and licensing matters.

21. Councils are considering how they balance an increase in community involvement with a responsibility and accountability for the sustainability of services delivered to their citizens. Some progress is being made with community empowerment, particularly with ensuring formal arrangements are in place. We consider this further in Part 2 (paragraphs 70–78).

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City Region and Growth Deals are long-term agreements between the Scottish Government, the UK Government and councils to improve regional economies.

Accountability is increasingly complex

22. A result of a more collaborative way of working is an increasingly complex governance and accountability landscape. This has implications for councils:

- Councillors now sit on more boards than before. In our May 2018 report, *Councils' use of arm's-length external organisations* ⊕ (ALEOs) we noted that this can make it difficult for small councils to manage potential conflicts of interest.

- There can be disagreements around shared governance arrangements. In our *Health and social care integration update* ⊕ report we noted that a lack of collaborative leadership and different cultures in councils and health boards were affecting the pace of change.

- Councils still have a responsibility to track performance management and provide scrutiny proportionate to the risk involved. The roles of councillors and officers in overseeing collaborative activities needs to be clear.

- There is a duty to ensure that communities are involved in decision-making processes where appropriate. This may be more difficult to manage with more complex governance structures.

23. The discussion and decision-making on some issues is moving further from councils themselves, but councils retain the overall accountability to the local community. It is increasingly important that councillors and officers have an appropriate understanding of their roles and skills, including in governance and leadership, when leading work delivered through complex partnerships, boards and other mechanisms.

24. Formal governance arrangements must be kept current to cover local decisions made about representation, delegation, scope of responsibilities and reporting. Councils, and their partners, should ensure arrangements meet their needs but take care to minimise additional complexity of governance arrangements as new ways of working are adopted.

Scottish Government funding to councils has reduced in real terms since 2013/14 but increased slightly between 2018/19 and 2019/20

25. Councils need to continue to deliver on the increasingly complex range of local and national priorities and initiatives, despite several years of reducing funding and increasing demands on services. Between 2013/14 and 2019/20, total revenue funding has fallen six per cent in real terms. Scottish Government funding to councils is forecast to continue to reduce in the medium-term.

26. Scottish Government funding is the largest source of income for councils. Overall, total revenue funding will increase by 1.1 per cent in real terms between 2018/19 and 2019/20 (Exhibit 2, page 15).

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Governance describes the structures, systems, processes, controls and behaviours for managing activities.

Accountability is the way individuals or groups are held responsible for managing and planning how resources are used and how well performance aims are achieved. For example, chief executives in councils are accountable to councillors.

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Revenue funding is funding from Scottish Government to councils for day-to-day services.

Total revenue funding consists of general resource grants, specific revenue grants and non-domestic rates income (NDR).

Core revenue funding includes the general resource grant and non-domestic rate income, and reflects the funding councils have control over to provide services.

Exhibit 2
Funding from Scottish Government to councils
Total revenue funding increased slightly between 2018/19 and 2019/20.

Cash				Change 17/18 to 18/19		Change 18/19 to 19/20		Change 17/18 to 19/20	
	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)	Cash (%)	Real (%)	Cash (%)	Real (%)	Cash (%)	Real (%)
General Resource Grant	6,808	6,885	6,718	1.1	-0.7	-2.4	-4.2	-1.3	-4.8
Non-domestic rate income	2,666	2,636	2,853	-1.1	-2.9	8.2	6.3	7.0	3.3
Core revenue funding	**9,474**	**9,521**	**9,571**	**0.5**	**-1.3**	**0.5**	**-1.2**	**1.0**	**-2.5**
Specific revenue grants	211	274	508	29.7	27.4	85.5	82.3	140.6	132.2
Total revenue funding	**9,685**	**9,795**	**10,078**	**1.1**	**-0.7**	**2.9**	**1.1**	**4.1**	**0.4**

Note: We have used the most current information available. This means we have used 2019/20 budgeted funding and compared this with 2017/18 and 2018/19 outturn funding. This does not include £355 million allocated in 2018/19 and 2019/20 from the Scottish Government's health budget to Integration Authorities. The additional funding of £34.5 million is included in the 2017/18 cash funding column above.

Source: Audit Scotland; Scottish Budget 2019/20; Local Government finance circulars 04/2018, 08/2018, 02/2019

27. On 28 March 2018, the Scottish Government paid £34.5 million of additional funding to councils. Although this was funded from Scottish Government underspends and paid in 2017/18, it was shown as 2018/19 funding in the local government settlement:

- By recognising the £34.5 million as 2018/19 funding the Scottish Government showed an increase in funding to local government of 1.7 per cent in cash terms and 0.2 per cent in real terms compared to 2017/18.[8]

- In the 2019/20 settlement, the 2018/19 total revenue funding figures no longer include the £34.5 million. The settlement makes no reference to this adjustment or that it is included in 2017/18 funding. Taking this adjustment into account, between 2017/18 and 2018/19, the Scottish Government's total revenue funding to councils increased by 1.1 per in cash terms but this was a 0.7 per cent decrease in real terms. Our figures now include the £34.5 million as 2017/18 income.

28. The presentation of the £34.5 million within the annual settlements, and failure to refer to the change or how it has been treated, has made it harder to compare annual changes in local government funding. It is important that funding allocations are transparent and consistently applied across years to allow public bodies to plan and manage their finances effectively and support parliamentary scrutiny.

National policy initiatives make up an increasing amount of council budgets

29. A growing proportion of Scottish Government total revenue funding to councils is protected to support Scottish Government priorities. Our analysis shows that revenue funding to support specific Scottish Government policies has increased from 6.6 per cent of total revenue funding (£643 million) in 2018/19, to 12.1 per cent (£1.2 billion) in 2019/20 (Exhibit 3, page 17). This is because:

- The Scottish Government funding that must be spent on specific policy initiatives (specific revenue grants), such as the Pupil Equity Fund, now makes up an increasing proportion of total revenue funding. In 2018/19, this represented 2.8 per cent of total revenue funding and in 2019/20 will increase to five per cent.

- Alongside the specific revenue funding set out in the settlement, several of the Scottish Government's policy initiatives have funding attached to them. Although these are not explicitly ring-fenced, if the council does not meet the objectives it may lose out on the funding. These have grown from 3.8 per cent of total revenue funding in 2018/19 to 7.1 per cent in 2019/20 and are predominantly for education and social care services.

If these funding obligations are excluded from councils' total revenue funding, the amount remaining was £9.2 billion in 2018/19 and £8.9 billion in 2019/20. This is a decrease of £449 million in real terms, five per cent of 2019/20 total revenue funding.

30. Councils face other obligations which limit where they can make savings, for example:

- Councils must make repayments on their debt. In 2018/19 they budgeted to spend £1.2 billion, ten per cent of their budgeted net revenue expenditure, on debt repayments.

- In December 2018, COSLA made a pay offer for a three-year settlement for 2018/19 to 2020/21. The offer included an increase of 3.5 per cent for 2018/19 (capped at £80,000) and a three per cent increase in each of the following years. Any settlement that is accepted will need to be funded from revenue funds.

- In February 2019, Glasgow City Council approved the settlement of its equal pay claim. It has agreed to make payments of around £548 million (44 per cent of its 2019/20 revenue funding from Scottish Government and council tax) in 2019/20. Our auditors will monitor this as part of the annual audit work.

- In 2019/20, councils can only reduce their allocations to Integration Authorities by 2.2 per cent compared to 2018/19.

31. Social care and education make up a large proportion of councils' budgets. In 2018/19 councils budgeted to spend £3.3 billion on social care and £5.2 billion on education. This includes £2.4 billion on primary and secondary teachers' salaries. Together, this represents 69 per cent of their net revenue expenditure. Although it is possible for councils to make savings in these areas, national priorities, statutory obligations and demand for services make this challenging.

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Net revenue expenditure is financed through Scottish Government funding, council tax and the use of reserves.

Individual revenue allocation consists of Total revenue funding and assumed council tax contribution.

Exhibit 3
Spend on national priorities in 2018/19 and 2019/20
In 2019/20 councils will spend 12.1 per cent of their revenue funding meeting national priorities.

Total
revenue
funding

2018/19

93.4%

3.8%   **6.6%**   2.8%

£9.79 billion

2019/20

87.9%

12.1%

7.1%   5%

£10.08 billion

Remaining revenue funding   Policy initiatives   Specific revenue grants

Source: Audit Scotland, Local Government finance circular 2/2019, Scottish Budget 2019/20

32. As a result, as we have previously reported, councils have made larger reductions to services other than education and social work. These include economic development, waste management and planning services, which are still important for maintaining the health, safety and wellbeing of residents. Between 2013/14 and 2017/18 spending was reduced as follows:

- planning and development services (28 per cent)

- cultural and related services (14 per cent)

- roads and transport (seven per cent).

33. The Commission recognises that councils cannot be expected to deliver continuous performance improvement across all services in the current financial climate. Councils should set their priorities and invest in line with them. However, it is more difficult to do if increasing amounts of their budgets are protected. There is a risk that these budget reductions will have an impact on the sustainability of services as they are currently delivered. Councils need to continue to seek innovative ways to improve the efficiency of how they deliver all services and be clear about the anticipated impact on performance and service scope.

Some council service areas can expect further funding reductions
34. The Scottish Government's five-year strategy sets out its spending priorities to 2022/23; these are health, police, early learning and childcare, secondary school attainment, higher education and social security. Council services outside

education and early years are not identified as Scottish Government priorities and so will be disproportionately affected by any reductions to the Scottish budget. We calculated that other services outside the Scottish Government's priorities could face between one and 16 per cent real terms reduction to their budgets.[9]

Councils are managing reducing budgets despite local challenges

35. We have previously reported that councils will have their own social and demographic circumstances to manage alongside funding reductions. An ageing population increases demand for social care services, rurality can make it more difficult to deliver services cost-effectively, and deprivation and poverty have wide-ranging impacts which can affect council services. However, the majority of revenue funding is allocated according to the size of the council's population. Other factors are not always as clearly reflected in the funding allocations (Exhibit 4, page 19). For example:

- Eilean Siar and Argyll and Bute have seen some of the largest reductions in their funding allocations since 2013/14 due to a declining population but are also two of the most rural areas and have growing elderly populations.

- Some of the councils with high levels of deprivation, including Inverclyde, Glasgow and West Dunbartonshire, have also seen higher than average reductions to their core budgets.

36. Medium and long-term scenario planning will help councils understand what the likely implications are for them which will in turn help inform how best to provide services in the future.

Population change is affecting demand for services.

37. Demographic pressures, including an ageing population continue to increase the demands on council services. Over the period 2016 to 2041, ten councils expect an increase in both the over-65 population and the under-15 population. The Improvement Service estimates that, because of changing demographics, demand for services will increase by 2.6 per cent between 2018/19 and 2019/20. This represents an additional £248 million of spend for councils.[10]

38. All councils are projected to have an increase in the number of people over 65 by 2041. West Lothian council has a projected 45 per cent increase in the over-65 age group, the highest in Scotland. An ageing population represents a significant challenge for councils especially in delivering social care services:

- The Institute for Fiscal Studies estimates that over the next 15 years, social care funding in the UK will need to increase by 3.9 per cent in real terms each year to meet the needs of an ageing population and more younger adults living with disabilities.[11]

- The Scottish Government estimates an additional £683 million will be required by 2023/24 to meet additional social care demand.[12]

39. Ten councils are expected to see an increase in the proportion of people aged under 15 during the period 2016 to 2041, while 22 expect a decrease. For example, East Lothian Council expects its under 15-year-old population to increase three times faster than the Scottish average between 2016 and 2026. This increase means the council will need to fund:
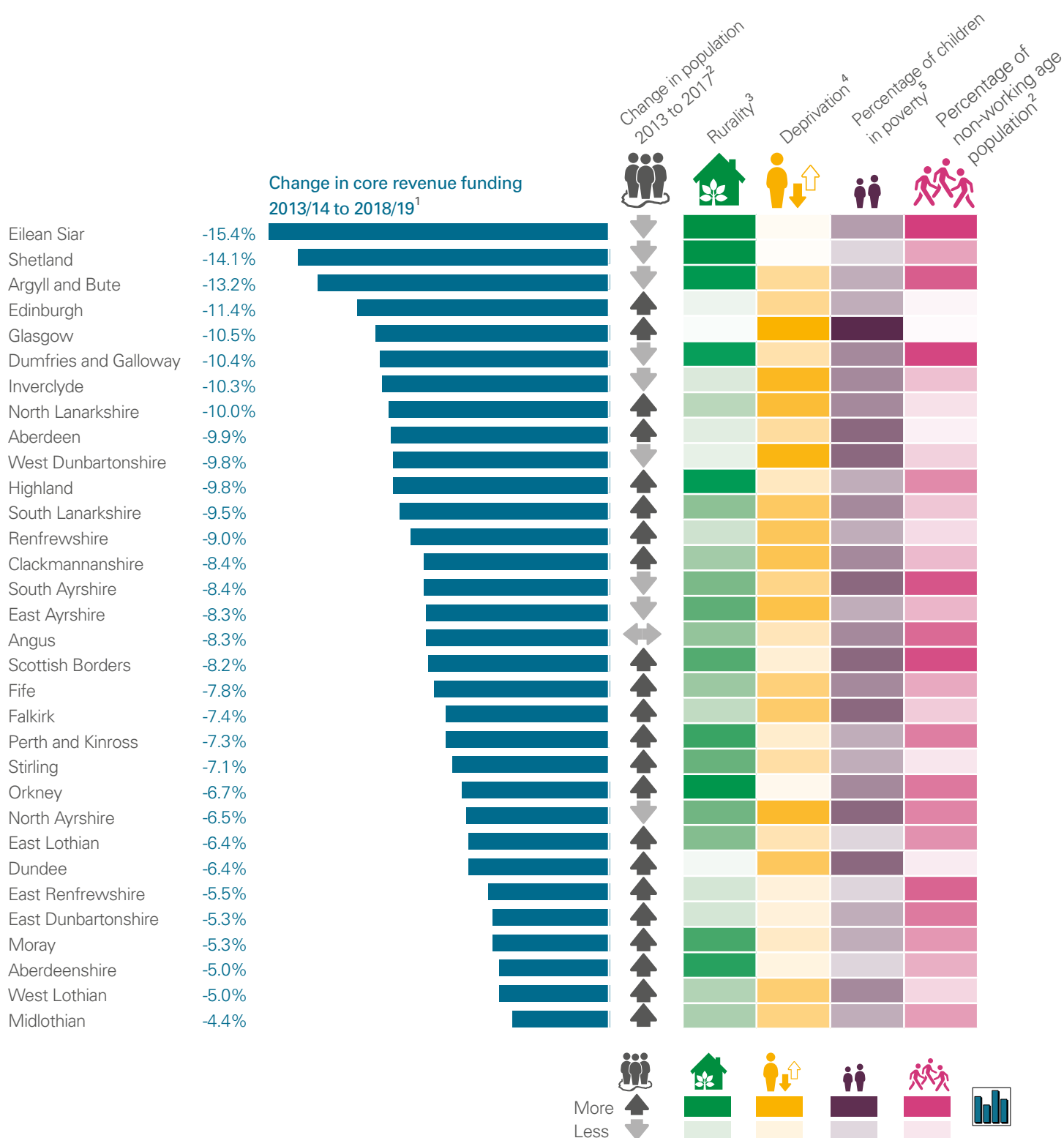
Do you have a clear understanding of the demographic circumstances within your council area?

Do you know how effectively your council uses this information to decide how to provide services in the future?

Exhibit 4

Changes to council core revenue funding in real terms between 2013/14 and 2018/19, illustrated with socio-demographic factors that can impact on service demand and costs

Demographic change, rurality and deprivation will all have implications for council services. The majority of core revenue funding is allocated based on population factors so funding reductions largely follow population change.

	Change in core revenue funding 2013/14 to 2018/19[1]	Change in population 2013 to 2017[2]	Rurality[3]	Deprivation[4]	Percentage of children in poverty[5]	Percentage of non-working age population[2]
Eilean Siar	-15.4%					
Shetland	-14.1%					
Argyll and Bute	-13.2%					
Edinburgh	-11.4%					
Glasgow	-10.5%					
Dumfries and Galloway	-10.4%					
Inverclyde	-10.3%					
North Lanarkshire	-10.0%					
Aberdeen	-9.9%					
West Dunbartonshire	-9.8%					
Highland	-9.8%					
South Lanarkshire	-9.5%					
Renfrewshire	-9.0%					
Clackmannanshire	-8.4%					
South Ayrshire	-8.4%					
East Ayrshire	-8.3%					
Angus	-8.3%					
Scottish Borders	-8.2%					
Fife	-7.8%					
Falkirk	-7.4%					
Perth and Kinross	-7.3%					
Stirling	-7.1%					
Orkney	-6.7%					
North Ayrshire	-6.5%					
East Lothian	-6.4%					
Dundee	-6.4%					
East Renfrewshire	-5.5%					
East Dunbartonshire	-5.3%					
Moray	-5.3%					
Aberdeenshire	-5.0%					
West Lothian	-5.0%					
Midlothian	-4.4%					

More
Less

Note: The darker the colour the more significant an issue it may be to that council, Rurality can make it more difficult to deliver services cost effectively, an ageing population increases demand for services and deprivation and poverty can have wide ranging impact on residents and councils (Paragraph 41).

Sources: 1. Scottish Government financial circulars 2013, 2014 and 2019. 2. National Records Scotland mid-year population estimates 2013 and 2017. 3. Scottish Government Urban Rural Classification 2016. 4. Scottish Index of Multiple Deprivation 2016. 5. Children in families with limited resources across Scotland 2014-16, Scottish Government, 2017.

- the capital cost of building four new primary schools and a secondary school

- the costs of developing the roads and utilities to these developments

- the day-to-day costs of running and staffing the schools.

The number of people living in poverty has increased, putting additional pressure on council services

40. The Scottish Government reports that relative poverty rates are slowly increasing and that since the period 2012 to 2015, there has been a rise in income inequality. Between 2013 and 2016, the top ten per cent of the population in Scotland had 21 per cent more income than the bottom 40 per cent; in 2014 to 2017 this increased to 24 per cent more income.[13] The Joseph Rowntree Foundation also reported an increase in child poverty rates during this period.[14]

41. There are implications for councils from more residents living in poverty, as they are more likely to need support from their council or have difficulty paying their council tax or rent:

- As part of the Child Poverty Act, councils are expected to produce an annual joint report with the NHS on their activities to address child poverty at a local level. It is not clear what resources councils will choose to allocate to their child poverty duties and reporting arrangements, but it may be substantial for those councils with high or growing rates of child poverty.

- Libraries now help people apply for benefits using their computers but a survey by Citizen's Advice found that people from the most deprived areas were less likely to be able to use a computer than those from the least deprived areas. It also found that of people seeking benefits advice, 25 per cent would need help and 27 per cent would not be able to manage at all.[15]

- There is also evidence to suggest that individuals' levels of debt have increased, and this could affect councils in council tax collection or rent arrears. The Joseph Rowntree Foundation found that in the UK six per cent of adults in the most deprived areas had council tax debt compared to 0.1 per cent in the least deprived.[16]

- Council accounts show that rent arrears have increased by nine per cent between 2016/17 and 2017/18; as councils have different procedures for managing and writing off rent arrears the level varies by council. The National Audit Office (NAO) found that local authorities in England reported higher rent arrears following the introduction of Universal Credit.[17]

- Homelessness applications have increased by one per cent between 2016/17 and 2017/18. During this period 17 councils saw an increase in the number of applications. Of those assessed as homeless or threatened with homelessness, 47 per cent had at least one additional support need, such as mental health problems, compared to 34 per cent in 2012/13.[18]

Part 2
How councils are responding

42. In Part 1 we described the complex financial, policy and legislative challenges that councils face. Effectively led councils are clear about how these issues impact locally. They also recognise that the financial and demand pressures mean that planning and implementing changes to find efficiencies alone is no longer enough and the redesign of service delivery is needed. Part 2 focuses on some of the main considerations for councils and how they are responding to this need.

Transformational change requires strategic leadership, planning and good governance

43. Councils have worked hard to make efficiency savings. These have mostly focused on service review and improvement activity, property rationalisation, and improvements in back office functions such as human resources, payroll and finance systems. In many councils, these activities are unlikely to be sufficient to address the growing gap between demand and resources, and more fundamental changes are needed.

44. In making more fundamental changes councils have different approaches; many have a transformation programme, although it is not always called this, whereas some integrate service redesign work into mainstream council management and improvement activity. Transformation activity does not have to change everything at once; it can deliver change incrementally.

45. Making change through transformation to the services and functions of the council requires effective leadership and good governance arrangements. Transformation and change initiatives should contribute to the council's strategic and outcome priorities. It should also be a consideration in strategic planning. This includes decisions relating to arrangements such as:

- implementing digital approaches

- financial planning and funding approaches

- working in partnership

- community empowerment activity

- workforce planning and development.

These issues are all linked, and their interdependence needs to be understood by councillors and senior management.

Do you understand how your council's approach to transformational change will improve services and save money?

How will you monitor and scrutinise progress of transformational projects?

What is your council's risk appetite for transformational change? Are risks properly monitored?

Do you know what the financial repercussions will be if your council's transformation activity fails to meet its savings targets?

46. To make good decisions about opportunities and options for change, councils need to ensure that they make effective use of good-quality information and data. This includes benchmarking with other councils and using performance information to identify and understand why performance varies across councils and where this offers opportunities to improve. Part 3 of this report sets out an overview of current performance across councils and some notable variances.

Good transformation is well scoped, addresses the needs of people who use services and should have proportionate governance structures.
47. The aim of transformational change is to improve outcomes for service users by making services to communities more efficient and effective. Transformation requires moving away from established ways of delivering services and this can bring considerable challenges. Successful projects dedicate time at the start to fully understand the issues that need to be addressed. To deliver transformative change, councils should:

- Adopt a holistic approach to service design. Transformation benefits from different departments working together to find the best solutions to improving services.

- Engage with service users and staff from the outset, to make the right decisions about where problems and opportunities lie, and what needs to change.

- Allow time for staff involved in transformation to properly scope and appraise options before committing to savings estimates.

To do this councils will have to consider how to incorporate some flexibility and freedom into their change and improvement arrangements, to allow some of the early thinking and design work to take place. This is difficult when budgets are reducing.

48. Good governance arrangements and effective management are essential in enabling the successful delivery of transformation activity. Councils report that they are adopting some key elements of good governance. Almost all councils have specific planning, decision-making and reporting arrangements in place for transformational or change activities. Over two-thirds show evidence of using options appraisals and around half have a dedicated team of staff to support change and transformation.

49. Good transformation should result in a service that better meets the needs of the people that use it, as well as being more efficient. There is scope for councils and other public bodies to share examples of successful transformation activity and learn from each other. Examples include:

- NHS Highland and partners have adapted homes in the 'FitHome' village in Dalmore to enable residents, who are elderly or have physical disabilities, to live safely and independently. The adaptations include sensor equipment that captures data as residents move around their homes and can be used to predict and prevent events such as falls. The first 14 residents moved into their new homes in Summer 2018.

- Glasgow City Council's family group decision making aims to allow children to remain within their wider family group rather than being taken into care.

Is your council's transformation activity supported by good governance arrangements and robust management?

Do you know if the governance arrangements factor in time needed to ensure projects are properly scoped?

Children and their families are involved in creating a plan to meet the child's needs. There are more than 1,300 children looked after by extended family or close friends, known as Kinship Care, in Glasgow. They are supported by 1,017 Kinship Carers with an annual budget of £8.1 million.

There are examples of digital approaches being used to drive improvement

50. Thirty-one councils are involved in the Digital Office (DO) for Scottish local government, a collaborative organisation created to improve the core digital skills held by council workers, digital leadership, and digital services within councils. All councils play an active role in delivering the projects that the DO runs by taking the lead on projects where their officers have expertise. This approach:

- pools in-demand skills and expertise

- shares best practice amongst councils

- fosters a strong culture of collaborative support.

51. Through the DO, councils are sharing their experience of using digital technology to improve service delivery. Some examples include:

- The E-sgoil programme in Eilean Siar uses technology to allow pupils to access teachers, classes or resources from any school within the council or elsewhere in Scotland. Previously a lack of teachers restricted the range of subjects the council could offer. The programme has been offered to other schools and is being used by some other councils. Comhairle nan Eilean Siar is now considering whether it could raise income by extending the programme's reach to other groups from outside the council area.

- City of Edinburgh Council has been working with a private company on its tram systems, using artificial intelligence to identify potentially hazardous situations and ensure that they are avoided.

- Glasgow City Council used data to change its approach to tracking and allocating school clothing grants in Glasgow. It was able to identify those eligible for a grant by analysing data it had already collected. This allowed them to identify 5,000 families who were entitled to funding but had not previously claimed.

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Digital technology:

Technologies used by councils to deliver services and change the way that residents and staff interact with the council.

There are specific challenges that councils need to recognise to successfully deliver digital transformation

52. People increasingly expect to be able to access services online, and digital provides many options for transformation within a council. However, digital approaches will often be only part of the solution. In many cases, digital can improve services and make them more efficient, but more complex or unusual tasks may require other approaches. Digital transformation also has specific features that councils need to consider:

- Not all service users will be able to access digital services. It is often the most vulnerable within society who have the greatest need for council services but who are least able to access them digitally. They include people living in poverty, the elderly, people living in remote rural locations,

and people living with mental and physical disabilities. By enabling digital access to services for those who are able to use them, staff and funding can be redirected to provide other options, such as face to face or telephone contact, for those who struggle to engage through digital platforms or have more complex problems.

- Procurement of digital-enabled projects may be different to other things the council buys; so its existing arrangements may not be appropriate. Councils should understand that potential savings may not be immediately quantifiable, that investing for the future may be necessary, and that 'agile' management (where projects are broken down into small stages and adapted frequently), may be the best option. For this approach, councils need to invest in training staff and leaders.

- Digital projects can bring significant cultural change to councils. Those leading and managing change need to be sensitive to the potential for disruption in the working environment and for individuals in particular roles. Councils need to ensure that their workforce is included and informed at every stage of a digital change programme.

- Digital projects need to be led and staffed by officers with the right skills in the relevant areas. These skills can be difficult to find in the wider workforce and come at a high cost. The DO has been working with councils to develop these skills.

- The failure of digital projects can open a council up to the risk of losing data or of data being accessed and exploited by external groups. The internal mishandling of data could also leave councils vulnerable to being penalised for General Data Protection Regulation non-compliance.

53. Before embarking on digital transformation activity, councils should understand these challenges and the complexity of what they are trying to do. Our *Principles for a digital future* ⊕ briefing sets out five principles that should be considered when planning and delivering digital programmes. We will be carrying out an audit on digital progress in local government in 2020/21 which will consider councils' digital activity in greater detail.

Good progress has been made with medium-term financial planning

54. The Commission has previously commented on the importance of medium and long-term financial planning, particularly in the context of the increasing financial challenges and wider demands on services.

55. Funding settlements from the Scottish Government to councils continue to be provided on an annual basis. This makes it challenging for councils to plan and budget effectively for the medium term, given such a significant proportion of their income comes from Scottish Government funding.

56. In 2018/19, councils reported a funding gap of £0.3 billion (two per cent of expenditure), £0.1 billion less than in 2017/18. Councils planned to address this through making savings, using reserves and increasing fees and charges.

57. The need to find and deliver savings is expected to continue. We emphasise the increasing importance of medium and long-term planning to manage these

Does your council have medium and long-term financial planning in place?

financial challenges and to make well-informed decisions which are aligned to council priorities. Medium-term financial planning has been adopted by almost all councils, but less than half have significant long-term plans. Of those councils with longer-term plans, only five consider the impact of population and demand change on their services. The Commission encourages all councils to continue to develop and refine their medium and long-term planning and the use of scenario planning to support both.

Councils are under pressure to find different ways to increase income

All councils increased council tax by the maximum allowable three per cent in 2018/19 for the first time since the council tax freeze was lifted

58. As revenue funding has fallen in real terms, council tax represents an increasingly large proportion of the total funding available to councils, from 16 per cent in 2013/14 to 18 per cent in 2018/19. In the 2017/18 budget, the Scottish Government announced the end of the nine-year council tax freeze, but capped the amount councils could increase it by to three per cent:

- In 2017/18, 24 councils increased their council tax, including 21 that increased rates by the maximum allowed.

- In 2018/19, all councils increased council tax by three per cent.

In 2019/20, the Scottish Government increased the cap to 4.8 per cent in cash terms, or three per cent in real terms. Twelve councils decided to increase council tax by the full amount. Thirteen councils increased it by three percent and the other seven by between 3.9 and 4.5 per cent.

59. In 2017/18, an estimated additional £110 million was raised through council tax reforms, these included a change to higher rate council tax bands and an end to council tax relief on second homes.

Councils have looked for other ways to increase income

60. We reported in our *Local government in Scotland: Financial overview 2017/18* ⊕ that there is variation in how councils approach increases to charges. Some councils are making increases to all charges, some are making significant increases to certain charges such as commercial waste and some are introducing new charges, for example for garden waste and public toilets.

61. From information provided by auditors, we found that councils had increased 11 types of charges by more than inflation between 2016/17 and 2018/19. The highest increases were in relation to burials. The cost of a burial plot increased by an average of 20 per cent (22 councils responded) and the cost for burial services increased by 12 per cent (23 councils responded).

62. COSLA and some councils are seeking opportunities to raise local taxes.

- City of Edinburgh Council is the first council to propose a transient visitor levy or 'tourist tax' to raise funds to manage and promote tourism in their local area. In February 2019, the council approved plans for a £2 or two per cent per room per night charge which it expects will raise up to £14.6 million.[19] It now requires legislation from the Scottish Government to implement the tax. The Scottish Government committed to a consultation on the tourist tax in January 2019.

Does your council link budgets to plans and outcomes and report on these?

Do you know what options your council is considering to maximise income?

How is your council considering the impact that these changes might have on equalities?

If your council is considering generating commercial income, do you know how it plans to mitigate the risks?

- In the 2019/20 budget the Scottish Government agreed to support an amendment from the Scottish Green Party to the Transport (Scotland) Bill that would give powers to councils to introduce a workplace levy. This means employers would pay the council a tax for any car parking spaces they offered.

Councils are considering development of commercial services, but risks need to be well managed

63. As part of longer-term financial planning, councils are considering how they can develop approaches to generate commercial income, beyond local fees and charges for current services. If councils choose to do this they need to consider; whether they have the skills and staff numbers to deliver it, the impact it may have on the local economy, and how they will mitigate the risks of investing public money in the commercial market.

64. Given that there has been more development of commercial arrangements in England, it is useful to consider the learning from this. Councils in England have experienced very significant reductions in funding (funding to local government has fallen by 49 per cent between 2010/11 and 2017/18) and have used several commercial approaches to support their finances in response.[20] The NAO reported that between 2013/14 and 2016/17, there had been a 31 per cent increase in external interest payments and a 16 per cent increase in trading profits.[21] Some councils have borrowed money to invest in property from which they then earn an income or profit. The UK Government reports that:

- spending on trading services has increased from £323 million in 2014/15 to £2.9 billion in 2017/18

- land and buildings acquisitions increased by 43 per cent in the last year to £4 billion in 2017/18.[22]

65. The Chartered Institute of Public Finance and Accountancy (CIPFA) is concerned by the level of borrowing by councils and is producing guidance for those considering this route; it has cautioned councils against:

- becoming dependent on commercial income

- taking out too much debt relative to their total spending

- taking on debt to finance commercial investments, such as shopping malls or office blocks.[23]

Good partnership working is critical if councils are to deliver priorities and improved outcomes for communities

66. The Commission has consistently highlighted the increasing importance of good partnership working in the Scottish public sector. Working well with local partners in the public, private and third sectors is becoming increasingly important as councils try to deliver more for less. Given the significance and the potential efficiencies, both financial and non-financial, that collaborative working in the public sector can achieve, this will continue to be an area the Commission will have an interest in over future years.

Does your council consider sharing services in options appraisals and change programmes?

Do you know if there are processes in place in your council to facilitate collaborative working on a local, regional or national basis?

67. Shared services are one potential approach to partnership working. Through our audit work, we have seen only a limited number of examples of councils sharing services. These include:

- East and South Ayrshire work together to deliver roads-related services through the Ayrshire Roads Alliance

- East and West Dunbartonshire share an IT data centre

- Renfrewshire, East Renfrewshire, Inverclyde and West Dunbartonshire are part of a joint emergency planning service.

Although integration authorities have made some improvements they must overcome several significant barriers to speed up change and improve outcomes

68. The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) established 31 integration authorities (IAs) which are partnerships between NHS boards and councils. They are responsible for directing almost £9 billion for the delivery of adult health and social care, and in some council areas, for other services, such as children's services. Our report *Health and social care integration* and our *Local government in Scotland: Financial overview* , both published in November 2018, found that although progress has been made there are significant challenges to overcome (Exhibit 5).

Do you know how your council is ensuring the good governance and financial sustainability of its Integration Authority?

Do you know what your council is doing to ensure that it works with partners to be more open and realistic about changes needed?

Exhibit 5
Challenges to health and social care integration in Scotland
There are significant changes required if integration is going to make a meaningful difference to the people of Scotland.

Issues sharing data — **Governance** — Disagreement over arrangements[1]

No evidence of long-term planning

Issues linking resources to priorities

Financial

Large funding gaps

Difficulties agreeing budgets

Challenges with health and social care integration

Lack of collaborative leadership

Lack of strategic capacity

Leadership

Lack of knowledge and understanding among leaders

High turnover in leadership teams

Note: 1. Disagreements are often due to differing views on responsibility, especially about who is responsible for service performance and quality of care and when accountability for a decision rests with individuals who are no longer responsible for taking them.

Source: *Health and social care: update on progress* , Audit Scotland, November 2018

69. Performance of IAs in terms of the outcomes experienced by patients is discussed further in Part 3 (paragraphs 114–118).

The Community Empowerment Act fundamentally changes the relationship between council and communities

70. Councils are committed to community empowerment and most are beginning to implement their arrangements at a local level. Effective use of community empowerment can contribute to change and transformation by generating ideas and by involving communities in the difficult decisions that need to be made about priorities and options.

71. Our work shows that some councils:

- have well-established arrangements in place to empower communities (Case study 1)

- are providing training to elected members and officers to enhance their knowledge of community empowerment

- are working to develop community capacity, including providing information and training to communities on how to deliver a service and support through the community asset transfer process.

Case study 1

East Ayrshire Council's 'Vibrant Communities' approach

The Vibrant Communities approach is to work 'with people' rather than 'for people'. It focuses on two areas:

- Early intervention and prevention – acting as soon as possible to tackle problems for children, families and vulnerable people.

- Sustainable communities – empowering and enabling communities to get more involved where they live.

Communities discuss their local needs and priorities and then agree actions to improve their local area. Since 2014, the council has supported 19 communities to develop and implement community action plans through their Vibrant Communities approach. Community workers support community representatives in developing and implementing their plans. Once the plans are established community representative groups monitor progress.

Vibrant Communities has a dedicated community asset transfer team to offer legal, planning and business advice, and advise on alternative funding streams for communities applying for an asset transfer.

Sources: *Best Value Assurance Report: East Ayrshire* , Accounts Commission, May 2018, East Ayrshire Council

Audit Scotland produced a briefing paper in April 2018 *What is integration*

Does your council engage with communities on decisions about services, budget proposals and priorities?

Are you clear on what community empowerment involves what it means for your council?

What is your council doing to implement community empowerment arrangements at a local level?

Does the Local Outcome Improvement Plan focus on areas where the Community Planning Partnership can make the biggest impact?

Do you know what your council is doing to reach out to 'seldom heard' and disadvantaged groups?

72. While we have seen examples of good progress, some councils still need to do more to meet their obligations under the Act and ensure communities are empowered by building their capacity further.

73. The Act also places a duty on each Community Planning Partnership (CPP) to develop a local outcomes improvement plan (LOIP). LOIPs set out local outcomes that the CPP will prioritise for improvement. Audit Scotland, the Improvement Service and NHS Health Scotland conducted a review of LOIPs in 2018. We found that:

- the scale and scope of LOIPs varies across Scotland, however progress is being made against the expectations of the Act and associated guidance

- LOIPs need to be more focused on areas where the CPP can make the biggest impact

- there are genuine attempts to enhance community engagement and participation

- there is a lack of clarity around how CPPs are reaching those who are under-represented in council decisions, or the most disadvantaged communities.

Councils are engaging with communities but there is less evidence of successful engagement with people from deprived areas

74. Consultation with communities continues to take place mostly through citizens' panels, residents' surveys and council webpages. Our auditors reported that 26 councils involve communities in decisions about services, budget proposals and priorities and nine councils had either a dedicated team or staff member to support community engagement. Some examples of good practice include:

- Argyll and Bute Council carries out an annual consultation exercise on its budget for the coming financial year. It collates and analyses responses and publicly reports the impact of residents' feedback on decisions.

- East Lothian Council has established six local area partnerships to enable community engagement for the CPP. Each partnership is chaired by a member of the community and is made up of elected members, local bodies, interest groups and residents. Locality plans for each area partnership outline their priorities for improvement and help focus budgets around local priorities.

75. The Scottish Household Survey results suggest that councils are less successful in engaging with people from deprived areas. The percentage of all people surveyed who felt they could influence local decisions was 23 per cent in both 2016 and 2017, whereas for people living in deprived areas the figure was 21 per cent in 2016 and 19 per cent in 2017.

Although councils are responding to the requirements of the Act, they need to do more

76. Participatory budgeting is part of the Community Empowerment Act. It gives residents the opportunity to vote on how local money is spent and to have a say on issues important to them. Councils benefit from a better understanding of their residents' needs and communities feel more engaged and empowered. Dumfries and Galloway Council used its participatory budgeting exercise to focus on reducing inequality . Councils should also consider

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The Community Empowerment Act (Scotland) 2015 requires that councils ensure communities are actively involved in deciding how public services are planned and provided and seeks to empower community bodies through transferring ownership of land and buildings.

As part of the Act, local authorities have statutory oversight of community councils and are required by statute to consult community councils about planning applications and licencing matters.

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What is your council doing to ensure that one per cent of revenue budgets is allocated through participatory budgeting by 2020/21?

whether their approach to participatory budgeting is inclusive of a range of groups within their area, including disadvantaged and hard-to-reach groups, and the impact on improving outcomes.

Case study 2

Dumfries and Galloway Council's tackling poverty participatory budgeting exercise

Dumfries and Galloway Council allocated £240,000 from its Tackling Poverty fund towards a participatory budgeting exercise, 0.08 per cent of its total revenue funding. Sixty-three projects from across the region progressed to public voting events. Successful projects were focused on alleviating different aspects of poverty. Examples of successful projects included provision of:

- emergency power payments, sanitary products and essential toiletries (low income and financial poverty)

- school holiday breakfast and lunch clubs for low income families (food poverty)

- transport for access to services and activities (fuel poverty, rurality and isolation)

- ICT learning activities for those who require access to benefits and who are seeking employment (access to information and educational activities/opportunities).

The council evaluated the project and used feedback to identify how the process could be improved in the future, such as increasing the number of voting events and improving communications to build awareness and generate interest.

Sources: *Best Value Assurance Report: Dumfries and Galloway Council*, Accounts Commission, November 2018. *Participatory Budgeting Evaluation Report*, Dumfries and Galloway Council, 2018

77. We are aware of 13 councils that have held participatory budgeting exercises; however, they remain small in scale. COSLA is supporting councils' work towards the Scottish Government's target of allocating one per cent of revenue budgets to participatory budgeting by 2020/21. For example, Dundee City Council held a participatory budgeting exercise in 2017/18 where 11,000 people voted on which priority projects should be allocated a share of £1.2 million (0.3 per cent of the council's £343 million revenue funding). Communities, existing representative groups and elected members were involved in the selection of projects and the council held a community conference to shape ideas. Feedback on the exercise was positive and the council will use learning to shape future exercises.

78. The Accounts Commission has a continuing interest in community empowerment, and will consider the pace and level of progress in future Best Value work and performance audits.

Workforce reductions have changed how councils are structured and the skills available, but the quality of workforce planning is inconsistent

79. Councils spend a substantial part of their revenue budgets on their staff. They directly employ around 243,000 people, around 197,500 full-time equivalent (FTE) staff. This is 48 per cent of the public-sector workforce, meaning councils are the largest employer in the Scottish public sector. Reducing the workforce is one of the main ways councils have made savings. For example, in Dumfries and Galloway the council saved £60 million in the past five years partly through reducing its workforce by 11.3 per cent.[24] Councils need to do more to ensure they understand in detail the profile and capacity of the management and workforce they currently have and need in the future. This is fundamental for being able to effectively respond to the challenging context and deliver effective change.

80. The Scottish Government reports quarterly on total local government staff and every year on social workers and teacher numbers.

- Between September 2017 and September 2018, there has been a small decrease, 0.2 per cent, in FTE staff numbers within councils. Since 2013, staff numbers have fallen by almost 5,000, a decrease of two per cent.[25]

- In the past five years there has been a 0.1 per cent reduction in social workers and a 1.6 per cent increase in teachers compared to a two per cent reduction for total council workforce.

Therefore, teachers and social workers now make up an increasing proportion of council employees, 29 per cent in 2017 compared to 27 per cent in 2013.

The quality of workforce planning varies across councils
81. The Commission believes that integrated workforce planning is essential for robust medium and long-term planning and effective transformation. This should include an analysis of what the council will need in the future, where the gaps lie and how to address them, either through training, recruitment, restructuring current resources, shared arrangements with other organisations, or procuring specialist skills.

82. Workforce planning is an area where progress is mixed across councils. Glasgow City, as an example, has a coordinated approach to workforce planning. Each service has a workforce plan which forecasts its requirements. Quarterly updates are collated centrally to identify gaps and surpluses which are then used to develop budgeting and resourcing plans including redeployment and retraining opportunities. However, there are other councils where it is not clear what the workforce will look like in terms of numbers and skills in the medium or long term.

Councils need to plan to ensure they have the staff, skills and leaders to deliver change, but there is no national data on workforce by service
83. Effective leadership is fundamental to the successful implementation of change in a complex and changing policy landscape. Councils need to ensure they have the best possible political and management leadership. This means ensuring there is appropriate training and development to support both councillors and management. For senior management this also means building the best strategic team possible and ensuring there is enough capacity to lead change and wider responsibilities. The Commission considers that this means recruitment

What is your council doing to ensure that it has the right capacity, skills and leadership in its workforce?

What training does your council make available to officers and councillors to ensure they have the skills to deliver services in the future?

to chief executive posts should include open competition to secure the best possible pool of candidates. Unless there is a clear rationale, which should be articulated in public council papers, key senior management positions, such as director and head of service level posts, should also be advertised externally.

84. There is a lack of national data on workforce by service. This makes it difficult to be able to determine what is needed in terms of skills or training for staff across Scotland, how services have been affected by the overall reduction in workforce and to inform benchmarking and sharing good practice. Other available data indicates reductions in some services, for example:

- The Royal Institute of Town Planners report a 23 per cent reduction in the planning workforce in Scotland from 2009 to 2016.[26]

- The Society of Chief Officers of Environmental Health in Scotland report that the number of professionally and technically qualified environmental health staff has decreased by 12 per cent from 2016 to 2018.[27]

- The number of librarians has fallen by 22 per cent and the number of library staff by seven per cent between 2014 and 2018.[28]

85. Councils continue to report staff shortages in key service areas:

- Two-thirds of councils reported a shortfall in mental health officers, the additional hours needed per week to make up this shortfall is equivalent to 41 full-time officers.[29]

- Care Inspectorate reports for Eilean Siar and Renfrewshire observed the continued difficulties in recruitment and retention of social care workers and the impact this has on services.

86. The UK's withdrawal from the EU could exacerbate problems of staff shortages as it could result in a loss of non-UK EU nationals from the workforce or difficulty recruiting from Europe. The Scottish Government estimates that there are 9,830 non-UK EU nationals working in social care in Scotland, 5.6 per cent of the workforce.

87. Councils are competing with other organisations for the same skills, for example digital, project management, planning and engineering expertise. Difficulties with recruitment and retention are compounded by an ageing workforce within councils and with a smaller working age population to recruit from. Also, many of the reductions in the workforce are from those approaching retirement, meaning that their skills and experience are lost to the organisation. For example, in Dumfries and Galloway Council 44 per cent of staff are over 50 years old.

88. Councils need to ensure there is sufficient training for their staff to allow them to respond to the changing and more pressured environment. There is no national data on skills training programmes; however, in our BVAR reports we have highlighted how some councils have approached this:

- In West Dunbartonshire Council, staff have a skills passport which sets out mandatory learning for staff at various career milestones. This allows them to plan for their ongoing development and encourages continuous learning.

Does the training you are offered meet your needs? If not, do you know who to speak to?

Does your council have an organisation-wide workforce plan? Does it contain information about the numbers, costs and skills of the actual and desired workforce?

- Dumfries and Galloway Council's 'Grow your Own' scheme retrains staff in areas where there are recruitment issues. As a result, it has been successful in filling teacher vacancies.

Councils should consider the impact of change on their staff

89. Savings programmes and staff reductions mean some uncertainty for council staff. Unless managed well, this could have an impact on the morale of the workforce and individual staff's wellbeing. Surveys carried out by Unison found that in 2018:

- 75 per cent of Environmental Health and 70 per cent of Trading Standards employees interviewed reported that morale in their organisation was low

- 90 per cent and 78 per cent respectively said that workload was higher than five years ago.[30]

90. Councils should be aware of the impact savings programmes are having on their workforce and put measures in place to address any issues. Many councils do this through staff surveys. Common findings from staff surveys indicated people not feeling valued for what they do, not being asked for their views on change and feeling that working for the council had worsened in recent years due to workload.

91. The average number of sickness days for non-teaching staff has increased from 10.9 days in 2016/17 to 11.4 days in 2017/18. There is significant variation among councils, from an average of 16.8 days in Clackmannanshire to 8.4 days in East Ayrshire. For teachers, the average number of sickness days has fallen slightly from 6.1 days in 2016/17 to 5.9 days in 2017/18, varying from 9.1 days in Clackmannanshire to 4.2 days in East Ayrshire.

92. We have calculated in previous reports that if councils reduced sickness absence they could improve their productivity. If councils with higher rates of sickness absence levels reduced these in line with the top eight performing councils, they would gain the equivalent of 619 non-teaching staff across Scotland, and 248 teaching staff.

Do you know how your council is ensuring changes to staff numbers and working practices do not have a negative impact on morale and wellbeing?

Part 3
Council performance and the impact on communities

Councils understand the challenges facing their communities, but resources need to be better linked to their vision and priorities

93. Our audit work shows that councils continue to clearly set out their strategic priorities and plans. Councils understand the local context of their communities and have a strategic focus on improving social inequality, particularly in areas of high deprivation.

94. Over half of councils clearly link their budget setting to their strategic priorities or plans. This should be evident in all councils. More also needs to be done to demonstrate how spending is linked to outcomes and performance. A positive example that contributes to clearer links is evident at North Ayrshire Council. Officers include information on what outcomes could be achieved for each level of investment when presenting strategic investment options. This allows councillors to consider whether the impact on the council's priorities would be significant enough to warrant the investment.

Councils are focused on performance management and improvement
95. Our Best Value assurance reports to date indicate councils have improved their approaches to managing performance and improvement. Good performance management should link to the council's strategic priorities and be able to demonstrate a link between spend and outcomes.

96. A good council is self-aware, understands its own performance and uses that to make improvements. Our auditors reported evidence of self-evaluation in 14 councils in their 2017/18 Annual Audit Reports. For example, North Lanarkshire Council reviewed its position against the Best Value characteristics and the recommendations in previous Best Value assurance reports to help develop its rolling programme of reviews. Many councils have structured self-evaluation programmes. These can include corporate level and service level assessment tools, for example in West Lothian Council all services complete a bespoke assessment model and attend an officer-led scrutiny panel once in a three-year cycle to provide challenge to the service and promote improvement.

Councils need to show they are delivering against their high-level outcomes
97. As part of setting its *2018 Statutory Performance Information Direction* ⊕, the Commission reviewed performance information available on council websites. It found that:

- Auditors in 20 councils concluded that performance information was satisfactory.

- 90 per cent of councils published an annual performance report and 80 per cent published service level performance information.

Does your council clearly link its budget setting to its strategic priorities and plans?

Are you assured that performance reporting by your council is accurate and accessible?

Can your council demonstrate progress in delivering its key outcome priorities?

- There are large amounts of performance information online, however websites could be easier to navigate, and the information was sometimes out of date. Councils may also want to consider whether having fewer, but better focused, performance indicators would allow them to demonstrate performance against their key priorities more clearly and effectively to the public.

- While 90 per cent of councils report performance against their priorities, few outlined progress against outcomes.

98. It is important that councils clearly report their performance to local citizens and the community. Good performance reporting includes clearly stating how performance and spend are linked to the council's priorities; local indicators which demonstrate quality of service; public satisfaction levels; and an overall assessment of the council's performance against outcomes.

Most national indicators have improved or been maintained but performance varies between councils.

Despite funding reductions, councils have maintained performance against several national indicators

99. The National Performance Framework measures progress across 81 indicators, although some of these are still in development and some do not have the data to allow trend analysis. We have selected 16 of the available indicators, these show that many outcomes have improved across Scotland in the last five years (Exhibit 6, page 36). However, there has been less progress with health outcomes.

100. Many of the NPF indicators are not available at a local level but the Improvement Service has developed a Community Planning Outcomes Profile (CPOP) tool which tracks performance against a set of identified measures at a CPP level. There is a helpful interactive tool on the Improvement Service website ⬀ which allows communities and councils to drill into the data and to compare performance between CPPs, councils and over time. Analysis of the CPOP data shows that the majority of outcome measures have improved over the last five years.

101. There are limitations with the availability of both the NPF and CPOP data. Better data would allow councils to understand differences in demand and performance, report how well they are delivering against their outcomes and enable more informed decisions.

Since 2010/11 performance against most Local Government Benchmarking Framework indicators has been maintained or improved

102. The Local Government Benchmarking Framework (LGBF) is produced by the Improvement Service in partnership with councils. Since 2010/11 it has produced comparative performance information for councils to help them improve. The LGBF contains over 70 indicators covering a broad range of service areas. In previous years and in our BVARs we report on a sample of eight measures to give an indication of council performance.[31] Over the past seven years performance for these indicators has improved slightly or remained stable (Exhibit 7, page 37). This year, the LGBF reports that across all indicators there is some evidence that performance improvement is slowing down for the first time since 2010/11.[32]

Does your council make use of LGBF data to consider where and how it might make improvements to service delivery?

Have you considered what lessons your council can learn from other councils who are delivering services well?

Exhibit 6
Changes in performance measures for Scotland's outcomes between 2013 and 2017
Performance against many outcome measures has improved but there has been less progress with health outcomes.

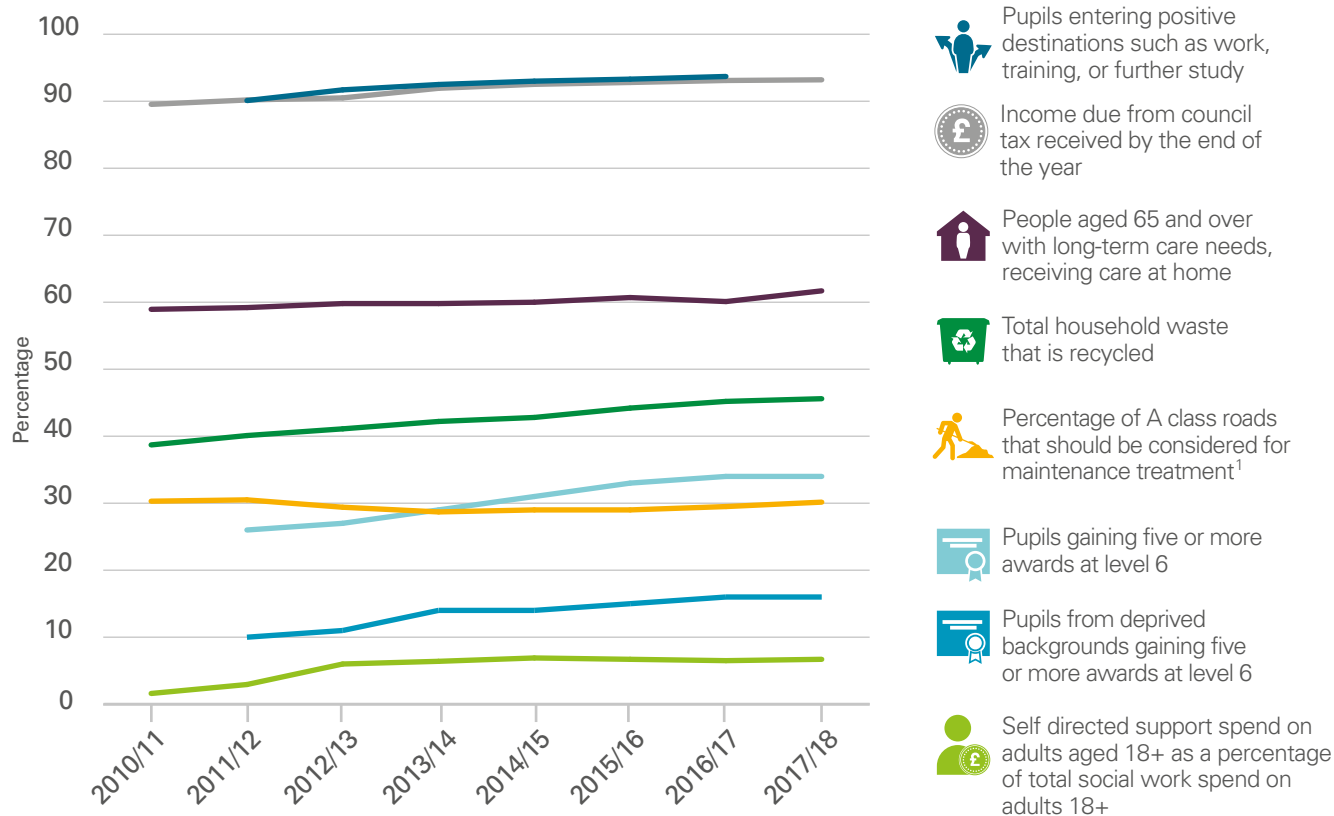| Children, young people and education | Percentage of settings providing funded early learning childcare achieving good or better across all themes | -0.5% |
	Proportion of adults aged 16-64 with low or no qualifications (SCQF level 4 or below)	-1.8%
Satisfaction	Percentage of adults who rate their neighbourhood as a very good place to live	2%
	Percentage of respondents who are fairly or very satisfied with the quality of local services (local health services, local schools and public transport)	-8.2%
	Percentage of people who agree with the statement 'I can influence decisions affecting my local area'	0.7%
	Percentage of households who report being either 'very satisfied' or 'fairly satisfied' with their house or flat	2%
Culture and leisure	Percentage of adults who have participated in a cultural activity in the last 12 months	-0.2%
	Proportion of adults making one or more visits to the outdoors per week	6%
Environment	Percentage of energy consumption which is renewable energy	7.1%
	Household waste (million tonnes)	4.2%
Fair work and business	The total number of private sector enterprises in Scotland per 10,000 adults	8%
	Percentage of workers earning less than the living wage	0.1%
	The difference between male and female full-time earnings, expressed as a percentage of male full-time hourly earnings	-3.4%
Health	Average Mental Wellbeing Score[1]	-0.2%
	Percentage of adults with two or more health risk behaviours (current smoker, harmful drinking, low physical activity, obesity)	1%
	Proportion of adults usually travelling to work by public or active transport	-0.6%
	European Age Standardised mortality rates per 100,000 for people under 75 in Scotland	-2.8%

Note: 1. Warwick-Edinburgh Mental Wellbeing Score.

Source: National Performance Framework

Exhibit 7
Performance against selected indicators, 2010/11 to 2017/18
Performance has been maintained or improved.

Pupils entering positive destinations such as work, training, or further study

Income due from council tax received by the end of the year

People aged 65 and over with long-term care needs, receiving care at home

Total household waste that is recycled

Percentage of A class roads that should be considered for maintenance treatment[1]

Pupils gaining five or more awards at level 6

Pupils from deprived backgrounds gaining five or more awards at level 6

Self directed support spend on adults aged 18+ as a percentage of total social work spend on adults 18+

Note: 1. Roads maintenance is measured in two-year time periods therefore 2009-11 is reported in 2010-11.

Source: Local Government Benchmarking Framework, 2017/18

103. We have also analysed council spending against indicators to see the impact that funding reductions have had on performance at a national level. This shows that since 2010/11 most services have been maintained or improved despite reducing budgets (Exhibit 8, pages 38-39). However, in the past year the data shows that some services are beginning to spend more or have had a decline in performance, for example, the number of library visits has fallen by eight per cent.

Performance variation is expected as councils have different local priorities, but it can also provide opportunities for identifying efficiencies.
**104.** The Accounts Commission is clear that 'It is for councils to make choices in where they focus their improvement work, but they need to be able to show how they have arrived at such choices'.[33] As such performance against the indicators will vary depending on both local factors and policy decisions.

105. Councils should use the LGBF and other benchmarking tools to understand where councils with similar circumstances are performing better or spending less to provide the same service. Exhibit 9 (page 40) shows that there is a wide variation in both performance and unit costs between councils. There could be several reasons behind this, but it provides an opportunity to share learning and experiences to improve services.

Exhibit 8

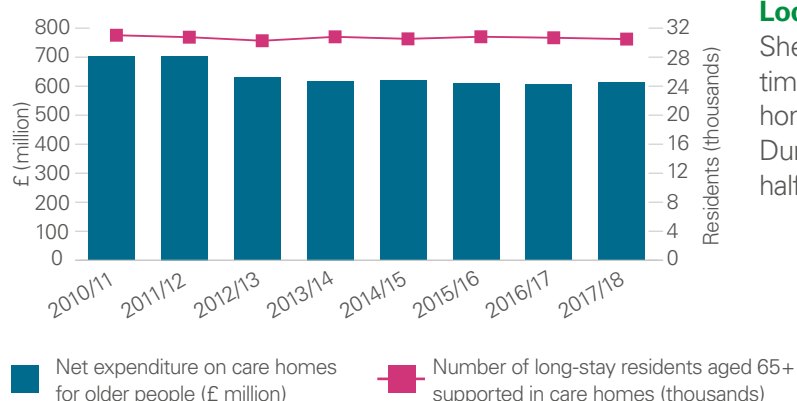Performance and spend in key areas, 2010/11 to 2017/18

There has been a significant increase in expenditure on home care, while the number of hours provided has increased at a lower rate.

Gross expenditure on home care
(£ million)

Homecare hours per year
(£ million)
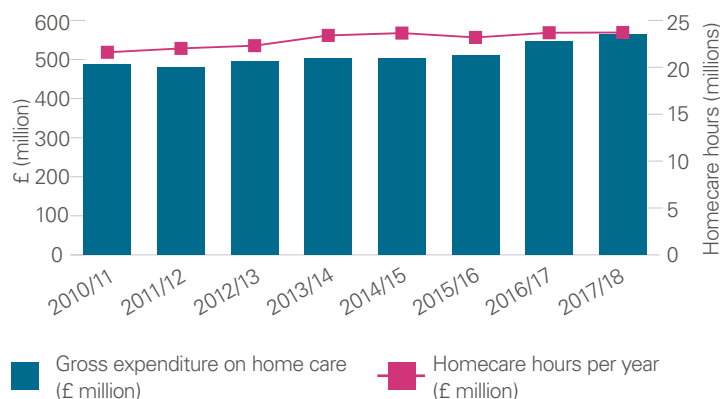
Local variations

Clackmannanshire, Perth and Kinross and Stirling councils have the lowest costs per hour of homecare. The island councils have higher cost per hour of homecare than other councils. Midlothian Council's costs are higher than other mainland councils.

Spending on residential care and the number of residents has stayed relatively constant in recent years.[1]

Net expenditure on care homes
for older people (£ million)

Number of long-stay residents aged 65+
supported in care homes (thousands)

Local variations

Shetland Islands Council spends more than three times the Scottish average per week on their care home residents, £1,349 compared to £386; while Dumfries and Galloway Council spends just over half of the Scottish average (£195).

Spending on culture and leisure continues to fall but visitor numbers to sports facilities, museums, and libraries all decreased in 2017/18.

Total expenditure on libraries,
museums and leisure (£ million)

Number of visitors at sports
facilities (millions)

Number of library visitors
(millions)

Number of museum visitors
(millions)
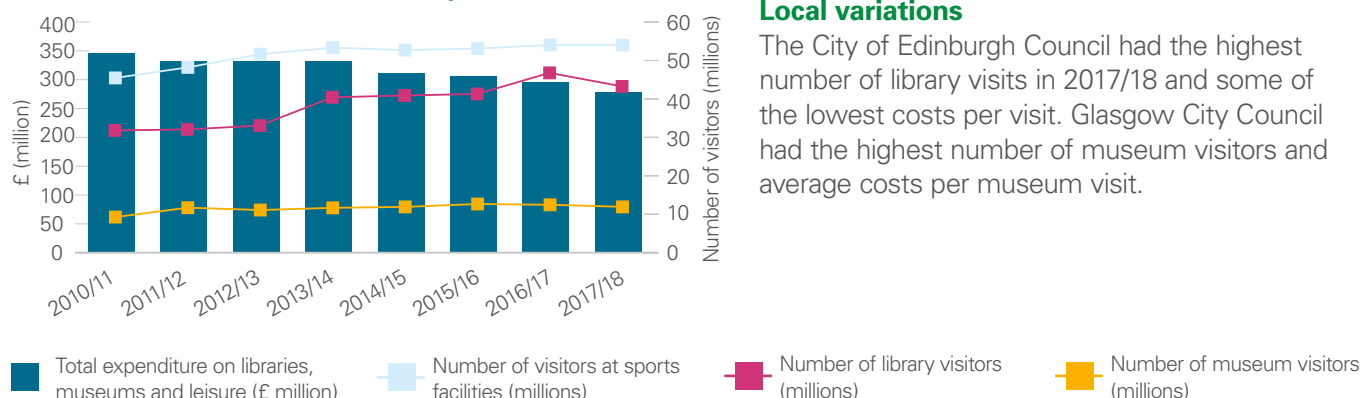
Local variations

The City of Edinburgh Council had the highest number of library visits in 2017/18 and some of the lowest costs per visit. Glasgow City Council had the highest number of museum visitors and average costs per museum visit.
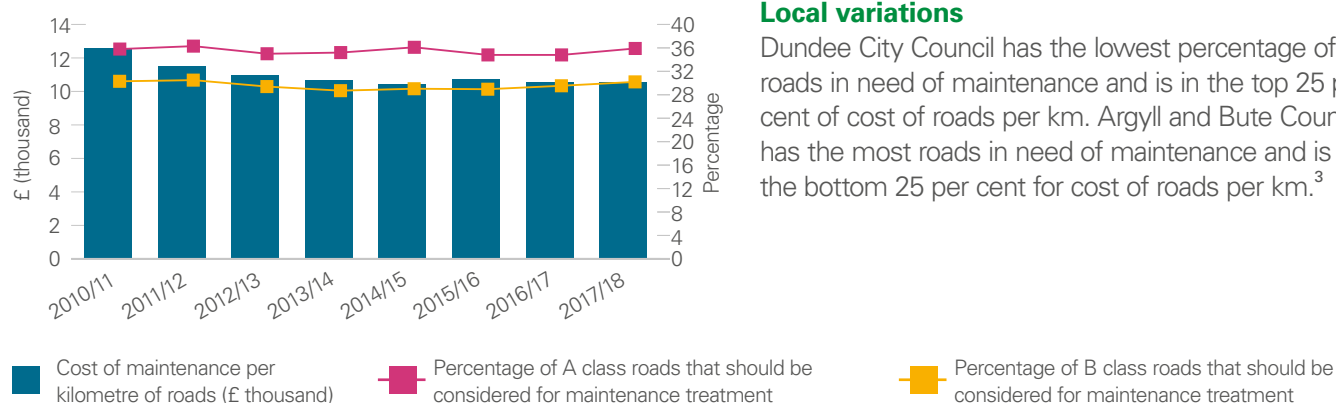
Interactive data map available on our website

Cont.

Exhibit 8 (continued)
Performance and spend in key areas, 2010/11 to 2017/18

Spend on roads has reduced since 2010/11, although it has remained relatively stable in recent years. The percentage of roads classified as needing maintenance increased slightly between 2016/17 and 2017/18.[2]

Cost of maintenance per kilometre of roads (£ thousand)

Percentage of A class roads that should be considered for maintenance treatment

Percentage of B class roads that should be considered for maintenance treatment

Local variations

Dundee City Council has the lowest percentage of roads in need of maintenance and is in the top 25 per cent of cost of roads per km. Argyll and Bute Council has the most roads in need of maintenance and is in the bottom 25 per cent for cost of roads per km.[3]

For the first time since 2010/11 expenditure on street cleaning increased, by six per cent, but the cleanliness score continues to fall slightly.

Net cost of street cleaning per 1,000 population (£ thousand)

Street cleanliness score

Local variations

In 2017/18, Glasgow City Council spent the most per 1,000 of population on street cleaning, more than double the Scottish average, but had one of the worst street cleanliness scores. Scottish Borders Council has one of the highest street cleanliness scores and spends roughly two-thirds the Scottish average.

Interactive data available on our website

Notes:
1. 2010/11 and 2011/12 expenditure includes support costs so is not directly comparable to later years.
2. The percentage of roads that should be considered for maintenance treatment indicator is measured over two-year periods, for example 2009-11 is plotted as 2010/11.
3. The cost of roads per km includes both revenue and capital expenditure.

Source: Audit Scotland; and Local Government Benchmarking Framework 2017/18, Improvement Service

Exhibit 9
Variation between councils 2017/18

The percentage of unemployed people helped into work by a council employment scheme varied from two per cent in Argyll and Bute to 30 per cent in Renfrewshire.

East Lothian
3%

Argyll and Bute
2%

Renfrewshire
30%

Scotland
14%

Number of councils
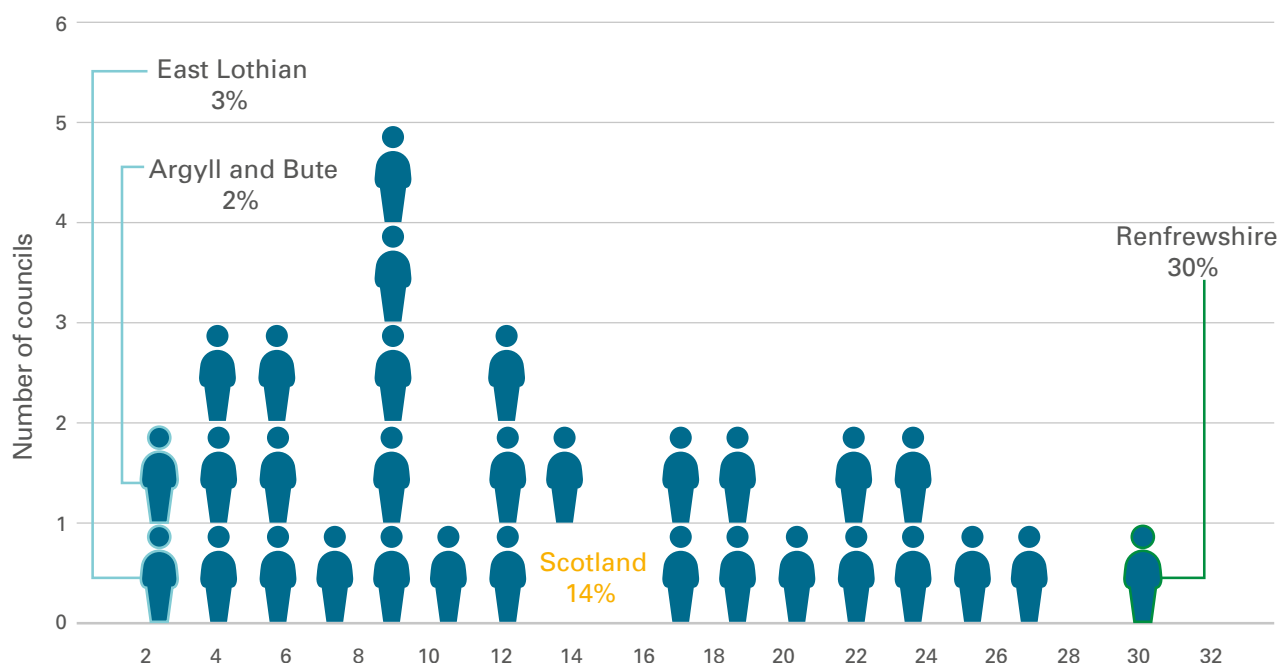
Percentage of unemployed people assisted into work from council operated or funded employability programmes

Note: There is no data for employability in Shetland in 2017/18.

The cost of council tax collection is significantly higher in the island councils.

Clackmannanshire £2.90

Dundee City £12.17

Inverclyde £12.73

Shetland Islands £12.80

Scotland
£7.35

Number of councils

Fife £2.78

Orkney £16.93

Eilean Siar £27.02

Cost per premise of collecting council tax

Interactive data available on our website

Note: Scotland figures are the Scottish average.

Source: Local Government Benchmarking Framework 2017/18

- The percentage of unemployed people helped into work through a council operated or funded employability programme ranged from two per cent in Argyll and Bute to 30 per cent in Renfrewshire. We calculated that if all councils could increase their number to the Scottish average of 14 per cent, an additional 3,500 people would have been helped into employment in 2017/18.

- The cost of council tax collection is significantly higher in the island councils; it costs £27 per property to collect council tax in Eilean Siar and £17 per property in Orkney Island compared to the Scottish average of £7. Clackmannanshire and Fife councils spend less than £3 per premise to collect council tax. We calculated that if the 16 mainland councils who spend more than the Scottish average reduced costs to that level they would save £1.7 million and if the Eilean Siar and Orkney reduced their costs to those of Shetland Islands, they would save £209,000 and £179,000 respectively.

Education performance has improved since 2011, but progress slowed in 2017/18 and the attainment gap between the most and least deprived pupils has widened in the last year

106. Education is the largest area of council spend, and the focus of considerable national policy attention. In 2017/18, councils spent £3.9 billion on schools, and a further £0.4 billion on pre-schools. This is a one per cent and three per cent respective real terms increase on the previous year. Spending on schools has reduced by two per cent since 2011/12, but has been increasing since 2015/16, when the Scottish Government introduced its Scottish Attainment Challenge.[34]

107. Nationally pupil attainment has been improving. Across Scotland, there has been a 16 per cent improvement in average tariff score since 2011/12. However, 2017/18 data shows that:

- For the first time there has been no change in the percentage of pupils gaining five or more awards at level 6 and the proportion of pupils gaining five or more awards at level 5 has increased at a slower rate than previous years.

- The gap between average tariff scores of the most deprived pupils and the least deprived pupils increased from 2016/17 to 2017/18. In 2017/18, pupils from the most deprived areas saw a 1.1 per cent reduction in their tariff scores while those in the least deprived saw a 0.9 per cent increase. This increased the gap between the most and least deprived by three per cent since 2016/17.[35]

108. Performance in exams is not the only way to measure attainment. The LGBF also reports on the percentage of 16 to 19 year-olds in work, training or learning which has increased year on year since first measured in 2015/16.

Some councils have done well to improve attainment
109. We reported last year that there is variation in education performance that cannot be explained by deprivation. This is still the case. This year we have considered how councils' performance has changed since 2011/12. All councils have improved their performance despite a reduction in spend. But some councils have improved considerably faster than others and the gap between the best and worst performing council has widened :

> *(i)*
>
> **Average Tariff Score**
>
> Is an overall measure of secondary attainment, taking account of all qualifications a pupil earns from age 14 until leaving school.
>
> Tariff scores strongly reflect the total number of subjects studied which may not reflect curriculum decisions taken by the council.

Exhibit 10
Improvement in average tariff score 2011/12 to 2017/18
All councils have seen an improvement to their overall tariff scores despite reducing budgets but the gap between best and worst performing has increased.
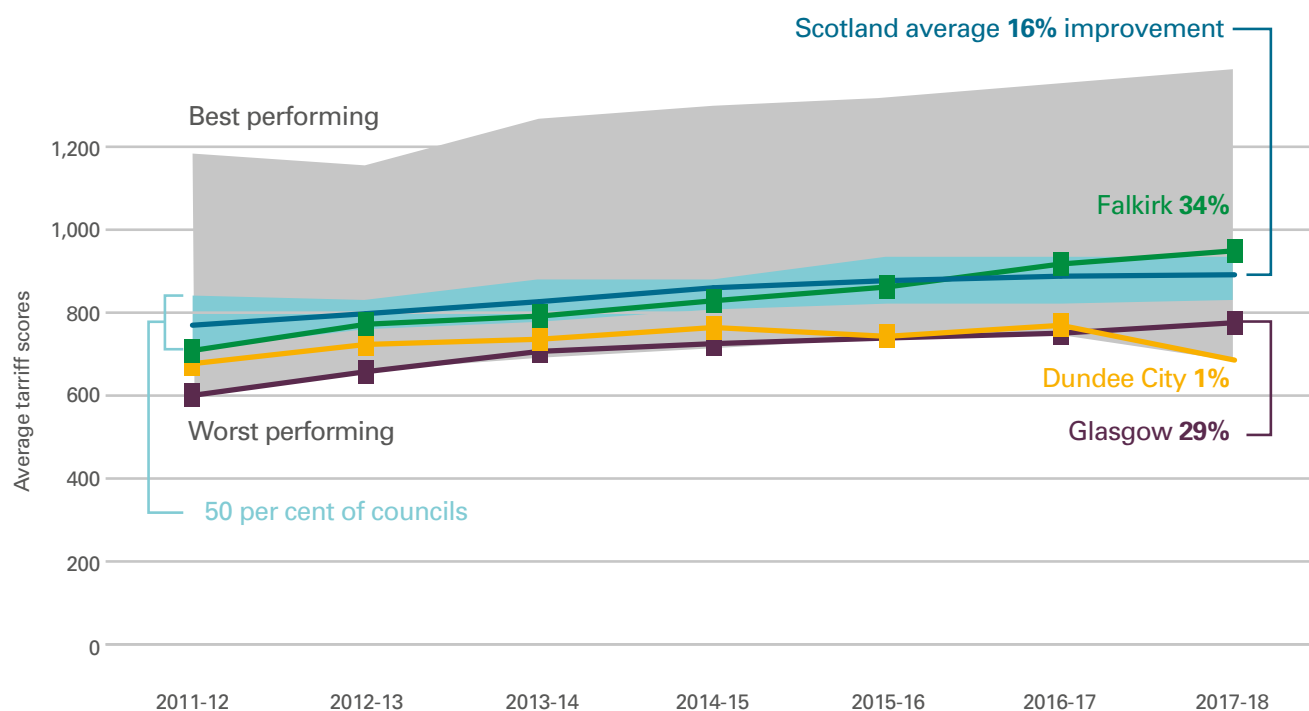
Note: As leaver information is not available when the LGBF publishes its data, the LGBF uses data based on the year pupils are expected to leave school rather than the actual year they left. This means there are some small differences between it and data published by the Scottish Government later in the year.

Source: Local Government Benchmarking Framework 2017/18

- Falkirk Council's attainment has improved by 34 per cent since 2011/12. It is now in the top quartile for attainment, whereas in 2011/12 it was in the bottom quartile.

- Glasgow City Council has seen a 29 per cent improvement in their tariff scores although it remains in the bottom quartile.

- Dundee City Council has seen only a one per cent improvement in its tariff scores since 2011/12. It had a ten per cent drop in tariff score in 2016/17 which affected the overall trend. It has been in the bottom quartile since 2011/12.

110. The reasons behind why Glasgow and Falkirk have seen big improvements in attainment and Dundee has not, cannot be explained simply by the amount spent on education nor levels of deprivation:

- Dundee City Council spends more than the Scottish average per secondary pupil while Falkirk and Glasgow spend less.

- Both Dundee and Glasgow City councils have reduced their spend per secondary pupil by five per cent since 2011/12, a bigger reduction than the

Scottish average of one per cent. Falkirk Council has reduced spend per pupil by one per cent.

- All three councils have high levels of children living in families with limited resources compared to the Scottish average of 20 per cent. Dundee City and Falkirk have similar levels, 26 per cent and 27 per cent respectively. Forty-one per cent of children in Glasgow live in families with limited resources.[36, 37]

- Dundee City Council reports that the drop in tariff scores in 2017/18 is due primarily to a higher than usual number of children leaving school at S4 in 2015/16.

111. This variation provides an opportunity for councils such as Glasgow and Falkirk to share what has helped them make these improvements. Our Best Value work, engagement with scrutiny partners and 2014 report on *School education* ⊕ suggest that the leadership and culture of the organisations have a part to play:

- We highlighted in our 2015 Best Value report on *Falkirk Council* ⊕ that it had good performance management arrangements and a strong improvement culture embedded in its education department.

- Our *Best Value Assurance Report: Glasgow City Council* ⊕ reported that targeted actions have helped improve attainment through the Glasgow Improvement Challenge. The Care Inspectorate and Education Scotland's 2017 inspection of young people's services in Glasgow found that 'strong leadership is driving an ambitious vision to improve life chances for all children and young people in Glasgow'.[38]

- During engagement with scrutiny partners for Dundee City Council, Education Scotland highlighted that the council will need to move from incremental to transformational change to improve attainment.[39] In its 2018 inspection of Dundee's Attainment Challenge progress, Education Scotland found that strong leadership and higher aspirations are beginning to improve the pace of change. It also highlighted strong use of data and collaboration with Dundee University to help understand the pupils' needs and improve attainment.[40]

112. In February 2019, Education Scotland rated Renfrewshire Council excellent in its inspection of the Scottish Attainment Challenge. It found that highly effective leadership and governance and evidence-based interventions had led to significant year-on-year improvements in closing the gap between attainment of the most and least deprived pupils.

113. We will be carrying out an audit on educational outcomes in 2019/20 which will consider the reasons for variation in attainment.

There is evidence that spending reductions and increasing demand are impacting on some services

Social care services continue to struggle to meet demand
114. Adult social care remains one of the largest areas of spend for councils and the demand for services will continue to increase as the population ages. Older

Do you know the impact of spending reductions on the services your council provides?

people in need of support are either cared for in their home by visiting care workers or in a residential care home. This care is given by a range of different providers. In 2017:

- Most care home residents were cared for by the private sector, 80 per cent, while the NHS and councils cared for 11 per cent of residents and the third sector nine per cent.[41]

- The private sector also provided most homecare hours, 42 per cent, councils provided 41 per cent, the third sector six per cent and a mixture of providers 11 per cent.[42]

115. We continue to see signs that services are struggling to meet the demand for care. We reported in December 2018, that there has not yet been enough progress to address the scale of challenges with social work in Scotland and there are some outstanding areas where action is needed. In 2017/18, the number of hours of personal care at home is at the highest level since 2010/11. Between 2016/17 and 2017/18, councils have spent more on both home care and residential care, this has increased at a faster rate than the people who are cared for. This is in part due to those receiving care having increasing levels of need, as well as the payment of the living wage and overnight allowances to social care workers.

- Total spending on homecare has increased by 3.1 per cent despite only a 0.1 per cent increase in the number of hours of homecare.

- Net spending on residential care homes increased by 1.2 per cent despite a 0.6 per cent reduction in the number of residents.

116. Both satisfaction indicators in the LGBF data show a substantial drop in satisfaction with social care services. Eighty per cent of adults who receive care are satisfied with it and feel it improves or maintains their quality of life. This is down from 84 and 85 per cent respectively and is the lowest since it was first recorded in 2014/15.

117. We reported last year that local inspections raised concerns about the ability of the City of Edinburgh and Scottish Borders councils to meet the demand from older people and the quality of care provided. A progress review of the City of Edinburgh Council's services for older people found that limited progress had been made towards improving the outcomes for many older people. They and their carers were unable to get help even when their needs were critical, and often had to wait lengthy periods for the care they needed. In April 2018, there were 1,500 people in the community waiting for an assessment, waiting an average of 50 days.

118. The Care Inspectorate has also carried out follow-up inspections of Eilean Siar and Aberdeen City Councils and a full inspection of Renfrewshire Council's adult services. It found that progress has been made but observed issues around staff recruitment and retention in Eilean Siar and Renfrewshire and the capacity of care services in Aberdeen.

How is your council adjusting to meet changing demands for care services?

How is this reflected in the performance data?

Public satisfaction is falling

119. The Scottish Household Survey reported that in 2017 public satisfaction has fallen for another year:

- 52 per cent of adults were satisfied with three public services – local health, schools and transport. This is the lowest since first measured in 2007 (57 per cent) and a reduction of four per cent since 2016.

- Satisfaction amongst schools had dropped from 79 per cent in 2007 to 70 per cent in 2017.

- Satisfaction with service users was higher than the whole population, people who had children at local schools reported 87 per cent satisfaction.

120. Less than half of councils have published a residents' or citizens' survey between 2016 and 2018. Of these, five reported a reduction in satisfaction levels compared to previous years. In their surveys many councils asked satisfaction questions about specific services or aspects of service delivery. The most frequent service-specific surveys were in relation to social care, schools and education, housing, building standards and planning, children and families services and school meals. Overall, the picture varies significantly with both increases and decreases in satisfaction levels being reported for the same service across the country.

Some councils are not meeting their statutory duties in terms of homelessness.

121. The number of homeless applications increased for the first time in nine years in 2017/18, from 34,570 households in 2016/17 to 34,972 households in 2017/18. Councils have a statutory duty to provide temporary and settled accommodation to households assessed as homeless. However, some councils have been unable to meet this obligation.

- The Scottish Housing Regulator reported in March 2018 that Glasgow City Council had failed to offer temporary or emergency accommodation to 40 per cent of the 5,377 applications it had for assistance in 2016/17. It had also provided settled accommodation to just over half of the households it had a duty to provide to.[43]

- The Local Government and Communities Committee took evidence from the Legal Services Agency who reported up to ten cases a week where households had approached them for legal help with councils who had been unable to offer temporary accommodation.[44]

122. When providing accommodation, councils must ensure that households with children or a pregnant woman do not stay in unsuitable accommodation for more than seven days. In 2017/18, there were 400 cases where the household stayed longer than this time, 280 of these were in Edinburgh, 65 in West Lothian and 20 in East Dunbartonshire.

123. Councils use temporary accommodation when a permanent home is not immediately available. Temporary accommodation is more expensive for councils to provide, impacts on existing housing stock and is not the best place for people to stay long term. However, there has been an increase in the use of temporary accommodation in recent years. In 2017/18:

Do you know what your council is doing to understand how satisfaction with different services is changing?

Is your council meeting its statutory duty to provide temporary and settled accommodation to households assessed as homeless?

- there were 10,933 households in temporary accommodation, one per cent more than in 2016/17 and 6,615 children, nine per cent more than 2016/17

- the average time spent in temporary accommodation is 204 days for families and 161 for households without children

- over 13 per cent of households in temporary accommodation spent more than a year there. In Shetland, the average time spent in temporary accommodation was over a year.

124. Homelessness is a complex problem that is often the symptom of a range of different challenges. Shelter believes that the increase in homeless applications is due to the impact of welfare reform, a lack of affordable housing, an increase in people with complex needs who do not receive the support they need, and insufficient and inconsistent prevention work.[45] The Scottish Government has an objective to end homelessness, this will require a multi-agency approach. We will be reporting further on affordable housing in 2019/20 and will consider homelessness as part of the scope of this audit.

Endnotes

1   Local Government Finance Circulars are letters from the Scottish Government to councils. We use the letters which set out the annual funding settlement. All circulars can be found on the Scottish Government's website: https://www.gov.scot/publications/local-government-finance-circulars-index/.

2   Local Government Finance Statistics are annual statistics on council spend from returns from councils. We have not audited the information in them. They can be found on the Scottish Government's website: https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/PubScottishLGFStats.

3   Provisional outturn and budget estimates contain initial outturn and budget information provided by councils. We have not audited the information in them. They can be found on the Scottish Government's website: https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/POBEStats.

4   The LGBF is published by the Improvement Service and contains over 70 cost and performance indicators for local government. It can be found here: http://www.improvementservice.org.uk/benchmarking/explore-the-data.html.

5   National Performance Framework indicators are used to measure progress against the NPF. They can be found here https://nationalperformance.gov.scot/measuring-progress/national-indicator-performance.

6   Scotland's Fiscal Outlook, Scottish Government, May 2018.

7   The 2018 National Performance Framework is set out at: https://nationalperformance.gov.scot/

8   *Local government in Scotland: Financial overview 2017/18* ⊕, Audit Scotland, November 2018.

9   *Scotland's new financial powers briefing paper* ⊕, Audit Scotland, October 2018.

10 Projected cost pressures for Scottish local government, Improvement Service, 2018.

11 *Securing the future of health and social care to the 2030s*, Institute of Fiscal Studies, May 2018.

12 *Health and Social care medium term financial framework*, Scottish Government, October 2018.

13 *Poverty and inequality in Scotland: 2014-2017*, Scottish Government, March 2018.

14 *Poverty in Scotland 2018*, Joseph Rowntree Foundation.

15 Citizens Advice, Disconnected, 2018.

16 UK Poverty 2018, Joseph Rowntree Foundation.

17 *Rolling out Universal Credit*, Comptroller and Auditor General, HC 1123, June 2018.

18 *Homelessness in Scotland 2017-18,* Scottish Government.

19 City of Edinburgh, Council papers, 7 February 2019.

20 *Financial sustainability of local authorities 2018*, Comptroller and Auditor General, HC 834, March 2018.

21 Ibid.

22 Local Authority Capital Expenditure and Receipts, England: 2017-18 Final Outturn, Ministry of Housing, Communities and Local Government.

23 Statement from Rob Whiteman and Richard Paver on borrowing to invest, CIPFA, October 2018.

24 *Workforce strategy and metrics update 2018*, Dumfries and Galloway Council, November 2018.

25 These figures do not include staff who are employed by arm's-length external organisations.

26 Royal Institute of Town Planners written submission to Local Government and Communities Committee, 2018.

27 Data provided by Society of Chief Officers of Environmental Health, 2019.

28 Public library statistics, CIPFA, 2014 and 2017/18.

29 *Social work in Scotland - Impact report* ⊕, Account Commission, December 2018.

30 *Tipping point*, Unison, November 2018 and *Trading safety*, Unison, May 2018. Both are reports on surveys carried out by UNISON of their members. For environmental health workers, members from 21 councils responded, for trading standards members from 29 councils. The overall number of respondents is not stated.

31 The full range of indicators includes unit cost and public satisfaction. These are available on the improvement services website: www.improvementservice.org.uk/benchmarking.

32 *National benchmarking overview report 2017-18*, LGBF, 2019.

33 *Accounts Commission Strategy and annual action plan 2018-23* ⊕, Accounts Commission, June 2018.

34 LGBF included educational attainment information for the first time in 2011/12.

35 As leaver information is not available when the LGBF publishes its data, the LGBF uses data based on the year pupils are expected to leave school rather than the actual year they left. This means there are some small differences between it and data published by the Scottish Government later in the year.

36 *Children in families with limited resources across Scotland 2014-2016*, The Scottish Government.

37 The Scottish Government, through its Attainment Challenge provides additional funding to the councils it defined as having the highest concentration of deprivation. Glasgow and Dundee are challenge authorities. The other authorities are Clackmannanshire, East Ayrshire, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire and West Dunbartonshire.

38 Joint inspection of services for children and young people in Glasgow, May 2017.

39 *Dundee City Council Local Scrutiny Plan 2018/19* ⊕, Audit Scotland, April 2018.

40 *How well is Dundee City Council improving learning, raising attainment and closing the poverty-related attainment gap?* Education Scotland, June 2018.

41 Care home census for adults in Scotland, 2018, NHS Scotland.

42 Social Care Services, Scotland, 2017, Scottish Government.

43 Scottish Housing Regulator, March 2018.

44 Local government and communities committee, Report on homelessness, February 2018.

45 Briefing for Scottish Government debate on ending homelessness together, Shelter, November 2018.

Local government in Scotland
Challenges and performance 2019

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Local government in Scotland:
Challenges and performance 2019

ACCOUNTS COMMISSION ✓

Key messages

1 Councils face an increasingly complex, changing and uncertain environment which places different demands and expectations on them. Councils are also central to delivering many high-level public sector objectives, such as the integration of health and care services and involving citizens more in decisions about public services.

2 These reforms require councils to collaborate with partners, with the third sector and with communities, to think differently about how they deliver and fund services. Thinking differently about services is important to meet the growing and changing needs of their communities in the coming years. New ways of working can lead to increasingly complicated lines of accountability.

3 Scottish Government revenue funding to councils has reduced in real terms between 2013/14 and 2019/20, while national policy initiatives continue to make up an increasing proportion of council budgets. This reduces the flexibility councils have for deciding how they plan to use funding. At the same time, demands for council services are increasing from a changing population profile. All councils expect an increase in the proportion of people aged over 65 and almost a third of councils expect an increase in the proportion of children under 15.

4 Councils have made good progress in developing medium-term financial planning and continue to manage their funding gaps through savings and use of reserves. All councils increased council tax to the maximum three per cent in 2018/19 and many increased their fees and charges to raise income. Some councils are looking at other options to raise income.

5 Councils need to ensure they have the staff, skills and leaders to deliver change. This requires effective workforce planning, but the quality of planning is inconsistent across councils. An increasing proportion of the workforce is nearing retirement. If there is insufficient succession planning, skills and knowledge will be lost as these people retire. Recruitment into some service areas is becoming increasingly difficult, but national workforce data is insufficient to clearly understand how individual services areas are affected.

6 Despite reducing funding and increasing demands, across local government most performance indicators are improving or being maintained, although some service areas show more strain. There remains performance variation among councils that cannot be readily explained by differences in context or spend. Better use of data and benchmarking could lead to further improvement and efficiencies.

Recommendations

While councils have continued to find ways to manage funding gaps and have made good progress with medium-term financial planning, they face an increasingly complex, changing and uncertain time ahead. To continue to improve the outcomes for their communities within this context, councils will need to be open to transformational change and implement new ways of working. To make effective progress, councils should:

- assure themselves that they have adequate leadership and management capacity in place. This should include development arrangements that prepare and support councillors and senior managers to respond to the challenging and changing local and national demands

- undertake long-term financial planning to set out how they will deliver national policy commitments, while continuing to sustain local services with reducing budgets and increasing demands

- continue to seek and implement innovative ways of working and collaborate with communities, partners and the third sector to drive transformational change

- improve data to:

  - help inform the difficult decisions councils have to make

  - support benchmarking, learning and sharing of experience and effective practice with others that will contribute to improving service quality, efficiency and outcomes for communities.

- ensure they have workforce planning that is clear about the workforce needed now and in the future, where the gaps are and what training or other action is needed to fill them. This should be supported by better workforce data.

- be able to demonstrate how spending decisions and priorities have impacted on service delivery and the outcomes of residents, as well as how they are delivering against the national performance framework.

Scrutiny tool checklist for councillors

This scrutiny tool captures a number of potential questions for councillors and relates to our report *Local government in Scotland: Challenges and performance 2019* ⊕. It is designed to provide councillors with examples of questions they may wish to consider to help them better understand their council's position and to scrutinise performance.

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Factors affecting demand for services and council funding		
Have you considered how policy and legislative change will affect how your council operates?		
What scenario planning has your council put in place for events such as EU withdrawal and increasing budget uncertainty?		
Do you have a clear understanding of the demographic circumstances within your council area? Do you know how effectively your council uses this information to decide how to provide services in the future?		
Governance and accountability		
Do you know if your council's governance and accountability structures are fit for purpose, given increasingly complex ways of working?		
If you sit on a board, do you fully understand your responsibilities to that board and the council?		

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Transformational change		
Do you understand how your council's approach to transformational change will improve services, benefit users and save money?		
How will you monitor and scrutinise progress of transformational projects?		
What is your council's risk appetite for transformational change? Are risks properly monitored?		
Do you know what the financial repercussions will be if your council's transformation activity fails to meet its savings targets?		
Is your council's transformation activity supported by good governance arrangements and robust management?		
Do you know if the governance arrangements factor in time needed to ensure projects are properly scoped?		

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Financial planning		
Does your council have medium and long-term financial planning in place?		
Does your council link budgets to plans and outcomes and report on these?		
Generating income		
Do you know what options your council is considering to maximise income?		
How is your council considering the impact that these changes might have on equalities?		
If your council is considering generating commercial income, do you know how it plans to mitigate the risks?		
Partnership working		
Does your councils consider sharing services in options appraisals and change programmes?		
Do you know if there are processes in place in your council to facilitate collaborative working on a local, regional or national basis?		

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Integrated joint boards		
Do you know how your council is ensuring the good governance and financial sustainability of its Integration Authority?		
Do you know what your council is doing to ensure that it works with partners to be more open and realistic about changes needed?		
Community empowerment		
Does your council engage with communities in decisions about services, budget proposals and priorities?		
Are you clear what community empowerment involves and what it means for your council?		
What is your council doing to implement community empowerment arrangements at a local level?		
Does the Local Outcome Improvement Plan focus on areas where the Community Planning Partnership can make the biggest impact?		
Do you know what your council is doing to reach out to 'seldom heard' and disadvantaged groups?		
What is your council doing to ensure that one per cent of revenue budgets is allocated through participatory budgeting by 2020/21?		

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Workforce		
What is your council doing to ensure that it has the right capacity, skills and leadership in its workforce?		
What training does your council make available to officers and councillors to ensure that they have the skills to deliver services in the future?		
Does the training you are offered meet your needs? If not, do you know who to speak to?		
Does your council have an organisation-wide workforce plan? Does it contain information about the numbers, costs and skills of the actual and desired workforce?		
Do you know how your council is ensuring that changes to staff numbers and working practices do not have a negative impact on morale and wellbeing?		
Strategic priorities and performance reporting		
Does your council clearly link its budget setting to its strategic priorities and plans?		
Are you assured that performance reporting by your council is accurate and accessible?		
Can your council demonstrate progress in delivering its key outcome priorities?		

How well informed am I?		
Questions for councillors to consider	**What do I know?**	**Do I need to ask any further questions?**
Service performance		
Does your council make use of the Local Government Benchmarking Framework data to consider where and how it might make improvements to service delivery?		
Have you considered what lessons you can learn from other councils who are delivering services well?		
Do you know the impact of spending reductions on the services your council provides?		
How is your council adjusting to meet changing demands for care services? How is this reflected in the performance data?		
Do you know what your council is doing to ensure that it understands how satisfaction with different services is changing?		
Is your council meeting its statutory duty to provide temporary and settled accommodation to households assessed as homeless?		

AUDIT SCOTLAND

Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

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To: Audit, Risk & Scrutiny Board

On: 28 May 2019

Report by: Director of Finance and Resources

Heading: **Audit Scotland Reports**

Audit of Housing Benefit Risk Assessment Report &

Housing Benefit Performance Audit 2017/18 – Annual Update Report

1. Summary

1.1 The Council's external auditor, Audit Scotland, are required as part of their remit to carry out Housing Benefit Audit Risk Assessments across Local Authorities in Scotland. The main objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.

1.2 Risk assessment reports are provided to council Chief Executives which incorporate an agreed action plan to address any risks identified.

1.3 During October 2018, Audit Scotland carried out a Housing Benefit Risk Assessment for Renfrewshire and provided a report to the Council's Chief Executive on 13 December 2018. (A copy of the report is attached as Appendix 1)

1.4   Overall the report noted that the Council demonstrates an awareness of what an effective, efficient and secure benefit service needs to deliver and made three recommendations to address risks to continuous improvement. The report also noted that actions agreed following a previous risk assessment in 2015 have been completed.

1.5   An action plan was been agreed and incorporated within the Audit report attached in Appendix 1. These recommendations have already been implemented and will make a positive contribution to the continuous improvement of the benefits service.

1.6   In November 2018 Audit Scotland published their report "*Housing benefit performance audit annual update 2017/18*" (copy attached as Appendix 2) This report provides a summary of the performance audit work carried out by Audit Scotland with five Councils' housing benefit services during 2017/18

1.7   The report highlights key issues from the Risk Assessments carried out and identifies good practice.

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2.   **Recommendations**

2.1   To note the *Audit of Housing Benefit, Risk   Assessment Report'* (*appendix 1) and the action plan submitted in response (appendix 2)

2.2   To note the Audit Scotland Report *'Housing Benefit Performance audit - Annual update 2018* (appendix 3)

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3.   **Audit of Housing Benefit Risk Assessment Report**

3.1   As stated in section 1.3, Audit Scotland completed a risk assessment in October 2018 to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.

3.2   Specifically, the risk assessment considered the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting and delivering outcomes.

3.3   A risk assessment was previously carried out on the Council's Benefits Service in May 2015 when Audit Scotland identified two risks to continuous improvement. In response the council submitted an action plan in July 2016, to address these risks. The plan was confirmed as completed by Audit Scotland during this most recent risk assessment.

3.4   To enable the recent risk assessment to be completed Audit Scotland gathered information from a range of sources including;

- a self-assessment template, supporting evidence and updated action plan (from previous assessment) which was provided by the benefits service.
- DWP indicators and other performance measures and other performance measures
- Internal and external audit reports
- Discussions with the appointed external auditors
- Discussions with senior officers in the council during a site visit in October 2018.

3.5   In Part one of the report, under the heading '*Business planning and reporting'* the report notes the positive changes made by the benefits service to align and link new service areas as well as preparing for the transition to full service Universal Credit. The report notes, '*the service is well positioned to respond to change in the context of continuous improvement and the vision of modernising processes'*

3.6   It is further noted in part one, the preparatory work which the Council undertook to manage the challenges arising from the implementation of full-service Universal Credit including a dedicated Welfare Reform Lead Officer, referenced in paragraphs 19-20 of the report.

3.7   Part two of the report addresses delivery outcome and the report notes that effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The report states that the Council '*has a number of management arrangements in place to support this'*

3.8   Paragraph 28 states that the service has received year on year reductions in the level of subsidy for benefits administration from the DWP and highlights the positive actions taken by the service to address this challenge. Including automation and where appropriate, online transactions.

3.9   In relation to speed of processing the report mentions a slight decline in the processing speed for new claims but shows this performance indicator recovering to a DWP reported position of 22 days.

3.10   In relation accuracy, the report notes that the benefit service places *'significant importance'* on the accuracy and quality of claims processing and describes the actions taken to ensure that an operating framework continues to place focus in this area, noting the challenges in maintaining high levels of accuracy with relatively high levels of staff turnover.

3.11   The report also includes the positive activities which the service undertakes in relation to interventions and notes the overall performance of the recovery of in-year HB debt.

3.12   Audit Scotland identified three new risks to continuous improvement during the risk assessment. These risks are already being addressed by the Service and the improvement plan referred in 3.2 and attached as appendix 2 has been agreed with Audit Scotland. The actions agreed have already been well progressed by the service.

4.   Housing Benefit Performance Audit – Annual Update Report

4.1   As stated in section 1.6 above Audit Scotland issued its Housing Benefit Performance Annual Audit 2017/18 report in November 2018. The report notes that during 2017/18, five reports were issued to councils identifying 24 risks to continuous improvement.

4.2   The report recognises that the roll-out of Universal Credit Full Service continued across Scotland and was having an impact on council benefit services. (Key Message three)

4.3   The report highlights the two new data matching services available to councils from the DWP which are intended to help improve processing performance and debt recovery. (Key Message four)

4.4   The report notes the changes to the social security landscape with the new Scottish Social Security agency becoming operational in September 2018

4.5   Members may be assured by the comments referred in sections 3.3, 3.4 and 3,9 above where it was noted specifically in the recent risk assessment of this council's preparations and continued focus on Universal Credit Full Service Rollout, wider Welfare Reform response and the adoption of the automation techniques available.

Implications of the Report

1.	**Financial** – None

2.	**HR & Organisational Development** *- none*

3.	**Community Planning –**

	none

4.	**Legal** *- none*

5.	**Property/Assets** *- none*

6.	**Information Technology** *- none*

7.	**Equality & Human Rights**

	(a)	N/A

8.	**Health & Safety** *- none*

9.	**Procurement** *– none*

10.	**Risk** *- none*

11.	**Privacy Impact** *- none*

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Author:	*Emma Shields ext 6880*

Renfrewshire Council

Audit of housing benefit
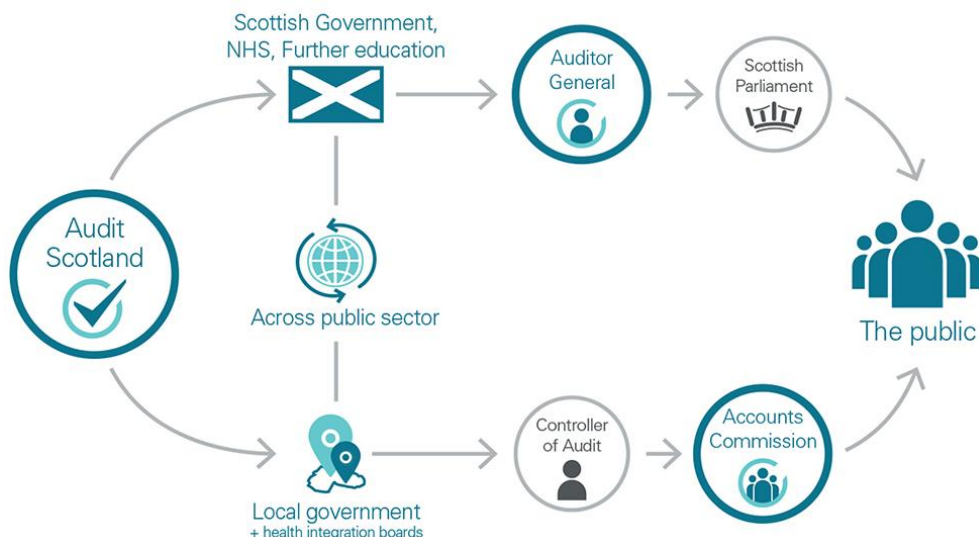## Risk assessment report

AUDIT SCOTLAND

Prepared for Renfrewshire Council
December 2018

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.

- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.

About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money

- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

Contents

Key messages

1. The Council demonstrates an awareness of what an effective, efficient and secure benefit service needs to deliver. To ensure continuous improvement we have identified three risks that the council should address.

Business planning and reporting

2. The benefit service reports performance but should extend this to include performance in respect of the recovery of all housing benefit (HB) debt as part of the performance statement provided to the Finance, Resources and Customer Services Policy Board.

Delivering outcomes

3. The Council should review the management check process it uses to target cases to ensure the best use of limited resources and maximise the potential for positive outcomes.

4. Management prepayment checks should be carried out on the day of each payment run to ensure that the council is able to suspend a claim if a financial error has been identified before the payment has been issued.

5. HB debt recovery performance has been in decline and is low compared to other Scottish councils. Management should consider what measures it can take to improve the level of recovery of HB debt which has been outstanding for more than one year.

Introduction

1. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.

2. Specifically, the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.

3. A risk assessment was previously carried out on the council's benefit service in June 2015 when Audit Scotland identified two risks to continuous improvement. This was reported to the Chief Executive in June 2015 and, in response, the council submitted an action plan in July 2015 to address the risks.

4. This risk assessment was completed as part of Audit Scotland's housing benefit (HB) risk assessment programme. It does not represent a full audit of Renfrewshire Council's benefit service.

5. Information for this risk assessment was gathered from a range of sources including:

- the self-assessment, supporting evidence, and updated action plan provided by the council

- Department for Work and Pensions (DWP) indicators, and other performance measures

- scrutiny of internal and external audit reports

- discussions with the appointed external auditor

- discussions with senior officers in the council during our site visit in October 2018.

Risks identified

6. Our report contains an agreed action plan at Appendix 1 setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from our previous benefit audit and progress against these.

7. Any weaknesses identified represent those that have come to our attention during the course of normal audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control systems appropriate to Renfrewshire Council.

8. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

Part 1
Business planning and reporting

9. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance is measured, monitored and reported.

10. Since our last audit there have been a number of changes within Revenues and Financial Support, the area within which the benefit service operates. This has included expanding the remit of the service to incorporate Social Care Billing and Collection, and the administration of Educational Maintenance Awards, which provide financial support to eligible young adults who want to continue learning after leaving school. The integration of these new service areas were intended to provide a more joined up service to customers, and potential cross utilisation of staff skills.

11. To help manage the addition of these services, and to plan for the transition to full service Universal Credit (UC) in September 2018, the Revenues and Financial Support structure was reorganised in December 2017. This restructure was approved by the Director of Finance and Resources and fully implemented by April 2018. It resulted in the creation of three new teams (Quality, Assessment, and Processing), and a reduction from four to three Senior Service Delivery Officers to manage each of the new teams.

12. The changes were made to ensure that:

- current processing levels are maintained and protected

- the service evolves to include automation, and manual processing

- training, audit, and quality control is consistent across all teams

- the service is well positioned to respond to change in the context of continuous improvement, and the vision of modernising processes.

13. The benefit service is part of Revenues and Financial Support, which is an integral part of Finance and Resources, one of the largest of the council's services with over 1,200 employees.

14. At an operational level the Revenues and Financial Support Operational Plan 2018/19 details the benefit service's key objectives and performance indicators, which are the:

- average time to process new claims and change events

- accuracy of payments.

15. The service reports its performance to:

- senior managers, team leaders and benefit staff (new claims / changes / workload) each week

- the Head of Service, senior managers and team leaders (new claims, changes, appeals, revisions, accuracy and overpayments) each month

- the Finance, Resources and Customer Service Policy Board (new claims, changes, appeals, revisions, accuracy) every two months, and in-year overpayment recovery levels each quarter.

16. Individual performance in respect of accuracy, work volumes, and against the service's performance indicators is discussed at quarterly 1-2-1s with staff. Senior benefit officers also meet every six weeks to discuss the outcomes from the monthly accuracy report, and to consider any requirements for individual, team, or service wide training.

17. Although performance is reported as outlined above, the benefit service does not report performance in respect of the recovery of all HB debt as part of the performance statement provided to the Finance, Resources and Customer Services Policy Board.

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Action Plan (Appendix 1, Recommendation 1)

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18. At the time of our audit, responsibility for the recovery of HB overpayments was being transferred from the Finance Recovery Team to the Verify Earnings and Pensions (VEP) sub team within the Development Team. As part of this process, we understand that a dedicated FTE HB overpayment officer will be appointed, and that targets and performance reports will be developed.

19. To manage the challenges arising from the implementation of full service UC the benefit service has participated in a number of working groups, guided by an overall preparatory plan. These include the:

- Welfare Reform Project Leads Group, which reviews internal actions and activities across all relevant service areas

- UC/DWP Joint Implementation Group, which meets periodically to learn from other councils that have 'gone live', and to keep up to date with current DWP thinking and plans

- Welfare Reform Finance Sub Group, which carries out analysis and modelling work to monitor the potential/expected financial impact of Welfare Reform on the council's budgets.

20. In addition, the council has funded a dedicated Welfare Reform Lead officer within Revenues and Financial Support with a remit to:

- ensure that knowledge of welfare reforms and regulations is current, by scanning and researching all information outlets

- provide expertise and advice to the working groups

- undertake analysis and modelling on the effect of welfare reforms.

Part 2
Delivering Outcomes

21. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The council has a number of management arrangements in place to support this.

Speed of processing

22. When customers claim benefit, it is a time of financial uncertainty for them and as such, it is essential that the service has sufficiently trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.

23. Exhibit 1 below shows that there has been a slight decline in new claims processing performance, taking an average of 23 days in 2017/18 (22 days in 2015/16), with improvement in new claims processing during 2018/19 following the reorganisation previously detailed. The time taken to process change events has remained relatively consistent over the period with an average of seven days in 2017/18.

24. Based on the DWPs 2017/18 published performance statistics the council was ranked 17 in Scotland for the time taken to process new claims, and 24 for the time taken to process changes events.

Exhibit 1: Speed of processing performance (average number of days)					
	2015/16	**2016/17**	**2017/18**	**2018/19 Scottish Average (Q1)**	**2018/19 (at 30 Sep)**
New claims	22 days	23 days	23 days	22 days	20 days
Change events	7 days	6 days	7 days	7 days	8 days

Source: Renfrewshire Council & DWP

25. Resource management is an important aspect of service delivery and the loss of experienced staff, or high levels of sickness absence can impact on performance.

26. In 2017/18, the benefit service experienced significant resourcing challenges with the loss of 22 officers mainly due to internal movement of staff who had taken the opportunity to work on other council projects. The service was proactive in filling these vacancies, however, this was at a time when 20% of benefit staff were already new to the council with varying levels of experience.

27. Exhibit 1 shows that as new staff have gained experience, the time taken to process new claims in the first two quarters of 2018/19 has improved to an average of 20 days. However, the time taken to process change events has increased by one day, to an average of eight days.

28. The service is operating in an environment of reducing budgets and caseloads, and year on year reductions in the levels of subsidy provided by the DWP. To address this the service has:

- utilised agency staff to provide additional processing resource at key times of increased workloads

- extended the use of risk-based verification to include change events

- automated approximately 72% of change event notifications received from the DWPs Automated Transfer to Local Authority Systems (ATLAS)

- used a commercial product which provides management with detailed productivity and performance information. This is used to manage workloads and individual staff performance.

- implemented the DWPs Verify Earnings and Pensions (VEP) service in 2017 and signed up to the enhanced alerts service which went live in July 2018. The VEP service provides the council with:

  – real-time access to Her Majesty's Revenues and Customs (HMRC) records to verify a customer's earnings/pension details which should help reduce the time taken to establish a customer's income

  – real-time alerts to notify when a customer's income details have changed to ensure that a change can be processed timeously, ensuring payment accuracy and reducing the potential for an overpayment to arise.

29. The council launched the MyAccount portal in June 2016, which allows customers to submit a HB claim and to report a change event online and has received over 2,000 claims via this channel.

30. Exhibit 2 below details the number of claims received through the portal, and the average time taken to process these when compared to claims received in the post, or in person at nominated council offices. The council is processing these claims on average eight days quicker than those received through normal business routes.

Exhibit 2: Comparison of new claims speed of processing performance (average number of days)			
	No of claims received	**Avg. days to process**	**% of all claims received**
Portal (Jun 16- Mar 17)	722	15	21%
Renfrewshire Council	3,512	23	79%
Portal (Apr 17- Mar 18)	1,069	15	27%
Renfrewshire Council	3,949	23	73%

Source: Renfrewshire Council

31. The number of new claims as a percentage of all claims process through the portal has increased from 21% in 2016/17 to 27% in 2017/18. The council continues to encourage HB customers to claim using MyAccount as part of its overall improvement plans.

32. Once the impact of full service UC is known the council has plans to continue to improve the benefit service. This includes reviewing and improving its approach to risk-based verification and utilising robotic processes to automate administrative, logic-based tasks to help streamline the service and improve claims processing times.

Accuracy

33. The accurate and secure administration of HB should be a key priority for every council, and to support this, it should have a robust quality assurance framework in place.

34. The benefit service places significant importance on the accuracy and quality of claims processing, and accuracy is a key performance indicator in the Revenues and Financial Support Operational Plan 2018/19 and is reported throughout the service.

35. As part of the restructure of Revenues and Financial Support, the service changed the focus of its approach to quality to ensure that, where errors were found, there was sufficient available resource to provide training, support and guidance to staff.

36. To meet this objective the council established a Quality Team in June 2018, which incorporates training and compliance and consists of three FTE training and auditing officers and one FTE auditing officer. At the time of our audit the service was in the process of recruiting an additional FTE training and auditing officer and the team was expected to be fully operational by December 2018, following a period of training and consolidation.

37. The benefit service's Quality Checks Policy and Procedures provides the operating framework for its management checking activities and contains its statement of objectives, which are to:

- ensure that benefit is awarded and paid correctly, not to find errors

- identify areas for service delivery improvements

- be seen as a positive measure to reduce inaccuracy

- avoid conflict where one person's view overrides another's.

38. This document is comprehensive and details the council's approach which is to carry out a daily pre-payment check on a minimum of 4% of claims randomly selected from the benefit IT system, the day after the claim has been processed. A pro-forma is completed for each check and, where an error is found, the officer is asked to correct the claim and advise the Quality Team accordingly.

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Action Plan (Appendix 1, Recommendation 2)

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39. To ensure a clear audit trail, all actions are recorded on the benefit service's document imaging system and are signed off as complete by the Quality Team when the appropriate corrective action has been taken. In addition to routine management checking activities, the level of checks is increased to 100% when:

- a new assessor is appointed. Checks are reduced incrementally as the assessor's accuracy levels improve

- staff are under-performing

- assessors have requested additional support

- training has been provided on a specific area, to ensure that the training was effective.

40. All management check outcomes are recorded on a detailed spreadsheet which is summarised and analysed by the Quality Team to help the service identify any trends or patterns of error that can be used to provide remedial training at individual, team, or service level, as appropriate.

41. Each month an accuracy report is produced which provides a detailed breakdown of errors found, and approximately every six weeks senior benefit officers meet to discuss the report with a view to identifying any specific training needs.

42. The advantage of carrying out a management check pre-payment is that it allows for the correction of an error before a payment has been made, therefore ensuring the accuracy of the payment, and avoiding a potential overpayment and subsequent loss of subsidy.

43. However, the council confirmed there are two benefit payment runs each month where a prepayment check is not undertaken. Claims checked the day after the payment run are therefore post payment and already in the live HB system. The council has therefore lost the opportunity to correct the payment before issue and any financial error will result in an overpayment of HB.

44. Since 2015/16 accuracy performance has been in steady decline and, at the time of our audit was well below the target of 95%. The service has advised that this is indicative of the high turnover of staff and the need to carry out 100% checks of the work of new staff. Exhibit 3 illustrates the council's current and previous accuracy performance.

Exhibit 3: Financial accuracy performance		
	Internal Target	**Achieved**
2015/16	95%	96%
2016/17	95%	92%
2017/18	95%	91%
2018/19 (at 31 Oct)	95%	90%

Source: Renfrewshire Council

Interventions

45. To minimise error in the caseload, councils must encourage customers to report change events on time and the council must have a robust intervention programme to identify changes and take appropriate corrective action.

46. To support this, benefit service notification letters and claim forms remind customers of the requirement to report any change event. The council's website provides information on the various options available to contact the benefit service.

47. The service uses the benefit IT system diary facility to highlight claims where future changes could affect the customer's entitlement to benefit, for example, a significant birthday or a change in household details.

48. The council participates in the DWP's Housing Benefit Matching Service, Audit Scotland's National Fraud Initiative and from July 2017, the DWPs Verify Earnings and Pensions (VEP) service. These initiatives all help to identify possible unreported change events that require further investigation.

49. Prior to participating in VEP the council used the DWP's earlier version, the Real Time Information (RTI) and optional RTI data matching services, The majority of the council's interventions activity has been derived from the RTI output and Optional RTI service. To manage this additional work, in June 2017, the benefit

service utilised DWP funding of £58,000 to establish a dedicated team of two FTE officers.

50. Exhibit 4 below details the outcomes from the council's interventions activity.

Exhibit 4: Interventions performance				
	Number of completed interventions	Number of decreases in HB identified	Number of increases in HB identified	% resulting in a change to benefit
2015/16	1,488	992	95	73%
2016/17	1,533	979	95	70%
2017/18	2,194	1,159	90	57%
2018/19 (at 30 Sep)	621	263	16	45%
TOTAL	5,836	3,393	296	63%

Source: Renfrewshire Council

51. The council has identified an un-notified change in benefit in over 63% of interventions carried out since 2015/16. This helps the council stop incorrect benefit being paid and identify customers that are entitled to receive more benefit than their current entitlement. Since May 2016, the benefit service's work in this area has identified approximately £690,000 of overpayments, and more than £26,000 in weekly HB savings.

52. As detailed earlier, the benefit service opted in to the DWP's VEP service in July 2017, and its enhanced service from July 2018. To support its activities the council received approximately £70,000 in funding from the DWP. The council plans to utilise the funding to recruit a FTE officer with responsibility for managing the VEP output. The council aims to improve claims processing times by reducing the need to request earnings and pension information from customers, and to identify fraud and error.

53. The council has also signed up to the DWPs self-employed data match exercise, which targets customers that have had no change to their self-employed earnings in the past 12 months. At the time of our audit the council had contacted affected customers and was working through the responses.

Overpayments

54. To protect public funds, councils should take appropriate steps to ensure that benefit overpayments are minimised and that, when they do occur, they are correctly classified and rigorously recovered.

55. The HB Overpayment Policy - Guiding Principles details the council's approach and commitment to the recovery of HB overpayments. The council aims to:

- reduce losses to public funds

- provide revenue for the council

- help reduce the loss from overpayments

- deter fraud and error

- demonstrate a commitment to accuracy, and to the provision of a quality service to its customers.

56. To minimise HB overpayments, the benefit service prioritises change events that could lead to an overpayment, uses benefit IT system reports to predict changes, and reminds customers of the need to report any changes. In addition, the service checks the output from the DWPs ATLAS system daily and prioritises claims where an overpayment could arise.

57. This proactive approach has helped minimise the number of local authority (LA) /administrative error overpayments that can arise because of processing delays. This is particularly important as a council can lose subsidy where its LA/administrative error rate exceeds 0.48% of all HB payments made. Since 2014/15 the council has performed well below this threshold.

58. Where it is not possible to recover an overpayment from ongoing benefit entitlement, the debt is passed to the Finance Recovery Team who issue an invoice to the customer, followed by a reminder, and a final notice. Where no response is received after the final notice stage, the Finance Recovery Team uses all available recovery options including:

- utilising the DWP's Payment Deduction Programme to automate the recovery of HB overpayments from DWP benefits, where appropriate

- using the DWP's Customer Information System to trace customers who are no longer resident within the council area

- using a Direct Earnings Attachment (DEA) when the customer is in employment

- utilising Sheriff's Officers for difficult to recover debt

- using other commercial products.

59. The council's use of DEA as a means of initiating recovery of a debt has proved effective. At the time of our audit, the council had issued letters to customers and employers in respect of £85,115 of HB overpayments and had recovered £22,716 (27%).

60. The council continues to be proactive in reducing the levels of outstanding debt and improve overall recovery performance. Improvement actions include:

- working with the DWPs Performance Development Team (PDT) in December 2017 to carry out a full review of overpayment procedures which resulted in the implementation of a six-point action plan

- signing up to the recently launched DWP HB Debt Service project. This service allows councils to send up to 1,200 dormant HB overpayments per month to the DWP to match with real time HMRC employment and pension data

- transferring the responsibility for the recovery of HB Overpayments from the Finance Recovery Team to the RTI/VEP team in October 2018 to provide more control over the overpayment process, and planning to appoint a FTE overpayment officer dedicated to the recovery of benefit debt.

61. As illustrated in Exhibit 5 the council has improved its overall performance in the recovery of in-year HB debt, however there has been a steady decline in its performance in respect of the recovery of all HB debt.

Action Plan (Appendix 1, Recommendation 3)

Exhibit 5: Overpayment levels and recovery performance				
	2015/16	**2016/17**	**2017/18**	**2018/19 (at 30 Sep)**
Total HB overpayments carried forward	£5,954,122	£7,086,948	£7,214,511	£7,589,389
Total overpayments identified in-year	£3,205,020	£2,234,722	£2,436,669	£990,123
Total value of HB debt	£9,159,142	£9,321,670	£9,651,180	£8,579,512
Total value of HB debt recovered	£1,915,068	£1,771,916	£1,770,253	£859,253
Total value of HB debt written off	£155,541	£349,098	£285,505	£97,588
% of in-year debt recovered	60%	79%	73%	90%
% of total HB debt recovered	21%	19%	18%	10%

Source: Renfrewshire Council

Appendix 1
Action plan 2018/19

2018/19 recommendations for improvement

No.	Issue/risk	Recommendation	Agreed management action/timing
1	**HB debt** The benefit service does not report performance in respect of the recovery of all HB debt. **Risk** There is a risk that members are not fully sighted on all debt recovery performance.	The Council should report all debt recovery performance to the Finance, Resources and Customer Services Policy Board.	The Council will revise its report to include all HB debt recovery performance and this will include supporting commentary Pat Boyle April 2019
2	**Accuracy** The Council selects claims randomly from the benefit IT system for prepayment checks. **Risk** There is a risk the Council is not effectively targeting claims it has identified from its data analysis that are most likely to result in an error.	The Council should consider a more targeted approach to ensure the best use of limited resources and to maximise the potential for positive outcomes.	The Council will reconsider its approach to quality checking and will devise a new strategy which includes a more targeted approach. Gary Caldwell 31 March 2019
3	**Overpayments and recovery** The council's all debt recovery performance has declined in recent years. **Risk** There is a risk that the older the HB debt the more difficult it will be to recover.	Management should consider what measures it can take to improve the level of recovery of HB debt which has been outstanding for more than one year.	The Service will use the new integrated team to ensure a targeted and end to end approach to HB debt recovery which will include all years. Results will be closely monitored through a new more comprehensive monthly report to senior management. Pat Boyle 31 March 2019

Follow up of prior year recommendations

| b/f 1 | **Write offs**

Evidence of spot checks on write offs were not documented, and there are no procedures to ensure that | | The Development Team created a bespoke write off report that is produced each month and passed to the |

No.	Issue/risk	Recommendation	Agreed management action/timing
	these checks were being carried out to provide assurance that benefit overpayments were being written off appropriately in all cases.		benefit team leaders for action. This report is monitored by the Development Team to ensure appropriate action has been taken. Complete
b/f 2	**2. Overpayment recovery performance** There was a discrepancy in the council's reported overpayment recovery performance. There is a risk that the council does not accurately reflect the total amount of debt outstanding to show the council's overpayment recovery performance.		The discrepancy was the result of the system offsetting a customer's underlying entitlement when an overpayment had occurred. The DWP is aware of this issue; it affects all users of the same benefit IT system, and the council continues to work with its IT provider to find a solution. Complete

Renfrewshire Council
Audit of housing benefit

Risk assessment report

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Appendix 2
Audit of Housing and Council Tax Benefit Risk Assessment Report – Action Plan

ISSUE/RISK	RECOMMENDATION	AGREED MANAGEMENT ACTION/TIMING	CURRENT POSITION
The benefit service does not report performance in respect of the recovery of all HB debt. **Risk:** There is a risk that members are not fully sighted on all debt recovery performance	The Council should report all debt recovery performance to the Finance, Resources and Customer Services Policy Board.	The Council will revise its report to include all HB debt recovery performance and this will include supporting commentary by April 2019.	Analysis has been completed on the data available from the Benefits system and the Housing Benefit Overpayment debt collection performance will be monitored comprehensively for 2019/20. Collection performance is being segmented into methods of recovery utilised. The new reporting regime will be incorporated into future reports submitted to the Finance & Resources and Customer Services Policy Boards from April 2019. *Work is currently ongoing to create the equivalent baseline data covering the 2017/18 & 2018/19 financial years.*
The Council selects claims randomly from the benefit IT system for prepayment checks. **Risk:** There is a risk that the Council is not effectively targeting claims it has identified from its data analysis that are most likely to result in an error.	The Council should consider a more targeted approach to ensure the best use of limited resources and to maximise the potential for positive outcomes	The Council will reconsider its approach to quality checking and will devise a new strategy which includes a more targeted approach	Changes have been made to the Quality Check process from 29 April 2019 for both new claims and changes in circumstance. Claims are targeted for checking using the risk indicator provided by Risk Based Verification Software.

| The council's all debt recovery performance has declined in recent years.

Risk:
There is a risk that the older the HB debt, the more difficult it will be to recover.	Management should consider what measures it can take to improve the level of recovery of HB debt which has been outstanding for more than one year.	The Service will use the new integrated team to ensure a targeted and end to end approach to HB debt recovery which will include all years. Results will be closely monitored through a new more comprehensive monthly report to senior management.	Resource has been realigned and dedicated to recovery of HBO. This resource has been augmented with support from existing staff. Recovery action is being undertaken using all available tools to maximise collection. Improvements in performance, and the relative success or otherwise of the various methods of recovery, will be closely monitored via new reporting procedures. Updates will be circulated to management monthly from April 2019.

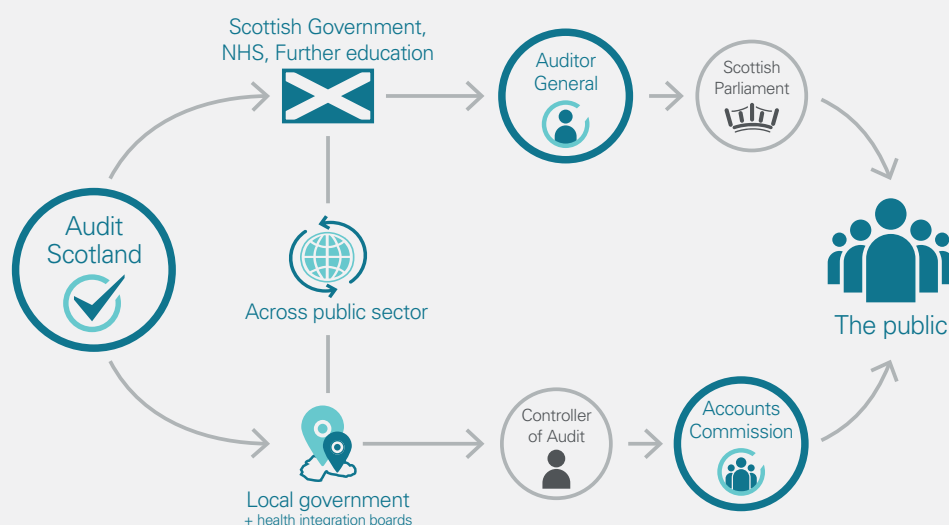# Housing Benefit Performance audit

Annual update

2018

AUDIT SCOTLAND

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- **Audit Scotland** is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.

- The **Auditor General** is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

- The **Accounts Commission** is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.

About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money

- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

Contents

Key messages

1 During 2017/18, we issued reports to five councils which identified a total of 24 risks to continuous improvement, all of which were accepted. We found that 78 per cent of risks identified during our risk assessments in previous years had been either fully or partially addressed (80 per cent in 2016/17).

2 We risk assess all councils every Autumn, and then update this assessment each quarter. The assessment is based on a range of factors, including the DWP's most recent published speed of processing performance statistics, and allows us to select councils for a more individual in-depth risk assessment and report. This approach ensures that councils not performing well, or where performance has significantly declined, are prioritised for an audit.

3 The roll-out of Universal Credit (UC) Full Service (UCFC) continues across Scotland and is having an impact on council benefit services. Councils are significantly re-structuring benefit services, and the reducing housing benefit caseload and budget pressures are leading to less full-time benefit service employees. In all five councils visited, we reported that the level of resources might not be sufficient to maintain or improve on previous claims processing performance levels.

4 The DWP has introduced two new services for councils which should lead to improved processing performance and debt recovery. The Verify Earning and Pensions service allows council to verify earnings and pensions information from claimants using real-time information from Her Majesty's Revenue and Customs (HMRC). The Debt Service project allows councils to match housing benefit debtors to employment and pension data from HMRC. It is too early to determine the impact of these services on council performance.

5 The social security landscape across Scotland continues to change. The new Scottish social security agency became operational in September 2018. Significant decisions are still to be made about the local presence of the agency across Scotland.

6 At UK level, the roll out of UCFC remains the most significant change to the social security landscape. In June 2018 the National Audit Office (NAO) concluded that UC is not delivering value for money and it is uncertain that it ever will. The NAO also considered the impact of the roll out of UC on local organisations that help administer the new system. It found that UC was creating additional costs for local authorities, particularly due to the processing of housing benefit stop notices and the impact of rent arrears which can take significant time to be recovered. The Scottish Government has introduced flexibilities for Scottish UC recipients so that they have a choice about how they can receive their benefit payments.

Background

1. During 2017/18, approximately 18 per cent of Scottish households received financial support to help pay their rent in the form of means tested Housing Benefit (HB). Scottish councils paid out £1.63 billion in HB awards in 2017/18 (£1.74 billion in 2016/17), a reduction in spend of 6.3 per cent.

2. In 2017/18, Scottish councils received £22.8 million (£25.2 million in 2016/17) in funding from the DWP to deliver HB services. This 9.5 per cent reduction in funding in 2017/18 is due to DWP assumed efficiency savings.

3. On 23 March 2016, Musselburgh Job Centre, which serves East Lothian Council, was the first Job Centre in Scotland to deliver UCFS, which provides customers with an online UC account to manage their claim, report changes, send messages to their work coach, and find support. Further rollouts of UCFS have since taken place and the DWP expects a full rollout across the UK to be completed by December 2018 for all new HB claims, with the migration of the remaining working age HB claimants to UCFS to be completed by 2023.

4. The continued rollout of UCFS during 2018/19 will result in reduced HB caseloads in councils as fewer new HB claims are received. Working age claimants will start to move to UCFS with councils typically retaining claimants of pension age, some complex cases, and contribution-based Jobseekers and Employment and Support Allowance claimants.

5. The HB caseload has fallen from a high of 483,201 in 2013 to 410,065 at February 2018, as shown in (Exhibit 1, page 7). This represents a 15 per cent decrease in the number of claims during this period. (Exhibit 2, page 7) shows that claim numbers continued to fall during 2017/18 with a reduction of 4.8 per cent between April 2017 and February 2018.

Housing benefit performance audit

6. The main objective of the benefit performance audit is to help councils improve their benefit service, but it also holds councils to account for any failing service. The audit has two phases:

- a risk assessment phase that identifies risks to continuous improvement

- a focused audit phase that examines the service, or parts of it in more detail, if a council is unable or unwilling to address key risks identified in phase one.
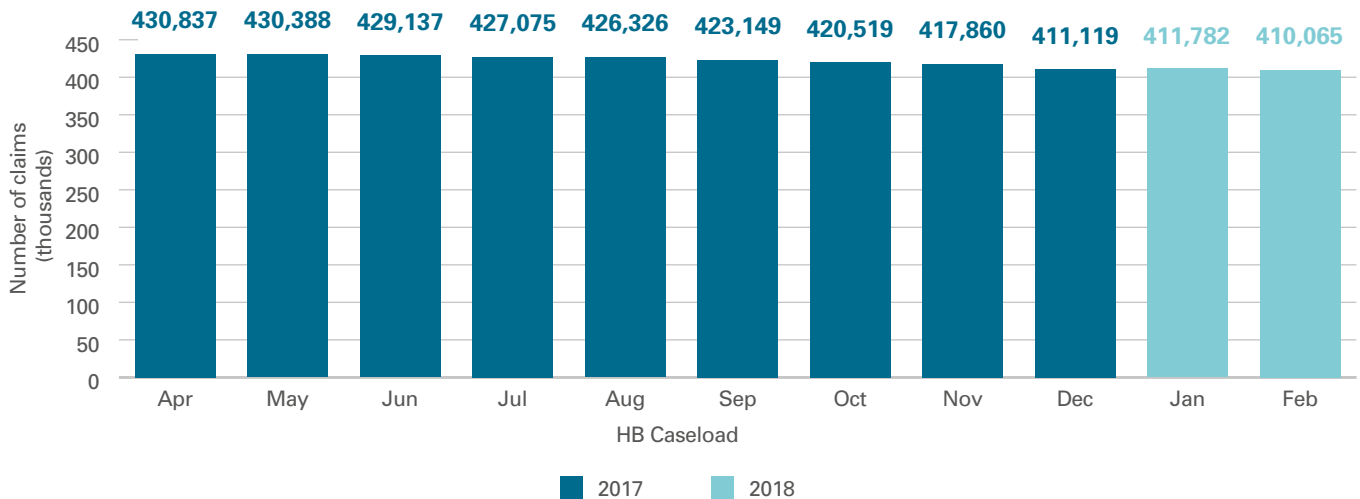
Exhibit 1
Changes to Scottish HB caseload 2013 to 2018
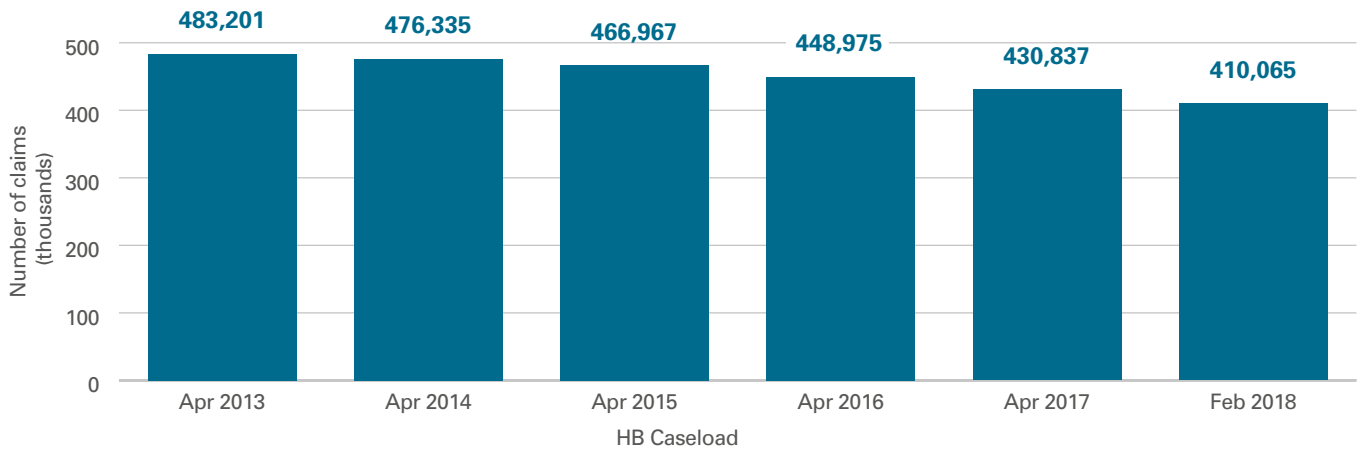
Source: DWP

Exhibit 2
Changes to Scottish HB caseload April 2017 to February 2018

Source: DWP

7. Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions, responsible persons and associated timescales, to address the identified risks. When a focused audit is required, the Controller of Audit prepares a report for the Accounts Commission. These reports are also copied to the DWP and published on the Audit Scotland website to provide transparency and assurances over how councils are performing.

Work carried out in 2017/18

8. We risk assess all councils every Autumn, and then update this assessment each quarter. The assessment is based on a range of factors, including the DWP's most recent published speed of processing performance statistics, and allows us to select councils for a more individual in-depth risk assessment and report. This approach ensures that councils not performing well, or where performance has significantly declined, are prioritised for an audit.

9. We issued individual risk assessment reports to five council Chief Executives during 2017/18 (eight in 2016/17). No focused audits were carried out as we didn't identify any significant concerns from the initial risk assessments. The five councils were:

- Stirling

- East Dunbartonshire

- Scottish Borders

- Moray

- Comhairle nan Eilean Siar

10. Each of the five councils developed an improvement plan to address the points raised. On receipt and review of council improvement plans, we requested further updates in respect of speed of processing performance from four of the councils (East Dunbartonshire; Scottish Borders; Moray; Comhairle nan Eilean Siar). We received progress reports from all four councils and, based on the updated performance information, we were satisfied with the improvements made in each council.

Outcomes of the 2017/18 risk assessments

11. Audit Scotland identified 24 risks to continuous improvement (18 in 2016/17) in the five risk assessments completed in 2017/18. Our work identified that 78 per cent (18 out of 23) of previously agreed actions had been fully or partially implemented (80 per cent in 2016/17).

12. Improvement actions were received from all councils visited. Analysis of the risks identified shows that:

- 100 per cent (100 per cent in 2016/17) of the identified risks were fully accepted by councils

- 26 per cent (6 out of 23) of agreed risks from previous risk assessments were carried forward (20 per cent in 2016/17).

13. The outstanding risks relate to:

- Accuracy

- Interventions

- Overpayments.

14. Councils have cited workforce numbers and reducing budget as reasons why not all agreed actions have been fully implemented. UCFS continues to roll out across councils, and we found that each of the five councils that we risk assessed had undertaken significant internal restructures to refocus the benefit service as UCFS is implemented. As our risk assessment is completed each quarter we continue to monitor all councils' performance for improvements or significant risks.

15. As UCFS is being implemented, benefit services have been planning for caseload reductions in conjunction with year on year reductions in funding from the DWP, and wider pressures on council budgets. There has been an impact on the level of full-time benefit service employees available to manage the transition, with councils increasing their use of outsourcing and employing temporary staff on fixed-term or rolling contracts. In all five councils audited, we reported that the level of resources might not be sufficient to maintain or improve on previous claims processing performance levels.

16. During 2017/18 Audit Scotland has identified weaknesses in the following key areas:

- Business planning and performance reporting - in four councils (Stirling/ Moray/East Dunbartonshire/Scottish Borders) we found that the benefit service was not formally reporting its performance to elected members. This means that there was limited assurance that, where performance was below expectations, the service was being challenged to improve. We also considered that an opportunity was being missed to raise the profile of the service, and for elected members to recognise good performance. The Accounts Commission view formal reporting to elected members of the performance of the benefit service as an important part of the assurance and scrutiny of the service.

- Accuracy – the levels of accuracy in two councils (Stirling/Scottish Borders) were in decline. One council (Stirling) was not routinely analysing the outcomes from its management checks to help identify trends and patterns of error that could help improve accuracy rates.

- Interventions – in three councils (East Dunbartonshire/Comhairle Nan Eilean Siar/Scottish Borders) we found that, although interventions outcomes were recorded, the level of detail was not sufficient to allow the council to determine the effectiveness of its approach in financial terms, or the effectiveness of each intervention campaign. This information could help ensure that future activity is informed, risk-based, and cost effective.

Changes to housing benefit verification and debt recovery

DWP Verify Earnings and Pensions (VEP) Service

17. The VEP service was rolled out to all councils between April and November 2017 and enables council staff to verify claimant/partner earnings and pensions information in real-time from HMRC's payment system in respect of new claim assessments, change of circumstances and reviews.

18. The DWP has now developed an alerts service that has been rolling out across the UK since May 2018. This will use HMRC payment data to trigger an alert to councils as and when there are certain changes to a customer's earnings/ pension information during the life of an HB claim. There are two alert categories:

- 'Start' alerts – this will alert a council that a claimant/partner has new employment earnings or non-state pension

- 'Fluctuating' alerts – this will alert a council that a claimant/partner's employment earnings or non-state pension has changed.

19. There are a number of potential benefits to councils and customers from this service. It provides councils with access to up to date and accurate information that might not have been provided by the customer/partner at the time of their new claim. Where the customer/partner has a current claim and has failed to notify the council that their earnings/pension amount has changed, this information will be alerted to councils automatically. Therefore, in taking prompt action to process an alert, it should provide councils with an opportunity to:

- deliver improvements in claims processing times

- reduce the potential for an avoidable overpayment/underpayment.

DWP HB Debt Recovery Project

20. The HB Debt Service project commenced in April 2018 and provides councils with the opportunity to match outstanding HB debtors to real-time information on HMRC's employment and pension data. Since April, the DWP advise that 25 councils in Scotland are using the service with approximately 10,200 cases sent for matching.

21. Councils can send up to 1,200 outstanding debtor files to the DWP for matching each month and, although it is too early to say how successful this service has been for Scottish councils, it should lead to improved collection and recovery performance.

22. The DWP reported that, during the pilot stages of the project, it worked with 46 councils (one in Scotland) that submitted 11,300 records in respect of HB debts raised in 2013-14 where no recovery had taken place. Of these cases, 65 per cent were matched and returned to councils with up-to-date employed, self-employed or pension data.

Move to Universal Credit

23. Once HB claimants move onto UC it may be more difficult for councils to recover any outstanding overpayments of HB from claimants. This is because one of the most effective and commonly used methods for recovering overpaid HB is through regular deductions from ongoing HB.

24. Following the migration to UC, councils will no longer have this option. Councils can apply to have previous HB debt recovered from UC, but HB debt would be ranked along with other potential debts the claimant may have and is considered a low priority debt.

25. In October 2017, the Scottish Government introduced two flexibilities to how Scottish UC claimants can choose to receive their payments, under powers devolved through the Scotland Act 2016. The Universal Credit Scottish Choices allow claimants to request twice monthly payments (instead of monthly) and to request that the housing element of their entitlement is paid directly to their landlord. The Scottish Government anticipates that offering direct payments to landlords will help to prevent rent arrears. Scottish Government data for the period 4 October 2017 to 21 December 2017 shows that around 17 per cent of new UC applicants in Scotland, who were offered the choices, requested direct payments to their landlord.

Wider welfare reform

26. In March 2018, the Accounts Commission considered a paper on the changing social security landscape. This provided an overview of changes to the social security system at the UK level and of the powers being devolved to Scotland. Also, in March 2018, the Audit General for Scotland (AGS) reported on the Scottish Government's implementation of the devolved social security powers, concluding that good early progress was being made but that a significant amount of work remained.

27. The Social Security (Scotland) Act received Royal Assent in June 2018. The Scottish Government is continuing to plan and implement the devolved powers on a phased approach. It is yet to take decisions on and set out plans in a number of important areas which may have implications for local authorities. This includes how it intends to deliver on its commitment to provide a local presence as part of the new social security agency. In December 2017, the Scottish Government and COSLA signed a delivery agreement setting out guiding principles with the aim of ensuring social security services are delivered in a consistent way across Scotland. The Scottish Government is currently exploring potential local delivery models.

28. The new Scottish social security agency, Social Security Scotland, became operational from the start of September 2018. This coincided with the launch of the Carers Allowance Supplement. The size and complexity of the agency will increase significantly as it becomes fully established to deliver the full range of devolved benefits.

29. Audit Scotland is the appointed auditor for Social Security Scotland and the payments that it administers. The AGS will also appoint the auditor for the Scottish Commission on Social Security, which was established under the Social Security (Scotland) Act 2018.

30. Audit Scotland has set up a new social security audit team that will be responsible for all our financial and performance audit work on social security, including our existing housing benefit performance audit work. By establishing a single, cross-organisational team, we will be able to effectively identify and examine issues of audit interest across the social security landscape. We will continue to review our resource needs for this work and build additional capacity as more social security benefits are devolved through to 2021.

31. At the UK level, the roll out of UC remains the most significant change to the social security landscape. In June 2018, the National Audit Office (NAO) reported on the progress being made by the DWP to implement UC. The NAO concluded that UC is not delivering value for money and it is uncertain that it ever will. It reports that implementation of UC has taken significantly longer than planned and it may cost more to administer than the package of benefits it is

replacing. It also found that, due to a lack of data, the DWP is unable to evidence that UC is achieving the stated aim of increasing employment.

32. The NAO looked at the experience of UC claimants. It found that claimants and organisations representing them report hardship because of moving onto UC. It also found delays to claimants being paid in full and on time, mainly due to the DWP having difficulties in verifying claimant details. The NAO also reports on the challenges some claimants face in accessing and successfully using the digital application systems.

33. The NAO also considered the impact of the roll out of UC on local organisations that help administer the new system. It found that UC was creating additional costs for local authorities, particularly due to the processing of housing benefit stop notices and the impact of rent arrears which can take significant time to be recovered. It also found that there were additional demands on local authorities due to their role in providing local support services on behalf of the DWP. The NAO also reported that some local authorities claim that the funding provided by the DWP does not cover the costs of providing these services.

Housing Benefit
Performance audit
Annual update 2018

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AUDIT SCOTLAND

To: **Audit, Risk and Scrutiny Board**

On: **28th May 2019**

Report by: **Lead Officer**

Heading: **The Effectiveness of Fair Trade within Renfrewshire**

1. Summary

1.1. At its meeting on 27th August 2018, members of the Audit, Risk and Scrutiny Board agreed an annual programme of activity for the Board for 2018/19. This included a review which would look at the effectiveness of fair trade within Renfrewshire.

2. Recommendations

2.1 It is recommended that the Audit, Risk and Scrutiny Board considers and approves:

- the purpose and proposed scope of the review;
- the provisional timescale as outlined in Appendix 1 of this report.
- authorise the Lead Officer to contact any organisations recommended by the Board who may have information useful to the Board and who may be potential witnesses;
- delegate powers to the Lead Officer, in consultation with the Convenor, and grant the Convenor of the Board permission to extend the timescale of the final report from 16th March 2020 to 26th May 2020 to allow for the inclusion of Fairtrade Fortnight

which takes place during February each year. Further permission is sought to alter the timescales of the review to accommodate the provision of material evidence, including that provided by witnesses throughout the course of the review;

- authorise the Lead Officer to make the necessary arrangements to progress the review within the agreed timescales.

_____

3.   **Background**

3.1   Fair trade aims to provide fair terms of trade for farmers and workers in the developing world, whilst:

- obtaining better prices,
- improving working conditions,
- providing local sustainability,

This is undertaken in a variety of ways by requiring companies to pay sustainable prices. That is, prices that never fall below the market price for the produce.

3.2   Fair trade aims to stop discrimination against the poorest, weakest producer by addressing conventional trade. This enables farmers, producers and those associated with fair trade in the developing world to improve their conditions and have more control over their lives.

4.   **Fair Trade in Renfrewshire**

4.1   Renfrewshire Council recognises the importance that fair trade has; both within Renfrewshire and the effect is has Globally to the producer.

4.2   On 28th February 2019, Renfrewshire Council became one of the first Local Authorities in the UK to formally adopt the International Fair Trade Charter. Adoption of the Charter is not legally binding, however it signals Renfrewshire Council's intention to commit to the fair trade principles set out in the Charter.

4.3   The International Fair Trade Charter is a comprehensive document that lays out the purpose and aims of fair trade, as agreed by the World Fair Trade Organisation and Fairtrade International, two of the biggest global fair trade organisations.

4.4   Renfrewshire has a strong fair trade brand with a prominent retail outlet (Rainbow Turtle) situated in Paisley that is dedicated to the selling of fair trade produce. Paisley is also home to a commercial fair trade importer, distributor and educator based in Paisley (Just Trading Scotland).

4.5   Many of Renfrewshire's towns and villages are classified as fair trade towns.

4.6   Each year Renfrewshire Council and its partners participate in Fairtrade Fortnight. A variety of events take place in local communities and schools throughout this period aimed at promoting Fairtrade and raising awareness.

5.   Purpose of the Review

5.1   The key purpose of this review will be to:

(1) understand what motivates people to purchase fair trade products.
(2) ensure that fair trade in Renfrewshire benefits the producer at source.
(3) understand the processes in place to monitor the effectiveness of fair trade within Renfrewshire
(4) understand how fair trade is promoted within schools.
(5) determine if the current processes in place for the purchase and distribution of fair trade goods is the most efficient, both for the end producer and the customer.
(6) identify if there are other ways to deliver fair trade to ensure best value, whilst ensuring that the correct people are benefiting. This could include investigating if the current process of purchasing from numerous countries and spreading the wealth is the most beneficial, or, focus on a single country.

6.   Scope of the Review

6.1   In undertaking this review, it is recommended that the Audit, Risk and Scrutiny Board approve that the Lead Officer:

- Consults with fair trade Organisations within and out-with Renfrewshire, namely Rainbow Turtle, Just Trading Scotland, Scottish Fair Trade Forum, Fairtrade International and Fair Trade Scotland. The intention of this is to understand the process or

purchasing, distributing and selling fair trade products and to gain an understanding of what motivates people to purchase fair trade.

- In relation to items 5.1(3) & 5.1(4) listed above, the Lead Officer will focus on the services currently provided by the Chief Executive's Service, predominantly how Renfrewshire Council engages with schools and community groups and how Renfrewshire Council monitors if fair trade is effective.

- Presents comparative information on fair trade within East Dunbartonshire Council, a Local Authority widely regarded as being one of the leading fair trade Authorities in Scotland.

- The Lead Officer will engage with Elected Members on the Fair Trade Steering Group to gain their overall views on fair trade within Renfrewshire.

7. Timetable and Witnesses

7.1   It is proposed that the review commences following the meeting of the Audit, Risk and Scrutiny Board and is progressed through subsequent Board meetings, with a final draft report being submitted for approval in March 2020 and a final report thereafter to Council in April 2020.

7.2   It is proposed that stakeholders from the council's Chief Executive's Service, Children Services, other Local Authorities, and partners including Rainbow Turtle, Just Trading Scotland, Scottish Fair Trade Forum and Fair Trade Scotland are invited to future meetings. Witnesses will be asked to provide written evidence prior to any meetings with the Board to allow members sufficient time for preparation ahead of the meeting.

7.3   It is proposed that the Lead Officer take forward the indicative timetable as set out in Appendix 1 of this report.

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Implications of the Report

1. **Financial** *- none*

2. **HR & Organisational Development** *- none*

3. **Community Planning**

4. **Legal** *- none*

5. **Property/Assets** *– none*

6. **Information Technology** *- none*

7. **Equality & Human Rights**

    a)   The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** *- none*

9. **Procurement** *- none*

10. **Risk** *- none*

11. **Privacy Impact** *- none*

12. **Cosla Policy Position** *– not applicable.*

Appendix 1 – Timetable for the Effectiveness of Fair Trade within Renfrewshire

Date of Board Meeting	Stage of Review
28 May 2019	Commencement of review
26 August 2019	Continuation of review
23 September 2019	Continuation of review
4 November 2019	Continuation of review
20 January 2020	Continuation of review
16 March 2020	Draft report to Board
TBC	Final report to Council

Author: Craig Doogan
0141 618 6198
Craig.Doogan@renfrewshire.gov.uk

Renfrewshire Council

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To: Audit, Risk and Scrutiny Board

On: 28 May 2019

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Report by: Lead Officer

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Heading: **Review of Bus Deregulation and Effect on Transport Services in Renfrewshire**

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1. **Summary**

1.1 The Audit, Risk and Scrutiny Board of 27 August 2018 agreed to undertake a review of bus deregulation and its effect on transport services in Renfrewshire. The review forms part of the Board's 2018/19 annual programme.

1.2 The purpose of the review is to evaluate the effectiveness of current and proposed legislation in providing bus services to the public. The expected outcome of the review is a report which enables the Council to take an evidence based review on any proposals regarding changes in the legislative framework for bus provision.

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2. **Recommendations**

2.1 It is recommended that the Board:

(i) Approves the purpose and scope of the review;

(ii) Approves the provisional timescale for the review as outlined in Appendix 1 of this report;

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(iii)   Authorise the Lead Officer to contact any organisations recommended by the Board who may have information useful to the Board and who may be potential witnesses;

(iv)   Delegate powers to the Lead Officer, in consultation with the Convenor, and grant Convenor of the Board permission to alter the timetable, having regard to the availability of evidence and witnesses throughout the course of the review;

(v)   Authorise the Lead Officer to make necessary arrangements to progress the review within agreed timescales.

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3.   Background

Legislation

3.1   The Transport Act 1985 introduced the deregulated market within the British bus industry. The Act remains the central legislation governing bus service provision today.

3.2   The most significant impact of the Transport Act was a move from public sector run bus services to an open, commercial market. The Act abolished road service licensing – regulating the quality and quantity of services – and introduced competition on local bus services. A private bus operator may run a service on any route, on any days, at any frequency, subject to acceptance by the Traffic Commissioner. Fares are entirely at the operator's discretion.

3.3   To operate a service, any licenced operator requires to provide a notice of 42 days to the Traffic Commissioner of the intention to commence operation on a route after a 28-day consultation period with the local transport authority (Strathclyde Partnership for Transport). The same notice and consultation periods are used when a service is altered or cancelled to allow the authority to assess the opportunity to provide a replacement supported service.

Renfrewshire Context

3.4   In Renfrewshire, private bus operators McGills and First Bus are the main providers of services. As commercial businesses, their priority is to generate profit. This can lead to issues in providing services to unprofitable routes such as rural areas or at off-peak times in evenings and at weekends.

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3.5 An effect of this can be to limit the movement of those resident within unprofitable routes, particularly those without access to their own transport, who may have disabilities or cannot afford alternatives such as taxis.

Strathclyde Partnership for Transport

3.6 Strathclyde Partnership for Transport (SPT) is the body responsible for planning and co-ordinating regional transport, particularly public transport, within the west of Scotland. The partnership comprises 12 authorities within the former Strathclyde Region area, including Renfrewshire Council.

3.7 In relation to bus services, SPT has a budget of around £11M for the provision of 'supportive services' across the whole of the Strathclyde area. This is where it is considered that bus services are socially necessary. Under legislation SPT cannot provide a service which would impact upon a commercial route.

3.8 While SPT work to support routes in unprofitable areas, in view of their restrictions on service provision, as well as limited available budgets, they cannot provide services to all of those areas.

Transport (Scotland) Bill

3.9 The Transport (Scotland) Bill was published by the Scottish Government in June 2018. Key elements of the Bill, currently being considered by the Scottish Parliament, seek to deliver the Scottish Government's aspirations for a safe, efficient, cost effective and sustainable public transport system.

3.10 Part 2 of the Bill relates to bus services and breaks down into four topics which provide new powers to local transport authorities to better manage bus services:

- Provision of services by local authorities;
- Bus services Improvement Partnerships;
- Local Services Franchising;
- Information relating to services

3.11 Part 3 of the Bill also proposes changes to existing legislation regarding ticketing arrangements and schemes for bus travel.

3.12 SPT responded to consultation on the proposed Bill in September 2018 on behalf of its partner organisations, including Renfrewshire Council. This was reported to the Infrastructure, Land and Environment Policy Board in August 2018.

3.13 The response noted that while many proposals within the Bill are positive, a number of issues require to be considered in further detail. These particularly

relate to powers and scope available to authorities to effectively manage bus services. The Scottish Parliament will now consider amendments to the Bill.

4   **Purpose and Scope of Review**

4.1   The purpose of the review is to evaluate the effectiveness of current and proposed legislation in providing bus services to the public, enabling consideration of any proposals regarding changes to bus service provision.

4.2   The review will consider four elements:-

(i)   Understanding the impact of bus deregulation in Renfrewshire. This will involve review of legislation together with information available at local and national levels.

(ii)   Considering the communities and individuals who may be adversely affected by bus deregulation. The Lead Officer will liaise with Environment and Infrastructure officers as well as SPT colleagues to identify and engage with appropriate contacts.

(iii)   Considering actions which could be taken under existing arrangements to improve bus services. This will be informed by the outcomes of the previous stages.

(iv)   Considering proposed new powers and actions which could be taken to improve bus services. This will be informed by outcomes of previous stages.

5   **Timetable and Witnesses**

5.1   It is proposed that the review commences following the meeting of the Audit, Risk and Scrutiny Board and is progressed through subsequent meetings, with a final draft being submitted for approval in January 2020 and a final report to Council in March 2020. A schedule is appended.

5.2   It is anticipated that witnesses from the Environment and Infrastructure Service, SPT and community representatives will be invited to future meetings to provide information to the Board. While there may be commercial sensitivities around direct engagement with private bus operators, advice will be sought from SPT and Environment and Infrastructure colleagues in this regard.

5.3   Witnesses will be asked to provide written evidence prior to any meetings of the Board to allow members sufficient time for preparation ahead of the meeting.

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Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community/Council Planning –** None

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - None

(a)   The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8.   **Health & Safety** - None

9.   **Procurement** - None

10.   **Risk** - None

11.   **Privacy Impact** - None

12.   **Cosla Policy Position** - None

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List of Background Papers

(a)   Timetable for Review

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Author: Jamie Mackie
Place Making Team Leader, Communities, Housing and Planning Services

Tel. 0141 618 7841, email: jamie.mackie@renfrewshire.gov.uk

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Appendix 1

Timetable for Review of Bus Deregulation and Effect on Transport Services in Renfrewshire

Date of Board Meeting	Stage of Review
28 May 2019	Commencement of Review
26 August 2019	Continuation of Review
23 September 2019	Continuation of Review
4 November 2019	Continuation of Review
20 January 2020	Draft report to Board
March 2020	Final Report to Council

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Renfrewshire
Council

TO: **AUDIT, RISK & SCRUTINY POLICY BOARD**

ON: **29TH MAY 2019**

REPORT BY: LEAD OFFICER

**HEADING: MAINTENANCE OF MULTI OCCUPANCY ACCOMMODATION
(MIXED TENURE BUILDINGS)**

1.   SUMMARY

1.1   At its meeting on 27th August 2018, the Audit, Risk & Scrutiny Board agreed the annual programme of activity for the Board for 2019/20. This included a review entitled "Maintenance of Multi Occupancy Accommodation".

2.   RECOMMENDATIONS

 It is recommended that the Audit, Risk & Scrutiny Board:

2.1   Approves the purpose and scope of the review as outlined in Section 5 of this report;

2.2   Approves the provisional timescale as set out in Appendix 1 of this report;

2.3   Delegates power to the Lead Officer, in consultation with the Convener, and grants the Convener of the Board permission to alter the timetable having regard to the availability of evidence and witnesses throughout the course of the review;

2.4   Authorises the Lead Officer to contact any organisations recommended by the Board who may have information useful to the Board and who may be potential witnesses; and

2.5   Authorises the Lead Officer to make the necessary arrangements to progress the review within the agreed timescale.

3. BACKGROUND

3.1   There is a variety of legislation which covers repairs in mixed tenure properties, including:

- o Tenements (Scotland) Act 2004
- o Housing (Scotland) Act 1987 and 2006
- o Environmental Protection Act 1990
- o Building (Scotland) Act 2003
- o The Private Housing (Tenancies) (Scotland) Act 2016
- o Title Conditions (Scotland) Act 2003
- o Property Factors (Scotland) Act 2011
- o Repairing Standard 2016 (amended 2006 Act)

3.2   Tenements (Scotland) Act 2004

3.2.1   The primary legislation in relation to repairs within communal properties is the Tenements (Scotland) Act 2004. Although it is called the Tenements (Scotland) Act 2004 the law affects every owner (home, business or shop) in a building which is divided into two or more flats on different floors.

3.2.2   The Act aims to ensure that the communal parts of buildings are kept in good repair. It sets up a decision-making structure that should make it easier for owners to reach decisions to enable them to carry out repairs and maintenance. In most cases, this will mean that common repairs can be carried out with the agreement of the majority of owners. However, the Act does not put in place any mechanism for mediation or resolution of disputes between owners.

3.2.3   Who is responsible for what?

- Individual responsibility - Anything serving only one flat, including the door from the stair, its windows and the inside of walls, floors and ceilings to the halfway point with the next property. Owners are solely responsible for all repairs and maintenance to their own flat.

- Mutual responsibility - Mutual property is anything used by two or more flats including the stairs, stair windows, chimneystacks, service cables, pipes etc. Repairs to mutual parts of the building should be paid for equally by all who use that part – unless their Title Deeds say otherwise.

- Common responsibility - This is an important part of the law. It outlines all the parts of the building where maintenance is paid for by all owners. These include: the roof, the foundations, external walls and any other part of the property which the Title Deeds set out as being the property of two or more owners. It is important to note that paying for roof repairs is the responsibility of every owner in the building – unless their Deeds say otherwise.

3.3   Further analysis of the appropriate legislations will be undertaken if required as the review progresses.

4.   **Purpose of Review**

4.1   The terms of the review requested are outlined in Appendix 2.

4.2   The review will look at the procedures for repairs in buildings with mixed ownership ie private owners and council owned accommodation / retail units.

4.3   For clarity, the review will not look at the actual Housing Repairs by the Council and Outside Contractors as this was subject to review by this Board with Colin Hunter as Lead Officer. The outcome was reported to the Audit, Risk & Scrutiny Board on 13 December 2018.

5.   **Scope of Review**

5.1   In undertaking this review, it is recommended that the Audit, Risk and Scrutiny Board approves that the Lead Officer:

5.1.1   Carries out the Review in relation to buildings of mixed tenure where there are Council owned properties, both domestic and retail properties;

5.1.2   Consults with Communities, Housing & Planning to identify the current process in mixed tenure buildings.

5.1.3   Consults with an external social housing provider to identify the processes in place where they have shared ownership in buildings.

5.1.4   Consults with one or more Tenants and Residents Association or other appropriate group to establish their views on the process.

5.1.5   If appropriate, consults with a neighbouring authority to establish the process in place within their area.

5.1.6   Consults with other organisations as appropriate such as CoSLA, private factoring company or private letting agency.

6.   **Timetable and Witnesses**

6.1   Following the meeting of the Audit, Risk and Scrutiny Board the review will be progressed through the subsequent boards as outlined in Appendix 1 to this report.

6.2   Subject to the outcome of the action outlined in 5 above, witnesses shall be invited to provide written evidence prior to any meetings with the Board to permit members sufficient time for preparation ahead of the meeting.

Implications of the Report

1.   **Financial** – None

2.   **HR & Organisational Development** – None

3.   **Community Planning –** None

4.   **Legal** - None

5.   **Property/Assets** – None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website

8.   **Health & Safety** – All work undertaken is assessed under appropriate Health and Safety legislation.
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9.   **Procurement** – All procurement legislation is adhered to when items are procured for this project.

10.   **Risk** – None

11.   **Privacy Impact** – None

12.   **Cosla Policy Position** – None

List of Background Papers

a) Audit Risk & Scrutiny Board Programme approved 27th August 2018

Author: Lead Officer – Dorothy Kerr, Service Coordination Manager, Environment & Infrastructure
Email: dorothy.kerr@renfrewshire.gov.uk

Date	Action
28th May 2019	Review Commences
26th August 2019	Review Continues
23rd September 2019	Review Continues
4th November 2019	Review Continues
20th January 2020	Draft Report to Board
16th March 2020	Final Report to Board
7th May 2020	Final Report to Council

Terms of Review

"Both Council tenants and private residents are losing out because all parties can't agree on regular maintenance and upgrading contacts. Council tenants find their property is left to last whether or not private tenants are involved and have agreed an upgrade of the property. Minor repairs don't get done because all parties won't agree the work is necessary or the cost is fair. Because of this disagreement, properties don't get maintained, become run down, lose value and don't attract good tenants. This then brings down the whole area. Private tenants believe they are being asked to pay over the odds for maintenance work by Council employees etc."

The expected outcome of the review is as follows: "Find a way forward by which all parties agree to any maintenance or upgrading work. There will always be the odd resident who won't agree to the work but they should have to bow to the majority. Perhaps problem properties should be "factored" by a third party. Factors can then use their knowledge base and go to outside contractors for quotes (perhaps something private tenants don't feel capable of doing themselves). Help should be offered to private tenants where it can be shown that they genuinely do not have the finances to pay for the work"