Notice of Meeting and Agenda
Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 14 November 2022	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN
Head of Corporate Governance

Membership

Councillor Andy Doig (Convener):   Councillor Kevin Montgomery (Depute Convener):

Councillor Jennifer Adam: Councillor Chris Gilmour: Councillor John Gray: Councillor John Hood: Councillor Lisa-Marie Hughes: Councillor Robert Innes: Councillor James MacLaren:

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 emaildemocratic-services@renfrewshire.gov.uk or telephone 07734358719.

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.

Webcasting of Meeting

This meeting will be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed. To find the webcast please navigate to

https://renfrewshire.public-i.tv/core/portal/home

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

1 **Audit Scotland Report to those Charged with
   Governance - 2021/22 Renfrewshire Council Annual
   Accounts**

   Report by Director of Finance & Resources. (Not available - to
   follow).

2 **Audited Annual Accounts 2021/22 - Renfrewshire
   Council**

   Report by Director of Finance & Resources. (Not available - to
   follow).

3 **Audit Scotland Report to those Charged with
   Governance - 2021/22 Common Good Funds and Coats
   Observatory Trust Annual Accounts**

   Report by Director of Finance & Resources. (Not available - to
   follow).

4 **Audited Financial Statements 2021/22 - Common Good
   Funds and Coats Observatory Trust**

   Report by Director of Finance & Resources. (Not available - to
   follow).

5 **Summary of Internal Audit Reports for period 01 July to   1 - 8
   30 September 2022**

   Report by Chief Auditor.

MONITORING & REVIEWING SERVICE DELIVERY PERFORMANCE POLICIES AND PRACTICE

AUDIT

Exempt Item

Exempt documents are no longer available in print format. You will require to log in to Audit, Risk & Scrutiny Exempt Items to access documents. Please note that access to exempt documents is now restricted.

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 14 Part I of Schedule 7A of the Local Government (Scotland) Act, 1973.

11   Summary of Internal Audit Investigation Reports for period 1 July to 30 September 2022

Report by Chief Auditor.

Item 5

Renfrewshire Council

To: Audit, Risk and Scrutiny Board

On: 14 November 2022

Report by: Chief Auditor

Heading: Summary of Internal Audit Reports for period 01 July to 30 September 2022

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 1 July to 30 September 2022 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.

_____

2. **Recommendations**

2.1   Members are invited to consider and note the Summary of Internal Audit Reports finalised during the period from 1 July to 30 September 2022.

_____

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

13. **Climate Risk** - None

_____

Author: Karen Campbell – 07768354651

Appendix 1

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	**Important**	**Good Practice**	**Service Improvement**
Assurance	Finance & Resources	Creditors	Reasonable	0	2	1	0
		Council Tax Collection	Substantial	0	0	3	0

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

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
Finance & Resources

Creditors (A0083/2021/001)

Date: September 2022

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: - 1. There were documented procedures for the creation of new creditors; 2. There were adequate controls to ensure that only valid creditors are created; 3. There was adequate segregation of duties in relation to the creation of new creditors.

Audit Scope
The following work was carried out: 1. Identified the main payment systems from discussion with the creditors team; 2. Interviewed the relevant system owners to ascertain the procedures in place for adding a new creditor and evaluated these for adequacy; 3. Selected a sample of new creditors and confirmed that the procedures had been complied with in relation to each system.

Key Audit Assurances
1. There were documented procedures in place for four of the five systems tested. 2. A segregation of duties for the creation of new suppliers and their subsequent payment was found to be in place for three of the five systems tested.

Key Audit Risks
1. There was no segregation of duties in place for the creation of new suppliers and their subsequent payment on one of the systems tested, although this subsidiary system does not contain any bank account details. It should be noted that this system has now been replaced. 2. Superuser access alongside operational access for one of the systems has the potential to create a lack of segregation of duties. Management have accepted that this risk is mitigated as far as possible with the superuser not undertaking those operational tasks.

Overall Audit Opinion
The controls in place over the five procurement systems tested are generally satisfactory. The auditor has made a provision of reasonable assurance for the areas tested.

Internal Audit Report
Finance & Resources
Creditors (A0083/2021/001)

Date: September 2022

Management Commentary
N/A as management have mitigated the risk identified as far as possible.

Internal Audit Report
Finance & Resources

Council Tax Collection (A0067/2022/001)

Date: July 2022

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: -   1. Policies and procedures are available to staff, and are regularly updated in line with changes to regulations;   2. Payments received are promptly processed and correctly posted to taxpayers' accounts;   3. Rejected payments are identified and actioned promptly;   4. Write offs and cancellations are properly controlled;   5. Credit balances are regularly reviewed and refunds are properly authorised;   6. Arrears follow up procedures are adequate;   7. Key Performance Indicators (KPIs) are in place to monitor collection performance and are reviewed regularly

Audit Scope
The following work was carried out: 1. Interviewed the appropriate staff and ascertained the processes in place for council tax collection.   2. Prepared and undertook a series of tests to evaluate the operation of procedures in practice.

Key Audit Assurances
1. One Best Way policies and procedures are available to staff and are updated when required.   2. The sample of payments received tested were promptly processed and correctly posted to taxpayers' accounts.   3. Arrears follow up procedures are adequate.   4. KPIs in place to monitor collection performance are reviewed regularly and appropriately reported.

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

Overall Audit Opinion
The audit has identified that satisfactory arrangements are in place for administering council tax payments received and following up arrears. Payments received were correctly and promptly posted to taxpayers' accounts. KPI's were regularly reviewed and appropriately reported. We have made some recommendations in relation to refunds, write offs and credit balances processes.

Internal Audit Report
Finance & Resources
Council Tax Collection (A0067/2022/001)

Date: July 2022

Management Commentary
N/A as no key risks identified.

To: Audit, Risk and Scrutiny Board

On: 14 November 2022

Report by: Chief Auditor

Heading: Internal Audit and Counter Fraud Progress and Performance for Period to 30 September 2022

1.   **Summary**

1.1   The Internal Audit Annual Plan was approved by the Audit, Risk and Scrutiny Board on 13 June 2022. Internal Audit measures the progress and performance of the team on a regular basis using a range of performance indicators. This report monitors progress from 1 April 2022 to 30 September 2022, in terms of the delivery of the Audit Plan for the year and compares actual performance against targets set by the Director of Finance and Resources.

1.2   In terms of Counter Fraud, no formal performance targets for fraud investigation have been established for the following reasons. A major part of their work involves being the single point of contact for DWP's Single Fraud Investigation Service and the Service Level Agreement for this work contains time targets for completing this work. The types of fraud referrals received to date are wide ranging and the team's objective is to concentrate on investigating those referrals considered to contain the greatest fraud risk. We are also involved in promoting fraud awareness within the Council.

1.3   All of the Internal Audit Team and Counter Fraud Team are currently working on a hybrid basis and also undertake home/site visits when the need arises. We also provide advice and support where necessary to council services.

1.4   The report details progress against local and national initiatives involving Internal Audit and the Counter Fraud Team from 1 April 2022 to 30 September 2022.

_____

2.   **Recommendations**

2.1   Members are invited to note the Internal Audit and Counter Fraud Team progress and performance to 30 September 2022.

2.2   Members are asked to approve the proposed amendments to the Annual Internal Audit Plan for 2022/2023.

_____

3.   **Background**

3.1   The progress and performance of the Internal Audit Team is subject to regular monitoring using a number of performance measures. The Director of Finance and Resources has set annual targets for the team to demonstrate continuous improvement. In terms of the Counter Fraud team, there are time targets in place for responding to requests from the DWP's Single Fraud Investigation Service. Due to the diverse nature of fraud referrals no formal performance targets have been established and the outcomes from investigations is regularly monitored by management.

3.2   Internal Audit and the Counter Fraud Team support a variety of local and national initiatives through participation in professional practitioner groups and co-ordination of national initiatives such as the National Fraud Initiative.

3.3   This report measures the progress and performance of both the Internal Audit and Counter Fraud Team for the period from 1 April 2022 to 30 September 2022.

4.   **Internal Audit Team Performance**

(a)   **Percentage of audit plan completed as at 30 September 2022**

        This measures the degree to which the Audit plan has been completed

Actual 2021/22	Annual Target 2022/23	Audit Plan Completion Target to 30 September 2022	Audit Plan Completion Actual to 30 September 2022

92.1%	95.0%	42.8%	42.2%

Actual performance is slightly below target and this is due to the level of unplanned leave we have had in the first 6 months of the year, including the additional bank holiday in September.

(b) **Percentage of assignments complete by target date**

This measures the degree with which target dates for audit work have been met.

Target 2022/23	Actual to 30 September 2022
95.0%	100%

Actual performance is ahead of the target set for the year.

(c) **Percentage of audit assignments completed within time budget**

This measures how well the time budget for individual assignments has been adhered to.

Target 2022/23	Actual to 30 September 2022
95.0%	100%

Actual performance is ahead of the target set for the year, although this is likely to reduce over the remainder of the year.

(d) **Percentage of audit reports issued within 6 weeks of completion of audit field work**

This measures how quickly draft audit reports are issued after the audit fieldwork has been completed.

Target 2022/223	Actual to 30 September 2022
95.0%	100%

Actual performance is ahead of the target set for the year, although this is likely to reduce over the remainder of the year.

5.   Review of the 2022/23 Internal Audit Plan

5.1   During the first 6 months of this year we have been involved in a number of investigation assignments which will be reported to members of this Board on completion of any proceedings which may arise from this work. Some of last year's assignments also took longer than planned and had to be carried forward into this year due to the revised working arrangements and the priorities of both client and our own staff. This has led to the majority of our contingency time having to be utilised. In addition, we have had a high proportion of unplanned leave during this time.

5.2 As a result we have undertaken a review of our current audit plan and recommend the following amendments at this time:-

a) Administration of Medicines in Schools– 20 Days - A new policy for the administration of medicines in schools is currently being prepared but has not yet been approved. In order to enable this Policy to be implemented once approved it is proposed to defer this review until 2023/24.

b) Purchase Cards Catering – 15 days – The service is currently changing the way they order food provisions for schools to move to a more streamlined online ordering process. They have asked us to review their proposals and therefore it is proposed that this time will be used for this work.

5.3 The Internal Audit Plan progress will continue to be closely scrutinised by management and any further proposed amendments will be brought to this Board for approval.

6 Counter Fraud Team Progress and Performance

6.1 In line with the Service Level Agreement, the Counter Fraud Team act as the Single Point of Contact (SPOC) to route potential housing benefit fraud referrals to the DWP, liaise with the Council's Housing Benefit Team and DWP Fraud Officers and retrieve the necessary evidence for the DWP Fraud Officers from the Housing Benefit System. In addition, we also work jointly work with DWP Fraud Officers on criminal fraud investigations which focuses on the investigation and prosecution of the LA administered Council Tax Reduction Scheme (CTRS) and Social Security benefit fraud. DWP's Fraud work has now recommenced but we have undertaken a few joint working interviews to date. We continue to refer potential fraudulent cases on to them.

6.2 As well as continuing to investigate referrals received from many different sources, during this quarter we have been undertaking preparatory work for the next National Fraud Initiative with the data due to be submitted from October 2022.

6.3 The financial and non-financial results for the period (April 2022 to September 2022) are noted in the table below.

Financial Outcomes	Period to 30 September 2022 (£)
Cash savings directly attributable to preventative counter fraud intervention	0
Cash recoveries in progress directly attributable to counter fraud investigations	39,827
Housing Benefit savings directly attributable to counter fraud investigation	9,129

Housing Benefit Savings Attributable to Joint Working by Counter Fraud and DWP Counter Fraud Officers	35,115
Notional savings identified through counter fraud investigation, (e.g. housing tenancy and future council tax)	29,952
Non-Financial Outcomes	**Period to 30 September 2022**
Housing properties recovered	0
Housing applications amended/cancelled	0
Blue badge misuse warning letters issued	12
Licences revoked	0

6.4   It should be noted that there has also been unplanned leave within this team during this quarter which has resulted in some of our fraud awareness work being delayed.

7.   Local and National Initiatives

Scottish Local Authorities Chief Internal Auditors Group

7.1   The Local Authorities Chief Internal Auditors Group met in September. And received a presentation from CIPFA Scotland to update members on their current work.

Scottish Local Authorities Investigation Sub Group

7.2   The Local Authorities Investigation Sub-Group met in August. Presentations were received from representatives of the Home Office, Police Scotland on the sharing of intelligence data with group members and Audit Scotland on the forthcoming National Fraud Iniatative.

External Quality Assessment

7.3   The Public Sector Internal Audit Standards requires that an External Assessment should be undertaken on the Internal Audit Service at least every 5 years to ensure conformance with the definition of Internal auditing and the standards, along with an evaluation of whether internal auditors comply with the code of ethics.

7.4   Our second assessment is scheduled to be undertaken during October/ November 2022 by the Chief Auditor at South Ayrshire Council and work is underway to prepare for this.   The results along with any actions will be reported to this Board**.**

8. **Internal Audit Charter**

8.1 The Public Sector Internal Audit Standards require that the internal audit activity's purpose, authority and responsibility is formally documented in the internal audit charter. The current charter was approved by the Audit, Risk and Scrutiny Board in August 2021.

8.2 The Chief Auditor periodically reviews the internal audit charter and where changes are necessary these are approved by this Board. The most recent review indicates that the charter is fit for purpose and does not require any amendments at this stage.

_____

Implications of the Report

1. **Financial** - The Council has in place arrangements to recover the any overpayments identified from the work of the Counter Fraud Team and the National Fraud Initiative.

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 progress and performance reported relates to the delivery of the risk-based internal audit plan and the mitigation of the risk of fraud and error.

11. **Privacy Impact** – None

12. **COSLA Implications** – None

13. **Climate Risk** - None

_____
Author: Karen Campbell – 07768354651

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

On: **14 November 2022**

Report by: Chief Auditor

Heading: **Audit Scotland Report – The National Fraud Initiative 2020/2021**

1. **Summary**

1.1 Audit Scotland's report on the National Fraud Initiative (NFI) 2020/21 was published in August 2022 and is attached at Appendix 1.

1.2 The report highlights that Scottish public bodies have recorded outcome of £14.9 million arising from the 2020/21 exercise. Cumulative outcomes from NFI since 2006/07 in Scotland have risen to £158.5 million and £2.4 billion across the UK. The NFI outcome figures include amounts for fraud and error detected as well as an estimate for those future losses that have been prevented.

1.3 Renfrewshire Council's approach and outcomes for the 2020/21 exercise and how this compares to the 2018/19 exercise is attached at Appendix 2. Our self-assessment of our arrangements in preparation for the 2022/23 exercise is also included within appendix 2.

2. **Recommendations**

2.1 It is recommended that the Audit, Risk and Scrutiny Board:
- note the report from Audit Scotland, and

1

(page numbers should always be at the bottom as committee services will number all reports for the agenda at the top of the page.

- note Renfrewshire Council's current arrangements, outcomes and self-assessment to support the 2022/2023 NFI exercise.

_____

3.   **Background**

3.1   The NFI aims to detect and prevent fraud and error through a national data matching exercise across public bodies carried out the Cabinet Office and overseen, in Scotland, by Audit Scotland, with the aim of identifying instances of possible fraud or error. Overpayments that are identified through the initiative allow public bodies to take appropriate action to recover the money.

3.2   The initiative, which is co-ordinated in this council by internal audit, operates biennially with the data downloaded and electronically matched in year one and the results issued, investigated and reported in year two. In relation to this report data was downloaded from our systems in September 2020 and uploaded onto the secure NFI web portal in October 2020, to be matched against other council data or other participant data.

3.3   The Audit Scotland report highlights 3 recommendations for councils to consider in relation to counter fraud activities and their response to the National Fraud Initiative. These are summarised below along with the current arrangements in Renfrewshire Council and any identified improvement actions:

1. Maximise the benefits

All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.

The Chief Auditor co-ordinates the NFI exercise in Renfrewshire Council. All officers involved in the submission of the data sets and investigation of matches are provided with guidance, including being made aware of the guidance section of the NFI web application.

2. Self-appraisal

The NFI self-appraisal checklist should be reviewed by the audit committee, or equivalent, and staff leading the NFI process. This is to ensure that their organisation's planning, approach, and progress during the next NFI exercise is appropriate.

2

(page numbers should always be at the bottom as committee services will number all reports for the agenda at the top of the page.

Page 16 of 96

The Chief Auditor reviews the NFI self-appraisal checklist as part of the planning arrangements for each NFI exercise. The result of the appraisal are included in section 5 of the report summarising the council's arrangements and outcomes attached as Appendix 2 of this report, No identified improvements in approach are considered necessary.

3. Take improvement action

Where local auditors have identified specific areas for improvement, participants should act on these as soon as possible.

No specific areas of improvement in relation to the councils NFI

3.4   The Council's has made financial savings of £410,735 as a result of investigative work on the 2020/2021 NFI matches and a further future estimated savings of £1,640,731 have also been noted. Non-financial outcomes relate to 9 housing properties being recovered, 92 housing applications being amended or cancelled and 207 blue badges being cancelled.

_____

Implications of the Report

1.   **Financial -** The Council has in place arrangements to recover the any financial overpayments payments identified through the National Fraud Initiative.

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

3.   **Community Planning –**

        Wealthier and fairer – The National Fraud Initiative (NFI) exercises make a significant contribution to the security of public sector finances by confirming that services are provided to the correct people and by eliminating fraud and error

4.   **Legal -** None

5.   **Property/Assets -** None

6.   **Information Technology -** None

3

(page numbers should always be at the bottom as committee services will number all reports for the agenda at the top of the page.

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

8.   **Health & Safety -** None

9.   **Procurement -** None

10.   **Risk –** Priority is given to investigating matches with a higher risk of fraud and error.

11.   **Privacy Impact –** There is a requirement to take best reasonable attempts to notify people of the NFI exercise as part of the preparation for the exercise. This requirement has been complied with.

12.   **Cosla Policy Position –** None

13.   **Climate Risk -** None

_____

Author: Andrea McMahon, Chief Auditor

4

(page numbers should always be at the bottom as committee services will number all reports for the agenda at the top of the page.

Page 18 of 96

The National Fraud Initiative in Scotland 2022

Key messages

The National Fraud Initiative (NFI) is a counter-fraud exercise which aims to prevent and detect fraud. The exercise operates across the UK public sector and includes 132 public bodies in Scotland. The NFI shares and matches data held by public bodies and helps confirm that services and payments are provided to the correct people. See Appendix 1 for more information about the NFI exercise.

1. The 2020/21 NFI exercise has identified **outcomes** valued at £14.9 million (see page 4).

2. The cumulative outcomes from the NFI in Scotland since 2006/07 are now £158.5 million. Across the UK, the cumulative total of NFI outcomes are now £2.4 billion (see page 4).

3. The overall level of fraud identified by the NFI has fallen since our last report. Outcomes from the Scottish NFI exercise fell by £0.4 million in 2020/21, from £15.3 million in 2018/19. The reduction in outcomes could be due to less fraud and error in the system, strong internal controls or due to some key data sets from previous exercises not being included in the latest exercise (see page 4).

4. Data sharing enables matches to be made between bodies and across national borders. Data submitted by Scottish bodies for the 2020/21 NFI exercise helped other organisations in Scotland and across the UK to identify outcomes of £1.2 million (see page 17).

5. Most bodies that participate in the NFI continue to demonstrate a strong commitment to counter fraud and the NFI (see page 18–19). However, a lower percentage of participating public bodies managed their roles in the 2020/21 NFI exercise satisfactorily compared to the 2018/19 NFI exercise.

6. Pilot work to look at potential data matches for future NFI exercises identified £2.2 million in incorrect non-domestic rates relief. The pilot work also identified one £25,000 fraudulent Covid-19 grant payment and 1,737 national entitlement travel cards which should have been cancelled (see pages 20–23).

> An NFI **outcome** describes the overall amounts for fraud, overpayments and error that are detected by the NFI exercise as well as an estimate of future losses that it prevents (see Appendix 3).

Recommendations

1. Maximise the benefits

All participating bodies in the NFI exercise should ensure that they maximise the benefits of their participation. This includes reviewing matches timeously and prioritising high-risk matches.

NFI users should review the guidance within the NFI secure web application, to help ensure the most effective use of limited resources when reviewing and investigating NFI matches.

2. Self-appraisal

The NFI self-appraisal checklist should be reviewed by the audit committee, or equivalent, and staff leading the NFI process. This is to ensure that their organisation's planning, approach, and progress during the next NFI exercise is appropriate.

3. Take improvement action

Where local auditors have identified specific areas for improvement, participating bodies should act on these as soon as possible.

Outcomes from 2020/21 National Fraud Initiative

Trends in overall outcomes between 2018/19 and 2020/21 NFI exercises

The number of public bodies participating in the NFI exercise has increased by eight since the last exercise, to 132 bodies.

Outcomes in Scotland have fallen by £0.4 million since the last exercise, from £15.3 million to £14.9 million.

The number of matches generated has fallen by over 73,000 since the last exercise, to 507,354.

NFI participants include all councils, NHS bodies, colleges and all larger central government bodies, for example, the Scottish Government, Revenue Scotland and Transport Scotland. In addition, 14 councils include data from Arm's-Length External Organisations (ALEOs), joint boards or subsidiaries within their NFI submissions. A list of all participating bodies is available on our website.

Reduced levels of outcomes could be due to less fraud and error in the system, strong internal controls or some key datasets from previous years not being included in the latest exercise. Residential care home data, direct payments and social care customers' data were not matched in the 2020/21 exercise due to a legal question being raised around the definition of patient data. Immigration data was also not included in the 2018/19 and 2020/21 exercises due to restrictions placed on it by the Home Office.

NFI participants have identified pressures on staffing and services particularly because of the Covid-19 pandemic, and the strengthening of controls where previous fraud or error has been identified, as contributing to reduced outcomes in the 2020/21 exercise.

NFI outcomes

20/21 **£14.9 million**
NFI outcomes in Scotland from the 2020/21 exercise

Since 06/07 **£158.5 million**
NFI outcomes cumulatively in Scotland since 2006/07

UK NFI outcomes

£442.6 million
from the 2020/21 exercise

£2.4 billion
cumulatively since 2006/07

4 cases
referred for prosecution in Scotland

Having fewer outcomes provides some assurance there does not appear to be significant problems in the areas covered by the exercise. However, participants still benefit from the deterrent effect the NFI creates.

The fall in the number of matches is mainly due to the matches between housing benefit and payroll or pensions not being included in the matches returned to councils during the 2020/21 NFI exercise. Instead, this data was matched in Department for Work and Pensions (DWP) systems (see page 11). In addition, the removal of immigration, residential care home, direct payments and social care customers' data has also reduced the number of matches.

Four cases were referred to the Crown Office and Procurator Fiscal Service for prosecution. One resulted in Police Scotland issuing a caution and the offender is now repaying the money. The outcomes from the other three cases are not yet known.

Although the main purpose of the NFI is to ensure funds and services are provided to the correct people, the review of NFI matches may also identify that a customer is entitled to additional services or payments.

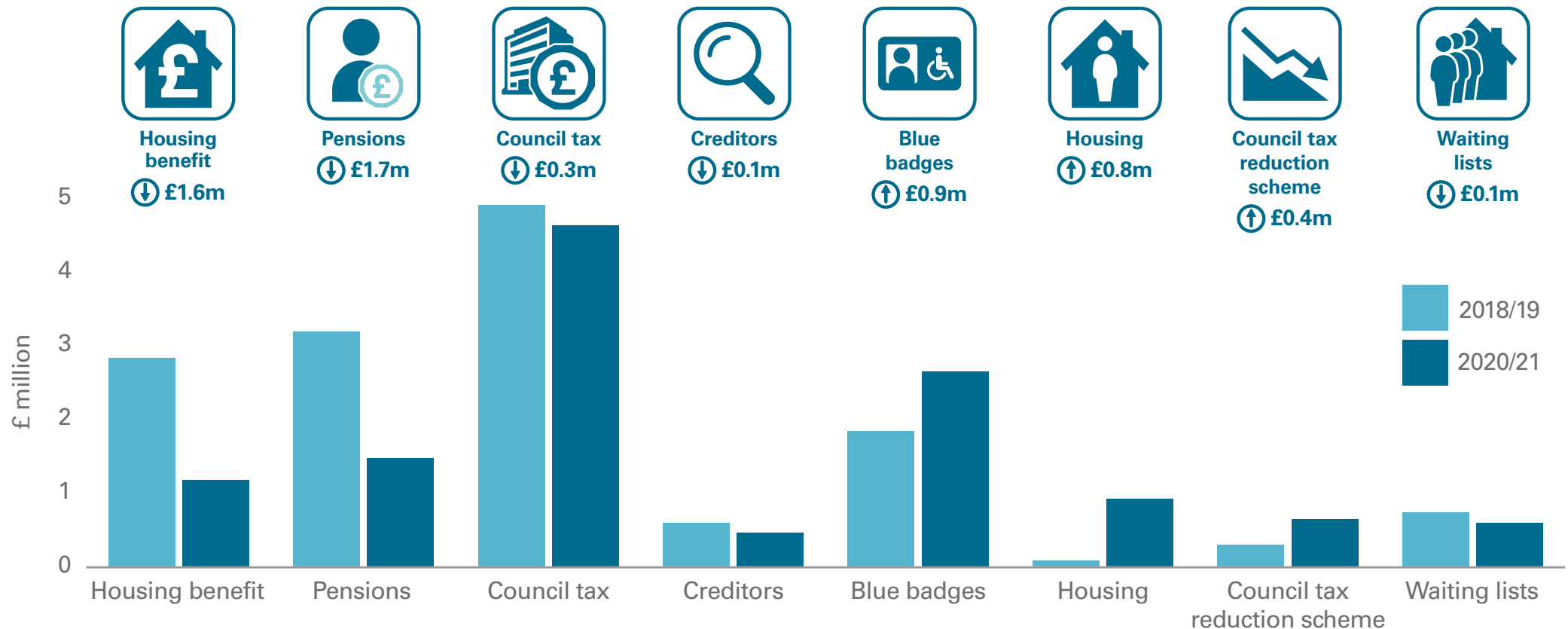A breakdown of the recorded outcomes for Scottish participants is on our Counter-fraud hub.

Results

Overall outcomes

How the latest outcomes compare to the last exercise

NFI outcomes in Scotland have fallen by £0.4 million, to £14.9 million in the 2020/21 exercise

The areas with significant changes are:

Housing benefit ⬇ **£1.6m**

Pensions ⬇ **£1.7m**

Council tax ⬇ **£0.3m**

Creditors ⬇ **£0.1m**

Blue badges ⬆ **£0.9m**

Housing ⬆ **£0.8m**

Council tax reduction scheme ⬆ **£0.4m**

Waiting lists ⬇ **£0.1m**

2018/19
2020/21

£ million

Housing benefit | Pensions | Council tax | Creditors | Blue badges | Housing | Council tax reduction scheme | Waiting lists

NFI participants have cited the following reasons as to why outcomes are less in the 2020/21 exercise:

- staff have had less time available to commit to NFI because of the added pressures on services caused by the Covid-19 pandemic

- external agents were used instead of the NFI to carry out certain data matching such as the council tax single occupant discounts

- new controls were introduced because of previous errors identified through the NFI

- a new system was introduced for reporting the death of customers.

More information about the outcomes for each category is provided on pages 8 to 15.

A full breakdown of outcomes for each participating body is available on our Counter-fraud hub.

Once overpayments have been identified, public bodies can take appropriate action to recover the money.

How NFI matches help to identify areas for improvement

The NFI exercise has helped participants to identify system weaknesses and to make improvements. These include the introduction of:

- a more robust control environment in the creditors system. This includes monthly purchase ledger reviews, improved checks on new suppliers, and controls to identify duplicate payments and duplicate suppliers

- revised procedures when setting up new suppliers

- a review and cleansing of data held in systems

- strengthened controls in the blue badge system

- improved controls around the change of bank details

- a review of policies aimed at supporting good governance such as declaring interests, registering of conflicts of interest and checks for identifying potential related parties.

31 March

At 31 March 2022
£4.3 million
(95%) of cash overpayments were being recovered

Council tax discounts

People living on their own, or with no countable adults in the household, are eligible for a 25 per cent single person discount (SPD) on their annual council tax bill.

The 2020/21 NFI exercise found that the total council tax discount incorrectly awarded across Scottish councils totalled £4.6 million.

Four councils reported that they did not use the NFI and instead used alternative data matching or verification arrangements to review SPD cases during 2020/21. The graphs below include outcomes from the other 28 councils.

£4.6 million
Total outcomes in 2020/21 exercise

£1,248
Average outcome

3,720
Cases

£5.6m	£4.4m	£4.9m	£4.6m
2014/15	2016/17	2018/19	2020/21

Outcomes

4,846	4,802	4,588	3,720
2014/15	2016/17	2018/19	2020/21

Cases

Note. Due to an error with the data deletion schedule in the Cabinet Office, some supporting evidence for 11 councils was inadvertently deleted. Therefore, full supporting documentation is not available for these councils. The Cabinet Office has taken steps to prevent this error from re-occurring.

Council tax data is matched to:

☑ Electoral register
☐

Blue badges

The blue badge parking scheme allows people with mobility problems to park for free at on-street parking meters, in 'pay and display' bays, in designated blue badge spaces, and on single or double yellow lines in certain circumstances.

The 2020/21 NFI exercise identified 4,616 blue badge outcomes, an increase of 1,401 (44 per cent) since the last exercise. The estimated value of these outcomes is £2.7 million.

Blue badges are sometimes used or renewed improperly by people after the badge holder has died. It is an offence for an unauthorised person to use a blue badge.

£2.7 million
Total outcomes
in 2020/21 exercise

4,616
Total number of blue badge outcomes in 2018/19 exercise

1,401
Increase from NFI 2018/19 exercise

£1.8m	£2.6m	£1.8m	£2.7m Outcomes
2014/15	2016/17	2018/19	2020/21

3,073	4,505	3,215	4,616 Badges
2014/15	2016/17	2018/19	2020/21
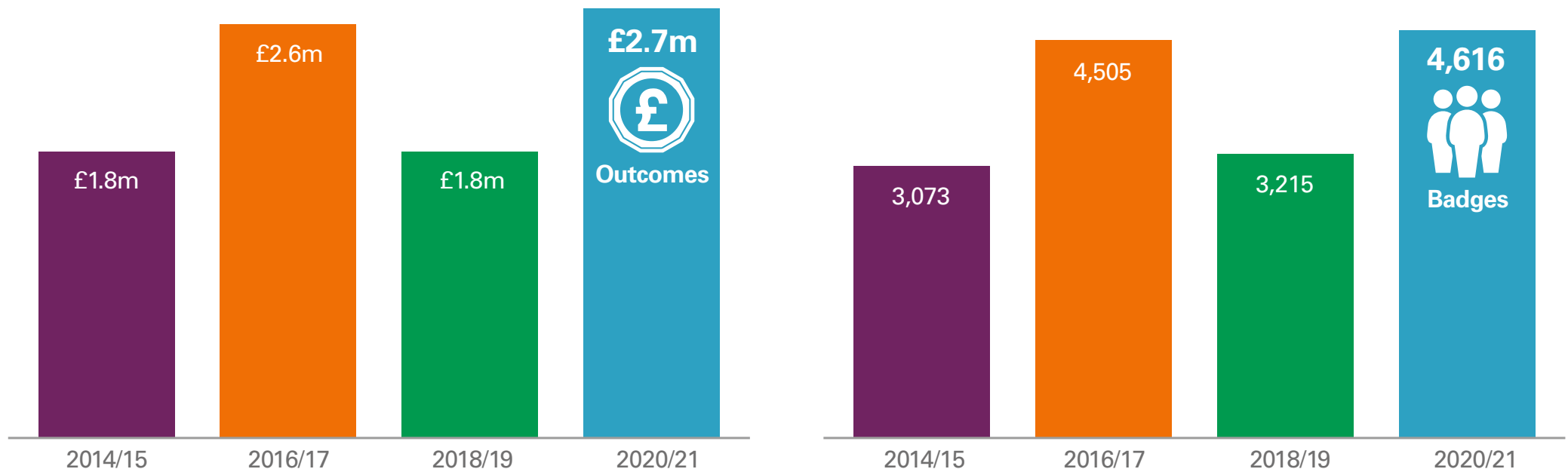
Blue badge data is matched to:

Deceased persons

Amberhill data[1]

1. Amberhill is a system used by the Metropolitan Police to authenticate documents presented for identity

Pensions

The NFI provides both councils that administer pensions and the Scottish Public Pensions Agency (SPPA) with an efficient and effective way of checking that they are only paying people who are alive.

£1.5 million
Total outcomes in 2020/21 exercise

£1.7 million
Reduction on the 2018/19 NFI exercise

Chart

- 2014/15: £4.6m
- 2016/17: £5.4m
- 2018/19: £3.2m
- 2020/21: £1.5m (Outcomes)
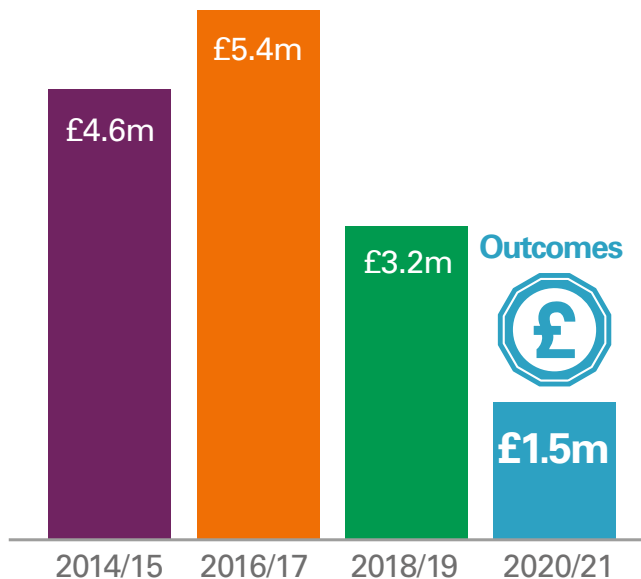
In total, pension outcomes for the 2020/21 NFI exercise are £1.5 million, down £1.7 million (53 per cent) from the 2018/19 NFI exercise. This includes two outcomes identified through the pre-application screening (AppCheck)[2] part of the NFI system.

Pension outcomes may have fallen due to the 'tell us once'[3] reporting process and to controls working effectively within pension bodies.

Case study

An NFI match identified one fraud with a gross annual pension amount of £10,560 which was stopped and resulted in an overpayment of £6,601. The fraudster had notified Fife Pension Fund of a change of bank details for receipt of the pension after the pensioner had died. The council reported the fraud to Police Scotland which identified the person who submitted the fraudulent bank mandate. Following a police caution, the full amount was repaid. This case was reported as part of a 2020/21 NFI Progress Update to both the council's Standards and Audit Committee and the Superannuation Fund & Pensions Committee in December 2021 for their consideration.

Pension data is matched to:

- Deceased persons
- Payroll
- Housing benefit
- Injury benefits
- Amberhill data

[2] AppCheck is an NFI data matching service used at point of applications for a service or benefit.

[3] 'Tell us once' is a service that lets you report a death to most government organisations when registering the death.

Housing benefit

Housing benefit helps people on low incomes pay their rent. The NFI provides councils and the DWP with the opportunity to identify a wide range of benefit frauds and errors.

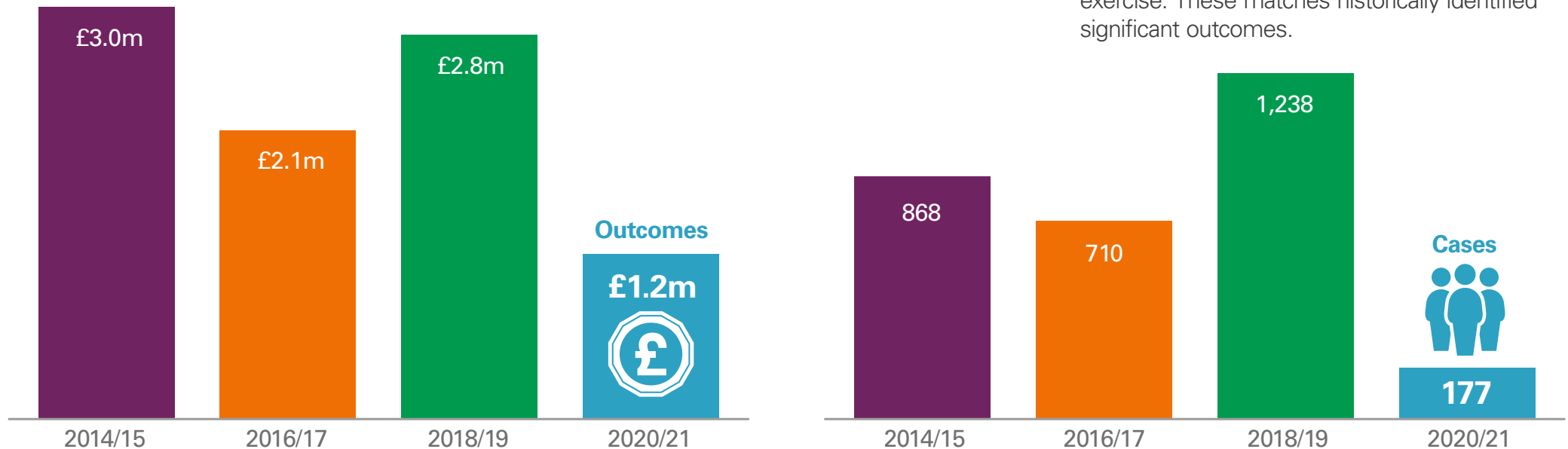The value and number of housing benefit cases recorded with overpayments has significantly reduced, from £2.8 million from 1,238 cases in the 2018/19 NFI, to £1.2 million from 177 cases in the 2020/21 NFI. Over the same period, the average individual value of overpayments has risen from £2,292 in 2018/19 to £6,663 in 2020/21.

The fall in outcomes is mainly due to the matches between housing benefit and payroll or pensions not being included in the 2020/21 NFI exercise. These matches historically identified significant outcomes.

£1.2 million
Total outcomes in 2020/21 exercise

£6,663
Average individual value of overpayments

177
Cases

Outcomes

2014/15	2016/17	2018/19	2020/21
£3.0m	£2.1m	£2.8m	£1.2m

Cases

2014/15	2016/17	2018/19	2020/21
868	710	1,238	177

These matches were not included in the 2020/21 NFI exercise as similar data matching is undertaken by the DWP's Verify Earnings and Pensions (VEP) Alerts service which identifies discrepancies between payroll and pension details held by HM Revenues & Customs and council benefits services. Alerts from VEP are sent to councils to investigate discrepancies.

Housing benefit data is matched to:

- Student loans
- Deceased persons
- Housing benefit
- Amberhill data
- Housing tenants
- Right to buy (in England)
- Licences

Housing tenancy

The NFI uses housing tenants' data to identify possible cases of tenancy fraud. This may happen when a tenant has sublet their property. It also helps identify cases where the tenant has died, and the property is either empty or has other individuals living in it.

£0.9 million
Total outcomes in 2020/21 exercise

10
Cases

£0.9m

£ Outcomes

2016/17	2018/19	2020/21
£0.2m	£0.1m	

10
Cases

2016/17	2018/19	2020/21
2	1	

NFI matches resulted in councils recovering ten properties as part of the 2020/21 NFI exercise, compared to one property in 2018/19.

The estimated value of these cases is £0.93 million, based on a calculation of the average four-year fraudulent tenancy.
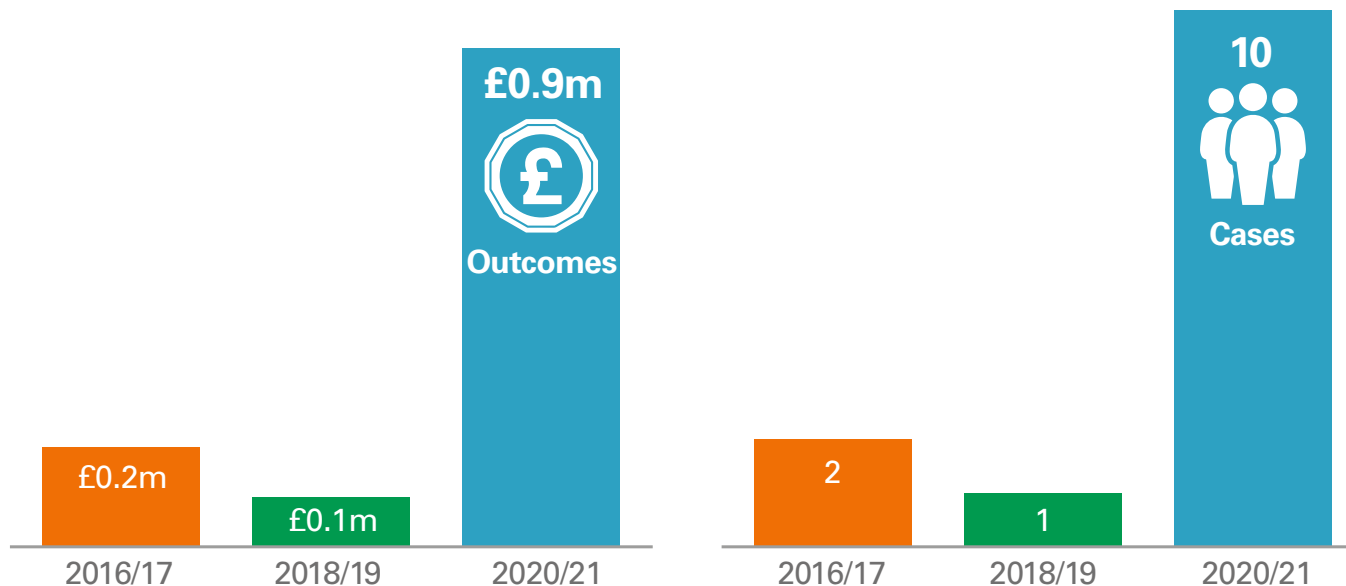
Housing tenancy data is matched to:

- Waiting list
- Deceased persons
- Housing benefit
- Amberhill data
- Housing tenants
- Council tax reduction
- Right to buy (in England)

Council tax reduction

Council tax reduction helps people on low incomes to pay their council tax bills. The NFI provides councils with the opportunity to identify a range of council tax reduction frauds and errors.

£0.7 million
Total outcomes in 2020/21 exercise

772
Cases

Outcomes chart

£0.5m — 2016/17
£0.3m — 2018/19
£0.7m **Outcomes** — 2020/21

Cases chart

115 — 2016/17
280 — 2018/19
772 **Cases** — 2020/21
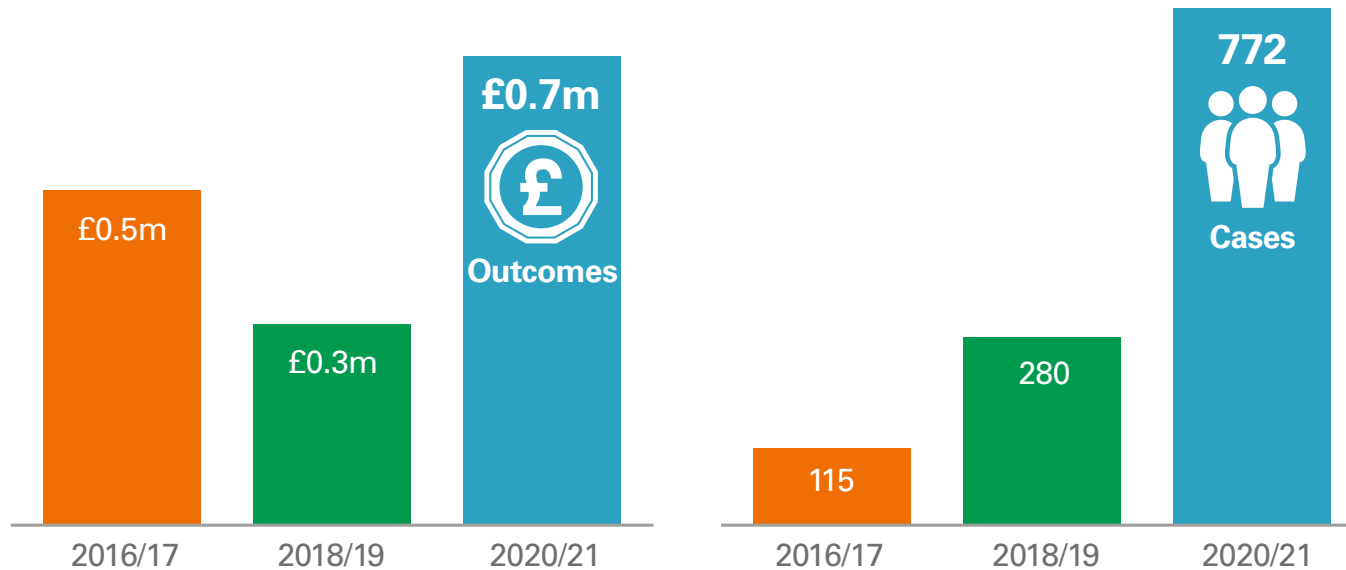
Council tax reduction data is matched to:

- Council tax reduction
- Right to buy (in England)
- Payroll
- Licences
- Pensions payroll
- Deceased persons
- Housing benefit
- Amberhill data
- Housing tenants

Case study

An NFI match identified that a council tax reduction claimant in Renfrewshire Council had failed to declare their company pension and pension lump sum. This resulted in the claimant fraudulently receiving £14,450 council tax reduction. This amount is being recovered by the council.

This is a relatively new match which has been included in the NFI since 2016/17.

Outcomes of £0.7 million were identified in the 2020/21 NFI, an increase of £0.4 million from the £0.3 million reported in 2018/19.

Councils have identified 772 cases in 2020/21, more than 2.5 times the number of cases in 2018/19 (280).

One council advised that the increase in outcomes was directly caused by the Covid-19 pandemic. For example, an increase in mortality rates for those with underlying health conditions disproportionately impacted on people in receipt of disability benefits, council tax reduction and blue parking badges. In addition, there was an increase in the number of un-notified increases in the hours worked by those in lower paid service jobs who are more likely to be in receipt of council tax reduction.
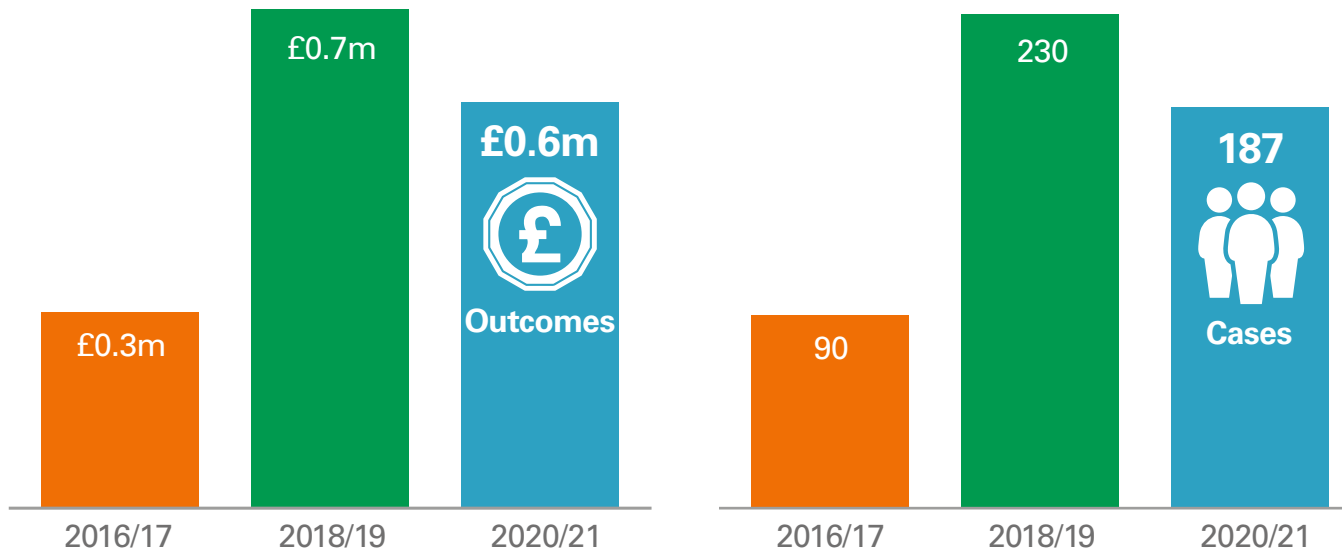
Housing waiting lists

The NFI uses housing waiting list data to identify possible cases of waiting list fraud. This may happen when a person has registered on a council's waiting list but there are possible undisclosed changes in circumstances or false information has been provided. Social housing provides affordable accommodation, allocated according to need. It usually provides a more secure, long-term tenancy when compared to private renting.

£0.6 million
Total outcomes in 2020/21 exercise

187
Cases

Chart 1 — Total outcomes

- 2016/17: £0.3m
- 2018/19: £0.7m
- 2020/21: £0.6m Outcomes

Chart 2 — Cases

- 2016/17: 90
- 2018/19: 230
- 2020/21: 187 Cases

Councils identified 187 cases in 2020/21 where applicants were removed from waiting lists (230 in 2018/19).

The estimated value of these cases is £0.6 million. This is based on a calculation of the annual estimated cost of housing a family in temporary accommodation and the likelihood a waiting list applicant would be provided a property (see Appendix 3).

Housing waiting list data is matched to:

- Waiting list
- Deceased persons
- Housing benefit
- Amberhill data
- Housing tenants
- Right to buy (in England)

Creditors

The NFI provides an efficient way to check for duplicate payments and that payments are only made to appropriate creditors. A creditor is a person or an organisation that a public body pays money to for a good or service.

£0.5 million
Total outcomes in 2020/21 exercise

100%
Recovery action is taking place

144
Cases

The 2020/21 NFI exercise identified 144 creditor outcomes of £0.5 million, a fall of three outcomes and £0.1 million from 2018/19. Recovery action is taking place for these overpayments.

2014/15	2016/17	2018/19	2020/21
£0.7m	£1.1m	£0.6m	£0.5m Outcomes

2014/15	2016/17	2018/19	2020/21
139	168	147	144 Cases
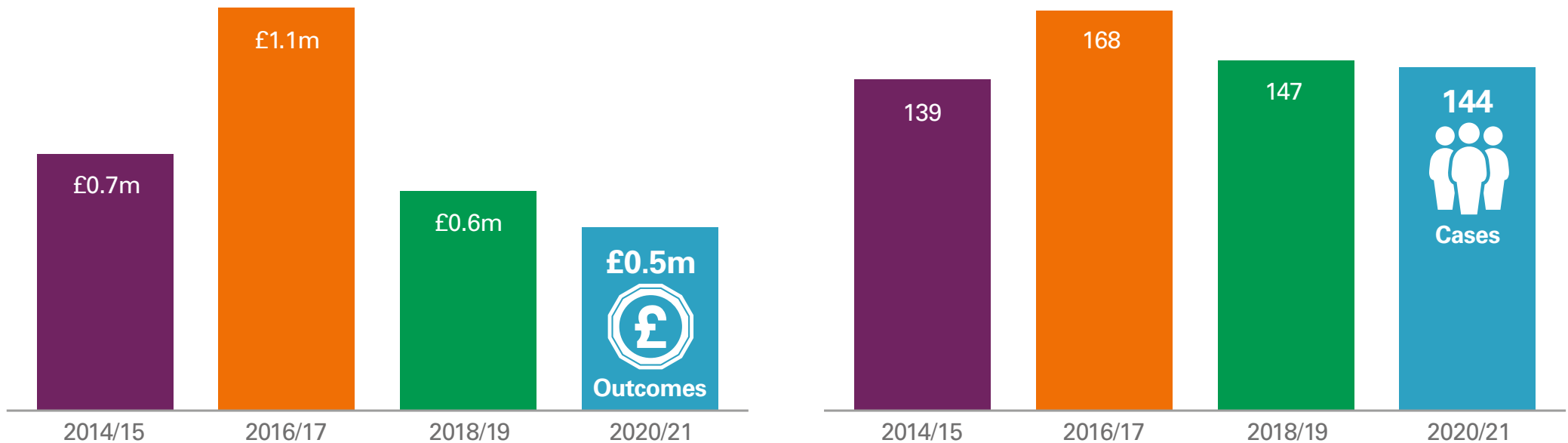
Creditor data is matched to:

Creditor data   Payroll

Other data matches

Payroll

The NFI also matches all participating bodies' employee payroll data as well as those of MSPs and councillors to identify cases of potential payroll fraud. The 2020/21 NFI exercise identified three outcomes valued at £27,000 compared to eight outcomes valued at £20,000 in the 2018/19 exercise.

Past NFI exercises have identified larger outcomes for payroll. This fall in outcomes is partly due to immigration data not being included in the 2020/21 exercise due to restrictions placed on it by the Home Office.

2018/19

eight outcomes valued at

£20,000

2020/21

three outcomes valued at

£27,000

Case study

An NFI match identified an employee who left Fife Council in September 2019 and who continued to be paid their salary until February 2021. The council overpaid a total of £20,288 to the ex-employee. Recovery of the overpayment is in progress and internal audit services have investigated the circumstance surrounding the overpayment. Recommendations for improvements have been discussed with management and an audit on the council's leavers process is part of the 2022/23 Internal Audit Plan. This case was reported as part of a 2020/21 NFI Progress Update to the council's Standards and Audit Committee in December 2021 for consideration.

Case study

New NFI matching of non-domestic rates small business bonus scheme (SBBS) in East Dunbartonshire Council identified a case where a ratepayer had failed to declare other business premises in another council area. This resulted in almost £11,000 in SBBS relief being claimed from April 2018. The case is being referred to the Crown Office and Procurator Fiscal Service for prosecution. We understand this is the first business rates case to be reported for prosecution in Scotland.

Matches benefiting other public bodies

A key benefit of a UK-wide data matching exercise is that it enables matches to be made between bodies and across national borders. For those public bodies taking part in the NFI which may not always identify significant outcomes from their own matches, it is important to appreciate that other bodies and sectors may do so.

Data provided by Scottish participants for the 2020/21 NFI exercise helped other public bodies, both within and outwith Scotland, to identify outcomes worth £1.2 million (a reduction of £0.5 million from 2018/19).

Most of these outcomes relate to housing benefits, housing waiting list and council tax reductions where, for example, payroll data from an NHS board may allow a council to identify a council tax reduction fraud or error.
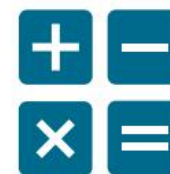
Councils	Central government	NHS	Colleges	Total
£601,591	£483,943	£100,456	£0	£1,185,990
2018/19	**2018/19**	**2018/19**	**2018/19**	**2018/19**
£854,760	£759,879	£120,408	£12,672	£1,747,719

How bodies worked with the NFI in 2020/21

How bodies work with the NFI

Overall rating of NFI arrangements by year

Auditors reviewed each participating body's planning and progress with the NFI and provided recommendations for improvement where appropriate.

Legend: Satisfactory | Mostly adequate | Unsatisfactory
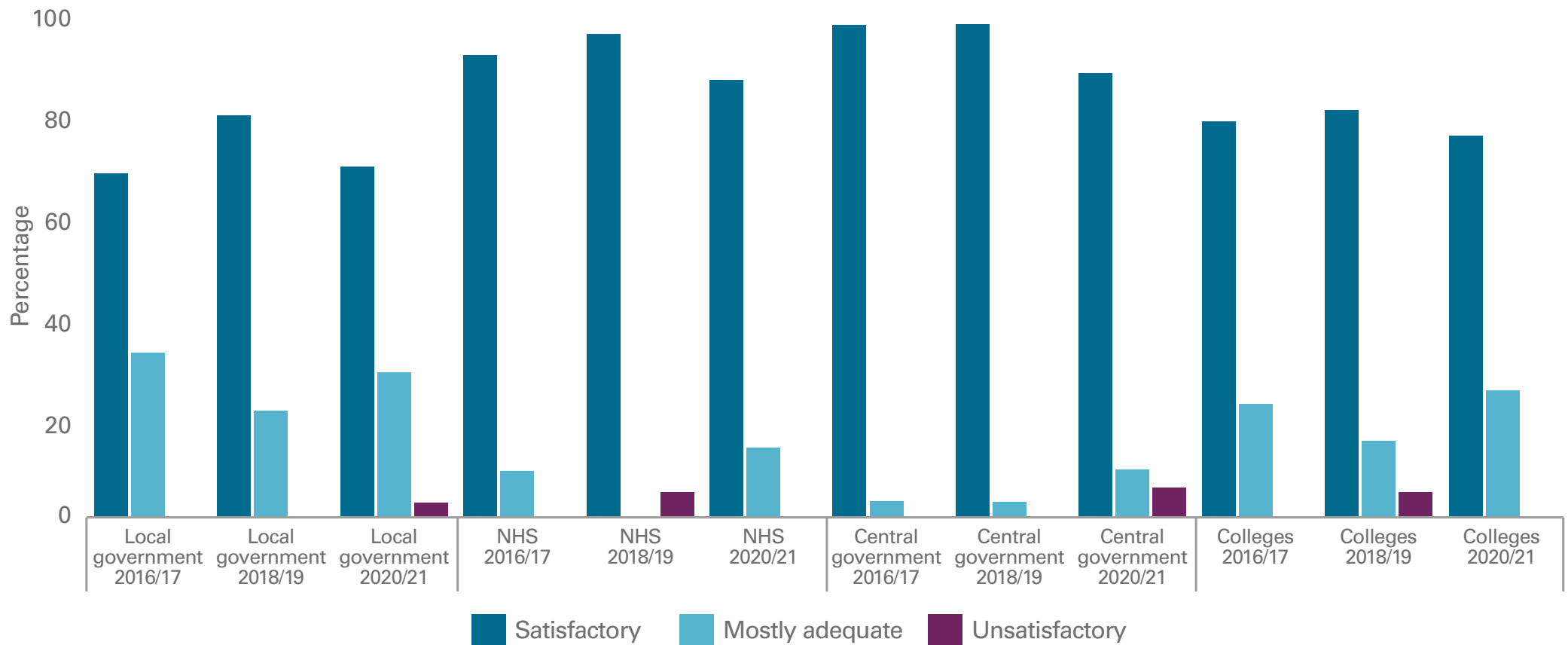
Most participating bodies continue to demonstrate a strong commitment to counter fraud and the NFI. However, across all sectors, a smaller percentage of participating bodies managed their roles in the 2020/21 NFI exercise satisfactorily compared to the 2018/19 NFI exercise.

Auditors identified that some bodies could be more pro-active in their approach to the NFI. One central government body was unable to review matches due to a cyber-attack, one council did not review matches citing resource issues as the reason, and a central government body was unable to action matches due to the impact of reallocating resources to the provision of Covid-19 grant funding to organisations.

Six **key contacts** felt they did not have sufficient time and/or resources to allow them to oversee the NFI exercise. In four bodies, the key contact considered that they lacked sufficient authority to seek action across the relevant departments.

The Covid-19 pandemic created additional pressures for public bodies and impacted upon the resources available to support the NFI exercise. Auditors reported that 15 bodies reduced their participation in the NFI exercise due to resourcing issues including staff vacancies, sickness absences or changing priorities as a result of Covid-19.

We recommend that all bodies use our checklist to self-appraise their involvement in the NFI before and during the 2022/23 NFI exercise. For the 2020/21 NFI exercise, 64 per cent of bodies completed the checklist, although not all presented it to their audit committee; ten per cent reviewed it but did not complete it; and just over a quarter did not review it. This was reported as being because either the key NFI contact had changed and was unaware of the checklist, staff had prior experience of the NFI process, and Covid-19 pressures.

A **key contact** is appointed by the NFI participating body. They are responsible for coordinating and monitoring the overall NFI exercise, ensuring outcomes from investigations are accurately recorded and nominating appropriate users of the NFI system.

Public bodies usage of our NFI checklist

20/21

64% completed the checklist

26% did not review it

10% reviewed it but did not complete it

Pilots help identify the value of extending the NFI exercise

Audit Scotland undertakes new areas of data matching on a pilot basis to test their effectiveness in identifying fraud.

Only pilots which achieve matches that demonstrate a significant level of success are extended nationally and included in the main NFI exercise going forward. A small number of serious incidents of fraud or a larger number of less serious ones may both be considered successful.

The NFI pilots undertaken or under way over the last two years are shown on the following pages.

Exemptions for NHS dental and ophthalmic charges

Data matching was undertaken to help identify NHS patients who have claimed to be exempt from NHS dental and ophthalmic charges, when they are not entitled. Patient exemption claims were matched to payroll data to ensure that dental and ophthalmic exemptions, eg for glasses or dental treatment, are only awarded to those patients qualifying for exemptions.

NHS Scotland Counter Fraud Services (CFS) received the matches in the second half of 2019. It worked to identify the highest-risk matches and then started verifying payroll details before undertaking investigations. As part of this investigative work, CFS asked dentists and opticians to supply the original exemption claim signed by the patient. However, CFS was unable to progress this part of the investigation due to dentists, opticians and the CFS being required to close down due to Covid-19 lockdown restrictions. CFS then decided not to use the matches as originally intended but instead use them as intelligence, for example, as an alert if the same people claim again. CFS considered it not worthwhile re-doing the pilot in 2021 as there were very few exemptions claimed between April to December 2020. This was due to opticians and dentists initially being closed and then only able to do emergency treatment which was free of charge. CFS intends to re-run the exercise after new payroll data goes into NFI in autumn 2022.

Covid-19 grants for businesses
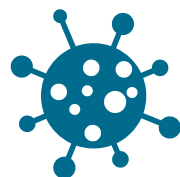
Following a Covid-19 grants data matching pilot exercise in England in the summer of 2020, it was decided to expand the English pilot to cover Covid-19 business grants paid to Scottish businesses.

These grants were paid under the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). Scottish councils submitted data from early in 2021. Initial matches were released in April 2021, however, match numbers were low. The Scottish schemes were more complex than similar schemes in other parts of the UK, eg in respect to second and subsequent properties held by each ratepayer. As a result, the algorithms were rechecked and additional matching was undertaken.

Additional matches were released in September 2021. Despite the data having been rematched, only one fraudulent grant payment of £25,000 was identified. Due to Covid-19 grant payments having stopped, it is not expected that this matching will be required again. However, the systems are in place should the matching be required for any similar grants or payments in the future.

Only one fraudulent grant payment of £25,000 was identified

Additional counter-fraud measures introduced by NFI participants in respect of Covid-19 grant funding

Auditors identified that around 43 per cent of NFI participating bodies awarded Covid-19 funding during the pandemic.

Almost three-quarters of these bodies introduced additional counter-fraud measures such as new internal controls. This included actively working through national networks, such as the Scottish Local Authority Investigators Group, the Institute of Revenues Rating and Valuation, the National Anti-Fraud Network, and with Police Scotland as well as strengthening internal controls. This resulted in, for example, Dundee City Council preventing 143 attempted fraudulent applications valued at £381,500 from being paid in 2020/21. It also resulted in Aberdeenshire Council identifying eight fraudulent grants totalling £107,000 plus 14 attempted frauds totalling £151,000. The bodies that did not take additional counter-fraud measures reported these were not necessary as for some, payments were made to existing customers using the existing controls whereas others relied on existing controls around the setting up of new suppliers and associated payments.

Aberdeenshire Council identified eight fraudulent grants totalling £107,000

Non-domestic rates – Small Business Bonus Scheme

In 2019/20, a pilot was undertaken with the Scottish Government and seven Scottish councils to help identify businesses inappropriately claiming Small Business Bonus Scheme (SBBS) relief. The SBBS provides rates relief to owners of non-domestic properties with rateable values under certain thresholds.

The seven participating councils provided 81,827 ratepayer records to the NFI system, which were then matched across the councils and with data from Companies House in order to identify SBBS fraud. The pilot identified £412,974 in incorrect awards.

Due to the success of this pilot, a national roll-out of this data matching exercise was carried out in 2021/22.

The 2021/22 pilot identified 17,676 matches which resulted in £2.2 million in incorrect SBBS relief being identified in 208 SBBS awards. Councils will now try to recover SBBS which was incorrectly awarded. Recovery is already in progress for 119 cases with a value of almost £745,000 in incorrectly awarded relief.

Given the success of the 2021/22 pilot, consideration is now being given as to how this data match can be repeated on a regular basis as part of the main NFI exercise. The pilot report is available on our website.

The pilot identified £412,974 in incorrect awards

National entitlement cards for travel

The National Entitlement Card (NEC) is Scotland's National Smartcard. Supported by the Scottish Government to deliver national and local services, the NEC makes it convenient for people to access various public services and facilities with only one card. The NEC can be used for services such as a travel pass, a library card, a leisure membership card and a Young Scot card as well as providing access to other local services.

In 2021/22, a pilot was undertaken with Fife Council, to match travel passes for elderly and disabled customers with deceased customer records. Fife Council provided a total of 112,044 NEC records for matching against deceased person records. This resulted in 1,737 matches being identified for review by Fife Council (a return rate of 1.6 per cent).

Following Fife Council's review, all 1,737 cards (100 per cent) were cancelled on the NEC system as it was established that the customers had died. This means no further cards can be requested for these customers, and the card will be blocked should someone attempt to use it. No matches were identified where the customer was still alive.

Thirteen matches showed cause for concern as the NECs appeared to have been used after the death of the cardholder. Two of these cards were used for journeys to the value of almost £2,300 for one, and £240 for the other. The value of the journeys for the other 11 cards varied from £3.10 to £69.00.

Given the success of this pilot, consideration will be given as to how this data match can be expanded to other councils in Scotland and included in the main NFI exercise in the future. The pilot report is available on our website.

Applications for student awards

A pilot was undertaken with Student Awards Agency Scotland (SAAS) to help confirm residency and address details for students applying for awards for tuition fees, grants and bursaries. SAAS funds students from Scotland and as such it is interested in verifying the address of student applicants and flagging where students are potentially fraudulently misrepresenting their address to benefit from the more attractive financial support offered to Scottish students.

Student applications were matched against data held in the NFI system. An initial batch of 50 applications was processed which SAAS found very helpful in verifying and querying address details. One known fraud was put through the NFI pre-application screening service (AppCheck) to test the system. A match was highlighted, demonstrating the benefit AppCheck can bring in preventing fraud.

SAAS is now looking to expand the pilot to allow the upload of a large batch of applications to the NFI system quickly, securely and easily.

Social security benefits

A pilot is under way with Social Security Scotland to identify any instances where claimants received support but were not residing in Scotland, or where claimants appear to have claimed benefits more than once, eg from more than one Scottish address. Claimant data was matched to data already in the NFI system from across the UK. Data was submitted in March 2022, with matches released to Social Security Scotland in May 2022. Social Security Scotland is currently reviewing the matches.

Police Scotland's use of AppCheck

Police Scotland's Serious and Organised Crime Interventions Team deals with vetting applications, eg for landlord registration and pre-contract procurement check requests from public bodies such as councils and the NHS. These checks aim to prevent and detect fraud within public procurement and other public services such as landlord registration and taxi licencing. Police Scotland is undertaking a pilot to identify if data in the NFI data base can be used to help its vetting processes to prevent and detect fraud. Data has yet to be shared.

A match was highlighted, demonstrating the benefit AppCheck can bring in preventing fraud

Future developments

Audit Scotland continues to work with the Cabinet Office in developing new ways to prevent and detect fraud. This includes piloting new data matching opportunities.

The Scottish Parliament approved The Digital Government (Scottish Bodies) Regulations 2022 in March 2022. These Regulations name Audit Scotland under Regulation 3 - 'Scottish bodies for the disclosure of information in relation to fraud against the public sector'. This allows Audit Scotland to access HM Revenue & Customs income and savings data for Scottish residents for future NFI exercises. This will help identify outcomes where customers have received benefits and services above what they are entitled to.

Audit Scotland continues to work with the Scottish Government in promoting and enhancing participation in the NFI across Scotland.

The Scottish Parliament's Public Audit Committee (PAC) is considering the expansion of legislative powers around the NFI. This may include expanding the NFI to bodies in receipt of significant amounts of public funding that do not fall under the audit remit of the Auditor General for Scotland or the Accounts Commission.

The Cabinet Office recently consulted on extending its legal powers around the purposes for which data matching can be used. It is looking to potentially extend its legal powers in the following areas:

- to assist in the prevention and detection of crime other than fraud

- to assist in the apprehension and prosecution of offenders

- to assist in prevention and detection of errors and inaccuracies. The NFI data could be used to help public-sector bodies to ensure citizens get access to their full benefit entitlements. For example, a number of passported benefits across the welfare system entitle recipients to help with housing costs, free school meals, etc. A match could identify citizens entitled to additional help they are not claiming

- to assist in the recovery of debt owing to public bodies. Public bodies may need to trace individuals with outstanding overdue debt and with no arrangement to pay in place. In some instances, these individuals may be difficult to trace. The NFI data could be used to help identify where a debtor was living or working, for example.

The Cabinet Office is considering the responses and will publish a formal consultation response in due course.

Section 97 of the Criminal Justice and Licensing Act 2010 already permits Audit Scotland to use data matching for the first two purposes. We will monitor developments.
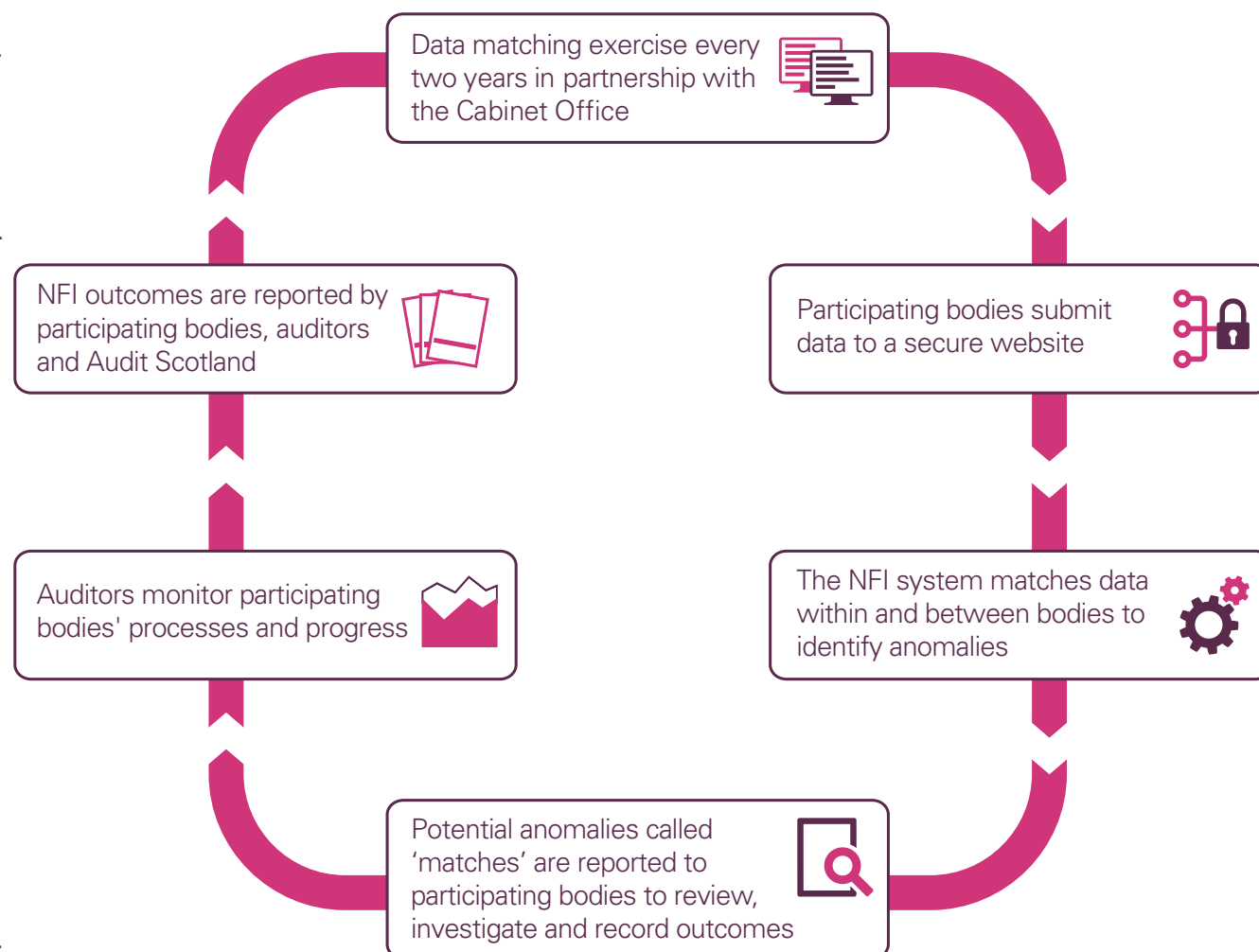
Appendix 1. Background to the NFI

The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Cabinet Office oversees it, and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and external auditors.

The NFI uses data sharing and matching to help confirm that services are provided to the correct people. The NFI takes place every second year. 132 public-sector bodies in Scotland participated in the 2020/21 exercise including councils, NHS bodies, colleges and larger central government bodies such as the Scottish Government, Revenue Scotland and Transport Scotland. A full list of participants is available here.

The NFI enables public bodies to use computer data matching techniques to detect fraud and error.

We carry out the NFI under powers in The Criminal Justice and Licensing (Scotland) Act 2010. It is important for all parties involved that this exercise is properly controlled, and data is handled in accordance with the law. The Audit Scotland Code of Data Matching Practice includes a summary of the key legislation and controls governing the NFI data matching exercise.

Although the main purpose of the NFI is to ensure funds and services are provided to the correct people, the review of NFI matches may also identify that a customer is entitled to additional services or payments, eg housing benefit matches may identify customers entitled to council tax discount or reduction.

Data matching exercise every two years in partnership with the Cabinet Office

Participating bodies submit data to a secure website

The NFI system matches data within and between bodies to identify anomalies

Potential anomalies called 'matches' are reported to participating bodies to review, investigate and record outcomes

Auditors monitor participating bodies' processes and progress

NFI outcomes are reported by participating bodies, auditors and Audit Scotland

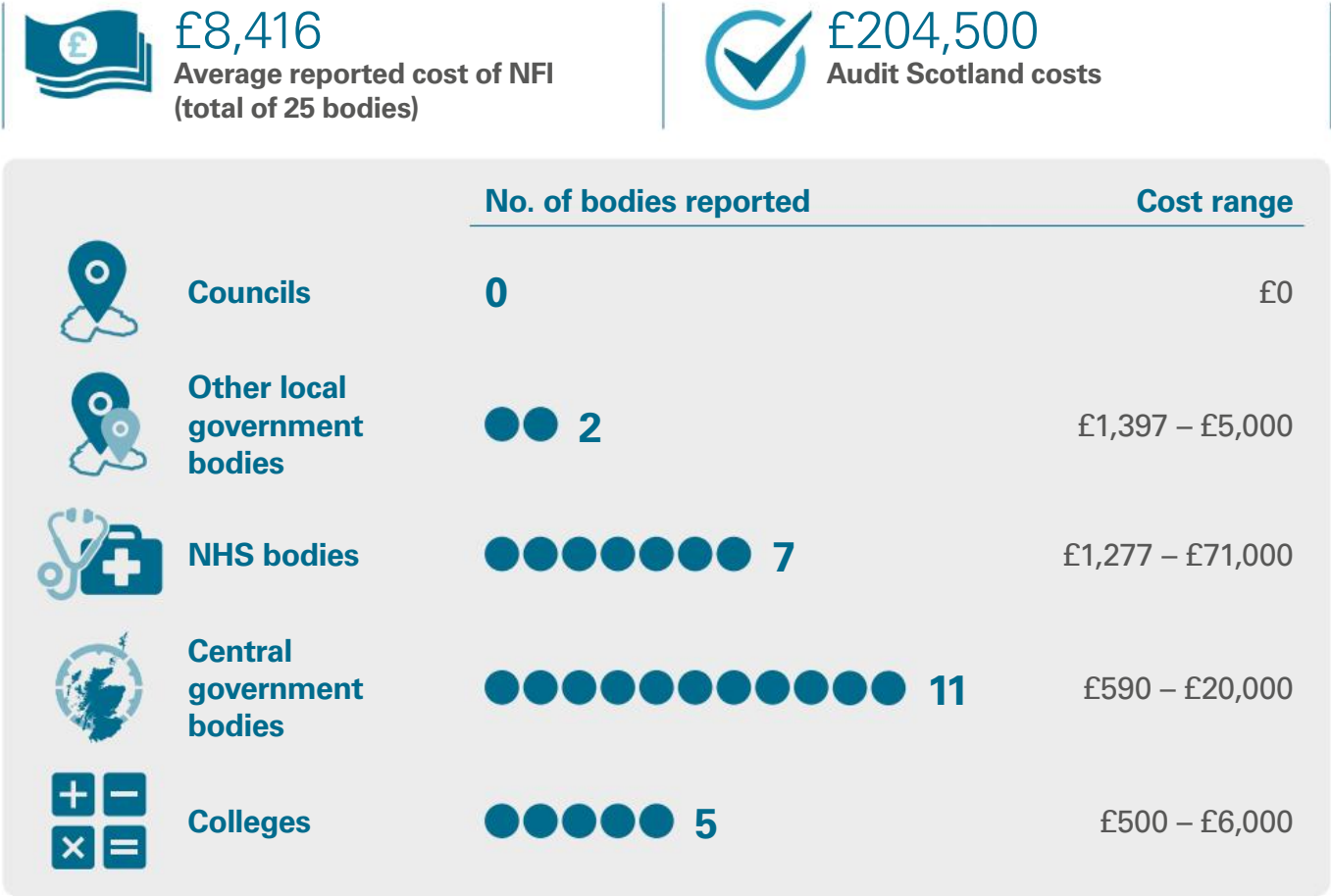# Appendix 2. Costs and benefits of participating in the NFI

The Scottish Parliament provides funding to Audit Scotland to cover public-sector participants' NFI fees for the biennial data matching exercise.

Participating bodies incur costs following up matches and investigating. Participating bodies also incur costs for pilot work and additional services such as the AppCheck pre-application screening and the ReCheck[4] flexible data matching service.

Many bodies do not keep separate records for NFI costs as it is just one of many counter-fraud activities they are doing. Those that do have records were able to estimate that their costs ranged from £500 to £71,000. This compares favourably with the average outcome for each public body in Scotland of £113,000 for the 2020/21 NFI exercise.

Overall, the £14.9 million of outcomes from the 2020/21 NFI outweigh the costs.

4. ReCheck is a flexible data matching service that complements the NFI biennial national exercise. It allows NFI participants re-perform the existing NFI data matching at a time that suits them.

£8,416
Average reported cost of NFI (total of 25 bodies)

£204,500
Audit Scotland costs

	No. of bodies reported	Cost range
Councils	0	£0
Other local government bodies	2	£1,397 – £5,000
NHS bodies	7	£1,277 – £71,000
Central government bodies	11	£590 – £20,000
Colleges	5	£500 – £6,000

Appendix 3. Estimation bases

The figures used in this report for fraud, overpayments and errors include outcomes already delivered (actual amounts participants have recorded) and estimates. Estimates are included where it is reasonable to assume that incidents of fraud, overpayments and errors would have continued undetected without NFI data matching.

Details of estimate calculations used in the report are shown below.

Data match	Basis of calculation of estimated outcomes
Council tax single person discount	Annual value of the discount cancelled multiplied by two years.
Housing	£93,000 per property recovered, based on average four-year fraudulent tenancy. Includes: temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies.
Housing benefit	Weekly benefit reduction multiplied by 21 weeks.
Pensions	Annual pension multiplied by the number of years until the pensioner would have reached the age of 85.
Payroll	£5,000 for each employee dismissed or resigns as a result of NFI matching, or £10,000 for each resignation or dismissal for employees who have no right to work in the UK.
Council tax reduction scheme	Weekly change in council tax discount multiplied by 21 weeks.
Housing waiting lists	£3,240 for each case based on the annual estimated cost of housing a family in temporary accommodation, the duration a fraud may continue undetected and the likelihood a waiting list applicant would be provided a property.
Blue badges	Number of badge holders confirmed as having died multiplied by £575 to reflect lost parking and congestion charge revenue.

The National Fraud Initiative in Scotland 2022

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:
www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or **subscribe to our email alerts**.

AUDIT SCOTLAND

National Fraud Initiative 2020/2021

Renfrewshire Council summary of arrangements and outcomes
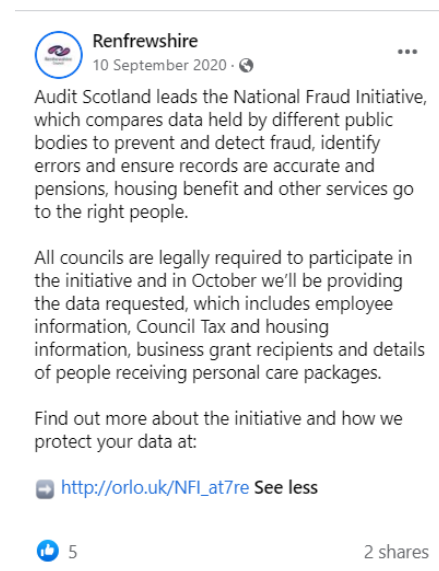
The National Fraud initiative is a biennial data matching exercise run by the UK Cabinet Office and overseen in Scotland by Audit Scotland. It supports the Council's commitment to protecting public funds and preventing and detecting fraud.

Each local authority across the UK alongside other government organisations such as the NHS and Department for Work and Pensions participant under the relevant Public Finance legislation, which in Scotland is the Public Finance and Accountability (Scotland) Act 2000.

Information Security

Participation in the exercise is communicated across the Council's social media platforms to inform our customers and staff. All information is shared and stored in line with the Council's privacy policy.

Council data from across a range of services including Payroll, Revenues and Benefits and Housing was exported as a snapshot in time at the beginning of October 2020 and uploaded to the secure NFI web portal.

Data Matching

The NFI aims to improve the detection and prevention of fraud in the public sector by matching data from one authority / organisation against both its own data and the data from other bodies for example, payroll data from a local authority against state benefit data from the DWP.

Data exported in early October is quality checked prior to submission and a further continuity check is carried out by the Cabinet Office data matching contractor. It is then cross referenced against data held and most matches are released by early Spring 2021.

Match Category	Match Release
DWP deceased data	January 2021
Payroll, State Benefit, Housing Benefit, Housing Applications, Housing Tenants, Council Tax Reduction, Taxi Drivers License, Blue Badge, Creditors	February 2021
Procurement, Business Grants*	April 2021
Small Business Bonus Scheme	July 2021

*Business Grants matches across all Scottish Local Authorities were suspected to be under-reported in the April release. A further data matching exercise is being run and has yet to be released.

Renfrewshire Council Facebook

Renfrewshire
10 September 2020 · 🌐

Audit Scotland leads the National Fraud Initiative, which compares data held by different public bodies to prevent and detect fraud, identify errors and ensure records are accurate and pensions, housing benefit and other services go to the right people.

All councils are legally required to participate in the initiative and in October we'll be providing the data requested, which includes employee information, Council Tax and housing information, business grant recipients and details of people receiving personal care packages.

Find out more about the initiative and how we protect your data at:

http://orlo.uk/NFI_at7re **See less**

👍 5   2 shares

Renfrewshire Council twitter

RenCouncil ✔
@RenCouncil

We're supporting the National Fraud Initiative run by @AuditScotland every two years to prevent and detect fraud and ensure pensions, benefits and services reach the right people.

➡ orlo.uk/National-Fraud…

01001011
011 100
nfi
National Fraud Initiative

2:01 pm · 10 Sep 2020 · Orlo

All matches generated from the data matching exercise require an outcome. To allow Audit Scotland and the Cabinet Office to report accurately across all organisations involved the outcomes available are prescribed and used by all organisations.

Possible outcomes

Closed - Already known — No savings identified

- These are matches that after investigation it is identified that the information available in the match has already been reported and acted on within the time of the data being uploaded and the match being released.

Closed - No Issue — No savings identified

- After investigation the information received from the match has no impact on the benefit or service received.

Closed - Error — Savings identified

- Savings are identified however the cause is considered to have been error and not fraud.

Closed - Fraud — Savings identified

- A full investigation is carried out and evidence is identified to indicate that a material benefit was gained by the failure of the subject to declare information

Closed - Not selected for investigation — No savings identfied

- The match details do not offer sufficient evidence to allow for an investigation

Closed - referred to DWP — No savings identified

- The match information relates primaily to state benefits that require to be investigated by the DWP.

Updates for 2020/21

The Cabinet Office have included 2 new areas for investigation and removed 4 datasets from the 2018/19 exercise

Additions: Covid related Business Grants and Non domestic rates Small Business Bonus Scheme

Deletions: Market Trader license holders, Personal Alcohol License (licensed premises) holders, Personal Care and Private Residential Care Homes.

These updates have seen a significant reduction in the number of reports and matches released for investigation.

2020/2021	Change	2018/2019
88 Reports	⬇	115 Reports
4901 unique matches	⬇	6250 unique matches

The results included in this report are lifted from those reported and verified by Audit Scotland. All results are correct as at 31 March 2022.

Any cases open at the time of the Audit Scotland report were followed up by the Counter Fraud Team and worked to their conclusion however any savings from these cases are not reported in the Audit Scotland, The National Fraud Initiative in Scotland 2022 report which was published by Audit Scotland in August 2022.

All required datasets were exported in September 2020 and submitted to the National Fraud Initiative web portal.

The National Fraud Initiative data matching cases are released on the web portal January 2021.

The matches are categorised by the fraud risk area and risk score. The risk score matrix has been designed by the Cabinet Office and is established to assist organisations to prioritise the resources required to carry out the match investigation to those most likely to identify savings and error or fraud.

Renfrewshire Council process

	All Matches	high risk	% of all matches that are high risk
Housing Benefit claimants	85	42	49.41%
Payroll	105	16	15.24%
Housing Tenants	316	200	63.29%
Blue Badge Parking Permit	522	383	73.37%
Housing Waiting List	191	166	86.91%
Council Tax Reduction Scheme	1326	37	2.79%
Creditors	2160	264	12.22%
Procurement	66	0	0.00%
Business Rates	127	127	100.00%
Business Grants	3	0	0.00%
Multiple Occurrence report			
cumulative total	4901	1235	25.20%

Analysis of Renfrewshire council NFI matches 2020/21

Matches allocated 'high risk' status are prioritised for investigation. Previous NFI exercises indicated potential savings from 'low risk' Council Tax Reduction Scheme matches. These matches were also given priority for investigation.

Blue Badge Parking Permit matches and Creditor matches are passed to the service to assess and any suspected fraud escalated to the Counter Fraud team to pursue.

	2018	2020	Change
HB	237	85	⬇ 64%
Payroll	133	105	⬇ 21%
Tenants	247	316	⬆ 28%
Blue Badge	176	522	⬆ 197%
Waiting List	283	191	⬇ 33%
CTRS	1161	1326	⬆ 14%
Creditors	3004	2160	⬇ 28%

Analysis of Renfrewshire council NFI matches 2020/21 and 2018/19

Blue Badge and Housing Tenant matches saw the most significant increase in total number of matches from the previous exercise in 2018/19. This may have been caused by the increased mortality rates in the elderly and clinically vulnerable due to the COVID 19 pandemic as a large proportion of these matches were to deceased person data.

The Counter fraud team work closely with Housing Services to provide verification for new housing waiting list applications which may have had a positive impact on the number of matches identified in the NFI exercise in 2020/21.

2020/21 Fraud and error identified

Fraud Area	No. of cases	Actual Overpayment	Estimated Savings
All	842	£410,735	£1,640,731
CTRS[1]	78	£132,222	£16,769
HB[2]	1	£4,402	£2,634
Housing Tenancy	9	N/A[3]	£837,000
Waiting List	92	N/A	£298,080
Payroll	1	£6,386	N/A[4]
Blue Badge	207	N/A	£119,025
Creditors	2	£75,644	N/A
NDR[5]	2	£13,232	£18,933
CT Discount[6]	450	£178,849	£348,290

NFI Outcomes 2021: interactive report, Audit Scotland
https://www.audit-scotland.gov.uk/uploads/docs/um/outputs/nr_220818_nfi/index.html

Overall outcomes are down from the previous exercise, this is the case across the whole of Scotland, however the actual overpayment identified in Council Tax Reduction Scheme has risen. The counter fraud team approached this exercise differently. Our strategy for this exercise was to investigate all CTRS matches and not only the high risk recommended matches.

Council Tax Reduction data matched with public body private pensions generated a large proportion of the CTRS outcomes.

In many cases claimants were unaware that annual pension upratings were not automatically added to their claim, or that the pension paying body did not routinely share the upratings with local authority revenue and benefit services. Claimants impacted were supported by Revenues and Benefits Service and counter fraud officers to ensure that their claim was brought up to date to prevent any future overpayments.

The 2020/21 exercise introduced the non-domestic rates matches after a previous Audit Scotland pilot demonstrated successful outcomes. NDR outcomes relate solely to the reassessment of Small Business Bonus Scheme (SBBS) discounts.

The financial savings in excess of £410,000 are set to be recovered following the Council's usually debt recovery processes.

Our participation in the 2020/21 NFI exercise is estimated to have prevented further financial loss to Renfrewshire Council in excess of £1.6 million.

---

[1] Council Tax Reduction Scheme
[2] Housing Benefit
[3] There are no Actual Overpayments recorded for Housing Tenancy, Waiting List and Blue Badge fraud and error cases
[4] There are no Estimated Savings recorded for Payroll and Creditors fraud and error cases
[5] Non-Domestic Rates / Business Rates
[6] Council Tax Discounts

Progress is being made on the preparations for the 2022/23 NFI exercise. The data will be extracted from Council systems from September 2022 and uploaded to the secure web portal in October 2022. There is a communications plan in place to ensure Elected Members, employees and members of the public are aware of the initiative and ensure our compliance with the privacy notice expectations. Our arrangements have been self-assessed against Audit Scotland's self-assessment checklist as detailed below:

Part A: Leadership, commitment and communications	Yes/no/partly	Is action required?
1. Are we aware of emerging fraud risks and taken appropriate preventative and detective action?	Yes – National Anti-Fraud Network and other anti-fraud network alerts are subscribed to and monitored for emerging fraud risks. Attendance at regular SLAIG/SLACIAG meetings provide opportunity for the sharing of best practice across local authorities to improve and develop preventative controls and detective methods.	No
2. Are we committed to the NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes - Counter Fraud Team work jointly with operational services to investigate matches. Training is provided to operational teams and NFI outcomes reported to the CMT and the Audit, Risk and Scrutiny Board.	No
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes - there is a Counter Fraud Policy in place and it is incorporated into the Counter Fraud Business Plan.	No
4. Have we considered using the point of application data matching service offered by the NFI team, to enhance assurances over internal controls and improve our approach to risk management?	Yes - we continue to review the use of Appchecker and other optional services. Previous experience of appchecker has influenced our approach to regular data matching.	No
5. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	Yes - Counter fraud activity outcomes, including NFI results are reported quarterly alongside the outcome and performance report presented to the Audit, Scrutiny and Risk board. Audit Scotland's NFI reports (including the most recent SBBS pilot report) are shared with Senior Management. The overall NFI outcomes and results are reported at the end of the biennial exercise.	No

6. Where we have not submitted data or used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Yes - Risk based assessment of matches, high risk matches given priority. We have established regular data matching exercises in regard to Housing Waiting List, Licensing and Council Tax discounts and Reductions. Revenues and Benefits have recently established a Review Team which will carry out checks and reviews aimed at ensuring accuracy in Council Tax discounts and reductions. The effectiveness of data matching exercises is demonstrated in the outcomes and corrections identified; these are reported as part of the quarterly reports to board.	No
7. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes - Internal Audit is responsible for co-ordinating the exercise and regularly review outcomes identified. The findings from the NFI are considered as part of Internal Audit annual planning.	No
8. Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes - this is considered in the annual audit planning. Meetings are held with the appropriate parties where issues are identified to improve internal controls.	No
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Yes - Report to members of the Audit, Risk and Scrutiny Board. Other publicity is considered on a case-by-case basis.	No
Part B: For the NFI key contacts and users		
Planning and preparation		
1. Are we aware of emerging fraud risks and taken appropriate preventative and detective action?	Yes - NAFN and other anti-fraud network alerts are subscribed to and monitored for emerging fraud risks. Attendance at regular SLAIG/SLACIAG meetings provide opportunity for the sharing of best practice across local authorities to improve and develop preventative controls and detective methods.	No
2. Are we investing sufficient resources in the NFI exercise?	Yes - time included in audit plan and regular engagement with service through counter fraud team monitoring. Revenues and Benefit services have included NFI match investigation in their work plan for 2023.	No

3. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Yes - full planning process and detailed action plan in place. Resource made available within the Counter Fraud Team to prepare for the upload of data to the NFI portal this includes a quality check of the data prior to upload.	No
4. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes - Chief Auditor oversees the task and a further 2 counter fraud investigators identified to progress investigations and liaise with operational services.	No
5. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes - included in work plan and liaison with operational service contacts for actionable cases agreed at the planning and preparation stage of the NFI exercise	No
6. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that the NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Yes - considered as part of risk-based assessment and consideration given to the deterrence our involvement has in the NFI exercise on potential fraud.	No
7. Do we confirm promptly (using the on-line facility on the secure website) that we have met the fair processing notice requirements?	Yes - deadline met	No
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes - detailed action plan in place to ensure compliance, this has been successfully fulfilled in previous exercises.	No
9. Have we considered using the point of application data matching service offered by the NFI team, to enhance assurances over internal controls and improve our approach to risk management?	Yes - Appchecker has been used in the past and has influenced the approach to regular data matching.	No
Effective Follow Up of Matches		
10. Do all departments involved in the NFI follow-up of matches promptly after they become available?	Yes - monitored by Internal Audit and any resource difficulties are discussed with the service and the Director of Finance and Resources	No
11. Do we give priority to following up recommended matches, high-quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes - risk based assessment of matches. High risk matches are prioritised, consideration is also given to matches that may cause increased hardship if further delay in correction.	No

12. Are we investigating the circumstances of matches adequately before reaching a no issue outcome, in particular?	Yes	No
13. (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter-fraud Services?	N/A	No
14. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	Yes - all relevant actions are considered. Recovery of funds in some areas was impacted by the COVID 19 pandemic however this is now returning to normal.	No
15. Do we avoid deploying excessive resources on match reports where early work (eg, on recommended matches) has not found any fraud or error?	Yes - risk based assessment of matches, where high risk matches show no fraud or error low risk matches are not considered for investigation. However, this is reviewed on a report-by-report basis and where there is a potential for hardship or reputational damage consideration is given to deploying resources to investigate low risk matches.	No
16. Where the number of high risk matches is very low, are we adequately considering the medium and low-risk matches before we cease our follow-up work?	Yes	No
17. Do we follow up matches which indicate a customer may be eligible for a benefit or service which they currently do not receive?	Yes - Counter fraud team work jointly with operational services to investigate matches. All changes of circumstances identified are considered in the reassessment of the claim and where additional benefit entitlement is identified this is communicated to the claimant.	
18. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes - any resourcing issues are discussed with the Service and Director of Finance and Resources as appropriate. Counter Fraud resources are committed within the workplan to the NFI exercise.	No
Recording and reporting		

19. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes - monitored by Internal Audit	No
20. Do staff use the online training modules in the secure website and do they consult the NFI team if they are unsure about how to record outcomes?	Yes - training is provided to staff responsible for following up matches, training includes notifying of online training modules and videos available on NFI web application.	No
21. If, out of preference, we record some or all outcomes outside the secure website have we made arrangements to inform the NFI team about these outcomes?	Yes - this is included in the Report notes.	No

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

On: **14 November 2022**

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

Heading: **Risk Report, October 2022**

1. **Summary**

1.1 Each year the Board considers and approves the council's risks.

1.2 This paper sets out the latest position in managing the council's risks, as we have entered the third quarter of the new financial year. The appendices attached provide details of:

- 1: longer-term or imminent strategic and corporate risks (at 30 Sep 2022)
- 2: longer-term significant service risks (at 30 Sep 2022)
- 3: the list of 'business as usual' risks.

2. **Recommendations**

2.1 It is recommended that the Board approves the report, agreeing with the risks identified.

3. **Background**

3.1 The key areas of risk **previously** reported to the Audit, Risk & Scrutiny Board in **April** 2022 were:

Strategic Risks:
Very High-Risk Economy
Very High-Risk Unemployment
Very High-Risk Reducing inequalities
High Risk   Climate, sustainability & adaptability

Corporate Risks:
Very High-Risk Financial sustainability
High-Risk Cyber attack
High-Risk Financial stability
High Risk Regulatory services/ statutory activities
High Risk Commercial vehicle & operator's license

3.2 The strategic and corporate risk profile for the council in terms of its longer-term or imminent risks was as shown by the matrix below:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	01	03	04
LT or Imm Corporate Risks:	00	00	04	01	05

3.3 Risks are evaluated using the Council's adopted risk matrix; this involves multiplying the likelihood of a risk occurring by its potential impact. Risks are then evaluated as either 'low' (green), 'moderate' (yellow), 'high' (amber) or 'very high' (red).

3.4 It was noted that when the above risks were agreed, service departments had revisited their top 'significant' operational risks (i.e., those evaluated as high or very high) but all reported that any such risks were already captured by some strategic and/ or corporate risks.

3.5 The Corporate Risk Management Group has again reviewed the risk profile on behalf of the Corporate Management Team and the current information is now presented to Board by way of a mid-year update.

3.6 Changes since the 2022/2023 first quarter:

- Risks with scoring/ evaluation changed

  Financial stability – on 29 September the Director of Finance and Resources presented a report to Council that brought into sharp focus the scale of the financial risk now faced by the council. In his paper, the Director advises that "The Council is facing a financial and economic environment characterised by rapidly increasing levels of risk; placing the Council's financial stability and ongoing sustainability under much greater pressure than that experienced over the past decade." Accordingly, the risk score for the financial stability risk has been **increased from High to Very High**. The related risk for financial sustainability remains also at Very High. Key messages, however, must be that the council has a good track record in managing financial pressures, and that the ongoing commitment to capital investment and regeneration in the area continues as a priority.

- Risks added/ escalated from service/s to strategic or corporate

  Tree Fall and Ash Die Back - The main trigger for this risk the outbreak of Ash Dieback in the UK resulting in a significant number of trees within Renfrewshire having to be felled. Tree management in Renfrewshire has historically been based around a risk-based response to any reporting of concerns, however with the presence of Ash Dieback there is also now a resulting increased potential for public injury and property damage, awards against the Council and reputational damage. While responsibility for management of the risk lies within Environment and Infrastructure Services, the risk meets the criteria for being escalated to the corporate risk register because of the need for corporate funding to address the risk.

- Risks added/ escalated from 'business as usual' to strategic or corporate

   Asset management - In respect of council property/ buildings, responsibilities lie across three different service departments and the Corporate Risk Management Group has taken the view that it is beneficial to set out the asset management risk again within the corporate risk register with some associated actions that will be undertaken, to ensure there are no gaps in the corporate arrangements for managing the property-related risks. Actions will include work to develop CAMIS; the council's Corporate Asset Management Information System. When actions are completed, the risk will de-escalate back to business as usual.

- Risks removed/ de-escalated – nil.

3.7   With paragraph 3.6 in mind, the risk profile is therefore now as follows:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	01	03	04
LT or Imm Corporate Risks:	00	00	05	02	07

Strategic Risks:
Very High-Risk Economy
Very High-Risk Unemployment
Very High-Risk Reducing inequalities
High Risk Climate, sustainability & adaptability

Corporate Risks:
Very High-Risk Financial sustainability
Very High-Risk Financial stability
High-Risk Cyber attack
High Risk Regulatory services/ statutory activities
High Risk Commercial vehicle & operator's license
High Risk Tree Fall and Ash Dieback
High Risk Asset Management

3.8   <u>Horizon Scanning</u>
       While not included on risk registers as yet, there are some matters on the horizon that the Corporate Risk Management Group is keeping a watching brief on - including for example the potential for electoral/ referendum events.

3.9   Appendix 1 provides the detail for all 4 longer-term or imminent strategic risks. Appendix 2 provides the detail for all 7 longer-term or imminent corporate risks. Appendix 3 outlines our 'business as usual' risk areas and how we are progressing in the development of our new 'assurance' model for these risks[1].

       Note, as was the case at the beginning of the year, all services report that any significant service risks are already captured in appendices 1, 2 or 3; and further (less significant) service risks are embedded in their service improvement processes.

---

[1] For 'business as usual' risks, the council takes a different approach. BAU risks are defined as those not generally related to corporate priorities or ambitions but rather are inherent by nature of our type of organisation. Essentially these are risks we have no option but to live with and manage and monitor.

_____

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

13.   **Climate Risk** – not relevant to report recommendations
_____

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

Appendix 1: Strategic Risks, longer-term or imminent

• Reshaping our place, our economy and our future

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.22.01.01 Economy The coronavirus pandemic has resulted in significant challenges for economies across the world. The UK and Scottish Governments invested billions to support businesses through lockdowns and furlough in order to keep businesses viable and retain people in employment. Renfrewshire's economy has well established strengths in transport (including Glasgow Airport), retail (including Braehead), manufacturing (including significant international exports) and construction. All these sectors and their wider supply chains have been impacted by the lockdown restrictions which have reduced supply and led to subdued demand for products and services. The construction sector is currently experiencing significant volatility in terms of labour, supply chains, prices, and construction inflation. This makes "building our way out of Covid" less attractive, coupled with a connected surge in construction claims and disputes.	Even before the COVID-19 crisis, the Scottish economy was facing several strategic challenges including climate change, Brexit and lower than average productivity. Likewise, Renfrewshire's economy was facing challenges such as: growing the working age population; more closely aligning the education and skills provision with the needs of local employers; and achieving a strong and inclusive economy. The risk therefore is that significant economic improvement and upskilling of local workforce is difficult to progress until the current landscape improves and our investment programmes are completed?	Head of Economy and Development Head of Finance & Business Services Programme Director – City Deal & Infrastructure	(1) Economic Recovery Plan (2) Capital investment such as investment in housing and heritage assets; supporting Scotland's prospectus for international investment by identifying and developing opportunities such as AMIDS and supporting local businesses seeking to export to new markets (3) Taking forward measures to counter any education learning loss (4) Developing skills interventions to address the risks of unemployment, in particular for those under 25 and making provision for people to re-skill and upskill.	05	05	25 V.High

Action Codes	Actions	Assigned To	Date	Status
CESIP22.01.02	Maximise funding for regeneration of Renfrewshire's places through grant submissions to external sources including UK and Scottish Governments. The Regeneration and Place Team have successfully been able to secure and receive funding through various external sources. Between 21/22 and 25/26 we have been allocated £5.2m from the Place Based Investment Fund for capital regeneration projects. Between 22/23 and 24/25 we have received £1.5m in funding for capital and revenue regeneration spend from the Shared Prosperity fund. We have consistently been successful in RCGF funding applications, with the most recent successful application receiving £800k in funding for the PACE theatre project. We have recently secured £35k funding from Visit Scotland to develop a strategic Tourism Infrastructure Development Plan for Clyde Muirshiel Regional Park. In July an application was submitted to the Levelling Up Fund for £20m to develop a new community hub in Renfrew, restoring two prominent listed buildings in the heart of the town. A decision on this application is expected by the end of October.	Head of Economy and Development	31-Mar-2023	▶

CESDP21 - 01 - 27	Monitor benefits of City Deal Projects, including AMIDS, Clyde Waterfront and Renfrew Riverside and City Region wide employment programmes. **Clyde Waterfront & Renfrew Riverside - 45%** Community Benefits: 67 of 150 community benefits have been delivered to date. The remainder are on track/have been re-baselined to be completed as part of the project lifespan. Project Benefits: Project is at the early stages of its development with all expected benefits in terms of infrastructure, economy and wider regeneration on track. **Glasgow Airport Investment Area - 95%** Community Benefits: 69 out of 70 community benefits have been delivered with the remainder relating to supply chain development ongoing. Project Benefits: Enabling infrastructure benefits of the GAIA projects have largely been complete with some minor work remaining. The infrastructure in place has allowed the progression of the AMIDS site to take place with key link road throughout and new connecting bridges opened.	Programme Director - City Deal and Infrastructure	31-Mar-2023	▶
CESDP21 - 01 - 13	Deliver on the ambitions of our town centre strategies and specifically working with partners to transform Paisley Town Centre through the Paisley Town Centre Action Plan 2016-2026. The town centre action plan and the Paisley Vision for 2030, published in 2020, is catalysing new potentials for development in the town centre. A planning application for the redevelopment of the Paisley Centre has been approved in March 2022 with the developers intent on formalising development agreements to be on site in 2023. Further discussions on repurposing spaces for new uses are also underway with the owners of the Piazza Centre and the Liberal Club. New long term town centre visions will be created for other Renfrewshire towns during 2023	Chief Economic and Regeneration Manager	31-Mar-2023	▶
CESDP21 - 01 - 26	Work with partners to deliver the Advanced Manufacturing Innovation District – Scotland (AMIDS) The need for delivery of investment at AMIDS is recognised within the Renfrewshire Economic Strategy 2020-2030 where AMIDS is noted as a key component. This drive for investment continues with the anchor facilities of NMIS & MMIC planned to open in 2022. This success, in parallel with direct engagement with manufacturing companies and the launch of a procurement exercise for a joint venture development partner will see progress towards the primary outcomes for AMIDS. Success in achieving agreement with UK Gov on 90% Levelling Up Funding towards the AMIDS South project, will significantly aid the delivery of AMIDS, enhance work underway in Paisley Town centre and increase benefits for the wider area	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶
CESIP20 - 01 - 07	Participate fully in all aspects of the new National Manufacturing Institute Scotland (NMIS) Governance arrangements and Medicine Manufacturing Innovation Centre (MMIC) delivery. RC have strong links with NMIS and MMIC as they are represented on the NMIS One Scotland Collaboration Group and chair the AMIDS Strategic Advisory Group with both organisations represented. CD&I team members work closely with both organisations daily and continue to assist with the commissioning of their buildings. MMIC building is already operational with NMIS expected to open in early 2023.	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶
CESIP22.02.01	Progressing the AMIDS South project to maintain the programme requirements of the UK Government Levelling Up Fund award. Planning application submitted alongside liaison with stakeholder liaison and continuing development of detailed designs. Dialogue with UK Government agencies continuing	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.22.01.02 Unemployment Experience from previous recessions demonstrates that some groups of people: those in lower paid jobs; younger people; the self-employed and those on temporary contracts – tend to be more affected than others. This impact can accentuate economic and social disparities that already exist within economies such as Renfrewshire. When fewer jobs are available generally, this results in those groups listed above being furthest from accessing them. It is currently challenging to establish the impact of Brexit on unemployment due to the impact of the pandemic. There is some data to show that employment is returning to pre-pandemic levels.	Skills and business support need to change to meet the scale of the anticipated economic challenge, otherwise there is a risk to ensuring that people are better placed to realise their potential, better able to find ways into paid work and to reduce inequality.	Head of Economy and Development	(1) Job creation programmes and demand led interventions (2) Focus on youth unemployment (3) Community benefit clauses (4) Enhanced and expanded employability services (5) Focused and targeted partnership working to ensure no-one is left behind	05	05	25 V.High

Actions		Assigned To	Date	Status
CESIP22.01.01	Establish a programme of engagement work with communities on the Community Benefits that might be derived from the Council's procurement activity. The procurement team have an established relationship with Engage Renfrewshire which provides significant support in realising the Community Engagement and Supply Chain Opportunities (Business advice and support) Community Benefits offered within contracts. Engage has a member of staff on the Community Benefit Forum with particular responsibility for engaging with Social Enterprises in Renfrewshire to ensure the community benefits offered are delivered across the network in a fair and equitable way. Next steps to further our ambitions for community engagement include widening the range of organisations supported to include community groups and local clubs.	Strategic Procurement Manager	31-Mar-2024	▶
CESIP22.02.02	Actively engage with Renfrewshire suppliers to increase the percentage of procurement spend The procurement manager has been working closely with Economic Development to support local supplier events which will run at the end of November. These will provide an opportunity to place a spotlight on council spend and identify opportunities for local suppliers to bid for council contracts.	Strategic Procurement Manager	31-Mar-2024	▶
CESDP21 - 01 - 09	Promote a Renfrewshire Apprentice Framework that can be rolled out across local businesses wishing to participate The programme for ERIs has all but completed as has the City Region Chef Academy programme. Work with Education colleagues continues to support the marketing and information around Foundation apprenticeships and Modern Apprenticeships across Renfrewshire.	Economic Development Manager	31-Mar-2023	▶
CESDP21 - 01 – 02	Develop a refreshed employability programme for Renfrewshire (utilising Youth Guarantee and Kickstart funding) to reduce unemployment among young people (18-24 yrs.) and to support local businesses. The programme for ERIs has all but completed as has the City Region Chef Academy programme. Work with Education colleagues continues to support the marketing and information around Foundation apprenticeships and Modern Apprenticeships across Renfrewshire.	Economic Development Manager	31-Mar-2023	▶
CESIP22.03.11	Bring forward actions to reduce health inequalities, improving economic participation, more secure earnings and greater earning power. An ongoing action – health inequalities is a key element of employability work, and a number of actions are already in place. Further support from the UK SPF will follow in spring 2023.	Economic Development Manager	31-Mar-2023	▶

• Tackling inequality, ensuring opportunities for all

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.22.03.03 **Reducing inequalities in Renfrewshire** 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. The impact of COVID-19 is likely to have exacerbated existing inequalities in terms of for example educational attainment, health, poverty and mental health. There will be a significant focus on ensuring that people receive the economic and wellbeing support that is needed, with a real opportunity to work in a different way, and to tackle some of the existing inequalities across communities as we do this. In the short term, significant focus is on supporting food insecurity and supporting people on low incomes to maximise income and seek advice with income and debt management.	If we don't have a coordinated 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 Policy & Commissioning	(1) Fairer Renfrewshire Programme (2) Attainment Challenge (3) Strong partnership working (e.g. Community Planning Partnership (CPP). Advice Partnership, Empowering Communities Forum, Improving Life Chances, CPP Board (4) CPP have identified priorities e.g. Alcohol and Drugs, Social isolation etc. (5) Social Renewal Plan has been developed through a programme of analysis, research, and engagement. (6) Neighbourhood hub model in place to support local needs on a partnership basis in response to COVID	05	05	25 V.High

Action Codes	Actions	Assigned To	Date	Status
CESIP22.03.01	Develop the new Fairer Renfrewshire programme. Work on the Fairer Renfrewshire Programme has commenced, with funding allocated to a number of projects to support residents with Cost-of-Living increases. The Fairer Renfrewshire Sub-Committee met for the first time in August.	Strategic Partnerships & Inequalities Manager	31-Mar-2025	▶
CESIP22.03.02	Develop and implement the action plan for the Trauma-Informed and Responsive Renfrewshire Programme. A coordinator post has been created to lead this programme of work going forward, with the coordinator starting in late October. The Trauma steering group has been established, and engagement with the Improvement Service and other local authorities has taken place. An initial action plan has been developed and presented to CMT, including actions such as reviewing the current training and development offer at a local and national level, reviewing recruitment and HR policies through a trauma informed lens, undertaking training/awareness sessions at leadership levels, and considering links to existing and emerging priorities such as The Promise, Our Values, Developing Communities, and Language Matters/Stigma	Head of Policy and Commissioning	31-Mar-2024	▶
CESIP22.03.03	Deliver the Stigma/Language Matters project. Partners are currently developing a Language Matters initiative, which will support them to challenge preconceptions and stigma around drug and alcohol use and promote positive conversations about recovery in Renfrewshire. Preliminary work has included developing a marketing and communications activity plan, with the following objectives: demonstrating leadership by ensuring that we do not use language that stigmatises people in public or in our communications •supporting staff to understand the power of language, be confident in their use of language and to challenge stigma by speaking up when people make negative or wrong comments •supporting national campaigns to help people in Renfrewshire understand the power of language.	Head of Policy and Commissioning	31-Mar 2024	▶

CESIP22.03.06	Develop and implement targeted interventions to supporting communities through the cost-of-living crisis, with a particular focus on food and fuel insecurity	Strategic Partnerships & Inequalities Manager	31-Mar-2023	▶
	The Community Food Fund has supported community food provision across Renfrewshire. Funding allocated to the Fuel Insecurity Pilot continues to support fuel vouchers augmented with energy advice and the continuation of the Financial Insecurity Winter Payment supports households who are struggling to purchase essentials like food and fuel.			
CESIP22.03.09	Carry out an evaluation of the Tackling Poverty programme and develop a transition plan for mainstreaming this work.	Strategic Partnerships & Inequalities Manager	30-Sep-2023	▶

- **Creating a sustainable Renfrewshire for all to enjoy**

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.22.04.04 Climate, Sustainability & Adaptability Renfrewshire Council declared a Climate Emergency on 27 June 2019 and established a Climate Change Sub-Committee, now the Planning and Climate Change Policy Board to lead on this work. The actions required are potentially complex and multi-faceted and need to be supported by organisations across all sectors, and in partnership with local communities. Actions include: pledging to work proactively with others towards a net zero Renfrewshire by 2030, taking into account both production and consumption emissions; and assisting communities to become more resilient to the impacts of global warming, particularly to flooding and to drought.	The climate emergency brings a risk to Council and its communities in relation to increased extreme weather as well as food insecurity. We need to focus on mitigation and adaptation and ensure a just transition so no one is left behind and none is disadvantaged in the transition to net zero. The Council would need to take action and support those most disadvantaged. A key risk is that the Council is not in control of all of the levers, and cannot deliver everything required in isolation, so there is a risk that others do not contribute towards the 2030 target.	Head of Policy & Commissioning (Climate Change Working Group)	(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) Renfrewshire's Plan for Net Zero 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 (6) Governance through the Planning & Climate Change Policy Board (7) Launch of the Climate change action fund – to support a range of initiatives/feasibility to test new ways of working and to be ready to lever external funding (8) Climate Panel / Partnership Forum to support engagement and ensure all voices are heard, including traditionally underrepresented groups (9) Community Climate Fund – fund for community organisations to enable behaviour change and local green projects to make our communities more resilient	04	04	16 High

Action Codes	New Actions	Assigned To	Date	Status
CESIP22.04.01	Complete the District Heating Network at AMIDS, with supplies to NMIS and MMIC. Project continues towards completion with the majority of construction complete. Construction due to be finalised by November 2022 to then become operational. NMIS and MMIC have been formally notified that DHN is expected to become operational on 14th November 2022	Programme Director, City Deal and Infrastructure	31-Mar-23	▶
CESIP22.04.02	Develop the first stage of Renfrewshire's Plan for Net Zero The Plan for Net Zero was developed in partnership with other services, stakeholders and our citizens through Renfrewshire's Climate Panel. The Plan was approved by the Planning and Climate Change Policy Board on 23rd August. The next steps include the development of a child-friendly and an easy read versions of the Plan and a detailed phased road map, including quantified delivery plans.	Strategy, Policy & Insight Manager	31-Dec-22	▶

- ## Working together to improve outcomes

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.05 **Financial Sustainability** **Financial recovery from Covid19 and ongoing Brexit impacts** - Rebuilding of financial resilience following unprecedented costs incurred in responding to the pandemic - Anticipated reduced income from NDR/CT over the medium term as full economic implications of the pandemic and cost-of-living crisis hit local businesses and communities - Pricing volatility and global supply issues leading to shortage of labour and materials **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 and Income pressures** - Future grant settlements and the level of funding available. - Implications of national economic policy choices 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 and demand pressures, such as an ageing population with increased associated service demands, and increases in demand for children's social care - Implications of welfare reform & poverty levels, including growth in Council Tax Reduction caseload. - Reductions in income from fee generating services such as local planning and parking; implications of the national economic recovery and	If significant cost pressures are not successfully planned for and managed effectively over the medium to longer term, this could jeopardise the financial sustainability of the council and result in a significant impact on availability and quality of front-line services and capital investment resources.	Head of Finance & Business Services	(1) Revised medium- to long-term Financial Outlook reassessed the various risks to the Council's short, medium- and longer-term financial sustainability. Refreshed report to Council on 29 September 2022 outlined the immediate financial concerns and plans to address these, including R4R savings (see 3 below), new financial sustainability workstreams, and utilising flexibilities agreed by the Scottish Government; however, as the position continues to develop and evolve close monitoring will be required to ensure Council manages costs in the short term and fully appreciates the longer term consequences of actions taken to address short-term risks. 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 Council's continued "Right for Renfrewshire (R4R) 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; however, the pandemic has interrupted the planned delivery of savings under RFR, so the full programme has been reviewed. However, it remains the case that savings will continue to require be generated at scale in order to ensure the ongoing financial sustainability of the Council. (4) The Council approved a further suite of service reviews in the Financial Outlook update on 30 June 2022. These involve a number of Financial Sustainability Workstreams that are led by Directors and look to progress recurring revenue savings. (5) There is close financial monitoring of the agreed savings to ensure they are delivered within the agreed timescales or where this is not now possible, to understand and reschedule planned delivery to achieve the associated objectives. Monitoring is	05	05	25 V.High

11 | P a g e

associated risks/uncertainty in economic factors e.g., interest rates.
- Implications of third party provider financial stability, such as childcare providers in current economic climate
- Liability for predecessor organisations, in light of the removal of the limitation period for historic child abuse claims

undertaken via a combination of financial and operational measures, actions and related update reports.

(6) 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 e.g., CIPFA DoFs, COSLA and the Scottish Government. This liaison remains critical in ensuring the Council is aware of potential financial developments and is in a position to influence these.

(7) Levels of and use of reserves has been a key tool in addressing the costs of the pandemic, therefore the planned use of and rebuilding of reserves in the medium term, and the Council's Capital Investment and Treasury Management Strategy, are key to ensuring ongoing financial sustainability.

Other controls

(8) Reports and publications from Audit Scotland in relation to the Local Government financial outlook, financial planning and related developments and improvements are supplemented with a Renfrewshire context report, with both reports being submitted to the Council's Audit Risk and Scrutiny Board. Audit Scotland representatives have an open invite to these policy board meetings.

(9) Utilisation and energy consumption has clarified priority areas for investment in the Council's estate and this has supported and informed investment decisions and the formulation of the Council's Capital and Revenue budgets.

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CRR22.05.05a	Strategic Property Review and new ways of working / Review of local policy positions	Work on all of the financial sustainability workstreams is being progressed with updates presented to the Budget Strategy Group in October and November 2022, in advance of reporting and decision-making by individual service Boards. Agreed changes will then be incorporated into the General Fund Revenue Estimates for 2023/24 and beyond.	Director of Environment and Infrastructure	28-Feb-2023	▶
CRR22.05.05b	Charging, fees and commercialisation / review of Council risk		Director of Finance and Resources	28-Feb-2023	▶
CRR22.05.05c	Strategic review of procurement		Chief Executive (Head of Policy and Commissioning)	28-Feb-2023	▶
CRR22.05.05d	Connected Communities / Review of Management grades and structures		Director of Communities and Housing	28-Feb-2023	▶
CRR22.05.05e	Digital Strategy		Director of Finance and Resources	28-Feb-2023	▶
CRR22.05.05f	Council Tax and Tax Policy		Director of Finance and Resources	28-Feb-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.07 **Financial Stability** Context: Imminent shorter-term risk for financial stability, recognising the immediate financial situation of the Council (note: the medium to longer-term financial position is captured under financial 'sustainability')	If significant short-term costs and income losses are not closely monitored and understood, this could destabilise the finances of the council to an extent beyond the financial resilience of the Council, resulting in a need for immediate cost control measures, or short-term savings which have an immediate impact on service delivery	Head of Finance & Business Services	(1) Initial cost/income loss information across both General Fund and HRA collated to inform national position across local government has been built on and refined over a number of iterations, and continues to be updated as informed by national developments (2) Cost data gathered has included key partners in Renfrewshire Leisure and the Renfrewshire IJB, as well as smaller bodies and other delivery partners (3) Revenue budget monitoring reports to Policy Boards focus on the forecast year-end outturn position rather than the historic periodic position, so that significant variances are reported early, and any mitigating steps can be taken. This is already highlighting severe price pressures across different services. The impact of pay inflation is also highlighted through this reporting mechanism. (4) Fundamental review of the Right for Renfrewshire programme has been undertaken in order to recalculate potential cost savings in year and to reprofile agreed savings, the delivery of which was interrupted by the pandemic (5) Expert treasury management advice sought in relation to the potential for the debt smoothing strategy to deliver any further savings in the short term which would support the Council's immediate financial stability; along with consideration of other technical accounting measures which may be utilised following agreement with the Scottish Government and COSLA (6) Clear analysis of the Council's reserves position and potential for reprioritisation or redirection; including the development of plans to rebuild financial resilience of the Council in the medium term (7) Ongoing discussion with CMT to agree the financial consequences of the pandemic for each service and how these will be managed; including the use of financial flexibilities permitted by the Scottish Government in the use of existing allocated resources (8) Review of capital plan and ongoing projects to ensure clear understanding of phasing of potential spend.	05	05	25 V.High

Action Codes	Linked Actions	Latest Note	Assigned	Due Date	Status
CRR22.05.07a	Investigate potential of Service Concession Flexibility allowed by Scottish Government	In conjunction with other local authorities and the CIPFA Directors of Finance group, a financial model has been prepared to calculate the effect of applying this flexibility in 2022/23. The Council has service concession contracts within schools and the Clyde Valley Waste facility.	Head of Finance and Business Services	31-Oct-2022	▶
CRR22.05.07b	Report to Council the financial impact of utilising the service concession flexibility	Planned to be included in Financial Outlook update to Council in December 2022 and Revenue Estimates report in March 2023	Director of Finance and Resources	31-Dec-2022	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.06 **Cyber Attack** Context: ▪Review of the council's cyber environment ▪Ever increasing criminal cyber activity ▪Increasing reliance on electronic systems	While the council's cyber protections are robust, cyber-attacks are becoming more and more frequent and sophisticated, and the council could be subject to an attack such as that on SEPA, with the risk of significant impact on council service provision.	CMT	For security reasons, controls are not published in the public domain	04	04	16 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
	As agreed by the Corporate Management Team				

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.08 **Impact on Regulatory Services due to Covid-19 and EU withdrawal.** Context: Increased demands have been placed on Regulatory Services (Environmental Health and Trading Standards) due to Covid-19 and EU withdrawal. Resource and funding will be required to meet the current demands and ensure that statutory duties are not impacted.	There is a risk, due to the shifting legislative landscape and rapidly increasing demands on Regulatory staff arising from COVID-19 and the EU Exit on 1 January 2021 that statutory duties may not be able to be met.	Head of Communities and Public Protection.	(1) Continue with the Service restructuring as part of the Right for Renfrewshire programme. In particular, the re-modelling to ensure a strong and resilient workforce moving forward. This will also support the retention of skilled and qualified employees within the service. (2) Additional resource requested as part of financial planning process to support the service restructure process. This includes the request for £288 "unavoidables" to allow retention of key qualified employees to cover both Brexit and Covid duties. (3) Working with REHIS, Society of Chief Environmental Health Officers for Scotland and University West of Scotland, Renfrewshire Council has taken on a student from September 2021 as part of the first cohort of new trainees under a new Environmental Health course. This will lead to a larger number of EHOs to come through and replace an ageing workforce. (4) Full complement of staff who are authorised to work on all aspects of Covid-19. (5) Wider staff being trained in functions to release EHO/TSO to focus on Covid-19 or EU withdrawal work at Airport. (6) Discussions with Glasgow Airport to understand impacts of changes at Glasgow Airport from EU withdrawal. (7) Discussions with DEFRA & Food Standards Scotland on Import/Exports duties	03	05	15 High

Linked Actions		Update	Assigned To	Due Date	Status
CRR20.05.04a	Training and authorisation of staff for Covid-19 related activity	On-going training and updates following changes to legislation and guidance. Additional permanent staff (Environmental Health Compliance Officers) recruited from Scottish Government Covid funding to manage some additional workload. Authorisations review with Scheme of Delegations being reviewed early in 2022.	Communities and Regulatory Manager	31-Mar-2022	✅
CRR20.05.04b	Sitting on EU withdrawal working group (Imports and Exports) with regards to Export Health Certificates and impacts	Regular meetings with appropriate bodies to understand landscape for EU withdrawal and impacts on Renfrewshire.	Communities and Regulatory Manager	31-Mar-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.09 **Commercial vehicle and operator licence compliance** Context: 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.	Renfrewshire Council requires its fleet of vehicles to be effectively managed, otherwise there could be sustained impact in several areas including community care, housing maintenance and repairs, streetscene operations and waste collection.	Head of Operations and Infrastructure	<u>Governance</u> (1) Training and Compliance Officer in post monitoring compliance performance and linking to inspection activity (2) Monitoring and tracking of vehicle servicing (3) Tachograph analysis system ensuring monitoring and compliance of driving staff (4) Operator Licencing Awareness Training (OLAT) conducted for all operational service managers (5) Full compliance audit report focusing on Operator Licence and Compliance completed in 2019 by Freight Transport Association (FTA) (6) Regular monitoring of Driver and Vehicle Standards Agency (DVSA) updates and controls (7) Quarterly attendance at Logistics UK (formerly FTA) and APSE Transport boards <u>Operational</u> (8) Reduction in average age of Council Fleet (9) Workshop equipment and tooling improvements	03	05	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Date	Status
		(Presently monitoring compliance until such times as the risk can be reduced)			

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.10 **Asset Management** Context: GOVERNANCE – roles and responsibilities - Estates (Leases – by and from the council, and on behalf of HSCP) - Hard/ Soft FM (security, housekeeping, statutory duties/ inspection, maintenance, repair, building fire risk assessment) - Property services (capital works, and CAMIS development) - All services (inspection inventories and response, people elements of fire risk assessment)	Effective governance and management of the council's property assets is essential, otherwise there is a significant risk of harm, financial loss, service disruption, non-compliances, fines, rising energy costs and inability to recover losses via insurance proceeds	Director of Environment & Infrastructure; Director of Finance & Resources; Head of Economy & Development Services	Corporately: Key responsibilities with regards to the Estate span 3 specific service departments, but all 3 come together through a newly formed CAMIS Development Group (Corporate Asset Management Information System) which is taking forward a workplan to more effectively consolidate and oversee asset management risk Heads of Service: Effective asset management in practice on the frontline is included within the new Risk Assurance model being rolled out in 2023.	03	05	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due	Status
CRR22.05.10a	New CAMIS Development Group to appoint Joint Chairs/ Heads of Service	Head of Property Services and Head of Hard/ Soft FM Services have agreed to co-chair the group	CAMIS Development Group	30-Sep-2022	✅
CRR22.05.10b	Agree Terms of Reference for the CAMIS Development Group	On schedule	CAMIS Development Group	15-Nov-2022	▶
CRR22.05.10c	Undertake gap analysis to ascertain if any responsibilities in terms of governance are missing or unclear	On schedule	CAMIS Development Group	19-Dec-2022	▶
CRR22.05.10d	Undertake gap analysis to identify activities that take place outside of the CAMIS environment and consider if these can be brought into CAMIS by way of system development	On schedule	CAMIS Development Group	31-Jan-2023	▶
CRR22.05.10e	Explore data and status monitoring	On schedule	CAMIS Development Group	31-Jan-2023	▶
CRR22.05.10f	Develop a workplan for the group and prioritise areas of initial focus	On schedule	CAMIS Development Group	28-Feb-2023	▶
CRR22.05.10g	Agree the workplan for 2023/24	On schedule	CAMIS Development Group	31-Mar-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR22.05.11 **Tree Fall and Ash Die Back & Larch Infection** _Context_: The main trigger for this risk a significant outbreak of Ash Dieback in the UK which will results in a significant number of trees within Renfrewshire having to be felled	Tree management in Renfrewshire has historically been based around risk-based response to any reporting of concerns, however with the emergence of Ash Die back in the UK there is now an increased potential for: - public injury and property damage; - awards against the Council; and, - reputational damage. - Statutory notices	Head of Operations and Infrastructure (Streetscene & Land)	Responses to customer / public complaints and enquiries Reactive surveys Visual inspections Statutory notices served – (Forestry Scotland)	05	03	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Date	Status
CRR22.05.11a	Tree & woodland area formal inspections	Officers are undertaking a table-top Google assessment of Ash dieback and will follow up to clarify data.	Tree & Woodland Officer	31-Dec-2022	▶
CRR22.05.11b	Produce, disseminate and promote a formalised Ash Dieback Action Plan	Looking to adapt Tree Council for Scotland's Ash Die back plan.	Tree & Woodland Officer	31-Dec-2022	▶
CRR22.05.11c	Further identify areas of larch trees and schedule removal	Need to secure internal funds top enable additional works to be scheduled	Tree & Woodland Officer	31-Dec-2022	▶
CRR22.05.11d	Accurately record findings and seek funding for replanting projects	Working with Clyde Climate Forrest and Trees for Cities to identify as many opportunities as possible for financing additional tree works	Tree & Woodland Officer	31-Dec-2022	▶

Appendix 3: Business-as-Usual Risks

The council has 12 areas of risk that it currently considers to be business-as-usual risk; those not generally related to corporate priorities or ambitions but rather they are inherent by nature of our type of organisation and services we deliver. The table below sets out what our business-as-usual risk areas are (in no specific order), and what they cover.

BAU RISK AREA	ENCOMPASSING	BAU RISK AREA	ENCOMPASSING
1. **Community & public safety**	Child and adult protection Serious and organised crime (external)	2. **Asset management**	Statutory compliance Arrangements for void properties Fleet and other infrastructure ICT hardware and software assets and responsibilities
3. **People wellbeing & development**	Staff health and wellbeing Training and development Corporate and local induction	4. **Information handling**	GDPR compliance Information asset management Information security Records management
5. **Health, safety & managing adverse events**	Staff incident recording RIDDOR arrangements Incident monitoring and trends analysis	6. **Programme and project management**	Governance Compliance with industry standards/ adopted methods
7. **Organisation resilience**	Business continuity: - Staffing resource - ICT and/ or power outages - Facility issue - Cyber security	8. **Partnership management**	Partnership registers Agreements Liabilities
9. **Financial control and governance**	Authorities and delegation Budgeting and accounting Conflict and whistleblowing Insider threat and crime Counter fraud	10. **Service performance monitoring**	Trends analysis Links to risk management and service improvement
11. **Procurement and contract management**	Standing orders Roles and responsibilities Monitoring & Performance Mgt	12. **Complaints, comments and claims handling**	Compliance Trends analysis Links to service improvement

Development work on the new risk assurance model for the above areas of risk is progressing well and a further update on the development will be provided to the Board in the new financial year within the Risk Management Annual Report 2022/23.

To: Audit, Risk and Scrutiny Board

On: 14 November 2022

Report by: Chief Executive

Heading: 2021/22 Complaints Handling Performance

1.   Summary

1.1   Renfrewshire Council's complaint handling procedure (CHP) helps the Council to improve services and processes based on customer feedback. It is one of a range of methods to help the Council understand how well it is delivering its services.

1.2   Introduced in 2013, the Council's CHP complies with the Scottish Public Services Ombudsman's (SPSO) guidance and aims to help 'get it right first time'. The expectation is to have quicker, simpler and more streamlined complaints handling with early response by capable, well-trained staff. As part of the procedure, all complaints are recorded and monitored.

1.3   This report provides information on complaints closed during the year from 1 April 2021 to 31 March 2022 and performance on key indicators, as well as highlighting improvements made to the complaints handling procedure (CHP) to ensure that complaints are handled well, and the organisation learns from them and improves service delivery where appropriate.

1.4   The key messages highlighted in the report are as follows:
- 9,193 complaints were received in 2021/22, compared with 6,179 in 2020/21 (the pandemic resulted in a much reduced volume of complaints in that year) and 7,924 in 2019/20

- 86.8% of our complaints are dealt with as frontline response, demonstrating the Council's commitment to getting it right first time in response to complaints (84.1% in 2020/21);
- 80.6% of frontline complaints and 76.7% of investigation complaints received were completed within target timescales (73% and 74.8% respectively in 2020/21);
- the average time to respond to frontline complaints met the target of 5 days and is an improvement from the previous year figure of 10 days, albeit that year was negatively impacted by the pandemic;
- the average time to respond to an investigation complaint rose slightly from 15 days in 2020/21 to 16.5 days in 2021/22, though this is still well within the SPSO target of 20 days;
- the 2021/22 breakdown of complaints received by services continues to be broadly reflective of the volume of services provided, with Environment and Infrastructure delivering the highest volume and widest scope of frontline Council services and consequently receiving the highest volume of customer interactions;
- the Scottish Public Services Ombudsman (SPSO) introduced changes to the national complaints handling process, which was implemented prior to April 2021 and described in more detail in Section 4 below;
- a new system to support the logging of and learning from complaints was launched by the Council in April 2020, which has meant performance data comes from a single source, this will improve business intelligence and customer insight data.

1.5 A performance scorecard has been included within the appendix of this report to provide additional data. This shows the impact of the pandemic on performance during 2020/21 as well as the improvements in 2021/22 as services continue to recover from the pandemic.

1.6 All indicators will continue to be monitored regularly and support and guidance will be provided to all services to assist with analysing and improving performance where required.

2. Recommendations

2.1 It is recommended that members of the Audit, Risk and Scrutiny Board:
- Note the content of this report.

3. Background

3.1 Renfrewshire Council's Complaint Handling Procedure (CHP) was implemented in 2013 and complies with the model complaints handling procedure for local authorities introduced by the Scottish Public Services

Ombudsman at that time. It is regularly reviewed to include updated guidance.

3.2   The CHP reflects Renfrewshire Council's ongoing commitment to the provision of high-quality complaints handling. The CHP operates to ensure that complaints are processed and responded to consistently within target timescales, with a particular focus on working to resolve customer dissatisfaction as close as possible to the point of contact or service delivery.

3.3   Services are required to record, analyse and monitor complaints performance and use the information gathered through the CHP to improve service delivery wherever possible.

3.4   In line with the SPSO complaints handling procedure, Renfrewshire Council's CHP uses a two-stage process, Frontline Response and Investigation (also referred to as Stage 1 and Stage 2).

3.5   The frontline response stage aims to quickly resolve straightforward customer complaints that require little or no investigation. Any member of staff may deal with complaints at this stage, and these are often dealt with 'on the spot' – an explanation, apology or an action to put something right may all be appropriate responses to a frontline complaint.

3.6   The main principle is to seek an early response, resolving complaints at the earliest opportunity and as close to the point of service delivery as possible. This may mean a face-to-face discussion with the customer or asking an appropriate member of staff to deal directly with the complaint. The Council has 5 days to respond to these complaints.

3.7   An example of a complaint which may be addressed at the frontline response stage is where a customer complains that a staff member failed to attend a scheduled appointment. When this is reported, the service should provide an apology and reschedule the appointment at a suitable time for the customer.

3.8   Not all complaints are suitable for frontline response and not all complaints will be satisfactorily resolved at this stage. Investigation complaints are typically complex or require a detailed examination before resolving. These complaints may already have been considered at the frontline response stage, or they may have been identified from the start as needing investigation. In these cases, the customer should receive an acknowledgement of their complaint within three working days and be advised that it is being dealt with as an investigation.

3.9   An investigation aims to establish all the facts relevant to the points made in the complaint and to give the customer a full, objective and proportionate

response that represents the final position. The Council has 20 days to respond to these complaints.

3.10   An example of an investigation complaint may relate to the standard or nature of a repair within a Council property which requires an inspection or visit to investigate. As a supervisor or manager might need to examine the repair to assess this and agree with the customer the corrective work required, it may require the 20-day timescale.   Services may also agree an extension to the timescale with the customer.

3.11   In line with the model complaints handling procedure provided by the SPSO and with practice in other local authorities, Renfrewshire's complaints policy does not include a number of service areas that are processed through other means, some examples include: the right to appeal a refusal of planning permission or to appeal planning conditions (this is made to the Local Review Body or the Scottish Ministers); allegations of bullying in schools (these are treated and investigated as bullying incidents by the education establishment); and a compensation claim for personal injury, loss of or damage to property (these are processed through the Council's standard 'Public Liability Claim Form').

3.12   Since April 2017, social work complaints have been handled as part of the standard SPSO local authority procedure rather than as a separate process. Complaints relating to social work and social care for justice social work and for children and families are reported as part of the Children's Services total. The figures for Renfrewshire Health and Social Care Partnership relate to social work and social care services for adults; the HSCP data does not include complaints about NHS services.

4.   National guidance from the Scottish Public Services Ombudsman (SPSO)

4.1   The SPSO completed a review on their own guidance and model complaints handling procedure in 2019. Local authorities had until 1 April 2021 to implement these national changes, the key changes to the statutory model are set out below:

- a new outcome to a complaint was introduced, where a complaint can be classed as resolved. A complaint is resolved when both the Council and the customer agree what action (if any) will be taken to provide full and final resolution for the customer, without making a decision whether the complaint is upheld or not upheld;
- where a customer has received a frontline response to their complaint and wishes to escalate their complaint to investigation, they must request this either within 6 months of when they first knew of the problem, or within two

months of receiving their response to their frontline complaint (if this is later); and

- the points of an investigation complaint and expected outcomes are clear from the complaint, these must be set out in the initial acknowledgment asking the customer to get in touch if they disagree.

4.2 When the Council's new complaints system was being developed it was configured to make sure it could capture any new information required ahead of the April 2021 deadline, such as adding the new resolved outcome and the change of terminology required. The Council's complaints policy has been updated to reflect these changes with additional guidance provided to staff.

5. Impact of COVID recovery on complaints handling

5.1 Nationally, the COVID-19 pandemic had an impact on complaints handling, particularly during 2020/21 when staff who were involved in complaints handling were redeployed to critical response work. In that same year there was a considerable drop – more than 20% - in the volume of complaints received. This was particularly evident in the first national lockdown.

5.2 As services have worked to support recovery from COVID and moved back towards business as usual, the Council has seen an increase in the number and also the complexity of complaints received. The enforced pausing of Council services during lockdown periods, and the restrictions to service delivery meant there was a significant number of pending jobs in some areas once services were permitted to restart, and this coupled with new service requests led to increased wait times for some services.

5.3 There were large increases in the volume of complaints received in the first half of the year. Excluding the period of the pandemic year, there was an increase in complaints received in Q1 and Q2 compared with 2019/20 (5544 and 3203) though some of this will be attributable to improved recording and reporting.

5.4 Only 8%, or 725, complaint cases were made directly through a customer's MyAccount with the majority being received through the Customer Service Centre, or via the Council complaints mailbox link from our website.

5.5 SPSO targets have remained unchanged. Despite an increase in the number of complex complaints requiring investigation (from 819 to 1212) performance improved, with 76.7% completed within the target time compared with 74.8% in 2020/21.

5.6 The SPSO has reminded public bodies that the Model Complaints Handling Process (MCHP) provides some flexibility in terms of timescales if the process is followed, and complainers are kept informed. This advice included escalating a frontline response complaint or applying an extension of

timescales for investigation complaints. For 2021/22, the number of cases applying an agreed extension as a percentage of all complaints closed at investigation was 4.89% or 60 complaints, a decrease from 2020/21 which was reported as 8.96% or 81 complaints.

5.7   When reviewing 2021/22 performance, the factors noted above are actively being considered to identify any trends, comparisons and training support required.

6.   2021/22 Council Performance

6.1   Complaints are crucial in identifying areas or processes that need to be improved for our customers and Councils are required to report their complaints handling performance against a range of key performance indicators related to the SPSO complaints handling procedure. This report provides information on the complaints closed during the period 1 April 2021 to 31 March 2022 and Appendix 1 details Renfrewshire Council's complaints performance for 2021/22 against these key SPSO performance indicators. The SPSO publishes all local authority complaints annual reports on its website.

6.2   A new complaints system was launched in April 2020 and has now been fully rolled out with all Council services logging their complaints on the same system. This means that for reporting purposes, all performance data is now taken from a single source for the first time and therefore comparisons between years should be treated with caution as previous years won't reflect complaints data from all services.

6.3   In 2021/22, the number of complaints received increased from 6,179 in 2020/21 to 9,193in this reporting year. It has been noted already that complaints were lower than usual in 2020/21; the 2021/22 figure also represents a 15% increase on the number of complaints received in 2019/20. More than 80% of that increase relates to complaints received by Environment and Infrastructure; a combination of improved recording and reporting and the ongoing impact of the pandemic has contributed to the increase.

6.4   All Council services strive to ensure that complaints are answered correctly first time and that customers are responded to quickly, and during 2021/22 86.8% of complaints were addressed through a frontline response. Despite significant pressures as services recovered from the pandemic restrictions and the increased volume, 80.6% of frontline complaints and 76.7% of investigation complaints received were completed within target timescales. This compares with 73% and 74.8% respectively in 2020/21.

6.5   The average time to respond to an investigation complaint was 16.5 days, which is within the SPSO target of 20 days. The average time to respond to a frontline response complaint was 5 days, which is on target. As highlighted in previous reports, prior to April 2020, both Environment and Infrastructure and Children's Services used a different complaints system and therefore the Council's average time to complete frontline and investigation complaints performance indicators did not previously include these service areas.

6.6   For the indicators that have declined in performance, the reasons will continue to be explored to understand the trends and the impact of COVID-19 over time, as this report reflects on financial year 2021/22 where there was still national guidance in place impacting the Council's service delivery. Work will be undertaken with services to identify where additional support and guidance is required. Work is also ongoing in partnership between the Council and our system supplier to continue to develop the new complaints system to ensure it meets the needs of all services and allows us to accurately reflect performance. Performance will continue to be closely monitored across all services throughout the year.

6.7   As part of the functionality of the new complaints system, customers can also provide comments and compliments, with 275 cases recorded during 2021/22 (256 comments and 19 compliments). A few examples of these compliments are provided below:

-    "Customer said that all staff that he spoke to today were extremely patient, helpful and very nice and he would like to thank all for that."
-    "Earlier in the year I reported regular noise from a loose metal cover which clattered every time a car went over it. It has now been repaired and cannot be heard at all. This is just to say thank you very much for doing this."
-    "I had occasion recently to contact the council by telephone to discuss Council Tax. On each occasion the person to whom I spoke was so helpful and I just wished to say well done and thank you."
-    "Thank you to the Paisley team. On Thursday a crew member went above and beyond to help my mother get her bin back up the lane and into her property on Thursday. Excellent attitude and approach which should be commended."

6.8   Figures 1 and 2 below show the service breakdown of total complaints received and those closed within the timescales, during the period 1 April 2021 to 31 March 2022. This is for frontline response, and investigation complaints. Figure 3 shows the breakdown by service of investigations which were granted an extension. All such complaints were completed within the target time.   The complaints for social work services are included in services provided by Children's Services, whilst the data for the Chief Executive's Service also includes those complaints directly to the Chief Executive.

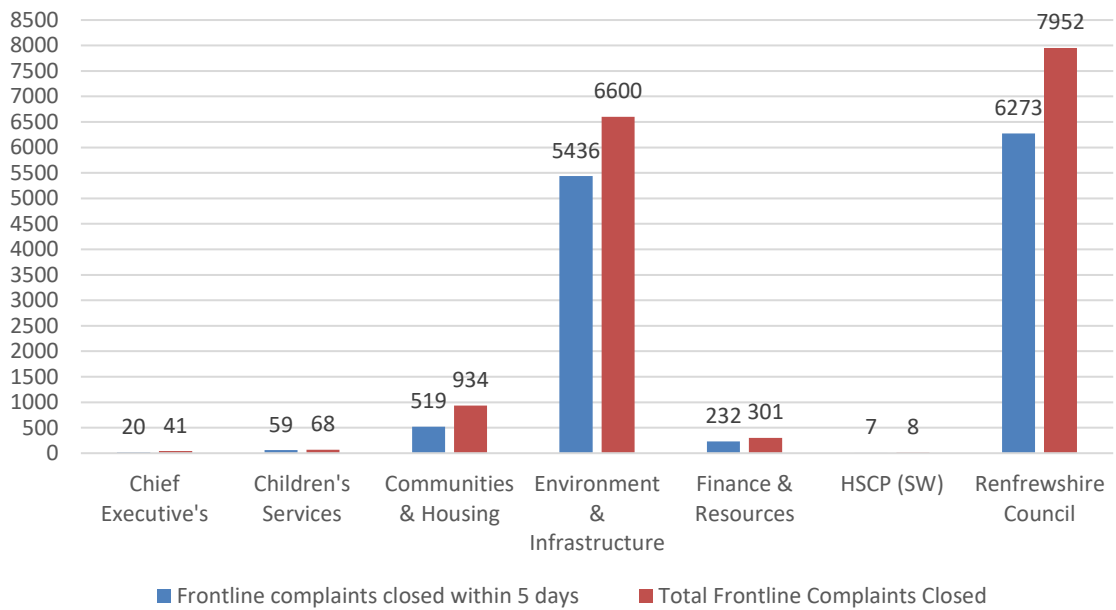## Figure 1: Frontline Complaints Closed 2021/22

	Chief Executive's	Children's Services	Communities & Housing	Environment & Infrastructure	Finance & Resources	HSCP (SW)	Renfrewshire Council
Frontline complaints closed within 5 days	20	59	519	5436	232	7	6273
Total Frontline Complaints Closed	41	68	934	6600	301	8	7952

Figure 2: Investigation Complaints Closed 2021/22

	Chief Executive's	Children's Services	Communities & Housing	Environment & Infrastructure	Finance & Resources	HSCP (SW)	Renfrewshire Council
Investigation complaints closed within 20 days	7	40	22	485	261	39	854
Total Investigation Complaints Closed	9	57	32	733	280	46	1157
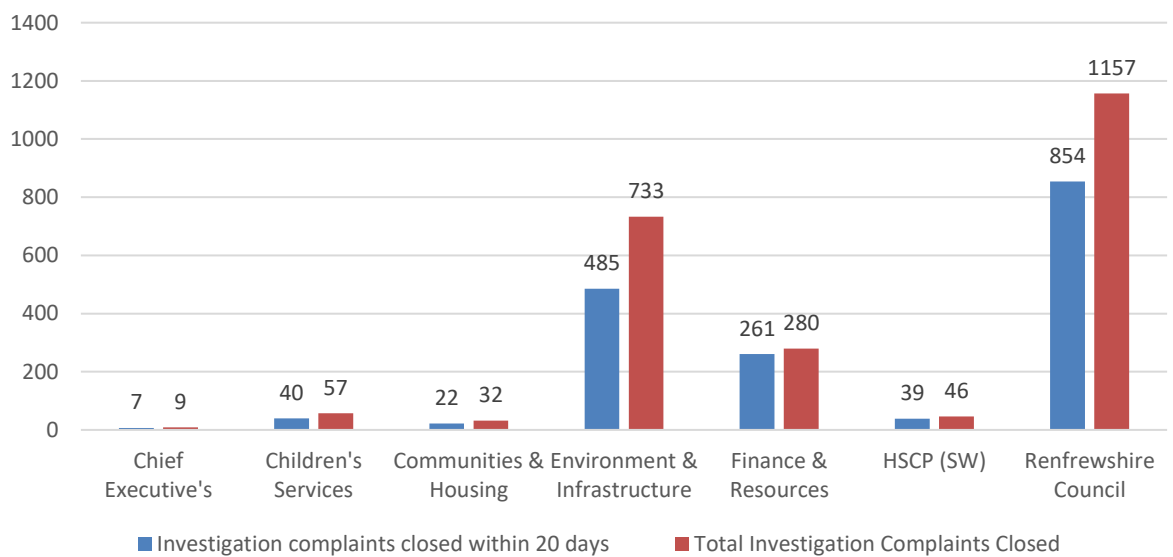
Figure 3: Investigation Extensions, by Service 2021/22

- Communities & Housing - Environment & Infrastructure - Finance & Resources
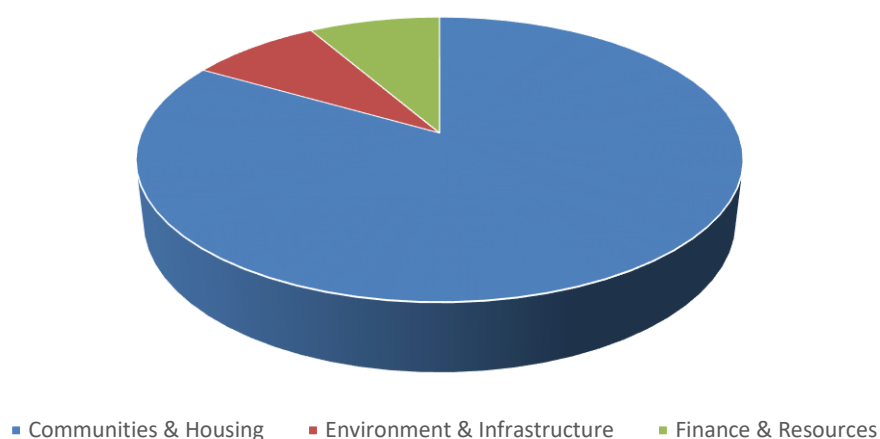
6.9   Overall the breakdown of complaints received by services is broadly reflective of the volume of services provided. Environment and Infrastructure delivers the highest volume of frontline Council services, and the most diverse, covering over 270 Council premises, 91,000 households and businesses, and supports more than 849 km of roads and transport infrastructure. It is to be expected therefore that the service will receive the highest level of customer interactions. There was also an increase in investigation complaints received by this service in 2021/22, due to a strengthening of the complaints process within the service. In 2022/23, services will be supported to raise awareness of the extension process for those complaints deemed complex, as low numbers of overall complaints make use of that process.

6.10   Environment and Infrastructure has made complaints performance a high priority and has invested in both training and resources for its staff. Extensive training sessions on the new complaints system were carried out online with staff during the COVID pandemic and a greater emphasis on responding to complaints, in a timeous fashion, was communicated to all responsible staff. This training has been continued into the current financial year to ensure new staff are aware of the processes in place.

6.11   Scrutiny of complaints data and performance continues to be carried out on a regular basis at management team meetings and has been supported by improvements in both data analytics and access to management information. This investment and focus is now having a positive impact with response rates for frontline resolutions improving from 75% in 2020/21 to 81% in 2021/22. In the first 6 months of this financial year frontline resolutions have increased to 83%. Similar improvements have also been seen in terms of investigation response rates.

6.12 In Communities and Housing, the impact of COVID restrictions is still reflected in complaints performance. Although the service was able to restart carrying out repairs following the lifting of these restrictions at various points throughout 2021/22, the accumulated workload had to be managed alongside new repair requests. The impact of this and other service issues, such as issues with availability of materials led to a greater volume of complaints and a higher percentage of complaints answered outwith the timescale of 5 days.

6.13 Resource pressures and challenges remaining from periods of restriction are also still evident in the small number of complaints received by the Chief Executive's Service, which mainly relate to delays with planning applications and building warrants.

6.14 The majority of complaints made to Finance and Resources related either to Council Tax or to licensing fees and tend to peak in the first quarter of the year, after annual bills have been issued.

6.15 Complaints performance in Children's Services is affected by school holiday periods; current SPSO guidance requires these days to be counted in the response time but issues requiring input from school staff cannot be dealt whilst staff are on leave, and so a 'late' response is sometimes unavoidable. The service makes every effort to respond to complaints in a timeous manner, taking cognisance of any sensitivities or complexities related to the child/young person, or associated provision. Current complaints data relates to social work services for children and families, to justice social work, and to those complaints made directly to senior managers about early years and education; it does not yet include frontline complaints dealt with directly by schools and early years establishments.

6.16 Children's Services engages with complainants to ensure our responses are comprehensive, informative, and where possible provide a satisfactory resolution. Where possible, the learning from complaints is used to strengthen and improve the approach and the experiences of those who use services.

6.17 Renfrewshire Health and Social Care Partnership report complaints related to adult social work and social care to the Integration Joint Board's Audit Risk and Scrutiny Committee. Data on those has also been included in the charts for this report.

7. Learning from complaints and improving the Council's complaints procedure

7.1   The new complaint system, "Contact Us" went live on 1st April 2020. It is part of the MyAccount platform, allowing current MyAccount users to log, track and receive a response to their complaint or compliment on this single system. Customers can also still log a complaint online using an online form or by writing, phoning or emailing the Council. As mentioned above, the system was configured to address some of the new national complaints procedure, such as the renaming of frontline complaints and adding the new outcome of resolved complaints.

7.2   As the roll out of the new system was carried out during the pandemic, it was supported by online training materials, webinars and a system helpdesk for relevant officers using the new system. Work will continue with schools to progress a roll-out there.

7.3   In preparation for the implementation of the SPSO's revised complaints procedure, additional training materials were developed, highlighting the key changes to the procedure, as well as updated staff guides.

_____

Implications of the Report

1.   **Financial** – none

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

3.   **Community/Council Planning –**
       We consider our services performance against a number of strategic outcomes to measure how we are delivering better outcomes for our local communities:

       Living our Values – complaints are monitored under this outcome of the Council Plan and service improvement planning process.

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 because it is for noting only.

8.   **Health & Safety** – none

9.   **Procurement** – none

10.   **Risk** – none

11.   **Privacy Impact** – none

12.   **COSLA Policy Position** – none

13.   **Climate Risk**- none

_____

List of Background Papers: none

_____

Author: Pamela McDonald, Chief Executive's Service

Appendix 1: Renfrewshire Council Annual Complaints Report SPSO Indicators

Total number of complaints received, frontline and investigation	2019/20	2020/21	2021/22
Total number of complaints received (**open and closed**)	7,924	6,179	9,193
Number of complaints **closed** at Frontline Response (includes those received in 2020/21 and closed in 2021/22)	6,879	5,197	8,082
Complaints **closed** at Frontline Response as a percentage of all complaints closed	86.8%	84.1%	87.9%
Number of complaints **closed** at Investigation	1,045	819	1,212
Complaints **closed** at Investigation as a percentage of all complaints	13.2%	13.2%	13.2%
Number of complaints **closed** at Investigation after escalation	3	81	60
Complaints **closed** at Investigation after escalation as a percentage of all complaints	0.03%	1.31%	0.6%

Average time in working days for a full response to complaints at each stage	2019/20	2020/21	2021/22
Average time in working days to respond to complaints at Frontline Response	3.3 *	10	5.0
Average time in working days to respond to complaints at Investigation	13.3*	15	16.5
Average time in working days to respond to complaints after escalation	11 *	10	9.2

Data excludes Environment & infrastructure and Children's Services, who used a different complaint system before 2020/21.

Percentage of complaints at each stage which were responded to in full within the set timescales	2019/20	2020/21	2021/22
Complaints closed at Frontline Response within 5 working days as a percentage of the total number of Frontline Response complaints	72%	73%	80.6%
Complaints closed at Investigation within 20 working days as a percentage of total number of Investigation complaints	87%	74.8%	76.7%

Number and percentage of complaints where an extension to the timescale has been authorised	2019/20	2020/21	2021/22
Complaints closed at Frontline Response where extension was authorised, as a percentage of all complaints at Frontline Response	0.0%*	0.0%	0.0%
Complaints closed at Investigation where extension was authorised, as a percentage of all complaints closed at Investigation	0.03% *	8.96%	4.89%

Data excludes Environment & infrastructure and Children's Services, who used a different complaint system before 2020/21.

Renfrewshire
Council

_____

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

On: **14th November 2022**

_____

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

_____

Heading: **Absence Statistics – Quarter 2 of 22/23.**

_____

1. Summary

1.1 The purpose of this report is to provide the Audit, Risk and Scrutiny Board with the absence information for the period 1st July to 30th September 2022.

1.2 During the period, hybrid working and working from home continue to reduce the opportunity for transmission, particularly as a result of not having to commute. Longer term absences continue to be exasperated due to lengthier treatment and medical intervention waiting times.

1.3 The report details the absence statistics by service and by category of staff. 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.

2. Recommendations

2.1 It is recommended that the Board notes the content of this report.

_____

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

1

action plans.

4. Sickness absence statistics for quarter 2 - 1st July 2022 to 30th September 2022.

4.1 A comparison of the council overall absence performance for the quarter (Q2) with the same quarter in 2021 is detailed in table 1. Table 2 details services performance. 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 and has covid absence removed.

Table 1 Council performance – Q2

Employee Group	Quarter Ending September 2021	Quarter Ending September 2022	Variance +/- year on year
Local Government	3.59	3.80	+0.21 ⬆
Teachers	1.01	0.80	-0.21 ⬇
Council Overall	2.93	3.02	+0.09 ⬆

4.2 Service performance for Q2 is detailed below.

Table 2

Service	Quarter Ending September 2021	Quarter Ending September 2022	Variance +/- year on year
Chief Executives	1.34	1.00	-0.34 ⬇
Childrens Services	1.97	2.05	+0.08 ⬆
Communities and Housing Services	2.56	4.40	+1.84 ⬆
Environment and Infrastructure	3.82	3.56	-0.26 ⬇
Finance & Resource Services	1.51	2.43	+0.92 ⬆
Renfrewshire Health and Social Care Partnership	5.23	6.50	+1.27 ⬆
Council Overall	2.93	3.02	+0.09 ⬆
Council Overall Target	2.10	2.10	n/a

5. Sickness absence targets analysis for Quarter 2.

5.1 The local government employee absence level of 3.80 days lost per FTE employee is **1.70 days above** the council target of 2.10 days.

5.2 In addition, the teacher absence level of 0.80 days lost per FTE employee is **0.74 days below** the council target of 1.54 days.

2

5.3   The council has recorded an overall absence rate of 3.02 days lost per FTE employee, which is **0.92 days above** the council target of 2.10 days.

6.   Sickness absence reasons and related support measures during Quarter 2.

6.1   The main sickness absence reasons, and their total of the overall absences expressed as a percentage, across the council, during this quarter were:
- Psychological   30%
- Respiratory   25%
- Muscoskeletal 19.9%
- Stomach/bowel/blood and metabolic disorders   11.6%

6.2   To support employees with psychological absences, the council provides a range of support services that employees can be referred to at an early stage for assistance, such as the council's Occupational Health Service and the Time for Talking employee counselling service.

6.3   The Time for Talking (TFT) counselling service provides 24-hour confidential support to employees with a range of personal health and well-being issues. It operates a flexible approach to appointments offering telephone consultations in the early mornings or evenings as well as throughout the day.

6.4   **178** sessions were offered by TFT during quarter 2 which resulted in 143 sessions being attended. 87% of the staff attending felt significantly better after their sessions. The main presenting issues are detailed below:

Personal
Stress/anxiety/depression
Family Relationships
Change

Work & Personal
Stress/anxiety

Work related
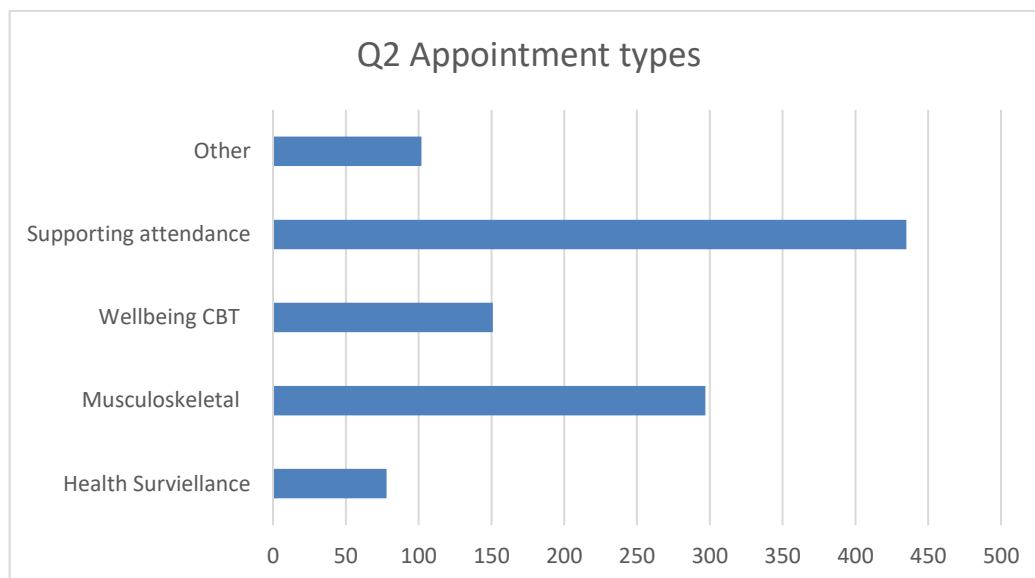Role (the understanding of)
Change
Demands

6.5   Stress risk assessments are undertaken to support employees who have identified stress as having an impact on their wellbeing. An action plan is agreed and undertaken at a local level with the specialist support from HR and OD.

6.6   HR and OD work in collaboration with NHS colleagues, to offer safeTalk and ASIST courses on suicide awareness and prevention as well as anxiety awareness courses. We also promote the "Doing Well" service which supports employees with depression and low moods.

6.7   The Physiotherapy service supports employees with Muscoskeletal and Joint Disorder conditions through the council's Occupational Health Service. The

3

service has continued to be provided throughout the quarter using secure face to face appointments, video conferencing and telephone consultations.

6.8 The council's usage of the Occupational Health Service (OHS) for Q2 was **990** appointments. OHS provides advice and guidance on the impact of ill health on work and what steps the council and/or the employee may make in order to secure a return to work. The main appointment types are detailed in the chart below:

Q2 Appointment types

Appointment type	Value (approx)
Other	~100
Supporting attendance	~435
Wellbeing CBT	~150
Musculoskeletal	~295
Health Surviellance	~75

7. Measures to support attendance at work

7.1 A number of measures continue to be progressed to support attendance at work, include the following: -

- The dedicated absence review group, chaired by the Head of People and OD continues to review the current supporting attendance policies and processes, covering all employees, including teachers.
  The key actions progressed so far have been checking the thinking on our policies which has led to a revise absence policy which is currently in draft and looking at other councils and organisations for benchmarking and best practice.

- HR and OD and the Business World Team are working to improve the absence information available to managers, and to streamline supporting attendance related processes that will facilitate a singular, prompt absence reporting and recording across the council. This is also being supported by colleagues from the project management team.

- In collaboration with the communications and marketing service, regular information and guidance continues to be issued, particularly around well-being issues. The latest campaigns focussed on mental health at our frontline waste services.

- We have started redesigning the current supporting attendance training courses, ensuring managers are fully equipped to manage staff absence and take accountability for their absence statistics.

4

- We will closely manage our OH providers in the new contract provision. We will ensure that we continue to fully utilise all the available resource to support our staff who are off sick as well as those who are returning back to the workplace either with an ongoing condition or are in recovery. We will also be looking to introduce some new and innovative ways to support attendance.

- We have started to link the supporting attendance measures to our Health and Wellbeing Strategy development.

- As part of the council's health and safety management system, occupations which include manual handling activities as part of the role, require task risk assessments. These risk assessments are reviewed on an ongoing basis to ensure that safe working practices are maintained.

- We are currently reviewing all our statutory and mandatory training courses. Included in the review is the suitability of the moving and handling training courses for people movement and manual handling training for objects.

_____

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.

5

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

13.   **Climate Risk** - none

_____

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.

6